

Fund Transfers Public Hearing

- New Requirement this year

Nutshell explanation—

- The City provides basic services of water, sewer, storm drainage, street lighting to all residents, business **and City owned properties.**
- The cost of supplying these services to City properties is included in the utility rates.
- The State Auditor recently has required the Cities to charge themselves the retail rate of these services and pay for these services from the general fund.
- To pay from the general fund the City has three choices 1) raise taxes, 2) cut services or 3) transfer funds
- The City has opted to transfer funds from the utilities since the cost of servicing City owned property is already encompassed in the utility rates.

How this works

- The General Fund pays the utility funds for the services provided as follows:
- Payment for Water for parks, cemetery, and internal building usage \$900,000
- Sewage charge \$16,000
- Storm Water fee \$130,000
- Street lighting \$15,000

The Transfer

Transfer From	Transfer to	Transfer Amount	% of Total Enterprise Fund Expenditures
Water Fund	General Fund	\$900,000	4.9%
Sewer	General Fund	\$16,000	0.2%
Storm Water	General Fund	\$130,000	2.8%
Street Lighting	General Fund	\$15,000	0.9%
Total		\$1,061,000	

- The General Fund pays the utilities. Through a transfer the same amount of money is sent back to the General Fund.
- The end result is the same services are provided for the same fee and taxes remain low and no services are cut.