



## Office of the Finance Director/Treasurer

**To:** Mayor Welch, Common Council Members, Finance Committee  
**From:** Dan Nelson, Finance Director/Treasurer  
**Date:** April 19, 2016  
**Subject:** Discussion and possible action regarding the transfer of \$40,687 from the Debt Service Fund to General Fund retroactively to December 31, 2015.

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### Summary

At the end of 2015, there is a fund balance of \$40,687 in the debt service fund. This has been carried over for several years and in order to increase the Unassigned Fund Balance in the 2015 financial statements, staff is recommending transferring that balance to the general fund retroactively on December 31, 2015. Typically the fund balance in the debt service should be at zero, the accumulated balance has occurred because of the Fire Department's repayment to the City through the "Debt Service" fund.

This will increase the City's unassigned fund balance to \$943,265, which is 20.50% of 2016 budgeted expenditures. The fund balance declined as a result of assigning \$165,000 for post-employment health insurance payments for those non-represented employees hired prior to 2008. In 2015, \$100,000 of fund balance was used to pay off capital leases in order to save interest costs. That amount will be replaced in during budget years 2016 and 2017 in the amounts of \$65,000 and \$35,000 respectively.

### Recommendation

Approve the transfer of \$40,687 from the Debt Service Fund to General Fund retroactively to December 31, 2015.