

Watertown City Council

January 24, 2023

Agenda Item: Annual Utility Fund Transfers - Discussion**Request for Action:** To discuss retroactively stopping the planned 2022 annual capital utility fund contribution transfers into the 402: General Utility Capital Fund.**Employee/Dept.:** Maggie Reisdorf, Administrative Services Director**Background:**

Historically, the City of Watertown plans for the transfer of enterprise funds from the water, sewer, and storm funds into the general utility capital fund.

It has been recommended by the city's financial advisor that the general utility capital fund be closed, and that the balance within the 402 fund be distributed back into separate water, sewer, and storm capital accounts. It is also recommended that in the future, that these amounts be transferred within each respective enterprise fund to build up capital funds separately.

The following transfers were planned for 2022 into the 402: General Utility Capital Fund. Staff is recommending that the planned 2022 transfer be stopped and instead transferred into the respective and separate enterprise capital account.

Planned 2022 Transfers to Stop:

Water Fund to General Utility Capital Fund - \$200,000.00

Sewer Fund to General Utility Capital Fund - \$200,000.00

Storm Sewer Fund to General Utility Capital Fund - \$50,000.00

Transfer Recommendation:

Water Fund to Water Utility Capital Fund - \$200,000.00

Sewer Fund to Sewer Utility Capital Fund - \$200,000.00

Storm Sewer Fund to Storm Sewer Utility Capital Fund - \$50,000.00

Recommendation:

The Administrative Services Director is recommending that the City Council consider Resolution #2023-05 that would approve not making to planned transfer for 2022 and approve the recommended transfer (above) instead.

Motion Type:

Simple majority vote of members present.

Requested Action/Motion:

"I make a motion to adopt Resolution #2023-05 approving to retroactively stop the planned 2022 annual capital utility fund contribution transfers and approving the recommended transfer instead".

Attachments:

Resolution #2023-05

CITY OF WATERTOWN

RESOLUTION #2023-05 APPROVING TO RETROACTIVELY STOP THE PLANNED 2022 ANNUAL CAPITAL UTILITY FUND CONTRIBUTION TRANSFERS INTO THE 402: GENERAL UTILITY CAPITAL FUND

WHEREAS, per Resolution #2023-04 the City has the approved to close the 402: General Utility Capital Fund and transfer the monetary balance of predetermined amounts into the separate water, sewer, and storm sewer capital fund accounts.

Close fund	Transfer Into fund
General Utility Capital Fund	Water Capital Fund
	Sewer Capital Fund
	Storm Sewer Capital Fund

WHEREAS, the closing of the General Capital Utility Account was recommended by the City’s Financial Advisor citing that it has served its purpose and it has been recommended that the City maintain separate utility capital accounts for water, sewer and stormwater instead of a joint account.

WHEREAS, as part of the approved 2022 enterprise budgets, the following transfers were planned:

- Water Fund: \$200,000 into 402: General Utility Capital Fund.
- Sewer Fund: \$200,000 into 402: General Utility Capital Fund.
- Storm Sewer Fund: \$50,000 into 402: General Utility Capital Fund

WHEREAS, the following transfers are being approved:

- Water Fund: \$200,000 into Water Utility Capital Fund.
- Sewer Fund: \$200,000 into Sewer Utility Capital Fund.
- Storm Sewer Fund: \$50,000 into Storm Sewer Utility Capital Fund

WHEREAS, these transfers are generally performed at the end of the calendar year and due to internal review and the Financial Advisor recommendation to close the 402: General Utility Capital Fund, staff is recommending that the transfers be stopped as the account will be closing. The funds will instead be transferred within the respective department’s capital fund.

NOW, THEREFORE, BE IT RESOLVED, by the City Council that the planned 2022 Annual Capital utility fund contribution transfers be stopped from the planned transfer and subsequently stay within the respective department’s capital fund.

Adopted by the City Council on this 24th day of January 2023.

Michael Walters, Mayor

Margaret Reisdorf, Administrative Services Director