Wayzata City Council Workshop Meeting Agenda
Wayzata City Hall Community Room, 600 Rice Street
Tuesday, April 4, 2017

WORKSHOP TOPIC FOR DISCUSSION:

City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Date: March 29, 2017

To: The Honorable Mayor and Members of the City Council

From: Jeffrey Dahl, City Manager

Subject: Review of Long Term Financial Management Plan and 2016 Excess Fund Transfer

Background
Typically, the Long Term Financial Management Plan (LTFMP) is updated during the budget process along with the CIP in the fall. This was not done in 2016.

For years with any excess fund transfers, the Council typically approves the transfers through resolution.

Update
The City's Consultant Finance Director, Steve McDonald will be going over the two attached memos:

1. Updated LTFMP; and
2. Preliminary 2016 Excess Fund Transfers.

The review and acceptance of the updated LTFMP will be considered at the April 4, 2017 regular meeting. Regarding the 2016 Excess Fund Transfers, staff wanted to give the Council a preview of what will likely be considered at the April 18, 2017 meeting along with the updated CIP.

Overall, $1,365,059 can be transferred as a result of 2016 General Fund, Licensing, and Muni operations. Of this amount, $499,000 has already been allocated for the parking ramp and $130,000 has been allocated to the Bushaway Landscaping Project (see page 3 of memo), leaving $736,059 unallocated and available to be transferred.

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City of Wayzata
600 Rice Street
Wayzata, MN 55391-1734

Date:	March 8, 2017
To:	Mayor Willcox and Councilmembers
From:	Jeff Dahl, City Manager Steve McDonald, Contracted Finance Director
Subject:	Long-term Financial Plan

Introduction

As discussed in prior communications to the City Council, we have been preparing a long-term plan for the City that is intended to give an overall view of the financial status now and five years from now. We have measured and projected operations, capital and debt for the City based on assumptions made by management. The documents are organized as follows:

The City's assumptions made are as follows:

Assumptions

- Normal operating expenses will increase by a three percent inflation rate.
- The General fund tax levy increase is approximately three percent and relates to the expense inflation.
- There is no projected growth from new housing.
- The Capital Improvement funds have been scheduled as previously presented to City Council
- The monopole project is assumed to be financed with internal funds

Key highlights

- The General fund maintains adequate working capital reserves throughout the life of the projection.

- The overall City tax rate projects to remain within a percentage point of the currently estimated 23.35 percent rate for the remainder of the projection. Wayzata compares very favorably to comparable cities and Hennepin County averages.

- The largest non-recurring project is the municipal ramp. The total cost programmed is $10.8 million and the majority of the debt service is assumed to be funded by available funds within an existing TIF district. There is no annual general property tax levy assumed.

- Overall cash reserves fluctuate between $10 million and are around $15 million over life of the projection. The City has designated uses for nearly all funds of the City. The following funds have projected large decreases due to capital projects. It will be important to continue the existing process of prioritizing projects.

    - The Parks and Trails capital projects fund has a projected deficit in 2021.

    - General Improvement capital projects drops until 2020 but increases in 2021.

    - The Water enterprise fund has a stable balance for 2017 to 2020 but the balance declines due to capital projects in 2021.

    - The Sewer enterprise fund has deficit balance projected in 2020 and 2021 due to capital projects.

    - The Stormwater fund has deficits in 2017 and 2018 projected.

- The Liquor fund has completed a business plan including financial projections that show positive cash flow and positive net income. This long-term plan does not show an allocation of the profits above the amount needed for working capital since that allocation will be determined by council direction.

- There is no new debt assumed after the 2016 Municipal Ramp bond.

CITY OF WAYZATA
SCHEDULE OF ANNUAL FUND CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2014 TO 2016 (ACTUAL) AND 2017 TO 2021 (PROJECTED)

		2014 Actual Amounts	2015 Actual Amounts	2016 Actual Amounts	2017 Estimated Amounts	2018 Estimated Amounts	2019 Estimated Amounts	2020 Estimated Amounts	2021 Estimated Amounts	Trend
GOVERNMENT-TYPE										
General Operations										
101	General	$ 2,549,327	$ 2,511,386	$ 3,314,792	$ 3,314,792	$ 3,314,792	$ 3,314,792	$ 3,314,792	$ 3,314,792	
Special Revenue										
232	Cemetery	$ 45,509	$ 47,523	$ 47,623	$ 8,682	$ 8,769	$ 8,857	$ 8,946	$ 9,035	
235	Cable TV	51,294	45,935	35,476	35,587	35,702	35,821	35,943	36,067	
236/240	Police Forfeiture	9,344	19,556	104,502	105,547	106,603	107,669	108,745	109,833	
239	Comprehensive Plan	103,310	120,763	141,327	142,740	144,168	145,609	147,065	148,536	
	Subtotal	209,457	233,777	328,928	292,557	295,241	297,956	300,699	303,471	
Debt Service										
310	Superior/Lake Realignment	$ 151,828	$ 200,092	$ 246,260	$ 246,260	$ 246,260	$ 246,260	$ 246,260	$ 246,260	
311	2009 Street Improvements	15,505	17,161	18,888	20,566	22,214	23,833	25,670	27,465	
315	Big Woods	173,016	180,970	191,881	203,018	214,213	225,460	236,999	248,819	
317	Parking Ramp assumed	-	-	98,312	0	(0)	285,652	317,012	354,286	
	Subtotal	340,349	398,223	555,342	469,844	482,687	781,205	825,941	876,830	
Capital Projects										
237	Fire Department Pull Tabs	91,117	53,976	105,684	106,741	107,808	108,886	109,975	111,075	
401	Parking Ramp	284,321	732,192	9,258,397	-	-	-	-	-	
425	Public Works Building	-	-	-	-	-	-	-	-	
233	Lakefront Improvement	999,287	838,032	360,543	416,515	529,407	649,090	619,624	752,048	
404	Parks and Trails Capital Projects	1,097,009	1,028,611	948,316	791,154	509,336	449,771	135,128	(15,313)	
408	General Improvement Capital Projects	1,632,433	1,486,077	1,000,306	845,708	707,533	540,933	268,442	401,754	
407	Telecom	129,140	475,776	421,114	346,392	411,428	415,542	419,698	423,895	
409	Equipment Revolving	1,464,071	1,615,809	1,545,549	500,521	867,034	1,175,462	1,535,747	1,551,104	
430	Street Improvements	2,334,327	1,715,324	1,520,698	620,286	161,554	547,414	784,636	1,061,980	
437	Community Room/Library Improvement	423,134	431,922	310,324	523,360	489,830	553,659	525,323	593,095	
	Subtotal	8,454,839	8,377,719	15,470,931	4,150,677	3,783,931	4,440,757	4,398,573	4,879,638	
	Total - Governmental-type Funds	$ 11,553,972	$ 11,521,105	$ 19,669,993	$ 8,227,870	$ 7,876,651	$ 8,834,709	$ 8,840,005	$ 9,374,731	

CITY OF WAYZATA

SCHEDULE OF ANNUAL FUND CASH BALANCES - CONTINUED

FOR THE YEARS ENDED DECEMBER 31, 2014 TO 2016 (ACTUAL) AND 2017 TO 2021 (PROJECTED)

	2014 Actual Amounts	2015 Actual Amounts	2016 Actual Amounts	2017 Estimated Amounts	2018 Estimated Amounts	2019 Estimated Amounts	2020 Estimated Amounts	2021 Estimated Amounts	Trend
BUSINESS-TYPE									
Enterprise Funds									
610 Water	$ 4,158,092	$ 3,939,867	$ 2,498,868	$ 1,991,947	$ 1,371,398	$ 1,405,234	$ 1,426,998	$ 697,085	
620 Sewer	1,196,867	770,506	701,153	411,206	377,361	305,549	(189,523)	(310,041)	
630 Licensing	22,684	55,301	224,920	343,119	464,515	589,198	717,262	848,820	
640 Liquor	690,665	829,931	1,162,771	1,274,648	1,357,610	1,518,789	1,691,065	1,657,610	
650 Solid Waste	240,155	229,461	226,563	229,258	232,034	234,893	237,838	240,872	
670 Stormwater	659,011	445,510	573,921	(328,500)	(203,061)	82,231	293,095	595,647	
Total - Business-type Funds	$ 6,967,474	$ 6,270,576	$ 5,388,196	$ 3,921,678	$ 3,599,857	$ 4,135,893	$ 4,176,736	$ 3,729,993	
COMPONENT UNIT									
Discretely Presented									
304 Central Area Tax Increment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
314 Widsten Tax Increment	680,318	762,905	7	7	7	7	7	7	
316 Bay Center Tax Increment	(21,049)	451,816	741,898	838,442	939,407	1,044,970	1,155,317	1,155,317	
440 Housing	347,823	285,626	28,844	28,844	28,844	28,844	28,844	28,844	
Total - Component Unit Funds	$ 1,007,092	$ 1,500,347	$ 770,749	$ 867,293	$ 968,258	$ 1,073,821	$ 1,184,168	$ 1,184,168	
Grand Total - City	$ 19,528,538	$ 19,292,028	$ 25,828,938	$ 13,016,840	$ 12,444,766	$ 14,044,423	$ 14,200,908	$ 14,288,892	

CITY OF WAYZATA

SCHEDULE OF PROPERTY TAXES LEVIED AND TAX RATES

FOR THE YEARS ENDED DECEMBER 31, 2014 TO 2016 (ACTUAL) AND 2017 TO 2021 (ESTIMATED)

		2014	2015	2016	2017	2018	2019	2020	2021
		Actual Amounts	Actual Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts	Estimated Amounts
Property Taxes Levied for General Purposes									
101	General Fund	$ 3,845,723	$ 3,926,983	$ 4,056,795	$ 4,155,216	$ 4,178,496	$ 4,303,849	$ 4,432,961	$ 4,565,952
Property Taxes Levied for Debt Service									
311	Public Facilities Authority Notes, Series 2000-A and 2000-B	$ 35,603	$ 34,815	$ 34,028	$ 33,240	$ 32,453	$ 31,665	$ 36,075	$ 35,004
315	G.O. Improvement Bond, Series 2005-A	211,050	213,150	213,518	213,728	213,780	213,675	218,663	223,335
3XX	Parking Ramp								
430	City Infrastructure	210,000	210,000	210,000	210,000	216,300	222,789	229,473	236,357
	Subtotal	456,653	457,965	457,546	456,968	462,533	468,129	484,211	494,696
	Certified Levy	4,302,376	4,384,948	4,514,341	4,612,184	4,641,029	4,771,978	4,917,172	5,060,648
	Fiscal Disparity Distribution Levy	26,850	32,602	36,870	37,976	39,115	40,289	41,498	42,742
	Local Levy	$ 4,275,526	$ 4,352,346	$ 4,477,471	$ 4,574,208	$ 4,601,914	$ 4,731,689	$ 4,875,674	$ 5,017,905
Tax Capacity									
	Personal and Real Estate - Hennepin County	$ 18,098,220	$ 19,736,734	$ 21,499,392	$ 23,542,240	$ 24,248,507	$ 24,975,962	$ 25,725,241	$ 26,496,999
	Assumed new growth	-	-	-	-	-	-	-	-
	Less: Contribution to fiscal disparities	(2,236,291)	(2,323,506)	(2,333,376)	(2,356,572)	(2,427,269)	(2,500,087)	(2,575,090)	(2,652,343)
	Less: Tax Increment	(413,582)	(1,309,643)	(1,050,000)	(2,505,394)	(2,580,556)	(2,657,972)	(2,737,712)	(2,819,843)
	Tax capacity used for local rate	15,448,347	16,103,585	18,116,016	18,680,274	19,240,682	19,817,903	20,412,440	21,024,813
	Add: Distribution from fiscal disparities	103,190	123,909	127,626	150,298	154,807	159,451	164,235	169,162
	Adjusted net tax capacity	$ 15,551,537	$ 16,227,494	$ 18,243,642	$ 18,830,572	$ 19,395,489	$ 19,977,354	$ 20,576,674	$ 21,193,975
Tax Rates									
	General	24.74%	23.51%	22.21%	21.03%	20.53%	20.56%	20.57%	20.58%
	Scheduled debt levies	2.94%	2.74%	2.51%	1.23%	2.27%	2.24%	2.25%	2.23%
	Proposed debt levies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Total Direct Tax Rate (factors Fiscal Disparities not reflected in tax	27.68%	26.25%	24.72%	23.34%	22.81%	22.80%	22.81%	22.80%
	Population	4,476	4,476	4,476	4,476	4,476	4,476	4,476	4,476
	Taxes per Capita	$ 961	$ 980	$ 1,009	$ 1,030	$ 1,037	$ 1,066	$ 1,099	$ 1,131
	Median Home Value (Jan 2)	$ 457,000	$ 444,000	$ 475,000	$ 503,500	$ 508,535	$ 513,620	$ 518,757	$ 523,944
	Median Home Taxes (from city)	1,265	1,166	1,174	1,175	1,160	1,171	1,184	1,195
	% change from prior year $'s	11.49%	-7.84%	0.72%	0.11%	-1.32%	0.96%	1.08%	0.95%
	Tax Capacity Growth Rates	0.95%	4.35%	12.42%	3.22%	3.00%	3.00%	3.00%	3.00%
	Budget Growth Rates	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

CITY OF WAYZATA, MINNESOTA
OUTSTANDING DEBT SCHEDULE
FOR THE YEARS ENDED DECEMBER 31, 2014 TO 2016 (ACTUAL) AND 2017 TO 2021 (ESTIMATED)

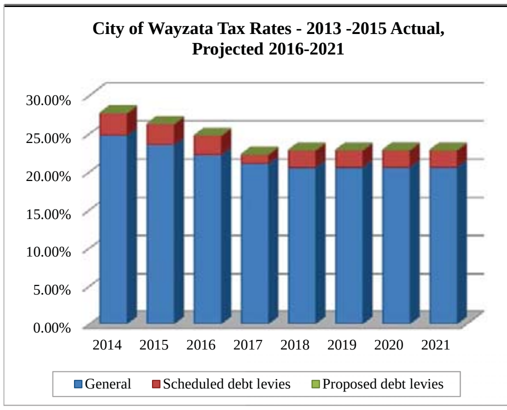
Fund	Issue	Original Issue	Issue Date	Maturity Date	Interest Rate	2014 Actual Balance	2015 Actual Balance	2016 Estimated Balance	2017 Estimated Balance	2018 Estimated Balance	2019 Estimated Balance	2020 Estimated Balance	2021 Estimated Balance
GOVERNMENT-TYPE													
General Obligation Bonds													
315	2004A/2012A (refunding) Big Woods Referendum	$3,135,000 orig $1,925,000 ref	09/05/2012	12/01/2023	2.00 - 3.00 %	$ 1,600,000	$ 1,445,000	$ 1,285,000	$ 1,120,000	$ 950,000	$ 775,000	$ 590,000	$ 395,000
311	G.O. Street Reconstruction Bonds, Series 2009B	370,000	05/19/2009	12/01/2023	3.00 - 3.875	245,000	220,000	195,000	170,000	145,000	120,000	90,000	60,000
310	G.O. Improvement Bonds, Series 2010A	2,695,000	09/01/2010	12/01/2030	3.00 - 3.50	2,560,000	2,430,000	2,300,000	2,165,000	2,025,000	1,880,000	1,730,000	1,580,000
	TOTAL GOVERNMENT-TYPE BONDS					4,405,000	4,095,000	3,780,000	3,455,000	3,120,000	2,775,000	2,410,000	2,035,000
BUSINESS-TYPE													
Revenue Bonds													
405	G.O. Water Revenue Bonds, Series 2009A	3,870,000	05/19/2009	12/01/2031	2.00 - 4.375	3,420,000	3,270,000	3,115,000	2,960,000	2,800,000	2,630,000	2,455,000	2,275,000
General Obligation Bonds													
410	G.O. Liquor Store Bonds, Series 2011A	3,375,000	03/01/2011	12/01/2035	2.00 - 4.40	3,175,000	3,075,000	2,970,000	2,860,000	2,750,000	2,635,000	2,515,000	2,390,000
405	G.O. Special Assessment Bonds, Series 2012B	1,520,000	09/05/2012	12/01/2032	2.00 - 3.00	1,400,000	1,335,000	1,270,000	1,205,000	1,135,000	1,065,000	995,000	925,000
406	G.O. Special Assessment Bonds, Series 2012C	545,000	09/05/2012	12/01/2027	2.00 - 3.00	510,000	475,000	440,000	405,000	370,000	335,000	295,000	255,000
	TOTAL BUSINESS-TYPE					8,505,000	8,155,000	7,795,000	7,430,000	7,055,000	6,665,000	6,260,000	5,845,000
	TOTAL PRIMARY GOVERNMENT					$12,910,000	$ 12,250,000	$ 11,575,000	$ 10,885,000	$ 10,175,000	$ 9,440,000	$ 8,670,000	$ 7,880,000
COMPONENT UNIT													
G.O. Tax Increment													
314	2010B Refunding Tax Increment Bonds	1,265,000	09/01/2010	12/01/2015	2.00	$ 270,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3xx	2016 G.O. TIF - Parking Ramp	-	06/01/2016	12/01/2035	3.06	-	-	7,725,000	7,725,000	7,725,000	7,725,000	7,460,000	7,190,000
	TOTAL COMPONENT UNIT					$ 270,000	$ -	$ 7,725,000	$ 7,725,000	$ 7,725,000	$ 7,725,000	$ 7,460,000	$ 7,190,000
	TOTAL ALL FUNDS					$13,180,000	$ 12,250,000	$ 19,300,000	$ 18,610,000	$ 17,900,000	$ 17,165,000	$ 16,130,000	$ 15,070,000

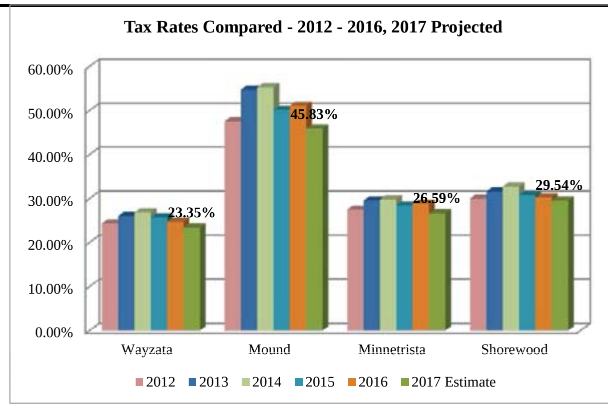
CITY OF WAYZATA, MINNESOTA
CAPITAL IMPROVEMENT PLAN
PROPOSED CAPITAL IMPROVEMENT PROJECTS FOR 2016 TO 2021

		2016	2017	2018	2019	2020	2021	Total
General Fund	**408**	$ 811,200	$ 428,500	$ 501,400	$ 528,400	$ 632,200	$ 225,800	$ 3,127,500
Streets Fund	**430**	1,074,200	992,160	968,100	163,700	319,000	284,500	3,801,660
Parks and Trails Improvement Fund	**404**	121,200	64,800	295,750	71,800	325,015	158,500	1,037,065
Lakefront Improvement Fund	**233**	411,900	120,100	-	-	155,400	-	687,400
Equipment	**409**	792,889	1,472,287	355,613	247,162	323,658	-	3,191,609
Stormwater Improvement Fund	**670**	25,000	1,286,800	153,000	-	81,900	-	1,546,700
Water Improvement Fund	**610**	1,499,200	144,600	646,700	-	-	736,200	3,026,700
Sewer Improvement Fund	**620**	239,900	123,600	16,000	40,500	447,400	57,800	925,200
Liquor Enterprise Fund	**640**	116,400	-	72,300	-	-	213,100	401,800
Library Fund	**437**	26,000	-	95,500	-	94,100	-	215,600
Cemetery Fund	**232**	-	39,400	-	-	-	-	39,400
Telecom Fund	**232**	61,900	434,100	-	-	-	-	496,000
Downtown Parking District Fund	**401**	85,000	11,369,100	242,300	102,000	105,000	107,900	12,011,300
Total		$ 5,264,789	$ 16,475,447	$ 3,346,663	$ 1,153,562	$ 2,483,673	$ 1,783,800	$ 30,507,934

Fund		Percent of total capital - Next 5 years
General Fund	**408**	26.4%
Streets Fund	**430**	32.1%
Parks and Trails Improvement Fund	**404**	8.8%
Lakefront Improvement Fund	**233**	5.8%
Equipment	**409**	26.9%
Total		100.0%
		$ 11,845,234

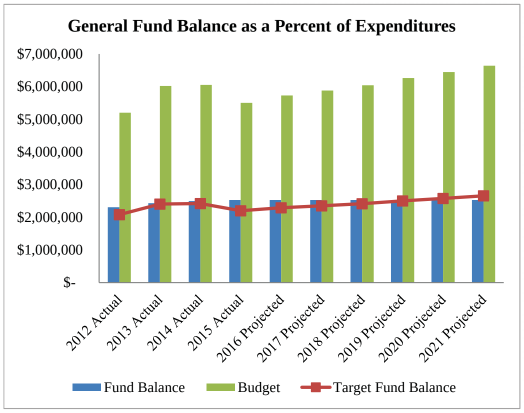
Tax Rates

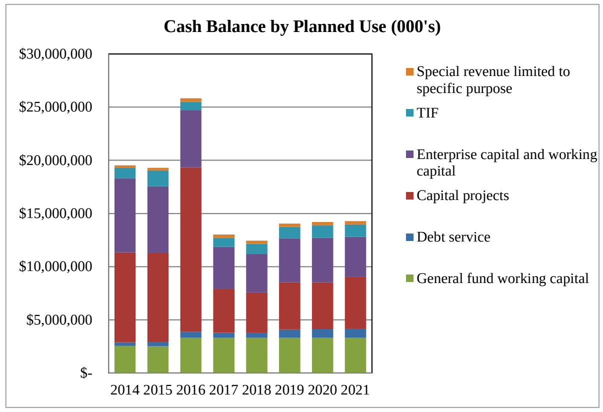




Tax Rates:
Tax rates are a function of the levy and total tax base. The city tax rate is computed by dividing the city levy by the taxable tax capacity. The City has a goal of maintaining a consistent tax levy. Comparable communities are provided for reference.

General Fund Operations and All Funds Cash Balances



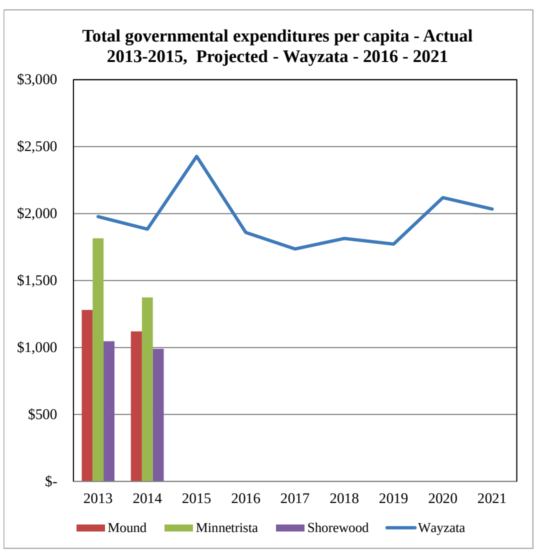


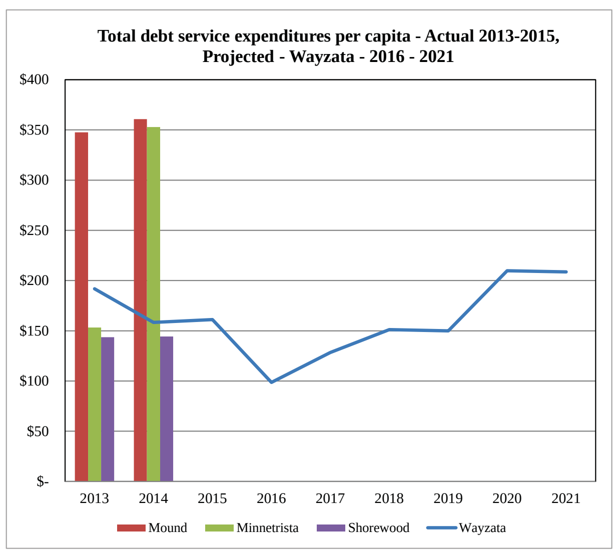
General Fund Balance as a Percent of Expenditures:

The General fund balance should be maintained at a level to provide for adequate working capital reserves. Typically a 50% reserve is a sufficient target and that appears to be an adequate target for Wayzata based on revenue and expenditure patterns. The City can build to this target by adding to contingency each year. This can be accomplished by reducing expenditures and maintaining the same level of revenue or increasing tax levy.

Cash Balance by Planned Use (000's):
The balances represented in this graph are categorized by the planned use and/or limitations determined by statute.

Governmental Fund Operations

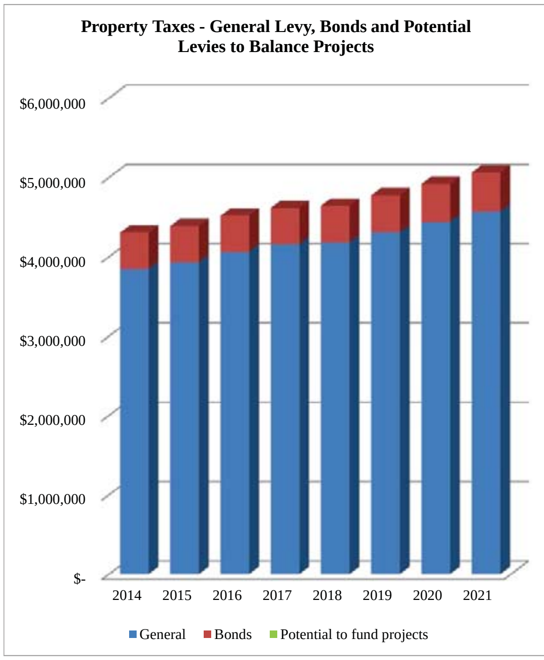


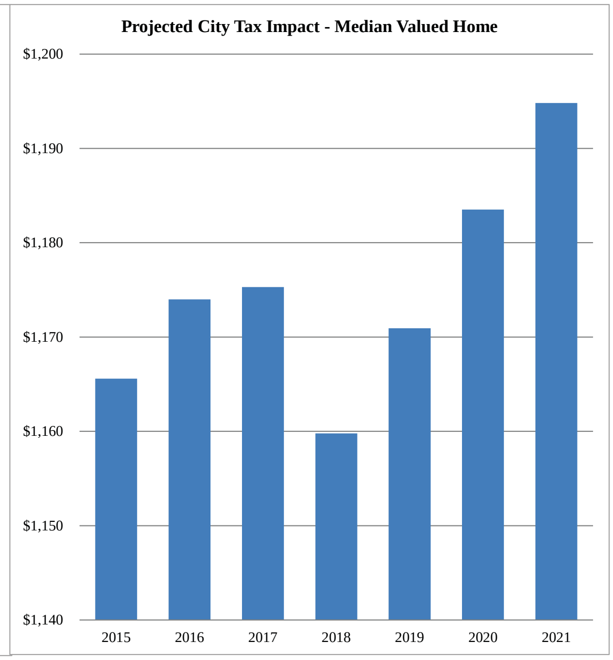


Governmental Expenditures per Capita (Funding Ratio)
This dollar amount is arrived at by dividing the total governmental expenditures by the population of the City and represents the amount of general fund expenditures for each citizen of the City during the year. Since this is generally based on all governmental expenditures, we would expect some fluctuation of results due to timing of capital projects.

Debt Service Expenditures per Capita (Funding Ratio)
This dollar amount is arrived at by dividing the total debt service expenditures by the population of the City and represents the amount of debt service for each citizen of the City during the year. Debt service is also a component of the governmental expenditures.

Property Taxes by Type





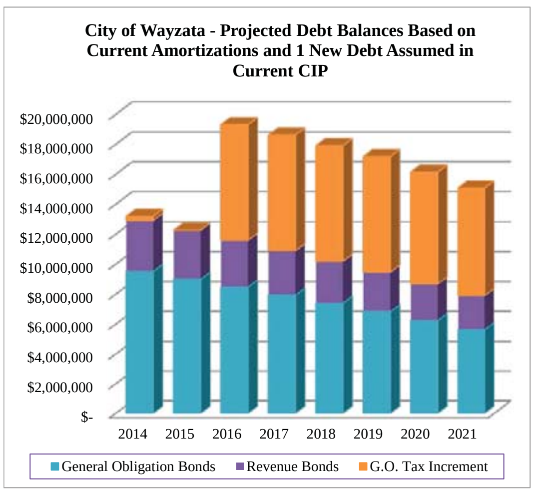
Percent of Property Taxes - General Levy and Bonds

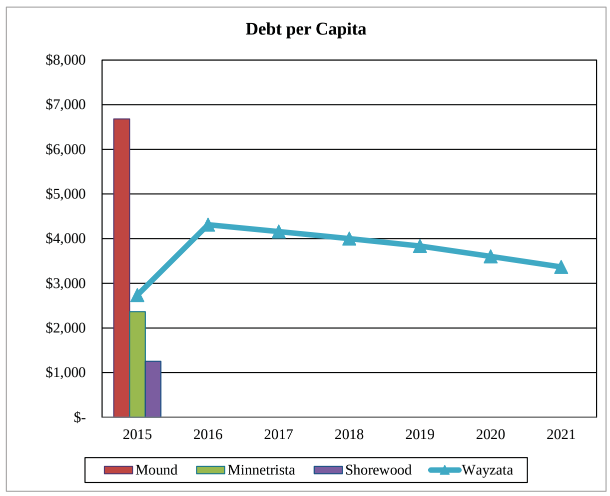
This graph highlights the percent of levy by planned use. It is notable that 10% of the levy is allocated to debt in 2016.

Projected City Tax Impact - 2016 $475,000 home; 2017 $500,000

The overall property tax levy for an average valued house is highlighted above

Debt

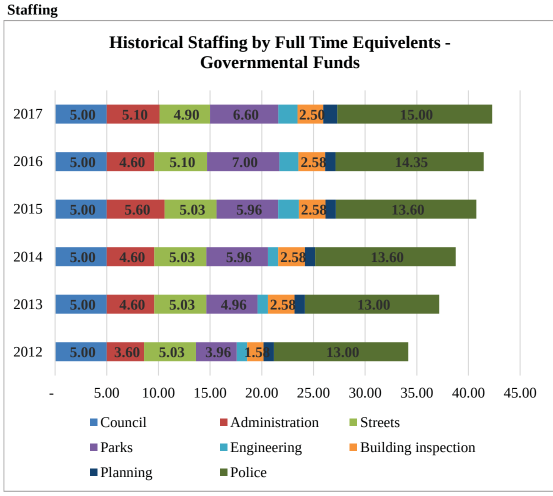


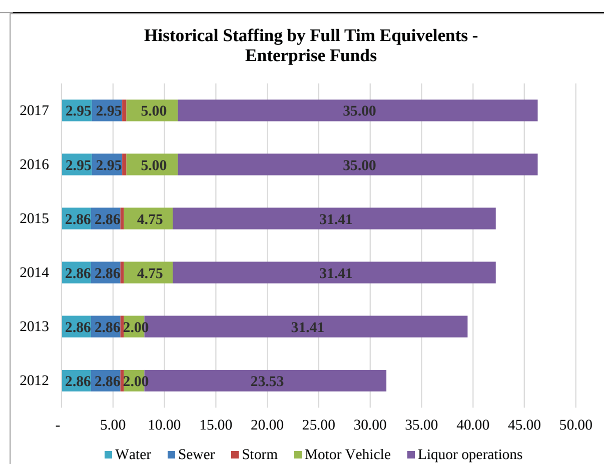


Debt Balances

The large increase in debt was due to the issuance of the parking ramp bonds which will be funded with tax increment. TThis contributes to a higher debt per capita number than comparable cities.

Staffing





Staffing

The historical staffing levels for the previous five years and the current year budget are included above.

ABDO EICK & MEYERS LLP
AEM Financial Solutions™

February 15, 2017
Updated March 29, 2017

MEMORANDUM

To: Jeff Dahl, City Manager
From: Steve McDonald, City Contracted Finance Director

Re: Preliminary excess fund balance

Background

The City fund balance policy authorizes transferring amounts deemed excess reserves in the General and Licensing Funds to certain capital funds. This fund balance policy identified the intended funds and process to transfer the excess reserves. Additionally, cash has been evaluated within the Municipal Liquor fund and had been determined to have cash available. The 2016 proposed transfers are as follows:

	2016 Transfer Calculation	2015 Transfer Calculation	2014 Transfer Calculation
General fund			
Subsequent Year General fund budget	$ 5,877,904	$ 5,729,004	$ 5,500,610
40%	2,351,162	2,291,602	2,227,747
Determine fund balance net of fund 238 (insurance reserve).	3,188,399	2,799,263	3,222,823
Transfer available	**$ 837,237**	**$ 507,661**	**$ 995,076**
Licensing			
Operating expense	$ 335,242	$ 315,002	$ 272,212
Transfers out	55,000	50,000	-
	390,242	365,002	272,212
1 month operations in reserve	8%	8%	8%
working capital needed	32,520	29,200	22,684
Current working capital (current assets less current liabilities)	212,323	134,349	218,748
Transfer available	**$ 179,803**	**$ 105,149**	**$ 196,064**
Liquor			
Operating disbursements (suppliers & employees)	$ 5,193,804	$ 4,873,245	$ 4,916,643
1 month operations in reserve	8%	8%	8%
	432,817	406,104	409,720
Transfers out to general fund	32,850	30,000	
Current debt (including interfund loan)			
Next year's bonds (p&i)	230,980	229,130	227,130
Next year's interfund (p&i)	17,415	46,605	
Current identified capital improvements	100,000	116,400	53,815
Cash needed	814,062	828,239	690,665
Cash available in Liquor	1,162,061	1,107,072	965,665
Transfer available	**$ 347,999**	**$ 278,833**	**$ 275,000**
Total preliminary excess transfer available	**$ 1,365,039**	**$ 891,643**	**$ 1,466,140**

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A summary of the current City contributions to the Ramp Project are as follows:

Calculation of City Contribution to Ramp	
	(#401) Ramp CIP Fund
Beginning fund balance in fund 401	$ 459,443
2015 Transfers	511,500
Contributions as of 12/31/2015	970,943
2016 Transfers previously approved	
General CIP (#408)	300,000
TIF Districts (#314 & #316)	242,000
Library/Comm Fund (#437)	150,000
CARD TIF (#440)	285,000
Water (#610)	300,000
2016 Transfers prior to year end	1,035,000
Excess General fund transfer preliminary allocated to the Ramp	499,000
Total City contribution to Ramp	$ 2,504,943
Planned Issuer Equity Contribution	$ 2,370,000
Contribution in excess of planned (represents existing fund balance prior to establishing ramp activity)	$ 134,943

As noted above, the City has contributed amounts in excess of the initial planned contribution and that excess represents the original fund balance when the fund was identified as Internally Financed Capital Projects.

A summary of the prior 2 years transfers are listed below.

Fund	2016 total excess transfer	2015 total excess transfer approved	2014 total excess transfer approved
Lakefront	$ -	$ -	$ 327,000
Parks and Trails	130,000	20,000	240,000
Cell Tower	-	200,000	129,140
General CIP	-	-	385,000
Equipment	-	-	-
Streets	-	-	312,000
Ramp	499,000	511,500	
Total	1,365,039	$ 731,500	$ 1,393,140
	Portion paid down interfund loan	Portion paid down interfund loan	Portion paid down interfund loan
Lakefront	$ -	$ -	$ 73,000
Internally financed CIP	-	158,500	
Licensing	-	-	73,000
	$ -	$ 158,500	$ 146,000

Council has considered current priorities in order to make the transfer decisions. The transfers in 2014 were based mainly on future costs projected in the CIP. The transfers in 2015 were based on the existing priorities around the Monopole and the Ramp projects. The 2016 column identifies a potential transfer of 627,802 but it isn't allocated to any particular fund since that will be council decision. Further data around the CIP funds are shown below.

Fund	Fund Balance 12/31/16	Next 5 Year Projected Cash Receipts	Next 5 Year Projected Disbursements	Projected Cash 12/31/2021
Lakefront	$ 335,425	$ 997,860	$ 675,500	$ 657,785
Parks and Trails	948,317	60,178	915,865	92,630
Cell Tower	408,611	354,590	578,100	185,101
General CIP	994,910	1,229,989	1,738,300	486,599
Equipment	1,545,549	3,071,059	2,689,483	1,927,125
Streets	1,431,772	2,879,219	2,918,860	1,392,131
	$ 5,664,584	$ 8,592,895	$ 9,516,108	$ 4,741,371

Fund	Percent	Average projected CIP 2017-2021
Lakefront	3.1%	$ 55,100
Parks and Trails	10.1%	$ 183,173
Cell Tower	1.1%	$ 20,568
General CIP	25.7%	$ 463,260
Equipment	29.8%	$ 537,897
Streets	30.2%	$ 545,492
Total		$ 1,805,490

The table above shows that Parks and Trails and the General CIP have projected expenditures greater than projected receipts. Council could consider the CIP needs as a first step to determine priority for transferring the excess but could consider other options; for example, there may be other projects anticipated that do not meet the criteria to be reflected in the CIP. We recommend that Council discuss and then approve the amount of excess fund balance transfer and the specific funds.