



Meeting: Village Board
Meeting Date: 5/13/13
Agenda Item: 5d

VILLAGE BOARD MEETING STAFF REPORT

REPORT TO: Burt R. McIntyre, President
Village Board of Trustees

REPORT FROM: Chris Haltom, Director of Administrative Services

AGENDA ITEMS: Review and take action on Resolution 2013-18 Amending the 2013 Budget to transfer \$100,000 from General Fund to Capital Projects

ACTION REQUESTED: ___Ordinance X Resolution ___Motion ___Receive/File

POLICY ISSUE

Should the Village Board approve Resolution 2013-18 to transfer \$100,000 from the General Fund to the Capital Projects Fund to allow for more streets to be resurfaced in 2013?

BACKGROUND INFORMATION

As explained in the attached resolution, the village's General Fund ended 2012 with a surplus of \$212,183. Such funds are not needed within the General Fund in order to maintain the fund reserve policy of 25%-40% of prior year fund expenditures. Also, the village has been decreasing spending on resurfacing from a high of \$829,000 in 2007 to \$525,000 in the 2013 budget (with 2010 having no money spent on resurfacing due to budget issues).

The village has approximately 106 lane miles and would need to resurface 5.3 miles of road each year in order to replace all roads within 20 years. To replace all roads within 25 years, the village would need to resurface 4.24 miles per year. Funding levels of \$525,000 per year would not accomplish either of these goals for replacing streets in a timely manner.

Geoff Farr will be seeking village board approval on the 2013 resurfacing contract after this item has been determined by the village board. Should the board not approve this budget amendment, the resurfacing contract would need modifications to stay under budget.

FISCAL IMPACT:

Is There A Fiscal Impact?	Yes
Is it Currently Budgeted?	No

STAFF RECOMMENDATION

Staff recommends the board approve the resolution to transfer \$100,000 from General Fund to the Capital Projects Fund and the following motion could be made:

"I move to approve Resolution 2013-18 amending the 2013 budget to allow for the transfer of \$100,000 of funds from the General Fund to the Capital Projects Fund."

POLICY ALTERNATIVE(S)

The Village Board could take the following actions:

- Take no action
- Modify the amount to be transferred
- Table the item

ATTACHMENTS

- I. Resolution 2013-18

The Village of Howard, Wisconsin

RESOLUTION No. 2013-18

“Authorizing Amendment to Appropriated and Budgeted Funds for 2013”

- WHEREAS,** the 2012 General Fund operations ended the year with a surplus of \$212,183; and
- WHEREAS,** the General Fund has a fund balance policy of maintaining between 25%-40% of the prior year's expenditures as a reserve; and
- WHEREAS,** the General Fund had a fund balance of \$3,223,247 on January 1, 2013 which is 50.6% of the expenditures in 2012; and
- WHEREAS,** the funding for street resurfacing projects has declined over the past 6 years, from a high of \$829,000 in 2007 to \$525,000 in the 2013 budget, due to making budget cuts caused by loss in state aids and levy limits; and
- WHEREAS,** continual decreasing of resurfacing funding jeopardizes the road safety and future state road aids for Howard; and
- WHEREAS,** the 2013 budget of the village did not designate any fund transfers from the General Fund to the Capital Projects Fund; and
- WHEREAS,** making the proposed transfer from the General Fund combined with a budgeted General Fund transfer of \$732,817 would maintain the fund balance policy of the General Fund between 25%-40% with a new balance at 37.5%;

NOW THEREFORE, BE IT RESOLVED, by the Village Board of the Village of Howard, Brown County, Wisconsin hereby authorizes the 2013 budget to be amended to reflect the following increase in revenues and expenditures:

<u>Account #</u>	<u>Description</u>	<u>Amount</u>
<i>Increasing Expenditure Item</i>		
100-59300-000	General Fund – Transfers to Other Funds	\$100,000
404-56700-210	Capital Project – Contracted Services	\$100,000
<i>Increasing Revenue Items</i>		
404-49200-000	Capital Project – Transfers In	\$100,000

BE IT FURTHER RESOLVED, that the Clerk shall publish this resolution as a Class 1 Notice pursuant to Section 65.90(5) Wis. Stats.

Approved the 13th day of May, 2013 and published May 17, 2013.

Burt R. McIntyre, Village President

Christopher A. Haltom, Village Clerk