

The State of Utah has adjusted to law limiting the fund balance that can be accumulated (carried over) in the general fund. Previously, the City was allowed to carry over 25% of the general fund revenues. The amended law allows the City to carry over 35%.

For the current year, the extra 10% carryover is approximately \$280,000.

I recommend that the City only keep approximately 25% as in the past. This allows the City to accumulate additional funds for future capital projects which the City needs in the next few years.

If the City decides to keep approximately 25%, then the following budget amendment would be included and executed before year-end:

24	Transfer to Cap Proj/Future Imp	10-90941	-	900,000.00
25	Sales tax	10-31200	455,985.00	555,985.00
26	Building permits	10-32200	20,000.00	155,000.00
27	Building plan check fees	10-32210	13,000.00	110,000.00
28	Eng subdiv inspections	10-34110	-	60,000.00
29	Zoning and subdivisions fees	10-34120	-	60,000.00
30	Road impact fees	10-34711	33,040.00	159,040.00
31	Fund balance to be appropriated	10-39600	(4,713.00)	(326,713.00)

The City could decide to split the transfer to capital project funds to other capital projects funds. Then line 24 would be split as necessary.

If the City decides to get closer to 35%, then the City would include language similar to prior years directing the finance director to transfer the excess fund balance leaving the City approximately XX% (less than 35%) in general fund balance. The excess funds should be transferred to (list the funds and percentage or amounts with a fund that receives the balance).

Curtis Roberts