

Watertown City Council

March 12, 2019

Agenda Item: Transfer from 601 and 602 to 322**Request for Action: Adopt Resolution #2019-37, approving the transfer from fund 601 & 602 to debt payment fund 322 for the 2018 budget.****Department: City Administrator****Background:**

Debt fund 322 (2012A G.O. Improvement Bonds) is to be supplemented by the water and sewer operating funds annually. This transfer is noted in the Debt Management Plan as "sewer is paying 10.68% of the debt service and water is paying 8.4% of the debt service".

Staff had budgeted for this transaction on both the water and sewer operating budgets, however the budgeted line item (debt service bond principal) included payments for the PFA Bond and the 2014 Refunding Bond. During the 2018 audit, it was determined that this transfer amount should be called out on a separate line item of the budget. This transfer is noted in the Debt Management Plan, but will need to be noted on a separate line item for future budgets. In order to comply with regulations, staff is asking council to formally approve the transfer of \$29,616 from sewer, and \$23,293 from water to debt fund 322 for budget year 2018.

Attachments:

Resolution 2019-37, approving the transfer from 601 & 602 to debt payment fund 322 for the 2018 budget.

**CITY OF WATERTOWN
RESOLUTION NO. 2019-37**

**RESOLUTION APPROVING THE TRANSFER FROM 601 & 602
TO DEBT PAYMENT FUND 322 ACCORDING TO
THE DEBT MANAGEMENT PLAN
FOR THE 2018 BUDGET**

WHEREAS, the City of Watertown (the “City”) reviews its finances on a regular basis, and

WHEREAS, the City makes debt payments to pay off the bonds for certain projects, and

WHEREAS, the City follows a Debt Management Plan for all bonds, and

WHEREAS, fund 322 is to be supplemented annually with funds from 601 and 602, and

WHEREAS, these amounts are identified in the Debt Management Plan, and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Watertown, Minnesota, hereby agrees to transfer \$29,616 from 602 and \$23,293 from 601 to debt payment fund 322 for the 2018 budget.

Adopted by the City Council of the City of Watertown this 12th day of March, 2019.

Michael Walters, Acting Mayor

ATTEST: _____
Lynn Tschudi, Clerk/Treasurer