

**2H. Consideration of approving final 2025 Operating Transfers**

<b>Prepared by:</b> Finance Director	<b>Meeting Date:</b> 2/9/2026	<input checked="" type="checkbox"/> <b>Consent Agenda Item</b> <input type="checkbox"/> <b>Regular Agenda Item</b>
<b>Reviewed by:</b> N/A	<b>Approved by:</b> City Administrator	

**ACTION REQUESTED**

Motion to approve the final 2025 Operating Transfers.

**REFERENCE AND BACKGROUND**

Operating transfers shift money from one fund to another. This is done for a variety of reasons, including to:

- repay debt
- cover unanticipated operating expenditures
- close city funds that are no longer needed or open new funds
- finance city projects

The transfers listed as items a – e were anticipated and authorized when the council adopted the 2025 budget resolution 2024-127. However, some items were approved at estimated amounts and staff request to adjust the approved transfers as needed. Transfer e) is a shift in Council strategy by allowing net profits from the liquor store to build up in that fund until a specific project is identified for use of that funding rather than transferring available funding to the Capital Projects Fund annually.

Transfer f) reflects the closure of the Park & Pathway Improvement Fund into the Capital Projects Fund. Capital projects for recreational activities have historically been paid for out of the Park & Pathway Improvement Fund with funding from grants and/or transfers from the Capital Project Fund’s tax levy or reserves. To streamline recording of these projects, staff recommend closing the Park & Pathway Improvement Fund and using the Capital Projects Fund instead, which is how most non-recreational capital projects are accounted for. The city’s Park Dedication Fund, which is funded by contributions from developers restricted to new recreational improvements, still remains a separate funding mechanism for eligible capital projects.

Transfer g) from the General Fund to the Capital Projects Fund reflects a funding strategy to match favorable budget-to-actual results, which are non-recurring in nature, to non-recurring expenditures in the Capital Projects Fund.

The proposed final 2025 operating transfers are as follows:

	<b>Transfer From</b>	<b>Transfer To</b>	<b>Budgeted Amount</b>	<b>Added or Rescinded</b>	<b>Final Transfer</b>
* a.	101 - General	213 - EDA	\$ 6,000	\$ (2,340)	\$ 3,660
* b.	653 - Deputy Registrar	226 - Community Center	100,000	-	100,000
* c.	653 - Deputy Registrar	404 - Park & Pathway Improvement	402,000	-	402,000
* d.	403 - Street Lighting Improvement	400 - Capital Projects	380,000	-	380,000
* e.	609 - Liquor	400 - Capital Projects	500,000	(500,000)	-
f.	404 - Park & Pathway Improvement	400 - Capital Projects	-	702,951	702,951
g.	101 - General	400 - Capital Projects	-	250,000	250,000

*\*Included in Resolution 2024-127 adopting the 2025 budget.*

Description:

- a. Budgeted - Transfer to reimburse EDA for stipends paid to board members.  
*Amended to reflect actual amount of stipends paid.*
- b. Budgeted - Transfer to provide funding support to Community Center operations.
- c. Budgeted - Transfer to provide funding support for new West Bridge Park playground structure.
- d. Budgeted - Transfer to provide funding for School Boulevard Transportation Improvement Project lighting.
- e. Budgeted - Transfer to allocate available fund reserves to future project costs.  
*Amended to retain liquor store funding in the Liquor Fund until transferring out for a specific future project.*
- f. Transfer to close the Park & Pathway Improvement Fund into the Capital Projects fund due to lack of a dedicated, ongoing funding source outside of operating transfers.
- g. Transfer to allocate one-time available fund reserves to one-time future project costs.

**I. Budget Impact:** Varies by fund as noted above.

**II. Staff Impact:** N/A

**III. Comprehensive Plan Impact:** N/A

**STAFF RECOMMENDED ACTION**

City staff recommend approving the final 2025 Operating Transfers.

**SUPPORTING DATA**

- Resolution 2024-127 adopting the 2025 Budget and Authorizing Certain Finance-Related Actions

**CITY OF MONTICELLO  
WRIGHT COUNTY, MINNESOTA  
RESOLUTION NO. 2024-127**

**ADOPTING THE 2025 BUDGET, TRANSFERS AND OTHER  
BUDGET-RELATED AUTHORIZATIONS**

**WHEREAS**, the budget is the fiscal blue print for the entire year where the City Council has considered and incorporated all foreseeable spending plans for 2025; and

**WHEREAS**, the City, through sound fiscal policy, establishes that current revenues will be used to finance current expenditures and regularly occurring capital expenditures; and

**WHEREAS**, the City Council shall by this resolution set forth the total expenditures and uses, excluding depreciation, and the total revenues and other sources for each budgeted fund.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Monticello the following is hereby approved:

**SECTION 1. AUTHORIZATION OF ESTIMATED REVENUES FROM ALL SOURCES,  
APPROPRIATIONS, AND FUND BALANCE ADDED (EXPENDED):**

Fund	2025 Budgeted Revenues	2025 Budgeted Expenditures	Fund Balance Added (Expended)
<b>General Fund</b>	<b>\$ 13,181,000</b>	<b>\$ 13,181,000</b>	<b>\$ -</b>
<b>Special Revenue Funds</b>			
Cemetery	\$ 52,000	\$ 36,000	\$ 16,000
Small Community Development Grant	27,000	-	27,000
Monticello Community Center	2,067,000	2,067,000	-
<b>Total Special Revenue Funds</b>	<b>\$ 2,146,000</b>	<b>\$ 2,103,000</b>	<b>\$ 43,000</b>
<b>Debt Service Funds</b>			
2015B G.O. Bonds	\$ 184,000	\$ 214,000	\$ (30,000)
2016A G.O. Bonds	502,000	529,000	(27,000)
2017A G.O. Bonds	441,000	472,000	(31,000)
2018A G.O. Bonds	422,000	448,000	(26,000)
2019A G.O. Bonds	696,000	714,000	(18,000)
2020A G.O. Bonds	204,000	235,000	(31,000)
<b>Total Debt Service Funds</b>	<b>\$ 2,449,000</b>	<b>\$ 2,612,000</b>	<b>\$ (163,000)</b>
<b>Capital Project Funds</b>			
Capital Project	\$ 4,667,000	\$ 5,787,000	\$ (1,120,000)
Street Lighting Improvement	160,000	380,000	(220,000)
Park & Pathway Improvement	687,000	916,000	(229,000)
Park Dedication	6,000	-	6,000
BCOL Sales Tax	1,000,000	215,000	785,000
<b>Total Capital Project Funds</b>	<b>\$ 6,520,000</b>	<b>\$ 7,298,000</b>	<b>\$ (778,000)</b>
<b>Enterprise Funds</b>			
Water	\$ 2,084,000	\$ 3,372,000	\$ (1,288,000)
Sewer	4,595,000	7,902,000	(3,307,000)
Stormwater	2,203,000	3,156,000	(953,000)
Liquor	7,441,000	7,166,000	275,000
Deputy Registrar	1,134,000	1,312,000	(178,000)
Fiber Optics	1,948,000	1,981,000	(33,000)
<b>Total Enterprise Funds</b>	<b>\$ 19,405,000</b>	<b>\$ 24,889,000</b>	<b>\$ (5,484,000)</b>
<b>Internal Service Funds</b>			
Facilities Maintenance	\$ 700,000	\$ 700,000	\$ -
IT Services	594,000	594,000	-
Central Equipment	665,000	645,000	20,000
Benefit Accrual	15,000	15,000	-
<b>Total Internal Service Funds</b>	<b>\$ 1,974,000</b>	<b>\$ 1,954,000</b>	<b>\$ 20,000</b>
<b>Component Units</b>			
Economic Development Authority	\$ 896,000	\$ 757,000	\$ 139,000
<b>Total Component Units</b>	<b>\$ 896,000</b>	<b>\$ 757,000</b>	<b>\$ 139,000</b>
<b>Total All Funds</b>	<b>\$ 46,571,000</b>	<b>\$ 52,794,000</b>	<b>\$ (6,223,000)</b>

## SECTION 2. TRANSFERS:

By resolution, the Council can amend or rescind transfers in this section as the year progresses. The following list may include transfers for projects that have not received formal council authorization.

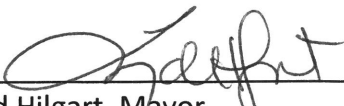
- a. To EDA Fund from General Fund - \$6,000
- b. To Capital Projects Fund from Liquor Fund - \$500,000
- c. To Capital Projects Fund from Street Lighting Improvement Fund - \$380,000
- d. To Community Center Fund from Deputy Registrar Fund - \$100,000
- e. To Parks & Pathway Improvement Fund from Deputy Registrar Fund - \$402,000

## SECTION 3. OTHER BUDGET-RELATED AUTHORIZATIONS:


- a. Removes prior commitments and assignments, except those required by GASB, from fund balance classifications.
- b. Sets the General Fund reserve policy at 60-75% of expenditures.
- c. Approves Senior Center annual subsidy of \$70,000.
- d. Approves a 3.5% wage adjustment to full-time employees (Pay Grades U9-U11, H100-H260, and S100-S260), part-time Community Center employees (Pay Grades M01-M06), other part-time and temporary employees (Pay Grades T01-T04), and paid on call firefighters commencing on first pay period beginning in January 2025.
- e. Sets the monthly fire department officer stipends at \$700 for Fire Chief, \$465 for Assistant Fire Chief, \$275 for Fire Captains, \$225 for Public Relations, and \$320 for the Fire Secretary. *(Corrected on January 13, 2025)*
- f. Establishes the monthly standard health insurance benefits for union employees with an effective date of March 1, 2025 at \$1,326.08 for family coverage (single coverage fully paid by City at \$1,565). The monthly standard health benefits for participating non-union employees are \$988.54 for the single plan and \$1,959.67 for the family plan. Premium contributions are required from family/dependent plan participants for the difference between the standard benefit and coverage costs. No contribution is required from single-plan and non-plan participants.

**ADOPTED BY** the Monticello City Council this 9<sup>th</sup> day of December, 2024.

CITY OF MONTICELLO

  
\_\_\_\_\_  
Lloyd Hilgart, Mayor

ATTEST:

  
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Jennifer Schreiber, City Clerk