# UNIVERSITY PARK CITY COUNCIL
# AGENDA MEMO

| **Meeting Date:** | **Item Type:** |
|---|---|
| 8/4/2026 | Consent Agenda |

**Subject:** Ordinance amending the fiscal 2025-2026 budget to provide for a transfer of fund balance surplus from the General Fund to the General Capital Projects Fund

**Prepared By:** Brian Hogan, Controller

**Background:**
The City Financial Management Policy states:

**Annual Surplus Determination**
Following completion of the City's annual audit, the Director of Finance shall determine the audited General Fund balance as of the prior September 30. A surplus is recognized when this balance exceeds the Required Year-End Balance. The Required Year-End Balance is defined to include the following components:

- Non-spendable, restricted, committed, and assigned balances,
- An assigned fund balance equal to 60 days of General Fund expenditures for the upcoming fiscal year, and
- Any additional amounts established by City Council and adopted in the budget to support specific funding objectives or long-term financial commitments.

**Transfer of Surplus and Reporting**
By June 30th of each year, the Director of Finance shall present a Surplus Transfer Report to the City Council. The report will include the audited General Fund balance, the calculation of the Required Year-End Balance and its components, and the resulting Annual Surplus, if any. This report will serve as the basis for the required budget amendment and transfer of funds.

Unless otherwise directed by the City Manager or City Council, 100% of the Annual Surplus shall be transferred to the General Government Capital Projects Fund. These funds shall be used exclusively for capital improvements identified in the City's adopted Capital Improvement Plan (CIP).

The amount of Annual Surplus for FY25 is $863,460.

In order to make these funds available for capital projects, they must be transferred to a capital projects fund.

A schedule detailing the above amount and the total to be transferred to the General Governmental Capital Projects Fund is attached.

**Fiscal Impact:**

☐ Not Applicable

☒ Budget Amendment Required

☐ Proposed Revenue

☐ Proposed Expenditure

Funding Source:

**Master Plan Goal*:***
Please check the associated Theme and provide the corresponding action item number.

| | Theme | Action Item(s) |
|---|---|---|
| ☐ | Affirming Sense of Place | |
| ☐ | Assuring Connectivity | |
| ☐ | Innovative Governance | |
| ☐ | Technological Integration | |
| ☐ | Preparing for the Future | |
| ☐ | Not Applicable | |

**Recommendation:**

**Committee Review *(optional):***

**Attachments:**

- Calculation of General Fund Balance Annual Surplus
- Budget amendment ordinance