



# City of Maricopa

## Legislation Text

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**File #:** RES 21-26, **Version:** 1

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A Resolution of the Mayor and City Council of the City of Maricopa, Arizona, approving the rescission of Resolution 17-20 and the cancellation of the Interfund Balance Loan in an amount that was not to exceed \$6,000,000.00 for the SR 347 Overpass authorized thereby. Discussion and Action.

The City Council previously approved Resolution 17-20 which authorized an Interfund Balance Loan in the amount of \$6,000,000 from the GF to HURF for the State Route 347 Overpass.

If we were to continue to budget \$500,000 in Operating Transfers from HURF to the General Fund each year, the final payment of \$450,000 would be made in FY 25-26. Operating Transfers from HURF to General Fund: FY 2018 \$500,000, FY 2019 \$750,000 and FY 2020 \$1,800,000 for a Total Paid to date \$3,050,000.

Each year we reimburse the General Fund from HURF - the effect of this action is that HURF eligible expenditures are then shifted to either the General Fund for Operating Expenses or Gen Govt CIP for Streets Maintenance projects.

As an example - for FY 21-22, if we budget for the transfer to General Fund in the amount of \$500,000, the following HURF eligible expenses (\$458,341) would need to be covered by General Fund or General Government CIP: HURF operating expenses of \$354,650 and HURF CIP by \$103,691. These calculations take into consideration the personnel (37.5%), operating (37.5%) and capital (25%) percentage allocations previously determined by City Manager Rick Horst.

Finance recommends that City Council rescind Resolution 17-20 and cancel the Interfund Balance Loan repayment through an operating transfer. Approving this would help to eliminate the need to determine on an annual basis during the budget process, what expenses would need to be reallocated to other funds for necessary operating and maintenance projects. It also eliminates the need for continual tracking of when transfers are made as budgeted, or when transfers are not made in a particular year to ensure the amount reimbursed from HURF does not exceed \$6,000,000.