

**RESOLUTION NO. 2020-20**  
**CITY OF HAYWARD, FREEBORN COUNTY**  
**STATE OF MINNESOTA**

**Authorizing Placement of Funds Back into the 2020 Budget**

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**WHEREAS**, the City Clerk Treasurer is responsible for the submission of financial reports and accounting at every monthly Council Meeting, including the preparation of documents for the end of the year, annual budget process;

**WHEREAS**, annually, the Clerk Treasurer prepares budget workshop documents for council members to use during the annual budget process.

**WHEREAS**, the City of Hayward utilizes Quickbooks Pro accounting software as its primary bookkeeping tool, along with the Fund Accounting system;

**WHEREAS**, as council members make budgetary (numeric dollars) adjustments during the annual budget meeting(s), the Clerk Treasurer does the subsequent data entry input, which is a manual, hands-on process;

**WHEREAS**, the first report council reviews and discusses during the onset of the annual budget process is to review the Projects and Reserves worksheet. Council decides what projects need to be completed or which items need to be purchased and determines when the projects need to be completed or purchased. Said document is also a way for Council to view their planned changes (either the subtraction or addition of dollars) and how much money has been set aside for each project or item - this column is labeled Planned Changes (and provides the budgetary year). The amount of money that has been set aside (over the years) for a specific project/item is titled Estimated Reserves (also provides the budgetary year). The two columns are side-by-side on the spreadsheet;

**WHEREAS**, in preparation for the second and final 2021 budget, Clerk Treasurer realized that an incorrect amount was entered under the estimated 2020 reserves for the Water Fund's "Unspecified Reserves," causing the 2021 budget worksheet to display an incorrect dollar amount;

**WHEREAS**, \$88,482 is the correct dollar amount that should be entered on the 2021 Projects and Reserves Worksheet where the Water Fund's Unspecified Reserves row (category) intersects with the Estimated Reserves column.

**WHEREAS**, Last year, in 2019, during the 2020 budget process, \$21,000 was inadvertently entered instead and it remained as such from that point forward.

**WHEREAS**, Clerk Treasurer informed council in order to revert aforesated funds back to the original and correct amount of \$67,482 on the 2020 worksheet, council should purpose and vote on a resolution so there is a clear and precise record moving forward.;

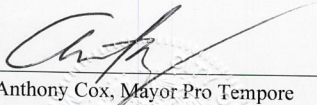
**WHEREAS**, Clerk Treasurer explained that she pulled notes and spreadsheets from last year's 2020 budget process. While recalculating the 2020 budget, the \$67,482 (which was the correct amount in the Water Fund's Unspecified Reserves back then) was not replaced back into the equation on the Projects and Reserves worksheet. [The following projects were added to the worksheet, by Council, in 2019 during the 2020 budget workshop - \$8,000 to pull the well pump for maintenance and \$3,000 for water tower cleaning - these equal \$11,000. Then, Council added an additional \$10,000 for the VFD well replacement. These projects altogether equaled \$21,000. Clerk entered the \$21,000 under the 2020 Estimated Reserves Column instead of placing it under the "Planned 2020 Changes" column and then adding that to the already existing \$67,482 (which had been accumulating for years).

**WHEREAS**, in total there should have been be \$88,482 in the Estimated Reserves moving into 2020, not \$21,000, nor for the 2021 Projects and Reserves. \$88,482 would be the correct amount as council did not place any additional monies in the Water Fund's Unspecified Reserves category during this 2021 budget process;

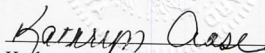
**WHEREAS**, during the November 5, 2020 final budget workshop, Councilor authorized replacing the \$67,482 back into the Water Fund's Estimated Reserves which was inadvertently misplaced back in 2019, during the 2020 budget process; thus, leaving a balance of \$88,482 in the Estimated 2020 and 2021 Reserves;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Hayward, that it hereby establishes **Resolution 2020-20**, authorizing the placement of funds back into the 2020 and 2021 budgets.

**APPROVED THIS 5<sup>TH</sup> DAY OF NOVEMBER 2020.**

  
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Anthony Cox, Mayor Pro Tempore

ATTEST:

  
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Kathryn Aase, Clerk/Treasurer