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TO: Honorable County Commissioners
Scott Arneson, County Administrator

FROM: Greg Isakson, P.E. / Public Works Director

RE: 18 Jan 22 County Board Meeting
**Clarification of Funding Source for the \$400,000 shortfall Needed to
Award the Byllesby Park Pavilion Construction Contract**

Date: 13 Jan 22

Summary

At the 04 Jan 22 County Board meeting a resolution was passed to use Unassigned Fund Balance to cover the (approximately) \$400,000 shortfall of county funds required for the Lake Byllesby Pavilion Project. There evidently is some confusion of which account these funds are coming from; Park, other Public Works funds or General funds. The understanding of staff was that Unassigned Fund Balance meant using General Fund Unassigned Fund Balance and not the Public Works funds.

Background

Funding for the Lake Byllesby Pavilion Project consists of grant money and county funds. Public Works presented information at the 04 Jan 22 board meeting showing a shortfall of approximately \$400,000. After a presentation from Public Works staff there was a recommendation, Board discussion and 4-1 motion to use Unassigned Fund Balance up to \$400,000.

Parks, Solid Waste and Highway (Road and Bridge) funds are all handled by Public Works, but the revenues and expenses are kept within each division. The Road and Bridge fund usually carries a balance, but those funds cannot be used for expenses outside of Road and Bridge. Solid Waste fund balance is very limited, and by good accounting practices should be used only for Solid Waste expenses. The report to the Board on 04 Jan 22 discussed how the Park fund did not have enough funds for the project.

Public Works staff discussed this funding shortfall in the Park Account with Brian and Lucas from the County's Finance Department. Those discussions and the terminology in the Public Works Park Pavilion report was based on using **General Fund** Unassigned Fund Balance. As a note, the General Fund should be at about 49% of expenditures if the full \$400,000 needs to be shifted to the Park Account, which evidently is not an issue.

Sorry for creating any confusion.