

City of Piedmont
COUNCIL AGENDA REPORT

DATE: November 3, 2025

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of FY 2024-25 Year End Transfers

RECOMMENDATION

By a motion, approve the following year-end budget adjustments and transfers:

1. Transfer a total of \$2,600,000 from the General Fund to designated capital and maintenance funds to rebuild long-term reserves, as follows:
 - a. Facilities Fund \$1,500,000
 - b. Equipment Replacement Fund \$850,000
 - c. Facilities Maintenance Fund \$250,000
2. Approve intra-General Fund transfers to align departmental budgets with actual year-end expenditures:
 - a. From Police Department to Fire Department - \$189,500
 - b. From Administration to Non-Departmental - \$175,500
 - c. From Administration to Recreation Department- \$56,500

BACKGROUND

At the close of Fiscal Year 2025, the City's General Fund realized revenues approximately 2% above budget and expenditures approximately 3% below budget. The resulting year-end fund balance of \$9.9 million (25.7% of operating expenditures) exceeds the City's reserve policy limit.

Consistent with City practice, staff recommends transferring a portion of the fund balance to rebuild and maintain dedicated reserves for facilities, equipment, and infrastructure needs. This proposal was unanimously recommended by the Budget Advisory and Financial Planning Committee at its October 28th meeting.

In addition, several intra-General Fund adjustments are proposed to balance departmental accounts and ensure that final expenditures align with budget authority. As illustrated in the table below, a transfer of \$2.6 million to Capital Project Funds, the General Fund would end the year at \$7.3M, or 19% of FY2025 expenditures, within the City's reserve policy.

GENERAL FUND	Budget	Actual	Variance
Beginning Balance	\$ 8,443	\$ 8,526	\$ 83
Revenues	37,697	39,413	1,716
Operating Transfers In	1,200	1,211	11
Total Revenue	38,897	40,624	1,727
Expenditures: Operating	34,920	33,571	1,349
Expenditures: Non-Departmental	4,450	4,626	(175)
Operating Transfers Out	400	200	200
Total Expenditures	39,771	38,397	1,374
Operating Net Revenue	(874)	2,228	3,101
Capital Transfers Out	811	887	(76)
Net Revenue	(1,685)	1,341	3,026
Ending Balance	\$ 6,758	\$ 9,867	\$ 3,109
Available for Transfer	-	2,600	2,600
Ending Balance - Adjusted	\$ 6,758	\$ 7,267	\$ 509
% of Operating Exp	17.2%	19.0%	

A. Transfers to Capital Project Funds

The recommended \$2.6 million in transfers will strengthen funding for long-term capital and asset replacement priorities:

- Facilities Capital Fund (\$1.5M): Supports upcoming facility renovations and major improvements in the Capital Improvement Program (CIP).
- Equipment Replacement Fund (\$850k): Rebuilds reserves for future replacement of vehicles and major equipment.
- Facilities Maintenance Fund (\$250k): Provides funding for preventive maintenance and facility preservation.

Following these transfers, the General Fund will retain approximately \$7.3 million (19% of expenditures)—above policy minimums and maintaining strong liquidity.

B. Intra-General Fund Transfers

The proposed budget adjustments within the General Fund do not affect the total fund balance but ensure that expenditures are properly recorded by department. Key drivers include:

- Fire Department Overtime: Coverage for vacancies tied to Workers Compensation leave and mutual aid wildfire deployments.
- Workers Compensation Claims: Higher-than-expected claims costs recorded in Non-Departmental.
- Recreation Programs: Contractor payments for classes and camps exceeding original estimates due to higher participation.

These transfers are administrative and maintain budget compliance at the departmental level.

FISCAL IMPACT

Approval authorizes:

- A total transfer of \$2,600,000 from the General Fund to Capital Project Funds; and
- Intra-General Fund transfers of \$421,500 across departments as outlined above.

No new appropriations or reductions to reserves are required beyond the actions described.

By: Kiran Bawa, Finance Director