

General Fund Transfer
Draft Policy

A Resolution adopting a General Fund Transfer Policy consistent with Article V, Paragraph 15, Stillwater Utilities Authority Trust Indenture, As Amended March 24, 2014.

Whereas, Article V, Paragraph 15 of the Trust Indenture establishing the Stillwater Utilities Authority dated April 16, 1979, and as amended March 24, 2014, enables from time to time the transfer of surplus funds to the Beneficiary (City of Stillwater) as the Trust in its sole discretion may determine; and

Whereas, Trustees desire to establish a written policy that will 1) define “surplus funds”, 2) guide future Trustees in their decisions regarding transfers of surplus funds to the Beneficiary and 3) provide management with the consistency and predictability that is necessary for stable, well-planned financial operations of the utility; and

Whereas, surplus utility funds provide partial funding for general government services that greatly enhance Stillwater’s quality of life; and

Now, Therefore Be It Resolved That the Trustees of the Stillwater Utilities Authority do hereby declare that the establishment of a General Fund Transfer Policy is in the best interest of the City’s utility customers and the wellbeing of the community; and

Be It Further Resolved That the Trustees of the Stillwater Utilities Authority do hereby adopt the following General Fund Transfer Policy consistent with Article V, Paragraph 15, Stillwater Utilities Authority Trust Indenture, as amended March 24, 2014, effective upon passage and adoption of this resolution.

Section 1. General Fund Transfer Policy

On an annual basis prior to adoption of the coming fiscal year Utilities Authority spending plan (a.k.a. budget), the Trustees shall determine if surplus funds are available or expected to become available for transfer to the City’s General Fund during the coming fiscal year. If so, the Trustees shall take action to allow the transfer of those funds or a portion of those funds to the City’s General Fund. Any approved transfer of surplus funds shall have a not-to-exceed cap and only those surplus funds that are needed to balance the City’s General Fund shall be transferred. Partial transfers may be made throughout the fiscal year. However, if the partial transfers made throughout the fiscal year exceed the amount needed to balance the City’s General Fund at fiscal yearend, the City shall return all excess transferred funds to the SUA upon completion of the annual financial audit. In the event that the actual SUA revenues in any fiscal year fall below the projected revenues for that year resulting in fewer than expected surplus funds, the portion of the transfer attributable to the expected surplus funds shall be automatically reduced in an equal amount of the actual revenue shortfall.

For the purpose of this policy, surplus funds shall be defined as: non-restricted, non-designated and non-appropriated funds in the SUA (operating) Fund plus any projected operating margin in the non-restricted and non-designated SUA Fund for the coming fiscal year. The SUA projected operating margin shall be the difference between the projected operating revenues and the projected operating costs for the utility not including the designated (Water Fund, Wastewater Fund, Electric Rate Stabilization Fund and Waste Management Reserve Fund) and restricted (Third Penny Sales Tax) funds.

Passed And Adopted this ____ day of _____ 2016.

Stillwater Utilities Authority
a Public Trust

DRAFT