
MEMORANDUM



TO: Mayor Walker and Councilors
FROM: M McPherson, City Administrator
SUBJECT: **PUC Fund Transfer**
DATE: February 6, 2024

Background:

As was reported by Councilor Edmonds at the January 25 meeting, the PUC has provided the City with a fund transfer (PILOT) payment of \$53,554. The PUC commented that they would like to see the monies used for infrastructure and to assist the City with growth. This fund transfer was not anticipated nor included as a form of revenue in the 2024 budget.

The monies have yet to be deposited. Staff requests direction from the Council as to how they would like to see these dollars used. Two options for consideration:

1. Direct the funds toward the Business Park street and utility project. If the Council recalls, there is approximately \$116,000 in cash that the City will be paying out of pocket after grants and lot sales to fund the street and utilities.
2. Direct the funds to the General Fund Street budget; approximately \$200,000 is budgeted for the annual sealcoat program. State Aid maintenance revenue is approximately \$67,000.

Recommendation:

Staff requests Council direction as to how it wants the PUC fund transfer to be utilized.