

Town of Oriental Resolution 2019-08

RESOLUTION CREATING CAPITAL RESERVE ACCOUNTS

Moving forward, and recognizing the impact of having reserves on capital purchases, the Mayor and Commissioners choose to incorporate the practice of reserving funds for specific capital purchases into the Standard Operating Procedure during the creation of the annual budget.

Whereas, a Capital Reserve Fund was created in the 2016-2017 FY for replacement of Emergency Generator and funded in 2016-2017 at \$5,000; and funded in 2017-2018 for \$5,000; and funded in 2018-2019 at \$5,000 and the expected cost of that replacement is \$25,000; and the purchase of this generator is expected to take place in the 2019-2020 Fiscal Year; and that the source of these funds is the property tax collected in the annual budget as allowed by N.C.G.S. 159-48(b)(15); and

Whereas, The generator to be replaced expired during Hurricane Florence and is being replaced with a combination of FEMA and insurance funds, the collected funds from 16-17 through 18-19 will be moved to the Capital Reserve established in 2018-2019 for the Public Works equipment listed below; and

Whereas, a Capital Reserve Fund was created in the 2018-2019 Fiscal Year at \$10,000 for acquisition of a multi-terrain skid steer loader, and the expected cost of acquisition is \$45,000, and that the expected acquisition is scheduled for the 2021-2022 Fiscal Year; and that a continued reserve in the 2019-2020 budget is deferred due to the realigned priorities and financial hardships caused by Hurricane Florence; and

Now, Therefore it be resolved, The Mayor and Commissioners of the Town of Oriental do hereby move the effective reserve for a generator to the Public Works reserve for ditch equipment in the restricted cash accounts, for the Departments of Public Works, as allowed by N.C.G.S. 159-18.

Further Be it Resolved that the Capital Reserve established in 2018-2019 for above noted equipment is deferred in the 2019-2020 Fiscal Year.

Approved

this 4th day of June, 2019.

Sally Belangia, Mayor

Attest:

Diane H. Miller, Manager/Clerk