

# Town of Oriental

## Resolution 2023-07

### RESOLUTION CONTINUING 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 2022-2023 FY for replacement of 2018 Ford Explorer in Police and funded in each of 2023-2024 through 2027-2028 at \$8,000; and the expected cost of that replacement is \$45,000; and the purchase of this vehicle is expected to take place in the 2027-2028 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**, a Capital Reserve Fund was created in the 2022-2023 Fiscal Year at \$26,603 for acquisition of a multi-terrain skid steer loader/mini excavator, and in the 2023-2024 and 2024-2025 FYs at \$20,000 each, and the expected cost of acquisition is \$66,000, and that the expected acquisition is scheduled for the 2024-2025 Fiscal Year;

**Whereas**, the 2023-2024 Budget is restricted further in order to maintain the current tax rate, the Mayor and Board have chosen to defer the planned payments to above listed reserves for one year, thus pushing out purchase to the following year as noted on the separate above reserves.

**Now, Therefore it be resolved**, The Mayor and Commissioners of the Town of Oriental do hereby create the effective reserves as allowed by N.C.G.S. 159-18.

**Approved**

this 6<sup>th</sup> Day of June, 2023.

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Sally Belangia, Mayor

Attest:

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Diane H. Miller, Manager/Clerk