CITY OF WATERVILLE

CITY COUNCIL

RESOLUTION NO. 116-2005

A RESOLUTION PROVIDING FOR:

PROPOSED CIP IMPROVEMENT RESERVE FUND

BE IT RESOLVED by the City Council of the City of Waterville, acting as the municipal officers, as follows:

WHEREAS the city has Capital Improvement needs which may arise unexpectedly, and;

WHEREAS, some of these Capital Improvement needs are relatively minor (under $100,000) and do not warrant long term borrowing

NOW THEREFORE BE IT HEREBY RESOLVED, to create a Capital Improvement Reserve fund as shown on the attached proposal.

Paul LePage
Mayor

IN THE CITY COUNCIL

July 19, 2005, Read and Adopted.

CITY CLERK

APPROVED, July 27, 2005

MAYOR

Proposal to Create
A
Capital Improvement Reserve Fund
July 2005

Purpose:

To establish a permanent fund for minor capital improvements (less than $100,000) that are critical for the continued operation of municipal services. These improvements are those which are too small for borrowing but too large to add to an annual operating budget.

Funding:

This account will be initially funded from three existing reserve accounts (Solid Waste Landfill and Recycling), from excess funds from the 2004-2005 year Debt Service account and from the proceeds from the sale of the Gilman School as shown below:

Solid Waste & Recycling	$ 138,700
Debt Service Acct. (04-05)	$ 97,600
Gilman Street Sale	$ 198,000
Landfill Fund	$ 250,000
FEMA Reimbursement	$ 39,000
Total	$ 723,300

Future additions to this fund will be through City Council's authorization and may be from unspent capital improvement projects/debt service, sale of city properties, etc.

Appropriation:

Any appropriations from this fund will require authorization from the Council in the same manner as all other appropriation decisions. Prior to presentation to the Council, any proposed Capital Improvement spending will be reviewed by the City Administrator regarding its priority place on the city's Capital Improvement Plan. A minimum balance of $200,000 shall be maintained in this account unless approved by a 2/3 vote of the council.