

Village of Wellsville

Board of Trustees

Strategic Financial Plan

Adopted January 9, 2012

Purpose

The purpose of this Strategic Financial Plan is to develop longer-term strategies so that the Village is able to provide the service mix desired by the community with the lowest possible tax levy and fees while maintaining a solid financial foundation. The Villages primary objective is to maintain a prudent level of financial resources to protect against unpredictable events and to maintain a strong credit rating, which will become increasingly important and is, in part, dependent upon the maintenance of a healthy annual Village budget. Fund balances have been accumulated, and must be managed, to provide the stability and flexibility necessary to respond to unexpected adversity and/or opportunity.

Commitments

1. Recognize the County and Village have reputations as one of the highest tax rates in the state, even though that is largely a function of low property values, and approach planning and budgeting as frugally as possible without postponing real needs that will challenge future budgets.
2. Recognize that the tax levy cap law will limit practical options for budgeting during any challenging year unless the board risks taxpayer backlash by voting to override the cap. In order to decrease the odds of needing a future override do not allow tax levy to be cut, being even open to increasing levy incrementally, so that the Village does not lose the ability to raise tax revenue when needed (public prefers small, incremental tax rate increases, to drastic, larger ones). In effect tax cap law makes pursuing the first commitment more difficult. Even though contradictory, commitments one and two must be considered at the same time.
3. Always look for the most efficient means of making capital and equipment investments. In other words use the least amount of resources while accomplishing tasks considering both short and long-term needs. Look for ways to share equipment between village funds and between municipalities.
4. Plan, as much as possible, to finance capital purchases through reserved savings and, as little as possible, through more costly financing activities in order to save related costs. Reserves should also be used because the tax levy cap does not make allowance for capital purchases and will make increasing principal, interest and/or lease rates through the budget process almost impossible given the anticipated wage and benefit cost increases over the next few years.
5. Search for real solutions to reduce or eliminate structural deficits that can prevent the budgeting process from becoming more difficult in future years.
6. Develop and employ available strategies to use funds with strengths to support other funds with greater weaknesses and challenges.
7. Roll forward strategic planning each year to address more than the current year's needs, especially considering capital asset replacement and purchases, in an attempt to smooth annual budget process and prevent issues with new tax levy limitations.

**Capital Purchase Plan
General Fund
Proposed**

Equipment/Project	TYPE	TYPE	Final	YEAR	NOTES
Phone Recording Device	C	N	\$ 7,500	'12/13	Old Device no longer supported
Marked Police Car	E	N	\$ 25,000	'12/13	2009 Dodge - did not receive grant
Dump Truck (1 Ton)	E	N	\$ -	'13/14	No longer needed!
WPD Telephone System	C	N	\$ 15,000	'13/14	Old system cannot accept messages
Marked Police Car	E	N	\$ 25,000	'13/14	2010 Dodge
Tanker for Landfill	E	U	\$ 40,000	'13/14	1975 Freuhauf D-58; federal list?
156 N Main Boiler	C	N	\$ 50,000	'13/14	Incl plumbing for zones
Unmarked Police SUV	E	N	\$ -	'13/14	2006 JEEP - WHITFIELD OLD SUV
Fire Hall Boiler	C	N	\$ 50,000	'13/14	Incl plumbing for zones
WPD Boiler	C	N	\$ 50,000	'13/14	Incl plumbing for zones
156 N Main Repairs	C	N	\$ 100,000	'13/14	Assumes village stays at location
Loader Unit*	E	N	\$ 70,000	'14/15	1996 John Deere D-20
Unmarked Police SUV	E	N	\$ 25,000	'14/15	2008 Chevy Trailblazer
Marked Police Car	E	N	\$ 25,000	'15/16	Whatever marked car purch 2012-13
Street Sweeper	E	N	\$ 200,000	'15/16	1997 Mack D-22; same sweeper quoting now
Retrofitted Sweeper	E	N	\$ -	'15/16	Cost/benefit no longer wise
Plow/Sand Dump Truck	E	N	\$ 100,000	'15/16	2000 International D-15; smaller 5500 Series
Marked Police Car	E	N	\$ 25,000	'16/17	Whatever marked car purch 2013-14
Salt Barn	C	N	\$ 150,000	'17/18	Replace current barn; town may not share
TOTALS			\$ 957,500		Question - can we rent town equip like dump?

* = Shared with Town/our share listed

** = Used water & light vehicles?

WPD Items - cars rotated every three years and SUVs every six years

2012-13 Capital Purchase

Est Available Reserves	\$ 475,000	Beg Balance @ 6-1-12; \$350K E/\$125K C
(predicted board decision)	\$ (12,500)	Additional Funds @ 5-31-13 less above
(less any new financing)	\$ 50,000	Additional Funds @ 5-31-14
	\$ 50,000	Additional Funds @ 5-31-15
	\$ 50,000	Additional Funds @ 5-31-16
	\$ 50,000	Additional Funds @ 5-31-17
	\$ 50,000	Additional Funds @ 5-31-18
Total Available Reserves	\$ 712,500	However, should have remaining balance for future needs.

Note: Capacity for additional debt almost non-existent since annual budget with the tax cap would have to absorb any new debt. In 2018 about \$20k in annual GF debt will come off the budget and in 2019 an additional \$30k in annual GF debt will come off which may help eventually. Backhoe paid off for 2014 which will add an additional \$20k.

Action Steps: Deaccessioning as much underutilized equipment as possible is a viable strategy to help raise equipment reserves as is finding used equipment and sharing equipment with other funds and municipalities. Currently we have roughly 50 vehicles for roughly 50 employees. That does not mean we have too many vehicles necessarily but it means we could have some seldomly used vehicles that could be deaccessioned.

PRIOR PERIOD REVENUE MERRIAM HEIGHTS, PAVING & PLOW TRUCK PLAN:

Currently there are three FEMA related projects outstanding that should be closed out next year that will impact the 2012-2013 budget. The following will detail the closeouts of those projects and the proposal for using those proceeds next year. A few things to note before we begin: there is a Merriam Heights project that needs to be completed with some of the proceeds which the engineers estimated at \$180,000 but B Whitfield is using an estimate of \$150,000 to complete, DPW has used its paving expense account funds to pay for flooding repairs which should be replaced with a portion of the closeout funds and B Whitfield proposes to use some of the funds to purchase a larger plow truck capable of spreading salt more effectively and DPW moves from a sand/salt mix to pure salt which reduces the need for street sweeping in the spring (at \$85,000 this is more expensive than the original estimate but it is also offset by dropping the \$30,000 plan to retrofit the sweeper and by using these funds moves the purchase from the capital plan to the operational budget).

DR-1857 + Proj 717

Madison Street Project	Final Cost	\$323,695
	Our Share	\$283,233
	Paid	-\$147,632
	Remaining	\$135,601

DR 1993

Flood Damage	7909201	\$13,237
(Madison St)	7909202	\$89,789
	7909203	\$5,680
	Final Cost	\$108,706
	Our Share	\$95,118
	Paid	-\$13,600
	Remaining	\$81,518
	Used for Paving	\$72,720

FHWA NW11-01

Federal Highways Pine St	Final Cost	\$50,927
	Our Share	\$43,469
	Paid	\$0
	Remaining	\$43,469
	Used for Paving	\$28,925

The proposed project/equipment/paving budget for 2012-2013 would work as follows with the purpose being to replace paving funds used for flood damages, complete the Merriam Heights project, purchase a plow truck to increase the use of salt as an ice removal agent with any remainder returning to the unassigned general fund:

Above Revenue	\$237,246
CHIPS Funds	\$104,869
Paving Budget	\$125,000
Available Funds	\$467,115
-	-\$150,000 Merriam Heights Commitment
-	-\$85,000 Plow Truck Purchase
-	-\$225,000 Paving Funds (normal budget plus reimbursement)
	\$7,115 Remaining Revenue

**Capital Purchase Plan
General Fund - Fuel Farm
Proposed**

Equipment/Project	TYPE	TYPE	AMOUNT	YEAR	NOTES
A - Close Fuel Farm	C	NA	\$ 125,000	'17/18	Must make FF decision; either A OR B
B - Above Ground Tanks	C	N	\$ -	'17/18	Would cost \$250,000 Study needs to be completed to determine if we save enough with group purchase to continue FF or should raise more funds to cover additional \$125,000 investment
TOTALS			\$ 125,000		

* = Shared with School & Town

Est Available Reserves	\$ 25,000	Beg Balance @ 6-1-11
(predicted board decision)	\$ 15,000	Additional Funds @ 5-31-13
(less any new financing)	\$ 15,000	Additional Funds @ 5-31-14
	\$ 15,000	Additional Funds @ 5-31-15
	\$ 15,000	Additional Funds @ 5-31-16
	\$ 15,000	Additional Funds @ 5-31-17
	\$ 15,000	Additional Funds @ 5-31-18
Total Available Reserves	\$ 115,000	However, should have remaining balance for future needs.

Capital Purchase Plan

Water Fund

Proposed

Equipment/Project	TYPE	TYPE	AMOUNT	YEAR	NOTES
School Street Project	C	N	\$ -	'12/13	Complete Project - Part of '12/'13 Budget
Pickup Truck	E	N	\$ 22,000	'13/14	2000 Chevrolet D-8
Filter Media	C	N	\$ -	'13/14	Final Replacement - Part of '13/'14 Budget
Pickup Truck (Meter)	E	N	\$ -	'13/14	2000 Chevrolet L-2 (Fill with used vehicle)
Pickup Truck (Jan)	E	N	\$ -	'13/14	2000 Chevrolet L-13 (Fill with used vehicle)
4x4 Pickup Truck	E	N	\$ -	'14/15	2002 Pickup 4x4 D-14 (Fill with used vehicle)
Dump Truck	E	N	\$ 70,000	'15/16	1996 Ford F-700 L-8
Digger Truck	E	U	\$ 80,000	'16/17	1994 Caterpillar L-10
C-90 PVC Line Replace	C	N	\$ 160,000	Ongoing	Need to replace over 25 years/\$4M (currently replacing piecemeal as needed - what do other municipalities do?)
TOTALS			\$ 332,000		Sell L-9 and L-11

** = Possible purchase from IEEP for Hybrid vehicle at no cost if okay to put through electric PPAC

Est Available Reserves	\$ 75,000	Beg Balance @ 6-1-12
(predicted board decision)	\$ 15,000	Additional Funds @ 5-31-13
(less any new financing)	\$ 25,000	Additional Funds @ 5-31-14
	\$ 25,000	Additional Funds @ 5-31-15
	\$ 25,000	Additional Funds @ 5-31-16
	\$ 200,000	Additional Funds @ 5-31-17
	\$ 200,000	Additional Funds @ 5-31-18
Total Available Reserves	\$ 565,000	However, should have remaining balance for future needs.

Note: In 2014 about \$15k in annual water debt will come off the budget from the leased backhoe.

In 2017 about \$160k in annual water debt will come off the budget from a bond repayment which should be available to build back up reserves. Also, collecting additional revenue for the purpose of replacing water meters which does not show on this report.

Action Steps: Fund has added advantage of being able to increase fees to create revenue when needed.

Water Fund surplus can help with general fund deficits. Try to find market for excess capacity and create additional surplus that could be moved to the general fund. Increase rates to help build reserves.

**Capital Purchase Plan
Sewer Fund
Proposed**

Equipment/Project	TYPE	TYPE	AMOUNT	YEAR	NOTES
Wastewater Digester	C	N	\$ 30,000	'12/13	Clean secondary digester
Utility Truck	E	N	\$ 45,000	'12/13	1999 Chevy L-9?/2003 Ford 4x4 L-11
Mechanical Drives/Pumps	C	N	\$ 150,000	'13/14	2 Drives & 3 Pump Upgrades
Dump Truck	E	N	\$ 80,000	'13/14	1992 Peterbuilt Dump Truck; MS re used \$35K
Tractor/Loader	E	N	\$ 120,000	'13/14	1972 John Deere Tractor; MS re used \$25K
Pickup Truck (to water)	E	N	\$ -	'14/15	2000 Chevrolet D-8
Boiler	C	N	\$ 50,000	'14/15	
Tractor	E	N	\$ 125,000	'17/18	Old Tractor (used); from Landfill

TOTALS \$ 600,000

Est Available Reserves	\$ 425,000	Beg Balance @ 6-1-12
(predicted board decision)	\$ (60,000)	Additional Funds @ 5-31-13 less above
(less any new financing)	\$ 20,000	Additional Funds @ 5-31-14
	\$ 20,000	Additional Funds @ 5-31-15
	\$ 20,000	Additional Funds @ 5-31-16
	\$ 20,000	Additional Funds @ 5-31-17
	\$ 20,000	Additional Funds @ 5-31-18

Total Available Reserves \$ 465,000 However, should have remaining balance for future needs.

Note: In 2020 about \$75k in annual sewer debt will come off the budget from a bond repayment which is obviously too late to impact this seven-year plan. In 2014 the sewer fund portion of the backhoe will be paid off which will have minimal impact (\$5k/year). Fund is only fund that is also creating a meaningful surplus on an annual basis but that is due to leachate fees. Fund has added advantage of being able to increase fees to create revenue when needed. Unfortunately this is a stand-alone fund and excess cannot be used to assist with any other fund other than to provide inter-municipal financing. Could purchase shared equipment from sewer fund and charge fee to other funds for use of equipment.

Action Steps: Continue building reserves because leachate fee revenue could cease changing budget and requiring an increase in fees to balance. If fund continues with strong reserve balance could use to purchase some shared equipment for another fund lacking reserves.

**Capital Purchase Plan
Refuse Fund
Proposed**

Equipment/Project	TYPE	TYPE	AMOUNT	YEAR	NOTES
Yard Packer (22); garbage	E	N	\$ 140,000	'13/14	2002 Peterbilt D-10 (used?)
Yard Packer Body	E	N	\$ 73,000	'13/14	2002 Peterbilt D-10 Body (used?)
Yard Packer (7); recycling	E	N	\$ 100,000	'17/18	2002 GMC D-9 (used?)
Yard Packer Body	E	N	\$ 40,000	'17/18	2002 GMC D-9 Body (used?)
May subcontract if service would be less expensive than the increases needed to cover capital purchases, although keep in mind we still need to charge a fee to cover administrative costs					
TOTALS			\$ 353,000		

Est Available Reserves	\$ 100,000	Beg Balance @ 6-1-12
(predicted board decision)	\$ 7,500	Additional Funds @ 5-31-13 +\$1.50 fee
(less any new financing)	\$ 20,000	Additional Funds @ 5-31-14 +\$.50 fee
	\$ 20,000	Additional Funds @ 5-31-15
	\$ 20,000	Additional Funds @ 5-31-16
	\$ 20,000	Additional Funds @ 5-31-17
	\$ 20,000	Additional Funds @ 5-31-18
Total Available Reserves	\$ 207,500	However, should have remaining balance for future needs.

Note: Unfortunately this is a stand-alone fund and excess cannot be used to assist with any other fund other than to provide inter-municipal financing. Could purchase shared equipment from refuse fund and charge fee to other funds for use of equipment.

Action Steps: Determine if need exists for two new packers; seems like recycling won't get as much use can we find another solution? Increase monthly rate to build reserves bc they haven't been increased since 2004 or earlier (incrementally up to \$1 each year). Could outsource before capital investment required, however, about 40% of monthly fee is needed for administration portion.

**Capital Purchase Plan
Electric Fund
Proposed**

Equipment/Project	TYPE	TYPE	AMOUNT	YEAR	NOTES
Bucket Truck*	E	N	\$ 85,000	'12/13	2002 Feightliner Bucket L-4
4x4 Plow Pickup Truck**	E	N	\$ 28,000	'13/14	2003 Ford 4x4 L-11 (PPAC?)
4x4 Pickup Truck**	E	N	\$ -	'13/14	2002 Chevrolet 4x4 C-4 (OLDER REPLACE)
Vossler Substation	C	N	\$ -	'13/14	2 Trans/8 breakers/ 3 regulators; RATE ADJ
Van**	E	N	\$ 21,000	'14/15	2002 Chevrolet Van L-17; OLDER REPLACE
Digger Truck	E	N	\$ 130,000	'15/16	1996 Ford Digger L-16
Niles Transformer	C	N	\$ -	'16/17	1960 vintage transformer; RATE ADJ
TOTALS			\$ 264,000		

* \$80,000 to be covered by NYMPA

** = Possible purchase from IEEP for Hybrid vehicle at no cost if okay to put through electric PPAC

Est Available Reserves	\$ 225,000	Beg Balance @ 6-1-12
(predicted board decision)	\$ (60,000)	Additional Funds @ 5-31-13 less above
(less any new financing)	\$ 25,000	Additional Funds @ 5-31-14
	\$ 25,000	Additional Funds @ 5-31-15
	\$ 25,000	Additional Funds @ 5-31-16
	\$ 25,000	Additional Funds @ 5-31-17
	\$ 25,000	Additional Funds @ 5-31-18
Total Available Reserves	\$ 290,000	However, should have remaining balance for future needs.

Note: In 2020 about \$25k in annual electric debt will come off the budget from a bond repayment which will add some small assistance but after this seven year planning period is over.

Action Steps: Use IEEP program to pay for hybrid vehicles if possible. Must get base rate adj very soon and get additional adj to handle big capital projects three years apart; can't handle big projects w/o rate adjs.

Village of Wellsville
Board of Trustees
Fund Balance & Reserve Policy
(In Accordance with GASB Statement No. 54)
Adopted January 9, 2012

Purpose

The following policy has been adopted by the Village Board in order to address the implications of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*. GASB Statement 54 requires local governments to focus on the constraints imposed upon resources when reporting fund balance in governmental funds. The new fund balance classifications will indicate the level of constraints placed upon how resources can be spent and identify the sources of those constraints. The policy is created in anticipation of unanticipated events that could adversely affect the financial condition of the Village and jeopardize the continuation of public services. This policy will ensure that the Village maintains adequate fund balances and reserves in order to:

1. Provide sufficient cash flow for daily financial needs
2. Secure and maintain investment grade bond ratings,
3. Offset significant downturns or revenue shortfalls
4. Provide funds for unforeseen expenditures related to emergencies and
5. Enable the Village to successfully carry out its strategic planning

Fund Type Definitions are provided for under the New York State Comptroller's Office accounting regulations and include the General Fund (all funds not reported in another fund), Special Revenue Funds (used to report on the proceeds of specific revenue sources that are restricted or committed to specific purposes other than debt service or capital projects), Debt Service Funds (accounting for all financial resources restricted, committed or assigned for principal and interest expenditures, Capital Project Funds (used to account for all financial resources restricted, committed or assigned for the acquisition or construction of capital assets) and Permanent Funds (accounting for resources restricted to the extent that only earnings may be used and not principal).

Fund Balance Classifications which will be reported in governmental funds using these definitions:

Nonspendable - consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted - consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed - consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned - consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

Unassigned - represents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the assigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Disclosures:

Nonspendable

- The Village shall maintain a fund balance equal to the total of any long-term outstanding balances due from others;
- The Village shall maintain a fund balance equal to the value of inventory balances and prepaid items;
- The Village shall maintain a fund balance equal to the principal for any permanent funds that are legally or contractually required to be maintained in tact;
- The Village shall maintain a fund balance equal to the balance of land or other nonfinancial assets held for sale.

Committed

- Commitments will only be used for the specific purposes determined by a formal action of the Village's highest level of decision-making (i.e. Village Board majority vote).

Assigned

- The Village Board authorizes the Treasurer, as designee, the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Operational Guidelines:

Classifying fund balance amounts - Fund balance classifications depict the nature of the net resources reported in a governmental fund. An individual fund may include nonspendable resources and amounts that are restricted committed or assigned or any combination thereof. The general fund may also include an unassigned value.

Encumbrance Reporting - Encumbering amounts for specific purposes for which resources have already been restricted, committed or assigned should not result in a separate display of encumbered values. They will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in GASB Statement no. 54.

Prioritization of Fund Balance Use - When an expenditure is incurred where there are both restricted and unrestricted (committed, assigned or unassigned) amounts are available, it is the Village's practice to make a board determination as to which funds are utilized for the expenditure. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the Village practice to make a board determination as to which funds are utilized for the expenditure.

Minimum Unassigned Fund Balance - The Village will maintain a minimum unassigned fund balance in its general fund ranging from 12.5 percent to 25 percent, with a minimum of \$100,000, of the following year's budgeted expenditures and outgoing transfers. The minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. If the fund balance grows past the maximum percent, or is safely within the range, the Village will use the surplus to add to reserves per the capital purchase plan and/or address other needed reserving or, if not needed, the surplus will be used to reduce the budgeted tax revenues. If the fund balance falls below the minimum 12.5 percent the Village shall replenish the deficiency by using the budget strategies and timeframes listed below:

- The Village will reduce recurring expenditures to eliminate any structural deficit or,
- The Village will increase revenues or pursue other funding sources or,
- The Village will employ a combination of the two
- The Village will replenish any shortfall as soon as practical

GENERAL FUND

GASB 54: Reserve Allocations 2012-2013

Annual Budget \$3.2M Unassigned Range = \$400K - \$800K

CURRENT RESERVES	TYPE	FUND	AMOUNT	NEW RESERVES	TYPE	FUND	AMOUNT	NOTES
Equipment Reserves	R	A	\$ 69,054	Capital Reserve	R	A	\$ 350,000	(\$300,000 DPW, \$50,000 WPD)
Fuel Farm Reserve	R	A	\$ 20,775	Fuel Farm Capital Reserve	R	A	\$ 25,000	
Municipal Building Reserve	R	A	\$ 118,179	Mun Bldg Capital Reserve	R	A	\$ 125,000	
				Contingency Reserve	R	A	\$ 50,000	
				Road Repair Reserve	R	A	\$ -	
				Unemployment Ins Reserve	R	A	\$ -	
				Employee Benefit Reserve	R	A	\$ 50,000	
Unreserved Fund Balance	U	A	\$ 798,560	Unassigned Fund Balance	U	A	\$ 450,000	Available cash = \$1,057,293
							\$ 1,050,000	

NEW CATAGORIES

- N = Nonspendable (Permanently Restricted)
- R = Restricted (Formal Board Approval)
- C = Committed (CFO authorized to spend if needed)
- A = Assigned (If unassigned needed to balance budget)
- U = Unassigned (Formally Unrestricted Fund Balance)

RESERVE FUND OPTIONS

- Capital Reserve Funds
- Repair Reserve Fund
- Mandatory Reserve Fund
- Contingency and Tax Stabilization
- Snow/Ice Removal and Road Repair
- Payment of Bonded Indebtedness
- Worker's Compensation
- Electric Utility Depreciation
- Unemployment Insurance Payment
- Insurance Reserve
- Solid Waste Management Facility
- Employee Benefit Accrued Liability
- Retirement Contribution

NOTES

- Construction, capital improvement or equipment
- Pay for repairs not recurring annually or less
- Cash sale of capital improvement if obligations are outstanding
- One way to prepare for contingencies
- If we expect budget won't always handle
- Perhaps to help avoid problems with 2% tax cap
- Probably preferable to handle through budget
- Possibly for unusually high year's of unemployment
- Probably preferable to handle through budget
- Should use to cover unusually large reimbursements
- Probably preferable to handle through budget

TYPE OF RESERVE FUNDS

- Specific
- Type

NOTES

- Permissive referendum for a detailed use
- General description requiring referendum when bought if issuing obligation would require it

WATER FUND

GASB 54: Reserve Allocations 2012-2013

Annual Budget \$1.0M Unassigned Range = \$125K - \$250K

CURRENT RESERVES	TYPE	FUND	AMOUNT	NEW RESERVES	TYPE	FUND	AMOUNT	NOTES
Equipment Reserve	R	F	\$ 64,158	Capital Reserve	R	F	\$ 75,000	
				Unemployment Ins Reserve	R	F	\$ -	
				Employee Benefit Reserve	R	F	\$ -	
Unreserved Fund Balance	A	F	\$ 174,134	Unassigned Fund Balance	A	F	\$ 25,000	Available cash = \$86,454
							\$ 100,000	

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- Employee Benefit Accrued Liability
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TYPE OF RESERVE FUNDS

- Specific
- Type

NOTES

- Permissive referendum for a detailed use
- General description requiring referendum when bought if issuing obligation would require it

SEWER FUND

GASB 54: Reserve Allocations 2012-2013

Annual Budget \$800K Unassigned Range = \$100K - \$200K

CURRENT RESERVES	TYPE	FUND	AMOUNT	NEW RESERVES	TYPE	FUND	AMOUNT	NOTES
Equipment Reserve	R	G	\$ 94,187	Capital Reserve	R	G	\$ 425,000	
				Unemployment Ins Reserve	R	G	\$ -	
				Employee Benefit Reserve	R	G	\$ -	
Unreserved Fund Balance	U	G	\$ 583,213	Assigned Fund Balance	A	G	\$ 225,000	Available cash = \$604,473
							\$ 650,000	

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- Contingency and Tax Stabilization
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- Payment of Bonded Indebtedness
- Worker's Compensation
- Electric Utility Depreciation
- Unemployment Insurance Payment
- Insurance Reserve
- Solid Waste Management Facility
- Employee Benefit Accrued Liability
- Retirement Contribution

NOTES

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TYPE OF RESERVE FUNDS

- Specific
- Type

NOTES

- Permissive referendum for a detailed use
- General description requiring referendum when bought if issuing obligation would require it

REFUSE FUND

GASB 54: Reserve Allocations 2012-2013

Annual Budget \$280K Unassigned Range = \$35K - \$70K

CURRENT RESERVES	TYPE	FUND	AMOUNT	NEW RESERVES	TYPE	FUND	AMOUNT	NOTES
Equipment Reserve	R	R	\$ 28,194	Capital Reserve	R	R	\$ 100,000	
				Unemployment Ins Reserve	R	R	\$ -	
				Employee Benefit Reserve	R	R	\$ -	
Unreserved Fund Balance	U	R	\$ 240,714	Assigned Fund Balance	A	R	\$ 100,000	Available cash = \$205,087
							\$ 200,000	

NEW CATEGORIES

- N = Nonspendable (Permanently Restricted)
- R = Restricted (Formal Board Approval)
- C = Committed (CFO authorized to spend if needed)
- A = Assigned (If unassigned needed to balance budget)
- U = Unassigned (Formally Unrestricted Fund Balance)

RESERVE FUND OPTIONS

- Capital Reserve Funds
- Repair Reserve Fund
- Mandatory Reserve Fund
- Contingency and Tax Stabilization
- Snow/Ice Removal and Road Repair
- Payment of Bonded Indebtedness
- Worker's Compensation
- Electric Utility Depreciation
- Unemployment Insurance Payment
- Insurance Reserve
- Solid Waste Management Facility
- Employee Benefit Accrued Liability
- Retirement Contribution

NOTES

- Construction, capital improvement or equipment
- Pay for repairs not recurring annually or less
- Cash sale of capital improvement if obligations are outstanding
- One way to prepare for contingencies
- If we expect budget won't always handle
- Perhaps to help avoid problems with 2% tax cap
- Probably preferable to handle through budget
- Possibly for unusually high year's of unemployment
- Probably preferable to handle through budget
- Should use to cover unusually large reimbursements
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TYPE OF RESERVE FUNDS

- Specific
- Type

NOTES

- Permissive referendum for a detailed use
- General description requiring referendum when bought if issuing obligation would require it

ELECTRIC FUND

GASB 54: Reserve Allocations 2012-2013

Annual Budget \$2.4M Unassigned Range = \$300K - \$600K

CURRENT RESERVES	TYPE	FUND	AMOUNT	NEW RESERVES	TYPE	FUND	AMOUNT	NOTES
Equipment Reserve	R	E	\$ 230,510	Capital Reserve	R	E	\$ 225,000	
				Unemployment Ins Reserve	R	E	\$ -	
				Employee Benefit Reserve	R	E	\$ -	
Unreserved Fund Balance	U	E	\$ 2,615,924	Assigned Fund Balance	A	E	\$ 150,000	Available cash = \$381,588
							\$ 375,000	

NEW CATEGORIES

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