



## STAFF REPORT

AGENDA ITEM #: 19-51  
COUNCIL MTG OF: May 7, 2019  
FROM: David Caron, Town Administrator  
OFFERED BY: Michael A. Fowler, P. E., Public Works Director  
PREPARED BY: Michael A. Fowler, P. E., Public Works Director  
SUBJECT: FY2019 Budget Transfer – DPW Capital Reserve Fund

---

### PURPOSE

The purpose of this document is to request approval by the Town Council to transfer funds from the DPW Capital Reserve Fund to the General Fund – FY 19 Capital to cover expenses for truck and equipment purchases in the FY 2019 budget.

### TOWN ADMINISTRATOR COMMENTS

The Town Council is encouraged to adopt Resolution #2019-027 based upon the information presented in this staff report; further this action aligns with the Town's capital planning whereby individual purchases costing less than \$50,000 be paid directly from Capital Reserve Funds.

### BACKGROUND

The Public Works Department purchased (2) RAM 5500 pickup trucks and (3) salt/sand material spreaders as part of the FY 19 capital plan. The total cost of these products is \$129,929.20. All items were placed in service for the winter of 2018-19.

Due to the timing of the purchases, the trucks were not included in the lease package and they were purchased outright from DPW Capital Reserve. Instead of attaining five-year financing on the RAM trucks, the payment was made up front in Year 1, requiring this action by Town Council. There are offsetting reductions in the lease proceeds to accurately account for the transaction.

### DISCUSSION

The DPW Capital Reserve Fund is used to cover purchases of equipment either through five-year financing or an outright purchase. The resolution will transfer funds from the Capital Reserve to the FY 2019 Capital Budget per the intended purpose of the fund.

### FISCAL IMPACT

No tax impact, there are sufficient funds within the DPW Capital Reserve Fund to sustain the proposed FY 20 – FY 25 capital improvement plan.

### RECOMMENDED ACTION BY COUNCIL

It is recommended that Town Council approve a \$129,929.20 budget transfer from the DPW Capital Reserve to FY 2019 General Fund - Capital – (135 – 740 - HWY) \$34,450.20; (135 – 760 – HWY) \$48,352; (135 – 760 – CEM) \$47,127.

Further, it is recommended to reconcile the FY 19 budget to accurately reflect expenditures and revenue sources accordingly:

Spreaders

13532002-740000-HWY	\$34,450	Increase Hwy Equipment
13532002-760000-TS	(\$34,450)	Decrease TS Equipment
13508000-039390-TS	(\$34,450)	Decrease Lease Revenue
13509000-039399-HWY	\$34,450	Increase Use of Fund Balance-PWCRF

Dodge Rams

13508000-039390-CEM	(\$47,127)	Reduce Lease Revenue
13508000-039390-HWY	(\$48,352)	Reduce Lease Revenue
13509000-039399-CEM	\$47,127	Increase Use of Fund Balance-PWCRF
13509000-039399-HWY	\$48,352	Increase Use of Fund Balance-PWCRF

RECOMMENDED MOTION

See Resolution #2019-027 ...