



RESOLUTION NUMBER 2023-12-4

A RESOLUTION DESIGNATING RESERVES WATER FUND ASSET REPLACEMENT

WHEREAS, the City Council of the City of Stacy wishes to designate reserves as required by the USDA for short lived asset replacement;

WHEREAS, the notice from USDA states: 8. Reserves - Reserves must be properly budgeted to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service thru a debt service reserve should the need arise. Reserves can also be established and maintained for the anticipated and expected expenses including but not limited to operation and maintenance, customer deposits, deferred interest during the construction period, and an asset management program.

WHEREAS, the requirement states; you must fund a short-lived asset replacement reserve by depositing a sum of \$15,613 annually:

| | Annual Contribution | 2021 Balance | 2022 Balance | 2023 Contribution | Balance at Year End 2023 |
|---------------------------------|---------------------|-----------------|-----------------|-------------------|--------------------------|
| Caulk, Sealants | \$467 | \$1,401 | \$1,868 | \$467 | \$2,335 |
| Paint Coatings | \$333 | \$999 | \$1,332 | \$333 | \$1,665 |
| Floor Hatches | \$1,000 | \$3,000 | \$4,000 | \$1,000 | \$5,000 |
| Concrete Restoration | \$1,000 | \$3,000 | \$4,000 | \$1,000 | \$5,000 |
| Chlorine Storage Door | \$267 | \$801 | \$1,068 | \$267 | \$1,335 |
| Chlorine Storage Fan | \$400 | \$1,200 | \$1,600 | \$400 | \$2,000 |
| Silica Sand Media | \$3,133 | \$9,399 | \$12,532 | \$3,133 | \$15,665 |
| Anthracite Media | \$667 | \$2,001 | \$2,668 | \$667 | \$3,335 |
| Submersible Pumps | \$1,333 | \$3,999 | \$5,332 | \$1,333 | \$6,665 |
| Flouride Equipment | \$1,933 | \$5,799 | \$7,732 | \$1,933 | \$9,665 |
| Chorination Equipment | \$2,000 | \$6,000 | \$8,000 | \$2,000 | \$10,000 |
| HVAC Equipment | \$613 | \$1,839 | \$2,452 | \$613 | \$3,065 |
| Electrical Components | \$800 | \$2,400 | \$3,200 | \$800 | \$4,000 |
| Tower Inspection and Float Down | \$1,667 | \$5,001 | \$6,668 | \$1,667 | \$8,335 |
| Totals | \$15,613 | \$46,839 | \$62,452 | \$15,613 | \$78,065 |

WHEREAS, the City Council for the City of Stacy has created a plan to designate short-lived asset reserve fund; and

WHEREAS, the City Council of the City of Stacy funded this expenditure through the operating revenue from the Water Fund;

WHEREAS, the City Council of the City of Stacy wishes to reserve this program for funding short lived asset replacement purchases; and

WHEREAS, the \$78,065 remaining in this account is hereby reserved for short lived assets in the water fund;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STACY, CHISAGO COUNTY, MINNESOTA, as follows:

BE IT RESOLVED, that the City Council of the City of Stacy, Chisago County, Minnesota hereby reserves the \$78,065 for short lived asset purchases from the Water Fund.

WHEREUPON, said resolution was declared duly passed, adopted and signed by the Mayor and attested by the City Clerk, by the City Council, City of Stacy, Chisago County, Minnesota, on the 12th day of December 2023.

Mark Utecht, Mayor

ATTEST:

Michelle Hayes, Finance Director