



## **Town of Yorktown**

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### **Ordinance 810 & 811**

As the early discussions with the long term capital planning started, there is one time sensitive issue that the council needs to consider prior to the end of the report. That is the reestablishment of two cumulative funds. Cumulative funds are looked at differently by the Department of Local Government and Finance than traditional regular funds in the essence that these funds are designated to be used as “savings” accounts for longer term projects. The town has three cumulative funds, but only two that are funded by property taxes; the cumulative fire fund and the cumulative capital development are both supported by property taxes and if the council has a desire to reestablish the funds to help with saving for future capital projects then the council must adopt ordinances prior to April 30 for implementation in the following tax year.

The Cumulative Fire Fund has helped pay for firetrucks and other equipment; Chief Boone has started to outline plans for additional/replacement equipment needs and is asking the council to consider increasing the cumulative fund to help with planning and possible debt. Due to the way that state regulation are set, the cumulative fire fund is aggregated with the rest maximum levy that a municipality is allowed to implement, which means any increase in dollars raised must be reduced from other funds and line items.

The Cumulative Capital Fund is authorized for a number of uses from infrastructure to actual operations if needed and is outside of the maximum levy. With the possibly road infrastructure and other possible projects coming forward and knowing that implementation of the cumulative fire fund, I’m recommending that the council consider increasing the cumulative capital development fund.

While the action of increasing both of these funds need to be made prior to April 30<sup>th</sup>, the council will have the final decision making authority during the budget process on what the new maximum numbers will be if needed and where those dollars will be utilized. The attached ordinances are for introduction in March and if successfully introduced will be in front of the council for adoption in April.

Respectfully,  
Pete Olson  
Town Manager