



## CITY OF POQUOSON

FINANCE DEPARTMENT

500 CITY HALL AVENUE, POQUOSON, VIRGINIA 23662-1996

February 25, 2019

**TO:** City Council

**THROUGH:** Randy Wheeler, City Manager

**FROM:** Tonya O'Connell, Finance Director

**SUBJECT:** Sewer Fund – Truck Replacement

The Sewer Fund, an Enterprise Fund, is used to account for sewer operations similar to a private-sector entity. In late 2018, an accident which was no fault of the City totaled the 1999 GMC Truck that was used for daily operations. Our insurance carrier, VML, totaled the truck and provided us with a payment of \$4,075 which was net of the required deductible. A new truck will need to be ordered, however, the funds for the truck were not encumbered during the budget process for Fiscal Year 2019.

The total cost to purchase the replacement truck is estimated at \$31,000. In order to proceed with the purchase of the replacement truck, we have attached for consideration an ordinance appropriating the insurance payment and fund balance to be utilized for the purchase in this fiscal year. It should be noted that the unrestricted fund balance of the Sewer Fund at June 30, 2018 was approximately \$2.6 million.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE APPROPRIATING ADDITIONAL FUNDS TO THE  
SEWER FUND OF THE CITY OF POQUOSON, VIRGINIA  
FOR FISCAL YEAR 2019**

**WHEREAS**, the City has sewer fund fund balance,

**WHEREAS**, the City received funds from VML Insurance for loss damage of the 1999 GMC Truck,

**WHEREAS**, the City still has a need to purchase a replacement truck in the current fiscal year,

**WHEREAS**, an additional \$31,000 is needed to purchase the replacement truck within the sewer fund.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Poquoson, Virginia:

**Section 1:** That an additional \$31,000 in revenues in the Sewer Fund be and the same hereby are appropriated to the following for FY 2019.

**SEWER FUND**

**Revenues:**

Miscellaneous Revenue	\$4,075
Transfer from Fund Balance	<u>26,925</u>
<b>TOTAL</b>	<b><u>\$31,000</u></b>

**Expenditures:**

Sewer Vehicle Replacement	<u>\$31,000</u>
<b>TOTAL</b>	<b><u>\$31,000</u></b>

**Section 2:** That the second reading of this ordinance is hereby dispensed with and the provisions contained herein shall become effective immediately upon adoption.

ADOPTED: \_\_\_\_\_

TESTE: \_\_\_\_\_

City Clerk