

City of Eastport Sewer Reserve Policy

As adopted by the Eastport City Council on July 9, 2025

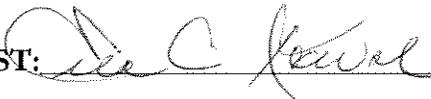
Objective: To ensure that the City maintains a sewer reserve account large enough to buffer any unexpected expenses in a given fiscal year so that excess sewer costs are not paid from unassigned funds.

Policy:

The City of Eastport shall maintain a sewer reserve fund that will hold a balance of *at least* 5.0% of the previous year's total operating expenses exclusive of contributions to reserves, but inclusive of all debt payment.

If sewer expenses exceed sewer revenues in a given fiscal year, the difference will be drawn from the sewer reserve. If sewer revenues exceed sewer expenses, the excess will be added to the sewer reserve. The amount in the sewer revenue fund shall be confirmed by audit.

At the time the fund is established, the City will build the fund in 1% increments in each ensuing fiscal year so that the fund holds its minimum balance no more than 5 years from its establishment.

ATTEST:  Ella C. Kowal/City Clerk DATED: 1-5-2026

Reference to Agenda "VII(f) New Business" - Council Meeting of July 9th, 2025

(1) Approval of Sewer Reserve Policy

MOTION Stevens SECOND Seeley (Passed 5-0)