

Town of Windsor

Memorandum

September 8, 2015

TO: The Honorable Mayor and Town Council
FROM: Michael Stallings, Town Manager *MS*
SUBJECT: Rural Development Construction Account

As I am sure you have seen on your treasurer's report, we have a Rural Development Construction Account that currently has \$22,058 in it. This account is left over from the most recent water system project that we completed several years ago. The remaining funds are left over, and do not have an intended use.

I have contacted Rural Development about these funds. There are two options that we have regarding the use of these funds. We can transfer them to the Water Fund to be used for current or future operation and maintenance costs. We could apply them to the principal of the loan that they originated from with Rural Development.

I recommend that we apply these funds back to the principal of the Rural Development loan. This is the loan listed in your treasurer's report with an outstanding balance of \$792,649.

As this project was a capital project, and not part of our operating budget, we do not need to add these funds to our current budget. We can simply write the check out of this construction account directly to Rural Development.

Recommended Motion

Move that Council authorize the manager to apply the funds in the Rural Development Construction Account to the principal of the USDA Rural Development Loan.