

ORDINANCE NO. 1943

**ORDINANCE AMENDING SECTION 34-34.3 OF THE MUNICIPAL CODE
PERTAINING TO RESERVE FUNDS**

WHEREAS, the City Council believes it is in the best interest of the City to maintain the current General Fund and Water/Sewer Reserve fund at ten percent (10%) rather than increase the percentages to a higher amount at this time in order to have more funds available to work with potential retail developers in promoting retail development within the city.


**IT IS HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHPORT,
ALABAMA AS FOLLOWS:**

1. That Code Section 34-34.3 is hereby repealed. See Exhibit "A" which is attached hereto.
2. That this Ordinance shall become effective immediately.

ORDAINED this the 20th day of November, 2017.

**CITY COUNCIL OF THE
CITY OF NORTHPORT**

ATTESTED:




Bruce Higginbotham,
City Administrator



Jay Logan
Council President

APPROVED this the 20th day of November, 2017.



Donna Aaron, Mayor

I hereby certify that the above and foregoing Ordinance was published on November 29, 2017 in the Northport Gazette, a newspaper of general circulation published in the City of Northport.



Bruce Higginbotham, City Administrator

1st Reading: November 6, 2017
Motion By: Sullivan
2nd Reading: November 20, 2017
Motion By: Sullivan
Second By: Boozer
Publication: November 29, 2017

EXHIBIT "A"

~~Sec. 34-34.3. Reserve funds.~~

~~Reserve account line items.~~ Continuing with fiscal year 2017 and every subsequent fiscal year thereafter the general fund operating budget for the city and the city's water/sewer system operating budget shall include a reserve account expense line item.

~~Reserve fund bank accounts.~~ The city shall own and designate one bank account designated as the general fund reserve account and one bank account designated as the water/sewer reserve account.

~~General fund reserve fund account balance.~~ There shall be maintained within the general fund of the city a reserve fund account balance. Funds held or maintained in the general fund reserve account, regardless of the account balance, shall only be available for obligation and expenditure pursuant to a permanent resolution adopted by the city council with a minimum of four affirmative votes. Said permanent resolution shall include the specific dollar amount of funds to be used, shall include a stated and descriptive declaration that the proposed use of the funds is necessary and required by extraordinary circumstances to preserve and protect the health, safety and welfare of the citizens of City of Northport, shall include the method of repayment or reimbursement of the funds to the reserve account, shall include the source of reimbursement funds, and shall include the date by which the funds will be reimbursed to the reserve account. The general fund reserve fund account balances shall be maintained according to the following schedule:

~~December 31, 2017, at least 11 percent of the 2017 general fund operating budget.~~

~~December 31, 2018, at least 12 percent of the 2018 general fund operating budget.~~

~~December 31, 2019, at least 13 percent of the 2019 general fund operating budget.~~

~~December 31, 2020, at least 14 percent of the 2020 general fund operating budget.~~

~~December 31, 2021, at least 15 percent of the 2021 general fund operating budget.~~

~~Each day after December 31, 2021, at least 15 percent of the most recently adopted general fund operating budget.~~

~~Water/sewer fund reserve fund account balance.~~ There shall be maintained within the water/sewer enterprise fund of the city a reserve fund account balance. Funds held or maintained in the water/sewer enterprise fund reserve account, regardless of the account balance, shall only be available for obligation and expenditure pursuant to a permanent resolution adopted by the city council with a minimum of four affirmative votes. Said permanent resolution shall include the specific dollar amount of funds to be used, shall include a stated and descriptive declaration that the proposed use of the funds is necessary and required by extraordinary circumstances to preserve and protect the health, safety and welfare of the citizens of city, shall include the method of repayment or reimbursement of the funds to the reserve account, shall include the source of reimbursement funds, and shall include the date by which the funds will be reimbursed to the reserve account. The water/sewer fund reserve fund account balances shall be maintained according to the following schedule:

~~December 31, 2017, at least 11 percent of the 2017 water/sewer operating budget.~~

~~December 31, 2018, at least 12 percent of the 2018 water/sewer operating budget.~~

~~December 31, 2019, at least 13 percent of the 2019 water/sewer operating budget.~~

~~December 31, 2020, at least 14 percent of the 2020 water/sewer operating budget.~~

~~December 31, 2021, at least 15 percent of the 2021 water/sewer operating budget.~~

~~Each day after December 31, 2021, at least 15 percent of the most recently adopted water/sewer system operating budget.~~

~~*Undesignated fund balances.* Upon passage of a temporary resolution specifying the use of funds, undesignated funds in the general fund operating budget and in the water/sewer operating budget, identified as fiscal year end retained earnings and separate from reserve fund account balances, may be available for future operating expenses, capital expenditures, for consideration for use in the city's business plan, or in the respective current year budget or fund, provided that consideration of investments in fixed and capital assets shall be considered in order of comparison and priority to operating or other designated expenditures or disbursements.~~

~~Absent of any temporary resolution specifying the use of fiscal year end retained earnings all fiscal year end retained earnings shall be designated as the beginning balance in the following year's operating budget.~~