CITY OF NORTH BONNEVILLE
ORDINANCE NO. 1000 – RESERVE FUND

AN ORDINANCE OF THE CITY OF NORTH BONNEVILLE, WASHINGTON, AMENDING NORTH BONNEVILLE MUNICIPAL CODE TITLE 3 BY CREATING CHAPTER 3.10, RESERVE FUND.

Whereas, the City of North Bonneville must maintain a strong financial position to weather difficult times; and

Whereas, a reserve fund would help stabilizing the city's cash position while providing a source of funds during difficult times;

THE CITY COUNCIL OF THE CITY OF NORTH BONNEVILLE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Creation.
A city reserve fund is hereby created and designated fund number 002. The reserve fund shall be funded as follows:

- 1/3 of any non-restricted, one-time revenue (such as permit fees), until there is a fund balance sufficient to cover all of the purposes stated in this ordinance.
- 1/3 of any year-end surpluses of the general fund
- Any additional revenue as determined through the budget process

Section 2. Purpose
In general the purposes of this fund are for budgetary stabilization, for working capital, and for responding to extreme events as describe below.

Working capital from this fund may be used for the following purposes:

- Payment of personnel accruals.
- General Fund capital expenses identified in the Capital Improvement Plan

This fund may be used in the following extreme situations:

- Payment of personnel overtime and contracted services during a weather-related event
- Payment of expenses related to a declared emergency
- Payment of legal claims and settlements

Additionally, for the purpose of budgetary stabilization, this fund shall hold the equivalent of at least three months' average general fund expenditures. (NOTE: about $125,000)

Section 3. Severability.
If any section, sentence, clause or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality

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shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 4. <u>Effective Date and Publication</u>.
A summary of this Ordinance consisting of its title shall be published in the official newspaper of the City. This Ordinance shall take effect on January 1, 2012.

PASSED BY THE CITY COUNCIL ON NOVEMBER 22th, 2011.

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Don Stevens, Mayor

ATTEST:

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John Spencer, City Clerk

THOUGHT: Create a reserve fund also for street fund? Other?

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