

**CITY OF RUSSELLVILLE, KENTUCKY
ORDINANCE 2011-02**

AN ORDINANCE ESTABLISHING DISCRETIONARY RESERVE FUNDS FOR
THE GENERAL FUND AND THE WATER/SEWER FUND
AND ESTABLISHING THE PROCEDURE FOR UTILIZATION OF RESERVE FUNDS.

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WHEREAS, the City Council has determined that the establishment of discretionary reserve funds are necessary in order to provide financial capacity for present and future needs of the City; and

WHEREAS, discretionary reserve funds will maintain a prudent level of financial resources to protect against reducing service levels to the citizens of Russellville, or raising taxes and fees, because of temporary revenue shortfalls or unpredicted one-time expenditures; and

WHEREAS, it is appropriate that procedures be adopted to guide the use of such funds;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF RUSSELLVILLE, THAT:

SECTION 1: ESTABLISHMENT OF DISCRETIONARY RESERVE FUNDS

(A) There is hereby established a discretionary reserve fund known as the General Fund Restricted Account. All funds for the General Fund Restricted Account shall be appropriated from the City's General Fund and shall be classified as restricted. Beginning with the 2011-2012 Budget, and each subsequent budget, there shall be appropriated \$25,000.00, for the General Fund Restricted Account until such time as the General Fund Restricted Account is equal to or greater than 10% of the adopted General Fund Budget. The General Fund Restricted Account shall be maintained at 10% of the General Fund Budget unless modified by the City Council.

(B) There is hereby established a discretionary reserve fund known as the Water/Sewer Fund Restricted Account. All funds for the Water/Sewer Fund Restricted Account shall be appropriated from the City's Water/Sewer Fund and shall be classified as restricted. Beginning with the 2011-2012 Budget, and each subsequent budget, there shall be appropriated \$25,000.00, for the Water/Sewer Fund Restricted Account until such time as the Water/Sewer Fund Restricted Account is equal to or greater than 10% of the adopted Water/Sewer Fund Budget. The Water/Sewer Fund Restricted Account shall be maintained at 10% of the Water/Sewer Fund Budget unless modified by the City Council.

SECTION 2: PROCEDURE FOR UTILIZATION OF RESERVE FUNDS

(A) Utilization of the aforementioned discretionary reserve funds includes any action which results in the deposit of funds into either restricted account, thereby increasing the balance

established pursuant to Section 1 above, or which results in the disbursement of funds from either restricted account, thereby decreasing the balance established pursuant to Section 1 above.

(B) A formal request for utilization of the discretionary reserve funds from either restricted account shall be made by the Mayor or a member of the City Council at a regularly schedule meeting or a special called meeting.

(C) The utilization of reserve funds from either restricted account shall be approved by Resolution and said Resolution shall be passed by a vote of at least five City Council members.

(D) Each Resolution approving a utilization of reserve funds from either restricted account as a disbursement shall also include a repayment plan to return the restricted account utilized to the level established pursuant to Section 1 above.

SECTION 3: SEVERABILITY CLAUSE

In the event any provision of this Ordinance is invalid for any reason, such invalidity shall not affect any other provision.

SECTION 4: REPEALER CLAUSE

All portions of any ordinance or rule or regulation in conflict herewith are hereby repealed to the extent of that conflict only.


SECTION 5: EFFECTIVE DATE

This Ordinance shall be effective upon its passage and publication according to law.


FIRST READING conducted on the 17th day of May, 2011.

SECOND READING conducted on the 7th day of June 2011.

APPROVED:

By: 
Mark Stratton, Mayor
City of Russellville

ATTEST:

By: 
Bob Riggs, City Clerk
City of Russellville

At a meeting of the City Council of the City of Russellville, Kentucky, held on June 7, 2011, the foregoing ordinance was adopted, after full discussion, by the following vote:

AYES:

Jimmy Dewarport
Pat Bell
Sandra Kinser
Jack Whipple
Lanny McPherson
Darlene Gooch

NAYS:

ABSENT:

ABSTAINING: