

ORDINANCE NO. 1504

AN ORDINANCE OF THE CITY OF DES MOINES, WASHINGTON relating to revenue and finance, establishing a General Fund Revenue Stabilization Account; adopting a new chapter in Title 3 DMMC; repealing DMMC 3.48.100, the "Revenue Stabilization Cumulative Reserve Fund;" and codifying a new chapter in Title 3 DMMC entitled "General Revenue Stabilization Account."

WHEREAS, the Revenue Stabilization Accumulative Reserve Fund was created by Ordinance No. 820 in 1989 and codified in DMMC 3.48.100 by Ordinance No. 1144 adopted September 14, 1995, and

WHEREAS, the Governmental Accounting Standards Board has issued Statement No. 54 effective for financial statements for periods beginning after June 15, 2010 clarifying the definitions of governmental fund types, and

WHEREAS, the Revenue Stabilization Accumulative Reserve Fund no longer meets the definition of a special revenue fund as prescribed in Governmental Accounting Standards Board Statement No. 54 requiring repeal of DMMC 3.48.100, and

WHEREAS, in 2010 the City Council withdrew the resources of the Revenue Stabilization Accumulative Reserve Fund created by Ordinance No. 820 consisting of \$805,175 and deposited those resources into the General Fund, and

WHEREAS, the City Council intends by this ordinance to create a General Fund Revenue Stabilization Account in order to identify, reserve, and accumulate unexpended General Fund resources for use in mitigating impacts of future General Fund revenue shortfalls as provided herein, and

WHEREAS, the City Council finds that the amendments contained in this ordinance are appropriate and necessary for the preservation of the public health and welfare; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1. A new chapter entitled "General Fund Revenue Stabilization Account" is added to Title 3 DMMC to read as follows:

General Fund Revenue Stabilization Account--Established. There is established within the General Fund a Revenue Stabilization Account which shall consist of a specific portion of the unappropriated General Fund balance.

(1) At each and every budget cycle commencing with year 2011 amounts from the unappropriated General Fund balance shall be appropriated to the revenue stabilization account until such time the account is funded to the targeted funding level as listed in this section.

(2) Additional funds may be added to the revenue stabilization account during the ensuing budget year in accordance with standard emergency budget ordinance procedures.

(3) The initial targeted funding level within the revenue stabilization account shall be five percent (5%) of budgeted reoccurring General Fund revenues.

(a) The City shall, on a best efforts basis, take such steps necessary to meet the initial targeted funding level no later than December 31, 2011, and each year thereafter.

(b) Annually during each budget cycle, the Finance Director shall report to the City Council on the revenue stabilization account including current and proposed future funding levels consistent with revenue growth. This annual report shall also include analysis and consideration of the proper targeted funding level going forward in relation to changing conditions and prudent fiscal practices.

(c) Disbursements from the revenue stabilization account may be made to mitigate a General Fund revenue shortfall deemed by the City Council to meet the following criteria:

(i) The revenue shortfall results from revenue collections considered to be materially short of the amount budgeted, or the revenue shortfall results from projected baseline (existing) budgeted revenues for any ensuing year increasing by less than the assumed long-term growth rate as projected based on the average growth rate in revenues for the prior five (5) years, and

(ii) The revenue shortfall is expected to persist through the end of the fiscal year, and

(iii) The revenue shortfall is reasonably expected to persist for a period no longer than three years. A revenue shortfall expected to persist beyond three years shall be directly addressed in the current annual budget process through long-term budget strategies.

(d) Disbursements from the revenue stabilization account may include amounts budgeted in the General Fund to supplement revenue shortfalls that occur in other City funds.

(e) Appropriation from the revenue stabilization account is by enactment of an ordinance pursuant to standard procedures except that the ordinance shall be passed by a vote of one (1) more than a majority of the Council except where an appropriation is already included in the regularly adopted annual budget.

Sec. 2. Repealer. DMMC 3.48.100 and section 28 of Ordinance No. 1144 are each repealed.

Sec. 3. Codification. Section 1 of this ordinance shall be codified as a new chapter in Title 3 DMMC entitled "General Fund Revenue Stabilization Account."

Sec. 4. Severability - Construction.

(1) If a section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

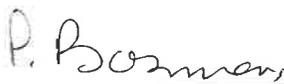
(2) If the provisions of this ordinance are found to be inconsistent with other provisions of the Des Moines Municipal Code, this ordinance is deemed to control.

Sec. 5. Effective date. This ordinance shall take effect and be in full force five (5) days after its passage, approval, and publication in accordance with law.

PASSED BY the City Council of the City of Des Moines this 10th day of February, 2011 and signed in authentication thereof this 10th day of February, 2011.


M A Y O R

APPROVED AS TO FORM:



City Attorney

ATTEST:



City Clerk

Published: February 16, 2011

LEGAL NOTICE

SUMMARY OF ADOPTED ORDINANCE

CITY OF DES MOINES

ORDINANCE NO. 1504, Adopted February 10, 2011.

DESCRIPTION OF MAIN POINTS OF THE ORDINANCE:

This ordinance relates to revenue and finance, establishes a General Fund Revenue Stabilization Account; adopts a new chapter in Title 3 DMMC; repeals DMMC 3.48.100, the "Revenue Stabilization Cumulative Reserve Fund;" and codifies a new chapter in Title 3 DMMC entitled "General Revenue Stabilization Account."

The full text of the ordinance will be mailed without cost upon request.

Sandy Paul, CMC
City Clerk

Published: February 16, 2011