O-20-46

ORDINANCE NO. _____

AN ORDINANCE ESTABLISHING CERTAIN MINIMUM EMERGENCY FUND BALANCE RESERVES FOR THE CITY OF NORTH LITTLE ROCK; DECLARING AN EMERGENCY; AND OTHER PURPOSES.

WHEREAS, the City Council must reserve adequate funds to ensure the continuation of the effective operations of city government during the event of disasters or other unforseen emergencies and economic downturns; and

WHEREAS, the City Council established an Investment Advisory Board through the adoption of Resolution No. 8613 that is tasked with the proper and prudent investment of City funds; and

WHEREAS, necessary funds must be identified and reserved for the proper operations of the City.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: Establishment of an Emergency Fund Balance Reserve in the General Fund. The General Fund of the City shall maintain an unappropriated, unreserved, and unrestricted balance to be known as the Emergency Reserve equal to or exceeding 25% of the operating and maintenance budget for the immediately preceding budget year.

A. The purpose of the minimum balance requirement is to provide an emergency fund to ensure adequate financial assets are available to keep services operating in the event of a disaster, pandemic, economic decline, or other event that causes significant loss of revenue or increased expenditure on a temporary basis.
B. The Finance Director shall notify the Mayor and City Council immediately in writing as official correspondence should account balances fall below established minimum reserve levels or should pending legislation threaten the required minimum reserve levels.
C. Any legislation that appropriates or obligates monies that would result in a fund balance lower than that established herein, shall include in its title "A Resolution/Ordinance to Appropriate Emergency Reserve Funds and Reduce the Standing Emergency Reserve of the General Fund of the City".
D. In the event that an emergency requires appropriations that causes the fund balance to fall below the minimum level required herein, the fund shall be replenished after the emergency has passed by maintaining expenditures at or below the level immediately preceding the precipitating emergency until such time as the required balance is achieved.

SECTION 2: Establishment of Emergency Fund Balance Reserves in the Street Fund and Parks Fund. The Street Fund and Parks Fund of the City shall maintain an unappropriated,

unreserved, and unrestricted balance to be known as the Emergency Reserve equal to or exceeding 10% of the operating and maintenance budget for the immediately preceding budget year.

A. The purpose of the minimum balance requirement is to provide an emergency fund to ensure adequate financial assets are available to keep services operating in the event of a disaster, pandemic, economic decline, or other event that causes significant loss of revenue or increased expenditure on a temporary basis.
B. Should one or both of the funds lack sufficient balances to meet the reserve requirement established herein upon passage of this legislation, no more than 95% of anticipated revenues to the fund will be budgeted beginning in budget year 2021 and continuing until the required minimum reserve balance is reached.
C. The Finance Director shall notify the Mayor and City Council immediately in writing as official correspondence should account balances fall below established minimum reserve levels or should pending legislation threaten the required minimum reserve levels.
D. Any legislation that appropriates or obligates monies that would result in a fund balance lower than that established herein, shall include in its title "A Resolution/Ordinance to Appropriate Emergency Reserve Funds and Reduce the Standing Emergency Reserve of the (insert Street or Parks) Fund of the City".
E. In the event that an emergency requires appropriations that causes the fund balance to fall below the minimum levels required herein, the fund shall be replenished after the emergency has passed by maintaining expenditures at or below the level immediately preceding the precipitating emergency until such time as the required balance is achieved.

SECTION 4: Investment Advisory Board. That the Investment Advisory Board established by Resolution No. 8613 shall ensure that investment decisions of NLRED funds described in this ordinance are sufficiently liquid to satisfy the purposes described in this ordinance.

SECTION 5: Repealer. That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 6: Severability. That the provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall be declared or held to be invalid, such invalidity shall not affect the remainder of the sections, phrases or provisions.

SECTION 7: Emergency. It is hereby found and determined that the City of North Little Rock should maintain adequate reserves and funds to timely pay obligations when due, to manage emergencies, and to ensure that electricity is delivered in a safe, affordable, resilient, and business-like manner; thus the immediate passage of this Ordinance is necessary for the immediate preservation of the public health, safety and welfare; THEREFORE, an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Joe Smith

SPONSOR:

ATTEST:

Mayor Joe A. Smith

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/ABF

FILED 11:35 A.M. _____ P.M.
By A Fields
DATE 5-5-20

Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas

RECEIVED BY S. Usery