

(Passed 9-0)

ORDINANCE 01-19

**TO ESTABLISH A RAINY DAY FUND
AS PERMITTED BY INDIANA PUBLIC LAW 251-2001**

WHEREAS, Indiana Public Law 251-2001 permits local units of government to establish a rainy day fund to receive transfers of unused and unencumbered funds; and

WHEREAS, Public Law 251-2001 requires that whenever the purposes of a tax levy have been fulfilled and that there remains unused and unencumbered funds raised by a general tax or special tax levy on all taxable property, the balance shall be transferred by order of the fiscal body to the general fund or rainy day fund; and

WHEREAS, It is the intent of the Mayor and Common Council of the City of Bloomington to establish a fund to meet unforeseen and unbudgeted financial obligations of the City; and

WHEREAS, Public Law 251-2001 requires that funds placed in the rainy day fund are subject to the same appropriation process as all other funds that receive tax money; and

WHEREAS, Public Law 251-2001 requires that before funds are appropriated from the rainy day fund the fiscal body shall make a finding that the proposed use of the fund is consistent with the intent of the fund;

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. A rainy day fund is established within the office of the Controller to receive transfers of funds, not to exceed more than 10% of the city's total budget for the current fiscal year in accordance with the provisions of Public Law 251-2001 and SECTION 2 or SECTION 4 of this Ordinance.

SECTION 2. If at any time the balance of the rainy day fund is less than 10% of the total appropriation of the general fund for that fiscal year, the controller shall transfer funds from the general fund to the rainy day fund, provided that there is a unobligated, unencumbered balance in the general fund that is greater than 5% of the current fiscal year's general fund appropriation, until there is a balance in the rainy day fund that is at least equal to 10% of the general fund appropriation for that year.


SECTION 3. Before an appropriation is made from the rainy day fund, the Common Council of the City of Bloomington shall make a finding that the proposed use of funds from the rainy day fund is consistent with the intent of the fund.

SECTION 4. Notwithstanding the provisions of SECTION 2 of this ordinance, if the Common Council of the City of Bloomington appropriates funds from the rainy day fund that cause the balance of the fund to be less than 10% of the current fiscal year's general fund appropriation the controller shall include in the general fund budget for the succeeding fiscal year sufficient funds to permit the transfer of unencumbered funds from the general fund to the rainy day fund in the succeeding fiscal year in an amount that will increase the rainy day fund balance so that it is at least equal to 10% of the City's total general fund appropriation for the succeeding fiscal year.

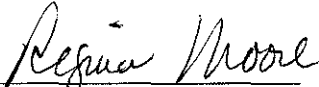
SECTION 5. If any sections, sentence or provision of this ordinance, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 6. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.


PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 13th day of AUGUST, 2001.


PATRICIA COLE, President
Bloomington Common Council

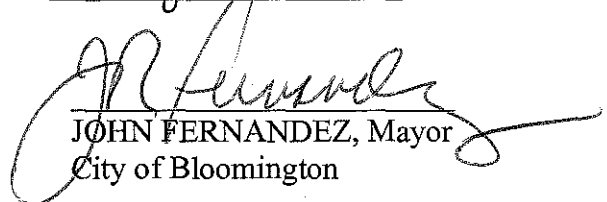
ATTEST:


REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 2nd day of August, 2001.


REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 6th day of August, 2001.


JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This ordinance would establish a rainy day fund to set aside reserve funds to meet unanticipated or emergency financial needs for which funds have not been appropriated. The establishment of a local rainy day fund is permitted by the recent enactment of Public Law 251-2001 that was passed by the state legislature during the 2001 session of the General Assembly.

Note: The Council adopted Amendment 1 on August 1, 2001. The amendment affected Sections 2 and 4 by removing references that tied transfers from the general fund to the rainy day fund to the greater of either the total appropriation or approved revenues for the relevant fiscal year. The amended version ties those transfers solely to the total appropriations for the relevant fiscal year.

Signed copies to:
controller
legal (5)