

ORDINANCE NO. 31-2021

INTRODUCED BY: Mayor James Graven and Council as a Whole

**AN ORDINANCE TO PROVIDE FOR THE CREATION AND USE
OF A BUDGET STABILIZATION FUND, PURSUANT TO
SECTION 5705.13(A)(1) OF THE OHIO REVISED CODE**

WHEREAS, as a matter of prudent fiscal policy, the City Administration and City Council deem it necessary to create a Budget Stabilization Fund for depository of funds. Now Therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OLMSTED FALLS, CUYAHOGA COUNTY, OHIO, THAT:

SECTION 1. Purpose. Deeming it advisable and in the interest of the City for the stabilization of the budget and for effective use of tax dollars, the City of Olmsted Falls does hereby create a fund to be known as the Budget Stabilization Fund (#020) for the purposes set forth in this Ordinance.

SECTION 2. Definition. As used in this Ordinance “Fund” means a budget stabilization fund.

SECTION 3. Creation. There is hereby created a Budget Stabilization Fund to be used for and as set forth in this Ordinance, as authorized by Section 5705.13(A)(1) of the Ohio Revised Code.

SECTION 4. Contributions, Appropriations and Limitations. Subsequent to the creation of this Fund, the City may appropriate by a resolution or ordinance, adopted by a two-thirds vote of the members elected and serving on the Council of the City of Olmsted Falls, all or part of a surplus in the General Fund resulting from an excess of revenue in comparison to expenses.

SECTION 4.1. The City shall not impose additional taxes to produce revenue in excess of that needed in its estimated budget in order to provide for money to be appropriated to the Fund.

SECTION 4.2. A reserve balance account established for the purpose described in Section 1 of this Ordinance may be established in the General Fund or in one or more special funds for operating purposes of the City. The amount of money to be reserved in such an account in any fiscal year shall not exceed five percent of the revenue credited in the preceding fiscal year to the fund in which the account is established. Subject to division (G) of Section 5705.29 of the Revised Code, any reserve balance in an account established under division (A)(1) of this section shall not be considered part of the unencumbered balance or revenue of the subdivision under division (A) of Section 5705.35 or division (A)(1) of Section 5705.36 of the Revised Code.

SECTION 4.3. The money in the Fund may be invested as provided by law, with the earnings of the Fund to be returned to the City's General Fund. Pursuant to Section 5705.13 of the Revised Code, the City, by resolution or ordinance, may rescind a reserve balance account established under this division. If a reserve balance account is rescinded, money that has accumulated in the account shall be transferred to the fund or funds from which the money originally was transferred.

SECTION 4.4. If the money in the Fund exceeds that permitted as set forth in Section 4.2 above, the excess money shall be appropriated in the City's next General Fund budget, but shall not be appropriated to the Fund.

SECTION 5. Appropriations from the fund. Money in the Fund may be appropriated by a resolution adopted by two-thirds vote of the members elected and serving on the County of the City of Olmsted Falls for the following purposes:

- (a) To fully or partially support a General Fund deficit when the City's annual audit reveals or projects such a deficit.
- (b) To prevent a reduction in the level of public services at any time in a fiscal year when the City's budgeted revenue in the General Fund is not being collected in an amount sufficient to cover budget expenses of the fund.
- (c) To prevent a reduction in the level of public services when in preparing the budget for the next fiscal year, the City's estimated General Fund revenue does not appear sufficient to cover estimated expenses.
- (d) To fund expenses arising because of a natural disaster, including a flood, fire, or tornado. However, if federal or state funds are received to offset the appropriations from the Fund, that money shall be returned to the Fund.

SECTION 5.1. In determining whether the City's revenue is not sufficient to cover its expenses, a reduction in the amount of money received for the fiscal year from any source in comparison to the amount of money received for the previous fiscal year, including a reduction in the allocation of state tax money, shall be considered.

SECTION 6. Prohibitions. The money in the Fund shall not be appropriated for the acquisition, construction or alteration of a public facility as part of a general capital improvement program.

SECTION 7. The Council finds and determines that all formal actions of this Council relating to the adoption of this Ordinance have been taken at open meetings of this Council; and that deliberations of this Council and of its committees, resulting in such formal action, took place in meetings open to the public, in compliance with all statutory requirements including the requirements of Section 121.22 of the Ohio Revised Code.

SECTION 8. This Ordinance shall take effect at the earliest time allowed by law.

Paul Stibich, President of Council

PASSED: _____

APPROVED: _____
James Graven, Mayor *Date*

APPROVED AS TO FORM: _____
Andrew D. Bemer, Director of Law

ATTEST: _____
Angela Mancini, Clerk of Council

First Reading: _____

Second Reading: _____

Third Reading: _____

	Yea	Nay
Stibich	_____	_____
Jones	_____	_____
Jansen	_____	_____
McFadden	_____	_____
Munteanu	_____	_____
Buchholz	_____	_____
Chitester	_____	_____