

AN ORDINANCE OF THE CITY OF NORMAN, OKLAHOMA AMENDING SECTION 8-103 OF THE CODE OF THE CITY OF NORMAN BY REDUCING THE REQUIRED PERCENTAGE OF ANNUALLY BUDGETED EXPENDITURES TO BE APPROPRIATED TO THE EMERGENCY RESERVE ACCOUNT FROM TWO PERCENT TO ONE PERCENT AND CHANGING THE MINIMUM AND MAXIMUM PERCENTAGE OF GENERAL FUND EXPENDITURES TO BE HELD IN THE NET REVENUE STABILIZATION FUND TO FOUR TO SEVEN PERCENT; AND AMENDING SECTION 8-104 TO INCREASE THE MINIMUM AMOUNT IN THE NET REVENUE STABILIZATION FUND FROM THREE PERCENT TO FOUR PERCENT OF ANNUALLY BUDGETED GENERAL FUND EXPENDITURES; AND PROVIDING FOR THE SEVERABILITY THEREOF.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA:

§ 1. That, Section 8-103 shall be amended to read as follows:

Section 8-103. Creation of Reserve Funds.

This article creates Reserve Funds for the general purposes of: Ensuring the ongoing operations of the City of Norman's General Fund in times of extraordinary expenses or revenue shortfalls; addressing emergency expenditure requirements; and/or addressing unforeseen major capital facility maintenance needs. The City's General Fund shall have an unappropriated Operating Reserve Fund balance of at least three (3) percent of annually budgeted expenditures, in addition to an appropriated Emergency Reserve account of one (1) ~~two (2)~~ percent of annually budgeted expenditures. It is recognized that Council may still adopt an annual budget in compliance with the Oklahoma Municipal Budget Act if the Operating Reserve and the Emergency Reserve do not meet the reserve requirements set out herein. The City shall also have and there is hereby established a Net Revenue Stabilization Fund (to also be referred to as the "Rainy Day Fund") that may be funded from revenues in excess of budgeted revenue projections, transfer of appropriations for expenditures that are less than budgeted allocations, and/or from existing General Fund balance. When the Operating Reserve and Emergency Reserve requirements are met, the City of Norman shall budget for and/or make transfer appropriations to the Net Revenue Stabilization Fund from the General Fund or other City of Norman governmental funds until the fund balance of the Net Revenue Stabilization Fund reaches an amount not less than four (4) ~~three (3)~~ percent but not more than seven (7) ~~six (6)~~ percent of annually budgeted General Fund expenditures in the then-current budget year.

* * * * *

§ 2. That, Section 8-104 of the Code of the City of Norman, Oklahoma be amended to read as follows:

Sec. 8-104. Use of appropriated Net Revenue Stabilization Fund balances; requirements to maintain Net Revenue Stabilization Fund balances.

(a) *Definitions.* Unless otherwise stated in this article, the terms defined in the most recently-amended Oklahoma Municipal Budget Act (11 O.S., Section 17-201 et seq.) apply herein. The Net Revenue Stabilization Fund may also be known as or titled the "Rainy Day Fund."

(b) *Appropriation of Net Revenue Stabilization Fund balances.*

(1) The City Council cannot appropriate Net Revenue Stabilization ("Rainy Day") Fund balances without the affirmative majority vote of the City Council Members.

(2) Net Revenue Stabilization Fund balances can only be appropriated in instances in which: (i) unexpected expenses are incurred within the City of Norman General Fund due to natural or man-made disasters, as declared by the President of the United States or the Governor of Oklahoma, and the Mayor of Norman; and the General Fund Emergency Reserve appropriation has been expended or obligated for expenditure; or (ii) the General Fund Operating Reserve is projected to be drawn down to a level below one (1) percent of annually budgeted expenditures, due to sustained revenue fluctuations or unexpected expenditures; or (iii) critical, non-programmed one-time capital expenditures are required for the maintenance, replacement, construction or improvement of City of Norman buildings or infrastructure.

(c) *Maintenance of Net Revenue Stabilization Fund balance.* At any time that the Net Revenue Stabilization Fund balance is below the required four (4) ~~three (3)~~ percent of annually budgeted General Fund expenditure level, the Council shall take action to restore the fund balance to its required level within three years of the occurrence of the shortfall, and will seek to maintain the fund at ~~four and one-half (4.5)~~ five (5) percent of annually budgeted ~~g~~General ~~f~~Fund expenditures.

(d) In conjunction with the Council's required acceptance of the Comprehensive Annual Financial Report, the Finance Director shall reconcile any revenue or expenditure projections that resulted in transfers into or withdrawals from the Net Revenue Stabilization Fund with actual stated budgetary year-end

results and shall, to the extent practicable, rebalance the allocations accordingly.

(e) The City Manager or her/his designee is authorized and directed to establish procedures and policies to implement this article.

§ 3. Severability. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance, except that the effective date provision shall not be severable from the operative provisions of the ordinance.

ADOPTED this _____ day
of _____, 2018.

NOT ADOPTED this _____ day
of _____, 2018.

(Mayor)

(Mayor)

ATTEST:

(City Clerk)