

County Council of Cuyahoga County, Ohio

Ordinance No. O2011-0056

Sponsored by: Councilmembers Greenspan, Miller, Jones, Conwell, Gallagher and Germana	An Ordinance establishing a General Fund, Fund Balance Reserve Policy; and declaring the necessity that this Ordinance become immediately effective.
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WHEREAS, the Cuyahoga County Charter provides for the transition, effective January 1, 2011, to a county governed by an elected County Executive and an eleven member elected County Council; and,

WHEREAS, the County Council has the power to establish by ordinance a General Fund, Fund Balance Reserve Policy; and,

WHEREAS, the County Council has, through the 2012-2013 Biennial Budget Goals, strived to achieve a goal of an unreserved fund balance of 25% (twenty-five percent) reserve balance to current year expenditure ratio of the General Fund as an undedicated General Fund, fund balance reserve; and,

WHEREAS, a formal reserve policy is recommended by various finance and accounting professional organizations and independent bond rating agencies; and,

WHEREAS, it is recognized by the Government Accounting Standards Board and the Government Finance Officers Association that it is prudent for local government entities to establish a formal reserve policy for General Operating Funds; and,

WHEREAS, it is necessary that this Ordinance become immediately effective in order that critical services provided by Cuyahoga County can continue and to continue the usual and daily operation of the County.

NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. The County Council hereby establishes twenty-five percent (25%) of the current fiscal year's General Fund ongoing budgeted operating expenditures as a General Fund, fund balance reserve.

SECTION 2. The reserve may only be used to stabilize revenues, mitigate a projected deficit in the current operating period, retire or defease outstanding bonds or notes of the County, fund one-time or unanticipated expenditures, and pay judgments or otherwise settle legal disputes and claims.

SECTION 3.

- A. Any legislative action that results in reducing General Fund reserves below the twenty-five percent (25%) threshold shall contain a provision authorizing the use of reserves.
- B. The County Executive shall inform the Council, with at least one hundred twenty (120) days' notice whenever possible, whenever the County has obligations that would reasonably be expected to result in the General Fund reserve declining below the twenty-five percent (25%) threshold.
- C. At any other time that the Council determines that the use of General Fund reserves within the twenty-five percent (25%) threshold is needed for one or more of the reasons provided for in Section 2, the Council shall by resolution, authorize the use of such reserves.

SECTION 4. Effective Date. It is necessary that this Ordinance become immediately effective in order that critical services being provided by Cuyahoga County can continue without interruption, and to continue the usual daily operation of the County. Provided that this Ordinance receives the affirmative vote of eight members of the County Council, this Ordinance shall become immediately effective upon signature of the County Executive.

SECTION 5. It is found and determined that all formal actions of this Council meeting and relating to the adoption of this Ordinance were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by Mr. Schron, seconded by Mr. Miller, the foregoing Ordinance was duly enacted.

Yeas: Miller, Brady, Germana, Gallagher, Schron, Conwell, Jones, Rogers, Simon, Greenspan and Connally

Nays: None

County Council President Date

County Executive Date

Clerk of Council Date

First Reading/Referred to Committee: December 6, 2011
Committee(s) Assigned: Finance & Budgeting

Second Reading: April 24, 2012

Ordinance Substituted on the Floor: May 8, 2012

Additional Sponsorship Requested on the Floor: May 8, 2012

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