

# County Council of Cuyahoga County, Ohio

## Ordinance No. O2011-0058

Sponsored by: <b>Councilmembers Greenspan, Miller, Conwell, Gallagher and Germana</b>	<b>An Ordinance</b> establishing a Health and Human Services Levy 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 Health and Human Services Levy 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 15% (fifteen percent) reserve balance to current year expenditure ratio of the Health and Human Services Levy Fund as an undedicated Health and Human Services Levy 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 Health and Human Services 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 ten percent (10%) of the current fiscal year's Health and Human Services Levy Fund ongoing budgeted operating expenditures as a Health and Human Services Levy Fund, fund balance reserve except that the Health and Human Services Levy Fund, fund balance reserve shall be fifteen percent (15%) through December 31, 2013.

**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 Health and Human Services Levy Fund reserves below the reserve balance target set in Section 1 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 Health and Human Services Levy Fund reserve declining below the reserve balance target set in Section 1.
- C. At any other time that the Council determines that the use of Health and Human Services Levy Fund reserves within the reserve balance target set in Section 1 are 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. Greenspan, seconded by Mr. Schron, the foregoing Ordinance was duly enacted.

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

Nays: None

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County Council President      Date

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County Executive              Date

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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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