

ORDINANCE NO. ____-2024

AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 50-2016 PERTAINING TO THE CONTINGENCY DESIGNATION FUND AND POLICY, TO INCREASE THE AMOUNT OF THE REQUIRED MONTHLY DEPOSIT TO \$75,000 AND TO INCLUDE A POTENTIAL ADDITIONAL ANNUAL DEPOSIT IN THE EVENT A FUND BALANCE EXISTS.

WHEREAS, the Lexington-Fayette Urban County Government's Contingency Designation Fund and Policy (previously the Economic Contingency Fund) was restated in Lexington-Fayette Urban County Government Ordinance No. 50-2016; and

WHEREAS the Urban County Council desires to amend that policy to provide for additional and potential additional deposits or contributions.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That Lexington-Fayette Urban County Government Ordinance No. 50-2016 pertaining to the Contingency Designation Fund and Policy be and hereby is amended and restated to read as follows:

1. That the Contingency Designation Fund and Policy (the "Contingency Fund") exists in order to provide the Lexington-Fayette Urban County Government with sufficient working capital and an ability to address emergencies without borrowing.

2. The Contingency Fund shall maintain a funding goal of ten percent (10%) of the previous year's total General Fund Revenues.

3. Interest earned on monies in the Contingency Fund will accrue to the fund.

4. Other reasonable funding possibilities shall be pursued prior to the withdrawal of any monies from the Contingency Fund.

5. A monthly deposit in the amount of seventy-five thousand dollars (\$75,000) will be required each fiscal year unless the ten percent (10%) funding goal has been met. In the event funds are withdrawn for revenue stabilization purposes, deposits for that fiscal year may be suspended.

6. Each year, the Department of Finance will report to the Budget, Finance, and Economic Development Committee the dollar amount that could be deposited to the Contingency Fund to maintain ten percent (10%) of the previous year's General Service District Fund revenues.

7. Each year as part of the Fund Balance presentation following the annual audit report the Department of Finance shall examine the General Services District Fund available fund balance and recommend that ten percent (10%) of the unassigned balance be deposited into the Contingency Fund unless the ten percent (10%) funding goal has been met. The amount of the actual deposit will be reported as a commitment in the Fund Balance presentation. Should this deposit result in the Contingency Fund exceeding the ten percent (10% goal), only the amount needed to attain the goal will be committed. The amount of the actual deposit will be determined by the Urban County Council. This shall not prohibit the administration or Urban County Council from recommending or making additional deposits.

8. Monies in the Contingency Fund may be used for the following:

a. Unanticipated or unforeseen extraordinary needs of an emergency nature; for example, costs related to a natural disaster or calamity or other emergency as defined in state or local law, or an unexpected significant liability occurs;

b. Revenue stabilization to balance the budget in the event of an unanticipated revenue shortfall; or

c. Unanticipated situations of an unusual nature involving non-recurring expenditure(s).

9. The following process shall be used to approve the withdrawal of any monies from the Contingency Fund regardless of whether the request for withdrawal is made by the administration or the Urban County Council:

a. All requests for the withdrawal of monies shall be submitted in writing and supported by documentation to the Chief Administrative Officer, which shall include at a minimum, the proposed use of the funds and all associated costs;

b. Such requests shall be submitted by the Chief Administrative Officer, with a recommendation, to the Urban County Council for review at least two (2) weeks prior to the date of the first work session at which the request is to be presented;

c. Any withdrawal of monies must be approved by at least two-thirds (i.e., 10) of the members of the Urban County Council; and

d. The actual expenditure of funds may also require the approval of a budget amendment dependent upon the circumstances.

10. Notwithstanding paragraph 9, above, in the event that a State of Emergency has been declared, the Mayor may approve a withdrawal of monies from the fund for uses related to the emergency.

Section 2 – That this Ordinance shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

MAYOR

ATTEST:

CLERK OF URBAN COUNTY COUNCIL

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