

ORDINANCE NO. 2003- 41

AN ORDINANCE OF THE TOWN OF MIAMI LAKES, FLORIDA, REGARDING BUDGETING AND RESERVES; REQUIRING THE ESTABLISHMENT OF A RESERVE FUND BALANCE OF 10% OF THE TOWN'S ANNUAL GENERAL FUND BUDGET; PROVIDING FOR REPLENISHMENT OF DEFICITS IN THE RESERVE; AND ESTABLISHING CRITERIA FOR USE OF THE 10% RESERVE; REQUIRING A 15% RESERVE FOR LONG-TERM DEBT SERVICE; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; REPEALING CONFLICTING ORDINANCES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town Council for the Town of Miami Lakes, Florida (the "Town") endorses the continued implementation of sound financial policies, practices and fiscal responsibility; and

WHEREAS, the Town Council has determined that a reserve policy tailored to the particular needs of the Town is the most prudent way to insure against unanticipated events which would adversely affect the financial condition of the Town and jeopardize the continuation of necessary public services; and

WHEREAS, it is essential that the Town Council maintain adequate reserves in its various operating funds to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain investment grade bond ratings, (3) offset significant economic downturns or revenue shortfalls, and (4) provide funds for unforeseen expenditures related to catastrophic and other unscheduled emergencies; and

WHEREAS, the Town Council has not previously had a formally adopted reserve policy and desires by means of this ordinance to adopt a sound financial policy to ensure the town is financially responsible by maintaining a reserve.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF MIAMI LAKES, FLORIDA, AS FOLLOWS:

Section 1. **Recitals.** The above recitals are true and correct and are incorporated herein by this reference.

Section 2. A new section ____ of the Town Code entitled, “Budget Reserves” is created to read as follows:

“ BUDGET RESERVE

Sec. 1. General Fund Reserves.

(a) The Town shall maintain during each fiscal year a reserve fund balance equal to a minimum of 10% of the total general fund expenditures budget.

(b) The calculation of the percentage reserve specified in Subsection (a) shall be based upon the budget as originally adopted by ordinance in September of the applicable fiscal year.

(c) The reserve shall be in addition to all other contingency funds, reserves or designations of fund balances, including, but not limited to, reservations of uncollected receivables and reservations of funds which have expenditure authority limited to specific purposes.

Sec. 2. Purposes for which Reserve may be used.

(a) The reserve may be utilized and the fund balance of 10% of the annual budget may be decreased for any of the following purposes:

- (1) Unscheduled natural disaster/emergencies;

- (2) Unanticipated capital improvements or infrastructure needs;
- (3) Unforeseen contingent liabilities;
- (4) Acts of God or war; or
- (5) For the emergency health, safety and welfare needs of the Town.

Sec. 3. Replenishment of Reserves.

(a) If in any fiscal year the Town is unable to maintain the 10% reservation of fund balance required by this Ordinance, the Town in the next subsequent fiscal year shall not be entitled to appropriate any portion of the remaining reserve funds until the reserves are replenished to a minimum of 10% of the general fund.

(b) If, at the end of any fiscal year, the actual amount of unreserved, undesignated fund balance reserves or unrecovered retained earnings falls below the required levels as established, the Town Manager shall prepare and submit a plan for expenditure or expense reductions and/or revenue increases to the Town Council in order to replenish the 10% fund balance reserve.

(c) As a part of the Town's annual budgeting process, the Town Council shall review the expenditure plan submitted by the Town Manager under Subsection (b) and if necessary amend the plan. After such review the town Council shall direct the Town Manager to implement the plan as submitted or as amended into the general fund budget for the following fiscal years.

(d) Any deficit in the required reserve amount must be restored no later than the end of the second fiscal year following its occurrence.

Sec. 4. Utilization of Surplus Reserves.

In the event that the fund balance exceeds the minimum reserve established under this Ordinance, the excess funds may be utilized for any lawful purpose.

Sec. 5. Long-Term Debt Service.

(a) In the event that the Town issues long-term debt service obligations, the minimum reserve amount shall be increased to 15% of the general fund expenditure budget. This increase shall be implemented no later than October 1 of the fiscal year following issuance of the debt.

(b) All references in this ordinance to the 10% reserve shall be modified to reflect the 15% level for the time period that such long-term debt service obligations are outstanding.

(c) In the event, that all long-term debt has been repaid, the reserve amount shall be reduced to 10% until new long-term debt is issued by the Town.

(d) For purposes of this Ordinance, long-term debt shall mean obligations financed with a one year or more repayment schedule.”

Section 3. Severability. The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

Section 4. Inclusion In The Code. It is the intention of the Town Council that the provisions of this Ordinance shall become and made a part of the Town of Miami Lakes Code; that the sections of this Ordinance may be renumbered or re-lettered to accomplish such intentions; and that the word “Ordinance” shall be changed to “Section ” or other appropriate word.

Section 5. Repeal Of Conflicting Provisions. All provisions of the Code of Miami-Dade County as made applicable to the Town by Article VIII, Section 8.3 of the Town Charter which are in conflict with this Ordinance are hereby repealed.

Section 6. Effective Date. This Ordinance shall become effective immediately upon adoption on second reading.

The foregoing Ordinance was offered by Councilmember Meador, who moved its adoption on first reading. The motion was seconded by Councilwoman Collins and upon being put to a vote, the vote was as follows:

Councilmember Mary Collins	Yes
Councilmember Robert Meador, II	Yes
Councilmember Michael Pizzi	Yes
Councilmember Nancy Simon	Absent
Councilmember Peter Thomson	Yes
Vice Mayor Roberto Alonso	Yes
Mayor Wayne Slaton	Yes

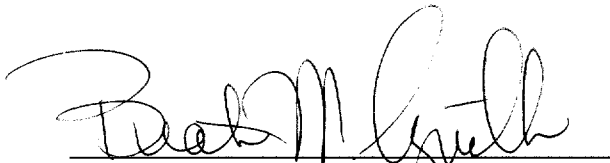
PASSED on first reading this 9th day of **September**, 2003.

The foregoing Ordinance was offered by Vice Mayor Alonso, who moved its adoption on second reading. The motion was seconded by Councilmember Collins, and upon being put to a vote, the vote was as follows:


Councilmember Mary Collins	Yes
Councilmember Robert Meador, II	Yes
Councilmember Michael Pizzi	Yes
Councilmember Nancy Simon	Absent
Councilmember Peter Thomson	Yes
Vice Mayor Roberto Alonso	Yes
Mayor Wayne Slaton	Yes

PASSED AND ADOPTED on second reading this 14th day of **October**, 2003.

ATTEST:

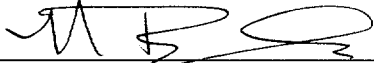


Beatris M. Arguelles, CMC
TOWN CLERK



Wayne Slaton, MAYOR

Approved as to form and legality for the use
and benefit of the Town of Miami Lakes only:



Weiss, Serota, Helfman, Pastoriza, Guedes,
Cole & Boniske, P.A.
TOWN ATTORNEY

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