AN ORDINANCE OF THE CITY OF SAMMAMISH,
WASHINGTON, ESTABLISHING A GENERAL FUND
STRATEGIC RESERVE ALLOCATION AND POLICIES

WHEREAS, the establishment of a strategic reserve allocation by the City Council will assist in maintaining appropriate cash levels to minimize volatility in maintaining City programs and levels of service for the citizens of Sammamish; and

WHEREAS, the reserve allocation will also provide financial capacity for present and future needs, assist in protecting the City’s credit rating, and provide for adequate resources to meet the provisions of the City’s debt obligations; and

WHEREAS, it is appropriate that policies be adopted to guide the use of such fund;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAMMAMISH,
WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Establishment of Allocation. There is hereby established an allocation to be known as the General Fund Strategic Reserve. All funds for the Strategic Reserve Allocation shall be appropriated from the City’s General Fund Balance and shall be classified as restricted.

Section 2. Purposes. The purposes of establishing a strategic reserve allocation and policies shall be as follows:

A. To provide sufficient working capital for City programs and to maintain City services at appropriate levels.

B. To fund unanticipated expenditures that are non-recurring in nature; i.e., one-time expenditures

C. To serve as a hedge against economic downturns and ensuing revenue shortfalls.

Section 3. Reserve Level. The General Fund Strategic Reserve Allocation shall be established at 10% of the Annual Budgeted Revenues in the General Fund unless the level is modified by ordinance of the City Council.

Section 4. Policies.
A. A formal request to access the strategic reserve must be made by the City Manager to the City Council or by a majority vote of the City Council.

B. A public hearing shall be conducted prior to the use of any reserve funds.
C. The use of reserve funds shall be approved by ordinance. Said ordinance shall be passed by a vote of at least five Council members.

D. Each ordinance approving use of reserve funds shall also include a repayment plan to return the allocation to the reserve level established pursuant to Section 3 above.

E. Funds appropriated by Council shall be restored to the strategic reserve no later than the end of the next biennial budget.

F. In the event of an emergency declared by the City Manager, the reserve funds may be utilized to address the emergency without the need for appropriation by the City Council. As soon as reasonably possible following the end of the emergency period, the City Manager shall provide to the Council with a written report identifying the amount of all reserve funds expended and the purpose for each expenditure.

Section 5. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 6. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 1ST DAY OF NOVEMBER 2005.

CITY OF SAMMAMISH

[Signature]
Mayor Donald A. Gerend

ATTEST/AUTHENTICATED:

[Signature]
Melonie Anderson, City Clerk
Approved as to form:

Bruce L. Disend, City Attorney

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