

**ORDINANCE NO. 643**

**AN ORDINANCE OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AMENDING UNIVERSITY PLACE MUNICIPAL CODE, TITLE 4 REVENUE AND FINANCE, SECTION 4.40.120 STRATEGIC RESERVE FUND, TO ADD A PROVISION REQUIRING AN AFFIRMATIVE VOTE OF FIVE COUNCIL MEMBERS TO AUTHORIZE USE OF STRATEGIC RESERVE FUND**

WHEREAS, RCW 35A.42.010 imposes certain duties and grants authorities to the City Treasurer, as designated by ordinance, including the management and investment of city funds;

WHEREAS, the establishment of separate accounts for every appropriation or fund of a municipality is required by RCW 43.09.210;

WHEREAS, on December 15, 1997, the City Council passed Ordinance No. 179, creating specific funds in the City Treasury, defining their purposes and revenue sources, and providing other pertinent general and financial information related to each fund;

WHEREAS, the Strategic Reserve fund was established to set aside financial resources to be used to mitigate adverse situations occurring as the result of severe short-term revenue shortfalls or expenditures resulting from emergencies, or as otherwise designated by the City Council; and

WHEREAS, the current Strategic Reserve Fund ordinance allows funds to be removed by a simple majority vote. A simple majority vote requirement does not create a sufficient bar to protect the Strategic Reserve Fund, and does not meet the Council's intent that the Fund be utilized only for severe short term revenue shortfalls or emergencies;

WHEREAS, in order to create a sufficient bar to ensure that the Fund is utilized only for severe short term revenue shortfalls or emergencies, the City Council, after review and discussion at its September 15, 2015 Finance Committee meeting and October 6, 2014 City Council meeting, directed staff to prepare an ordinance that would provide for an affirmative vote of five (5) council members to authorize use of Strategic Reserve funds.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, DOES ORDAIN AS FOLLOWS:**

Section 1. Amend UPMC Title 4, Section 4.40.12. The University Place Municipal Code (UPMC) Title 4, Section 3.40.120 is hereby amended as follows:

**4.40.120 Strategic reserve fund.**

A. Purpose. This fund is established to set aside financial resources to be used to mitigate adverse situations occurring as the result of severe short-term revenue shortfalls or expenditures resulting from emergencies, or as otherwise designated by the City Council.

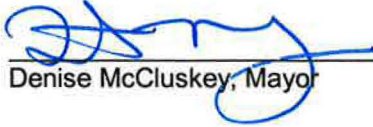
B. Revenue Sources. This fund shall be finance by transferring undesignated and unreserved fund balance in the general fund at the end of each calendar year or by other appropriation, as deem appropriate by the City Council.

C. Authorization for Strategic Reserve Fund Use. The use of the Strategic Reserve Fund must be authorized and approved by the affirmative vote of five Council members.

Section 2. Severability. If any one or more sections, subsections or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

Section 3. Effective date. This Ordinance shall take effect five days after publication.

**PASSED BY THE CITY COUNCIL ON NOVEMBER 17, 2014.**

  
Denise McCluskey, Mayor

**ATTEST:**

  
Emelita Genetia, City Clerk

**APPROVED AS TO FORM:**

  
Steve Victor, City Attorney

Publication Date: 11/19/14  
Effective Date: 11/24/19