

**CITY OF LIBERTY LAKE
SPOKANE COUNTY, WASHINGTON
ORDINANCE NO. 107-D**

**AN ORDINANCE OF THE CITY OF LIBERTY LAKE, SPOKANE COUNTY,
WASHINGTON, AMENDING CITY ORDINANCE NO. 107 TO PROVIDE FOR
THE MANAGEMENT AND USE OF THE RESTRICTED RESERVE FUND**

WHEREAS, through Ordinance No. 107 passed December 17, 2002, the City of Liberty Lake adopted a Restricted Reserve Fund and required that the Fund maintain a minimum annual balance equal to three months of the operating expenditures of the City Current Expense Fund for the budget year;

WHEREAS, the above Ordinance recognized that the City would, through ordinance, adopt policies and procedures that relate to the management and use of the Restricted Reserve Fund; and

WHEREAS, the City Council desires to set forth policies and procedures related to the Restricted Reserve Fund.

NOW, THEREFORE, the City Council of the City of Liberty Lake, Washington, do ordain as follows:

Section 1. Restricted Reserve Fund. The Restricted Reserve Fund (120) is affirmed and ratified as presently established, provided hereafter the balance in the Restricted Reserve Fund shall generally be maintained at fifteen percent (15%) of the General Fund's projected or actual, if known, operating revenues for the fiscal year. Following the appropriation of money from the Fund, the City Council shall use best efforts to replenish the Fund from unencumbered and un-appropriated monies in the General Fund.

Section 2. Policies. The City Council adopts the following policies for management and use of the Restricted Reserve Fund:

- (i) Investments. At all times, the Restricted Reserve Fund shall be invested in permitted municipal investments for the purpose of earning interest on the fund balance.
- (ii) Use. The Restricted Reserve Fund should not be used for current expenses of the City, except in unusual or emergent conditions.

Section 3. Procedure. The City Council establishes the following procedures prior to an appropriation of monies from the Restricted Reserve Fund.

- (i) All appropriations of the Restricted Reserve Fund shall be set forth in the annual budget of the City, to the extent known. Where an appropriation is

requested subsequent to budget approval, such appropriation shall be made by ordinance of the City Council.

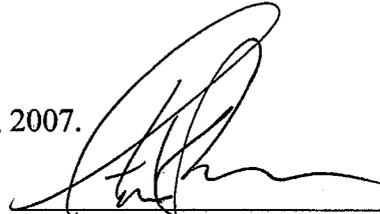
(ii) The appropriation from the Restricted Reserve Fund shall be presented to the City Council for their consideration to include, but not be limited to: a Staff Report stating the need for use of the monies; supporting documentation, which may include reference to planning documents of the City or other transactional agreements; and, a statement concerning the public use being served and the expected community benefit.

(iii) In the event of an emergency, a request to use the monies shall be supported by a statement of the emergency and immediate need for the monies, plus such other information as deemed relevant. Within 30 days of an appropriation for emergency purposes, the City Council shall consider, in a public meeting, the reason for the appropriation, supporting documentation and provide an opportunity for public comment.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. Effective Date. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Passed by the City Council this 16th day of January, 2007.



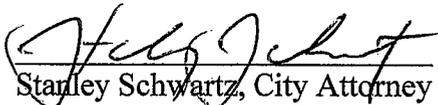
Steve Peterson, Mayor

Attest:



Arlene Fisher, City Clerk

Approved as to form:



Stanley Schwartz, City Attorney

Published 1/25/07

Effective: 1/30/07