

ORDINANCE NO. 22-2565

AN ORDINANCE OF THE CITY OF HOOVER TO MODIFY CHAPTER 2, ADMINISTRATION AND TO REPEAL ALL ORDINANCES AND PARTS OF THE ORDINANCES OF THE CITY OF HOOVER IN CONFLICT THEREWITH.

NOW, THEREFORE BE IT ORDAINED by the City Council of the City of Hoover, in regular meeting duly assembled, a quorum being present, as follows:

Section 1. Modification of Chapter 2, Administration. Chapter 2 of the *Municipal Code of the City of Hoover, Alabama* is hereby amended to add the following Sections to this Chapter:

Chapter 2 – Administration

Section 2-7. Budget Stabilization Fund

- (a) The City of Hoover shall create a Budget Stabilization Fund to be funded by excess revenue.
- (b) The Budget Stabilization Fund shall be used only when revenues do not meet the projected growth mark.

Section 2-8. General Fund Rolling Reserve Policy

- (a) The City of Hoover shall adopt and follow a General Fund Rolling Reserve Policy to guide the City budget.
- (b) The City of Hoover General Fund Rolling Reserve Policy shall be based upon a 5, 10, 15, and 20-year analysis of total revenues for the City of Hoover. The percent of change for each of those comparisons yields a four percent (4%) average increase in revenues each year. The four percent (4%) average increase will be used to base the upper budgeted revenue limit. The City of Hoover will commit to spend only seventy percent (70%) of that increase with the remaining thirty percent (30%) going into a Budget Stabilization Fund for any subsequent years that City revenues do not meet the four percent (4%) projected growth. Revenues received in excess of the four percent (4%) increase will be set aside for directed spending funds for technology, debt, capital improvements, or any other projects the Hoover City Council may approve.

(1) Example One: If the City's revenues for a fiscal year are \$150,000,000, then we estimate that the next year's revenues will be a 4% increase, or an increase of \$6,000,000. We commit to spending only 70% of the \$6,000,000 increase, or \$4,200,000. The remainder of the increase, \$1,800,000, will go into a Budget Stabilization Fund to be used for any subsequent years that revenues fall short of the 4% projected growth.

(2) Example Two: If the City's revenues see an increase above a 4% growth, such as a 6% growth, then using the revenues in the example, the increase based upon \$150,000,000 revenues, would be \$9,000,000. We would commit to spending the same as above, \$4,200,000, saving \$1,800,000 in the Budget Stabilization Fund, and setting aside the remaining \$3,000,000 for directed spending funds for technology, debt, capital improvements, or any other project the Hoover City Council may approve.

Section 2. ORDINANCES REPEALED. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. SEVERABILITY. That if any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City of Hoover hereby declares that it would have passed this ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

Section 4. LEGAL RIGHTS NOT IMPAIRED. That nothing in this ordinance or in the Code hereby adopted shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as cited in Section 2 of this ordinance; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this ordinance.

Section 5. ORDINANCE CUMULATIVE; COMPATIBILITY WITH OTHER REGULATIONS. This Ordinance shall not be construed to modify or to repeal any other ordinance, rule, regulation, or other provision of law. The requirements of this Ordinance are in addition to and cumulative to the requirements of any other ordinance, rule, regulation, or other provision of law, and where any provision of this ordinance imposes restrictions different from those imposed by any other ordinance, rule, regulation, or other provision of law, whichever provision is more restrictive or imposes higher protective standards for human health or the environment shall control.

Section 6. PUBLICATION OF ORDINANCE. That the City Clerk of the City of Hoover is hereby ordered and directed to cause this ordinance to be published and that a copy of this Ordinance be entered upon the minutes of the meeting of the City Council.

Section 7. EFFECTIVE DATE OF ORDINANCE. That this Ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall be in full force and effect upon adoption and shall continue in full force and effect from month to month and year to year from its effective date until repealed.

THEREFORE, BE IT ORDAINED, that the City Council of the City of Hoover does hereby ordain, resolve, and enact the foregoing Ordinance for the City of Hoover.

DONE on this the 6th day of June, 2022.

John B. Lyda, Council President

APPROVED BY:

Frank V. Brocato, Mayor

ATTESTED BY:

Wendy Dickerson, City Clerk