

ORDINANCE NO.: 1972

**AN ORDINANCE ADOPTING THE FISCAL YEAR
2009-2010 GENERAL FUND BUDGET FOR
THE CITY OF PRICHARD, ALABAMA**

WHEREAS, in August of 2009, the Mayor of the City of Prichard, Alabama transmitted to the City Council for consideration his budget message and the proposed General Fund Budget for Fiscal Year 2009-2010, said budget projecting revenue in the amount of \$11,500,000 and total expenditures of \$11,500,000 including a budget reserve in the amount of \$230,000;

WHEREAS, pursuant to §11-43C-48 of the *Code of Alabama* 1975, as amended, upon due notice as required by law, the City Council of the City of Prichard, Alabama convened and held a public hearing on said budget;

WHEREAS, at the beginning of the 2009-2010 fiscal year on October 1, 2009, the City of Prichard, Alabama, having not adopted a general fund budget for the new fiscal year, continued to operate under the 2008-2009 budget until such time as a newly revised budget could be adopted;

WHEREAS, after the beginning of fiscal year 2009-2010 and up to this date, the City Council of the City of Prichard has been caused to consider certain intervening factors in attempting to adopt a new general fund budget including, but not limited to: how to pay or satisfy numerous outstanding money judgments; the depletion of funds available for payment of the city's pension obligations; the city's filing for protection under Chapter 9 of the United States Bankruptcy Code; and projections of declining municipal revenue and various spending plans and proposals based on projections of declining revenue;

WHEREAS, the City Council of the City of Prichard now desires to adopt the General Fund Budget for Fiscal Year 2009-2010 presented to the Council in August of 2009, as now adjusted by the Council pursuant to the authority granted in §11-43C-49 *Code of Alabama* 1975, to reduce spending, to account for the projected decline in revenue and to include and fund in the city's general fund budget a line item expenditure to be known as "Non-Ordinary Course Expenditures" in the amount of \$100,000.00 in connection with the non-ordinary course creditors in the Chapter 9 case;

WHEREAS, the Non-ordinary Course Expenditures line item is to be funded through the transfer of certain capital funds into the General Fund, with the following understanding:

- (a) the sum of \$105,000.00 is hereby set aside and made available from the Capital Fund to be transferred-in to the General Fund (up to \$100,000.00 to the Non-ordinary Course Expenditures line item and up to \$5,000.00 to the Reserve Account line item, as needed to balance the General Fund Budget against transfers to the Non-ordinary Course line item);
- (b) that the sums from the Capital Fund shall be transferred to the General Fund to reimburse the General Fund for expenditures made therefrom during the fiscal year for projects and things that qualify as projects and things for which Capital Funds could have been expended; and
- (c) the reimbursements to the General Fund shall be used to fund the Non-ordinary Course Line Item, up to \$100,000.00 and the Reserve Account up to an additional \$5,000.00, but only to the extent that there are actual reimbursements to the city's General Fund, from the Capital Fund, as aforesaid;

WHEREAS, at the request of the Mayor, the sum of \$150,000.00 from the Capital Fund has been included on the revenue side of the budget, as a transfer-in of funds from the Capital Fund, the expenditure of which is included in various line items on the expenditure side of the budget, said expenditure also being dependent and conditioned upon reimbursement to the General Fund for projects for which Capital Funds may be expended;

WHEREAS, the Director of Finance has certified in writing or acknowledged on the record that the spending plan as proposed in the attached budget and the year-to-date expenditures heretofore made together do not exceed the projected receipts and available surplus in accordance with the provisions of §11-43C-49;

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PRICHARD, ALABAMA, as follows:

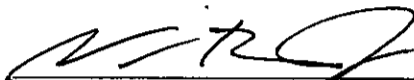
1. That the General Fund Budget for the City of Prichard, Alabama for Fiscal Year 2009-2010, attached hereto as Exhibit "A", containing projected revenue in the amount of \$10,255,000.00 and total expenditures in the amount of \$10,255,000.00, including a budget reserve in the amount of \$205,000.00, is hereby adopted.

2. That a line item entitled "*Non-ordinary Course Expenses*" in the amount of \$100,000.00 has been added to the general fund budget in connection with the city's obligations in the Chapter 9 case, said line item being funded, as hereinabove mentioned, through reimbursements to the General Fund from the Capital Funds up to \$105,000.00. At the request of the Mayor, an additional \$150,000.00 from the Capital Fund has been included on the revenue side of the budget, the expenditure of which has been spread among various line items on the expenditure side of the budget. With respect to said funds being transferred from the Capital Fund to the General Fund, no expenditure shall be made of such transferred funds, whether from the various line items proposed by the

Mayor or the from the Non-ordinary Course Expense line item added by the Council, unless the Director of Finance shall first certify that (a) sufficient funds to meet the said expenditure have been actually transferred from the Capital Fund to the General Fund to reimburse the General Fund for expenditures made therefrom during the fiscal year (b) for projects and things that qualify as projects for which Capital Funds may be expended.

2. That this Ordinance and the Budget herein approved shall become effective immediately upon its adoption as required by law.

ADOPTED this the 10th day of May 2010.



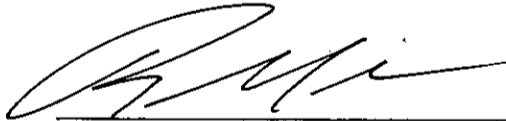
NAPOLEON BRACY, JR., Council
President

ATTEST:



DARLENE PALMER LEWIS, City Clerk

APPROVED this the 10th day of May, 2010.



RONALD K. DAVIS, Mayor