



## Legislation Text

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**File #:** 2924-2019, **Version:** 1

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**Background:** The City of Columbus established the Economic Stabilization Fund (or "Rainy Day Fund") in 1988 to provide for the continuation of basic services during times of economic recession or unexpected revenue loss. The fund was first utilized in 2003. During the period from 2003-2009, over \$91 million was transferred into the general fund in order to avoid reductions to city services in those years.

In 2009, the city made a commitment to the residents of Columbus to restore the fund balance of the Rainy Day Fund to \$50 million by 2014, via resolution 0178X-2009. Having achieved that goal, the Mayor, City Council and the City Auditor set a new goal in 2013, via resolution 0013X-2013, of achieving a fund balance of \$75 million by the end of 2018, a goal which the city surpassed. As such, in 2017, via 0073X-2017, the goal of achieving a fund balance of \$80 million by the end of 2020 was established. Due to the strength of the city's revenue and sound fiscal stewardship of this year's general operating fund budget, this legislation authorizes an additional \$1,000,000 deposit to the Rainy Day Fund in 2019. Making this deposit ensures a fund balance in excess of \$80 million, one full year ahead of the intended goal.

**Emergency designation:** Emergency action is requested to ensure the deposit of these funds before year end.

**Fiscal Impact:** A transfer of \$1,000,000.00 in expenditure savings from the 2019 general operating fund is being authorized for transfer to the economic stabilization fund. A total of \$1,750,000 was already transferred to that fund earlier this year. This additional transfer ensures a fund balance of over \$80 million.

To authorize a transfer of \$1,000,000.00 between subfunds of the general fund, thus depositing such funds into the Economic Stabilization Fund in order to exceed the goal of a "Rainy Day Fund" balance of \$80 million adopted in resolution 0073X-2017 one full year early; and to declare an emergency (\$1,000,000.00).

**WHEREAS**, the City of Columbus established the Economic Stabilization Fund (or "Rainy Day Fund") in 1988 (Ordinance 0860-1988, passed April 11, 1988) to provide for the continuation of basic services during times of economic recession or unexpected revenue loss; and

**WHEREAS**, at different times since its establishment these funds have been utilized due to continuing deteriorating national, state, or local economic conditions; and

**WHEREAS**, the city has met and surpassed the commitments made in 2009 and 2013; and

**WHEREAS**, the City Auditor is authorized and directed to transfer funds within the general fund to make an additional \$1,000,000 deposit to the Economic Stabilization Fund, thus surpassing the 2017 commitment one year ahead of schedule; and

**WHEREAS**, in keeping with sound financial practices, and consistent with the need to protect city finances during extended economic downturns or times of extreme emergency created by unexpected events, it is important that the City budget and plan for the possibility of future fiscal challenges; and

**WHEREAS**, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to transfer funds within the general fund and make an additional deposit of \$1,000,000.00 into the "Rainy Day Fund" for the immediate preservation of the public, health, peace, property, safety and welfare; Now, Therefore; now therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the City Auditor be and is hereby authorized and directed to transfer \$1,000,000 between subfunds of the General Fund according to the account codes in the following attachment, in order to make an additional deposit to the Economic Stabilization Fund (“Rainy Day Fund”) in 2019:

Rainy Day Fund Transfer 2924-2019

**SECTION 2.** That the goal expressed in 2017, via 0073X-2017, of achieving a cash balance of \$80 million by the end of 2020 has been achieved a full year in advance.

**SECTION 3.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.