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ORDINANCE NO. 11-2013

CITY OF DIAMOND CITY, BOONE COUNTY, ARKANSAS

AN ORDINANCE OUTLINING THE PROCEDURE FOR THE
EXPENDITURE AND ACCOUNTING OF CAPITAL OUTLAY FUNDS,
AND DECLARING AN EMERGENCY

WHEREAS, it has come to the attention of the City Council of the City of Diamond City that no written policy for the expenditure of City's capital outlay funds exists; and

WHEREAS, the City Council of the City of Diamond City therefore finds that there must be a procedure for the expenditure of capital outlay funds in order that such expenditures may be properly authorized, budgeted and accounted for in an organized manner.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DIAMOND CITY, ARKANSAS:

Section 1. Capital outlay funds shall be limited to expenditures that do not recur annually. These include expenditures for public infrastructure or equipment having a unit cost of Six Hundred Dollars (\$600) or more and estimated service life of three (3) years or more. The total cost of Six Hundred Dollars (\$600) or more may be divided among different capital outlay funds.

Section 2. Improvement and replacement costs of public infrastructure or equipment must substantially expand the capacity or extend the life of the public infrastructure or equipment in order to be considered eligible capital outlay fund expenditures. As an example, eligible expenditures would include the repaving of parking lots but not painting and slurry sealing of parking lots. It would also include the installation of a new roofing surface but not spot patching of a roof. Contracts to hire engineering and design professionals under a personal services contract with a definite termination date may also be included, but costs associated with paying the salaries of civil service employees shall not be included. Major renovations or repairs costing more than Six Hundred Dollars (\$600) to existing facilities or equipment may qualify as an outlay fund expenditure.

Section 3. The Capital Outlay Funds set aside in 2001 in an account in the amount of \$42,000, including increase and decreases to that account as authorized by the City Council from time to time, shall be used for street equipment purchase and not for repairs to existing equipment.

Section 4. Capital outlay expenditures from the capital outlay fund exceeding Six Hundred Dollars (\$600) must be approved by the City Council of the City of Diamond City. All expenditures approved by the City Council then must then be recorded in the Capital Outlay line item budget of each such fund and in the City of Diamond City's budget as required by law.

Section 5. Routine maintenance of existing facilities or equipment, however, shall not qualify; instead, such costs shall be included in the operating budget. All other necessary costs that do not qualify for funding from capital outlay funds shall be included in the operating budget and deemed operational costs.


Section 6. Should any section or provision hereof be judicially declared to be unconstitutional or invalid, such decision shall not affect the validity hereof as a whole or any part hereof other than the part so declared to be unconstitutional or invalid; and the remaining provisions hereof shall be construed as if such invalid, unenforceable or unconstitutional provision or provisions had never been contained herein.

Section 7. All ordinances and resolutions or parts of ordinances and resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 8. It is hereby found and determined that the City of Diamond City has no ordinances establishing or providing for the expenditure and accounting of capital outlay funds. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation and protection of the public peace, health, safety and welfare of the City, its property and its citizens, shall become effective on the date of its passage and approval by the Mayor. If the Ordinance is neither approved nor vetoed by the Mayor, it shall become effective on the expiration of the period of time during which the Mayor may veto this Ordinance. If the Ordinance is vetoed by the Mayor and the veto is overridden by the City Council, it shall become effective on the date the City Council overrides the veto.

PASSED AND APPROVED this 27th day of August, 2013.

APPROVED:


Shari Marshall, Mayor

ATTEST:


Cheryl Guthrie, Recorder-Treasurer