

Sponsor: Councilwoman Brown
First Reading: 12/05/11
Second Reading: _____
Third Reading: _____
Ord. No.: 010-11

**AN ORDINANCE AMENDING CHAPTER 2 “ADMINISTRATION” TO INCLUDE
ADVANCING ANTICIPATED TRANSFER TAX AND BUILDING PERMIT FEE
REVENUE TO THE LIST OF PERMITTED USES FOR THE RAINY DAY FUND AND
ESTABLISHING PROCEDURES FOR SUCH ADVANCEMENTS**

WHEREAS, the Town Council of the Town of Smyrna has been confronted by inconsistent and unpredictable revenue streams generated from transfer taxes and building permit fees;

WHEREAS, the Town Council is seeking to create predictability in the budgetary process by basing the budget on actual transfer tax and permit fees collected in the year immediately preceding the adoption of the budget as opposed to basing the budget on uncertain predictions involving future transfer taxes and building permit fee revenue to be collected during the fiscal year; and

WHEREAS, the Town Council of the Town of Smyrna has created a rainy day fund to be used by the Town of Smyrna for specified purposes in times of financial need.

BE IT HEREBY ENACTED by the Town Council of the Town of Smyrna, a majority thereof concurring in Council duly met, that Chapter 2 (“Administration”) of the Smyrna Town Code, Article III (“Finance”), Division 1 (“Generally”), be and hereby is amended as follows:

Section 1. Amend section 2-69 “Rainy day fund” by adding at the end of section 2-69 a new subsection (k) as follows:

(k) The Town Council may transfer, as an advance from the Rainy Day fund to the 2012 operating budget, the total amount of transfer tax and building permit fee revenue projected by the Town’s Finance Director to be collected from those sources in fiscal year 2012. If the Town Council approves such a transfer, the Town Council shall comply with the following:

(1) In adopting the revenue budget for fiscal year 2013 and each fiscal year thereafter, the projected amount of transfer tax and building permit fee revenues shall be equal to the amount actually received from those sources during the twelve months ending October 31 of the then-current year. Commencing with the 2012 fiscal year, so long as any funds advanced from the Rainy Day fund under this subsection remain outstanding, all transfer tax and building permit fee revenue received in each fiscal year in excess of the original amount transferred hereunder, shall be repaid to the Rainy Day fund.

(2) In addition, the Town Council may also apply: (i) all or any portion of the investment income generated by the Rainy Day fund or (ii) any general operating budget surplus, toward reimbursement of any amounts advanced hereunder.

SYNOPSIS

This ordinance authorizes the Town Council to transfer funds from the Rainy Day fund to the 2012 budget in an amount equal to the transfer tax and building permit fee revenue projected by the Town Finance Director to be collected in 2012. The 2013 budget shall incorporate actual transfer tax and building permit fees received from November 2011 through October 2012, and subsequent budgets shall follow a corresponding method. The Rainy Day fund is to be reimbursed over time from surplus transfer tax and building permit fee revenue in each fiscal year, from income generated by the investment of the Rainy Day fund, or from any other surplus town revenue.

This will certify that this is a true and correct copy of the Ordinance duly adopted by the Town Council of the Town of Smyrna at its regular Council meeting on _____, 2011.

ATTEST:

Council Secretary

Mayor

This shall certify that the title and synopsis of this Ordinance was published in "The Smyrna Times" on _____, 2011 and posted at the Town Hall on _____, 2011.

So Certifies:

Town Clerk

This shall certify that the title, effective date and synopsis of this Ordinance was published in "The Smyrna/Clayton Sun Times" on _____, 2011 and posted at the Town Hall on _____, 2011.

So Certifies:

Town Manager