

ORDINANCE NO. 2020 - \_\_\_\_\_

**AN ORDINANCE OF THE TOWN OF MIAMI LAKES, FLORIDA; AMENDING ARTICLE IV, DIVISION 2, SECTION 2-102 TITLED “GENERAL FUND RESERVES”; PROVIDING FOR INCLUSION INTO THE CODE; PROVIDING FOR ORDINANCES IN CONFLICT, SEVERABILITY, CODIFICATION; AND PROVIDING FOR AN EFFECTIVE DATE. (DIEGUEZ)**

**WHEREAS**, the Town of Miami Lakes (the “Town”) Code provides that the Town must budget a minimum of 10% contingency reserve for exigent financial circumstances (the “Town’s Reserve”); and

**WHEREAS**, the Town’s code provides that in the instance the Town elects to issue long term debt, the Town Reserve shall be increased to 15%; and

**WHEREAS**, in 2011 the Town issued long term debt in order to finance the construction of a Town Hall; and

**WHEREAS**, since 2011 the Town’s Reserve has consistently been greater than 15%; and

**WHEREAS**, during the November 2019 Town Council Meeting the Council discussed concerns of an economic recession occurring in 2020, and the need to have greater reserves in the event of necessity; and

**WHEREAS**, in order to provide greater fiscal security, the Town Council instructed the Town Manager and Town Attorney to amend the Town Code in order to provide for a gradual three-year increase of Town Reserves from 15% to 20%; and

**WHEREAS**, the Town Council finds that in order to financially prepare the Town for the possibility of a slowdown in the economy to provide for the gradual increase of Town reserves from 15% to 20%.

**THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF MIAMI LAKES AS FOLLOWS:**

**Section 1. Recitals.** Each of the above stated recitals is true and correct and is incorporated herein by this reference.

**Section 2. Amending Article IV, Division 2:** ARTICLE IV., DIVISION 2, is amended as described in Exhibit “A.”

**Section 3. Repeal of Conflicting Provisions.** All provisions of the Code of the Town of Miami Lakes that are in conflict with this Ordinance are hereby repealed.

**Section 4. Severability.** The provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

**Section 5. Inclusion in the Town Code.** It is the intention of the Town Council, and it is hereby ordained, that the provisions of this Ordinance shall become and be made part of the Town Code and that if necessary the sections of this Ordinance may be renumbered or re-lettered to accomplish such intentions; and that the word “Ordinance” shall be changed to “Article”, “Division” or other appropriate word.

**Section 6. Effective Date.** That this Ordinance shall be effective immediately upon its adoption on second reading.

Additions to the Ordinance in First Reading shall be reflected by underlined, and deletions shall be reflected as ~~strike-throughs~~. Additions to the Ordinance between first reading and second reading shall be reflected by a double underline, and deletions between first reading and second reading shall be reflected by a ~~double strike-through~~.

**FIRST READING**

The foregoing ordinance was offered by \_\_\_\_\_ who moved its adoption on first reading. The motion was seconded by \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Mayor Manny Cid	_____
Vice Mayor Nelson Rodriguez	_____
Councilmember Carlos O. Alvarez	_____
Councilmember Luis Collazo	_____
Councilmember Joshua Dieguez	_____
Councilmember Jeffrey Rodriguez	_____
Councilmember Marilyn Ruano	_____

Passed on first reading this \_\_\_\_ day of January, 2020

**[THIS SPACE INTENTIONALLY LEFT BLANK]**

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**SECOND READING**

The foregoing ordinance was offered by \_\_\_\_\_ who moved its adoption on second reading. The motion was seconded by \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Mayor Manny Cid \_\_\_\_\_  
Vice Mayor Nelson Rodriguez \_\_\_\_\_  
Councilmember Carlos O. Alvarez \_\_\_\_\_  
Councilmember Luis Collazo \_\_\_\_\_  
Councilmember Joshua Dieguez \_\_\_\_\_  
Councilmember Jeffrey Rodriguez \_\_\_\_\_  
Councilmember Marilyn Ruano \_\_\_\_\_

Passed and adopted on second reading this \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_.

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Manny Cid  
MAYOR

Attest:

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Gina Inguanzo  
TOWN CLERK

Approved as to form and legal sufficiency:

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Raul Gastesi, Jr.  
TOWN ATTORNEY

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**EXHIBIT “A”**

**CHAPTER 2  
ADMINISTRATION**

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**ARTICLE IV.  
FINANCE**

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**DIVISION 2. – BUDGET RESERVE FUND**

**Sec. 2-102. – General fund reserves.**

- (a) The Town shall maintain during each fiscal year a reserve fund balance equal to a minimum of ~~ten percent~~ fifteen percent of the total general fund expenditures budget. Beginning in 2022, the fund balance reserve shall increase to a minimum of twenty percent.
- (b) The calculation of the percentage reserve specified in Subsection (a) of this section shall be based upon the budget as originally adopted by ordinance in September of the applicable fiscal year.
- (c) The reserve shall be in addition to all other contingency funds, reserves or designations of fund balances, including, but not limited to, reservations of uncollected receivables and reservations of funds which have expenditure authority limited to specific purposes.

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**Section 2-106 — Longterm debt service.**

- ~~(a) In the event that the Town issues longterm debt service obligations, the minimum reserve amount shall be increased to 15 percent of the general fund expenditure budget. This increase shall be implemented no later than October 1 of the fiscal year following issuance of the debt.~~
- ~~(b) All references in this division to the ten percent reserve shall be modified to reflect the 15 percent level for the time period that such longterm debt service obligations are outstanding.~~
- ~~(c) In the event that all longterm debt has been repaid, the reserve amount shall be reduced to ten percent until new longterm debt is issued by the Town.~~
- ~~(d) For purposes of this division, longterm debt shall mean obligations financed with a one year or more repayment schedule.~~

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