

**AN ORDINANCE AMENDING SECTIONS 7-131.2, 7-131.3, AND 7-131.4(c) OF ARTICLE VI OF THE CODE OF ORDINANCES REGARDING THE SIZE, USE, AND REPLENISHMENT OF THE GENERAL FUND UNRESTRICTED FUND BALANCE**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORWICH THAT:**

**Section 1.**

This ordinance shall take effect 10 days following passage and publication and continuing in effect until June 30, 2022, unless sooner amended or repealed. This ordinance, unless sooner amended or repealed, shall be and continue to be in effect until June 30, 2022, on which date the provisions of sections 7-131.2, 7-131.3, and 7-131.4(c) shall return to the original language and terms as adopted by ordinance #1710 and as existing and in effect prior to the adoption of this ordinance.

**Section 2.**

Sections 7-131.2, 7-131.3, and 7-131.4(c) of article VI of the code of ordinances be and hereby are, amended as follows:

Sec. 7-131.2. - Size of unrestricted fund balance.

The city shall accumulate a UFB of not less than ~~12~~ 10 percent of the current fiscal year's budgeted expenditures and operating transfers.

Sec. 7-131.3. - Permitted uses of unrestricted fund balance.

UFB may be used to absorb operating deficits caused by unanticipated, unbudgeted revenue shortfalls or expenditure overages which cannot be mitigated by utilizing the contingency appropriation. ~~However, UFB shall not~~ may be used in the place of normal operating revenues in the annual budget process.

Sec. 7-131.4. - Replenishment of unrestricted fund balance.

Should the unrestricted fund balance of the general fund, having reached the minimum level set in 7-131.2, fall below that minimum level, in the fiscal year following such occurrence, the city shall increase the contingency appropriation called for in 7-131.1 according to the following schedule:

(a) If the UFB is below eight percent of the current fiscal year's budgeted expenditures and operating transfers, the city shall restore UFB to the eight-percent level within two budget cycles.

(b) If the UFB is greater than eight percent, but below ten percent of the current fiscal year's budgeted expenditures and operating transfers, the city shall restore UFB to the ten-percent level within five budget cycles.

~~(c) If the UFB is greater than ten percent, but below 12 percent of the current fiscal year's budgeted expenditures and operating transfers, the city shall restore UFB to the 12-percent level within five budget cycles.~~

**Purpose: To temporarily lower the minimum size of the General Fund unrestricted fund balance to 10%, amend its allowed use, and remove the requirement to increase it beyond 10% until July 1, 2022.**

Mayor Peter Albert Nystrom  
President Pro Tem William Nash  
Alderwoman Stacy Gould  
Alderwoman Joanne Philbrick