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AMESBURY CITY CLERK

**CITY OF AMESBURY
IN THE YEAR TWO THOUSAND FOURTEEN**

**SPONSORED BY: Mayor Gray, Councilors Sherwood
and Lavoie**

BILL No. 2017-097

An Ordinance to establish a Capital Stabilization Fund.

Summary: This ordinance establishes a capital stabilization fund, for the purpose of funding cash outlays for minor and moderate capital projects and purchases.

Whereas Administrative Order 2017-05 seeks to institutionalize good financial management practices to promote stability and continuity and commits to planning for on-going capital improvements in order to ensure the quality and maintenance of capital assets;

Whereas Administrative Order 2017-05 also calls for the establishment of a capital stabilization fund and commits to the goal of appropriating funds annually to the fund until it achieves a balance sufficient to cover the City's cash outlay for capital and to protect against unforeseen costs;

Whereas capital purchases and projects may not always be executed in the fiscal year in which they were funded; and,

Whereas the purpose of such a fund would be to retain funds in order to finance minor and moderate capital expenditures as defined in Administrative Order 2017-05, thereby preserving debt capacity for major purchases or projects;

Be it Ordained by the City Council of the City of Amesbury assembled and by the authority of the same, as follows:

As authorized under M.G.L. Chapter 40, Section 5B, the City of Amesbury shall establish and maintain a Capital Stabilization Fund, for the purpose of retaining cash outlay funds appropriated for minor and moderate capital purchases and projects, as defined in the City's financial policies and as identified in the City's annual capital improvement plans or as necessary due to unforeseen circumstances.

Consistent with M.G.L Chapter 40, Section 5B, the establishment of this fund, any alteration as to its purpose, and any appropriation from it will require a two-thirds vote of the Municipal Council.