



ORDINANCE NO. 1044-2026

AN ORDINANCE ESTABLISHING A ROLLING RESERVE FUND POLICY FOR THE CITY OF HELENA, ALABAMA

WHEREAS, pursuant to Title 11, Chapter 43 of the Code of Alabama 1975, the Helena City Council is vested with the exclusive authority to manage municipal finances, appropriate public funds, and oversee the execution of the City's annual operating budget; and

WHEREAS, the Helena City Council seeks to maintain stringent internal fiscal controls, safeguard taxpayer funds, and establish explicit guidelines regarding the assignment of general fund revenue that remains in the budget as of September 1st being transferred to the reserve fund; and

WHEREAS, the intent of this ordinance is to prepare the City of Helena for economic downturns/hardship, natural disasters and/or public safety emergencies, and reduce the likelihood of unilateral decisions that may be adverse to the overall financial health of the City of Helena.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HELENA, ALABAMA, AS FOLLOWS:

Section 1. Purpose & Authority

Pursuant to the laws of the State of Alabama and the powers vested in the governing body, this ordinance establishes a formal policy to assign 1/3 (one third) **of the unencumbered general fund revenue** that remains in the budget (as of September 1st) shall be transferred to the **Rolling Reserve Fund**. The reserve fund can assist the City of Helena by setting aside revenue annually in preparation for economic downturns or unanticipated emergencies that are essential to the overall health and safety of our citizens.

Section 2. Definitions and Targeted Reserve Fund Level

- **Unencumbered General Fund Balance:** Funds that are neither restricted, encumbered nor expended remaining legally available for any municipal purpose.
- **Targeted Reserve Fund Level:** The City of Helena shall strive to build its reserve fund balance equivalent to a minimum of twenty percentage (20%) of the annual general fund budget.

Section 3. Reserve Fund Authorization and Use



- **Authorized Expenditure of Funds:** Any expenditure of funds that is considered as authorized, shall appear on the published agenda and be approved by the governing body in a regularly scheduled city council meeting.
- **Prohibition on Long Term Use for Operating Expenses:** Under no circumstances shall revenue from the reserve fund be transferred to the general fund or used to permanently fund annual, recurring expenses of the City of Helena.

Section 4. Reserve Fund Protection Plan

If economic hardship or a downturn in the economy negatively impacts the general fund revenue balance and the balance falls below 20%, the City of Helena must implement a reserve fund protection plan.

- **Timeline:** The Helena City Council and Finance Department shall develop and pass a formal stabilization strategy to replenish the reserve fund within **three (3) consecutive fiscal years**.
- **Fiscal Discipline:** Replenishment of the reserve fund shall be prioritized during subsequent budget preparation/review using all revenue sources (i.e., fees, fines, grants, taxes, etc.,) in the current or previous fiscal year's budget.

Section 5. Oversight & Periodic Reporting

- **Annual Audit Alignment:** The compliance parameters of this reserve fund ordinance will be assessed and measured every fiscal year by the City of Helena's independent external auditor.
- **Financial Disclosures:** The Finance Department/City Clerk shall deliver an official report detailing the ratio of the unassigned fund balance to total operational outlays during the formal introduction of the annual city operating budget.

Section 6. Severability and Adoption

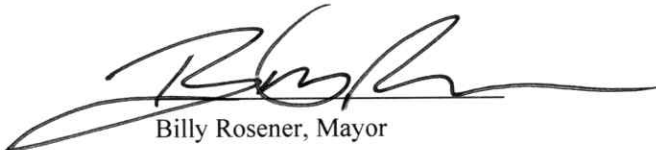
If any segment, phrase, or clause of this ordinance is ruled invalid or unconstitutional by a court of competent jurisdiction, that judgment shall not impair the validity of the remaining provisions.



CITY OF HELENA, ALABAMA

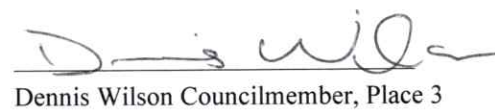
The foregoing ordinance was duly adopted by the City Council of the City of Helena, Alabama, on the 15th day of October, 2026.

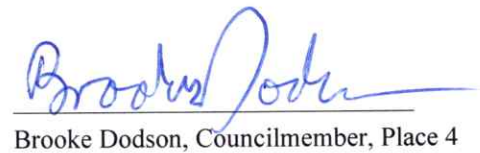
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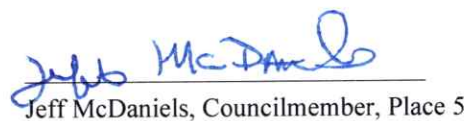

Billy Rosener, Mayor

voted NAY
Cathy Hammann, Councilmember, Place 1

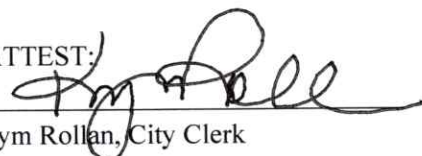

Andy Healy, Councilmember Place 2


Dennis Wilson Councilmember, Place 3


Brooke Dodson, Councilmember, Place 4


Jeff McDaniels, Councilmember, Place 5

ATTEST:


Kym Rollan, City Clerk

