

RESOLUTION

Proposing an amendment to The Philadelphia Home Rule Charter changing the requirement for contributions and minimum balance of the Budget Stabilization Reserve and making other technical changes; and providing for the submission of the amendment to the electors of Philadelphia.

WHEREAS, Under Section 6 of the First Class City Home Rule Act (53 P.S. § 13106), an amendment to The Philadelphia Home Rule Charter may be proposed by a resolution of the Council of the City of Philadelphia adopted with the concurrence of two-thirds of its elected members; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the following amendment to The Philadelphia Home Rule Charter is hereby proposed and shall be submitted to the electors of the City on an election date designated by ordinance:

**ARTICLE II
LEGISLATIVE BRANCH
The Council – Its Election, Organization, Powers and Duties**

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**CHAPTER 3
LEGISLATION**

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§ 2-300. The Annual Operating Budget Ordinance.

(7) Budget Stabilization Reserve.

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(a) The annual operating budget ordinance shall provide for appropriations to a Budget Stabilization Reserve, to be created and maintained by the Director of Finance as a separate fund which shall not be commingled with any other funds of the City. Appropriations to the Budget Stabilization Reserve shall, each year, be made in the following amounts, provided that [total appropriations to] the Budget Stabilization Reserve shall not *be less than seven percent* [exceed five] percent of General Fund Appropriations:

(1) Such amounts as remain unencumbered in the Budget Stabilization Reserve from the prior fiscal year, including any investment earnings certified by the Director of Finance; plus

(2) When the Projected General Fund Balance for the end of the fiscal year to which the operating budget relates (the “upcoming fiscal year”), without taking into account any deposits to the Budget Stabilization Reserve required by this subsection (2), equals or exceeds [three percent (3%) of General Fund appropriations] \$100 million for the upcoming fiscal year, an amount equal to three-quarters of one percent (.75%) of Unrestricted Local General Fund Revenues for the upcoming fiscal year; plus

(3) Such additional amounts as the Council shall authorize by ordinance, no later than at the time of passage of the annual operating budget ordinance and only upon recommendation of the Mayor.

(b) When appropriations to the Budget Stabilization Reserve have been made as set forth in subsection 2-300(7)(a), additional deposits to the Reserve may be made at the discretion of the Director of Finance.

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ARTICLE VI EXECUTIVE AND ADMINISTRATIVE BRANCH -POWERS AND DUTIES

Director of Finance, Financial Departments, Boards and Commissions, City Treasurer,
Procurement Department, and Board of Pensions and Retirement

CHAPTER 1 DIRECTOR OF FINANCE

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§6-110. Budget Stabilization Reserve.

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(e) Following the use of Budget Stabilization Reserve funds as provided in this Section, the Director of Finance shall prioritize returning the Reserve to its required minimum balance within five fiscal years.

(f) The Director of Finance shall conduct an annual stress test to ensure the fund remains operational in the face of an emergency.

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