

## EXHIBIT A – Bill XXXX

**EXPLANATION: Bold underlined text is new; bracketed and stricken [--] text is to be repealed.**

### **1-9-4. REQUIRED ACCOUNTS/FUNDS.**

- A. *Emergency Capital Reserve Accounts.* There is hereby established within each fund an Emergency Capital Reserve Account. Said fund shall be fully funded within two years of establishment, and in the event of an emergency and such funds are used to address the emergency, the fund shall be replenished over the next three full budget cycles. Said funds shall not be utilized for the annual capital improvement program, but are limited to events that include but are not limited to: natural disasters such as flood or earthquake, catastrophic failure of a major utility infrastructure unit such as a very large water main break or substation transformer failure. The minimum emergency capital reserve balances for each fund shall be as follows: General Fund - \$2,000,000, Utility Fund - \$5,000,000 (to be allocated between the four utility accounts proportionate to the share of the total utility fund account), Airport Fund - \$250,000.
- B. *Compensated Absences Fund.* There is hereby established a Compensated Absences Fund. The fund shall only be used for the payout of accumulated leave balances of employees upon separation and no other purpose. No funds shall be transferred to any other operating, reserve, or restricted fund of the City, except in those instances wherein the fund balance exceeds the fund balance requirement. Funding for this restricted account shall be derived from the following revenue sources: one and one-tenth percent (1.1%) of all lease revenues that are designated for distribution to the City's General Fund (see section 1-9-13); ten-percent (10%) of the greater than anticipated revenue received in the General Fund, reduced by a negative variance in total General Fund expenditures as identified in the prior years' comprehensive annual financial report, and other sources as may be determined from time to time by Resolution of the City Council. Allocation of revenues from these sources shall be suspended once the Compensated Absences Fund reaches a balance equal to the total leave obligation accumulation of all employees.
- C. *Extraordinary Maintenance, Repair, or Improvement of a Capital Asset Fund.* There is hereby established an Extraordinary Maintenance, Repair or Improvement of a Capital Asset Fund, as authorized under Nevada Revised Statutes Section 354.6105. For purposes of expenditure from this fund, "extraordinary maintenance, repair or improvement" means all expenses ordinarily incurred not more than once every five (5) years to maintain a local governmental facility or capital asset in a fit operating condition. Use of this fund is limited strictly for those purposes and shall not be transferred to any other fund. Funding for this restricted account shall be derived from the following revenue sources: one and one-tenth percent (1.1%) of all lease revenues that are designated for distribution to the City's General Fund (see section 1-9-13); ten-percent (10%) of the greater than anticipated revenue received in the General Fund, reduced by a negative variance in total General Fund expenditures as identified in the prior years' comprehensive annual financial report, and other sources as may be determined from time to time by Resolution of the City Council. As limited by Nevada Law, allocation of revenues from these sources shall be suspended once the Fund reaches a balance of five percent (5%) of the capital assets of the General Fund as identified in the most recent Comprehensive Annual Financial Report.
- D. *Vehicle/Equipment Replacement Fund.* There is hereby established a Vehicle/Equipment Replacement Fund. The fund shall only be used for the purchase of new/replacement vehicles and large equipment, and no other purpose. Funding for this restricted account shall be derived from the following revenue sources: all revenues derived from auctions of city surplus items; five and six-tenths percent (5.6%) of all lease revenues that are designated for distribution to the City's General Fund (see section 1-9-13); ten-percent (10%) of the greater than anticipated revenue received in the General Fund, reduced by a negative variance in total General Fund expenditures as identified in the prior years' comprehensive annual financial report and other sources as may be determined from time to time by Resolution of the City Council. Allocation of revenues from these sources shall be suspended once the Fund reaches a balance of five percent (5%) of the capital assets of the General Fund as identified in the most recent Comprehensive Annual Financial Report.
- E. **Swimming Pool Recreational Facility Construction, Operation and Maintenance Fund.** There is hereby established a special revenue fund to be known as the **Swimming Pool Recreational Facility Construction,**

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Operation and Maintenance Fund, as authorized under Nevada Revised Statutes Section 354.604(1)(b). This fund shall only be used for expenses ordinarily incurred to construct, operate and maintain a swimming pool recreational facility. This special revenue fund may be funded from the following revenue sources: the unallocated portion of the special revenue funds enumerated in this section 1-9-4 when the funding allocation reaches the maximum funding cap as specified by this Chapter; up to ten-percent (10%) of the greater than anticipated revenue received in the General Fund, reduced by a negative variance in total General Fund expenditures as identified in the prior years' annual comprehensive financial report; swimming pool user fees; donations that may be received from time to time for the purpose of constructing, operating and maintaining the facility; funds that may be approved from time to time by the voters from the Capital Improvement Fund; and other sources as may be determined from time to time by Resolution of the City Council.