

ORDINANCE NO. 3626

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF CUMBERLAND, ENTITLED "AN ORDINANCE TO CREATE A STREET CONSTRUCTION AND IMPROVEMENT FUND", PROVIDING FOR THE CERTAIN USES OF THE PROCEEDS DERIVED FROM AN INCREASE IN REAL AND PERSONAL PROPERTY TAXES AND A MEANS TO ACCOUNT FOR THE REVENUES AND EXPENSES ASSOCIATED WITH STREET CONSTRUCTION AND IMPROVEMENT BOND ISSUES.

WHEREAS, on June 10, 2008, the Mayor and City Council of Cumberland passed Ordinance No. 3614, providing for the levy of real and personal property taxes in the City of Cumberland;

WHEREAS, the tax rates for FY 2009 were increased by \$.0175 for real property and \$.06 for personal property in order to partially fund the principal and interest payments on an estimated \$ 9.1 million general obligation bond issue;

WHEREAS, the purpose of the bond issue was to fund certain street construction and improvements; and

WHEREAS, it is the desire of the Mayor and City Council of Cumberland to create a fund in which to deposit the proceeds of the aforesaid tax increases in order to segregate the revenues derived therefrom and to supplement those revenues with revenues from other funds for the purpose of servicing the debt of the aforesaid \$9.1 million bond issue and for the purpose of providing clear identification of the revenues and expenses associated with street construction and improvements bond issues.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF CUMBERLAND, THAT:

Section 1. The City Administrator and the City Comptroller shall create a separate fund to be designated as the "Street Construction and Improvement Fund" which shall be administered as follows:

- a. There shall be deposited into said Street Construction and Improvement Fund, on an annual basis, an amount equal

- to the funds generated by \$.0175 of the real property tax rate and \$.06 of the personal property tax rate.
- b. The funds so deposited into the said Street Construction and Improvement Fund shall be used to pay the debt service on general obligation bonds issued for the purpose of funding street construction and improvements. To the extent those funds deposited are insufficient to fully service the bond issue indebtedness, the Mayor and City Council of Cumberland shall cause additional funds to be deposited into the Street Construction and Improvement Fund for the purpose of servicing the said indebtedness.
- c. That the City Administrator shall create such other regulations or procedures governing the establishment of the fund and the appropriation of monies from said fund for the purposes as aforesaid and consistent with the provisions hereof as he/she deems necessary.

Section 2. BE IT FURTHER ORDAINED, that this Ordinance shall take effect on September 2, 2008.

Passed this 2nd day of September, 2008

Lee N. Fiedler, Mayor

ATTEST:

Marjorie A. Eirich, City Clerk