

## ORDINANCE 35-C-22

*Synopsis: This Ordinance, if adopted, would amend Section 51.108 of the City Code and create a new Section 50.26 to offer the City the flexibility to transfer up to 15% of both its water and sewage utility revenues into depreciation accounts. There is currently no formal authorization within the City's Code relative to a water utility depreciation account and the City's Code currently mandates a 15% transfer from the sewage utility's revenues. These changes are required in response to the State Board of Accounts' audit of the City's 2021 financial reports.*

### **AN ORDINANCE AMENDING SECTION 51.108 AND CREATING A NEW SECTION 50.26 TO THE CITY OF HUNTINGTON, INDIANA'S CODE OF ORDINANCES**

**WHEREAS**, the City of Huntington, Indiana, operates municipal water and sewage utilities for the benefit of the ratepayers within the City and in certain surrounding areas; and

**WHEREAS**, City reserves a certain percentage of its utility revenues by transferring the same into a depreciation account for future capital improvement expenditures; and

**WHEREAS**, City Code §51.108 currently mandates transfers of 15% of its sewage works revenues into a reserve account; however, the City requires flexibility in transferring a lesser percentage into the sewage utility's capital improvements/depreciation account; and

**WHEREAS**, the City Code is without formal authorization for transfers to a capital improvements/depreciation account from the revenues of its water utility and it has been determined that specifying a reserve from these revenues would be prudent.

**BE IT ORDAINED THAT**, the Common Council of the City of Huntington, Indiana, in meeting duly assembled, after consideration of information and deliberation deemed by it to be sufficient, hereby amends Section 51.108 of the City of Huntington, Indiana's Code of Ordinances by inserting the phrase "up to" immediately before "15% of total revenue received by the sewage works..." within the existing provision.

**BE IT FURTHER ORDAINED THAT**, the Common Council of the City of Huntington, Indiana, hereby amends Chapter 50 the City of Huntington, Indiana's Code of Ordinances by inserting the following:

"50.26 CAPITAL IMPROVEMENT/DEPRECIATION ACCOUNT.

The Board is directed to reserve up to 15% of total revenue received by the water works after December 31, 2022, for capital improvement expenditures and place such revenue with the depreciation account for such capital improvement expenditures."

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**BE IT FINALLY ORDAINED THAT**, this ordinance shall be effective immediately upon its adoption and appropriate publication and all ordinances or parts of ordinances in conflict herewith are repealed.

*(Signature Block Next Page)*

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A motion to consider for final adoption on the same day of introduction was [NOT OFFERED or NOT SUSTAINED or SUSTAINED] by a vote of 7 in favor and 0 in opposition.

Duly adopted on first reading this 13 day of December, 2022, by a vote of 7 in favor and 0 in opposition.

Duly adopted on final reading this 13 day of December, 2022, by a vote of 7 in favor and 0 in opposition.

CITY OF HUNTINGTON, INDIANA by its COMMON COUNCIL

Voting in Favor:

[Signature]  
Joe Blomeke  
[Signature]  
[Signature]  
Vemote  
Todd Johnson  
Paul Pike

Charles Chapman  
(President)

Joe Blomeke

P J Felton

Dave Funk

Seth Marshall

Todd Johnson

Paul Pike

Voting in Opposition:

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Attest:

Christi McElhaney  
Christi A. McElhaney, Clerk-Treasurer

Presented by me to the Mayor for approval or veto, this 13 day of December, 2022.

Christi McElhaney  
Christi A. McElhaney, Clerk-Treasurer

This Ordinance having been adopted by the Common Council and presented to me is [APPROVED or VETOED], this 13 day of December, 2022.

[Signature]  
Richard Strick, Mayor