

CITY OF MARGARET, ALABAMA

ORDINANCE NO. 2026-_____

AN ORDINANCE REQUIRING THE ANNUAL PREPARATION, ADOPTION, AND ADMINISTRATION OF A MUNICIPAL BUDGET FOR THE CITY OF MARGARET

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MARGARET, ALABAMA, AS FOLLOWS:

SECTION 1. TITLE; AUTHORITY; PURPOSE

1.1 Title

This ordinance shall be known as the “**Annual Municipal Budget Ordinance.**”

1.2 Authority

This ordinance is adopted pursuant to the City’s authority under §§ 11-45-1, 11-43-56, and 11-43-81, Code of Alabama 1975, governing municipal finances, appropriations, and executive administration.

1.3 Purpose

The City Council finds that:

1. An annual operating budget is essential to fiscal responsibility, transparency, and accountability;
2. The absence of a local requirement for a formally adopted annual budget creates risk of inconsistent practices; and
3. Establishing a mandatory annual budget by ordinance promotes sound governance and public trust.

The purpose of this ordinance is to require the preparation, adoption, and administration of an annual municipal budget for the City of Margaret.

SECTION 2. REQUIREMENT FOR AN ANNUAL BUDGET

2.1 Budget Required

The City of Margaret shall prepare and adopt a **balanced annual operating budget** for each fiscal year.

No fiscal year shall commence without an adopted budget, except as provided in Section 6 of this ordinance.

2.2 Scope of the Budget

The annual budget shall encompass, at a minimum:

1. The General Fund;
2. All Special Revenue Funds;
3. Enterprise Funds and other major operating funds; and
4. Any other funds required by law, grant, or bond covenant.

SECTION 3. BUDGET PREPARATION AND PRESENTATION

3.1 Preparation

The Mayor, or the Mayor's designee, shall be responsible for preparing or causing to be prepared a proposed annual budget.

3.2 Structure

The proposed budget shall be prepared using the **standardized General Ledger account structure** adopted by the City Council, including fund, department, and object classifications.

3.3 Submission to Council

The proposed budget shall be submitted to the City Council sufficiently in advance of the fiscal year to allow for review, discussion, and adoption prior to the start of the fiscal year.

SECTION 4. BUDGET ADOPTION AND EFFECT

4.1 Adoption

The City Council shall adopt the annual budget by ordinance or resolution prior to the beginning of the fiscal year.

4.2 Legal Effect

Upon adoption, the budget shall constitute the City's formal financial plan and shall serve as the basis for:

1. Appropriation of funds;
 2. Financial control and administration; and
 3. Budget-to-actual reporting.
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SECTION 5. BUDGET ADMINISTRATION AND AMENDMENTS

5.1 Administration

All expenditures of City funds shall be made in accordance with the adopted budget, applicable ordinances, and state law.

5.2 Amendments

The City Council may amend the budget from time to time as necessary.

Any amendment shall be adopted using the same General Ledger framework as the original budget to preserve continuity and transparency.

SECTION 6. FAILURE TO ADOPT A BUDGET; INTERIM AUTHORITY

6.1 Interim Operations

If an annual budget has not been adopted by the beginning of the fiscal year, the City may continue operations on an interim basis, limited to:

1. Legally required expenditures;
2. Contractual obligations; and
3. Ordinary and necessary expenses consistent with the most recently adopted budget.

6.2 Duration

Interim authority under this section shall be temporary and shall remain in effect only until an annual budget is adopted.

SECTION 7. TRANSPARENCY AND PUBLIC RECORD

7.1 Public Record

The adopted annual budget and any amendments shall be maintained as public records and made available for inspection in accordance with Alabama law.

7.2 Reporting

The City shall use the adopted budget as the basis for periodic financial reporting to the City Council.

SECTION 8. NO CREATION OF PERSONAL LIABILITY

Nothing in this ordinance shall be construed to create personal liability for any City official or employee acting in good faith within the scope of this ordinance and applicable law.

SECTION 9. SEVERABILITY

If any provision of this ordinance is held invalid, such invalidity shall not affect the remaining provisions.

SECTION 10. EFFECTIVE DATE

This ordinance shall take effect immediately upon adoption and publication as required by law and shall apply to all fiscal years thereafter.

PASSED AND ADOPTED this ___ day of _____, 2026.

CITY OF MARGARET, ALABAMA

Matt Tortorice, Mayor

ATTEST:

City Clerk