

Richland County Committee

Agenda Item Cover

Agenda Item Name: Amending Resolution No. 15-98 and affirming commitment to minimum balance in the General Fund

Department	Administration	Presented By:	Administrator
Date of Meeting:	05 Jan 2021	Action Needed:	Resolution / Vote
Disclosure:	Open Session	Authority:	Committee Structure (D)
Date submitted:	23 Dec 2020	Referred by:	

Recommendation and/or action language:

Motion to... 1) Amend Resolution No. 15-98 changing “25% of ~~total~~ expenditures” to “25% of total general fund operating expenditures.” 2) Affirming the committee’s commitment to maintaining the minimum balance in the general fund through the 2022 budget process

Background: *(preferred one page or less with focus on options and decision points)*

The Richland County Board passed resolution 15-98 to maintain, “...at all times the balance in the General Fund shall be at least 25% of the total expenditures set forth in the County’s budget for the year...”

Adhering to the goal is written would require roughly \$8 million dollars of undesignated funds (\$32million dollar operating budget). Our auditors have given us commendations on our end of 2019 balance of \$4,785,283).

Our Auditor, Bill Moilien, was asked about this change and replied that, “In my experience, minimum fund balance policies relate to General Fund. I think that’s what the current policy is getting at but more specific wording could be an improvement.”

Recommendation from Government Finance Officers Association — ... “Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.” Reference: GFOA- Fund Balance Guidelines for the General Fund

Attachments and References:

Resolution 15-98	https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund
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Financial Review:

(please check one)

<input type="checkbox"/>	In adopted budget	Fund Number	
<input type="checkbox"/>	Apportionment needed	Requested Fund Number	
<input type="checkbox"/>	Other funding Source		
<input checked="" type="checkbox"/>	No financial impact		

(summary of current and future impacts)

\$0.00 We are currently practicing a 25% undesignated fund. This is a clean up to ensure our resolution language is matching our intentions, and then reaffirming a commitment for the 2022 budget preparation.

Approval:

Review:

Richland County Committee

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Clinton Langreck

Department Head

Administrator, or Elected Office (if applicable)

RESOLUTION NO. 15 - 98

A Resolution Establishing A Policy Regarding A Minimum Balance In The General Fund.

WHEREAS the County has long had an informal policy of maintaining a balance in the General Fund that is approximately in the amount of 25% of the total ~~spending budgeted~~ general fund operating expenditures for the year, and

WHEREAS the County's auditor, Johnson Block and Company, Inc., has recommended that the County Board formalize this policy by adopting a Resolution requiring the County to maintain a balance in the General Fund of at least 25% of the total general fund operating ~~budgeted expenditures~~ for the year, and

WHEREAS the Finance and Personnel Committee has carefully considered this matter and is now presenting this Resolution to the County Board for its consideration.

NOW, THEREFORE, BE IT RESOLVED by the Richland County Board of Supervisors that it is the policy of Richland County that at all times the balance in the General Fund shall be at least 25% of the total general fund operating expenditures set forth in the County's budget for the year, and

BE IT FURTHER RESOLVED that, when the balance of the General Fund falls below the established minimum balance, the County must develop a plan to replenish the funds within 2 budgetary cycles without borrowing to cover the gap, and

BE IT FURTHER RESOLVED that this Resolution shall apply for 2015 and thereafter, and

BE IT FURTHER RESOLVED this Resolution shall be effective immediately upon its passage and publication.

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