

CAYUGA COUNTY POLICY MANUAL
Section 70

Subject: Policy for Maintenance of the General Fund Accumulated Fund Balance

Effective Date: January 1, 2013, Resolution 473-11

Policy Title: County Policy for Maintenance of the General Fund Accumulated Fund Balance

Objective: By maintaining an adequate, yet not excessive, level of General Fund Accumulated Fund Balance (Fund Balance), the County will:

- maintain a favorable credit rating, which saves taxpayers significant annual debt service costs;
- ensure sufficient cash on hand for operations, avoiding the use of short term borrowing for operations and saving the taxpayers related fees and interest;
- provide a mechanism to fund sudden, unforeseen expenditures;
- provide protection against continued increases in unfunded mandates by the State of New York, especially in light of the fact that the State of New York has also greatly diminished the ability of the County to pay for those unfunded mandates via the property tax cap legislation.

Policy: It is the policy of the Cayuga County Legislature to maintain an unappropriated, unreserved Fund Balance at a level that falls between a maximum of 15 % of General Fund revenues and a minimum of 10% of General Fund revenues. In the event the Fund Balance falls below this goal, the County Administrator will submit to the Ways & Means Committee a plan to reestablish the Fund Balance to the stated goal. The Ways & Means Committee will recommend to the full Legislature a plan to reestablish the Fund Balance to the stated goal upon review of the plan submitted by the County Administrator. It will be the intent to submit and review this plan in conjunction with the annual budget process.

In the event the Fund Balance exceeds the stated goal, the County Administrator will submit to the Ways & Means Committee a plan to manage the excess Fund Balance. The Ways & Means Committee will recommend to the full Legislature a plan to manage the excess Fund Balance upon review of the plan submitted by the County Administrator. It will be the intent to submit and review this plan in conjunction with the annual budget process. In preparing such plans to manage the Fund Balance in excess of the stated goal, the County Administrator and the Ways & Means Committee will strongly consider the use of Reserve Funds purposes including, but not limited to, the following:

- To finance all or part of the cost of construction, reconstruction, or acquisition of capital improvements;
- For future tax levy stabilization;
- To pay existing debt.

For purposes of this policy, “General Fund revenue” will mean the total revenue in the General (A) Fund including the gross amount of sales tax received, all State and Federal revenue, the property tax levy; and excluding the amount of the Fund Balance appropriated for use in the budget.

For purposes of this policy, “Fund Balance” will not include any funds held in trust for the Health Insurance Consortium comprised of the County, the Cayuga County Soil and Water District or Cayuga Community College.

This policy will take effect January 1, 2013.

(Note: Policy shall be reviewed by the County Administrator and the Ways & Means Committee annually and when revised by the Legislature shall be distributed to all departments.)