

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF LANCASTER )

ORDINANCE NO. 2016-1399

FILED  
OFFICE OF CLERK  
OF COURT  
2016 JUN 29 AM 11:42  
CLERK OF COURT  
LANCASTER, SC

**AN ORDINANCE**

**TO AMEND ARTICLE 6 BUDGET RESERVES, SECTIONS 6.101 AND 6.102 OF THE FINANCIAL POLICIES AND PROCEDURES FOR THE COUNTY, RELATING TO FUND BALANCES, SO AS TO UPDATE THE SECTION TO REFLECT NEW STANDARDS PROMULGATED BY THE GOVERNMENT FINANCE OFFICERS ASSOCIATION.**

Be it ordained by the Council of Lancaster County, South Carolina:

**Section 1.** Article 6 Sections 6.101 and 6.102 of the Financial Policies and Procedures, dated December 13, 2010, and as approved in Ordinance No. 1075, as amended by Ordinance No. 1100, is amended to read:

Fund balance is a measurement of financial resources available. It is the policy of the County to maintain adequate levels of fund balance to mitigate current and future risks and to ensure stable tax rates. For this reason, it is the County's objective to:

(a) Maintain a general fund unassigned fund balance at a level of 28-32 percent of the general fund operating budget; and

(b) If the year-end unassigned fund balance is more than 32 percent of the general fund operating budget, then the Administrator will assess and recommend to council ways in which the excess will be allocated during the next annual operating and capital budget process. The surplus can only be allocated for one of the following purposes:

- (i) one-time capital expenditures which do not increase ongoing operational costs;
- (ii) Establishing or increasing reserves for special purposes;
- (iii) other one-time costs; and
- (iv) debt reduction.

(c) If the unassigned fund balance falls below 28 percent of the general fund operating budget, the Administrator will pursue and recommend to Council ways of increasing revenues or decreasing expenditures, or a combination of both until the threshold is attained within a time period not to exceed three years. At the inception of the implementation of this policy, such recommendations, and implementation of plans to increase the fund balance(s) of the County may be through the annual County budget ordinance(s), or through separate ordinances of the County.

(d) County council may authorize the expenditure of fund balance that would cause the unassigned fund balance to decrease to below 28 percent of regular general fund expenditures by a supermajority (five to two vote of Council). After such vote the Administrator will plan and

recommend to Council ways to replenish the balance to 28-32 percent. The threshold must be reached within a period not to exceed three years.

(e) Committed Fund balance, self imposed limitations, can only be established by County Council. Once resources are committed, the purpose can only be changed by action of Council. The action to commit the funds must take place before the end of the fiscal year, though the actual can be determined after the close of the fiscal year.

(f) The County's intended use of resources, Assigned Fund Balance, can be assigned by the County Administrator and Finance Director. The County Administrator must inform the Council of assigned resources during the fiscal year.

**Section 2.** The County Finance Director is authorized to prepare and publish an updated "Financial Policies and Procedures" document to reflect the change approved in this ordinance.

**Section 3.** To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

**Section 4.** **Effective Date.**

This ordinance is effective upon Third Reading.

AND IT IS SO ORDAINED, this 27<sup>th</sup> day of June, 2016

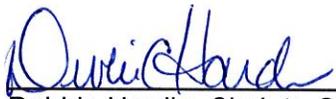
Ordinance No.2016-1399

**LANCASTER COUNTY, SOUTH CAROLINA**

  
\_\_\_\_\_  
Bob Bundy, Chair, County Council

  
\_\_\_\_\_  
Steve Harper, Secretary, County Council

ATTEST:

  
\_\_\_\_\_  
Debbie Hardin, Clerk to Council

1<sup>st</sup> reading:            May 9, 2016  
2<sup>nd</sup> reading:            May 23, 2016  
3<sup>rd</sup> reading:            June 27, 2016

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.