



**Bay County Board of County Commissioners
Agenda Item Summary**

Reserve Policy for Ad Valorem Funds

DEPARTMENT MAKING REQUEST/NAME:

Budget Office
Maranda Griffin, Chief Financial Officer

MEETING DATE:

November 05, 2024

REQUESTED MOTION/ACTION:

Board consider and approve a written reserve policy for the three ad valorem funds: General Fund, MSBU Fire, and Mosquito Control.

AGENDA

Consent Agenda

BUDGETED ITEM?

BUDGET ACTION:

FINANCIAL IMPACT SUMMARY
STATEMENT:

BACKGROUND:

The policy outlines strategies for the Bay County Board of County Commissioners (BOCC) to ensure fiscal security through established cash reserve ranges and measures for cost-cutting and revenue enhancement to meet those reserves. It sets target reserves of 26%-30% for the General and Mosquito Control Funds and 27%-31% for Fire Services, based on a risk-based approach using the Bay County Board of County Commissioners Threat Hazard Identification Risk Assessment (THIRA).

Combining the Risk Assessment with the Government Finance Officers Association (GFOA) Reserve Calculation Worksheet, Bay County faces a moderate to high level of risk, necessitating a reserve amount significantly higher than the GFOA's recommended minimum. Given our vulnerability to natural disaster events with potentially severe magnitude, maintaining these reserves is essential for ensuring a swift response to emergencies and mitigating our risks from revenue shortfalls and unforeseen expenses.

Over the next five years, budgets will be proposed to incrementally increase reserves until they meet the minimum of each range.

ATTACHMENTS:

Description

Type

Bay County Reserve Policy

Attachment