City of Liberty residents,

On May 7th, audit results for the fiscal year 2022-2023 were presented by Gary Bailey from Love Bailey, CPAs to the City Council. The City received an unqualified “clean” opinion (indicating no material misstatements in the financial statements) on the 2022-2023 financial statements. The City’s general fund maintains a healthy fund balance and cash reserves. However, the water & sewer fund experienced an operating loss in 2022-2023 due to infrastructure enhancements and repairs, ending the year with no cash reserves.

Audited financial statements for the 2022-2023 fiscal year can be found on our website: libertysc.com for public viewing.

In addition, the proposed budget for the upcoming fiscal year 2024-2025 was also presented at the work session. The budget proposal aims to address the current economic challenges faced by the city and ensures the continued provision of essential services to its residents.

As we all know, everything right now is expensive; costs are rising in every avenue of life for everyone, including companies and municipalities. Unfortunately, this directly impacts the decisions we must make regarding rate increases. The contents of the City of Liberty’s proposed budget reflect prudent fiscal management guided by advice from our auditors. Proposed increases in tax millage, sanitation/trash pick-up rates, water rates, and sewer rates are due to cost increases over the past few years, including but not limited to operations and maintenance costs.

The proposed milage and trash pick-up rate increases will enable the City to balance the general fund budget. However, these increases do not currently permit us to increase the general fund reserve. A reserve is like a savings account, wherein money is set aside for future use. According to our auditors, a best practice for fiscally healthy municipalities is to maintain a reserve equivalent to three months of expenditures within the general fund. As of the end of the 2022-2023 fiscal year, the City of Liberty had 6.75 months’ worth of expenditures in the general fund reserve.

The proposed water and sewer rate increases will enable the City to balance the fund and enhance the water sewer fund reserve. Maintaining a healthy reserve in the water & sewer fund is crucial to ensure necessary infrastructure improvements and repairs to the water and sewer distribution systems can be carried out. Furthermore, this reserve would facilitate funding for matching grants. Similar to the general fund, it is recommended to maintain a reserve equivalent to three to six months of expenditures. When the City receives a grant, we are not provided 100% of the funding required to complete the project. Typically, recipients are required to match 10% to 25% of the total project cost. Increasing the water & sewer reserve will assist in implementing improvements within the city, thereby ensuring a better quality of life for our residents.

For example: Let’s say the total cost for a water line replacement project is $500,000. The City would need to have at least $100,000 before even considering applying to any available grant.

As always, we remain committed to working together for the betterment of Liberty. We are encouraging residents to participate in an upcoming public hearing for the 2024-2025 budget on June 4th 2024. Further details will be provided at a later date.

The City of Liberty’s fiscal year runs from July 1st to June 30th.

For more information on the proposed budget and upcoming budget hearings, please either reach out to your council member or email Bailee Locke, our clerk to council at blocke@libertysc.com.

For the love of Liberty,

Mayor Erica Romo Woods