

RESOLUTION NO. 2025-R74

A RESOLUTION ADOPTING REVISIONS TO THE FINANCIAL MANAGEMENT POLICY TO ALIGN WITH BEST PRACTICES AND REGULATORY REQUIREMENTS

WHEREAS, the City of Boerne is committed to strong financial stewardship and aligning its financial policies with best practices and applicable regulations; and

WHEREAS, the City's Financial Management Policy has been reviewed and revised to clarify the treatment of fund balances and net position in excess of required minimum reserves; and

WHEREAS, the revised policy provides a clear hierarchy for allocating year-end surpluses in the General Fund and Utility Funds, ensuring that such funds are directed to long-term, one-time uses unless otherwise directed by City Council; and

WHEREAS, the updated hierarchy is as follows:

1. Statutory, restricted, assigned, and non-spendable amounts (including encumbrances);
2. Minimum operating reserves as required by the Fiscal & Budget Policy;
3. Capital and special projects adopted in the subsequent year's budget and Capital Improvement Program (CIP); and
4. Residual balances transferred to the Governmental Capital Fund or the respective Utility Capital Funds;

WHEREAS, Special Revenue Funds remain excluded from this policy due to statutory and revenue-use restrictions; and

WHEREAS, formalizing this approach ensures one-time surpluses are applied in a consistent, transparent manner that supports capital needs and long-term financial sustainability, while preserving Council's authority to direct funds otherwise when appropriate;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOERNE, TEXAS:

SECTION 1. The revised Financial Management Policy, as presented, is hereby adopted.

SECTION 2. City staff shall implement and apply the policy revisions in accordance with the established hierarchy and Council direction.

SECTION 3. This resolution shall take effect immediately upon passage.

PASSED, APPROVED and ADOPTED on this the ___ day of _____, 2025.

APPROVED:

Mayor

ATTEST:

City Secretary