



STAFF REPORT

MEETING DATE: August 23, 2022

TITLE:

Consider action to approve Resolution No. R-2022-73 of the City Council of the City of Bastrop, Texas, approving the Financial Management Policy, which is attached as Exhibit A; providing for a repealing clause and establishing an effective date.

AGENDA ITEM SUBMITTED BY:

Submitted by: Tracy Waldron, Chief Financial Officer

BACKGROUND/HISTORY:

This policy was previously adopted on August 24, 2021. This policy is to be reviewed and approved by City Council annually as a part of the budget process.

Since the last adoption, there have been several items for inclusion into this policy. Below represent the additions and updates made to the policy:

Transfer from Electric Fund – There will be a transfer from the Electric Fund to the City's General Fund which represents a Return on Investment (payment in lieu of taxes). This transfer should not exceed 11% of the total proposed revenue of the Electric Fund for that budget year.

Hotel Occupancy Tax Fund - This fund has a long-term effect on the City's economy and the reserve level needs to be sufficient to allow the fund to operate if a downturn in the economy occurred. Sufficient level of reserves should be a minimum of the Convention Center debt payment, Community Asset funding, and fifty percent (50%) of Visit Bastrop funding for the current year of expenditures to allow the City to ensure continuity of the organizations promoting tourism. Policy makers will need to determine priorities and funding levels should the economic downturn be expected to exceed this minimum reserve amount.

Donations – Several subsections were added to allow the City Manager to accept donations up to \$25,000 without City Council approval. The policy included the requirements for reporting to City Council when donations like these occur. Any donations over this amount will need to be brought to City Council for approval.

This policy should be reviewed administratively by the City Manager at least annually, prior to preparation of the operating budget and brought to City Council for approval.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Tracy Waldron, CFO recommends approval of Resolution No. R-2022-73 of the City Council of the City of Bastrop, Texas, approving the Financial Management Policy, which is attached as Exhibit A; providing for a repealing clause and establishing an effective date.

ATTACHMENTS:

- Resolution 2022-73
- Financial Management Policy

