



## Item Brief

### **Meeting Date**

April 14, 2026

### **Agenda Item**

Discuss and consider action: Resolution No. R2026-24: P. Langford

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS,  
AMENDING THE CITY'S FINANCIAL POLICY

### **Information**

The City of Burnet Financial Policy, originally adopted on October 25, 2016, and last amended on July 26, 2022, establishes guidelines for prudent financial management and long-term fiscal stability. In response to financial challenges in the Electric Utility Fund, staff is proposing to amend Section V., titled "Budget Contingency Plan" (pages 11-12) to strengthen the City's ability to respond quickly and responsibly to projected revenue shortfalls.

### **Summary of Changes:**

The proposed amendment updates and clarifies the City's response to projected revenue shortfalls by:

- Requiring timely notification to City Council when a budgetary shortfall is projected
- Establishing a clearer two-tiered response framework consisting of Immediate Actions (by City Manager) and Further Actions (require Council approval)
- Defining administrative actions available to the City Manager, including:
  - Hiring freezes (with exceptions for essential positions)
  - Review and reprioritize capital spending
  - Delay non-essential spending and equipment purchases
- Providing guidance for more significant fiscal impacts to be approved by City Council if conditions worsen, including:
  - Use of unspent, unobligated surplus funds for one-time costs
  - Allowing a temporary reduction in reserve levels from 90-days to 75-days
  - Identifying potential service level or workforce reductions if necessary
- Adding a safeguard to ensure replenishment of reserves back to the 90-day requirement as soon as practicable

**Fiscal Impact**

These changes do not have an immediate financial impact but provide a structured framework to maintain fiscal stability during periods of economic uncertainty.

**Recommendation**

Staff recommends approval of Resolution No. R2026-24 as presented.

**RESOLUTION NO. R2026-24**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET,  
TEXAS, AMENDING THE CITY'S FINANCIAL POLICY**

**WHEREAS**, the City Council of the City of Burnet, Texas ("City") is responsible for ensuring that public funds are managed in a prudent, transparent, and financially sound manner; and

**WHEREAS**, to fulfill this responsibility, the governing body of a municipality should adopt financial policies that provide guidance for managing financial risk, promote adherence to recognized public finance best practices, and ensure compliance with applicable federal, state, and local laws and reporting requirements; and

**WHEREAS**, the City Council adopted a Financial Policy on October 25, 2016, which was subsequently amended on July 26, 2022; and

**WHEREAS**, the City Council desires to amend the Financial Policy to update and clarify the City's budget contingency plan, including procedures for responding to projected revenue shortfalls, maintaining reserve levels, and ensuring long-term financial stability; and

**WHEREAS**, the City Council now finds it appropriate and in the best interest of the public health, safety, and welfare to amend and restate the Financial Policy as set forth herein;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AS FOLLOWS:**

**Section One. Findings.** The recitals set out above are hereby approved and incorporated herein for all purposes.

**Section Two. Amendment and Adoption.** The Financial Policy originally adopted on October 25, 2016, and amended on July 26, 2022, is hereby amended and restated in its entirety as set forth in the document attached hereto and incorporated herein by reference for all purposes, including updates to the City's budget contingency planning provisions.

**Section Three. Authorization.** The City Manager is authorized and directed to take those actions that are reasonably necessary to implement and administer the Financial Policy as amended by this Resolution.

**Section Four. Open Meetings.** It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

**Section Five. Effective Date.** That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

**PASSED AND APPROVED** on this the 14th day of April 2026.

**CITY OF BURNET, TEXAS**

---

Gary Wideman, Mayor

**ATTEST:**

---

Maria Gonzales, City Secretary