

CITY OF BURNET

Financial Policy Update

City Council Regular Meeting April 14, 2026

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



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Financial Policy Update

The proposed amendment to Section V., “*Budget Contingency Plan*” was developed in response to the financial challenges identified in our Electric Utility Fund. These changes establish a clearer and more structured framework to guide the City’s response to revenue shortfalls and protect overall financial stability by:

- *Requiring immediate action to notify City Council when a budgetary shortfall is projected*
- *Establishing a clearer response framework defining City Manager actions and additional actions requiring Council approval*



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Financial Policy Update

Defining administrative actions immediately available to the City Manager

- *Implement hiring freezes*
- *Review and reprioritize capital spending*
- *Delay non-essential spending and equipment purchases*

If conditions worsen, provides guidance for further actions that require Council approval

- *Use of unobligated reserves for one-time funding*
- *Allowing a temporary reduction in reserve levels (from 90-days to 75-days)*
- *Direct other reductions in services, including workforce reductions*

Recovery Phase, restore reserves to 90-day amount as soon as practicable



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Recommendation

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

Questions?



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