



FINANCE

To: Mayor and Town Council

From: Chris Landrum, Finance Director

**Through: Mario Canizares, Town Manager
Robert B. Scott, Deputy Town Manager**

Re: Financial Policy Updates/Summary of Financial Policies (CL)

Town Council Meeting – June 11, 2024

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider approval of revisions to the Town of Prosper Financial Policies Chapter 12-Vehicle Equipment and Replacement Fund, Chapter 13, Fund Balance Policy, Chapter 15-Debt Management Policy, Chapter 17- Financial Management Policies and the creation of a Summary of Financial Policies.

Description of Agenda Item:

In preparation for annual budget and for the debt issuance process including the first ever Bond Rating Book for the Town, staff has carefully reviewed the existing financial policies and created a three-page summary of these policies that can be used in both the annual budget to report on compliance with financial policies and in the bond rating book to provide a concise overview of the Town's financial management policies. These policy changes have been reviewed with the Finance Sub-Committee.

Budget Impact:

The goal of the financial policies is to improve the budget and financial management processes of the Town but the policies themselves do not impact the budget.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Summary Financial Policies
2. Chapter 12-VERF-Redline
3. Chapter 12-VERF-Clean
4. Chapter 13-Fund Balance Policy-Redline
5. Chapter 13-Fund Balance Policy Clean
6. Chapter 15-Debt Management Policy-Red Line

7. Chapter 15-Debt management Policy-Clean
8. Chapter 17-Financial Management Policy-Red Line
9. Chapter 17-Financial Management Policy-Clean

Town Staff Recommendation:

Town Staff recommends approval of the changes to the Town of Prosper financial policies and creation of a Summary of Financial Policies.

Proposed Motion:

I move to approve the proposed changes to the Town of Prosper financial policies and the creation of a Summary Financial Policy,