



City of Killeen

Legislation Text

File #: RS-22-029, **Version:** 1

Consider a memorandum/resolution to readopt the Financial Governance Policy, to include the Investment Policy, as amended.

DATE: February 15, 2022

TO: Kent Cagle, City Manager

FROM: Jonathan Locke, Executive Director of Finance

SUBJECT: Financial Governance Policy Annual Review

BACKGROUND AND FINDINGS:

Killeen's Financial Governance Policy was first adopted by City Council on December 19, 2017. The governance policy establishes the framework for the fiscal management of the City and aids in the evaluation of current operations, proposed programs, and the long-term financial stability of the City.

The Financial Governance Policy requires an annual review to begin no later than January of each year. The Investment Policy is part of the Financial Governance Policy. Texas Government Code, Chapter 2256, known as the Public Funds Investment Act, requires the Investment Policy to be reviewed and adopted by resolution at least annually. There were no proposed changes to the Investment Policy.

The review of the Financial Governance Policy began at the January 18, 2022, City Council Workshop. At the workshop, staff briefed City Council on proposed changes to the governance policy. The changes were the result of staff monitoring the application of the governance policy over the past year and identifying changes to improve the application of the policy.

Highlights of the requested changes include:

- Section VIII(B)(1), User Fees and Rates Approved by City Council - Added Water and Wastewater Impact Fees.
- Section VIII(C)(1), Water Rate - Revised to reflect the October 1, 2021, rate adjustment.
- Section IX(D), Classification of Operating Expenditures - Expanded from five to eight categories to bring accounting, budgeting, and reporting in harmony.

THE ALTERNATIVES CONSIDERED:

There are three alternatives to consider:

- 1) Readopt without amendments.
- 2) Revise the amendments and readopt.

3) Accept the amendments and readopt.

Which alternative is recommended? Why?

Option 3, accept the amendments and readopt the Financial Governance Policy. The Financial Governance Policy, to include the Investment Policy, requires City Council to review and approve annually.

CONFORMITY TO CITY POLICY:

The Financial Governance Policy document is the comprehensive source for financial policies in the City. The policies were developed within the parameters established by applicable provisions of the Texas Local Government Code, the Texas Government Code, the Texas Tax Code, the City of Killeen Charter, the Government Finance Officers Association, and the Governmental Accounting Standards Board.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

N/A

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

City Council readopt the Financial Governance Policy, to include the Investment Policy, as amended.

DEPARTMENTAL CLEARANCES:

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Financial Governance Policy