

RESOLUTION NO. 110-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS AMENDING SECTION 3.1.3(d), AND SECTION 3.4 IN THE GOVERNING PRINCIPLES, RULES OF PROCEDURES, AND COUNCIL POLICIES OF THE CITY OF ABILENE, TEXAS.

WHEREAS, the City Council adopted the Governing Principles, Rules of Procedures and Council Policies on January 14, 2021 (Resolution No. 05-2021) to provide governance and guidance to the administration of the City of Abilene; and

WHEREAS, Section 3.1.3(d) sets aside 5% of utility sales to a Utility Capital Development Fund, and Section 3.4 controls how revenues in excess of budgeted amounts are used; and

WHEREAS, The City Council now desires to further clarify and expand certain funds, programs, and procedures authorized in Section 3.13(d) and Section 3.4 respectively.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Part 1: That the City Council hereby amends Section 3.1.3 (d) to read as follows, language that is ~~struck through~~ is removed, and language that is underlined is added:

(d) The City of Abilene shall contribute 5% of utility sales to a “Utility Capital Development Fund” for expansion of the utility system to unserved, or underserved areas, and for other ~~business activity~~ utility system related capital needs. In order to achieve this requirement without impacting the ability to provide essential services, the City shall phase in the contribution over a three-year period. For FY 2022, the contribution shall be 1.66%, for FY 2023 the contribution shall increase an additional 1.67%, and for FY 2024 the contribution shall increase an additional 1.67%.

In the event transferring 5% of utility sales into the Utility Capital Development Fund, creates a financial hardship, the Council will be notified and will be asked to provide direction on whether or not to make the required transfer.

Part 2: That the City Council hereby repeals Section 3.4 – Revenues collected in excess of revised budget in its entirety, and replaces it with the following:

3.4 Revenues collected in excess of revised budget.

3.4.1 Purpose

The purpose of this policy is to establish rules governing the use of revenues collected in excess of revised budget amounts for the General Fund and the Utility Fund in any given fiscal year.

3.4.2 Policy and Procedure

The City shall exercise sound, conservative principles and other recognized best practices when estimating revenues to be collected in any given fiscal year. It is recognized that the use of these principles have historically resulted in the collection of revenues in excess of budgeted amounts, and may continue to do so in the future. For any given fiscal year, it shall be the policy of the City Council of the City of Abilene, Texas that the City shall collect and expense revenue in excess of amounts needed to balance expenditures as follows:

(a) Revenues to be set aside at annual audit

1. The annual audit shall identify revenue in excess of revised budget amounts greater than the required fund reserves for the General Fund and the Utility Fund.
2. Identified General Fund revenue shall be set aside in the Minor Improvement Fund for Council's consideration and expended in accordance with an adopted funding program.
3. Identified Utility Fund revenue shall be set aside in the Utility Capital Development Fund for Council's consideration and expended in accordance with an adopted funding program.

(b) Funds to be spent in accordance with an adopted funding program

1. The City Council shall adopt a funding priority list as part of the annual budget process for the upcoming fiscal year. The funding program shall consider unfunded budget requests, additional resources for recurring operating expenses, one-time capital expenditures, dedication of resources for capital replacement funds or other internal service funds.
2. The City Manager shall inform the City Council of the auditor's findings and present a recommended funding program based on Council's adopted funding priority list within 30 days of receiving the final audit. The City Manager may recommend a program that differs from the adopted Council funding priority list if, in the opinion of the City Manager, a business necessity exists.

3. The City Council may authorize the City Manager to expend revenue in excess of revised budget amounts, and in accordance with the City Manager's recommended funding program as amended and adopted by the City Council.

(c) Reserve requirement obligations

1. Nothing in this policy supersedes the City's obligation to maintain reserve requirements at their adopted levels.

Part 2. That this Resolution is effective upon the date of its adoption.


ADOPTED this 9th day of May, 2024.

ATTEST:


Shawna Atkinson, City Secretary


Weldon Hurt, Mayor

APPROVED:


Stanley Smith, City Attorney

