City of Keller

Legislation Text

File #: 19-437, **Version:** 1

To: Mark R. Hafner, City Manager

From: Aaron Rector, Director of Administrative Services

Subject:
Consider a resolution adopting the 2019 City of Keller Financial Management, Investment, Purchasing, and Fund Balance Policies as approved and recommended by the City of Keller Finance Committee.

Background:
As part of the Financial Management policy and Investment policy requirements, Council annually reviews and adopts the Financial Management, Investment, Purchasing, and Fund Balance Policies. The policy reviews helps ensure the policies are up to date, meet regulatory requirements such as the Public Funds Investment Act (PFIA), and reflect best practices. The Financial Management policy changes include clarification to authority to transfer, clarifying the use of non-recurring resources, and adding a note for Council adoption of the policy. The Investment policy changes include updates terms for collateralization as required by the City's depository bank. The Purchasing policy changes include clarification related to sequential and component purchasing violations and cooperative purchasing. The Fund Balance policy changes include adding a Pointe minimum fund balance requirement, clarifying the City's action when the General Fund fund balance exceeds 50%, and adding a note for Council adoption of the policy.

Financial Impact:
As of the FY 2017-18 audit, all funds were above the current and proposed fund balance policies. However, the Water-Wastewater fund is anticipated to be below policy at the end of FY 2018-19. FY 2019-20 will set rates to help the fund meet policy minimums over several fiscal years.

Citizen Input/Board Review:
The City of Keller Finance Committee reviewed and approved the proposed policy revisions at their meeting on November 5, 2019.

Legal Review:
Not applicable.

Alternatives:
City Council has the following alternatives:
-   Approve as submitted
-   Approve with changes
-   Denial

Council Action:

Staff recommends approval of the proposed resolution as presented.