

City of Laredo

SPECIAL MEETING AGENDA

Special City Council

Tuesday, July 29, 2025

12:00 PM

City Council Chambers

City Council

**City of Laredo
Regular City Council Meeting
A-2025-SC-05
COUNCIL CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
July 29, 2025
12:00 P.M.**

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. MOMENT OF SILENCE**
- IV. ROLL CALL**

CITIZEN COMMENTS

Citizens can participate through in-person comments. Citizens wishing to provide in-person comments are required to fill out a witness card and submit it to the City Secretary no later than 12:15 p.m. and identify themselves at the microphone. Comments are limited to three (3) minutes per speaker. Speakers may not pass their minutes to any other speaker. All comments should be relevant to City business and delivered in a professional manner. No derogatory remarks will be permitted.

V. COMMUNICATIONS

- 1. Presentation by Mayor Dr. Victor Trevino, providing general comments on city matters, upcoming initiatives, and other relevant updates for the Council and the public. [25-1374](#)

(Recess)
(Press Availability)

VI. CONSENT AGENDA

All of the following items may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Council Member.

FINANCE: FRANCISCO J. MATA, DIRECTOR

- 1. A Resolution of the City Council, of the City of Laredo, Texas, establishing a debt management policy to promote fiscal discipline, sustainable capital investment and public accountability. [2025-R-183](#)
- 2. A Resolution of the City Council of the City of Laredo, Texas, establishing a formal fund balance management policy to ensure financial stability, support bond rating goals and promote long-term fiscal health. [2025-R-184](#)

3. A Resolution of the City Council of the City of Laredo, Texas, establishing a formal policy for budget development and long-term financial planning to promote fiscal responsibility, structural balance and strategic alignment with community priorities, City Charter and adopted ordinances. [2025-R-185](#)
4. A Resolution creating the Council District Support Fund (CDSF) for the City of Laredo to provide each Council office with structured annual funding for community projects, official travel, and civic outreach initiatives; to define event types and funding responsibilities; and to ensure transparency and fiscal accountability. [2025-R-191](#)
5. A Resolution of the City Council of the City of Laredo, Texas, establishing an administrative overhead allocation rate for enterprise and internal service funds; providing for periodic review and adjustments; and providing for an effective date [2025-R-192](#)

END OF CONSENT AGENDA

VII. STAFF REPORTS

6. Submission of the proposed Fiscal Year 2026 Annual Budget as per Article VI, Section 6.02, of the City Charter which states "At least sixty (60) days before the end of the fiscal year. The City Manager shall present to Council a budget for ensuring fiscal year with accompanying budget message". [25-1368](#)

VIII. EXECUTIVE SESSION

The Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any posted agenda item when authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and/or 551.087 (Economic Development). Following closed session, the open meeting will reconvene at which time action, if any, may be taken.

IX. GENERAL COUNCIL DISCUSSIONS AND PRESENTATIONS

Request by Mayor Dr. Victor D. Treviño

7. Discussion with possible action to instruct management to enhance incentive and retention policies within the City of Laredo to mitigate the potential departure of Laredo Police Officers to other law enforcement agencies, and any matters related thereto. [25-C-118](#)

X. ADJOURN

This notice was posted at the Municipal Government Offices, 1110 Houston Street, Laredo, Texas, at a place convenient and readily accessible to the public at all times. Said notice was

posted on Friday, July 25, 2025 at 3:00 p.m.

City of Laredo

City Council

Meeting Date: 7/29/2025

Communications 1.

City of Laredo

City Council

Meeting Date: 7/29/2025

Resolution 1.

RESOLUTION NO. 2025-R-183

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAREDO, TEXAS, ESTABLISHING A DEBT MANAGEMENT POLICY TO PROMOTE FISCAL DISCIPLINE, SUSTAINABLE CAPITAL INVESTMENT, AND PUBLIC ACCOUNTABILITY

WHEREAS, the City of Laredo is committed to responsible financial stewardship that maintains public trust and supports long-term service delivery;

WHEREAS, the outcome of the 2025 bond referendum reflects public concern regarding the City's long-range financial planning, debt issuance, and capital investment practices;

WHEREAS, the City Council recognizes the need to adopt strong, transparent debt management standards that guide future financial decisions and infrastructure strategies;

WHEREAS, peer cities across Texas have adopted formal debt policies that establish clear limits, guide funding practices, and strengthen creditworthiness; and

WHEREAS, all provisions of this policy shall be implemented in a manner consistent with Article IV, Section 6 of the City of Laredo Charter; and

WHEREAS, in the event of any conflict between the provisions of this Fund Balance Management Policy and the requirements or threshold levels established under any existing or future bond covenants of the City, the bond covenants shall prevail and supersede the provisions of this resolution to the extent of such conflict. The City shall continue to comply with all legally binding debt obligations, and this Policy shall not be interpreted or applied in a manner that would cause the City to violate the terms of any bond covenants.

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

- **Section 1:** The City Council hereby acknowledges and supports the Debt Management Policy presented as *Exhibit A* and directs the City Manager and Finance Department to implement the principles and practices outlined therein.
- **Section 2:** This resolution reflects the City Council's intent to promote strong financial management practices and ensure the long-term fiscal health of the City of Laredo.
- **Section 3:** This resolution shall take effect immediately upon passage and apply to all debt issuances beginning in FY 2026.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS _____ DAY OF _____, 2025.

Exhibit A

Debt Management Policy City of Laredo

Submitted: July 29, 2025

Next Review: July 2028

Purpose

The purpose of this resolution is to establish a uniform debt management policy that:

- Aligns debt issuance with long-term capital and infrastructure needs;
- Preserves and strengthens the City's credit profile;
- Ensures affordability and transparency in public borrowing;
- Responds to the community's call for greater financial clarity and discipline.

Scope

This policy applies to all forms of long-term financing and debt obligations issued by the City of Laredo or any of its departments or funds, including but not limited to:

- General Obligation Bonds (GO Bonds);
- Certificates of Obligation (COs);
- Public Property Finance Contractual Obligations (PPFCOs);
- Revenue Bonds;
- Lease-purchase financing;
- Any other capital-related instruments supported by City revenues or annual appropriations.

This includes all debt issued from or on behalf of:

- The General Fund
- Enterprise Funds
- Internal Service Funds
- Special Revenue Funds

Policy Guidelines

This section covers the use of debt, structuring guidelines, criteria for issuing Certificates of Obligation, debt capacity and affordability thresholds, refunding conditions, and treatment of PPFCOs.

Enterprise fund debt must be self-supporting with at least a 1.25x coverage ratio for all revenue-backed obligations, incorporated into long-range rate models and capital plans, and reported in the City's Annual Comprehensive Financial Report (ACFR) Continuing Disclosure Section.

No long-term debt may be issued without a written joint review from the Finance and Budget Directors documenting policy compliance and City Council Approval.

The City will consider issuing non-voter and voter approved debt for capital programs.

Credit Ratings and Transparency

The City shall maintain open communication with rating agencies, publish an Annual Debt Profile Report, through the City's Annual Comprehensive Financial Report (ACFR) Continuing Disclosure Section, to ensure ongoing compliance with policy provisions.

Revenue-Backed Debt Coverage

All revenue-backed debt must maintain a minimum 1.25x coverage ratio. No General Fund pledge is permitted without Council approval and a repayment plan.

Policy Administration

The Finance Director shall retain primary responsibility for debt issuance, compliance with statutory and bond covenant obligations, and management of debt service schedules. The Budget Director shall serve as the strategic lead for affordability analysis, debt capacity forecasting, and policy alignment with the City's long-range plans, including implementation of Viva Laredo, the Capital Improvement Plan, and efficiency initiatives. Together, the Finance and Budget Departments shall coordinate to ensure that debt issuance supports City priorities, reflects sustainable fiscal policy, and is fully integrated into the City's financial forecasts, budget cycles, and public transparency efforts.

The Budget Department shall present long-range affordability scenarios as part of the annual financial planning process and provide input to Council during consideration of all major debt issuances.

Policy Review

This Fund Balance Management Policy shall be reviewed at least every three years or in conjunction with major updates to the City's Financial Management Policies.

Debt Management Policy

City of Laredo

Submitted: July 29, 2025

Next Review: July 2028

Purpose

The purpose of this resolution is to establish a uniform debt management policy that:

- Aligns debt issuance with long-term capital and infrastructure needs;
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This includes all debt issued from or on behalf of:

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The Budget Department shall present long-range affordability scenarios as part of the annual financial planning process and provide input to Council during consideration of all major debt issuances.

Policy Review

This Fund Balance Management Policy shall be reviewed at least every three years or in conjunction with major updates to the City's Financial Management Policies.

City of Laredo

City Council

Meeting Date: 7/29/2025

Resolution 2.

RESOLUTION NO. 2025-R-184

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAREDO, TEXAS, ESTABLISHING A FORMAL FUND BALANCE MANAGEMENT POLICY TO ENSURE FINANCIAL STABILITY, SUPPORT BOND RATING GOALS, AND PROMOTE LONG-TERM FISCAL HEALTH.

WHEREAS, the City of Laredo recognizes that strong Fund Balance policies are critical to maintaining operational stability, sustaining public services during economic disruptions, and achieving long-term financial goals;

WHEREAS, the City seeks to strengthen public trust and fiscal accountability by establishing formal fund balance and Fund Balance targets for the General Fund, enterprise operations, and other major funds;

WHEREAS, adherence to Fund Balance policies is a key factor in preserving the City's bond ratings and financial credibility;

WHEREAS, all provisions of this policy shall be implemented in a manner consistent with Article IV, Section 6 of the City of Laredo Charter; and

WHEREAS, this legislative proposal respects local control by requiring a majority vote of the local electorate before any conversion can occur, thereby ensuring transparency and public participation in the repurposing of local tax revenues; and

WHEREAS, in the event of any conflict between the provisions of this Fund Balance Management Policy and the requirements or threshold levels established under any existing or future bond covenants of the City, the bond covenants shall prevail and supersede the provisions of this resolution to the extent of such conflict. The City shall continue to comply with all legally binding debt obligations, and this Policy shall not be interpreted or applied in a manner that would cause the City to violate the terms of any bond covenants.

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

Section 1: The City Council hereby acknowledges and supports the Fund Balance Management Policy presented as *Exhibit A* and directs the City Manager and Finance Department to implement the principles and practices outlined therein.

Section 2: This resolution reflects the City Council's intent to promote strong financial management practices and ensure the long-term fiscal health of the City of Laredo.

Section 3: This resolution shall take effect immediately upon passage.

This Resolution shall take effect immediately upon passage and shall apply to all City budgets and financial decisions beginning in Fiscal Year 2026.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS _____ DAY OF _____, 2025.

Exhibit A

Fund Balance Management Policy

City of Laredo

Submitted: July 29, 2025

Next Review: July 2028

Purpose:

This Fund Balance Management Policy establishes minimum and target fund balance requirements for key operating funds of the City of Laredo to:

- Ensure cash flow stability across fiscal cycles;
- Provide financial flexibility during economic or operational disruptions;
- Strengthen the City's ability to maintain service delivery without excessive reliance on short-term solutions;
- Support the City's creditworthiness and alignment with rating agency expectations;
- Maintain compliance with this Fund Balance policy to support the City's goal of preserving or improving its bond rating and financial credibility.

General Fund Unassigned Fund Balance

1. The City shall maintain a minimum unassigned fund balance of 15% of General Fund operating expenditures (approximately 60 days of operations).
2. The target range shall be 20% to 25%, with a preference for remaining at the upper end of the range during periods of economic expansion or revenue stability.
3. Any unassigned fund balance above 25% may be appropriated by Council for non-recurring capital projects, or other one-time uses, provided that such use does not compromise liquidity or debt affordability.

Enterprise Fund Balances

1. Each enterprise fund shall maintain a minimum working capital balance of 15% of Enterprise Fund operating expenditures (approximately 60 days of operations), for year end, with the exception of Mass Transit and Municipal Housing.
2. The target range shall be 20% to 25%, with a preference for remaining at the upper end of the range during periods of economic expansion or revenue stability.
3. Each enterprise fund shall maintain a minimum annual debt service coverage ratio of 1.25x for all revenue-backed obligations.
4. Enterprise funds shall prepare and update long-range rate models that demonstrate the fund's ability to maintain Fund Balance and coverage compliance. The Finance Department shall request rate models from the City's financial advisors.

Use of Fund Balances

Council must authorize any use of Fund Balances below policy thresholds. Authorized uses may include:

- Emergency response to natural disasters, public health, and/or public safety threats;
- Unanticipated one-time capital expenditures that cannot be deferred;
- Mitigation of revenue losses during economic downturns;
- Temporary support for operational stability pending long-term financial realignment

All such uses must be non-recurring in nature and documented in a Council-approved resolution.

Replenishment Plan

1. If any fund's balance falls below its stated minimum threshold, the City Manager, in coordination with the Finance and Budget Directors, shall prepare a written Fund Balance Replenishment Plan within 90 days of the triggering event.
2. A triggering event is defined as any audited or projected year-end balance falling below the minimum due to operational deficits, emergency withdrawals, or unexpected obligations.
3. The Fund Balance Replenishment Plan must outline steps to restore compliance within three fiscal years or provide justification to extend that timeline.

Monitoring and Reporting

The Finance Department shall monitor Fund Balance levels and report to the City Council quarterly as part of the financial reporting package. Fund Balance should also be summarized in the City's Annual Budget, Annual Comprehensive Financial Report (ACFR), and Long-Range Financial Forecast.

Capital and Designated Fund Balances

1. City Council may, by separate action, establish Capital Fund Reserves or Designated Maintenance Reserves within the General Fund or enterprise funds.
2. These Fund Balances may be funded from year-end surpluses above target levels and may be used to support the following:
 - ☐ Facility reinvestment and major repair projects
 - ☐ Fleet or technology replacement cycles
 - ☐ Grant match requirements
 - ☐ One-time capital acceleration projects

Policy Review

This Fund Balance Management Policy shall be reviewed at least every three years or in conjunction with major updates to the City's Financial Management Policies.

Fund Balance Management Policy

City of Laredo

Submitted: July 29, 2025

Next Review: July 2028

Purpose:

This Fund Balance Management Policy establishes minimum and target fund balance requirements for key operating funds of the City of Laredo to:

- Ensure cash flow stability across fiscal cycles;
- Provide financial flexibility during economic or operational disruptions;
- Strengthen the City's ability to maintain service delivery without excessive reliance on short-term solutions;
- Support the City's creditworthiness and alignment with rating agency expectations;
- Maintain compliance with this Fund Balance policy to support the City's goal of preserving or improving its bond rating and financial credibility.

General Fund Unassigned Fund Balance

1. The City shall maintain a minimum unassigned fund balance of 15% of General Fund operating expenditures (approximately 60 days of operations).
2. The target range shall be 20% to 25%, with a preference for remaining at the upper end of the range during periods of economic expansion or revenue stability.
3. Any unassigned fund balance above 25% may be appropriated by Council for non-recurring capital projects, or other one-time uses, provided that such use does not compromise liquidity or debt affordability.

Enterprise Fund Balances

1. Each enterprise fund shall maintain a minimum working capital balance of 15% of Enterprise Fund operating expenditures (approximately 60 days of operations), for year end, with the exception of Mass Transit and Municipal Housing.

2. The target range shall be 20% to 25%, with a preference for remaining at the upper end of the range during periods of economic expansion or revenue stability.
3. Each enterprise fund shall maintain a minimum annual debt service coverage ratio of 1.25x for all revenue-backed obligations.
4. Enterprise funds shall prepare and update long-range rate models that demonstrate the fund's ability to maintain Fund Balance and coverage compliance. The Finance Department shall request rate models from the City's financial advisors.

Use of Fund Balances

Council must authorize any use of Fund Balances below policy thresholds. Authorized uses may include:

- Emergency response to natural disasters, public health, and/or public safety threats;
- Unanticipated one-time capital expenditures that cannot be deferred;
- Mitigation of revenue losses during economic downturns;
- Temporary support for operational stability pending long-term financial realignment

All such uses must be non-recurring in nature and documented in a Council-approved resolution.

Replenishment Plan

1. If any fund's balance falls below its stated minimum threshold, the City Manager, in coordination with the Finance and Budget Directors, shall prepare a written Fund Balance Replenishment Plan within 90 days of the triggering event.
2. A triggering event is defined as any audited or projected year-end balance falling below the minimum due to operational deficits, emergency withdrawals, or unexpected obligations.
3. The Fund Balance Replenishment Plan must outline steps to restore compliance within three fiscal years or provide justification to extend that timeline.

Monitoring and Reporting

The Finance Department shall monitor Fund Balance levels and report to the City Council quarterly as part of the financial reporting package. Fund Balance should also be

summarized in the City's Annual Budget, Annual Comprehensive Financial Report (ACFR), and Long-Range Financial Forecast.

Capital and Designated Fund Balances

1. City Council may, by separate action, establish Capital Fund Reserves or Designated Maintenance Reserves within the General Fund or enterprise funds.
2. These Fund Balances may be funded from year-end surpluses above target levels and may be used to support the following:
 - ☐ Facility reinvestment and major repair projects
 - ☐ Fleet or technology replacement cycles
 - ☐ Grant match requirements
 - ☐ One-time capital acceleration projects

Policy Review

This Fund Balance Management Policy shall be reviewed at least every three years or in conjunction with major updates to the City's Financial Management Policies.

City of Laredo

City Council

Meeting Date: 7/29/2025

Resolution 3.

Long Range Financial Management Policy City of Laredo

Submitted: July 29, 2025

Next Review: July 2028

Purpose and Scope

The principles and expectations governing the development of the City's annual operating and capital budgets, as well as long-term financial forecasts. It is intended to promote transparency, financial discipline, and informed decision making.

Structurally Balance Budgets

1. The City's General Fund budget shall be structurally balanced each year, wherein recurring revenues equal recurring expenditures.
2. Recurring revenues shall refer to revenues reasonably expected to continue year-over-year, such as property tax, sales tax, user fees, and franchise revenue. Structurally balanced refers to a budget where recurring revenues are equal to or greater than recurring revenues.
3. Use of fund balance to balance the General fund budget shall be prohibited.
4. Mid-year budget amendments shall preserve structural balance unless offset by new recurring revenues reallocation of existing recurring funds, or Council-authorized use of fund balance in accordance with policy.

Long-Term Financial Forecasting

1. The Budget Office shall maintain a rolling five-year financial forecast for all major funds.
2. Forecasts shall be updated annually and include baseline, optimistic, and pessimistic scenarios where appropriate.
3. The City Council shall review and consider the long-term financial forecast annually prior to adoption of the proposed budget and may use it to establish budget priorities or financial guardrails.
4. City Council may adopt fiscal guidance annually based on long-term financial forecast to inform departmental budget development.

Capital and Strategic Plan Integration

The annual operating and capital budgets shall align with the City's adopted Capital Improvement Plan (CIP), Viva Laredo Comprehensive Plan, departmental master plans and Council-adopted strategic priorities.

Transparency and Public Engagement

1. The City shall publish a proposed budget and adopted budget annually in formats accessible to the public.
2. Budget development shall incorporate public input through hearings, outreach efforts and digital access to key documents.

Policy Integration and Effective Date

This Policy shall be reviewed at least every three years or in conjunction with major updates to the City's Financial Management Policies.

RESOLUTION NO. 2025-R-185

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAREDO, TEXAS, ESTABLISHING A FORMAL POLICY FOR BUDGET DEVELOPMENT AND LONG-TERM FINANCIAL PLANNING TO PROMOTE FISCAL RESPONSIBILITY, STRUCTURAL BALANCE, AND STRATEGIC ALIGNMENT WITH COMMUNITY PRIORITIES, CITY CHARTER AND ADOPTED ORDINANCES.

WHEREAS, all provisions of this Section shall be implemented in a manner consistent with Article IV, Section 6 of the City of Laredo Charter.

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

Section 1: The City Council hereby acknowledges and supports the Long-Range Financial Planning Policy presented as Exhibit A and directs the City Manager and Finance Department to implement the principles and practices outlined therein.

Section 2: This resolution reflects the City Council's intent to promote strong financial management practices and ensure the long-term fiscal health of the City of Laredo.

Section 3: This resolution shall take effect immediately upon passage.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS _____ DAY OF _____, 2025.

Exhibit A

Long Range Financial Management Policy City of Laredo

Submitted: July 29, 2025

Next Review: July 2028

Purpose and Scope

The principles and expectations governing the development of the City's annual operating and capital budgets, as well as long-term financial forecasts. It is intended to promote transparency, financial discipline, and informed decision making.

Structurally Balance Budgets

1. The City's General Fund budget shall be structurally balanced each year, wherein recurring revenues equal recurring expenditures.
2. Recurring revenues shall refer to revenues reasonably expected to continue year-over-year, such as property tax, sales tax, user fees, and franchise revenue. Structurally balanced refers to a budget where recurring revenues are equal to or greater than recurring revenues.
3. Use of fund balance to balance the General fund budget shall be prohibited.
4. Mid-year budget amendments shall preserve structural balance unless offset by new recurring revenues reallocation of existing recurring funds, or Council-authorized use of fund balance in accordance with policy.

Long-Term Financial Forecasting

1. The Budget Office shall maintain a rolling five-year financial forecast for all major funds.
2. Forecasts shall be updated annually and include baseline, optimistic, and pessimistic scenarios where appropriate.
3. The City Council shall review and consider the long-term financial forecast annually prior to adoption of the proposed budget and may use it to establish budget priorities or financial guardrails.
4. City Council may adopt fiscal guidance annually based on long-term financial forecast to inform departmental budget development.

Capital and Strategic Plan Integration

The annual operating and capital budgets shall align with the City's adopted Capital Improvement Plan (CIP), Viva Laredo Comprehensive Plan, departmental master plans and Council-adopted strategic priorities.

Transparency and Public Engagement

1. The City shall publish a proposed budget and adopted budget annually in formats accessible to the public.
2. Budget development shall incorporate public input through hearings, outreach efforts and digital access to key documents.

Policy Integration and Effective Date

This Policy shall be reviewed at least every three years or in conjunction with major updates to the City's Financial Management Policies.

City of Laredo

City Council

Meeting Date: 7/29/2025

Resolution 4.

RESOLUTION NO. 2025-R-191

A RESOLUTION CREATING THE COUNCIL DISTRICT SUPPORT FUND (CDSF) FOR THE CITY OF LAREDO TO PROVIDE EACH COUNCIL OFFICE WITH STRUCTURED ANNUAL FUNDING FOR COMMUNITY PROJECTS, OFFICIAL TRAVEL, AND CIVIC OUTREACH INITIATIVES; TO DEFINE EVENT TYPES AND FUNDING RESPONSIBILITIES; AND TO ENSURE TRANSPARENCY AND FISCAL ACCOUNTABILITY.

WHEREAS, the City Council of the City of Laredo supports strengthening local engagement, district responsiveness, and public communication;

WHEREAS, there is a need for each Council Member and the Mayor to have a clear and consistent mechanism to allocate limited discretionary resources for community benefit, travel, and engagement;

WHEREAS, the Council District Support Fund (CDSF) provides a structured, transparent, and accountable policy for managing such expenditures;

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

Section 1: The City Council hereby acknowledges and supports the District Support, Promotions and Travel Policy presented as *Exhibit A* and directs the City Manager and Finance Department to implement the principles and practices outlined therein.

Section 2: This resolution reflects the City Council's intent to promote strong financial management practices and ensure the long-term fiscal health of the City of Laredo.

Section 3: This resolution shall take effect immediately upon passage.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS 29th DAY
OF JULY, 2025.

Council District Support Fund (CDSF) Policy City of Laredo

Submitted: July 29, 2025

Next Review: July 2028

Purpose:

The Council District Support Fund (CDSF) is established to provide each City Council Member and the Mayor with structured, transparent, and accountable annual funding to support community projects, official travel, and civic outreach initiatives. This policy defines eligible uses, funding responsibilities, approval processes, and reporting requirements to promote effective and transparent resource allocation. All provisions of this policy shall be implemented in accordance with, and shall not conflict with, applicable City, State, or Federal laws and regulations.

Establishment of Fund

The CDSF is hereby established to allocate annual funding to each Council Member and the Mayor as follows (subject to budget appropriation):

- **\$25,000** for Community Projects
- **\$12,500** for Official Travel
- **\$12,500** for Promotion and Civic Outreach

All expenditures must comply with City financial policies and purchasing procedures.

Eligible Uses

A. Community Projects (\$25,000)

Funds may support:

- Nonprofit events/programs serving the district or City
- Neighborhood beautification, cleanup, or safety projects
- Educational, cultural, or civic initiatives
- District-sponsored public service efforts
- Personnel, equipment, and supplies necessary for project execution

B. Official Travel (\$12,500)

Funds may cover registration, transportation, lodging, and per diem for:

- City-authorized conferences
- Training sessions

- Legislative or intergovernmental advocacy

Travel expenses must comply with the City of Laredo Travel Policy.

C. Promotion and Civic Outreach (\$12,500)

Funds may be used for:

- Marketing or promoting City or district-sponsored events
- Newsletters, printed outreach, or constituent engagement
- Sponsorship of public civic events (e.g., town halls, City-supported festivals, safety campaigns)
- Digital and print communications that encourage civic participation

Definitions of Events

A. District-Sponsored Events

Events initiated and led by a Council Office, branded as City events. The City will support up to six (6) such events annually with in-kind departmental assistance. Additional costs may be funded through CDSF.

B. Community-Requested Events with District Support

Events initiated by external organizations (e.g., nonprofits, schools) receiving financial or in-kind support from a Council Office. All costs, including City services, must be covered by CDSF or the community sponsor. No City general fund support is provided unless authorized by Council.

Use of Employee Resources

CDSF-funded projects must fully account for all implementation costs, including staff labor, equipment, and materials. Departments may seek reimbursement for employee time spent on CDSF projects based on actual hours worked with proper documentation.

Ineligible Uses

CDSF funds shall not be used for:

- Campaign or election-related activities
- Private events or personal expenses
- Religious or partisan political activities
- Non-City travel or unofficial representation

Request Process and Approval

- All expenses require submission via the official CDSF Request Form.
- Authorization must be signed by the respective Council Member or Mayor.
- Final processing must comply with all City financial policies and internal controls.

Reporting and Transparency

- A public-facing expenditure log will track CDSF spending by district and category.
- The City Manager's Office and Department of Management & Budget will produce an annual CDSF report for City Council summarizing fund usage and impact.

This Council District Support Fund (CDSF) Policy shall be reviewed at least every three years or in conjunction with major updates to the City's Financial Management Policies.

City of Laredo

City Council

Meeting Date: 7/29/2025

Resolution 5.

SUBJECT

Discussion with possible action on FY 25-26 budget priorities regarding a resolution on Departmental Administrative Fees and any other matters incident thereto.

VIVA LAREDO PLAN ALIGNMENT

Alignment Rating:

Supporting goal(s)/policy(ies):

Summary of alignment:

PREVIOUS COUNCIL ACTION

Click or tap here to enter text.

BACKGROUND

Click or tap here to enter text.

COMMITTEE RECOMMENDATION

Click or tap here to enter text.

STAFF RECOMMENDATION

Click or tap here to enter text.

Fiscal Impact

Fiscal Year:

Click or tap here to enter text.

Budgeted Y/N?:

Click or tap here to enter text.

Source of Funds:

Click or tap here to enter text.

Account #:

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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAREDO, TEXAS, ESTABLISHING AN ADMINISTRATIVE OVERHEAD ALLOCATION RATE FOR ENTERPRISE AND INTERNAL SERVICE FUNDS; PROVIDING FOR PERIODIC REVIEW AND ADJUSTMENTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Laredo provides essential internal support services—such as executive oversight, financial management, legal counsel, information technology, procurement, risk management, and human resources—to its enterprise, internal service, and special revenue funds; and

WHEREAS, the costs of these administrative services are appropriately recovered through an overhead allocation charged to the benefiting funds, in accordance with cost accounting standards and best practices recommended by the Government Finance Officers Association (GFOA); and

WHEREAS, the current administrative overhead allocation rate of five percent (5%) has remained unchanged for several years and no longer reflects the actual cost of services provided; and

WHEREAS, industry benchmarks typically range between ten percent (10%) and fifteen percent (15%) for comprehensive administrative cost recovery, and a revised rate of ten percent (10%) has been determined to more accurately reflect the City’s actual costs while maintaining fiscal responsibility and equity across funds; and

WHEREAS, the City recognizes that adjustments may be necessary for funds experiencing financial distress to assist in their recovery, or to comply with specific legal or grant funding requirements, and authorizes the City Manager to make such modifications as needed;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAREDO THAT:

SECTION 1. Adoption of Administrative Overhead Allocation Rate

1. The City hereby adopts a standard administrative overhead allocation rate of ten percent (10%) for the following enterprise and internal service funds:
 - Airport
 - Waterworks
 - Wastewater
 - Solid Waste
 - Bridge System
 - Convention & Visitors Bureau
 - Environmental Services
 - Fleet Management
 - Information Technology
 - Municipal Housing
 - Parking Meters

- Recreation
 - Risk Management
 - El Metro
 - Transit
2. Beginning in Fiscal Year 2026, the ten percent (10%) administrative overhead rate shall be applied consistently across the listed funds and incorporated into the City's annual budget, financial planning, and cost allocation processes.
 3. The City Manager or designee shall be responsible for maintaining the cost allocation methodology and shall review the administrative overhead rate at least once every two (2) fiscal years to ensure continued accuracy, fairness, and alignment with the level of services provided.
 4. The City Manager is further authorized to adjust the administrative overhead rate, as necessary, for funds experiencing financial hardship or to comply with specific legal, regulatory, or grant funding requirements.

SECTION 2. Effective Date

This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LAREDO on this the _____ day of _____, 20.

DR. VICTOR D. TREVINO

MAYOR

ATTEST:

MARIO MALDONADO, JR.

CITY SECRETARY

APPROVED AS TO FORM:

DOANH T. NGUYEN

CITY ATTORNEY

City of Laredo

City Council

Meeting Date: 7/29/2025

Staff Report 6.

City of Laredo

City Council

Meeting Date: 7/29/2025

Council Item 7.
