

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.