

Resolution No. 2011-04-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LLANO, TEXAS CREATING A COUNCIL RESTRICTED SINKING FUND; ESTABLISHING GUIDELINES AND POLICIES FOR EXPENDITURES; SETTING PRIORITIES FOR PROJECT FUNDING; ESTABLISHING SOURCES FOR FUNDING; AND REQUIRING A CAPITAL IMPROVEMENT PROGRAM BE ESTABLISHED AND APPROVED.

WHEREAS, The City of Llano City Council is responsible for the health, safety and welfare of its citizens and the stewardship of City infrastructure and equipment, and

WHEREAS, in performance of their responsibilities, the City Council of the City of Llano, Texas seeks to provide long term assurance to the citizens that safe utilities are maintained and improved, and

WHEREAS, by planning and implementing a Capital Improvement Program and a Council Restricted Sinking Fund, City Council can better plan and anticipate needs, and

WHEREAS, it is the goal of the City Council to implement planning and funding programs to minimize disruption to operational budgets and needs without creating an undue hardship on the Citizens.

NOW THEREFORE, BE IT RESOLVED, that the following Policy be enacted by the City Council of the City of Llano:

Section 1. CREATION OF COUNCIL RESTRICTED SINKING FUND ACCOUNT

The City Council of the City of Llano, Texas hereby directs that a fund account be established for the purposes outlined within this Policy which shall be specifically designated for use by action of the City Council.

Section 2. CAPITAL IMPROVEMENT PROGRAM

The City Council of the City of Llano, Texas hereby directs that a Capital Improvement Program be implemented for the identification and financing of major improvements to the City's infrastructure and Public Facilities. The Capital Improvement Program shall be made part of the City's Comprehensive Plan, and shall be reviewed annually during the City's budget process.

Section 3. FUNDING

The Council Restricted Sinking Fund shall be funded as designated by City Council, however shall include any funds in excess of 25% of the current Operating Budget designated as Unrestricted Net Assets for the Utility Fund and the General Fund Balance by the City's annual independent financial audit.

City Council may designate additional funds be included in the Council Restricted Sinking Fund including, but not limited to, portions of utility payments or readiness to serve charges; budgeted operating expense lines; portions of ad valorem taxes; proceeds from franchise revenues; or other unbudgeted, unplanned revenue received.

Section 4. PROJECT IDENTIFICATION AND PRIORITIES

Prior to expenditure of funds from the Council Restricted Sinking Fund, City Council shall consider and prioritize projects based on the following criteria:

1. Projects that meet regulatory/safety needs or requirements.
2. Projects that improve the operational capacity or efficiency of utilities; including major maintenance, filter replacements, storage tank upgrades, distribution or collection extensions or upgrades; intersection or traffic improvements; or other utility improvements as deemed necessary or desirable by City Council.
3. Projects that by implementation result in savings of dollars, resources or personnel costs including, but not limited to, water saving projects, AMR technology, GIS technology.
4. Projects that improve and enhance public facilities including, but not limited to, park facilities, pool, police facilities, public meeting facilities.
5. Other projects as deemed beneficial for the public good.

Projects not generally eligible for funding from the Council Restricted Sinking Fund include:

1. Maintenance items less than \$100,000.00
2. Fleet replacement
3. Maintenance items that are generally reoccurring which should be anticipated and budgeted.

Section 5. AMENDMENTS

This policy may be amended from time to time as needed by action of the City of Llano, City Council. Project funding and interpretation of this Policy is subject to action of the City Council.

PASSED AND APPROVED, This 18th Day of April, 2011,



Mike Reagor
Mike Reagor, Mayor

ATTEST

Kerry Williams
Kerry Williams, TRMC
City Secretary