

Kyle, Texas, Code of Ordinances >> PART I - CHARTER >> ARTICLE VIII. FINANCE >>

---

## ARTICLE VIII. FINANCE

---

[Sec. 8.01. Finance Department.](#)

[Sec. 8.02. Powers and Duties.](#)

[Sec. 8.03. Fiscal Year.](#)

[Sec. 8.04. Annual Budget.](#)

[Sec. 8.05. Budget Process and Adoption.](#)

[Sec. 8.06. Administration of Budget.](#)

[Sec. 8.07. Amendment and Supplemental Budgets.](#)

[Sec. 8.08. Borrowing to Meet Funding Requirements.](#)

[Sec. 8.09. Depository.](#)

[Sec. 8.10. Purchase Procedure.](#)

[Sec. 8.11. Bonds and Financial Obligations.](#)

[Sec. 8.12. Reserve Fund.](#)

[Sec. 8.13. Independent Audit.](#)

[Section 8.14. Debt Management Policy.](#)

### **Sec. 8.01. Finance Department.**

The department of finance shall be established and maintained and the head of such department shall be the director of finance. The director of finance shall have knowledge of municipal accounting and experience in budgeting and financial control. Such director shall provide a bond with such surety and in such amount as the city manager may require. The premium on such bond shall be paid by the city.

### **Sec. 8.02. Powers and Duties.**

The director of finance shall administer all financial affairs of the city under the direction, control and supervision of the city manager. He or she shall have authority and be required to:

- (a) Maintain a general accounting system for the city and exercise financial control over all offices, departments and agencies thereof;
- (b) Certify the availability of funds for all proposed expenditures, and unless the director of finance shall certify that an unencumbered balance exists in the appropriations and funds available, no appropriation shall be encumbered and no expenditure shall be made;
- (c) Submit to the council through the city manager, not less than quarterly, statements showing the financial condition of the city; the form and content of the statements and schedule for presentation shall be approved by the city council;
- (d) Prepare, as of the end of the fiscal year, a complete financial statement and report.

### **Sec. 8.03. Fiscal Year.**

The fiscal year of the city shall begin on the first day of each October and end on the last day of September of the succeeding year. All funds collected by the City during any fiscal year including both

current and delinquent revenues, shall be accounted for in such fiscal year; and except for funds derived to pay interest and create a sinking fund on the bonded indebtedness of the city, may be applied to the payment of expenses incurred during such fiscal year.

#### **Sec. 8.04. Annual Budget.**

The budget shall provide a complete work and financial plan for the city, including all city funds and activities. A budget message explaining the budget both in fiscal terms and in terms of the work programs shall be submitted with the budget. It shall outline the proposed financial policies of the city for the ensuing fiscal year; describe the important features of the budget; indicate any major changes from the current year in financial policies, expenditures, and revenues, with reasons for such changes; summarize the city's debt position and include such other material as the city manager deems desirable or the council requires. The budget shall begin with a clear general summary of its contents; and shall show in detail all estimated revenues, indicating the proposed property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year. The proposed budget expenditures shall not exceed the total of estimated funds available from all sources. The budget shall be so arranged as to show comparative figures for estimated revenues and expenditures of the current fiscal year and the actual revenues and expenditures of the preceding two (2) fiscal years, compared to the estimate for the budgeted year. It shall include in separate sections:

- (a) An itemized estimate of the expense of conducting each department, division and office.
- (b) An estimate of the revenues of the city from taxes by category for the fiscal year.
- (c) Tax levies, rates, and collections for the preceding two years.
- (d) An itemization of all anticipated revenue from utilities and all sources other than the taxes.
- (e) The amount required for interest on the City's debts, for sinking fund and for maturing bonds and other obligations.
- (f) The amounts of the city debts and other obligations, with a schedule of payments and maturities.
- (g) The total amount established for addition to reserve funds.
- (h) A capital program, which may be revised and extended each year to indicate capital expenditures pending or in process of construction or acquisition.
- (i) A provision regarding health coverage for retired employees. This provision may give consideration to the years of service of each retired employee but shall not obligate the city to any specific or continuing level of funding for such benefits.
- (j) Such other information as may be required by the council.

#### **Sec. 8.05. Budget Process and Adoption.**

The city manager shall be responsible for the timely preparation and presentation of the budget, and shall present his or her recommended budget to the city council no later than sixty (60) days prior to October 1st of each year. The proposed budget shall become a public document and record when presented to the council. From and after its receipt of the budget, the city council shall:

- (a) At the first council meeting for which timely notice may be given, cause to be posted in city hall and published in a newspaper of general circulation in the city a general summary of the proposed budget and a notice stating the time and places where copies of the budget are available for public inspection; the time and place, not less than fifteen (15) days after such publication, of a public hearing on the budget; and such other public hearings as are necessary.

- (b) After the first public hearing the council may adopt the budget with or without amendment. The council may amend the proposed budget to add, increase, decrease or delete any programs or amounts, except expenditures required by law or for debt service; provided that no amendment shall increase the authorized expenditures to an amount greater than the total of estimated funds available from all sources.
- (c) The budget shall be finally adopted by ordinance not later than the third Thursday of September; provided that if the council takes no final action on or prior to such day, the budget as submitted by the city manager shall be deemed to have been finally adopted by the council.

### **Sec. 8.06. Administration of Budget.**

No payment shall be made or obligation incurred except in accordance with this charter and appropriation duly made, and unless the director of finance first certifies that a sufficient unencumbered balance and sufficient funds are or will be available to cover the claim or meet the obligation when it becomes due and payable. If funds are not currently available to make an appropriate payment, but will become available within the fiscal year, the finance officer may request the council give authority to borrow money to make such payment provided that such money will be repaid by the end of the fiscal year or as provided by state law. Any authorization of payment or incurring of an obligation in violation of the provisions of this charter shall be void and any payment so made illegal; provided this shall not be construed to prevent the council by ordinance from making or authorizing payments or the making of contracts, for capital expenditures to be financed wholly or partly by the issuance of bonds, time warrants, certificates of indebtedness, certificates of obligation, lease-purchase, or other similar evidence of indebtedness or obligation, or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year.

### **Sec. 8.07. Amendment and Supplemental Budgets.**

To protect the public health, safety, welfare and resources of the city, budget amendments to fund and meet conditions not anticipated in the original budget may be authorized, upon the affirmative vote of four members of the council. Supplements and amendments shall be approved by ordinance and shall be filed with the original budget.

### **Sec. 8.08. Borrowing to Meet Funding Requirements.**

In the absence of available funds to meet emergency conditions and requirements, the council may authorize the borrowing of funds. In any fiscal year in anticipation of the collection of the budgeted revenues or ad valorem property tax for such year, whether levied or to be levied in such year, the council may authorize the borrowing of money by the issuance of notes, warrants or tax anticipation notes. Notes and warrants issued under this section shall be limited to the funds required for the emergency or short-fall and mature and be payable not later than the end of the fiscal year in which issued, or as otherwise provided by statute.

### **Sec. 8.09. Depository.**

The council shall from time to time select a depository or depositories for city funds on the basis of bids received from such institutions; provided that the council may by resolution invest reserve funds in any state or federally chartered bank or savings institution. All monies received by any person, department or agency of the city for or in connection with affairs of the city shall be promptly deposited in the city depository or depositories. All checks, vouchers, or warrants for the withdrawal of money from the city depositories shall be signed by the city manager and the director of finance. The

council may authorize the use of machine imprinted facsimile signatures of such persons on such checks, vouchers and warrants.

### **Sec. 8.10. Purchase Procedure.**

All purchases made and contracts executed by the city shall be pursuant to a requisition from the head of the office, department or agency whose appropriation will be charged; and no contract or order shall be binding upon the city unless the director of finance certifies there is to the credit of such office, department or agency, a sufficient unencumbered appropriation to pay for the supplies, materials, equipment, or contractual services for which the contract or order is to be issued. All contracts and purchases of every nature and kind shall be made in accordance with all applicable state law requirements for competitive bidding.

### **Sec. 8.11. Bonds and Financial Obligations.**

The council may by ordinance authorize the issuance of any tax or revenue bonds, refunding bonds, certificates of obligation, warrants, notes, certificates of participation, tax anticipation notes or other evidence of indebtedness or obligation, for any permanent public improvement or any emergency, or any other public purpose not prohibited by law, subject only to the following limitations:

- (a) no general obligation bonds, other than refunding bonds, shall be issued except as approved by a majority vote at an election held for such purpose;
- (b) no indebtedness or obligation shall be issued except in compliance with the requirements of state law;
- (c) no form of indebtedness other than general obligation bonds approved by public vote may be issued without public notice and a public hearing being held in compliance with state law; the published notice shall clearly summarize the relevant statutory provisions providing for a petition and election, if any; and
- (d) the authorization for bonds authorized but not issued shall expire ten years after the date of authorization.

*Charter reference— Debt management policy, § 8.14*

*Cross reference— Debt management policy, § 2-531 et seq.*

### **Sec. 8.12. Reserve Fund.**

A reserve fund shall be established. Except when expended only for an emergency, the reserve fund shall over time be funded in an amount equal to at least twenty-five percent of the annual operating budget. If expended the reserve fund shall be restored as soon thereafter as practicable.

### **Sec. 8.13. Independent Audit.**

At the close of each fiscal year, an independent audit shall be made of all accounts of the city by a certified public accountant experienced in auditing cities. The audit shall be completed on or before March 30th of each year and shall include an audit of all non-profit organizations receiving fifty percent (50%) or more of their income from the city. The audit shall be subject to the following:

- (a) The city shall pay a percentage of the audit costs for all non-profit organizations audited, equal to the percentage of their respective total funding provided by the City;
- (b) The independent auditor shall not otherwise maintain or keep any of the accounts of the city; act as financial advisor to the city; or have any financial interest whatsoever, direct or indirect, in any other financial affairs of the city, any member of the council, the city

- manager or any department head; provided that the auditor may be a resident or routinely utilize the utilities and services offered by the city, or be the owner of less than one percent (1%) of the total outstanding stock in a company contracting with the city;
- (c) The council shall not select the same auditor for more than five (5) consecutive years and the auditor selected shall not be, or have been within the immediate preceding three (3) years, a business associate of the certified public accountant or firm that performed the audit prior to such selection;
  - (d) Upon acceptance of the audit, a summary thereof shall be published immediately in a newspaper of general circulation in the city and copies of the audit shall be placed on file in the city secretary's office as a public record. The summary shall include a balance sheet; an itemization of all income and expenditures by department; and an itemization of all investments and amounts of such investments pledged or encumbered for specific purposes;
  - (e) The auditor shall be available to the council throughout the budget year for special projects, audits, reviews and reports.

### **Section 8.14. Debt Management Policy.**

The city council shall adopt and implement a debt management policy prior to adoption of the 2011-2012 annual budget. The city council shall obtain and consider advice from such professional and financial advisory services as it deems appropriate in adopting, reviewing and implementing the policy. The policy shall be reviewed, modified and amended as appropriate not less often than every fifth year.

*(Ord. No. 646, § 1(Prop. 10), 3-1-2011)*

***Editor's note—***

Added by the voters at an election held on May 14, 2011.