

5/11/2020 Item # 16

COUNTY OF WEBB
BUDGET & FISCAL POLICIES
FISCAL YEAR 2019-2020



Webb County Commissioners Court
1000 Houston St.
Laredo, TX 78041

economy, national and international factors affecting the border region of Webb County and other relevant known factors.

The County budgeting procedures attempt to identify distinct functions and activities performed by the County, and to allocate budget resources adequately to perform these functions and activities at a level of service expected by all Webb County taxpayers. The budget process shall be coordinated and in alignment with the countywide, strategic planning process and shall reflect the vision, mission, values, goals and objectives developed through this process.

Commissioners Court may institute a voluntary freeze on hiring, promotions, transfers, operating expenditures and capital equipment purchases as deemed financially necessary and appropriate. Commissioners Court may make exceptions to the freeze as deemed necessary.

In allowable circumstances and with the authority of Commissioners Court, the Budget Officers shall have the authority to initiate intrafund and interfund expense transfers as deemed necessary and appropriate in the case of emergencies or for routine operational or capital transfers. Transfers of this nature will be subject to the policies adopted herein and will also be reported to the Commissioners Court on no less than a quarterly basis

II. APPROPRIATIONS

During the budgetary process, when allocating resources, funding shall be aligned with strategic goals while simultaneously ensuring that functions and programs within the County can continue to provide adequate service levels.

Certain appropriations may not follow the fiscal year due to various constraints on the fund type. Capital project funds are budgeted on a project basis across multiple years until the project is complete. Grant funds are appropriated on a grant-year basis until the end of the grant-award period.

The County shall integrate performance measurements within the budget process where appropriate and continually strive to improve the budget development and monitoring process through evaluating and utilizing innovative alternative approaches to costing and budgeting.

Appropriations, as approved by the Commissioners Court, are set up and maintained in the County's financial system by the County Auditor. The following general character level categories are used to appropriate funds annually: Personnel, Operating and Capital. These categories along with a lower level of detailed expenditures are used for overall budgetary planning purposes.

III. DEVELOPMENT PROCESSES & TIMELINE

The County shall develop an annual calendar relating to the development of the budget, which includes but is not limited to the following:

- Budget manuals for annual preparation, including forms and necessary instructions, shall be distributed to County offices and departments.



COUNTY OF WEBB
FUND BALANCE POLICIES

I. CLASSIFICATIONS

The Commissioners Court has established operating and reporting guidelines for the fund balances of the governmental funds in accordance with Governmental Accounting Standards Board Statement Number 54. The County's Fund Balances shall be classified into five categories based on the strength of the constraints governing how those balances can be spent:

NONSPENDABLE FUND BALANCE - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact (Inventory and Prepays).

RESTRICTED FUND BALANCE - Represents amounts that are restricted to specific purposes, with constraints placed on the use of resources by (a) external creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

COMMITTED FUND BALANCE - Represents amounts that can only be used for specific purposes that have imposed constraints by formal action of the government's highest level of decision-making authority, the Commissioners Court. The amounts may not be used for other purposes unless the Court removes or changes the constraints pursuant to the same type of action used to initially commit them.

ASSIGNED FUND BALANCE - Represents amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Commissioners Court may delegate its authority to assign amounts to another body or officials, for example the Budget Officers. The Commissioners Court, when it is appropriate for fund balance to be assigned, delegates the authority to the Budget Officers. Assignments may occur subsequent to fiscal year end. Assignments will be made when necessary to utilize reserves to balance the proposed budget as needed or in the event of unforeseen circumstances that arise and require the expenditure of funds for which there was not an offsetting revenue source to account for the increase in unplanned appropriations, i.e. a catastrophic event

UNASSIGNED FUND BALANCE - Represents the residual amount in the general fund that has not been restricted, committed, or assigned to specific purposes.

II. RESERVES

GENERAL FUND RESERVE - The County shall strive to maintain an unassigned General Fund reserve between 10-15 percent of the total adopted General Fund operating budget, in any one fiscal year. Use of this reserve is limited to an unanticipated emergency, calamity, natural disaster or the loss/shortfall of a major revenue source. This amount should prove sufficient to meet cash flow needs during the first quarter of the fiscal year, as the inflow from *ad valorem* property taxes, the County's major revenue source, does not become substantial until the end of the first fiscal quarter. Any expenditure from this



COUNTY OF WEBB
BUDGETARY CONTROL POLICIES

I. TRANSFERS & AMENDMENTS

All amendments to the adopted budget shall require written request and justification for transfer from the respective department head or elected official or duly delegated office staff. Pursuant to Texas Local Government Code, §§ 111.070 c (2), the Commissioners Court has designated that the Budget Officers may, as appropriate and subject to these approved policies as further specified below, amend the budget by transferring amounts budgeted for certain items to other items. Approved budget amendments resulting in a new appropriation must be recorded prior to expenditure against such appropriation.

TRANSFERS

Budget transfers will be initiated by the department. The department must ensure all supporting documentation is included in the request. Supporting documentation refers to, but is not limited to, quotes, e-mails, etc. Commissioners Court shall receive a monthly update with all internal budget transfers processed for the month and the budget transfers being considered during regularly-scheduled Commissioners Court agenda.

Budget transfers requiring Commissioners Court approval:

- Transfers between characters (personnel, operating or capital) and/or between different departmental indices require separate approval of the Commissioners Court. This limitation does not include grants – please refer to Grants section of this file for budget transfer criteria.
- A transfer request for items, programs or services that were discussed and disallowed during the annual budget hearings of the Commissioners Court shall be subject to the sole approval of the Commissioners Court.

Accounts that shall not be considered for internal transfers are as follows:

- Contract services
- Interpreter Services
- Professional Services - Medical
- Professional Services- Legal Services
- Vehicle Oper. Expense
- Communications-Telephone
- Communications-Internet
- Utilities-Gas
- Utilities-Electric
- Utilities-Water
- Utilities-General
- Capital Outlay

- Memo that breaks down the equipment to be purchased and the amount of said equipment
- Supporting documentation for requests
- Verification from County's subject matter expert, if applicable (i.e. Information Technology)

Funds transferred over will be placed in the County's Contingency Reserve Fund and will be transferred to the requested department once the department is ready for purchase.

Carryover requests need to be submitted to the Budget Officers by a designated deadline provided yearly that is based on the budget process schedule. Carryover requests will be evaluated and additional information may be requested if needed. The request for carryover will be reviewed by the Budget and Fiscal Policy department but will be based on the approval of Commissioners Court.

AMENDMENTS

County departments may initiate budgetary amendments within the same character (Operations to Operations; Personnel to Personnel) to cover unforeseen expenditures with the approval of Commissioners Court. With the exception of a Commissioners Court-approved emergency, all amendments shall be submitted after April 1. Any related year-end projected shortfalls and impacts for accruals shall be projected at the end of the third fiscal quarter and shall be provided to the Court for informational purposes.

County departments may initiate budget amendments deemed necessary to cover unforeseen emergencies as well as expenditure accruals at year-end. These amendments may be transfers between departmental index and between character and objects during the fiscal year end accrual period or for unforeseen emergencies, such as weather related incidents.

Transfers related to grants are detailed in the Grants section of this document.

II. BIDS

Bids related to the purchase of goods and services that are both budgeted for in the fiscal year and are a component of the normal day to day operations of County departments shall be prepared and solicited for by the Purchasing Department and presented to Commissioners Court for award consideration. Any bids requests for goods or services for which there are no specific or routine appropriations shall be submitted to the Commissioners Court Administrator and Budget Officer for consideration of availability of funding and placement on the agenda for consideration of the Court. The Purchasing Agent or designee(s) will notify the Commissioners Court on a routine basis regarding all bids of goods and services which are currently out for solicitation.

III. PERSONNEL

Webb County has a wage and classification plan allowing for progressive advancement within pay levels for the various job classifications of the County with the exception of sheriff deputies and detention officers (jailers) who follow a compensation plan in compliance with an approved Collective Bargaining Agreement (CBA).

ELECTED OFFICIAL COMPENSATION

The Commissioners Court chooses to select a compensation philosophy that ensures all Elected County Officials are compensated based on the knowledge, skills and abilities needed to successfully perform these jobs. Furthermore, those salaries will be compensated 100% from the County's General Fund.

Newly elected officials, or those appointed to elected positions, are exempt from civil service are not required to undergo the waiting period during the first 90 days in office.

The salaries of elected officials paid from the General Fund shall be published in a local newspaper if salaries of elected officials are increased in any manner from one fiscal year to another.

TEMPORARY EMPLOYMENT

If an employee is out on an unpaid leave, the department can fill the position with a temporary employee for a period not to exceed 6 months so long as the temporary position does not exceed budget allocations for the original position and it is consistent with the period of time the regular employee shall be out on unpaid leave. Because there is no budgetary impact, the temporary may be hired immediately with the approval of Commissioners Court.

If an employee is out on paid mandatorily required leave (such as FMLA) for a period expected to last longer than 10 days, and the department has the funds in its current budget to pay for a temporary employee, the department may:

- Request the Budget Officer verify that funds are available; and
- Request that the Human Resources Office verify that 1) the employee is out on a mandatorily required leave, and 2) the time frame the temporary employee is being requested for does not exceed the time of the mandatorily required leave. Requests of this nature shall require the approval of the HR Director and/or the Commissioners Court Administrator and Commissioners Court, if deemed necessary.

If an employee is out on a mandatorily required leave (such as FMLA) for a period expected to last longer than 10 days, and the department does not have the funds in its current budget to pay for a temporary employee, the request must go to Commissioners Court. Human Resources shall verify funding availability in contingencies or other sources with the Budget Officers and make a recommendation to Commissioners Court for consideration.

Temporary employees for cases where the department has allowed the regular employee to go out on paid leave for non-mandatorily required leave shall not be considered. If a department has a vacancy that it would like to fill with a temporary employee, the total cost of the temporary employee for salary and fringe benefits per pay period cannot exceed the total cost of the regular position for salary and fringe benefits per pay period.

IV. GRANTS

Grant applications, budgets, and/or renewals shall be submitted to the Economic Development



COUNTY OF WEBB
GENERAL FINANCIAL POLICIES

I. ACCOUNTING, AUDITING & FINANCIAL PLANNING

The County Auditor's Office shall continue to maintain the County's financial records on a basis that is compatible with the guidance of generally accepted accounting principles and standards that have been promulgated by the Governmental Accounting Standards Board (GASB) for local governments.

Pursuant to the Texas Local Government Code, §§ 111.091, 111.092 and 114.025, interim monthly and Comprehensive Annual Financial Reports (CAFR) shall be issued by the County Auditor's Office. These reports shall summarize the County's financial transactions by fund and department. Also, actual revenues and actual expenditures shall be monitored and compared to the associated budgeted amounts.

In accordance with provisions contained in the Texas Local Government Code, §§ 111.091, 111.092, 114.025 and 115.045, full disclosures shall continue to be provided in the Comprehensive Annual Financial Reports (CAFR), budget reports and bond representations. Pursuant to the Texas Local Government Code, § 115.045, once each fiscal year, the Commissioners Court shall engage an independent Certified Public Accounting firm to conduct a comprehensive external audit of all books, records and accounts of the County. The external audit shall cover all matters relating to the fiscal affairs of the County.

The Commissioners Court shall continue to identify and refer business matters for analysis to the Budget Officers, Civil Legal Division committees, consultants or staff, in order to improve the effectiveness and efficiency of services and activities of the County.

Cost versus benefits studies shall be made, when deemed appropriate by Commissioners Court, on non-recurring expenditures and capital projects.

The County Auditor's staff shall continually conduct internal audits throughout the County that are designed to strengthen internal accounting and budgeting controls and to protect the County's assets.

II. REVENUE

The County shall maintain a stable and diversified revenue system to protect it from short-term fluctuations in any single revenue source. The County, whenever applicable, shall establish user fees and charges permitted by law at levels associated with the direct costs and indirect costs of providing those services. Furthermore, the County shall annually evaluate fees and charges to assure that total costs are covered and shall adjust accordingly to keep pace with the cost of providing those services.

Further, the County will pursue the enactment of new legislation, when deemed appropriate, to permit changes in user fees and charges, aggressively collecting ad valorem property tax revenues, including filing suits when permitted by the Texas Property Tax Code.

impacting other goals within the County. Performance measures and productivity indicators shall continue to be integrated into all departmental budget requests. The County's strategies and plans are guidelines necessary in order to allow the Commissioners Court and the citizens of Webb County a means of evaluating County government's efficiency and effectiveness in utilizing taxpayer dollars in achieving its goals and objectives.

ADOPTED THIS _____ DAY OF _____ 2020 BY THE COMMISSIONERS COURT OF WEBB COUNTY.

Tano E. Tijerina
Webb County Judge

Jesse Gonzalez
Commissioner Pct. 1

John C. Galo
Commissioner. Pct. 3

Rosaura "Wawi" Tijerina
Commissioner. Pct. 2

Cindy Y. Liendo
Commissioner. Pct. 4

ATTEST:

Margie Ramirez-Ibarra
Webb County Clerk