

City of Laredo | Financial Policy Suite

Enabling Council
Priorities Through
Smart Financial
Governance

Community Voice – Budget Survey Highlights

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Residents support funding for streets, public safety, and downtown



Top concerns: inefficient spending, short-term thinking, follow-through



Desire for budgeting to reflect long-term goals and transparency



Policies help respond to this public mandate with action

Lessons from the Bond Referendum

- Voters voiced concerns about long-term costs and unclear priorities
- Desire for phased, transparent investment with fiscal clarity
- These resolutions create a framework for future public trust
- Failure taught us that vision must be tied to funding discipline





Realigning Budget with Revenues

- FY 2026 revenue projections are constrained by inflation and mandates
- Departments guided to submit realistic, need-based requests
- Policies are helping balance current service needs with long-term obligations
- Avoids across-the-board cuts while preserving high-impact projects

Why These Policies Matter



Preserve Council flexibility while ensuring long-term sustainability



Support downtown revitalization, public safety staffing, and capital investments



Avoid budget surprises and prepare for labor contract pressures



Align decision-making with what residents expect: transparency and responsibility

Budget & Financial Planning Resolution

Helps Council understand tradeoffs before making new commitments



Requires structurally balanced budgets—no use of reserves for operations



Includes 5-year financial forecasting for proactive planning



Aligns budget with Council priorities, CIP, and Viva Laredo Plan



Cost Recovery & User Fee Policy

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Debt Management Policy



Aligns capital borrowing with affordability, service levels, and transparency



Requires policy compliance reviews before any new debt issuance



Protects against overextending future budgets while enabling infrastructure progress



Rebuilds trust post-bond referendum

Fund Balance Management Policy

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Sets 15% minimum and 20–25% target reserves for stability and emergencies

Allows Council to use excess reserves for one-time needs

Triggers replenishment plans if levels fall below policy

Ensures service continuity without over-reliance on cuts or tax hikes

Grants Management Policy



Requires pre-approval for grants and full evaluation of long-term costs

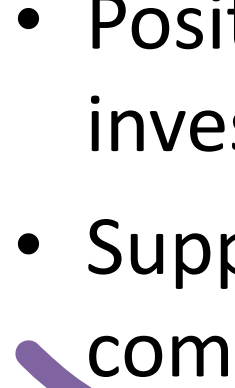
Council reviews high-risk, policy-altering, or partnership-based grants

Protects against unfunded mandates or hidden operational burdens

Ensures external funds support—not disrupt—City priorities



Becoming a Leader in Fiscal Governance

- Resolutions are grounded in GFOA best practices and Texas city models
 - Follow frameworks used by Austin, San Antonio, McAllen, and others
 - Position Laredo as a forward-looking, investment-ready city
 - Supports bond rating improvement, grant competitiveness, and public trust
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Final Message to Council

- These resolutions do not limit the Council—they empower it to lead confidently
- They are already in use today to guide real budget decisions
- Each one ties financial discipline to community priorities
- With these tools, Laredo can lead—not follow—in financial stewardship

