



City of Fredericksburg

**CITY COUNCIL REGULAR MEETING
MONDAY, MAY 16 , 2022 ~ 6:00 P.M.**

Jeryl Hoover, Mayor
Emily Kirchner, Councilmember
Bobby Watson, Councilmember

Tony Klein, Councilmember
Kathy O'Neill, Councilmember
Clinton Bailey, City Manager

WRITTEN COMMENT

Comment Form #	Name	Address
1	Wesley Hesker	
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I'm writing on agenda item 9 for the city to consider alternatives with surplus funds concluding several fiscal years of operations.

While I understand and appreciate the thoughtfulness being put forth in the city's retention of excess spending, as well as the controls to ensure transparency, it is my belief that the city has lost sight of its charter in how funding each annual budget is approached.

Sections 10.11 and 10.12 set the precedent upon which the city shall budget and raise funds for general operations.

Section 10.11 of the charter is stated as follows: Budget establishes amount to be raised by taxation. From the effective date of the budget, the amount stated therein as the amount to be raised by taxation shall constitute a determination of the amount of levy for the purposes of the City in the corresponding tax year; provided however, that in no event shall such levy exceed the legal limit provided by the Constitution of the State of Texas.

Section 10.12 of the charter reads as follows: Estimated Expenditures shall not exceed estimated resources. The total estimated expenditures of the general fund, available utility fund, and debt services shall not exceed the total estimate resources (prospective income plus cash on hand). The classification of revenue and expenditure accounts shall conform to the uniform classification as promulgated by the American Institutes of Certified Public Accountants or some other nationally accepted classification.

I will argue that the spirit in which these sections were written was to promote not only responsible fiscal management of expenses and long-term obligations, but also to limit the growth of government from exceeding its required mandate beyond what is essential.

How many years now has our city ended the fiscal year with excess funds?

I believe everyone voting on the agenda items should know the answer to that question.

It has been more than just 1 or 2 years' worth of operations.

Several years of surplus funds are not only the work of responsible fiscal management, they are also indicative that the city is consistently raising funds beyond its required obligations consistently. As a responsible city council, there is a need for sober consideration granted towards addressing these excess collections from the community and a plan to return to that community surpluses, in one form or another.

I will submit that returning everything would not be wise or prudent and that thought should be aimed towards a blend of returning some of the excess and restricting accumulated surplus fund expenditures in a given year to a threshold that allows the city to course correct revenue generation in balance of future needs and growth.

If funds exceed an annual year of planned spending, I believe everything beyond that excess should be remanded back to the sources of revenue from which the overages were derived.

Additionally, funds in this account could be used to pay down interest bearing notes.

Rather than restricting spending beyond 3 months of operations, I would submit that the council go further and restrict spending from surplus funds to 20% of the total balance of that surplus account in any given fiscal year. This would allow the city to adjust revenue generation in keeping with its budgeted obligations and avoid any over-correction that would impair the city's ability to meet its obligations. I believe this action would promote balanced operations that are in keeping with meeting budgeted obligations while reducing the burden to its citizenry for operations and give a multi-year approach to addressing the proper balance of revenue generation required.

We live in an era where our federal government has spectacularly failed its duty of fiscal management. Our charter provides the correct essence of how a government should operate for the benefit of its citizenry. We should be careful not to ignore that revenue generation has exceeded for years the needs of our city. Over time, this excess will lead to a mindset that the budget should be expanded to keep in line with the revenue generation and can set the stage for unnecessary growth to promote the use of consistent excess revenue generation. If we can strike a balance between the excess and needs, we can set an example for other governments in our nation that represent what responsible governance looks like from a fiscal aspect. This will also promote private citizens finding additional avenues to grow what they keep that would otherwise be paid in taxes and, arguably by the invisible hand, promote greater growth alongside increasing opportunities locally.

I respectfully submit that the motion on the agenda today be tabled in order so that greater thought can be put into the fiscal management of the city in future years. Also, to avoid any pitfalls that unduly put increasing pressure on the populace, while ensuring that realistic liabilities of operating the city for the benefit of its populace is not also impaired because focus shifted dramatically towards revenue reduction.

It is my belief the proper balance can be struck and for the city government and council to take this initiative to heart. Acting will also promote the goodwill and trust of citizens who are all too weary because of the irresponsibility our federal government and is disregard for the impact it will have on all U.S. Citizens when it can no longer meet its obligations because it has exceeded its mandate.

Regards,

Wesley Hesker