FY2026-27 ICM PROPOSED BUDGET BRIEFING

Attachment #3: Peer Cities Benchmark Fund Balance Policy

The following summarizes established fund balance and reserve policies for selected peer municipalities for comparison with the City of Kyle. The information below preserves the policy thresholds and descriptions provided in the benchmark summary.

1. GEORGETOWN

- **Citywide Operating Reserve:** Maintain at least 75 days (20.83%) of net citywide operating expenditures in reserves.
- **General Fund:** Maintain 90 days (25%) of operating expenditures for emergency use only.
- **Tourism Fund:** Maintain a minimum of 90 days of operating expenditures in fund balance.
- **Joint Services Fund:** Maintain 90 days of operating expenses for revenue delays or emergencies.
- **Fleet Fund:** Maintain 90 days of operating expenses for revenue delays or emergencies.
- **Facilities Fund:** Maintain 90 days of operating expenses for revenue delays or emergencies.
- **Information Technology Fund:** Maintain 90 days of operating expenses for revenue delays or emergencies.
- **Water Fund - Operations Contingency Reserve:** Maintain at least 90 days (25%) of operating expenses, including wholesale water contracts and transfers out; target = 120 days, maximum = 365 days.
- **Water Fund - Non-Operating Contingency Reserve:** Maintain reserves equal to 50% of annual debt service to support debt payments, capital projects, and disaster recovery.
- **Impact Fee Reserve:** Restricted funds used only for eligible capital projects and debt service costs.
- **Stormwater Drainage Fund:** Maintain at least 90 days (25%) of operating expenses in fund balance.
- **Rivery TIRZ Fund:** Maintain a debt service reserve equal to 1x the next year's debt service payment.
- **General Debt Service Fund:** Maintain a reserve equal to 30 days of prior-year debt service requirements to comply with IRS guidelines.

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2. LEANDER

- General Fund (25%)
- Other Funds Unspecified

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3. NEW BRAUNFELS

- General Fund (25%)
- Special Revenue Funds (10%)
- Enterprise Funds (25%)
- Capital Funds (Established by project)
- Debt Service Fund (10% of the principal and interest payments)
- Self-Insurance Fund (90 - 120 Days of claim expenditures)

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4. PFLUGERVILLE

- **General Fund:** Maintain a minimum unassigned fund balance of 25% of budgeted operating expenditures, as required by the City Charter.
- **Utility Fund:** Maintain a minimum unassigned fund balance of 25% of budgeted operating expenditures.

5. SAN MARCOS

- **General Fund:** Maintain 25% of recurring operating expenses.
- **Electric Utility Fund:** Maintain 150 days of recurring operating expenses, work towards 180 days.
- **Water/Wastewater Utility Fund:** Maintain 150 days of recurring operating expenses.
- **Stormwater Utility Fund:** Maintain 90 days of recurring operating expenses.
- **Resource Recovery Fund:** Maintain 90 days of recurring operating expenses with leeway of implementation due to construction of a new Resource Recovery facility.
- **Transit Fund:** Maintain 60 days of recurring operating expenses.
- **Hotel Occupancy Tax Fund:** Maintain 25% of recurring operating expenses.
- **Community Enhancement Fund:** Maintain 25% of recurring operating expenses.
- Fund balance more than established thresholds will be used to fund capital improvement projects (CIP) and/or other non-recurring expenditures.

6. AUSTIN

- **General Fund Reserves (Budget Stabilization + Emergency):** Combined goal of 17% of General Fund requirements.
- **Emergency Reserve Fund:** Maintain 10% of total General Fund requirements.
- **Austin Energy Capital Reserve Fund:** Maintain reserves equal to at least 50% of the prior year's depreciation expense.
- **Austin Energy Contingency Reserve:** Maintain cash equal to 60 days of operating and maintenance expenses (excluding power supply costs).
- **Austin Energy Power Supply Stabilization Reserve Fund:** Maintain cash equal to 90 days of net power supply costs.

7. BUDA

- **General Fund Unrestricted Fund Balance:** Maintain 3.5 months of operating expenditures.
- **Hotel/Motel Tax Fund Balance:** Maintain 3.5 months of operating expenditures.
- **Water/Wastewater Working Capital:** Maintain 3 months of operating expenditures.
- **Use of Fund Balance/Working Capital:** Reserved for emergencies, one-time expenses, or major capital purchases.
- **Debt Service Fund Balance:** Maintain at least 5% of annual debt service requirements (in addition to any required bond reserves).

8. CEDAR PARK

- **General Fund Balance:** Maintain between 25% and 50% of budgeted operating and maintenance expenditures.
- **Utility Fund Balance:** Maintain at least 25% of budgeted operating and maintenance expenditures.

9. ROUND ROCK

- **General Fund Reserve:** Maintain 90 days (25%) of annual budgeted General Fund operating expenditures.
- **Concentration Risk Fund:** If a single sales taxpayer contributes more than 5% of net General Fund revenues, maintain a reserve equal to the City's annual exposure to that taxpayer's revenue.
- **Utilities Fund Reserve:** Maintain 33% (120 days) of operating expenses and long-term water contract costs.
- **Utilities Debt Coverage:** Maintain 1.35x annual debt service (minimum bond requirement is 1.25x).
- **Stormwater Fund Reserve:** Maintain 25% (90 days) of operating expenses, excluding debt service.
- **Stormwater Debt Coverage:** Maintain 1.35x annual debt service (minimum bond requirement is 1.25x).
- **Hotel Occupancy Tax (HOT) Fund Reserve:** Maintain 25% (90 days) of operating expenditures, excluding debt service and other designations.
- **HOT Fund Debt Coverage Reserve:** Maintain 1.40x annual debt service.

10. SAN ANTONIO

- **General/ Non-General Fund Reserves:** Reserve levels vary by fund and are typically set at either 5%-10% of revenues/expenditures or 2-3 months of operating expenditures, depending on the fund's financial policies.