



## STAFF REPORT

**DATE:** October 22, 2019  
**TO:** David L. Ellison, Interim City Manager  
**FROM:** Jonathan Locke, Executive Director of Finance  
**VIA:** Miranda Drake, Director of Budget  
**SUBJECT:** Budget Amendment

### **BACKGROUND AND FINDINGS:**

This budget amendment corresponds to four initiatives approved by City Council. Three of the four initiatives are related to Aviation, and the fourth is for the Police Department. The amendment will provide the budget authority for these items.

The Aviation items include an Intergovernmental Support Agreement with the U.S. Army Garrison at Ft. Hood for security surveillance, the design and construction of a corporate hangar at the Killeen-Fort Hood Regional Airport (Military Airport Program Grant), and runway pavement maintenance (Airport Improvement Grant). The table below provides a summary of the Aviation budget amendments.

#### A. Intergovernmental Support Agreement-Security Surveillance:

<b>Revenues</b>	
US Department of Defense	\$312,980
<b>TOTAL</b>	<b>\$312,980</b>

<b>Expenditures</b>	
Personnel Services-Full Time Salaries	\$102,702
Personnel Services-Medical Insurance	16,308
Personnel Services-Dental Insurance	894
Personnel Services-Life Insurance	57
Personnel Services-Retirement - TMRS	11,964
Personnel Services-Social Security	6,369
Personnel Services-Medicare	1,488
Personnel Services-Workers Compensation	1,347
Supplies-Uniforms & Clothing	1,000
Supplies-Fuel	500
Supplies-Minor Tools	500
Supplies-Cleaning Supplies	500
Repairs-Vehicle Repair/Maintenance	3,000
Repairs-Security System	24,000

Minor Capital/New Radios	2,500
Minor Capital/Computer Equipment/Software	1,600
Capital Outlay/Motor Vehicles	15,000
<b>TOTAL</b>	<b>\$189,729</b>

B. (1) Military Airport Program Grant - Corporate Hangar:

<b>Revenue</b>	
US Department of Transportation (Federal Aviation Administration)	\$3,375,000
Grant Match by Project Partner (CSI Aviation)	375,000
<b>TOTAL</b>	<b>\$3,750,000</b>

<b>Expenditures</b>	
CIP Projects-Construction	\$3,750,000
<b>TOTAL</b>	<b>\$3,750,000</b>

(2) Airport Improvement Program (AIP) Grant - Rehabilitate Runway/Pavement Maintenance (approved by City Council on September 10, 2019):

<b>Revenue</b>	
US Department of Transportation (Federal Aviation Administration)	\$45,000
Transfer In from Passenger Facility Charge (PFC) Fund	5,000
<b>TOTAL</b>	<b>\$50,000</b>

<b>Expenditures</b>	
CIP Projects-Construction	\$50,000
PFC Projects	(5,000)
Transfer Out from Passenger Facility Charge (PFC) Fund	5,000
<b>TOTAL</b>	<b>\$50,000</b>

The budget amendment for the Police Department is for a grant that will provide funding in the amount of \$165,192 to cover overtime expenditures related to improving the violent crime rate for the City of Killeen.

C. Project Safe Neighborhoods Grant:

<b>Revenue</b>	
US Department of Justice	\$165,192
<b>TOTAL</b>	<b>\$165,192</b>

<b>Expenditures</b>	
Overtime - Criminal Investigation Division	\$59,407
Overtime - Patrol Division	105,785
<b>TOTAL</b>	<b>\$165,192</b>

## **THE ALTERNATIVES CONSIDERED:**

- 1) Do not approve ordinance.
- 2) Approve the ordinance amending FY 2020 Annual Budget.

## **Which alternative is recommended? Why?**

Staff recommends option 2 to approve the ordinance amending the FY 2020 Annual Budget. These items have already been approved by City Council, and a budget amendment is needed to provide the budget authority.

## **CONFORMITY TO CITY POLICY:**

The City's Financial Governance Policies, Section V. Budget Administration (B)(1) states that City Council may amend or change the budget by ordinance.

## **FINANCIAL IMPACT:**

### **What is the amount of the expenditure in the current fiscal year? For future years?**

- A. Intergovernmental Support Agreement-Security Surveillance: Revenues are estimated to be \$312,980 and expenditures \$189,729 in FY 2020.
- B. (1) Military Airport Program Grant - Corporate Hangar: Expenditures are estimated to be \$3,750,000 in FY 2020, of which \$3,375,000 is grant funded, and the 10% match of \$375,000 will be paid by CSI Aviation.  
  
(2) Airport Improvement Program (AIP) Grant - Rehabilitate Runway/Pavement Maintenance: Expenditures will be \$50,000 in FY 2020, of which \$45,000 is grant funded, and the match of \$5,000 will be paid by the Passenger Facility Charge (PFC) Fund.
- C. Project Safe Neighborhood Grant: Expenditures will be \$165,192 in FY 2020, all of which will be grant funded.

### **Is this a one-time or recurring expenditure?**

- A. Intergovernmental Support Agreement-Security Surveillance: This is a recurring expenditure as follows: FY 2021 \$194,607, FY 2022 \$202,606, FY 2023 \$207,634, and FY 2024 \$210,213.
- B. (1) Military Airport Program Grant - Corporate Hangar: This is a one-year grant.  
  
(2) Airport Improvement Program (AIP) Grant - Rehabilitate Runway/Pavement Maintenance: This is a one-year grant.
- C. Project Safe Neighborhood Grant: This is a one-year grant.

**Is this expenditure budgeted?**

Following approval of this budget amendment.

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

Following approval of this budget amendment.

**RECOMMENDATION:**

Staff recommends that City Council approve the ordinance amending the FY 2020 Annual Budget.

**DEPARTMENTAL CLEARANCES:**

Finance  
Legal

**ATTACHED SUPPORTING DOCUMENTS:**

Ordinance