

Dianna Barker

From: Jonathan Okray
Sent: Tuesday, January 26, 2016 6:32 PM
To: Dianna Barker
Subject: Ph 15-005 Statement of Opposition

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For the record, the Budget Amendment regarding the Cornerstone Project is still an item of concern for me. As presented and approved by council, funding for the project is provided by encumbrance of the FY16 General Fund, to be reimbursed by bond revenues. What provides certainty that bond revenues will fully reimburse the General Fund in FY16?

According to the Adopted Budget, we began the current FY with a General Fund Balance of 17,382,639. General Fund Revenues are stated to be 77,180,158. General Fund Expenditures are stated to be 77,410,968. The additional 1,249,468 encumbrances for the Cornerstone Project brings the FY16 expenditures to a revised amount of 78,660,436. Subtracting that amount from the total of the Projected Beginning Fund Balance and Revenues leave 15,902, 361. Dividing that by the General Fund Expenditures (Revised) equals 20.2% General Fund Balance.

CCM/R 11-156R established fiscal policy to maintain adequate levels of fund balances within the General Fund and Enterprise Funds collectively. Among the purposes of the policy is to ensure there are adequate resources to mitigate financial economic cycles and to assists in protecting from tax increases or budget cuts. As stated in the policy, the City of Killeen is responsible to its citizens for the care and management of public funds, concurrently the City must provide adequate funding for the services it is obligated to provide its citizens. The Fund Balance also provides cash flow liquidity for the City's general operations. The minimum General Fund Balance is 22%. 25% is the target. If unassigned fund balance falls below the goal or has a deficiency, a plan shall be developed for City Council that addresses the shortfall.

The question asked by this councilmember at workshop were reasonable and logical according to current policy regarding Fund Balances and interpretation of the Adopted Budget. The General Fund Balance is below the established policy and is projected projected to be 22.5% at the end of this FY. What is being done to address the shortfall?

Sent from my iPad