



## STAFF REPORT

**DATE:** December 11, 2018  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Jonathan Locke, Executive Director of Finance  
**VIA:** Miranda Drake, Director of Budget  
**SUBJECT:** Budget Amendment

### **BACKGROUND AND FINDINGS:**

The Killeen-Fort Hood Regional Airport (KFHRA) staff has negotiated an inter-governmental support agreement (IGSA) with the U.S. Army Garrison at Fort Hood for maintenance on Robert Gray Army Airfield.

The IGSA is a win-win for both organizations. The Army will be getting scheduled, preventative airfield maintenance at a savings and the KFHRA will receive additional revenues. This agreement has revenue and expenditures for each year of the agreement. They are as follows:

	<b>Revenue</b>
US Department of Defense	\$517,540
<b>TOTAL</b>	<b>\$517,540</b>

<b>Expenditures</b>	
Full-time Salaries	\$58,148
Medical Insurance	9,883
Dental Insurance	552
Life Insurance	36
Retirement - TMRS	6,484
Social Security	3,605
Medicare	843
Workers Compensation	727
Uniforms & Clothing	2,200
Fuel	2,000
Airport Diesel Fuel	5,000
Minor Tools	1,000
Pavement Marking	162,000
Runway/Taxiway Maintenance	43,500
Equipment Rental/Lease	1,000
Engineering Services	25,000

Machinery & Equipment	142,000
TOTAL	\$463,978

**THE ALTERNATIVES CONSIDERED:**

(1) Approve the budget amendment to appropriate funding to support the IGSA with the U.S. Army Garrison - Fort Hood; or (2) Do not approve the budget amendment.

**Which alternative is recommended? Why?**

Alternative 1 is considered the prudent course of action. The revenue for this project exceeds the expenditures.

**CONFORMITY TO CITY POLICY:**

Yes

**FINANCIAL IMPACT:**

This agreement has revenue and expenditures for each year of the agreement. The revenue for the agreement for the first year will be \$517,540 and will increase contractually 2% per annum for the duration of the agreement.

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

FY 2019 - \$463,978  
 FY 2020 - \$400,019  
 FY 2021 - \$403,143  
 FY 2022 - \$406,395  
 FY 2023 - \$409,784

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

Recurring for each year of the agreement, however, the expenditure will vary dependent upon material and equipment cost.

**Is this expenditure budgeted?**

A budget amendment is required.

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

N/A

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

Upon approval of the budget amendment.

**RECOMMENDATION:**

Staff recommends that the City Council approve the ordinance amending the FY 2019 Annual Budget and Plan of Municipal Services of the City of Killeen increasing revenue and expenditure accounts in Aviation.

**DEPARTMENTAL CLEARANCES:**

Aviation  
City Attorney  
Finance

**ATTACHED SUPPORTING DOCUMENTS:**

Ordinance