



STAFF REPORT

DATE: September 18, 2018

TO: Ronald L. Olson, City Manager

FROM: Jonathan Locke, Executive Director of Finance

SUBJECT: Consider an ordinance adopting a budget for operating the municipal government of Killeen for FY 2019.

BACKGROUND AND FINDINGS:

Article V of Killeen's City Charter requires the City Manager to submit a proposed budget to City Council that provides a complete financial plan for the upcoming fiscal year. The proposed FY 2019 Annual Budget and Plan of Municipal Services was submitted to City Council on August 7, 2018. There have been four budget workshops held to provide City Council and citizens a thorough overview of the proposed budget. The budget workshops included a presentation identifying strategic issues the City is facing, fund summaries of the major funds, departmental budget briefings, and presentations from community partners. The City Manager has also provided multiple public and employee briefings on the proposed budget.

State law and the City Charter require a public hearing be held to elicit citizen comment on the proposed budget. The first public hearing was held on September 4, 2018. The City Charter also states that City Council may insert additional items and make increases to the City Manager's proposed budget as long as there is a public hearing held on the changes. If the changes made by City Council increase the total proposed expenditures, City Council must also provide for an increase in the total anticipated revenue to at least equal such total proposed expenditures. A second public hearing was held on September 11, 2018 for changes to the budget submitted by the City Manager.

By a majority vote, the City Council must adopt the budget on or before the 20th day of the last month of the fiscal year (September 20th) or the budget as submitted by the City Manager is deemed to have been adopted. The budget is scheduled to be adopted September 18, 2018.

THE ALTERNATIVES CONSIDERED:

- 1) Adopt the budget.
- 2) The City Charter states that should City Council take no action on or prior to September 20th, the budget as submitted by the City Manager shall be deemed to have been finally adopted by City Council.

Which alternative is recommended? Why?

Staff recommendation is to adopt the budget ordinance as presented, which includes two changes requested by City Council. The two changes include a reduction in Hill Country Transit's

(the HOP) funding and providing a budget for a sanitary sewer service maintenance program. Hill Country Transit's funding was reduced from \$455,749 to \$120,850, which equals the same level of funding provided in the FY 2018 adopted budget. The remaining \$334,899 was moved to a reserve appropriation account. A \$400,000 budget was also established for a sanitary sewer service maintenance program.

CONFORMITY TO CITY POLICY:

The attached ordinance conforms with the City Charter and the City's Financial Governance Policies.

FINANCIAL IMPACT:

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

N/A

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

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

N/A

RECOMMENDATION:

Staff's recommendation is to approve the ordinance adopting the FY 2019 Annual Budget and Plan of Municipal Services.

DEPARTMENTAL CLEARANCES:

Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Proposed Changes
City Manager's Message
Ordinance