



STAFF REPORT

DATE: May 4, 2021
TO: Kent Cagle, City Manager
FROM: Jonathan Locke, Executive Director of Finance
VIA: Miranda Drake, Director of Budget
SUBJECT: Budget Amendment

BACKGROUND AND FINDINGS:

The following is a budget amendment for two (2) grants City Council will consider at the same meeting.

1. The City has been offered an Airport Improvement Program (AIP) grant in the amount of \$136,500 to be used for perimeter fencing at the Killeen-Fort Hood Regional Airport (KFHRA). Normally, AIP grants would require a 10% match; however, the American Rescue Plan Act signed into law on March 11, 2021, provides funds to increase the federal share to 100 percent for AIP grants already planned for fiscal year 2021.

KFHRA staff submitted an application to the Federal Aviation Administration (FAA) for an AIP grant listed on the approved FAA Capital Improvement Plan (CIP) for FY2021. The project replaces failing and inoperable perimeter fencing and gates.

The revenues will be amended as follows:

Revenues	
AVIATION / USDOT-FAA	\$136,500
TOTAL	\$136,500

The expenses will be amended as follows:

Expenses	
NOTICES REQUIRED BY LAW	\$500
CIP PROJECTS / CONSTRUCTION	136,000
TOTAL	\$136,500

2. The City has been offered an AIP grant in the amount of \$50,000 to be used for runway pavement maintenance. Normally, AIP grants would require a 10% match; however, the American Rescue Plan Act signed into law on March 11, 2021, provides funds to increase the federal share to 100 percent for AIP grants already planned for fiscal year 2021.

KFHRA staff submitted an application to the FAA for an AIP grant listed on the approved FAA CIP for FY2021. The grant is for runway pavement maintenance to include rubber removal, crack sealing, marking and minor repairs at the KFHRA.

The revenues will be amended as follows:

Revenues	
AVIATION / USDOT-FAA	\$50,000
TOTAL	\$50,000

The expenses will be amended as follows:

Expenses	
CIP PROJECTS / CONSTRUCTION	\$50,000
TOTAL	\$50,000

THE ALTERNATIVES CONSIDERED:

- 1) Do not approve the ordinance amending the FY 2021 Annual Budget.
- 2) Approve the ordinance amending the FY 2021 Annual Budget.

Which alternative is recommended? Why?

Option 2 is recommended to approve the ordinance amending the FY 2021 Annual Budget.

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?

This budget amendment will recognize revenues for two grants offered by the FAA. The AIP grant in the amount of \$136,500 for the Perimeter Fence Project and the AIP grant in the amount of \$50,000 for runway pavement maintenance. There is no financial impact to the Aviation Fund.

Is this a one-time or recurring expenditure?

One-time

Is this expenditure budgeted?

Upon approval of the attached ordinance amending the FY 2021 Annual Budget.

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 attached ordinance amending the FY 2021 Annual Budget.

RECOMMENDATION:

City Council approve the ordinance amending the FY 2021 Annual Budget.

DEPARTMENTAL CLEARANCES:

Finance

Legal

ATTACHED SUPPORTING DOCUMENTS:

Ordinance