



STAFF REPORT

DATE: September 14, 2021

TO: Kent Cagle, City Manager

FROM: Jonathan Locke, Executive Director of Finance

SUBJECT: FY 2022 Budget Adoption

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 2022 Budget was submitted to City Council on July 6, 2021. A budget workshop was held on July 13, 2021 to provide City Council and citizens a thorough overview of the proposed budget. City Council has discussed the budget nearly every week since the budget was submitted by the City Manager. In addition, a special City Council workshop was held on July 17, 2021 and a budget public forum was held on July 21, 2021.

State law and the City Charter require a public hearing be held to elicit citizen comment on the proposed budget. A public hearing was held on July 27, 2021. 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.

Changes made to the proposed FY 2022 Budget required an additional public hearing to be held on September 7, 2021 and September 14, 2021. Below is a list of those changes:

- ☐ General Fund revenue and expenditure budget increased from \$103,356,828 to \$106,325,799. The net increase includes removing the Multi-Family Rental Inspection Program, adding a Code Enforcement Officer and an Animal Control Officer, reducing the property tax revenue, and adding the American Rescue Plan Act (ARPA) funded programs.
- ☐ Street Maintenance Fund revenue and expenditure budget increased from \$7,332,692 to \$9,631,540. The net increase of \$2,298,848 is due to increasing the single-family equivalent street maintenance fee from \$7.00 to \$10.00 per month to provide adequate funding for ongoing street maintenance and street reconstruction.
- ☐ Governmental CIP Fund revenue budget increased from \$2,784,929 to \$19,550,452 and the expenditure budget increased from \$5,578,459 to \$23,243,982. The net increase is due to the appropriation of the ARPA funding for City Council approved projects, addition of one vehicle for a new Code Enforcement Officer position, removing the Multi-Family Rental Inspection Program vehicles, and appropriating \$900,000 for the Killeen Community & Senior Center (\$800,000) and rodeo electrical and seating repairs (\$100,000). The \$900,000 was made available after ARPA funding was approved to

replace the heating, ventilation, and air conditioning unit at the Civic and Conference Center.

- ☐ Water & Sewer CIP Fund revenue budget increased from \$3,328,999 to \$3,828,999 and the expenditure budget increased from \$4,030,999 to \$4,530,999. This increase is due to the appropriation of the ARPA funding for a City Council approved project.

THE ALTERNATIVES CONSIDERED:

- 1) Adopt the budget.

Which alternative is recommended? Why?

Adopt the budget ordinance as presented. The City Charter requires the budget to be adopted by majority vote of the City Council 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.

CONFORMITY TO CITY POLICY:

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

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:

Approve the ordinance adopting the Annual Budget for the City of Killeen for the fiscal year beginning October 1, 2021 and ending September 30, 2022.

DEPARTMENTAL CLEARANCES:

Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Ordinance