



City of Killeen

Legislation Text

File #: PH-23-042, Version: 1

HOLD a public hearing and consider an ordinance amending the FY 2023 Annual Budget of the City of Killeen to increase revenue and expense accounts in multiple funds.

DATE: July 18, 2023

TO: Kent Cagle, City Manager

FROM: Miranda Drake, Assistant Director of Finance

SUBJECT: Budget Amendment

BACKGROUND AND FINDINGS:

This budget amendment addresses two initiatives: 1) appropriates the revenue and expense for the Pavement Management Program at the Killeen Fort Hood Regional Airport; and 2) appropriates the additional funds for the Certificates of Obligation, Series 2023 bond issue and reappropriates project budgets according to City Council direction.

- 1) There is a grant of \$89,190 from the Federal Aviation Administration (FAA) that will pay for 90% of the project and the required 10% grant match will come from the Aviation CIP Fund in the amount of \$9,910.

Revenues

USDOT-FAA	\$89,190
TOTAL REVENUE	\$89,190

Expenses

Design/Engineering\$99,100	
TOTAL EXPENSE	\$99,100

- 2) The FY 2023 Adopted Budget included projects for a planned Certificates of Obligation (CO) bond issue of \$20,000,000. After two workshops where Citizens provided input along with a website survey to gather Citizen’s input, City Council authorized a notice of intent to issue \$32 million CO for a modified list of capital projects.

The original project list included the Animal Services Quarantine Facility (\$1,090,000), City Hall HVAC Upgrades (\$1,545,635), City Hall Structural Improvements (\$975,750), and the Police Department North Annex Remodel (\$7,150,000). In May 2023, the City Council approved the purchase of a new Animal Services Facility for pet adoptions and other operations so that the current adopt facilities can

then be used for quarantine facilities. This purchase was paid for with fund balance and payments that will be made through the Fort Cavazos Intergovernmental Services Agreement over the next two fiscal years. The City Hall improvements, City Hall HVAC upgrades, and Police Department North Annex Remodel were put on hold pending the outcome of a future potential bond election for a new City Hall.

On July 11, 2023, City Council authorized the issuance and sale of Combination Tax and Revenue Certificates of Obligation Bonds in a total aggregate principal amount not to exceed \$32,000,000 for capital projects. The FY 2023 Adopted Budget included budgeted projects for a planned bond issue of \$20,000,000. This budget amendment appropriates the additional bond proceeds and premium, and reappropriates project budgets according to City Council direction.

Revenues

Bond Proceeds	\$10,450,000
Premium	1,698,064
TOTAL REVENUE	\$12,148,064

Expenses

Design/Engineering	\$952,125
Land/ROW	850,000
Construction	9,161,010
Furnitures & Fixtures	51,311
Contingency	735,000
Equipment & Machinery	775,000
Reserve Appropriation	(795,446)
Paying Agent Fees/Issuance Costs	419,064
TOTAL EXPENSE	\$12,148,064

THE ALTERNATIVES CONSIDERED:

Option 1 - Do not approve the ordinance amending the FY 2023 Annual Budget.

Option 2 - Approve the ordinance amending the FY 2023 Annual Budget.

Which alternative is recommended? Why?

Option 2 is recommended to approve the ordinance amending the FY 2023 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 appropriate the following expenses:
Aviation CIP Grant Fund - \$9,910 for the Pavement Management Program (10% match)
Aviation AIP Grant Fund - \$89,190 for the Pavement Management Program
Certificates of Obligation 2023 Bond Fund - \$12,148,064 for Capital Projects

Is this a one-time or recurring expenditure?

One-time

Is this expenditure budgeted?

Upon approval of the attached ordinance amending the FY 2023 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 2023 Annual Budget

RECOMMENDATION:

City Council approve the ordinance amending the FY 2023 Annual Budget.

DEPARTMENTAL CLEARANCES:

Legal

ATTACHED SUPPORTING DOCUMENTS:

Ordinance