



City of Killeen

Legislation Text

File #: OR-23-016, **Version:** 1

Consider an ordinance adopting the Annual Budget for the City of Killeen for the fiscal year beginning October 1, 2023 and ending September 30, 2024.

DATE: September 5, 2023

TO: Kent Cagle, City Manager

FROM: Miranda Drake, Assistant Director of Finance

SUBJECT: FY 2024 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 2024 Budget was submitted to City Council on July 11, 2023. A budget workshop was held on July 11, 2023 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 budget town hall was held on August 17, 2023.

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 August 1, 2023. 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 2024 Budget required an additional public hearing to be held on September 5, 2023. Below is a list of those changes:

- ☐ General Fund revenue and expenditure budget increased from \$120,329,340 to \$120,569,340. The net increase in revenue is \$240,000 which includes the property tax revenue increase primarily due to a shift from debt service to the maintenance and operations rate from savings in the debt service for 2023 Certificates of Obligation issue (\$229,529), the building permit revenue decreased due to a reduction in the rate increases by City Council (-\$31,625), and an increase in interest income to offset the difference in other changes (\$42,096). The net increase in expenditures includes the Fire Department Fit for Duty Physicals (\$225,000) and legal expenses for requests for attorney general opinions which will be offset by interest income (\$15,000).
- ☐ Debt Service Fund revenue budget decreased from \$16,704,355 to \$16,428,706 which is a net decrease of \$275,649. The expenditure budget decreased from \$17,793,386 to \$17,562,308 which is a net decrease of \$231,078. This is a reduction in debt service due to the 2023 Certificate of Obligation issue

coming in with lower interest rates than anticipated.

- ☐ Hotel Occupancy Tax Fund expenditure budget increased from \$4,149,737 to \$4,344,737 which is a net increase of \$195,000. The increase includes the short-term rental inspections (\$30,000), RV-Park - Electrical Upgrades (\$70,000), RV-Park - Upgrade Water (\$20,000), RV-Park - Pave Parking Sites (\$50,000), and RV-Park - Landscaping (\$25,000).
- ☐ Tax Increment Fund revenue budget decreased from \$1,716,224 to \$1,342,771 which is a net decrease of \$373,453. This is due to a decrease in the value between preliminary and certified tax roll and reduction in proposed tax rates of all the participating taxing entities (City of Killeen, Bell County and Central Texas College). The expenditure budget increased from \$2,278,000 to \$2,400,000. The increase includes additional funding for the streetscape design and minor landscape improvements for Bell County Annex (\$22,000) and expanded improvement grants to include interior and exterior for the Historic Overlay District (\$100,000).

THE ALTERNATIVES CONSIDERED:

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, 2023 and ending September 30, 2024.

DEPARTMENTAL CLEARANCES:

Finance

Legal

ATTACHED SUPPORTING DOCUMENTS:

Ordinance