City of Killeen

Legislation Details (With Text)

File #:	PH-22-028	**Version:** 1	**Name:**	Budget Amendment	
Type:	Ordinance/Public Hearing		**Status:**	Passed	
File created:	3/28/2022		**In control:**	City Council	
On agenda:	4/26/2022		**Final action:**	4/26/2022	
Title:	HOLD a public hearing and consider an ordinance amending the FY 2022 Annual Budget of the City of Killeen to adjust revenue and expenditure accounts in multiple funds.				
Sponsors:	Finance Department				
Indexes:	Budget Amendments				
Code sections:					
Attachments:	1. Ordinance, 2. Presentation				

Date	Ver.	Action By	Action	Result
4/26/2022	1	City Council	Approved	Pass
4/19/2022	1	City Council Workshop		

HOLD a public hearing and consider an ordinance amending the FY 2022 Annual Budget of the City of Killeen to adjust revenue and expenditure accounts in multiple funds.

DATE: **April 19, 2022**

TO: **Kent Cagle, City Manager**

FROM: **Jonathan Locke, Executive Director of Finance**

SUBJECT: **Budget Amendment**

BACKGROUND AND FINDINGS:

This budget amendment addresses operational accounts in multiple funds, appropriates Public Facility Corporation (PFC) funds, provides funding for additional police interceptors, appropriates remaining funds in the old Water & Sewer bond, addresses multiple grant allocations, and recognizes funds to be received for multiple fire deployments.

Non-grant Budget Amendments -
There are eight (8) different items addressed in this budget amendment:

1. Fuel has substantially increased in the past few months causing shortages in fuel accounts. The budget was built using $2.41 per gallon for unleaded and $2.45 per gallon for diesel. Based on the current U.S. Energy Information Administration's outlook, we are estimating an average of $3.73 per gallon for unleaded and $3.91 per gallon for diesel through the end of the fiscal year. This will result

in an increase of $549,558 to the major operating funds for fuel accounts.

2. Fuel increases have also impacted the cost of gas and propane utilities. This coupled with multiple days with below freezing temperatures create the need to increase departmental budgets for those facilities using gas and propane utilities. This will result in an increase of $34,175 to multiple operating funds for citywide gas/propane utility accounts.

3. At closing, the NRP Group paid an $82,000 parkland fee for Conder Park and a $350,000 structuring fee to the Public Facility Corporation. On January 11, 2022, City Council provided a motion of direction to appropriate the $82,000 parkland fee to Conder Park and transfer $82,000 of American Rescue Plan Act (ARPA) funds to Downtown Events. The Public Facility Corporation voted to move the $350,000 to the General Fund. On March 14, 2022, City Council provided a motion of direction to appropriate the $350,000 for youth programs.

4. A recent Criminal Justice Information System (CJIS) audit identified several mobile data terminals (MDTs) running Windows 7, which are not in compliance with Department of Public Safety security requirements and at some point will not be able to access the state system. A total of 51 police vehicles had outdated technology and 24 vehicles were ordered in October 2021. Staff is estimating a savings of at least $1.4 million in the Police Department's budget in FY 2022. This request would move $825,000 of the estimated savings to the Governmental CIP Fund to purchase 10 additional police interceptors in the current year, leaving 17 vehicles to be replaced in FY 2023.

5. An old Water & Sewer bond fund will be closed out this year. There is $56,634 remaining in the unassigned fund balance. This budget amendment appropriates the remaining funds to the 18" Gravity Main project.

6. In the FY 2022 Budget, City Council approved Public, Educational, and Government (PEG) funds to be used to set up audio visual equipment at the Killeen Civic and Conference Center (KCCC) and Utility Collections Conference Room to televise City Council and other city related meetings. The KCCC was budgeted at $220,000 and the Utility Collections Conference Room was budgeted at $120,000. Due to equipment increases, the quotes received recently are much higher than the quotes provided during the budget process last year. The KCCC will need an additional $51,000 and Utility Collections Conference Room will need an additional $50,000. This budget amendment will appropriate the additional $101,000 needed to complete the projects.

7. The Fire Department deployed multiple employees and pieces of equipment for three wildfire events

between October and February that will result in a reimbursement of $268,446. There was one deployment of Texas Task Force 1 with the Texas A&M Engineering Extension Service (TEEX) for a weather event in October that will result in a reimbursement of $22,481.

8. Emergency Management pays for siren maintenance each year. Invoices totaling $13,700 for FY 2021 were received too late to pay out of the FY 2021 Budget and had to be paid from the current FY 2022 Budget. Since siren maintenance is recurring, those funds will need to be replenished to pay for the current year maintenance.

Operational Items	**Revenue Budget**
General Fund	$975,659
Water & Sewer Fund	22,318
Solid Waste Fund	278,540
Drainage Utility Fund	29,243
Hotel Occupancy Tax Fund	1,800
Governmental CIP Fund	825,000
TOTAL	$2,132,560

Operational ItemsExpenditure Budget	
General Fund	$975,659
Water & Sewer Fund	22,318
Solid Waste Fund	278,540
Drainage Utility Fund	29,243
Aviation Funds	8,500
Hotel Occupancy Tax Fund	1,800
Governmental CIP Fund	825,000
Water & Sewer Bond (Old)	56,634
Fleet Services Internal Service Fund	4,300
PEG Fund	101,000
TOTAL	$2,302,994

Grant Budget Amendments -
There are four (4) grant items addressed in this budget amendment:

1. This budget amendment appropriates revenue and expense associated with the Edward Byrne Memorial Justice Assistance Grant (JAG) Award from 2018 for reimbursement of eligible expenses for the City of Temple and Bell County in the amount of $18,850. In addition, this budget amendment appropriates revenue and expense associated with the award of the JAG Award for 2021 in the amount of $77,053. This amount will be distributed as follows: City of Killeen $38,912, City of Temple $17,337 and Bell County $20,804.

2. In the FY 2021 Budget, City Council appropriated $202,450 in ARPA funds for grants to the arts. The ARPA funds assisted grantees whose events were cancelled due to COVID-19 and increased grant funding available due to a significant reduction in hotel taxes. Not all the funding has been used and this budget amendment appropriates the remaining $174,843.

3. On March 8, 2022, the City Council authorized the City Manager to enter into an advanced funding agreement with TxDOT for the WS Young Drive and Little Nolan Road Traffic Signal Highway Safety Improvement Program grant. TXDOT will fund 100 percent of construction costs up to the approved amount of $322,700. This budget amendment appropriates the grant revenue, the project expense budget is already appropriated.

4. In July, 2021, the Aviation Department was informed that the City will receive a $200,000 TxDOT grant for engineering/design work on a project that will rehabilitate a parallel taxiway, connector taxiways, taxi lanes and an apron at Skylark Field. TxDOT is the acting agent for the grant and is responsible for applying for, receiving, and disbursing all funds for the grant. The City is responsible for a 10% match that totals $20,000. This budget amendment appropriates the 10% grant match using fund balance.

   Aviation will receive the construction grant for this project in FY 2023 in the amount of $2,980,000, and the City will be responsible for a 10% match. This project will be included in the FY 2023 Capital Improvement Plan.

Operational Items	**Revenue Budget**
Law Enforcement Grant Fund	$95,903
Hotel Occupancy Tax Fund	174,843
Governmental CIP Fund	322,700
TOTAL	$593,446

Operational ItemsExpenditure Budget	
Law Enforcement Grant Fund	$95,903
Hotel Occupancy Tax Fund	174,843
Aviation Funds	20,000
TOTAL	$290,746

THE ALTERNATIVES CONSIDERED:

Option 1 - Do not approve the ordinance amending the FY 2022 Annual Budget.
Option 2 -Approve the ordinance amending the FY 2022 Annual Budget.

Which alternative is recommended? Why?

Option 2 is recommended to approve the ordinance amending the FY 2022 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 is for FY 2022, and includes:

- General Fund - increase of $975,659 in revenues and $975,659 in expenditures.
- Water and Sewer Fund - increase of $22,318 in revenues and $22,318 in expenses.
- Solid Waste Fund - increase of $278,540 in revenues and $278,540 increase in expenses.
- Drainage Fund - increase of $29,243 in revenues and $29,243 increase in expenses.
- Aviation Funds - increase of $0 in revenues and $28,500 in expenses.
- Special Revenue Funds - increase of $272,546 in revenues and $373,546 in expenditures.
- Internal Service Funds - increase of $0 in revenues and $4,300 in expenses.
- Capital Improvement Project Funds - increase of $1,147,700 in revenues and $881,634 in expenses.

Is this a one-time or recurring expenditure?

One-time

Is this expenditure budgeted?

Upon approval of the attached ordinance amending the FY 2022 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 2022 Annual Budget.

RECOMMENDATION:

City Council approve the ordinance amending the FY 2022 Annual Budget.

DEPARTMENTAL CLEARANCES:

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Ordinance