



City of Killeen

Legislation Text

File #: PH-21-035, **Version:** 1

HOLD a public hearing and consider an ordinance amending the FY 2021 Annual Budget of the City of Killeen to increase revenue and expenditure accounts in the General Fund and Aviation Funds.

DATE: July 6, 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:

This budget amendment addresses two initiatives that include appropriating additional funds for the Homeland Security Grant - Office of the Governor (OOG) grant award to purchase P25 compliant radios and appropriate a Federal Aviation Administration (FAA) grant and transfer to cover costs for the heating, ventilation and air-conditioning (HVAC) system not covered by the grant.

- 1) Fire Department is presenting an item for City Council's consideration to accept a Homeland Security Grant from the OOG in the amount of \$23,188 to purchase P25 compliant radios for operational use. There are no matching funds required for this grant.

The revenue will be amended as follows:

Revenue	
Fire / Other E-Grants	\$23,188
TOTAL	\$23,188

The expenditure will be amended as follows:

Expenditure	
New Radios	\$23,188
TOTAL	\$23,188

- 2) The FAA offered Airport Improvement Program (AIP) grant of \$3,898,271 to fund 100% of the construction portion of the HVAC system. The FAA has recently advised that certain areas of the terminal

are ineligible for the grant. \$3,198,892 (86.6%) of the project construction is eligible for the grant and \$494,979 (13.4%) is ineligible. The ineligible portions are administration areas that do not meet grant criteria. The ineligible amount will come from KFHRA fund balance.

In addition, the FAA has agreed to reimburse the KFHRA fund \$204,722 for a portion of the design costs paid from fund balance earlier in the fiscal year. With this additional revenue, the net impact to the operational fund is \$290,257.

The revenue will be amended as follows:

Revenues	
USDOT - FAA	\$204,722
Transfer from KFHRA Fund	494,979
TOTAL	\$699,701

The expense will be amended as follows:

Expense	
Transfer to AIP Grant Fund	\$494,979
TOTAL	\$494,979

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?

For the Fire Department, the budget amendment will appropriate the revenue and expenditure of \$23,188 to purchase new radios.

For the Aviation Funds, the budget amendment will appropriate the revenue and expense related to appropriating a reimbursement of \$204,722 from the FAA for the HVAC system design and transfer \$494,979 from KFHRA Fund to AIP Grant Fund to cover the portion of construction costs that are ineligible for the grant.

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?

The replacement of the radios is grant funded.

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