

August 8, 2020

Jonathan E. Locke
Executive Director of Finance
City of Killeen
101 North College Street
Killeen, TX 76541

Dear Mr. Locke:

We are pleased to inform you, based on the examination of your budget document by a panel of independent reviewers, that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

The Distinguished Budget Presentation Award is valid for one year. To continue your participation in the program, it will be necessary to submit your next annual budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption. A Distinguished Budget Program application is posted on GFOA's website. This application must be completed and accompany your next submission. (See numbers 12 and 13 on page 2 of the application for fee information and submission instructions.)

Each program participant is provided with confidential comments and suggestions for possible improvements to the budget document. Your comments are enclosed. We urge you to carefully consider the suggestions offered by our reviewers as you prepare your next budget.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. Enclosed is a Certificate of Recognition for Budget Preparation for:

Jonathan E. Locke, Executive Director of Finance

Continuing participants will find a brass medallion enclosed with these results. First-time recipients will receive an award plaque that will be mailed separately and should arrive within eight to ten weeks. Also enclosed is a camera-ready reproduction of the award for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria.

The following standardized text should be used:

Jonathan E. Locke

August 8, 2020

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Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Killeen, Texas**, for its Annual Budget for the fiscal year beginning **October 1, 2019**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A press release is enclosed.

Upon request, GFOA can provide a video from its Executive Director congratulating your specific entity for winning the Budget Award.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at www.gfoa.org. If we can be of further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive style with a period at the end.

Michele Mark Levine
Technical Services Center

Enclosure

FOR IMMEDIATE RELEASE

August 8, 2020

For more information, contact:

Technical Services Center

Phone: (312) 977-9700

Fax: (312) 977-4806

E-mail: budgetawards@gfoa.org

(Chicago, Illinois)--Government Finance Officers Association is pleased to announce that **City of Killeen, Texas**, has received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- n a policy document
- n a financial plan
- n an operations guide
- n a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for having achieved the award. This has been presented to **Jonathan E. Locke, Executive Director of Finance**.

There are over 1,600 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources and practical research for more than 20,500 members and the communities they serve.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Killeen

Texas

For the Fiscal Year Beginning

October 1, 2019

Christopher P. Morill

Executive Director

BUDGET REVIEW COMPOSITE RATING FORM
GFOA Distinguished Budget Presentation Awards Program

Agency: **Killeen, TX**

Fiscal Year beginning: **October 2019**

Document number: **B9942477**

At least 2 of the three reviewers must rate the document "proficient" or "outstanding" on all four overall categories and all mandatory criteria in order for the document to receive the award

Information Not Present (1)			Does Not Satisfy (2)			Proficient (3)			Outstanding (4)			
R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3	
						✓	✓	✓				Introduction and Overview
						✓	✓	✓		✓		* C1 Table of contents (mandatory)
						✓		✓				P1 Strategic goals & strategies
						✓	✓	✓		✓		P2 Short-term organization-wide factors influencing decisions
						✓	✓	✓				* P3 Priorities and issues (mandatory)
						✓	✓	✓				* C2 Budget overview (mandatory)
												Financial Structure, Policy, and Process
						✓		✓		✓		* O1 Organizational chart (mandatory)
						✓		✓		✓		F1 Fund descriptions and fund structure
					✓	✓	✓	✓	✓	✓		O2 Department/fund relationship
						✓	✓	✓				F2 Basis of budgeting
						✓	✓	✓				* P4 Financial policies (mandatory)
						✓	✓	✓		✓		* P5 Budget process (mandatory)
												Financial Summaries
						✓	✓	✓				* F3 Consolidated financial schedule (mandatory)
						✓	✓	✓				* F4 Three (four) year consolidated & fund financial schedules (mandatory)
						✓	✓	✓				* F5 Fund balance (mandatory)
						✓	✓	✓	✓	✓		* F6 Revenues (mandatory)
									✓	✓		F7 Long-range financial plans
												Capital & Debt
		✓	✓		✓	✓	✓					* F8 Capital expenditures (mandatory)
						✓	✓	✓				F9 Impact of capital investments on operating budget
						✓		✓		✓		* F10 Debt (mandatory)
												Departmental Information
						✓		✓		✓		* O3 Position summary schedule (mandatory)
						✓		✓		✓		* O4 Department descriptions (mandatory)
								✓	✓	✓		O5 Unit goals and objectives
								✓	✓	✓		O6 Performance measures
												Document-wide Criteria
						✓		✓	✓	✓		C3 Statistical/supplemental section
								✓	✓	✓		C4 Glossary
					✓			✓	✓	✓		C5 Charts and graphs
								✓	✓	✓		C6 Understandability and usability
												Overall
					✓	✓	✓	✓				Overall as a policy document
					✓	✓	✓	✓				Overall as a financial plan
					✓	✓	✓	✓	✓	✓		Overall as a operations guide
						✓	✓	✓	✓	✓		Overall as a communications device

N Special Capital recognition (three "outstanding ratings on F8 and F9)
N Special Performance Measure recognition (three "outstanding" ratings on O6)

Name of Entity: **City of Killeen**
Reviewer ID **R 203**
Fiscal Year:

State/Province: **TX**
Document Number **B9942477**
Record Number **114523002**

Introduction and Overview

- C1. **Mandatory:** The document shall include a table of contents that makes it easier to locate information in the document. **3 – proficient – The budget document includes an innovative good table of contents. Consider including links to sections of the document.**
- P1. The document should include a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues. **3 – proficient – The budget includes a good statement of organization wide policy goals for the city. The connection to the strategic plan will be a strong element.**
- P2. The document should describe the entity’s short-term factors that influence the decisions made in the development of the budget for the upcoming year. **3 – proficient – The budget describes the challenges, and goals of the city for the budget period and beyond.**
- P3. **Mandatory:** The document shall include a budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (e.g., transmittal letter, budget summary section). **3 – proficient – The document includes a budget message and summary with information that was focused on a variety of issues and connected the elements of the budget together.**
- C2. **Mandatory:** The document should provide an overview of significant budgetary items and trends. An overview should be presented within the budget document either in a separate section (e.g., executive summary) or integrated within the transmittal letter or as a separate budget-in-brief document. **3 – proficient - The budget includes summary information that compliments the message and leads into the rest of the document.**

Financial Structure, Policy, and Process

- O1. **Mandatory:** The document shall include an organization chart(s) for the entire entity. **3 – proficient – The document includes an entity wide organization chart.**
- F1. The document should include and describe all funds that are subject to appropriation **3 – proficient – The document describes the funds and fund structure.**
- O2. The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and non-major funds in the aggregate. **4 – outstanding – The document includes good information that makes the relationship between the financial structure and the organizational structure very clear.**
- F2. The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis. **3 – proficient – The budget describes the basis of budgeting and contrast it to the accounting / reporting basis.**
- P4. **Mandatory:** The document should include a coherent statement of entity-wide long-term financial policies. **3 – proficient – the budget includes descriptions of the financial policies.**
- P5. **Mandatory:** The document shall describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption. **3 – proficient – the budget describes the process and includes charts and a schedule to visually illustrate the budget process.**

Financial Summaries

- F3. **Mandatory:** The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization. **3 – proficient – the budget provides a good financial summary of revenues and expenditures by major revenues and major expenditures for the city as a whole. The financial plan for the city is clear.**

- F4. **Mandatory:** The document must include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and / or estimated current year actual, and the proposed budget year. **3 – proficient - the budget includes good financial histories in the context of the financial schedules.**
- F5. **Mandatory:** The document shall include projected changes in fund balances, as defined by the entity in the document, for appropriated governmental funds included in the budget presentation (fund equity if no governmental funds are included in the document). **3 – proficient - the budget includes illustrations of the fund balances including a good analysis of the uses and expectations for fund balances.**
- F6. **Mandatory:** The document shall describe major revenue, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends. **3 – proficient – the budget includes descriptions, discussions and an analysis of the major revenues.**
- F7. The document should explain long-range plans and its affect upon the budget and the budget process. **4 – outstanding - The budget includes a very good discussion about long-range financial plans for operating budget including forecasts, trends or other data reflective of the more city operating budgets.**

Capital & Debt

- F8. **Mandatory:** The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget. **3 – proficient – A discussion about the capital needs and plans for the city is included, including brief descriptions of planned, major capital projects.**
- F9. The document should describe if and to what extent significant nonrecurring capital expenditures will affect the entity’s current and future operating budget and the services that the entity provides. **2 – does not satisfy – the budget document should include references to operating impacts of major capital improvements on future operating budgets.**
- F10. **Mandatory:** The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations. **3 – proficient – The budget describes the debt management plan for the city.**

Departmental Information

- O3. **Mandatory:** A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided. **3 – proficient – A personnel summary for the organization as a whole is included in the document along with descriptions of the personnel issues and changes contemplated.**
- O4. **Mandatory:** The document shall describe activities, services or functions carried out by organizational units. **3 – proficient – the budget includes good descriptions for each of the major operating units in the budget.**
- O5. The document should include clearly stated goals and objectives of organizational units (*e.g., departments, divisions, units or programs*). **4 – outstanding – The organizational unit goals are included in the budget. The connection to the performance measures is a strong element.**
- O6. The document should provide objective measures of progress toward accomplishing the government’s mission as well as goals and objectives for specific units and programs. **4 – outstanding – The budget includes strong performance information and performance indicators for the city. The connection to the operating objectives is good.**

Document-wide Criteria

- C3. The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided. **4 – outstanding – very good and relevant statistical and supplemental information is included in the document.**
- C4. A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader. **3 – proficient – a glossary of terms unique to budgeting and to the city’s budget is included.**

- C5. Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident. **4 – outstanding – The document includes very good charts and graphs to help provide understanding of the budget.**
- C6. The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs. **4 – outstanding – The budget looks very good and is very easy to follow.**

A nice job!

Government Finance Officers Association
Budget Presentation Awards Program

City of Killeen, TX (FY2020)

The Budget as a Policy Document:

Good early statement in the budget message regarding budget priorities and identification of budget initiatives supporting specific priorities. Include the page number of budget priorities section to assist the reader in finding more details and understanding their relationship with the budget. Good discussion of issues influencing the budget. Be careful assuming what the reader knows about the goals, organization, structure, or operations and the community issues. Incorporate goal setting and capital and long-range planning into the budget process and the calendar. Detailed financial policies.

The Budget as a Financial Plan:

Include footnote on page 129 explaining significant changes in fund balance or directing the reader to the explanation elsewhere. Good revenue information and graphs. A separate Capital Improvement Plan document does not satisfy criteria. Briefly describe major capital projects; all readers may not be familiar with project titles as listed. Estimate and describe potential operating costs or savings of current or proposed individual capital projects on future budgets, i.e. “may require ongoing rent, maintenance, or periodic updates” or “should result in lower maintenance and energy costs” even if the amount cannot be easily determined. Nearly all projects have some type of operating impact. Great forecast by major fund including graphs and assumptions.

The Budget as an Operations Guide:

Clarify which departments, as shown on the organizational chart, manage or are funded by which funds, especially other than the General Fund. Consider expanding the fund narrative or adding a matrix that shows departments by funds to better illustrate the relationship between accounting and operating structures. Affirm the link of department goals with the strategic plan in department sections or include references to connect the financial information with operating performance. Good start on performance measures although mostly quantity based. Continue to develop a small number of measures that demonstrate efficiency and effectiveness progress over time. For example, improvement in customer service could be measured by tracking the percentage of plan reviews completed within the target number of days. Clearly state what is being measured and the desired outcomes so readers know which direction the related performance measures should be going.

The Budget as Communications Device:

Be careful using tiny print, especially in charts and embedded images; copy quality may be affected, or the information rendered ineffective. Extensive acronyms list; consider integrating some more complex acronyms with brief definitions into the glossary. Consider moving the budget message earlier in the document to provide an introduction.

GOVERNMENT FINANCE OFFICERS ASSOCIATION
DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM
BUDGET REVIEWER'S COMMENTS AND SUGGESTIONS

For: CITY OF KILLEEN, TX

Order #2407

Fiscal year: 2019-20

Introduction and Overview:

The City of Killeen presented a table of contents (link it to the pages & vice versa), their vision, mission, core values, SWOT analysis, budget year, medium term and long-term goals and objectives linked to departments, issues and challenges that guided them in the budget development process and provide the framework for future budgets.

Financial Structure, Policy and Process:

All criteria were rated at least proficient. Department organization charts enhanced the overall chart. A funds chart with functions enhanced fund descriptions and O2. The budget process was enhanced with a detailed calendar.

Financial Summaries:

All criteria were rated at least proficient. Revenues were enhanced with trend charts. Long-range financial planning categorized summaries for FYs 20-24 were presented.

Capital and Debt:

All criteria were rated at least proficient. Capital was presented. Operating impacts were addressed. Extensive debt information was provided including per capita, rating, etc.

Departmental Information:

Departments were fully described with all elements including multi-year FTEs which enhance O3, goals and objectives with multi-year measures linked to mission elements, etc. Nice job overall!!!

Document-Wide Criteria

Most criteria were rated at least proficient. Extensive and informative economic and demographic information was presented. Add amortization and audit to the otherwise extensive glossary and list of acronyms. Charts and graphs were effectively presented. Eliminate all the extra blank pages. Reduce the document size to around 400 pages remembering the adages that sometimes less is more and a picture (graph or chart) is worth 1000 words.

Comments/Suggestions:

The GFOA publication, Building a Better Budget Document, 2nd edition, by John Fishbein and the GFOA website under Best Practices are valuable resources available to assist you in further enhancing your budget document to earn additional outstanding ratings. Staff is to be commended for their efforts.

Control: B9942477

Record #114523002

Reviewer: S411

AUG 2020