

## Items H-7, H-8, & H-9

H-7 PUBLIC HEARING: Consider an ordinance adopting the annual budget for the City of Keller, Texas, for the fiscal year beginning October 1, 2022 and ending September 30, 2023, including the 2022-23 Capital Improvements Program, and adopting the Fiscal Year 2022-23 Fee Schedule for the City of Keller, Texas

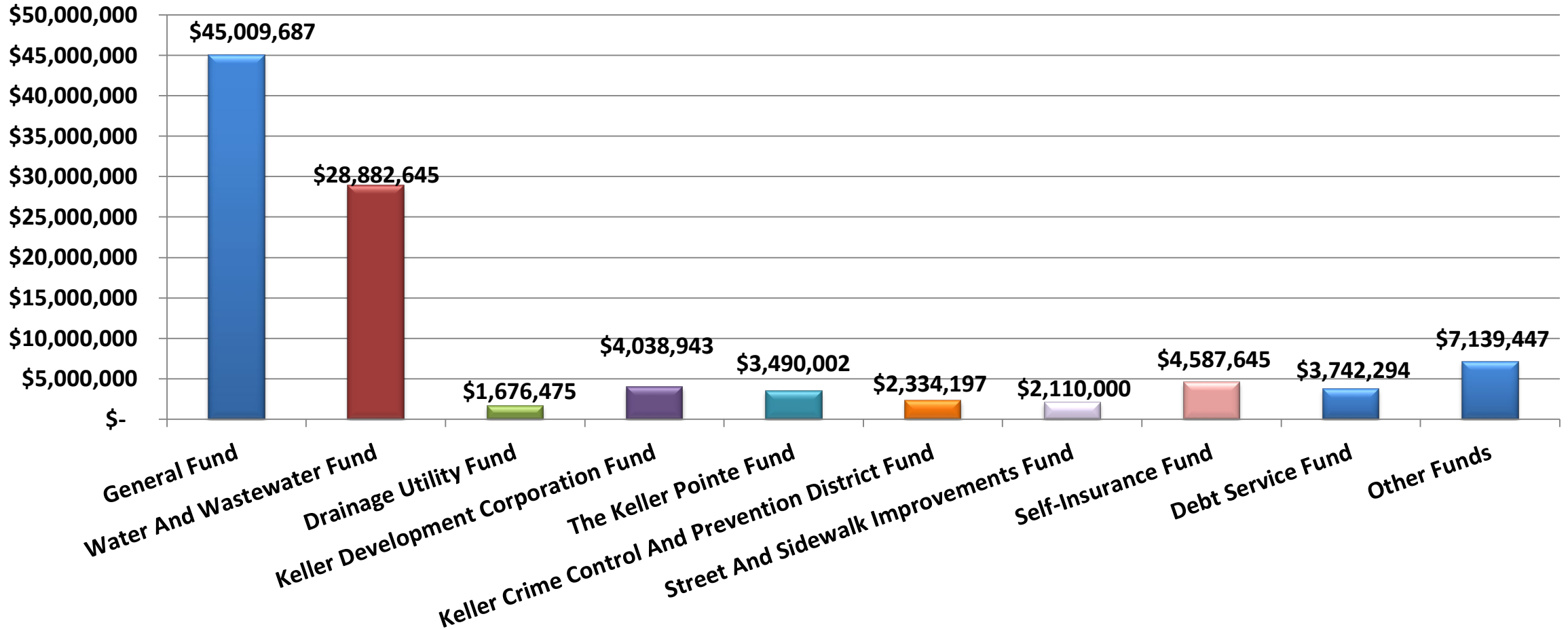
H-8 Consider a resolution ratifying the tax revenue for the Tax Year 2022 (Fiscal Year 2022-23) for the City of Keller, Texas.

H-9 Consider an ordinance levying taxes to be assessed on all taxable properties within the city limits of the City of Keller, Texas for the tax year 2022 (Fiscal Year 2022-23).

# Essential Points for FY 2022-23 Budget

- An operationally balanced budget that meets City Council goals and directions (Strategic Goal 3.1)
- Proposing Tax Rate under “No New Revenue” Rate (3.3)
- Total GF Personnel net increase under 4% (5.3)
- Continued investment in streets and sidewalk infrastructure = \$17.2M (4.1, 4.2)
- Old Town/Elm Street Debt (2.1)
- First Year of TIRZ#2 Fund (2.4, 4.5)
- Green Ribbon Grant (2.4)
- Northeast Park Concept Plan (1.7)
- Detective and SRO Officer (cost split with KISD) = \$179,837 (1.3)
- Rate adjustments to City water of 3.75% & wastewater of 7% (3.1)
- EPA Lead & Copper Rule program implementation (3.4)
- Development Software purchase = \$500K (5.1)
- Maintains All Replacement Funding (3.4)

# FY 2022-23 Proposed Operating Budget \$103,011,335



# Changes from Published Proposed Budget

- PO “Rollovers” = \$2,535,268
  - Ladder Truck = \$1,484,644
  - Pointe Pool Deck = \$329,642
  - Fire Radio Replacements = \$324,618
  - Vehicles = \$167,552
  - MSC Generator= \$149,136
  - Ammo = \$30,283
  - Community Development Software RFP = \$24,000
  - Library Access Control = \$12,184
  - Keller/Colleyville Network Connection = \$8,078
  - Bunker Gear = \$3,073
  - Code Ticket Writers = \$2,058
- Remove Senior Bus= \$105,433
- Add ARPA MSC Generator Revenue = \$200,000



# FY 2022-23 Proposed Budget

## Revenue by Fund

Revenues	FY 2021-22 Budget	FY 2022-23 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 40,363,799	\$ 42,169,586	\$ 1,805,787	4.47%
Water And Wastewater Fund	28,203,138	28,940,247	737,109	2.61%
Drainage Utility Fund	1,449,159	1,521,782	72,623	5.01%
Keller Development Corporation Fund	3,637,996	4,249,050	611,054	16.80%
Keller Crime Control And Prevention District Fund	1,886,171	2,249,898	363,727	19.28%
Street And Sidewalk Improvements Fund	1,805,153	2,110,555	305,402	16.92%
The Keller Pointe Fund	3,029,742	3,678,182	648,440	21.40%
Self Insurance Fund	4,706,640	4,565,511	(141,129)	-3.00%
Debt Service Fund	3,612,468	3,785,444	172,976	4.79%
Other Funds	5,052,585	5,074,690	22,105	0.44%
<b>Total Revenues</b>	<b>\$ 93,746,851</b>	<b>\$ 98,344,945</b>	<b>\$ 4,598,094</b>	<b>4.90%</b>

# FY 2022-23 Proposed Budget Expenditure by Fund

Expenditures	FY 2021-22 Budget	FY 2022-23 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 45,445,179	\$ 45,009,687	\$ (435,492)	-0.96%
Water And Wastewater Fund	28,387,424	28,882,645	495,221	1.74%
Drainage Utility Fund	1,719,725	1,676,475	(43,250)	-2.51%
Keller Development Corporation Fund	3,652,859	4,038,943	386,084	10.57%
Keller Crime Control And Prevention District Fund	2,067,228	2,334,197	266,969	12.91%
Street And Sidewalk Improvements Fund	1,800,057	2,110,000	309,943	17.22%
The Keller Pointe Fund	3,760,614	3,490,002	(270,612)	-7.20%
Self-Insurance Fund	4,541,645	4,587,645	46,000	1.01%
Debt Service Fund	3,637,844	3,742,294	104,450	2.87%
Other Funds	6,745,403	7,139,447	394,044	5.84%
<b>Total Expenditures</b>	<b>\$ 101,757,978</b>	<b>\$ 103,011,335</b>	<b>\$ 1,253,357</b>	<b>1.23%</b>

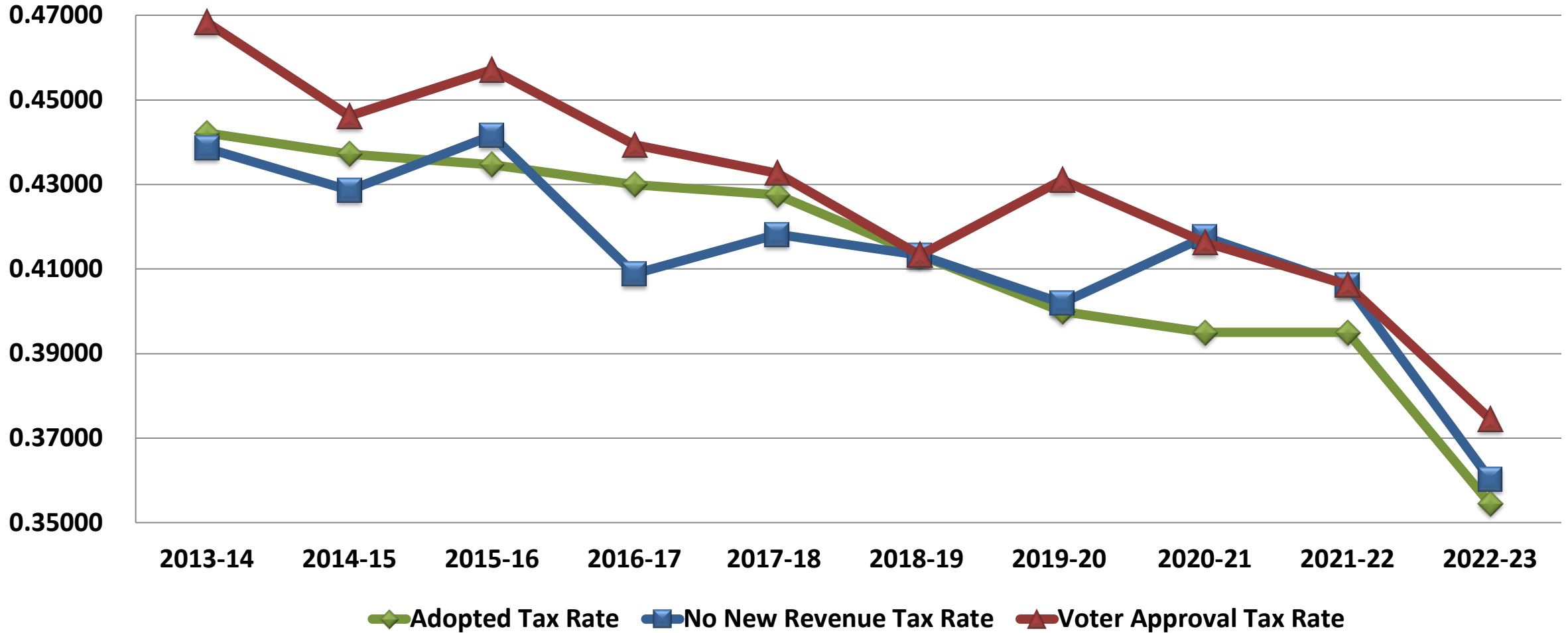
# PROPERTY TAX



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# Property Tax Rate History



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# Levy with Certification

	Current	June Estimate	Certification
Adjusted Value	6,045,915,406	6,573,321,340	6,832,377,912
No-New-Revenue	0.406220	N/A	0.36035
Voter-Approval	0.427533	N/A	0.37463
City Rate	0.395000	0.3950	<b>0.35450</b>
Collection	\$23,706,216	\$25,964,619	\$23,895,980
Vs. FY 2021-22	-	2,258,403	189,763
New Levy		305,671	249,530
Existing Levy		1,952,732	(59,767)

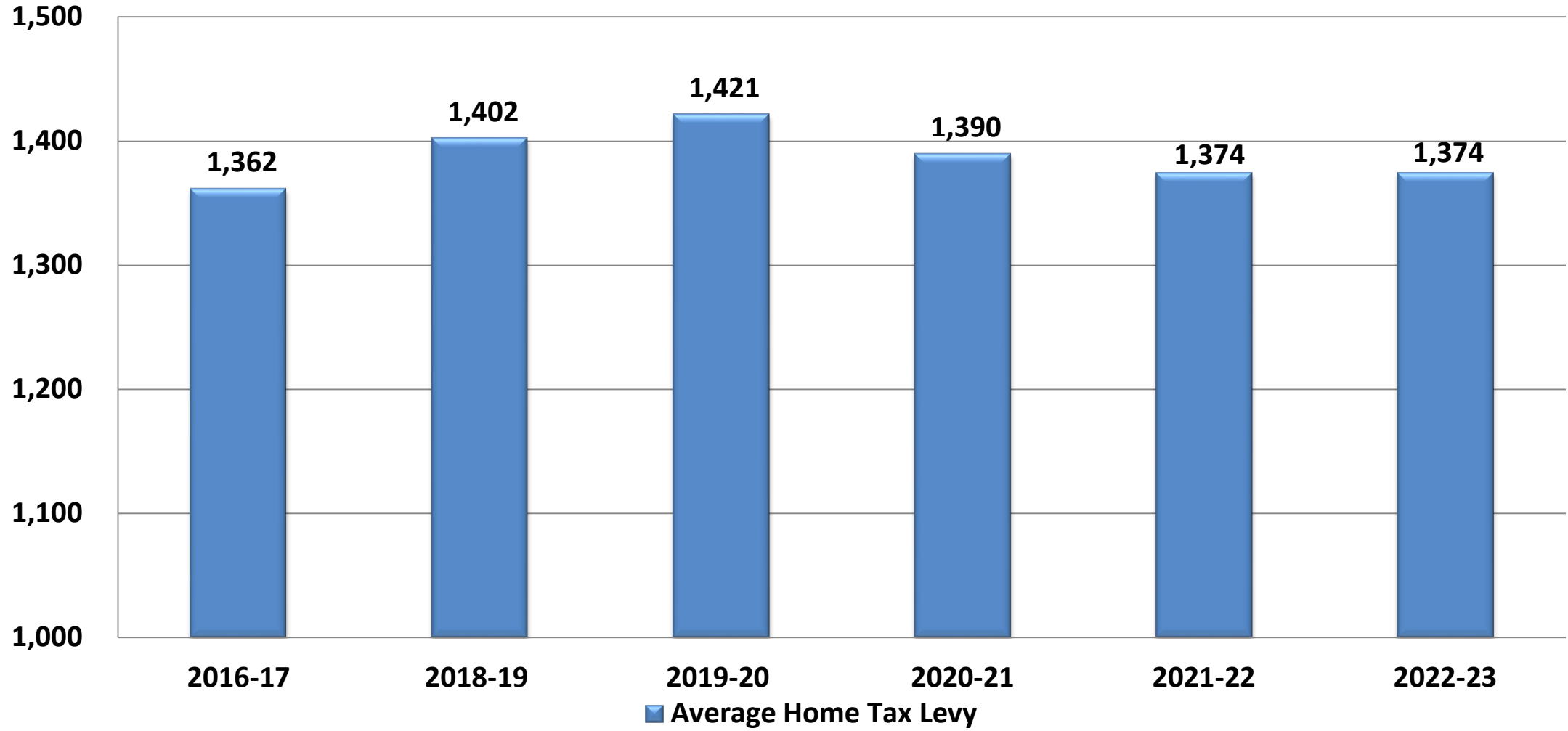
- Value of \$0.0025/100 = \$168,304

# Tax Rate Options

	<b>FY 2021-22 Rate</b>	<b>FY 2022-23 Rate</b>	<i>No New Revenue Rate</i>	<i>Voter- Approval Rate</i>	<i>Voter- Approval w/ Incremental Rate</i>
Tax Rate	<b>\$0.3950</b>	<b>\$0.35450</b>	\$0.36028	\$0.37456	\$0.407090
Average Taxable Home	<b>\$347,898</b>	<b>\$387,603</b>	\$387,603	\$387,603	\$387,603
Avg. Home Tax Bill	<b>1,374</b>	<b>1,374*</b>	\$ 1,396	\$1,452	\$1,578
Per Month	<b>114.52</b>	<b>114.50</b>	\$116.37	\$120.98	\$131.49
Change from FY 2021-22 (\$)		<b>(\$0.14)</b>	\$22.26	\$77.60	\$203.70

**\*Lowest average bill since FY 2016-17**

# Average Tax Levy History



# Tax Mitigation Timeline

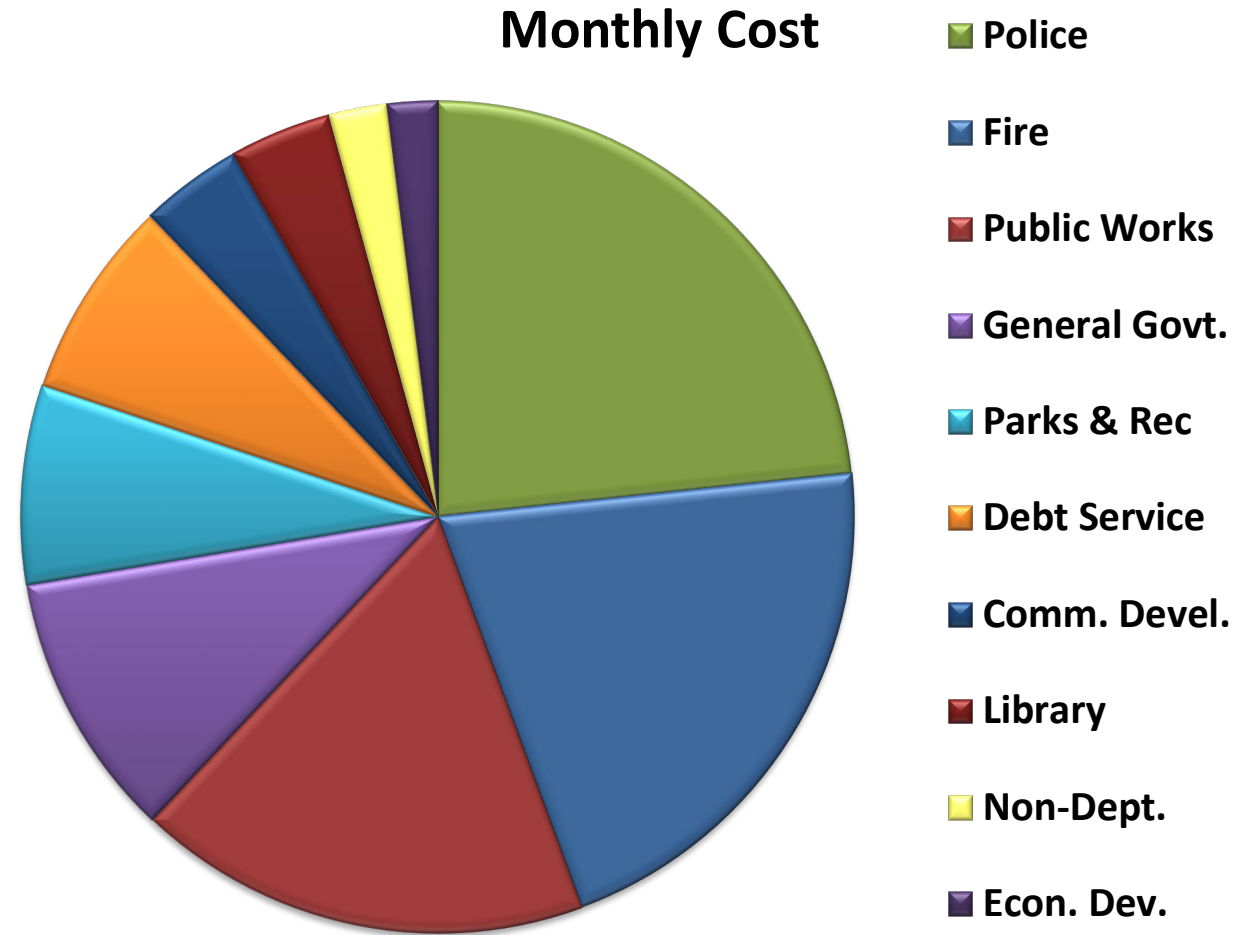
Fiscal Year	Tax Rate	Change from FY 2013-14	Homestead	Avg. Home Tax Bill without Mitigation
FY 2013-14	\$0.44219	-	1%	2,121
FY 2014-15	\$0.43719	(\$0.00500)	1%	2,097
FY 2015-16	\$0.43469	(\$0.00750)	1%	2,085
FY 2016-17	\$0.43000	(\$0.01219)	4%	2,000
FY 2017-18	\$0.42750	(\$0.01469)	8%	1,906
FY 2018-19	\$0.41325	(\$0.02894)	10%	1,801
FY 2019-20	\$0.39990	(\$0.04229)	12%	1,705
FY 2020-21	\$0.39500	(\$0.04719)	14%	1,646
FY 2021-22	\$0.39500	(\$0.04719)	20%	1,531
FY 2022-23	\$0.35450	(\$0.08769)	20%	-

**\$0.3545 & 20% Homestead Exemption vs. FY 14 Rate & 1% HS = \$747 savings or ~5.4 month of services**

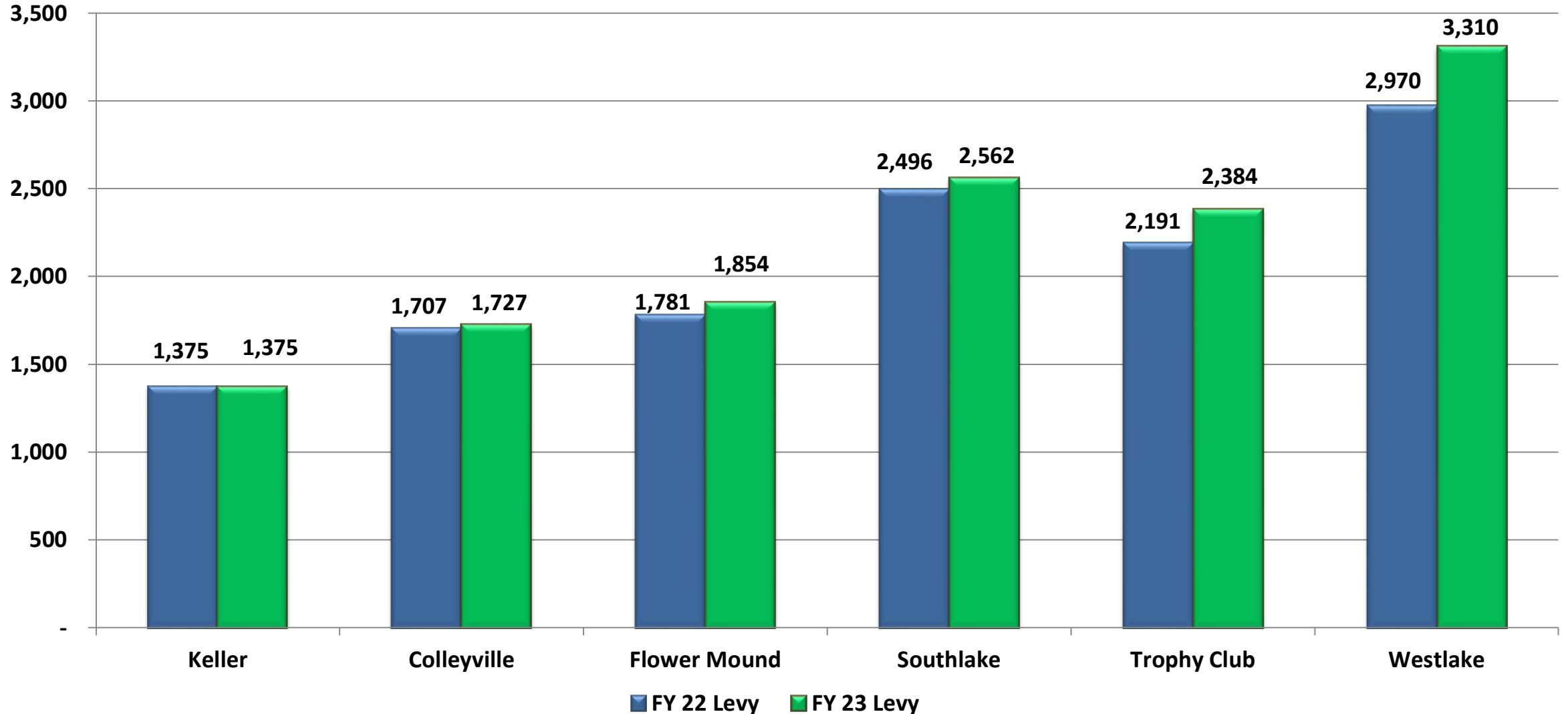
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# Cost of City Services for Average Residential Taxpayer

Police	26.61
Fire	24.64
Public Works	20.09
General Govt.	11.77
Parks & Rec	8.82
Debt Service	8.79
Comm. Devel.	4.54
Library	4.50
Non-Dept.	2.54
Econ. Dev.	2.21
<b>Total</b>	<b>\$ 114.50</b>



# Neighboring Cities' Tax Levies (Average Household)



# GENERAL FUND

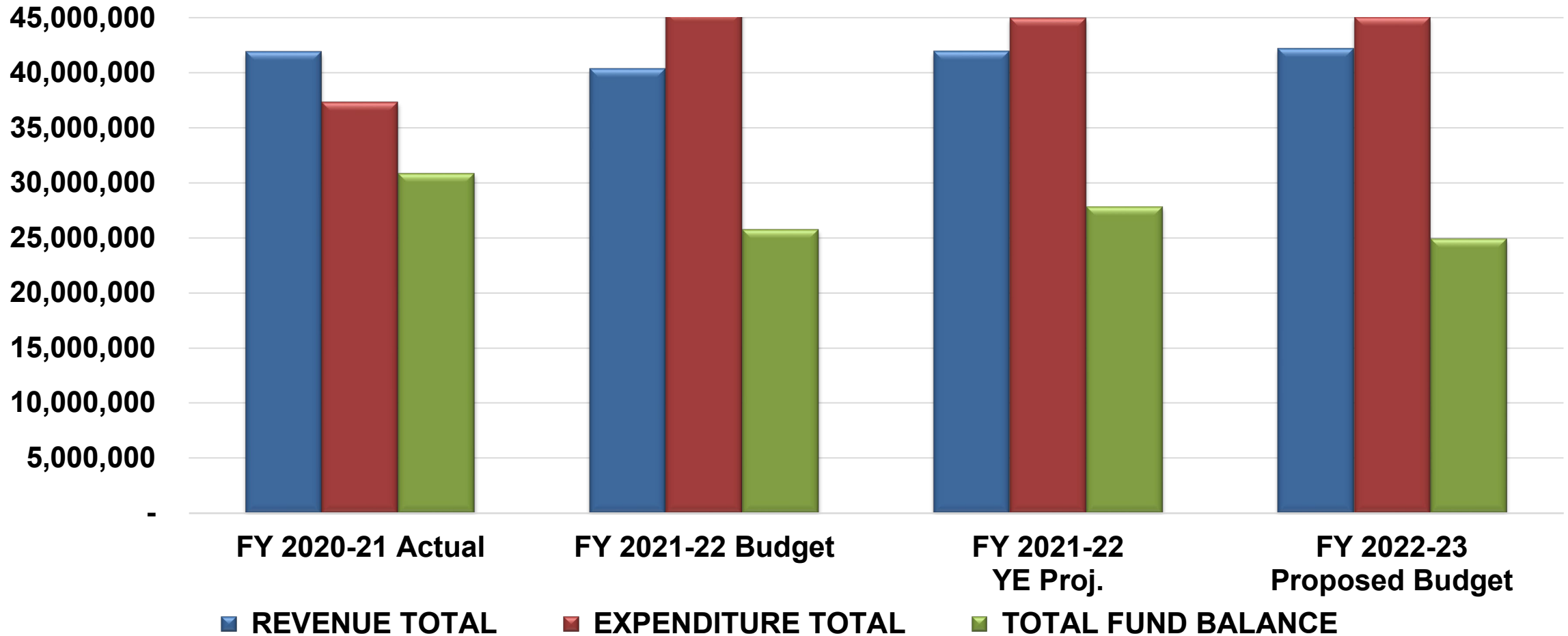


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# FY 2022-23 Proposed Budget

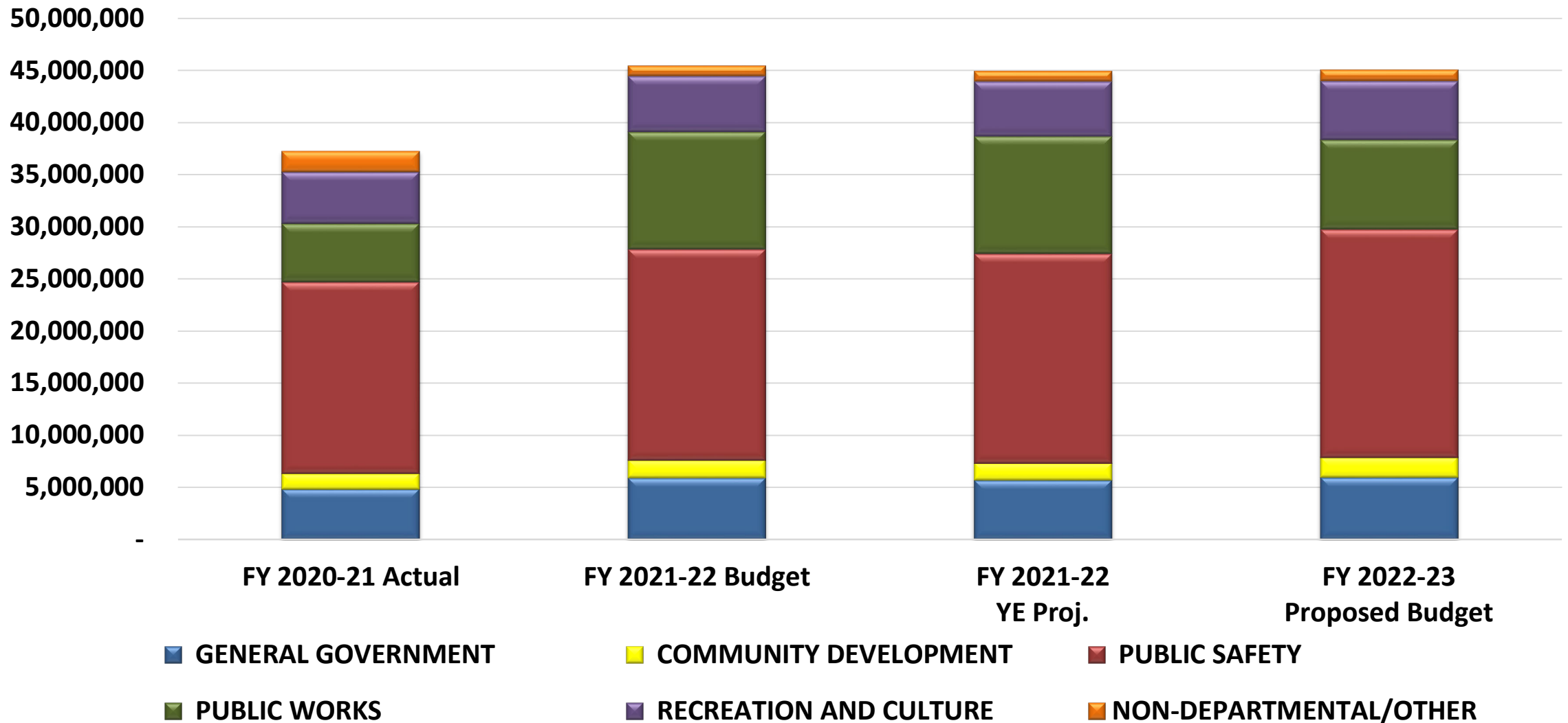
## General Fund Overview



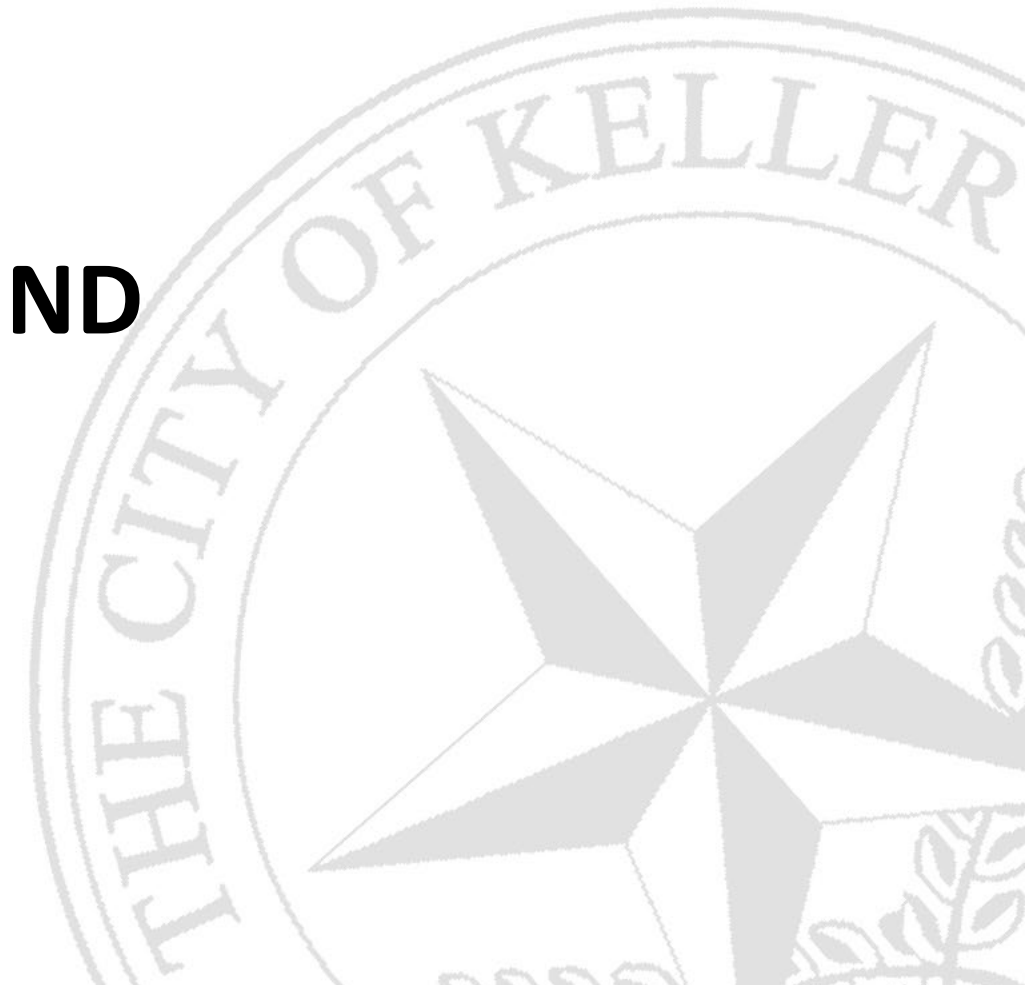
# General Fund Revenue by Source

Revenues	FY 2021-22 Budget	FY 2022-23 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 20,242,689	\$ 20,253,665	\$ 10,976	0.05%
Sales Tax	7,200,229	8,436,100	1,235,871	17.16%
Other Taxes	4,336,146	4,472,209	136,063	3.14%
Licenses and Permits	810,068	1,036,249	226,181	27.92%
Charges for Services	1,423,327	1,513,592	90,265	6.34%
Fines and Fees	823,320	634,781	(188,539)	-22.90%
Development Fees	179,073	226,458	47,385	26.46%
Intragovernmental	1,617,630	1,604,329	(13,301)	-0.82%
Intergovernmental	3,509,558	3,827,620	318,062	9.06%
Other Revenue	221,759	164,583	(57,176)	-25.78%
<b>Total Revenues</b>	<b>\$ 40,363,799</b>	<b>\$ 42,169,586</b>	<b>\$ 1,805,787</b>	<b>4.47%</b>

# General Fund Expenditures By Activity

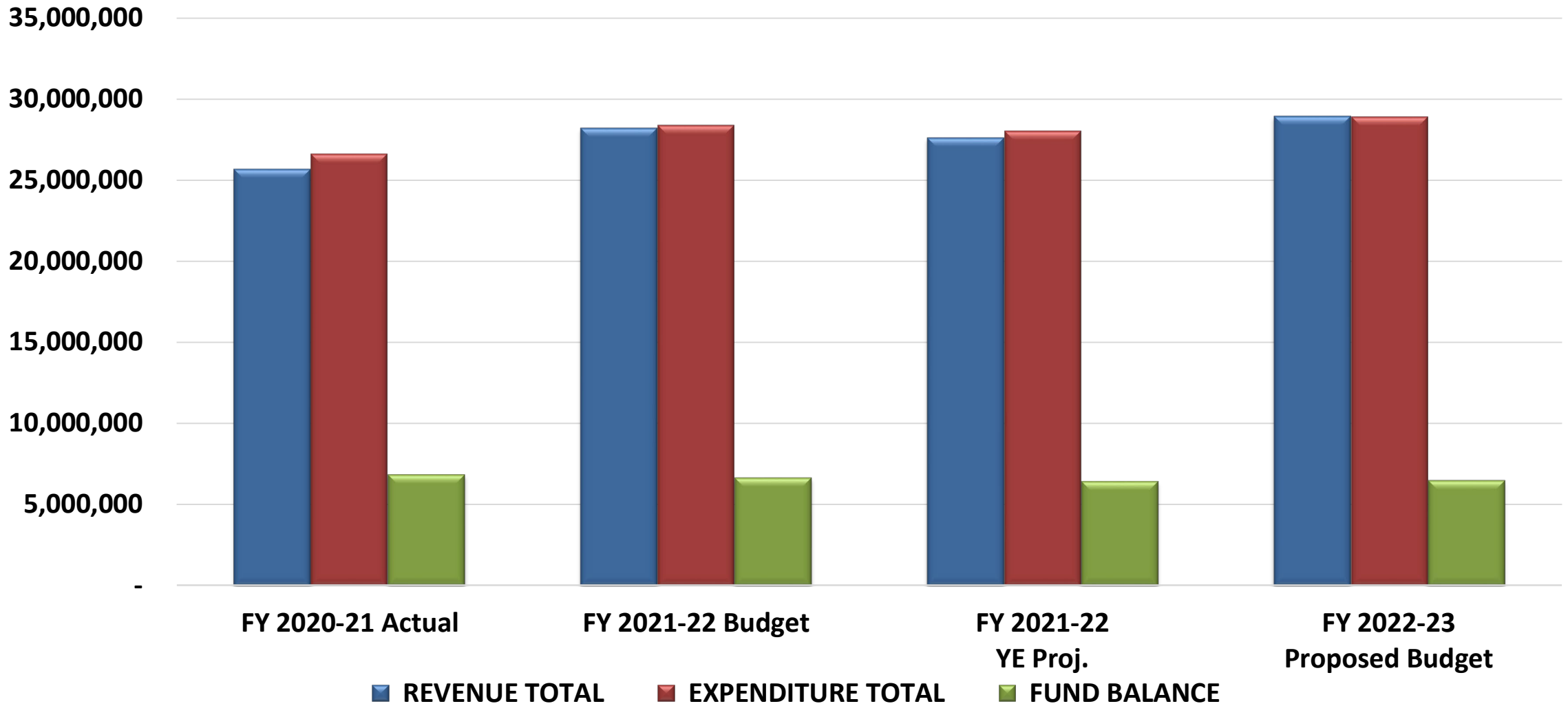


# **WATER AND WASTEWATER FUND**

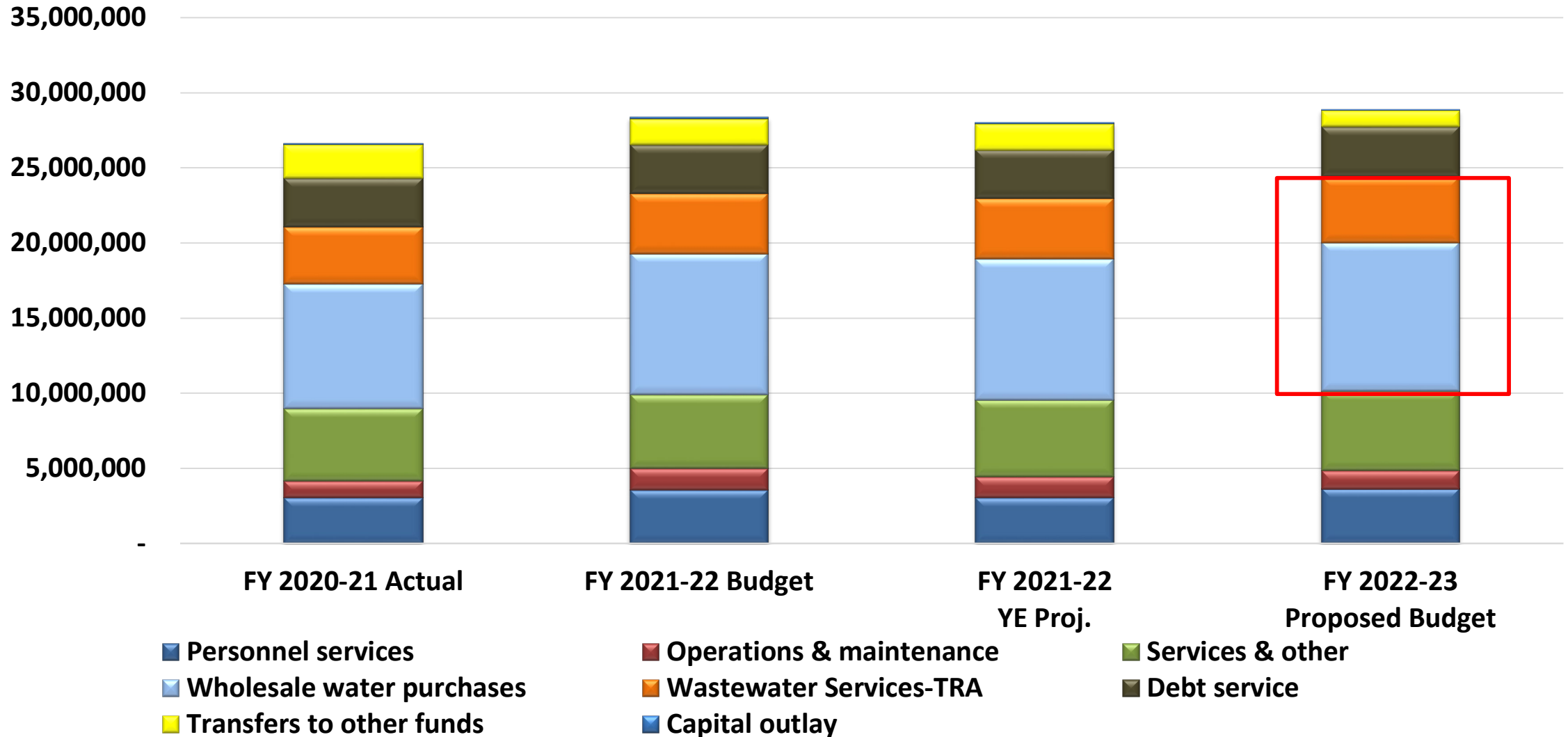


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# Water and Wastewater Fund Summary



# Water and Wastewater Expenditures



# Other Tax Funds

Fund	FY 2022-23 Revenues	FY 2022-23 Expenditures	Variance	Fund Balance
Debt Service Fund	3,785,444	3,742,294	43,150	3,371,554
Keller Development Corporation Fund	4,249,050	4,038,943	210,107	5,153,035
Keller Crime Control And Prevention District Fund	2,249,898	2,334,197	(84,299)	6,383,931
Street And Sidewalk Improvements Fund	2,110,555	2,110,000	555	1,400,874



# Other Enterprise/Internal Service Funds

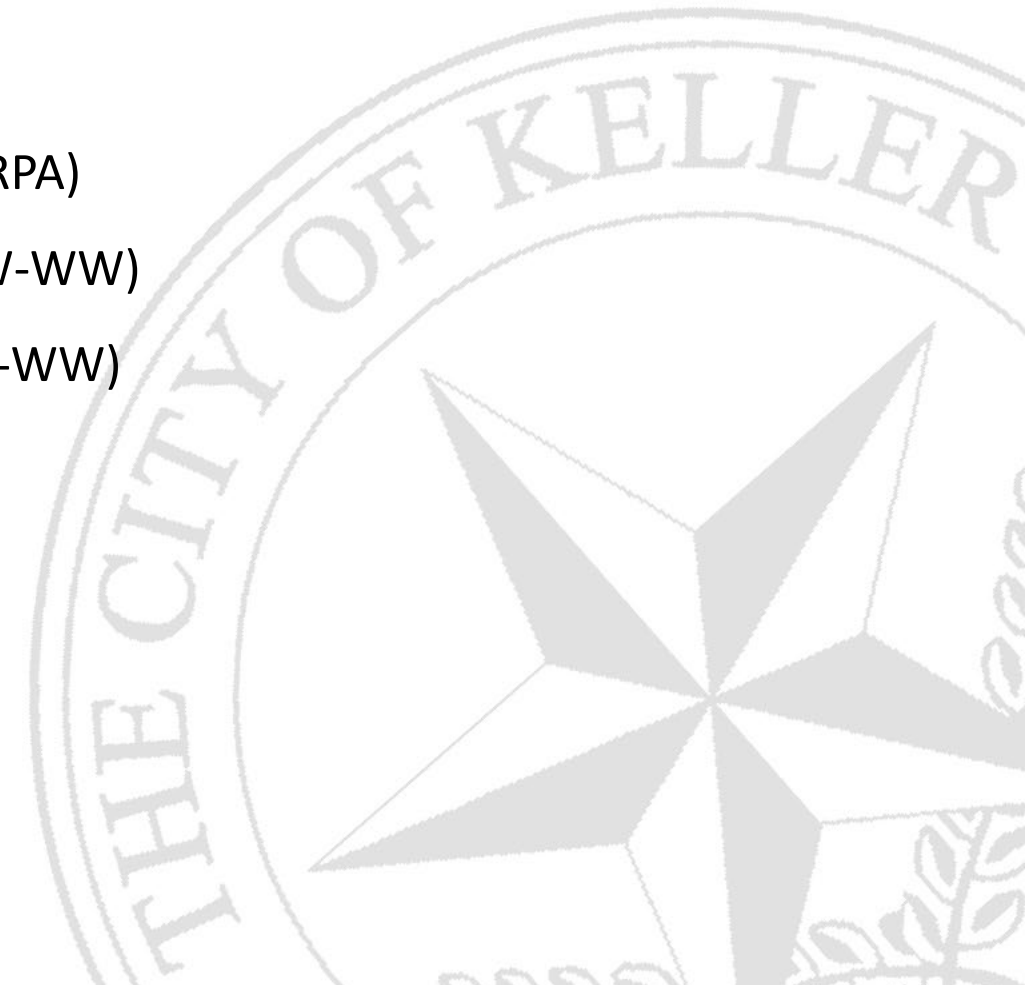
Fund	FY 2022-23 Revenues	FY 2022-23 Expenditures	Variance	Fund Balance
Self-Insurance Fund	4,565,511	4,587,645	(22,134)	5,146,021
Keller Pointe	3,678,182	3,490,002	188,180	494,451
Information Technology	2,723,744	3,106,846	(383,102)	1,464,276
Drainage Fund	1,521,782	1,676,475	(154,693)	1,326,363
Fleet Replacement Fund	1,307,533	2,291,750	(984,217)	2,941,872
Facility Replacement Fund	450,443	1,152,836	(702,393)	1,120,088

# FY 2022-23 Capital Projects

- Old Town Keller/Elm Street = \$6.375M (Debt, ARPA)
- Mt. Gilead Reconstruction = \$7.5M (General, Roadway Impact Fees)
- Whitley Overlay = \$1.5M (General)
- Street Reconstruction = \$2.1M (Street Maintenance)
- Green Ribbon Grant – Keller Parkway = \$400K (Grant)
- Bear Creek Bridge Erosion = \$400K (General)
- Sidewalk Maintenance = \$275K (General)
- Bear Creek Park Improvements & TBD Water Feature = \$1.1M (KDC)
- Keller Sports Park B-Pad Parking Lot = \$380K (KDC)
- Trail Expansion = \$332,750 (KDC)
- Town Center Park Playground Replacement = \$150K (KDC)
- Northeast Park Concept Plan = \$100K (KDC)

# FY 2022-23 Capital Projects

- SWIFT = \$4.31M (W-WW, Debt)
- Tank Maintenance = \$3.35M (W-WW, ARPA)
- Smart Meters = \$1.3M (ARPA)
- Water Line Replacements = \$655K (W-WW, ARPA)
- Wastewater Line Replacements = \$200,000 (W-WW)
- Pearl St. WW Line Re-alignment = \$75,000 (W-WW)
- Nightingale Culvert = \$325K (Drainage)

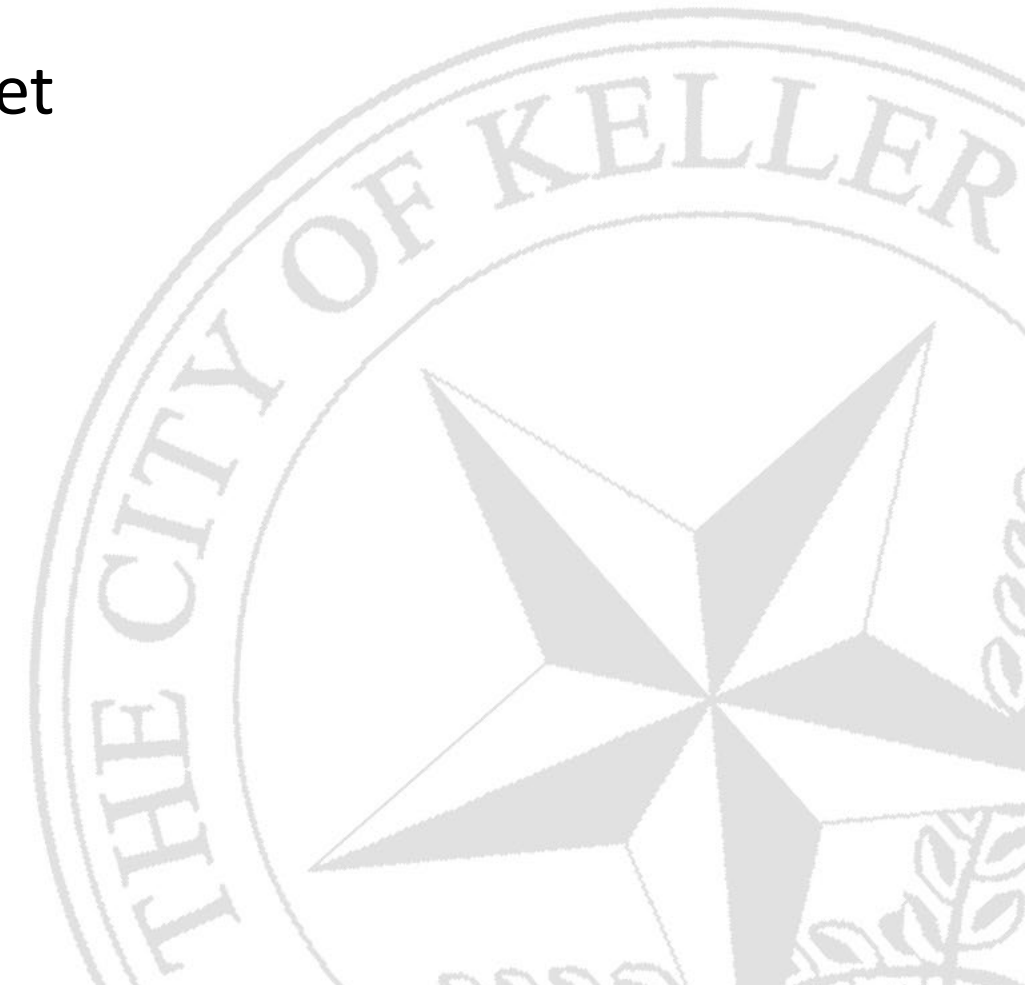


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# City Council Action

- Conduct Public Hearing on Proposed Budget
- Adopt the Proposed Budget
- Ratify the Tax Increase
- Adopt the Tax Rate





*City of* **KELLER**

FINANCE DEPARTMENT

**Questions?**

**Aaron Rector**

**817-743-4026**



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