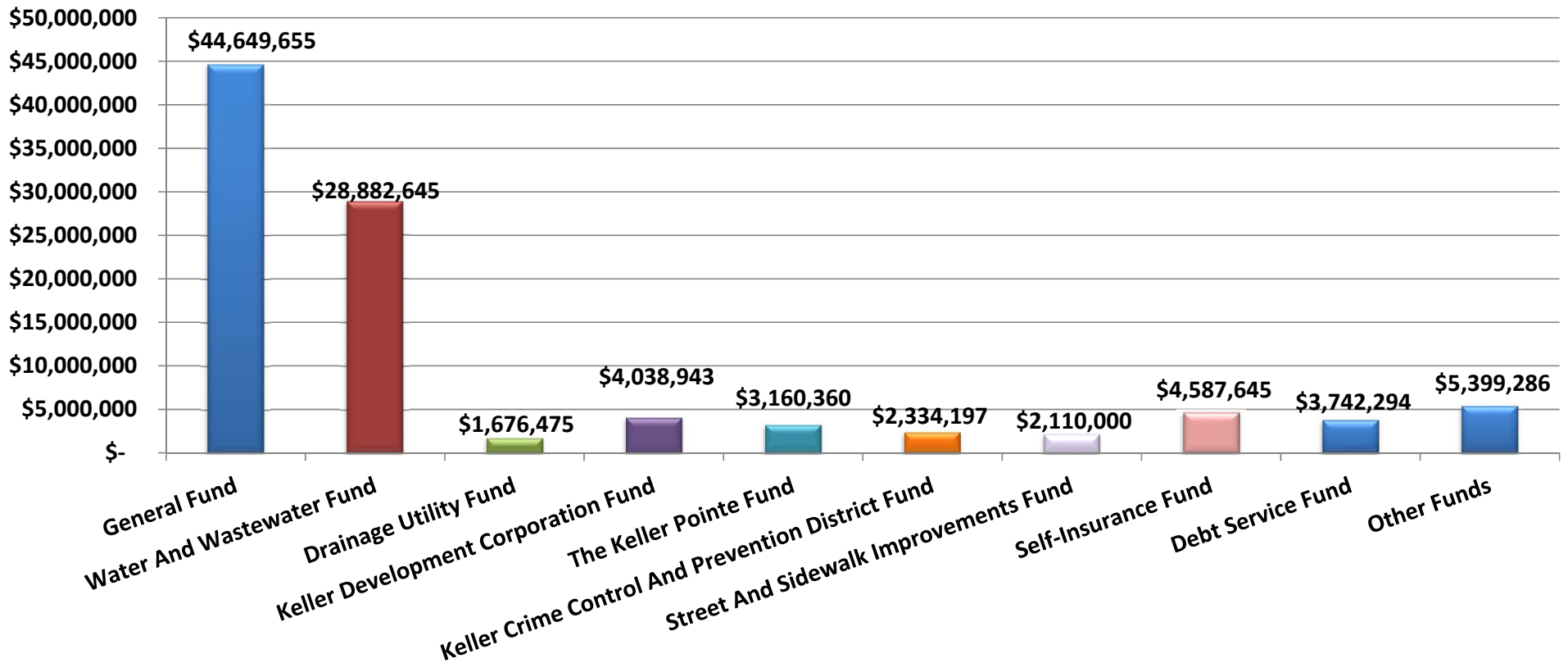


Item D-2

**Strategic Planning Budget Session –
Property Tax and
Proposed Budget Update**

FY 2022-23 City of Keller Proposed Operating Budget \$100,581,500



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FY 2022-23 Proposed Budget Revenue by Source

Revenues	FY 2021-22 Budget	FY 2022-23 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 23,832,391	\$ 24,095,601	\$ 263,210	1.10%
Sales Tax & Other Taxes	18,757,343	21,339,597	2,582,254	13.77%
Licenses and Permits	810,068	1,036,249	226,181	27.92%
Charges for Services	42,027,469	43,182,047	1,154,578	2.75%
Intragovernmental	1,860,697	1,847,396	(13,301)	-0.71%
Fines and Fees	1,413,690	1,234,391	(179,299)	-12.68%
Development Fees	179,073	226,458	47,385	26.46%
Intergovernmental	3,609,882	3,938,533	328,651	9.10%
Other Revenues	708,515	1,244,653	536,138	75.67%
Total Revenues	\$ 93,199,128	\$ 98,144,945	\$ 4,945,817	5.31%

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FY 2022-23 Proposed Budget Expenditure by Category

Expenditures	FY 2021-22 Budget	FY 2022-23 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services*	\$ 32,621,021	\$ 34,003,342	\$ 1,382,231	4.24%
Operations & maintenance	6,108,318	7,469,178	1,360,860	22.28%
Services & other	20,546,806	21,745,430	1,198,624	5.83%
Wholesale water purchases	9,370,292	9,889,956	519,664	5.55%
Wastewater Services-TRA	4,015,793	4,387,384	371,591	9.25%
Debt service	9,000,967	9,173,803	172,836	1.92%
Transfers to other funds	13,928,281	10,578,417	(3,349,864)	-24.05%
Capital outlay	4,656,466	3,333,990	(1,322,476)	-28.40%
Total Expenditures	\$ 100,247,944	\$ 100,581,500	\$333,556	0.33%

* - With KISD SRO, personnel growth is 3.998%

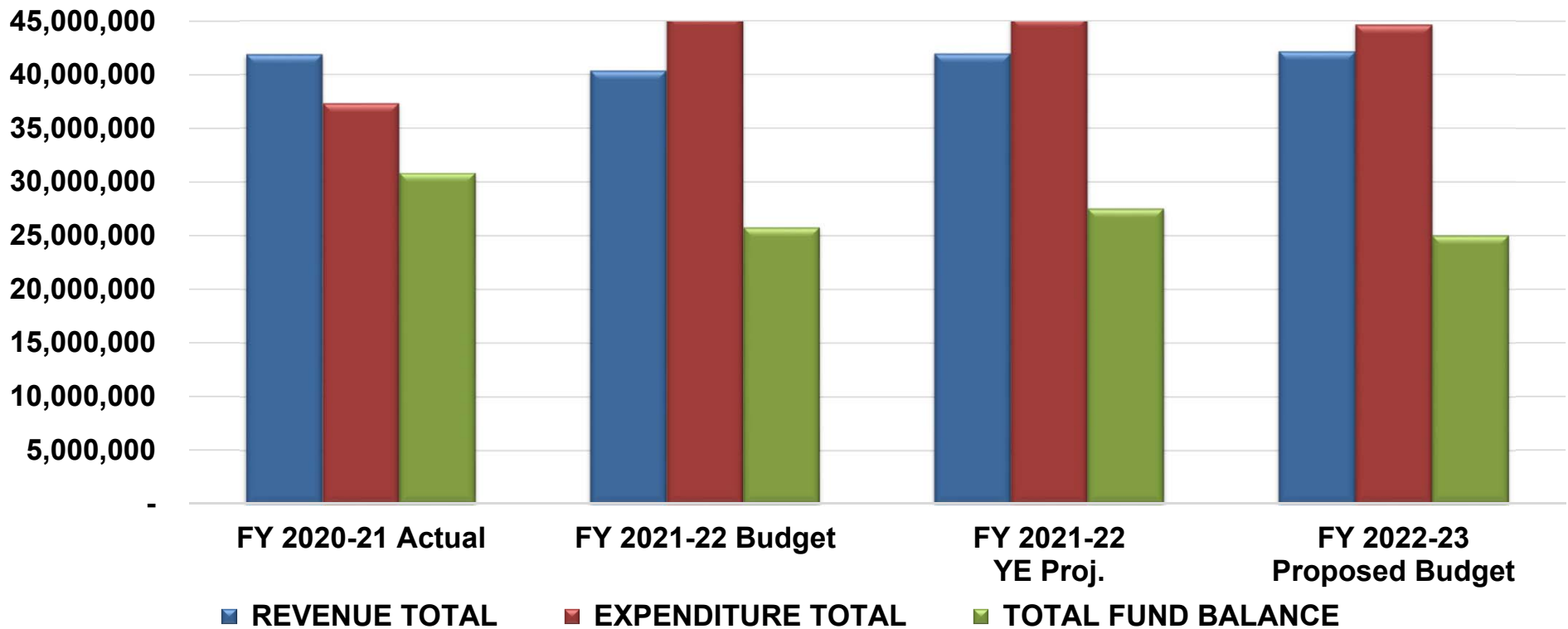
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FY 2022-23 Proposed Budget Expenditure by Fund

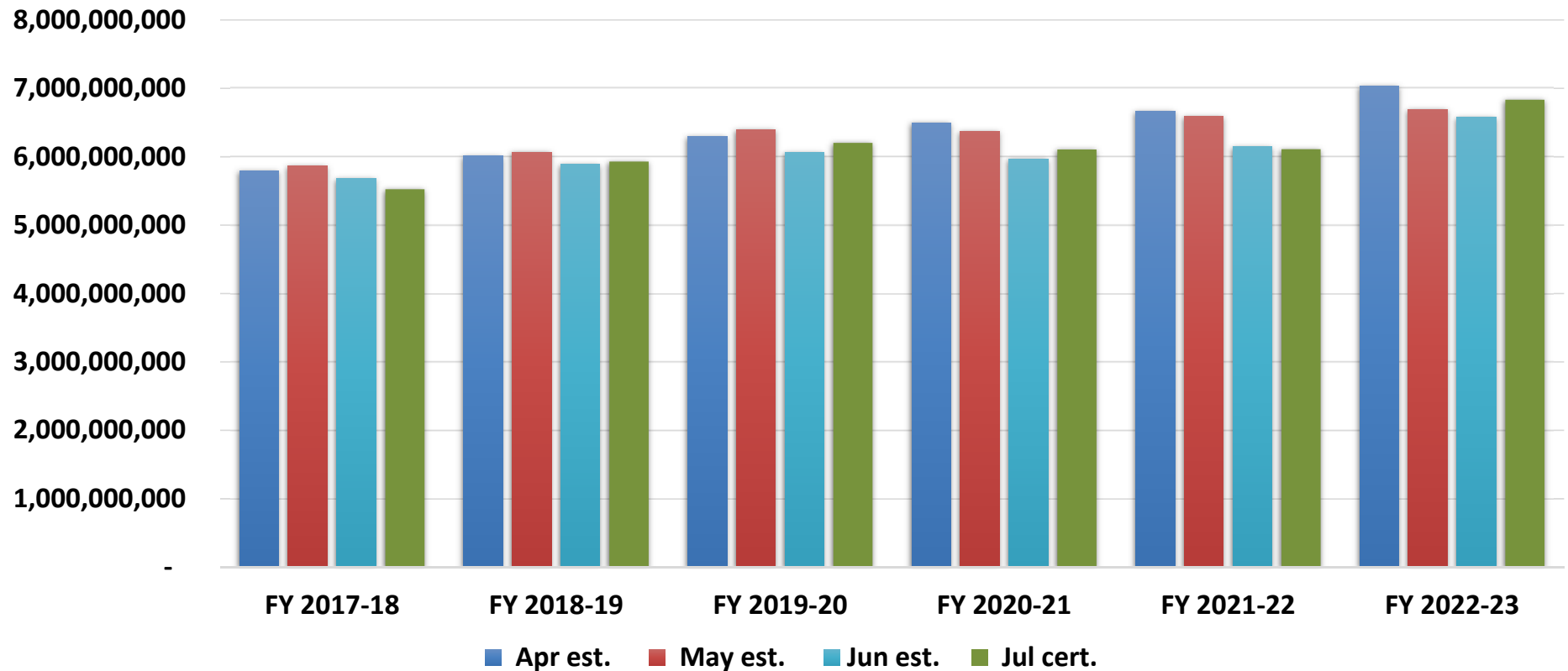
Expenditures	FY 2021-22 Budget	FY 2022-23 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 45,445,179	\$ 44,649,655	\$ (795,524)	-1.75%
Water And Wastewater Fund	28,165,229	28,882,645	717,416	2.55%
Drainage Utility Fund	1,719,725	1,676,475	(43,250)	-2.51%
Keller Development Corporation Fund	3,636,599	4,038,943	402,344	11.06%
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	3,286,383	3,160,360	(126,023)	-3.83%
<i>Self-Insurance Fund</i>	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	5,948,055	5,399,286	(548,769)	-9.23%
Total Expenditures	\$ 100,247,944	\$ 100,581,500	\$ 333,556	0.33%

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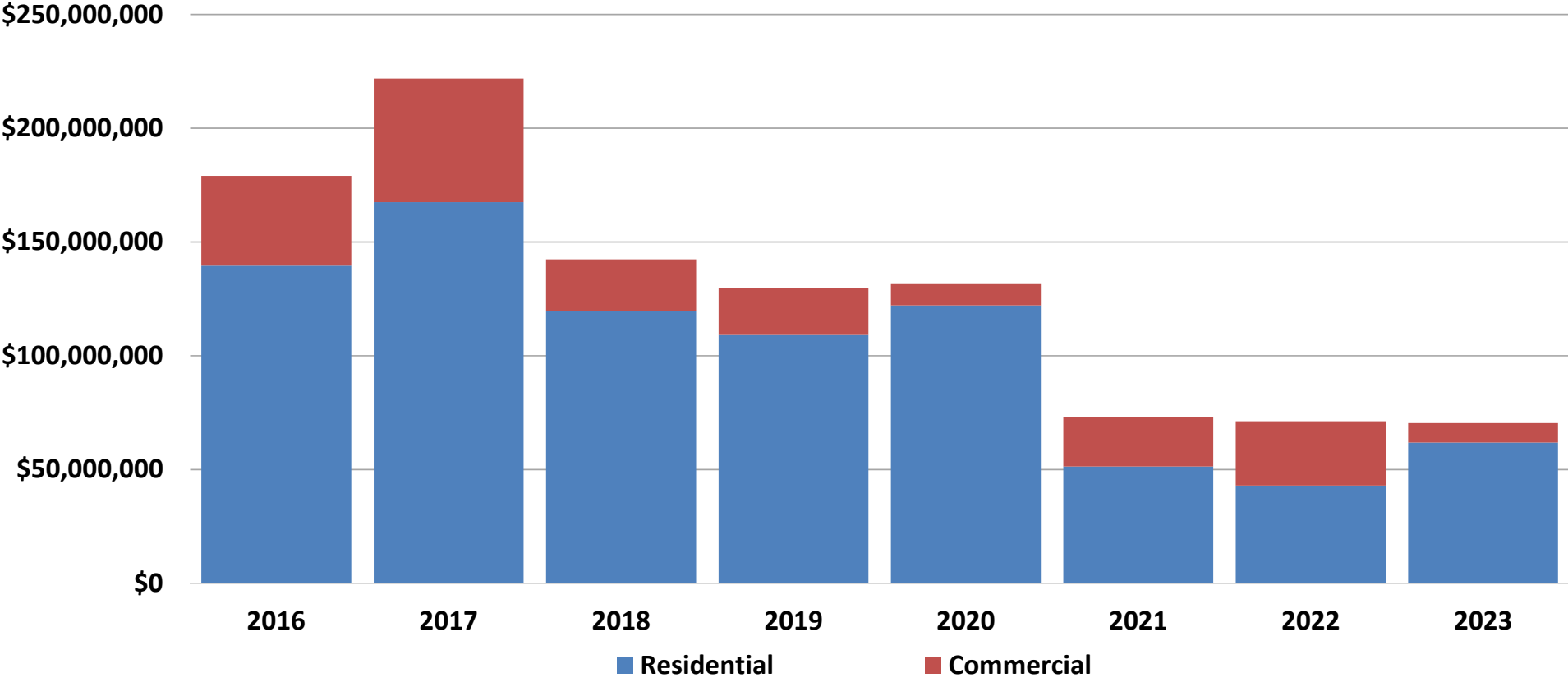
FY 2022-23 Proposed Budget General Fund Overview



Property Tax Value – April thru Certified

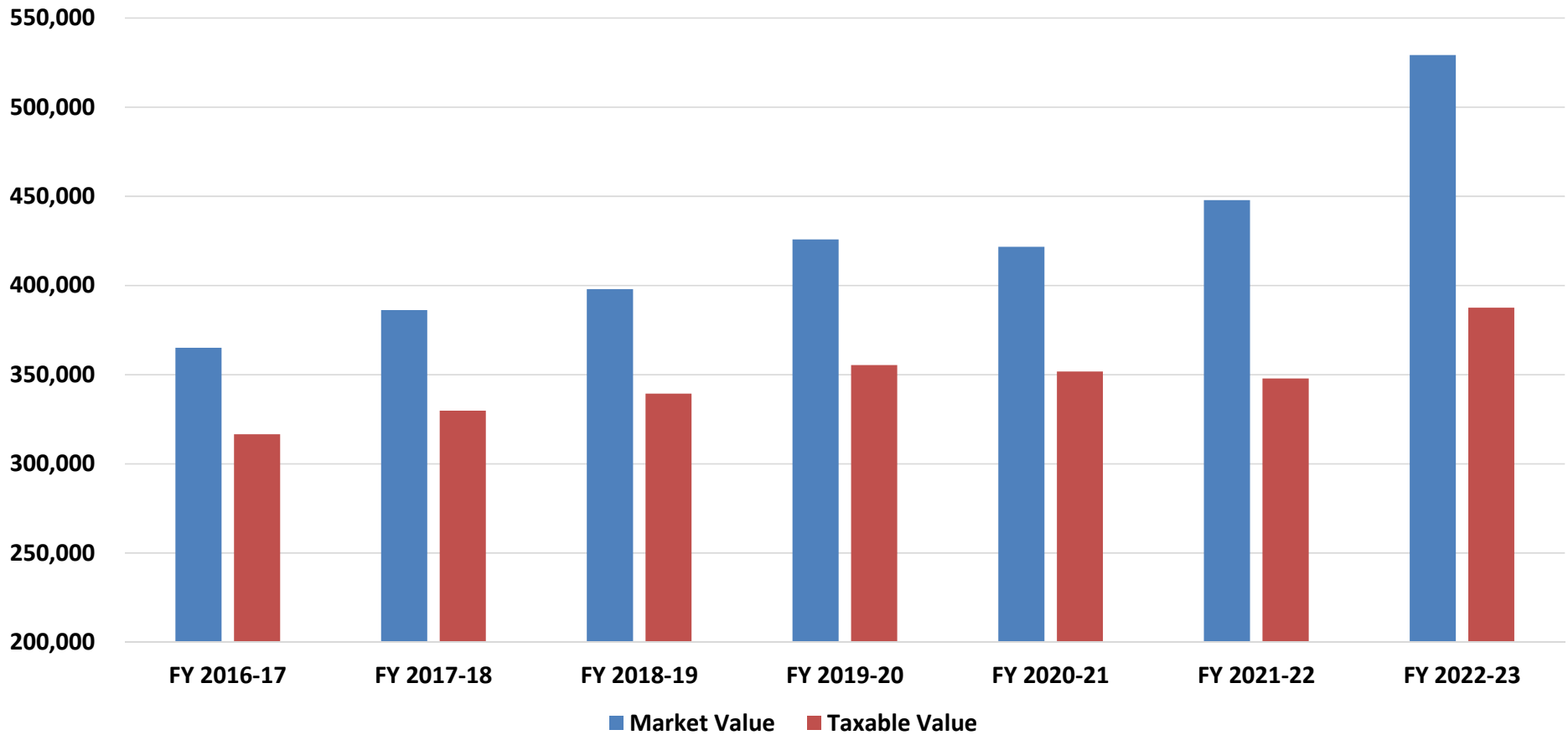


New Construction



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Average Market vs. Taxable Home 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	0.35615
Voter-Approval	0.427533	N/A	0.37096
City Rate	0.395000	0.3950	0.35450
Collection	\$23,706,216	\$25,964,619	\$23,895,985
Vs. FY 2021-22	-	2,258,403	189,768
New Levy		305,671	254,329
Existing Levy		1,952,732	(64,560)

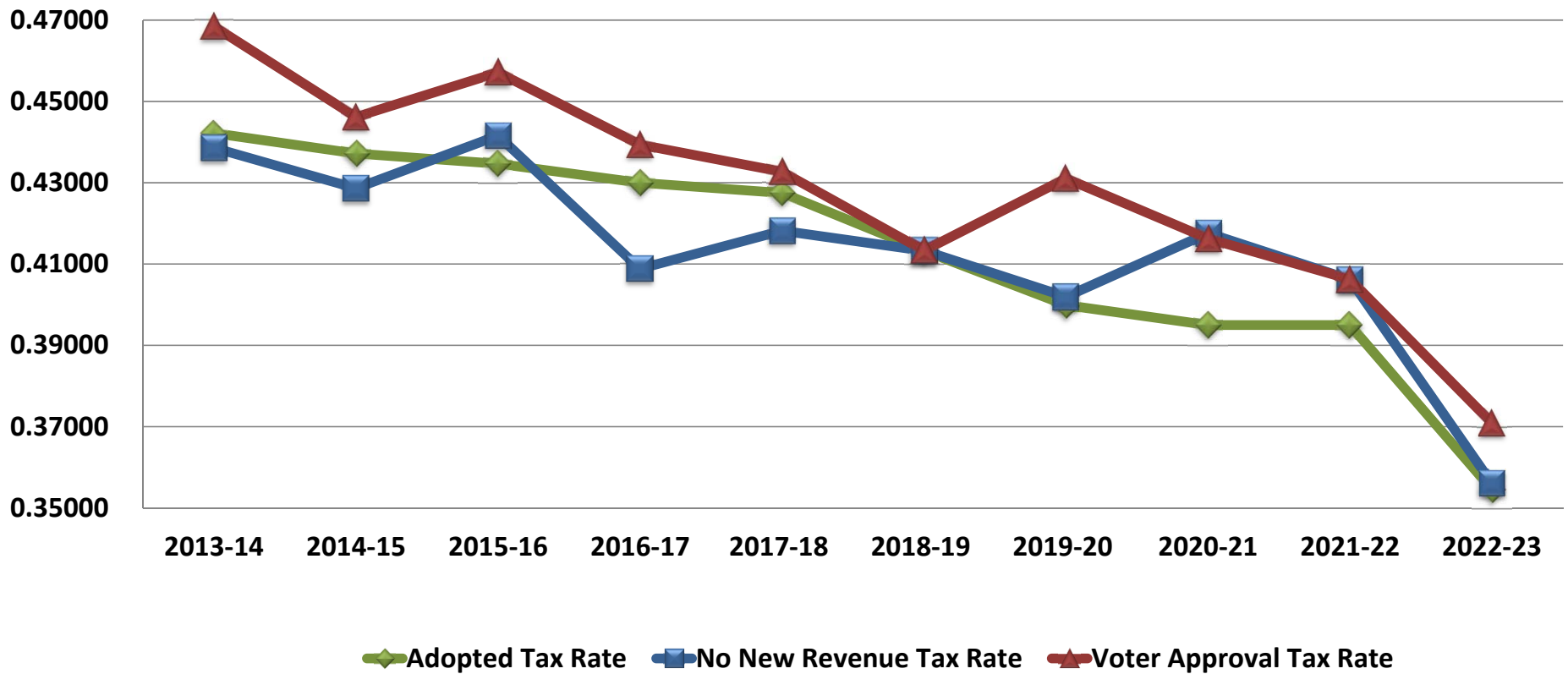
- Value of \$0.0025/100 = \$168,304

AV Levy Breakdown

	Current	Proposed	\$ Variance	% Variance
General Fund (O&M)	20,144,362	20,120,565	(23,797)	0.1%
TIRZ	-	30,436	30,436	100.0%
Debt Service (I&S)	3,561,854	3,744,983	183,129	(2.7)%
Total	\$ 23,706,216	\$ 23,895,985	\$189,768	0.8%

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

Property Tax Rate History



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Tax Rate Options

	FY 2021-22 Rate	FY 2022-23 Rate	<i>No New Revenue Rate</i>	<i>Voter- Approval Rate</i>	<i>Voter- Approval w/ Incremental Rate</i>
Tax Rate	\$0.3950	\$0.35450	\$0.35615	\$0.37096	\$0.403501
Average Taxable Home	\$347,898	\$387,603	\$387,603	\$387,603	\$387,603
Avg. Home Tax Bill	1,374	1,374*	\$ 1,380	\$1,438	\$1,564
Per Month	114.52	114.50	\$115.04	\$119.82	\$130.33
Change from FY 2021-22 (\$)		(\$0.14)	\$6.40	\$63.80	\$189.78

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

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Tax Mitigation Timeline

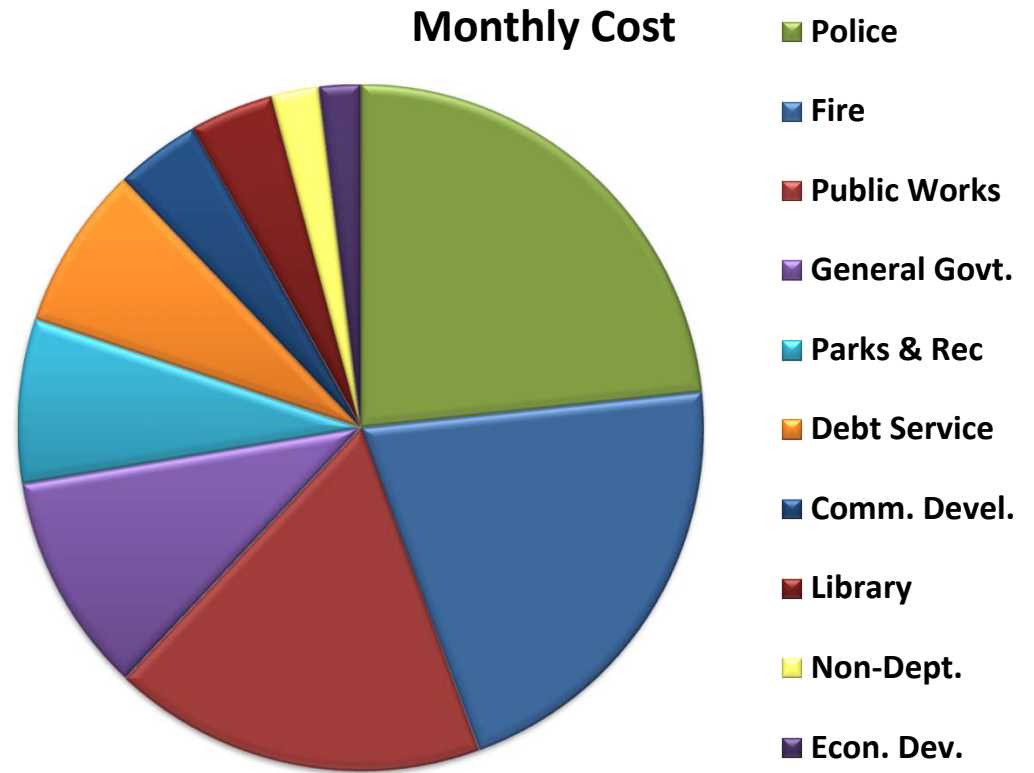
Fiscal Year	Tax Rate	Change from FY 2013-14	Homestead	Avg. Home Tax Bill without Mitigation
FY 2013-14	\$0.44219	-	1%	2,121
FY 2014-15	\$0.43719	(\$0.00500)	1%	2,097
FY 2015-16	\$0.43469	(\$0.00750)	1%	2,085
FY 2016-17	\$0.43000	(\$0.01219)	4%	2,000
FY 2017-18	\$0.42750	(\$0.01469)	8%	1,906
FY 2018-19	\$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	26.73
Fire	24.05
Public Works	20.23
General Govt.	11.85
Parks & Rec	8.88
Debt Service	8.86
Comm. Devel.	4.57
Library	4.53
Non-Dept.	2.56
Econ. Dev.	2.23
Total	\$ 114.50



FY 2022-23 Proposed Budget

General Fund Expenditure by Category

Expenditures	FY 2021-22 Budget	FY 2022-23 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 25,787,705	\$ 26,979,762	\$1,192,057	4.62%
Operations & maintenance	3,083,852	3,396,572	312,720	10.14%
Services & other	8,582,898	9,257,654	674,756	7.86%
Transfers to other funds	7,990,724	5,015,667	(2,975,057)	(37.23)%
Capital outlay	–	–	–	–%
Total Expenditures	\$ 45,445,179	\$ 44,649,655	\$ (795,524)	(1.75)%

Growth = \$1,900,148 or 5.03% with one-times removed

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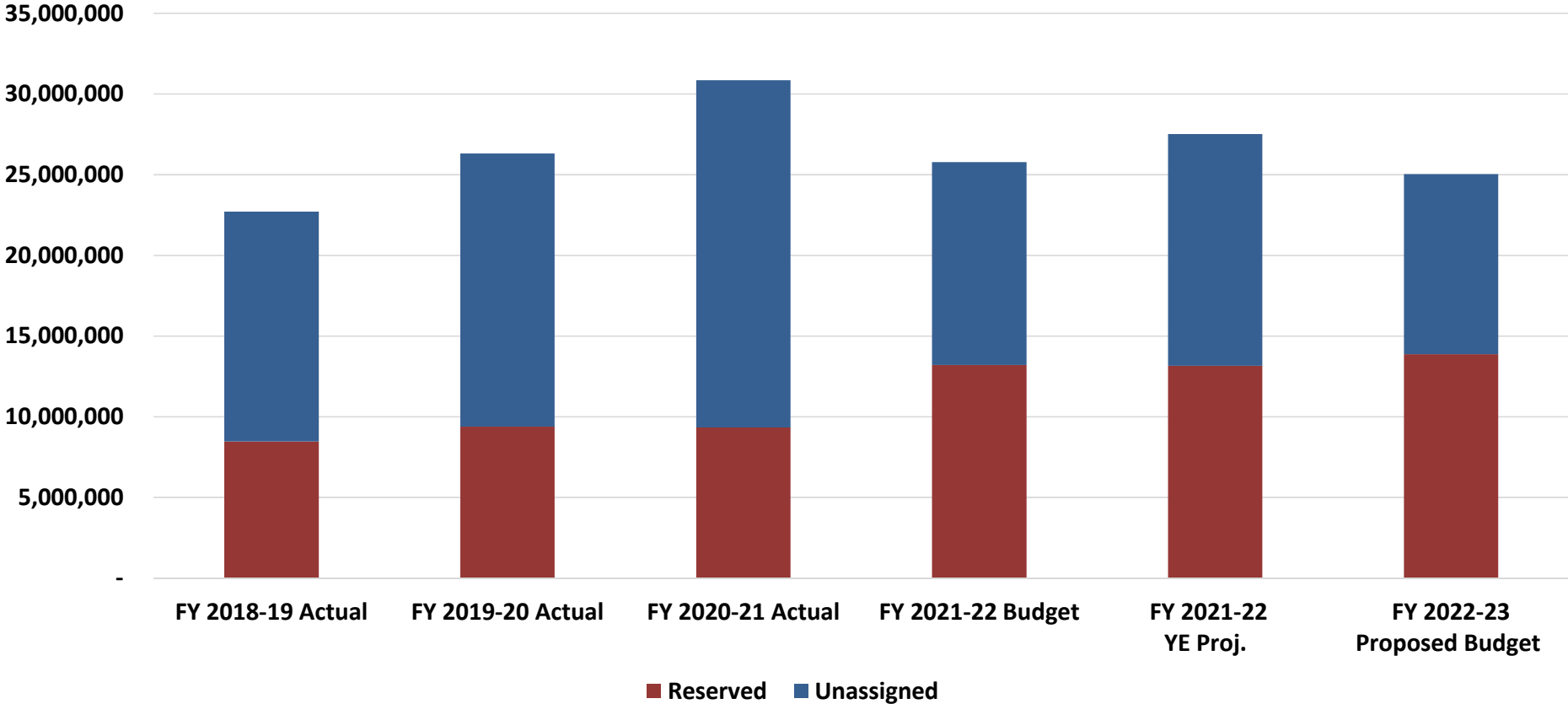
Ad Valorem Expenditures

Expenditure	On-Going Cost	One-Time Cost	Total Cost
Mt. Gilead Reconstruction	\$ -	\$ 2,500,000	\$ 2,500,000
Whitley Overlay	-	1,500,000	1,500,000
Compensation	937,934	-	937,934
Bear Creek Erosion Study	-	400,000	400,000
Community Development Software	130,000	120,000	250,000
Utilities/Fuel Inflation	263,932	-	263,932
Third Party Franchise Inspections	-	200,000	200,000
Fire Apparatus Repairs	-	171,000	171,000
Property/Liability Insurance	116,483	-	116,483
School Resource Officer*	105,187	-	105,187
Detective	74,650	-	74,650
Public Works Software RFP	-	70,000	70,000
Warning Siren Replacement	-	42,600	42,600
Additional SCBA	4,000	36,000	40,000
Traffic Management Software	13,500	18,600	32,100
Pavement Markings	25,000	-	25,000
Total	\$ 1,670,686	\$ 5,058,200	\$ 6,728,886

* - KISD funds 75%. City net cost = \$26,297

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General Fund Fund Balance



Compensation and Benefits

General Government

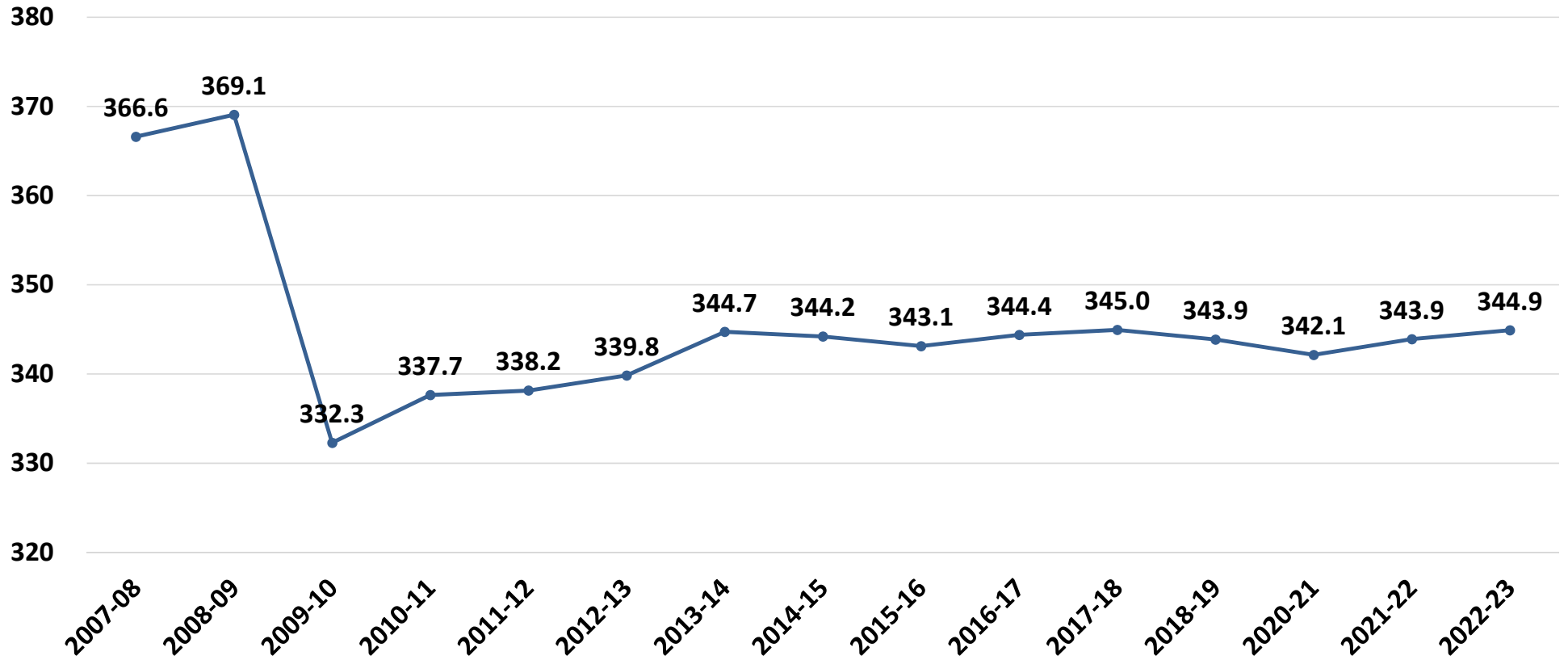
- 2% Market for all positions
- 2% Merit for all positions other than Department Directors
 - Minimum increase of \$1,000
- 1.5% Merit for Department Directors
- Overall Impact: 1.78% or \$583,195 Increase

Public Safety

- 3% Market
- 2% Merit/Step
- Overall Impact: 2.04% or \$667,464 Increase

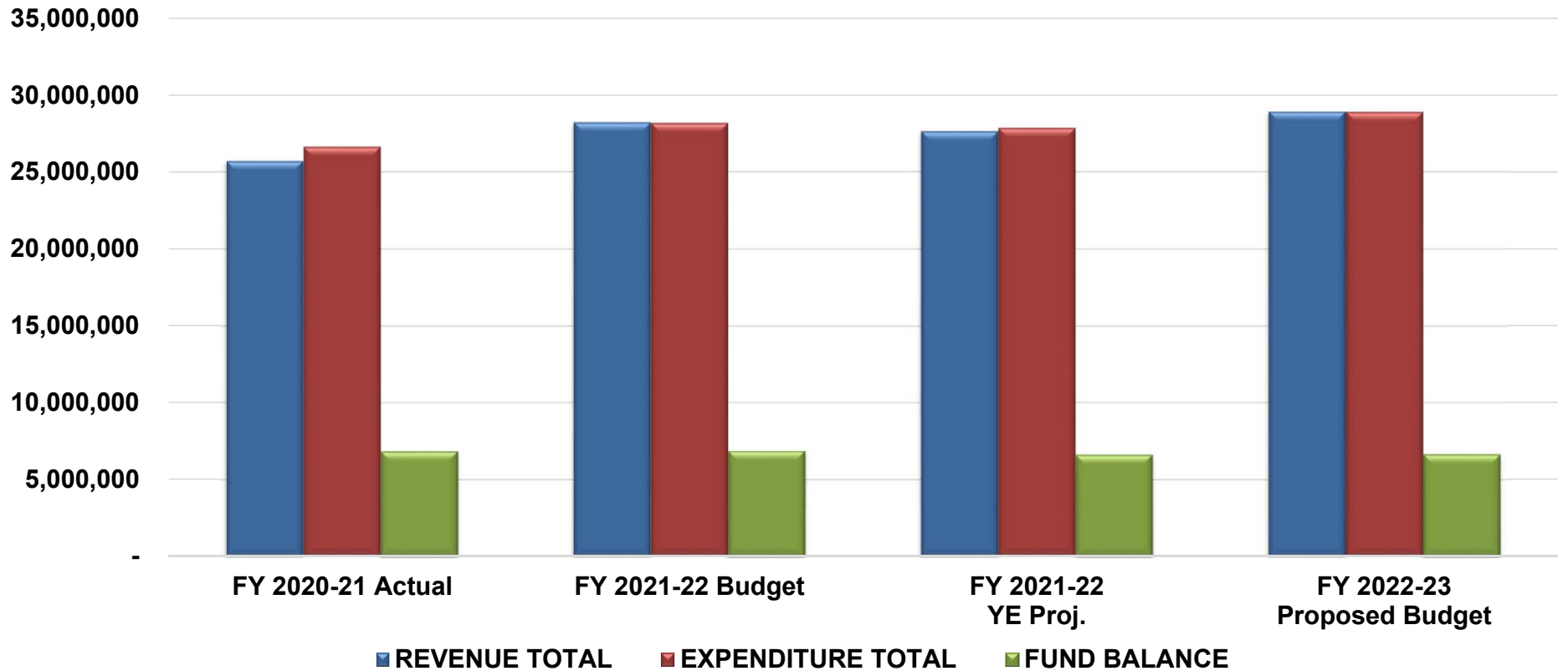
**Total General Fund
Net Impact =
\$1,028,886 or 3.99%**

FY 2022-23 Proposed FTEs



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Water and Wastewater Fund Summary



Other Tax Funds

Fund	FY 2022-23 Revenues	FY 2022-23 Expenditures	Variance	Fund Balance
Debt Service Fund	3,785,443	3,742,294	43,149	3,371,553
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)	5,021,021
Keller Pointe (Includes ARPA)	3,678,182	3,160,360	517,822	598,324
Information Technology	2,723,744	3,062,584	(338,840)	1,508,538
Drainage Fund	1,521,782	1,676,475	(154,693)	1,326,363
<i>Fleet Replacement Fund</i>	1,307,533	744,987	562,546	3,000,184
<i>Facility Replacement Fund</i>	250,443	1,003,700	(753,257)	1,195,545

Other Operating Funds

Fund	FY 2022-23 Revenues	FY 2022-23 Expenditures	Variance	Fund Balance
Recreation Special Revenue Fund	361,206	348,657	12,549	293,039
PEG Channel Fund	73,125	147,500	(74,375)	424,054
Public Safety Special Revenue Fund	-	-	-	185,604
Municipal Court Special Revenue Fund	58,687	55,358	3,329	214,239
Community Clean-Up Fund	36,697	36,500	197	395,267

FY 2022-23 CIP Highlights

- Old Town Keller/Elm Street = \$6.375M (Debt, ARPA)
- Mt. Gilead Reconstruction = \$2.5M (General)
- Whitley Overlay= \$1.5M (General)
- Green Ribbon Grant – Keller Parkway = \$400K (Grant)
- Bear Creek Bridge Erosion = \$400K (General)
- TBD Park Improvements & Water Feature = \$1.1M (KDC)
- Keller Sports Park B-Pad Parking Lot = \$380K (KDC)
- Northeast Park Concept Plan = \$100K (KDC)
- SWIFT = \$4.31M (W-WW, Debt)
- Tank Maintenance = \$3.35M (W-WW, ARPA)
- Smart Meters = \$1.3M (ARPA)
- SWIFT = \$4.31M (W-WW, Debt)
- Nightingale Culvert = \$325K (Drainage)



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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)

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Budget Timeline – Next Steps

Calendar Item	Date(s)
Proposed Budget Published	August 11
Vote on Max Tax Rate	August 16
Budget and Tax Rate Adoption	September 20
Fiscal Year Begins	October 1



Questions?

Aaron Rector

817-743-4026

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