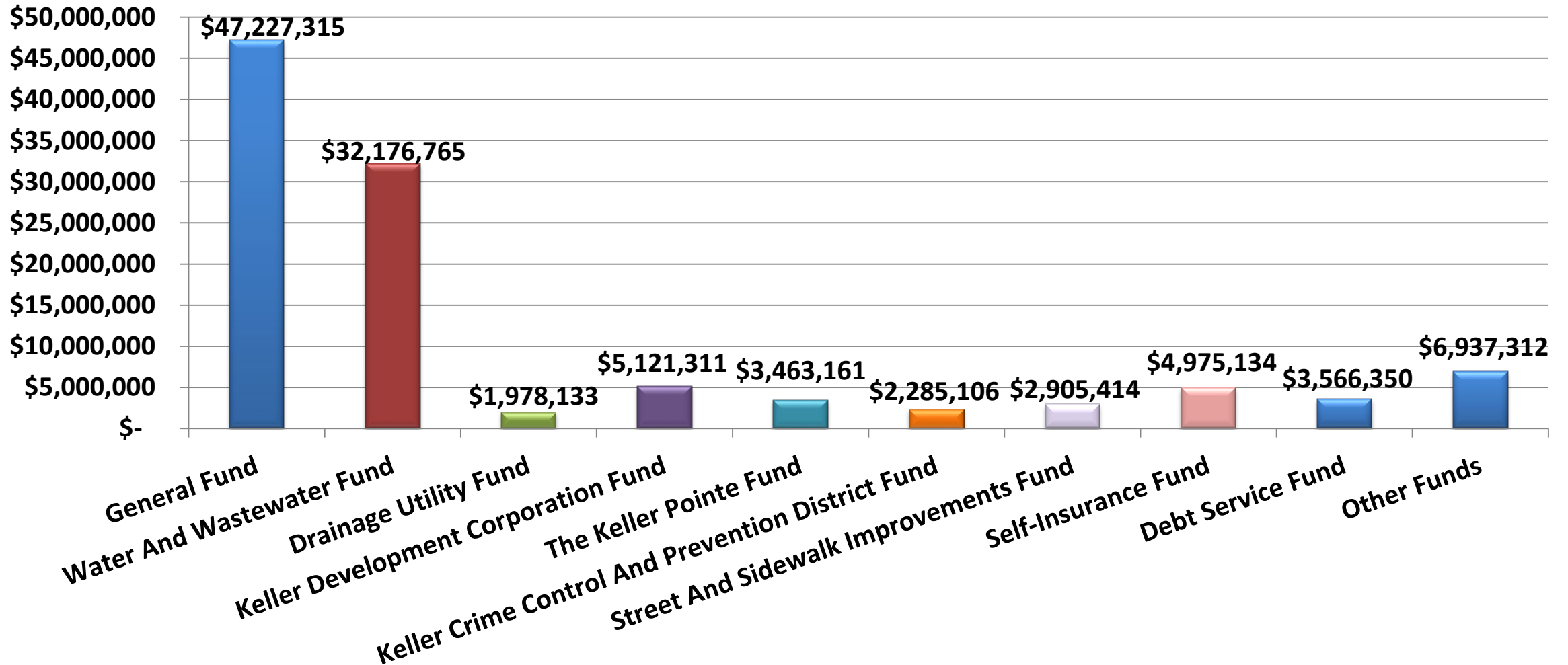


Item D-2

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

FY 2025-26 City of Keller

Proposed Operating Budget \$110,636,001



FY 2025-26 Proposed Budget

Revenue by Source

Revenues	FY 2024-25 Budget	FY 2025-26 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 24,492,010	\$ 24,656,661	\$ 164,651	0.67%
Sales Tax & Other Taxes	23,783,304	23,719,728	(63,576)	-0.27%
Licenses and Permits	792,109	749,422	(42,687)	-5.39%
Charges for Services	46,574,816	48,183,190	1,608,374	3.45%
Intragovernmental	2,093,126	2,151,383	58,257	2.78%
Fines and Fees	1,314,620	1,295,936	(18,684)	-1.42%
Development Fees	140,102	156,454	16,352	11.67%
Intergovernmental	4,557,102	4,945,653	388,551	8.53%
Other Revenues	3,405,749	2,520,696	(885,053)	-25.99%
Total Revenues	\$ 107,152,938	\$ 108,379,123	\$ 1,226,185	1.14%

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FY 2025-26 Proposed Budget

Expenditure by Category

Expenditures	FY 2024-25 Budget	FY 2025-26 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 36,566,858	\$ 37,757,420	\$ 1,190,562	3.26%
Operations & maintenance	8,418,065	7,436,993	(981,072)	-11.65%
Services & other	25,549,408	26,073,767	524,359	2.05%
Wholesale water purchases	9,880,565	10,289,726	409,161	4.14%
Wastewater Services-TRA	5,060,458	5,784,103	723,645	14.30%
Debt service	9,170,517	9,186,021	15,504	0.17%
Transfers to other funds	14,781,697	9,895,122	(4,886,575)	-33.06%
Capital outlay	5,367,957	4,212,849	(1,155,108)	-21.52%
Total Expenditures	\$ 114,795,525	\$ 110,636,001	\$ (4,159,524)	-3.62%

FY 2025-26 Proposed Budget

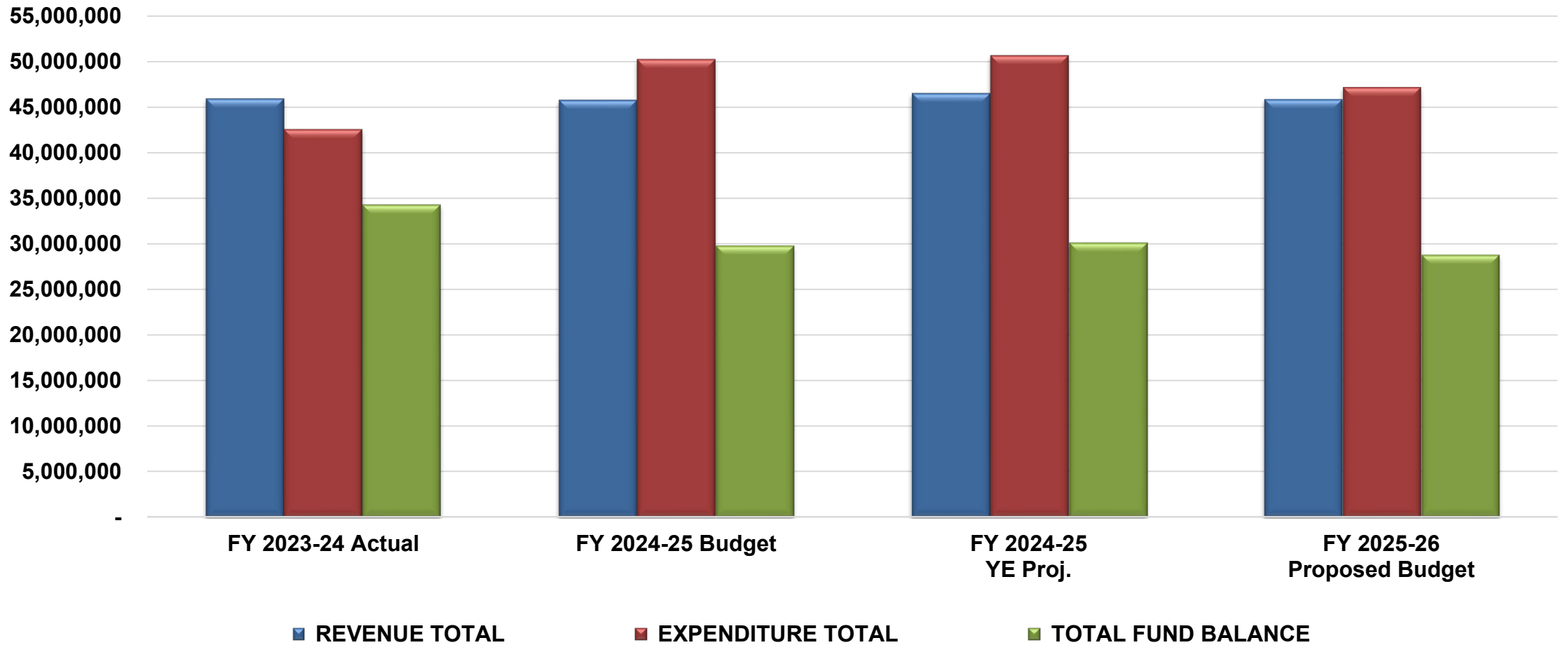
Expenditure by Fund

Expenditures	FY 2024-25 Budget	FY 2025-26 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 50,294,734	\$ 47,227,315	\$ (3,067,419)	-6.10%
Water And Wastewater Fund	31,615,566	32,176,765	561,199	1.78%
Drainage Utility Fund	1,854,557	1,978,133	123,576	6.66%
Keller Development Corporation Fund	4,923,180	5,121,311	198,131	4.02%
Keller Crime Control And Prevention District Fund	3,036,281	2,285,106	(751,175)	-24.74%
Street And Sidewalk Improvements Fund	2,905,414	2,905,414	-	0.00%
The Keller Pointe Fund	3,335,399	3,463,161	127,762	3.83%
Self-Insurance Fund	4,740,658	4,975,134	234,476	4.95%
Debt Service Fund	3,562,746	3,566,350	3,604	0.10%
Other Funds	8,526,990	6,937,312	(1,589,678)	-18.64%
Total Expenditures	\$ 114,795,525	\$ 110,636,001	\$ (4,159,524)	-3.62%

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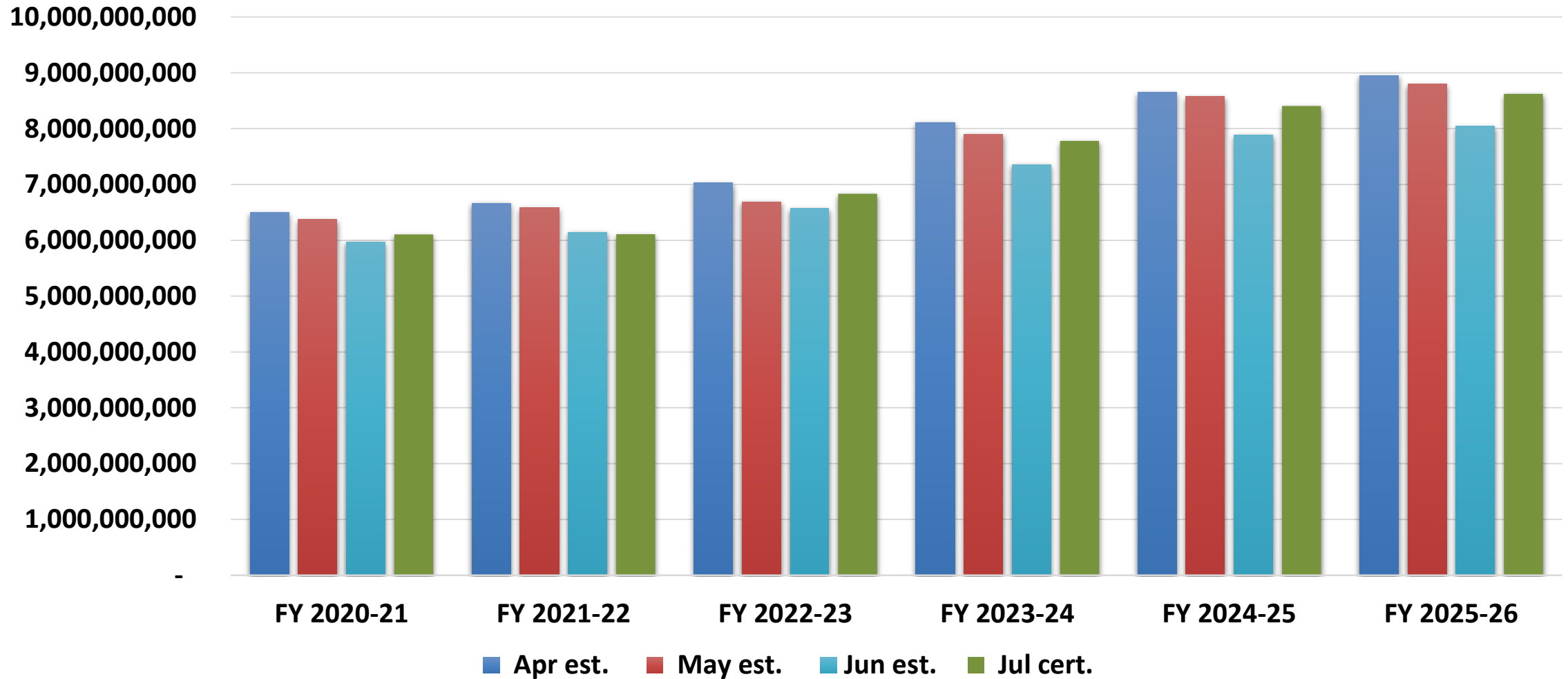
FY 2025-26 Proposed Budget

General Fund Overview

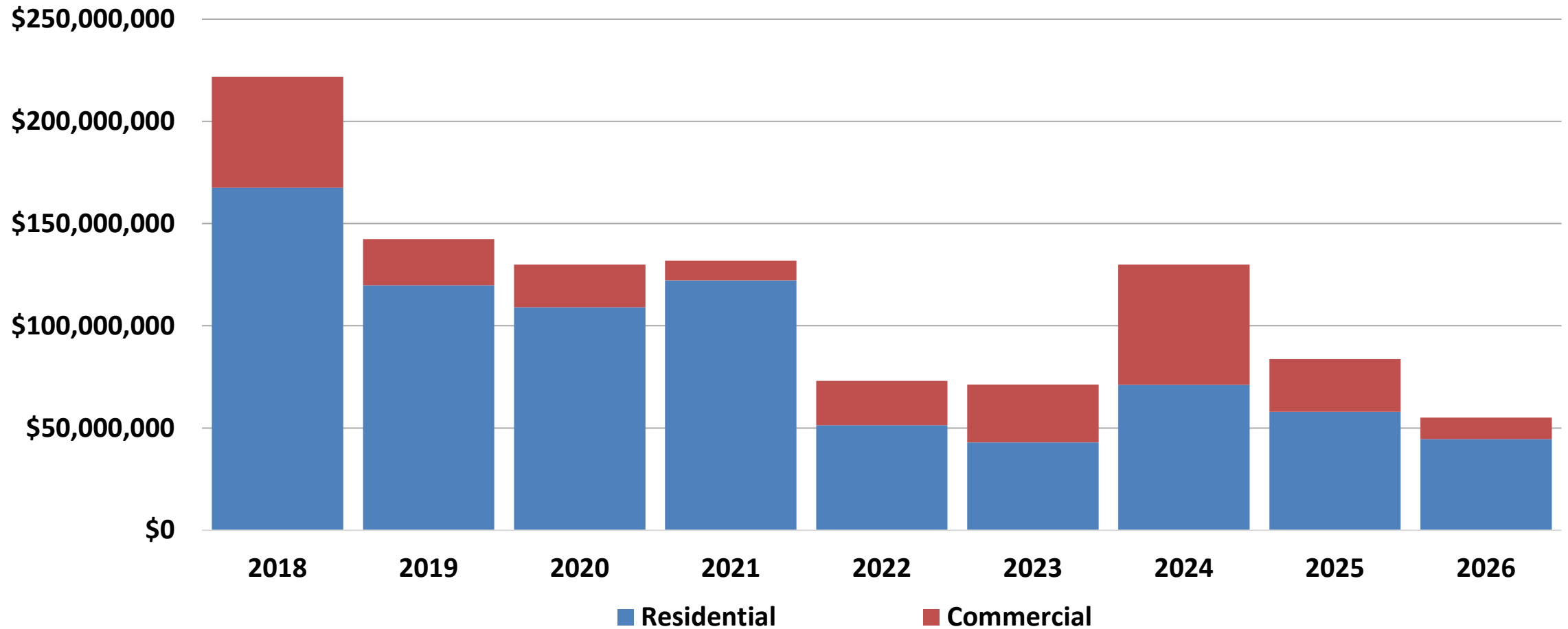


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Property Tax Value – April thru Certified

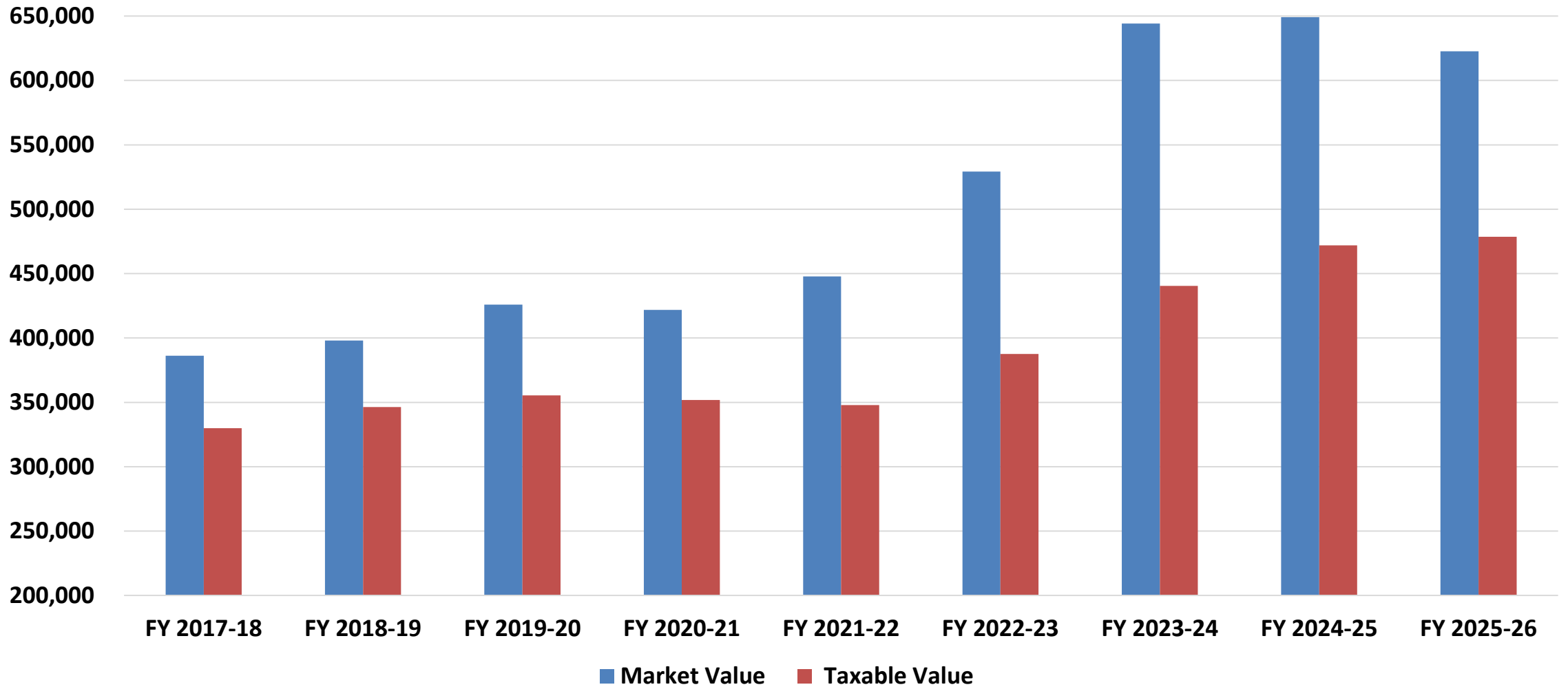


New Construction



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Average Market vs. Taxable Home History



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T-N-T Tax Rates

	FY 2024-25 Rate - Current	FY 2024-25 Rate – TY 2025 Values	<i>No New Revenue Rate</i>	<i>Voter- Approval Rate</i>	<i>Voter- Approval w/ Incremental Rate</i>
Tax Rate	\$0.291120	\$0.291120	\$0.290187	\$0.297672	\$0.345143
Levy Increase	\$ -	\$452,268	\$389,368	\$893,991	\$4,094,524
Average Taxable Home	\$471,929	\$478,603	\$478,603	\$478,603	\$478,603
Avg. Home Tax Bill	1,374	1,393	\$ 1,389	\$1,425	\$1,652
Per Month	114.49	\$116.11	\$115.74	\$118.72	\$137.66
Change from FY 2024-25 (\$)		\$19.43	\$14.96	\$50.79	\$277.99

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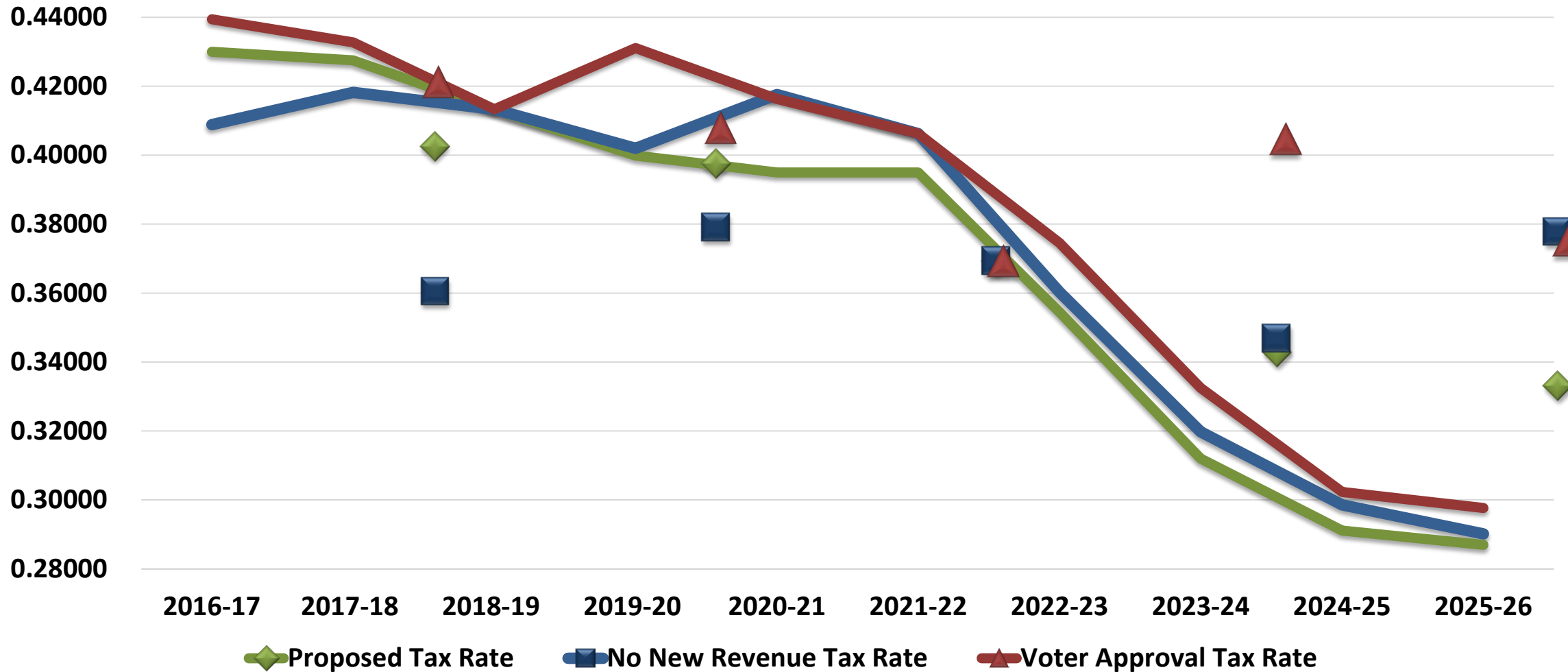
Tax Rate Options

	FY 2024-25 Rate	Keller No New Revenue Rate	<i>Mid Option</i> <i>(Existing Levy ~\$0)</i>	<i>No New</i> <i>Revenue Rate</i>
Tax Rate	\$0.29112	\$0.28700	\$0.288594	\$0.290187
Levy Increase		\$174,509	\$281,972	\$389,368
Average Taxable Home	\$471,929	\$478,600	\$478,600	\$478,600
Avg. Home Tax Bill	1,374*	1,374*	\$ 1,381	\$ 1,389
Per Month	114.49	114.47	\$115.10	\$115.74
Change from FY 2024-25 (\$)		(\$0.29)	\$7.34	\$14.96

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

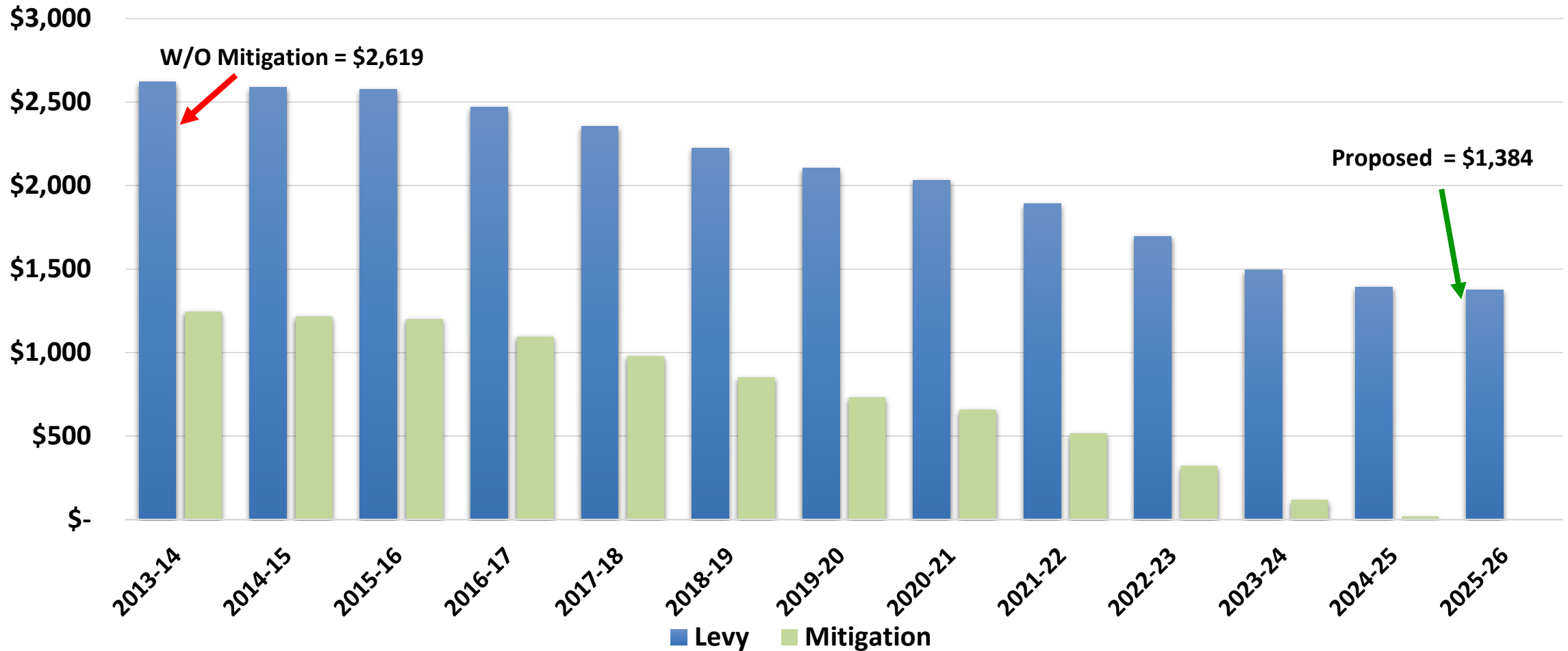
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Property Tax Rate History



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Tax Mitigation Timeline - \$0.2870

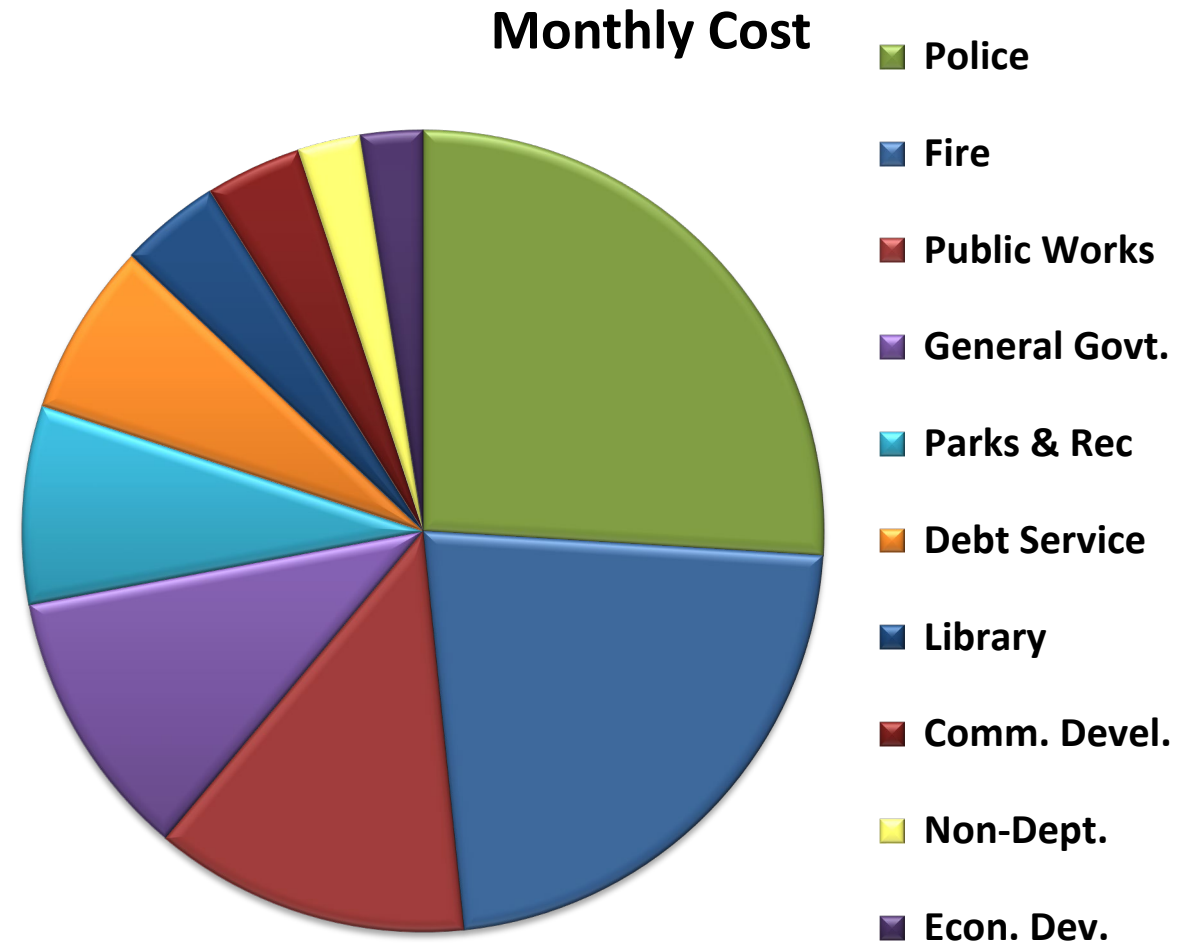


\$0.2870 & 20% Homestead Exemption vs. FY 14 Rate & 1% HS = \$1,245.37 savings or ~5.71 month of services

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Cost of City Services for Average Residential Taxpayer

Police	\$ 29.73
Fire	25.63
Public Works	14.59
General Govt.	12.53
Debt Service	9.16
Parks & Rec	8.01
Comm. Devel.	4.62
Library	4.44
Non-Dept.	2.91
Econ. Dev.	2.84
Total	\$ 114.47



FY 2025-26 Proposed Budget

General Fund Expenditure by Category

Expenditures	FY 2024-25 Budget	FY 2025-26 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 29,396,736	\$ 30,342,341	\$ 945,605	3.22%
Operations & maintenance	3,384,191	3,270,525	(113,666)	-3.36%
Services & other	10,650,116	11,163,075	512,959	4.82%
Transfers to other funds	6,805,667	2,451,374	(4,354,293)	-63.98%
Capital outlay	58,024	–	(58,024)	-100.00%
Total Expenditures	\$ 50,294,734	\$ 47,227,315	\$ (3,067,419)	-6.10%

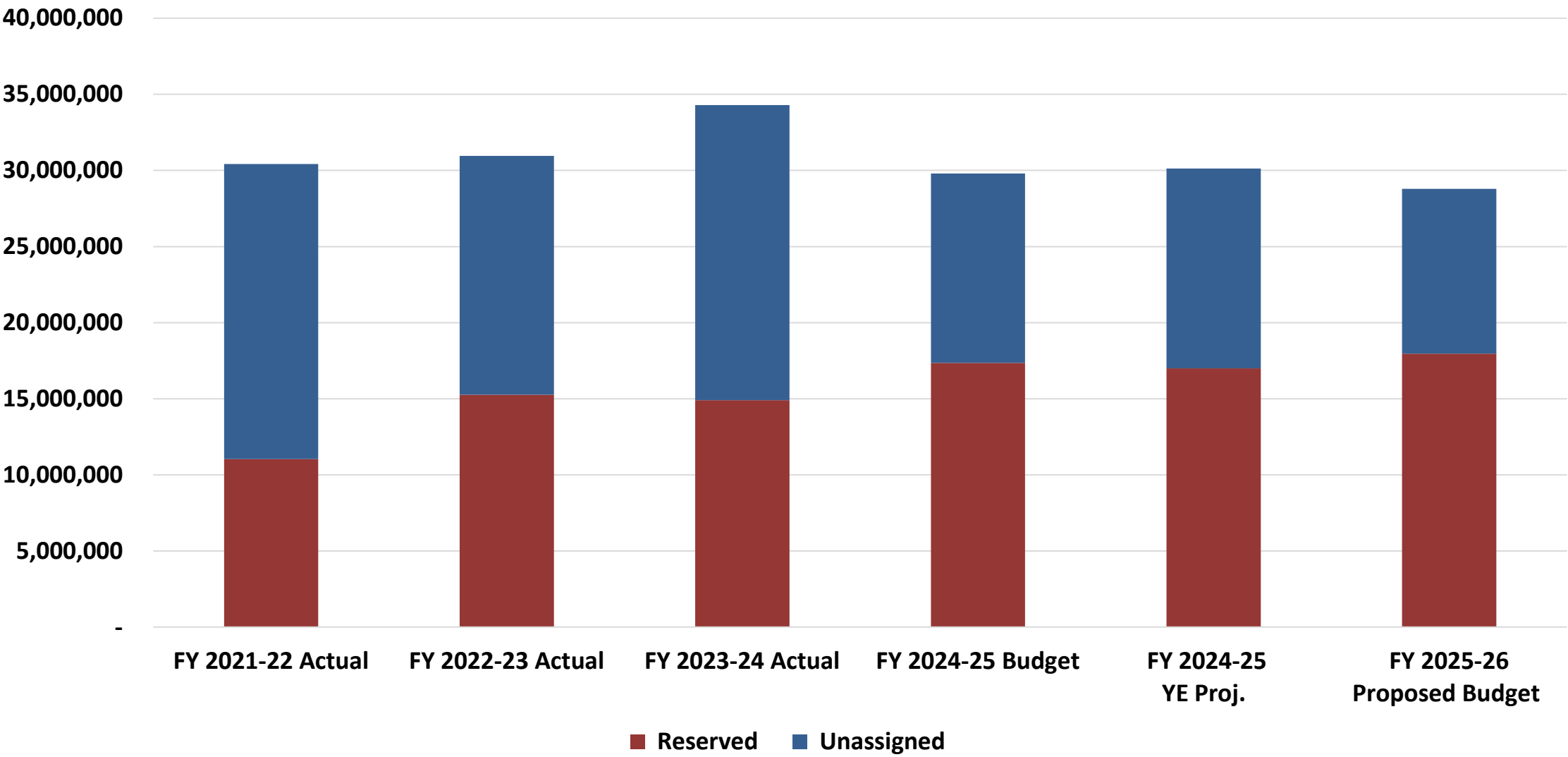
Growth = \$1,507,494 or 3.47% with one-times removed

Ad Valorem Expenditures

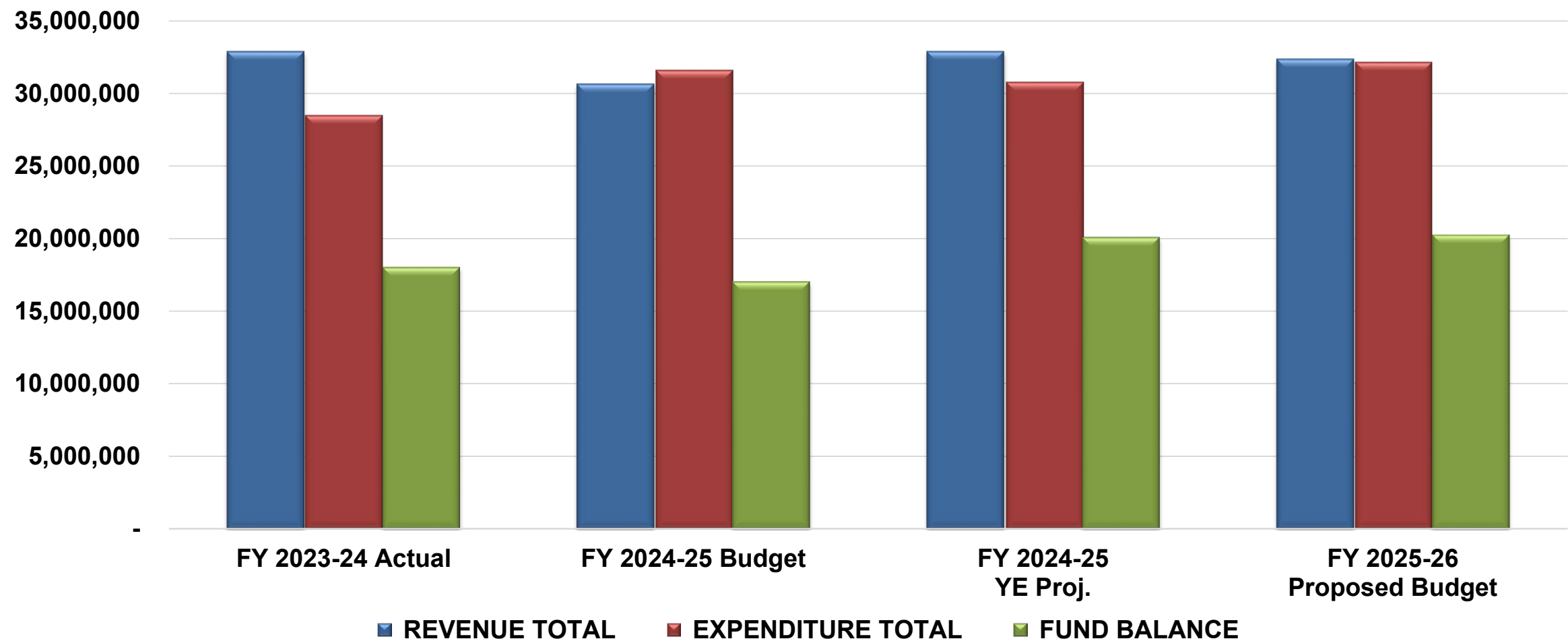
Expenditure	On-Going Cost	One-Time Cost	Total Cost
Street Maintenance	\$ -	\$ 1,172,707	\$ 1,172,707
Compensation	945,605	-	945,605
Sidewalk Improvements	-	550,000	550,000
Economic Development Incentives	-	214,754	214,754
Third Party Utility Inspections	-	200,000	200,000
Fire Prevention Services	175,000	-	175,000
Pavement Condition Assessment	-	150,000	150,000
Website Redesign	-	32,500	32,500
Total	\$ 1,120,605	\$ 2,319,961	\$ 3,440,566

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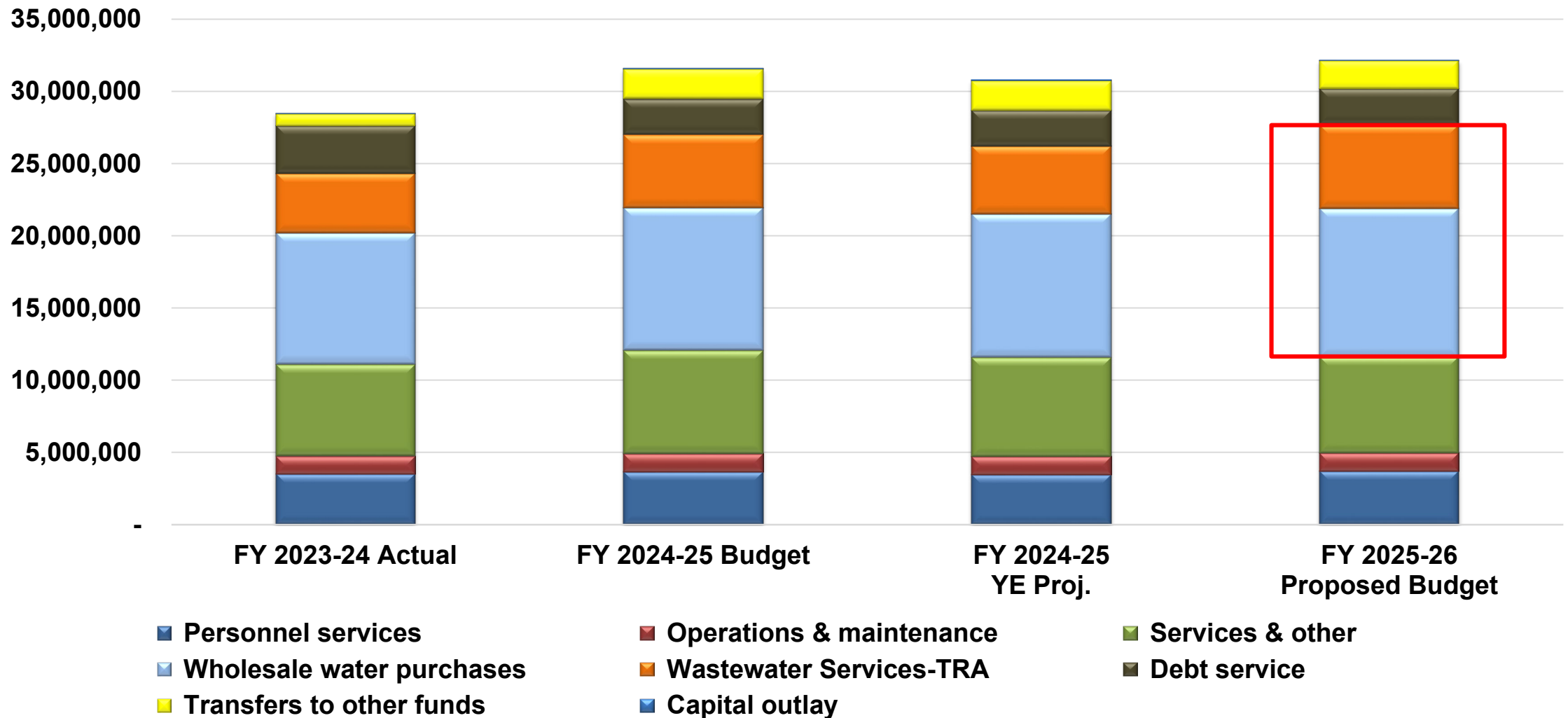
General Fund - Fund Balance



Water and Wastewater Fund Summary



Water and Wastewater Expenditures



Water and Wastewater Expenditures

Expenditures	FY 2024-25 Budget	FY 2025-26 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 3,669,273	\$ 3,711,133	\$ 41,860	1.14%
Operations & maintenance	1,238,458	1,238,458	—	0.00%
Services & other	7,166,160	6,667,625	(498,535)	-6.96%
<i>Wholesale water purchases</i>	<i>9,880,565</i>	10,289,726	409,161	4.14%
<i>Wastewater Services-TRA</i>	<i>5,060,458</i>	5,784,103	723,645	14.30%
Debt service	2,485,652	2,493,002	7,350	0.30%
Transfers to other funds	2,050,000	1,927,718	(122,282)	-5.96%
Capital outlay	65,000	65,000	—	0.00%
TOTAL	\$ 31, 615,566	\$ 32,176,765	\$ 561,199	1.8%

Average Monthly Bill

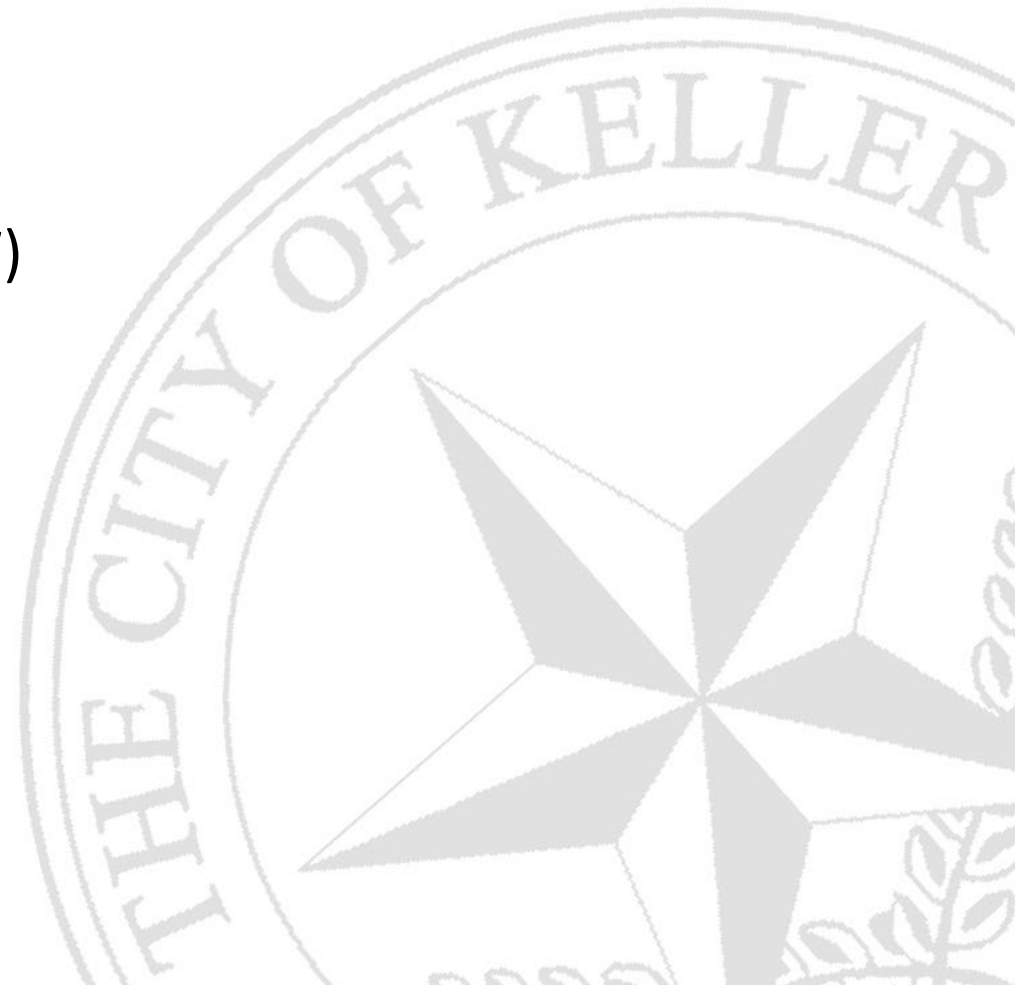
Monthly Bill	Current	Proposed	Difference (%)	Difference (\$)
<u>ANNUAL AVERAGE MONTHLY BILL</u>				
Water (14,000 Gallons)	\$89.15	\$90.96	2.03%	\$1.81
Sewer (6,000 Gallons)	49.38	50.38	2.03%	1.00
TOTAL	\$138.53	\$141.34	2.03%	\$2.81

Other Tax Funds

Fund	FY 2025-26 Revenues	FY 2025-26 Expenditures	Variance	Fund Balance
Debt Service Fund	3,697,795	3,566,350	131,445	5,095,766
TIRZ #2	470,615	-	470,615	1,221,415
Keller Development Corporation Fund	4,865,216	5,121,311	(256,095)	2,327,599
Keller Crime Control And Prevention District Fund	2,467,356	2,285,106	182,250	2,962,372
Street And Sidewalk Improvements Fund	2,413,181	2,905,414	(492,233)	1,018,882
Hotel Occupancy Fund	222,655	200,000	22,655	193,575

FY 2025-26 CIP Highlights

- Street Maintenance= \$4.05M (General, Street Maint, W/WW)
- Sidewalk Improvements = \$1.1M (General, Street Maint.)
- Keller Sports Park = \$1.6M (KDC)
- Trail System Expansion= \$450K (KDC)
- Shade Structure= \$100K (KDC)
- Keller-Smithfield Tank Maintenance=\$750K (W/WW)
- Line Replacements= \$400K (W-WW)
- Misty Oaks = \$300K (Drainage)
- Drainage Maintenance = \$150K (Drainage)



Essential Points for FY 2025-26 Budget

- 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 Personnel net increase under 4% (5.3)
 - Maintain Self-Insurance
- Continued investment in streets and sidewalk infrastructure = \$5.5M (4.1, 4.2)
 - Street Maintenance = \$4.05M
 - Sidewalk Improvements = \$1.1M
- Fourth Year of TIRZ#2 Fund (2.4, 4.5)
- Rate adjustments to City water & wastewater = 2.0% (3.1)
 - AWIA Regulatory Update
 - LCRI Monitoring
- Maintains All Replacement Funding (3.4)
 - Dump Trucks
 - Backhoe

Budget Timeline – Next Steps

Calendar Item	Date(s)
Proposed Budget Published	August 14
Vote on Max Tax Rate	August 19
TIRZ #2 Board Meeting & Budget Workshop	August 27
Budget and Tax Rate Adoption	September 16
Fiscal Year Begins	October 1



Questions?

Aaron Rector

817-743-4001

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