

Items H-5, H-6, & H-7

H-5 PUBLIC HEARING: Consider an ordinance adopting the annual budget for the City of Keller, Texas, for the fiscal year beginning October 1, 2025, and ending September 30, 2026, including the 2025-26 Capital Improvements Program, and adopting the Fiscal Year 2025-26 Fee Schedule for the City of Keller, Texas

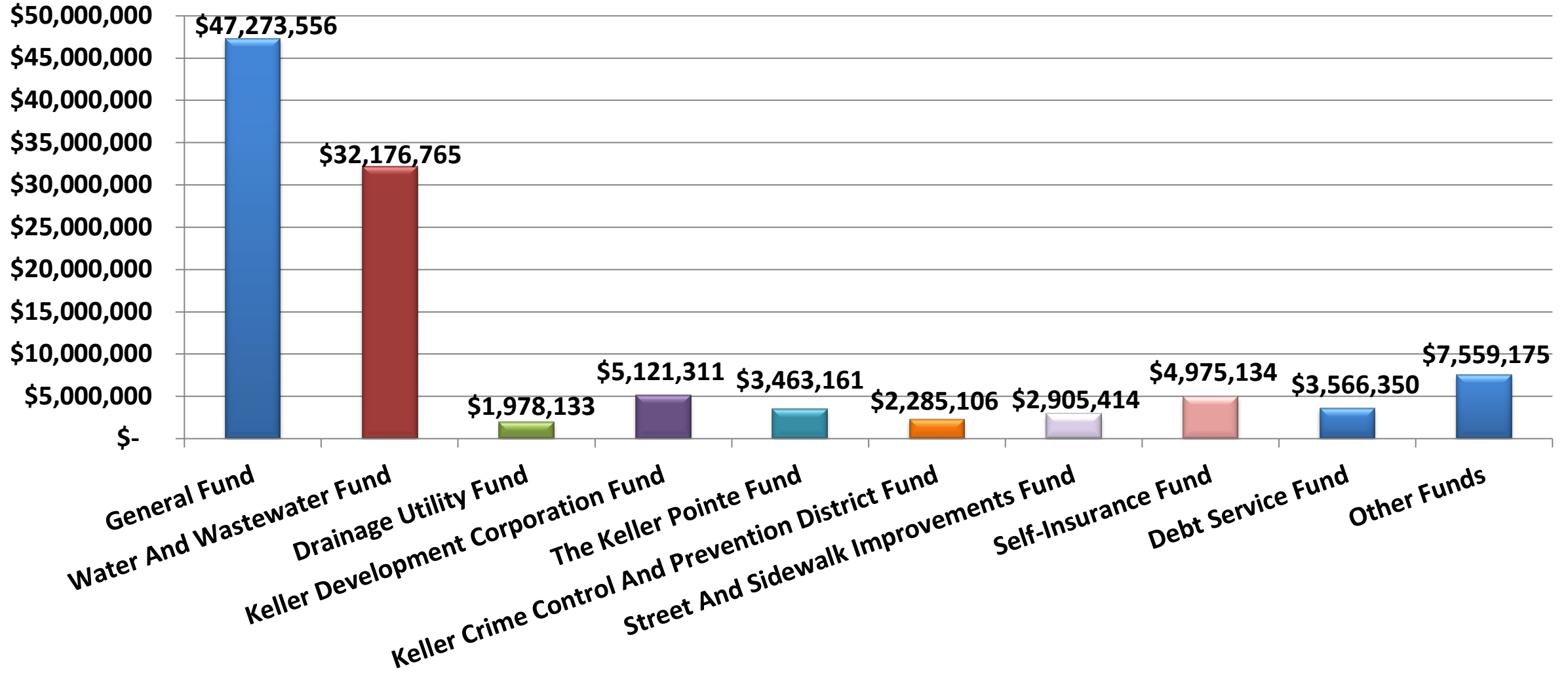
H-6 Consider a resolution ratifying the tax revenue for the Tax Year 2025 (Fiscal Year 2025-26) for the City of Keller, Texas.

H-7 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 2025 (Fiscal Year 2025-26).

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
 - Traffic Preemption
 - Town Hall Bathrooms

FY 2025-26 Proposed Operating Budget \$111,304,105



Changes from Published Proposed Budget

- PO “Rollovers” = \$668,104
 - Vehicle Replacements= \$336,518
 - Public Works Software= \$285,345
 - Outdoor Warning Sirens= \$27,095
 - Community Signs=\$19,146
- Add Pearson Pump Replacement = \$500,000



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	24,003,304	23,939,728	(63,576)	-0.26%
Licenses and Permits	792,109	749,422	(42,687)	-5.39%
Charges for Services	46,574,816	48,383,190	1,808,374	3.88%
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	4,725,653	168,551	3.70%
Other Revenues	3,405,749	2,523,351	(882,398)	-25.91%
Total Revenues	\$ 107,372,938	\$ 108,581,778	\$ 1,208,840	1.13%

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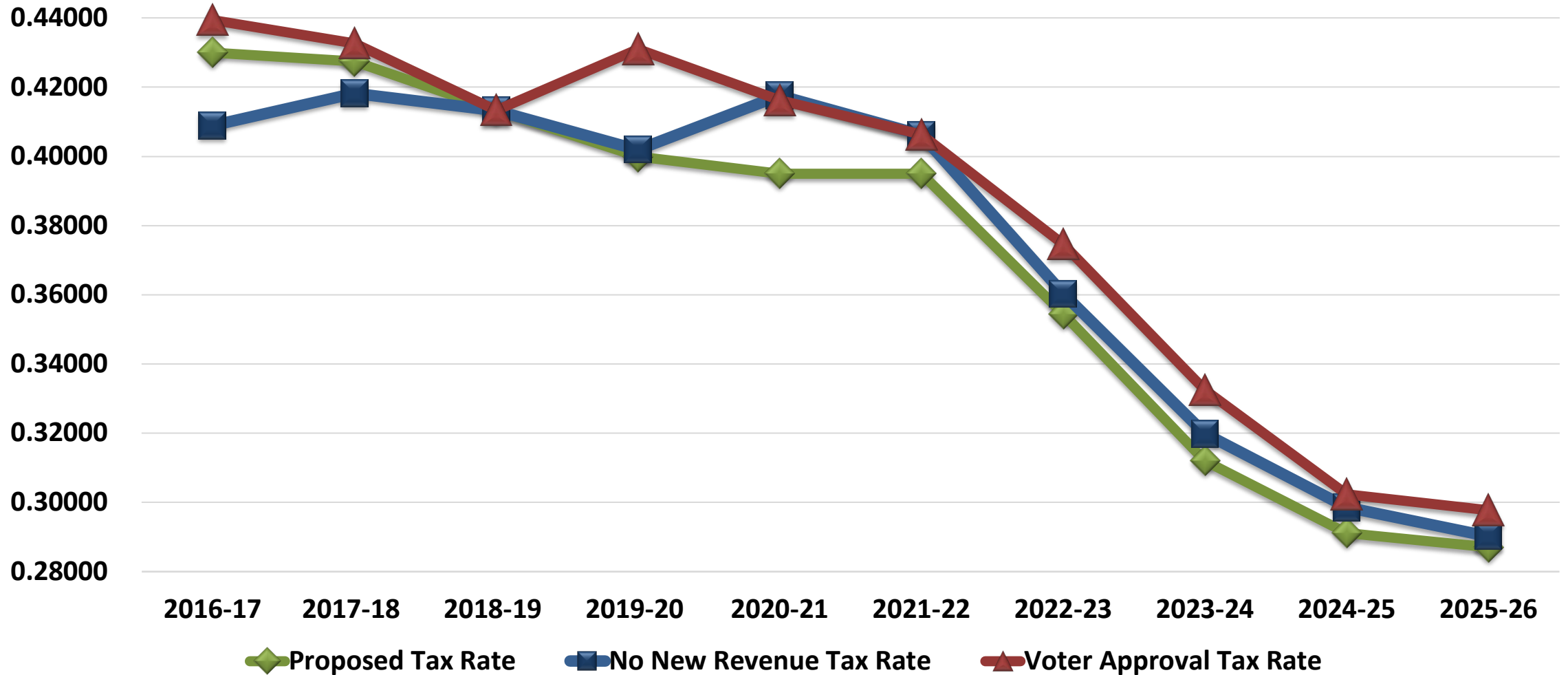
FY 2025-26 Proposed Budget

Expenditure by Fund

Expenditures	FY 2024-25 Budget	FY 2025-26 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 51,614,734	\$ 47,273,556	\$ (4,341,178)	-8.41%
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	3,835,414	2,905,414	(930,000)	-24.25%
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	8,893,165	7,559,175	(1,333,990)	-15.00%
Total Expenditures	\$ 117,411,700	\$ 111,304,105	\$ (6,107,595)	-5.20%

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Property Tax Rate History



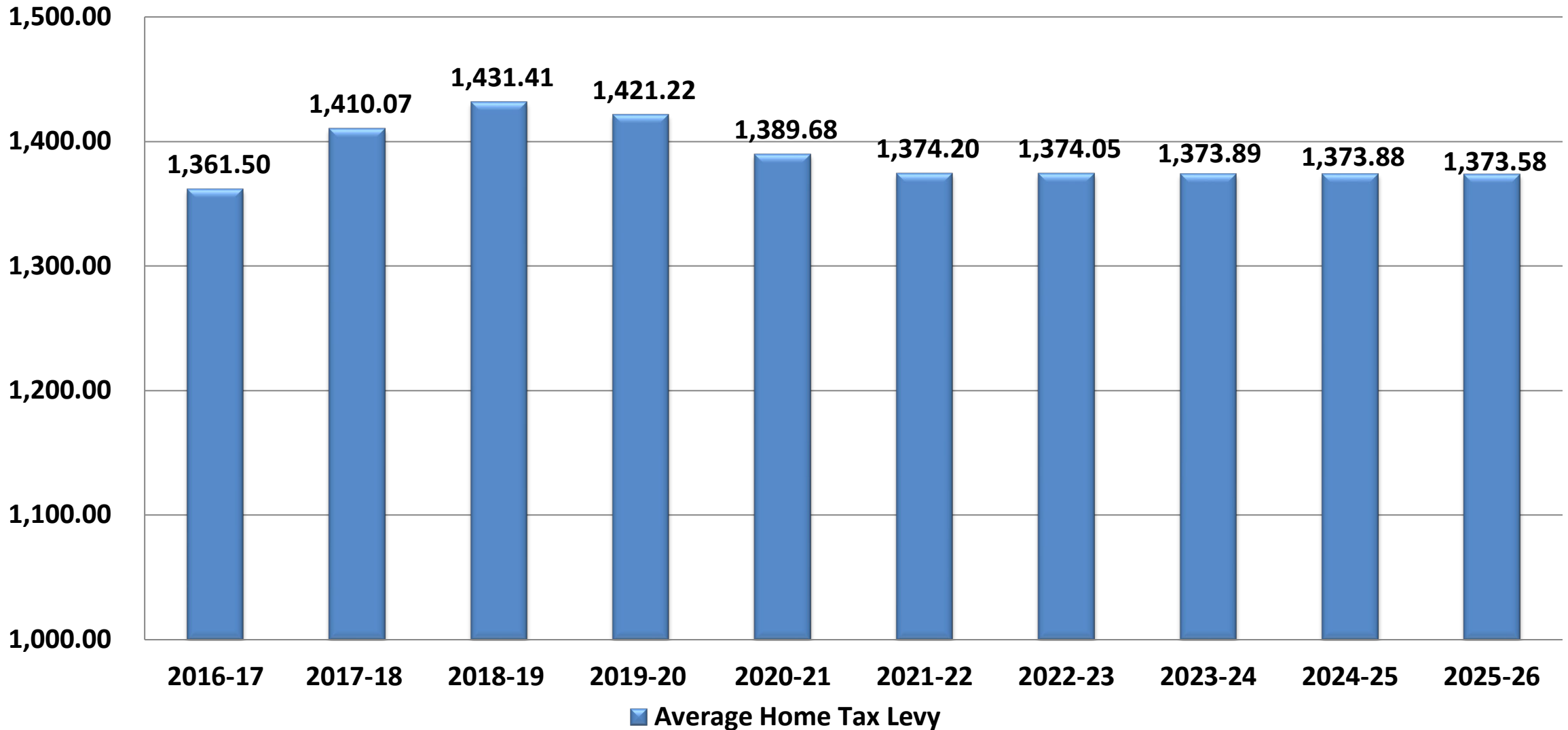
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T-N-T Tax Rates

	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

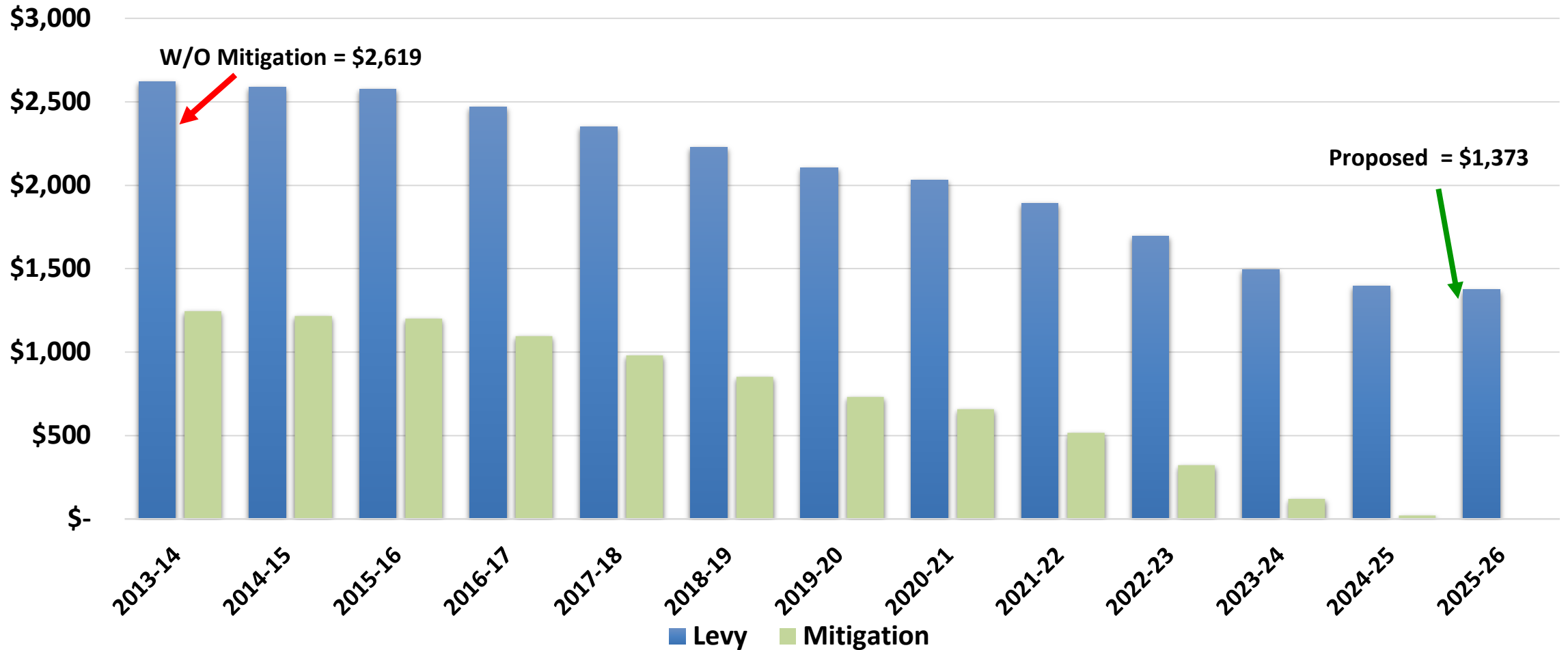
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Average Tax Levy History



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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

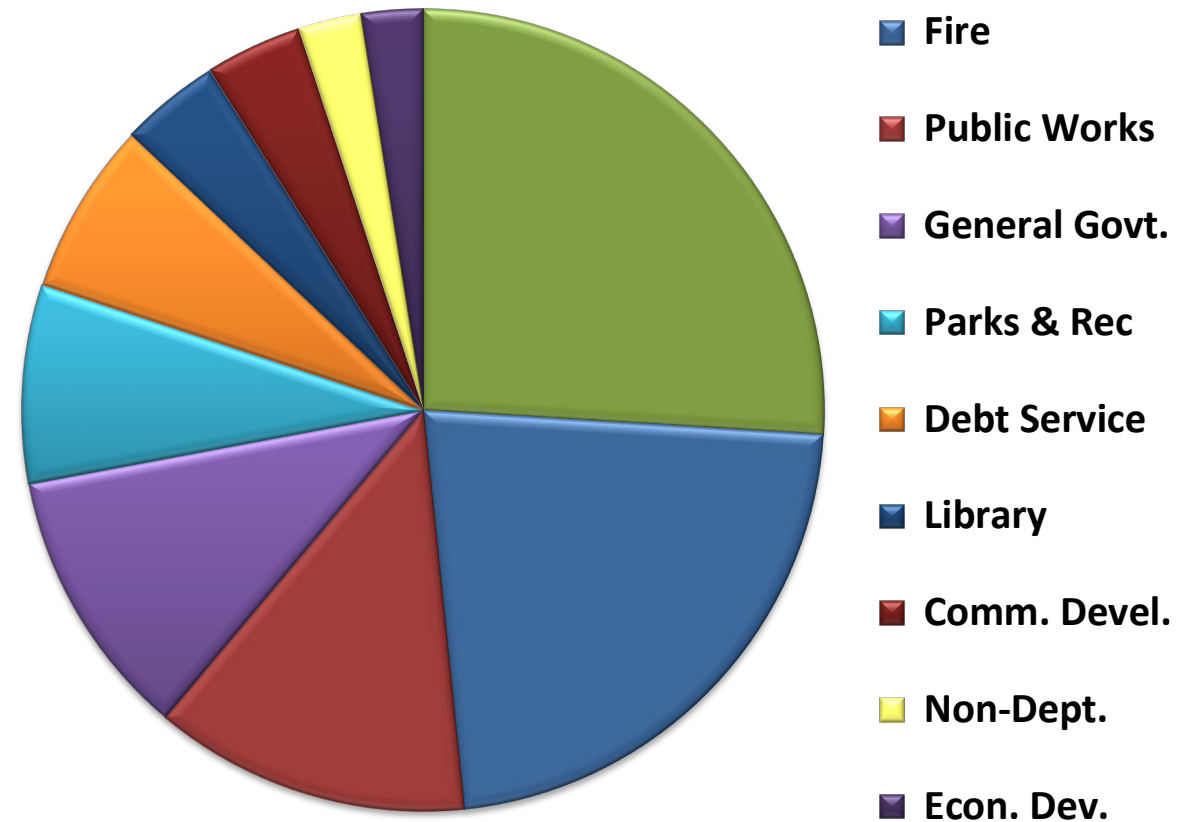
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Cost of City Services for Average Residential Taxpayer

Police	\$ 29.73
Fire	25.62
Public Works	14.58
General Govt.	12.59
Parks & Rec	9.15
Debt Service	8.00
Library	4.62
Comm. Devel.	4.44
Non-Dept.	2.91
Econ. Dev.	2.84

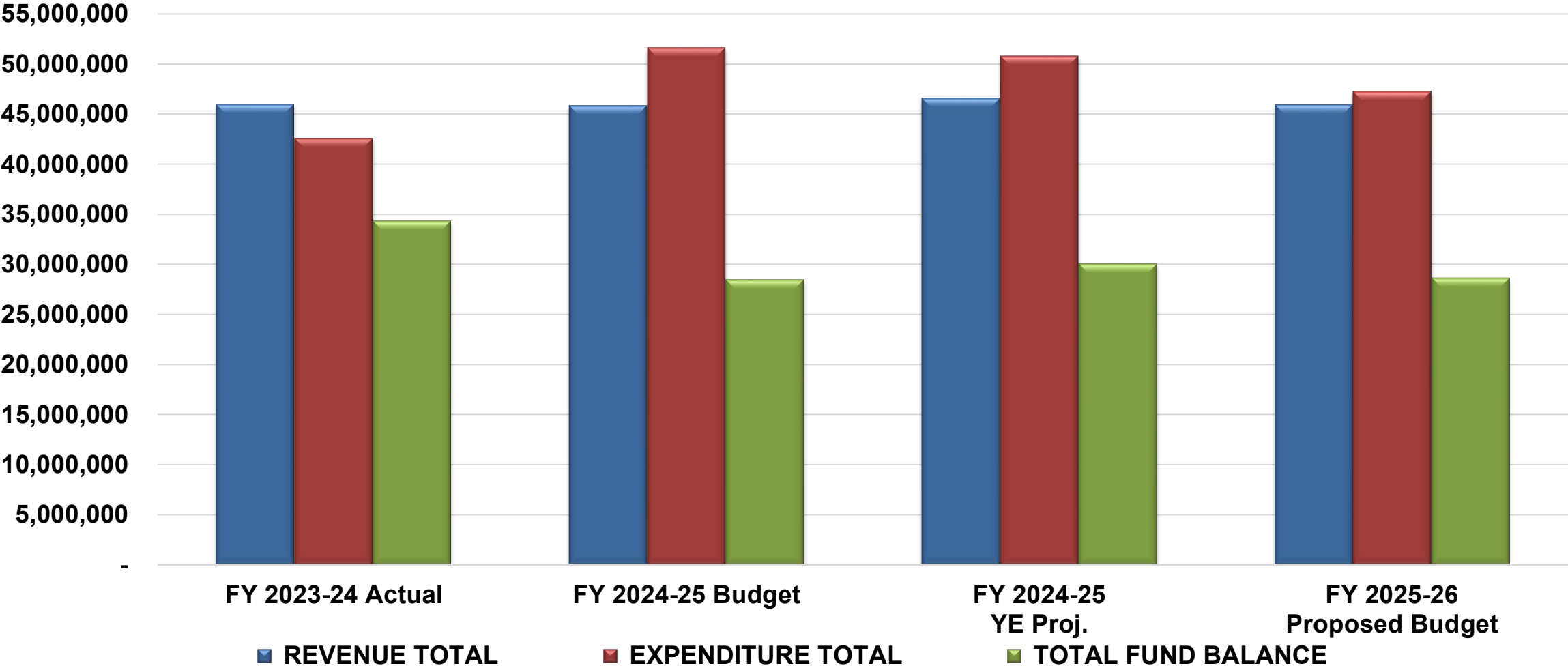
Total	\$ 114.47
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Monthly Cost

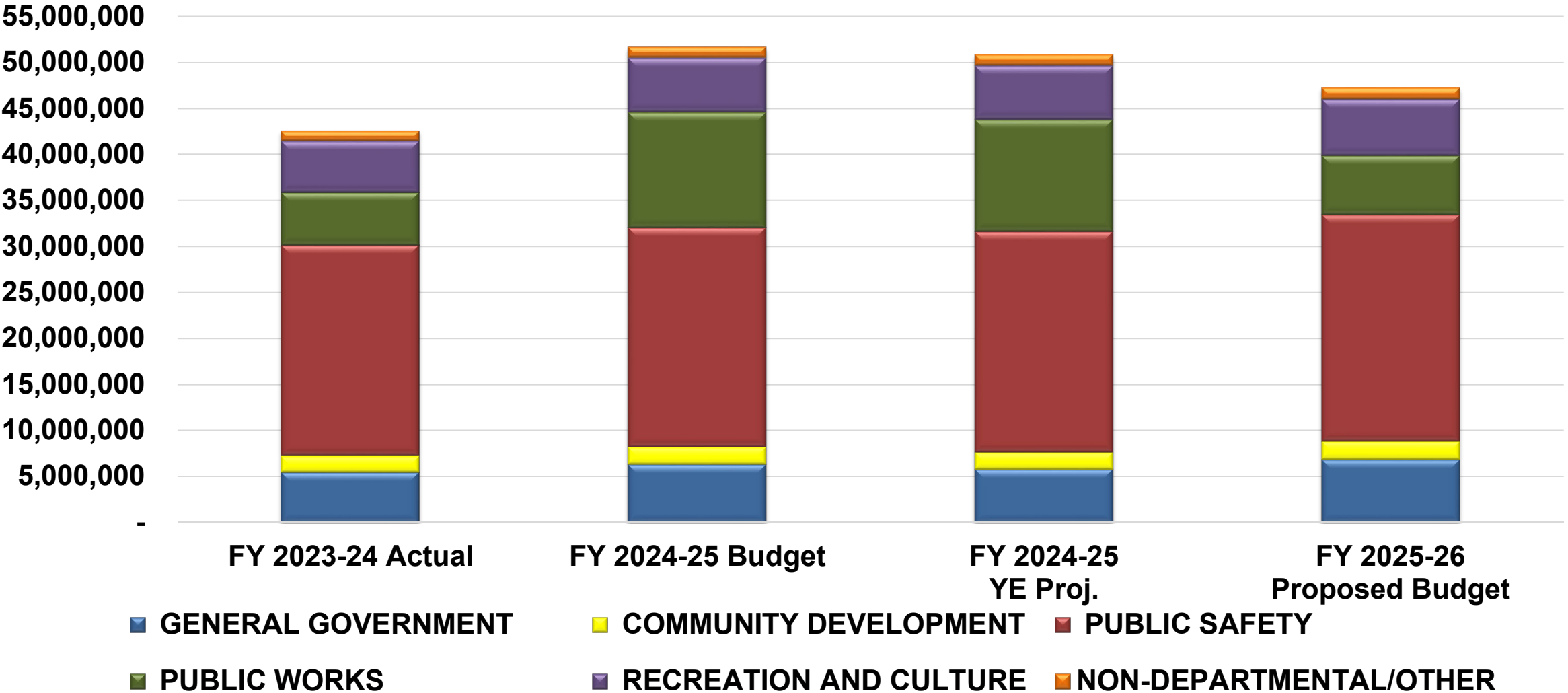


FY 2025-26 Proposed Budget

General Fund Overview



General Fund Expenditures By Activity

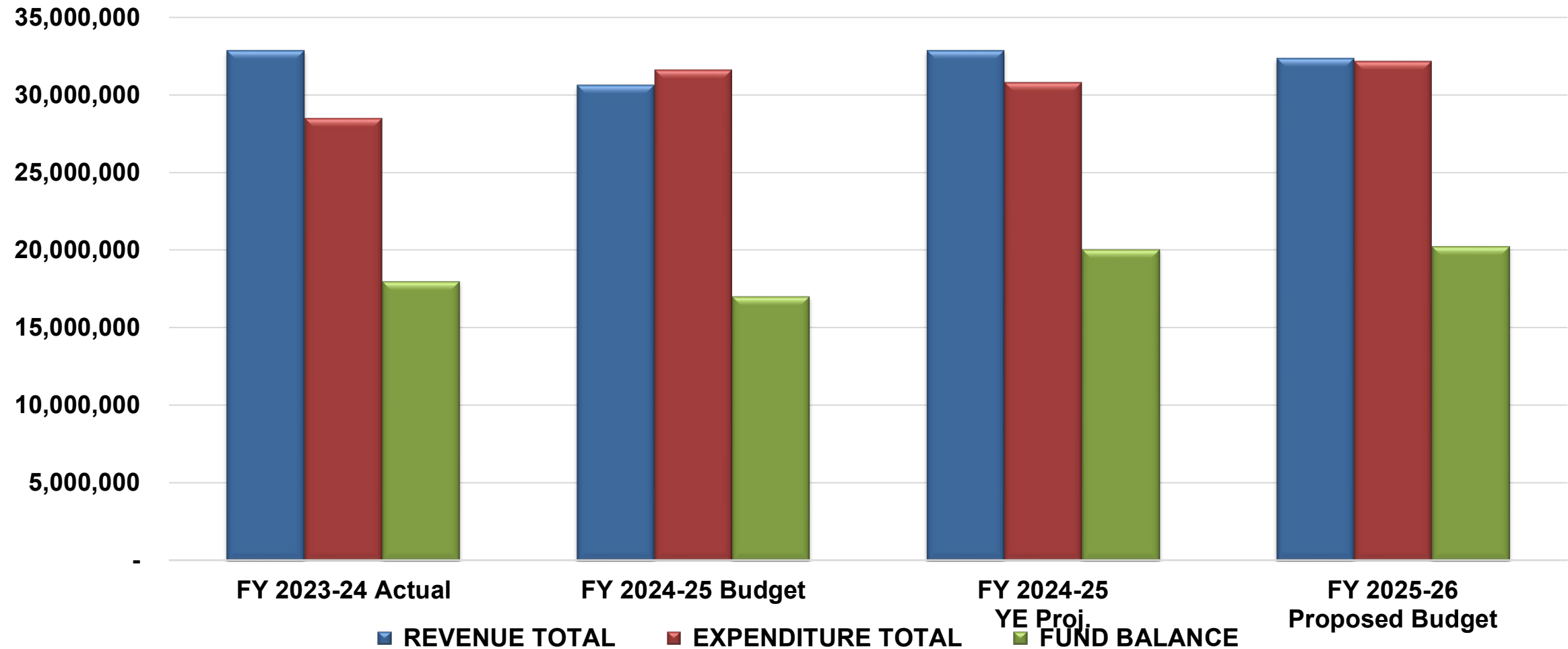


Ad Valorem Expenditures

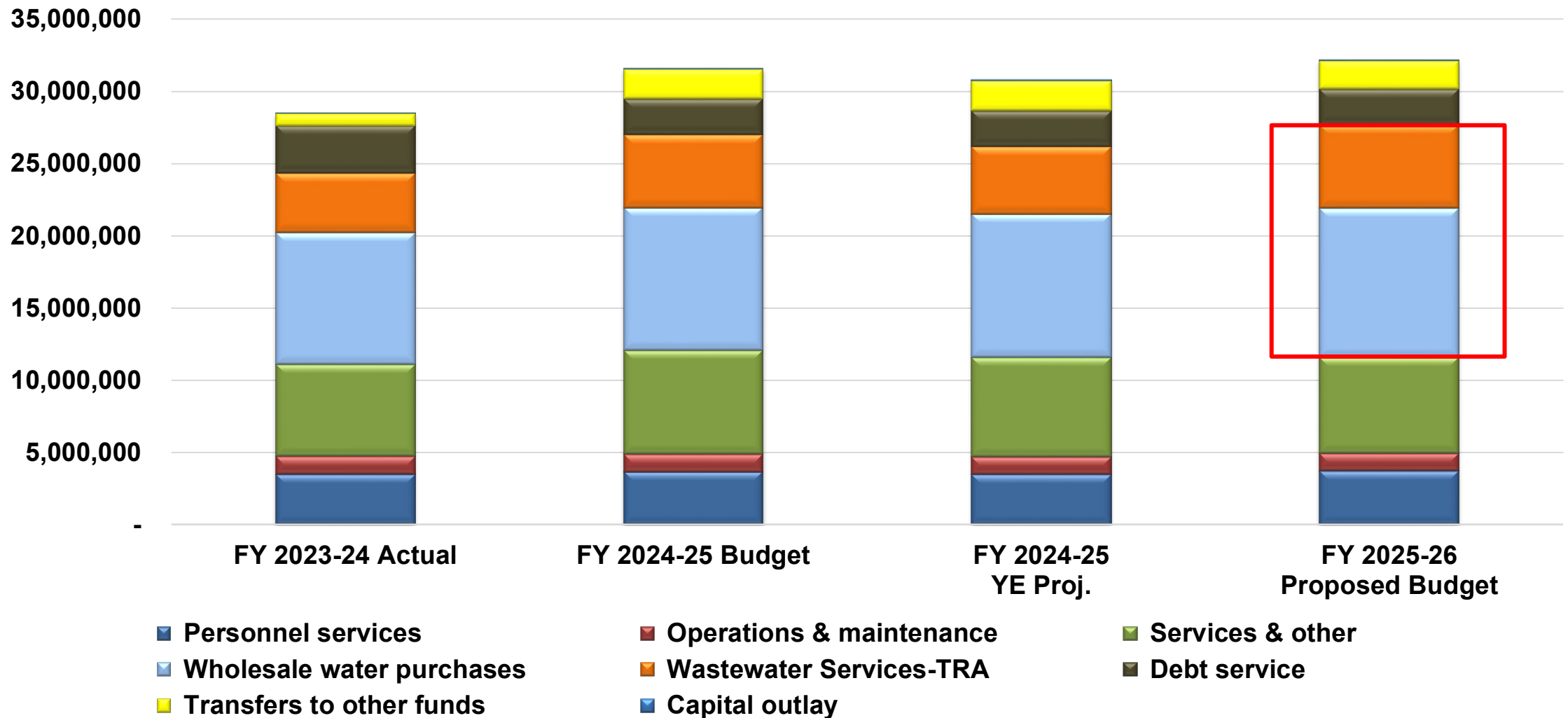
Expenditure	On-Going Cost	One-Time Cost	Total Cost
Street Maintenance	\$ -	\$ 1,172,707	\$ 1,172,707
Compensation	945,605	-	945,605
Sidewalk Improvements	-	550,000	550,000
Economic Development Incentives	-	214,754	214,754
Third Party Utility Inspections	-	200,000	200,000
Fire Prevention Services	175,000	-	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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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>	<i>10,289,726</i>	<i>409,161</i>	<i>4.14%</i>
<i>Wastewater Services-TRA</i>	<i>5,060,458</i>	<i>5,784,103</i>	<i>723,645</i>	<i>14.30%</i>
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

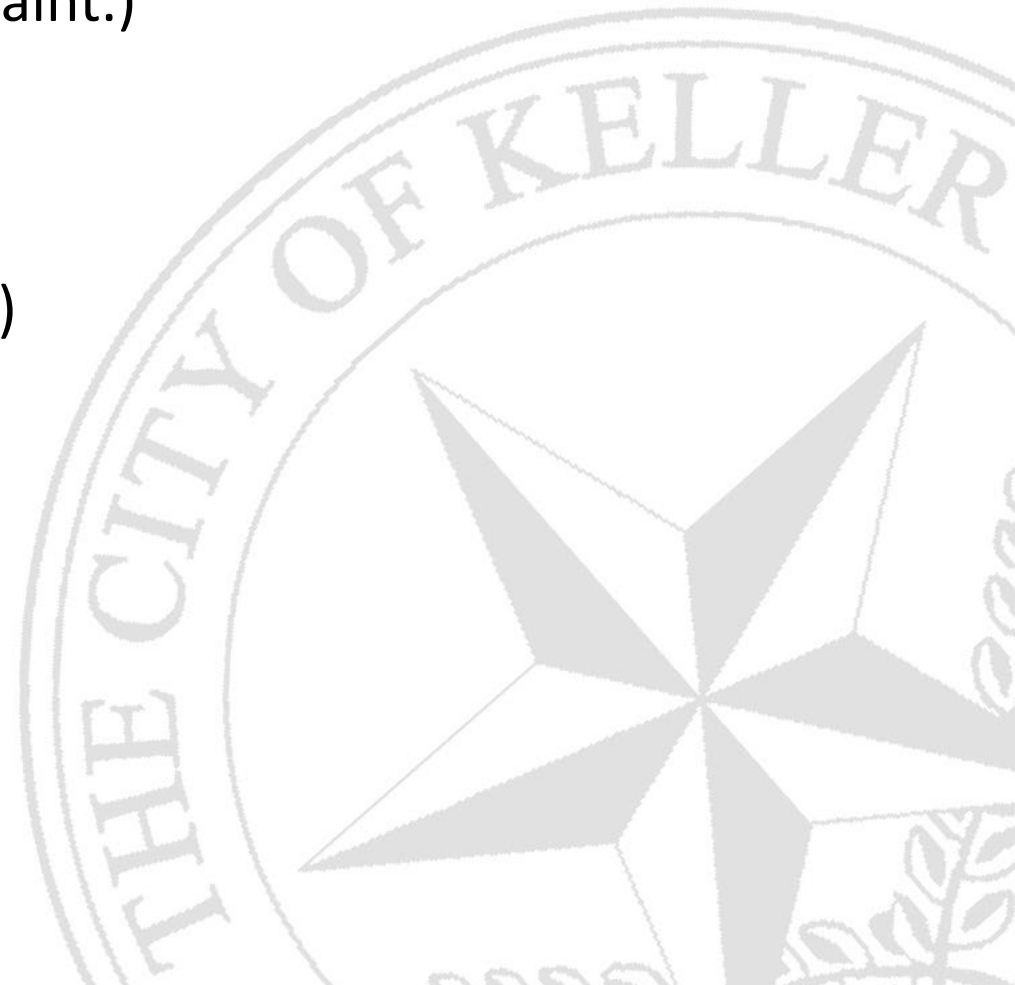
Fund	FY 2025-26 Revenues	FY 2025-26 Expenditures	Variance	Fund Balance
Debt Service Fund	3,695,717	3,566,350	129,367	5,093,688
TIRZ #2	470,615	-	470,615	1,221,415
Keller Development Corporation Fund	4,865,216	5,121,311	(256,095)	2,327,599
Keller Crime Control And Prevention District Fund	2,467,356	2,285,106	182,250	2,962,372
Street And Sidewalk Improvements Fund	2,413,181	2,905,414	(492,233)	88,882
Hotel Occupancy Fund	222,655	200,000	22,655	193,575

Other Enterprise/Internal Service Funds

Fund	FY 2025-26 Revenues	FY 2025-26 Expenditures	Variance	Fund Balance
Self-Insurance Fund	5,037,884	4,975,134	62,750	8,773,617
Keller Pointe	3,524,817	3,463,161	61,656	977,967
Information Technology	3,251,971	3,486,172	(234,201)	2,194,159
Drainage Fund	1,599,192	1,978,133	(378,941)	1,777,058
Fleet Replacement Fund	1,899,972	2,808,015	(908,043)	2,261,772
Facility Replacement Fund	289,422	437,500	(148,078)	1,442,112

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)
- ***Pearson Pump Replacement = \$500K (W-WW)***

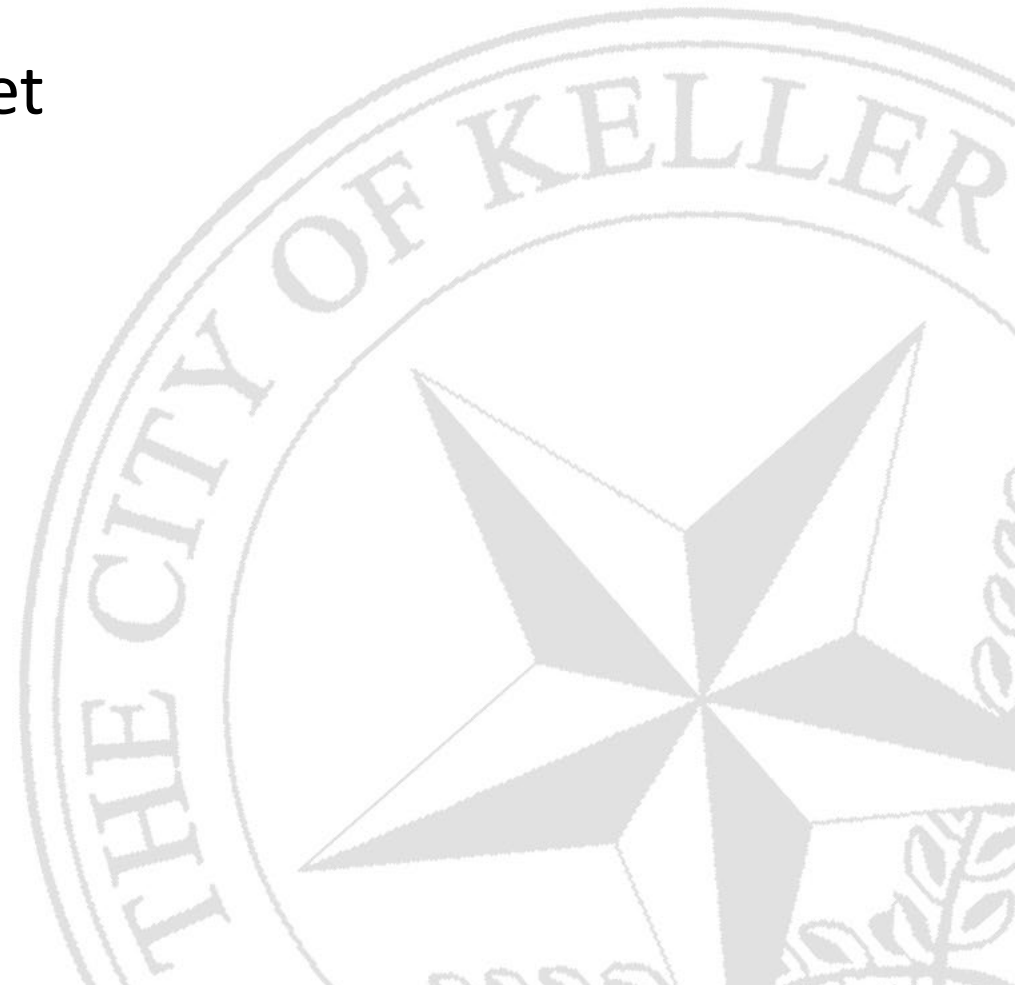


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City Council Action

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





Questions?
Aaron Rector
817-743-4001

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