

Items H-4, H-5, & H-6

H-4 PUBLIC HEARING: Consider an ordinance adopting the annual budget for the City of Keller, Texas, for the fiscal year beginning October 1, 2023 and ending September 30, 2024, including the 2023-24 Capital Improvements Program, and adopting the Fiscal Year 2023-24 Fee Schedule for the City of Keller, Texas

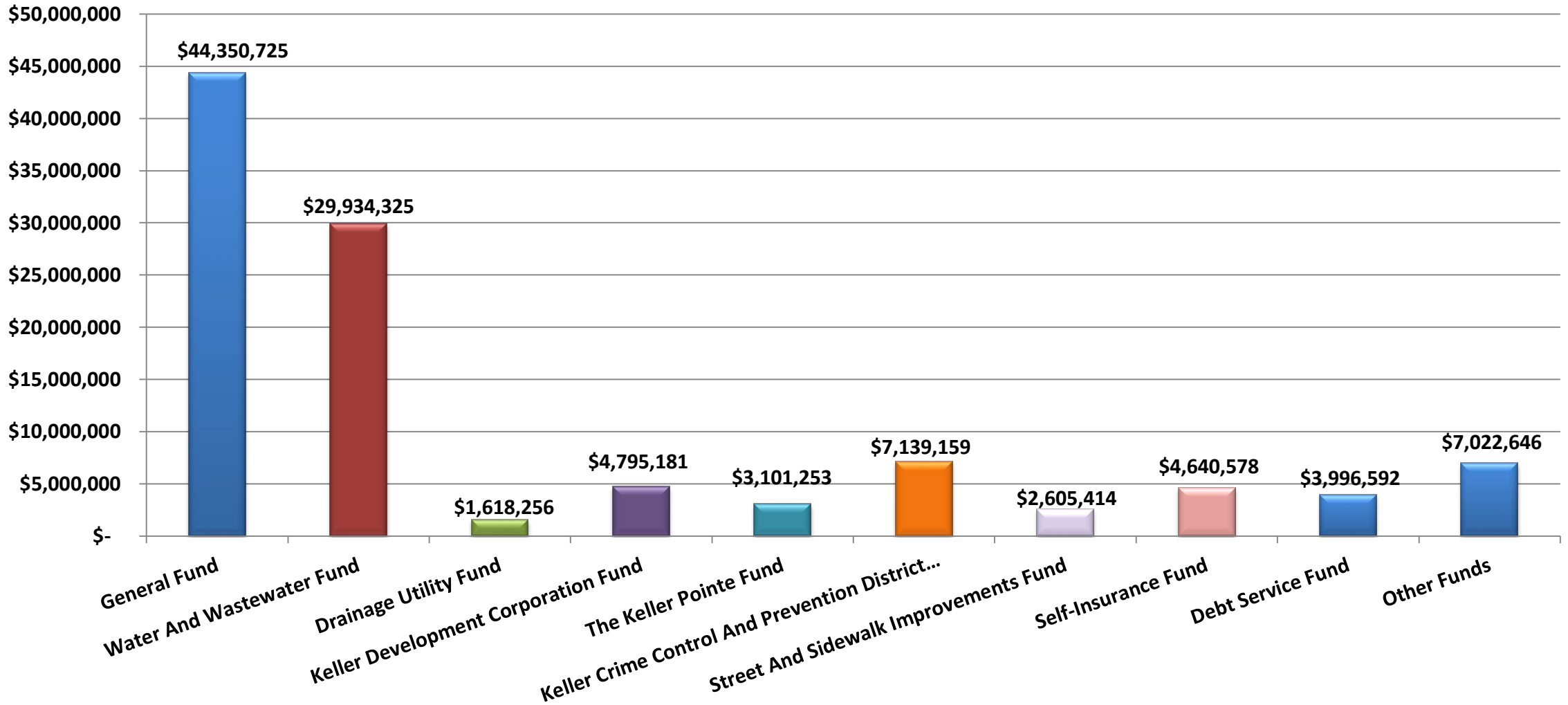
H-5 Consider a resolution ratifying the tax revenue for the Tax Year 2023 (Fiscal Year 2023-24) for the City of Keller, Texas.

H-6 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 2023 (Fiscal Year 2023-24).

Essential Points for FY 2023-24 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 Personnel net increase under 4% (5.3)
- Continued investment in streets and sidewalk infrastructure = \$15.5M (4.1, 4.2)
- Sports Park Debt = \$27.0M
- Elm Street, & SWIFT Debt (2.1)
- Pavement markings = \$700K
- Second Year of TIRZ#2 Fund (2.4, 4.5)
- 2 Detention Officers (cost split with Regional Partners) (1.3)
- Rate adjustments to City water of (2.0)% & wastewater of 8.5% (3.1)
- Maintains All Replacement Funding (3.4)

FY 2023-24 Proposed Operating Budget \$109,204,129



Changes from Published Proposed Budget

- PO “Rollovers” = \$481,725
 - Fire Station Generators = \$261,053
 - Fire Engine Suspension = \$125,000
 - Façade Grants = \$44,480
 - Bunker Gear = \$34,287
 - Fire Equipment/Hoses = \$8,541
 - AC for CERT Truck= \$8,000
- Add Special Events in Parks Fund = \$30,000



FY 2023-24 Proposed Budget

Revenue by Fund

Revenues	FY 2022-23 Budget	FY 2023-24 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 42,169,586	\$ 44,131,048	\$ 1,961,462	4.65%
Water And Wastewater Fund	28,940,247	29,937,849	997,602	3.45%
Drainage Utility Fund	1,521,782	1,554,275	32,493	2.14%
Keller Development Corporation Fund	4,249,050	4,757,442	508,392	11.96%
Keller Crime Control And Prevention District Fund	2,249,898	2,445,115	195,217	8.68%
Street And Sidewalk Improvements Fund	2,110,555	2,356,897	246,342	11.67%
The Keller Pointe Fund	3,678,182	3,102,806	(575,376)	-15.64%
Self Insurance Fund	5,315,511	4,707,586	(607,925)	-11.44%
Debt Service Fund	3,785,444	4,061,596	276,152	7.30%
Other Funds	5,503,662	5,712,319	208,657	3.79%
Total Revenues	\$ 99,523,917	\$ 102,766,933	\$ 3,243,016	3.26%

FY 2023-24 Proposed Budget Expenditure by Fund

Expenditures	FY 2022-23 Budget	FY 2023-24 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 46,509,687	\$ 44,350,725	\$ (2,158,962)	-4.64%
Water And Wastewater Fund	30,551,486	29,934,325	(617,161)	-2.02%
Drainage Utility Fund	1,676,475	1,618,256	(58,219)	-3.47%
Keller Development Corporation Fund	6,705,992	4,795,181	(1,910,811)	-28.49%
Keller Crime Control And Prevention District Fund	2,334,197	7,139,159	4,804,962	205.85%
Street And Sidewalk Improvements Fund	2,110,000	2,605,414	495,414	23.48%
The Keller Pointe Fund	3,490,002	3,101,253	(388,749)	-11.14%
Self-Insurance Fund	4,587,645	4,640,578	52,933	1.15%
Debt Service Fund	3,742,294	3,996,592	254,298	6.80%
Other Funds	8,000,880	7,022,646	(978,234)	-12.23%
Total Expenditures	\$ 109,708,658	\$ 109,204,129	\$ (504,529)	-0.46%

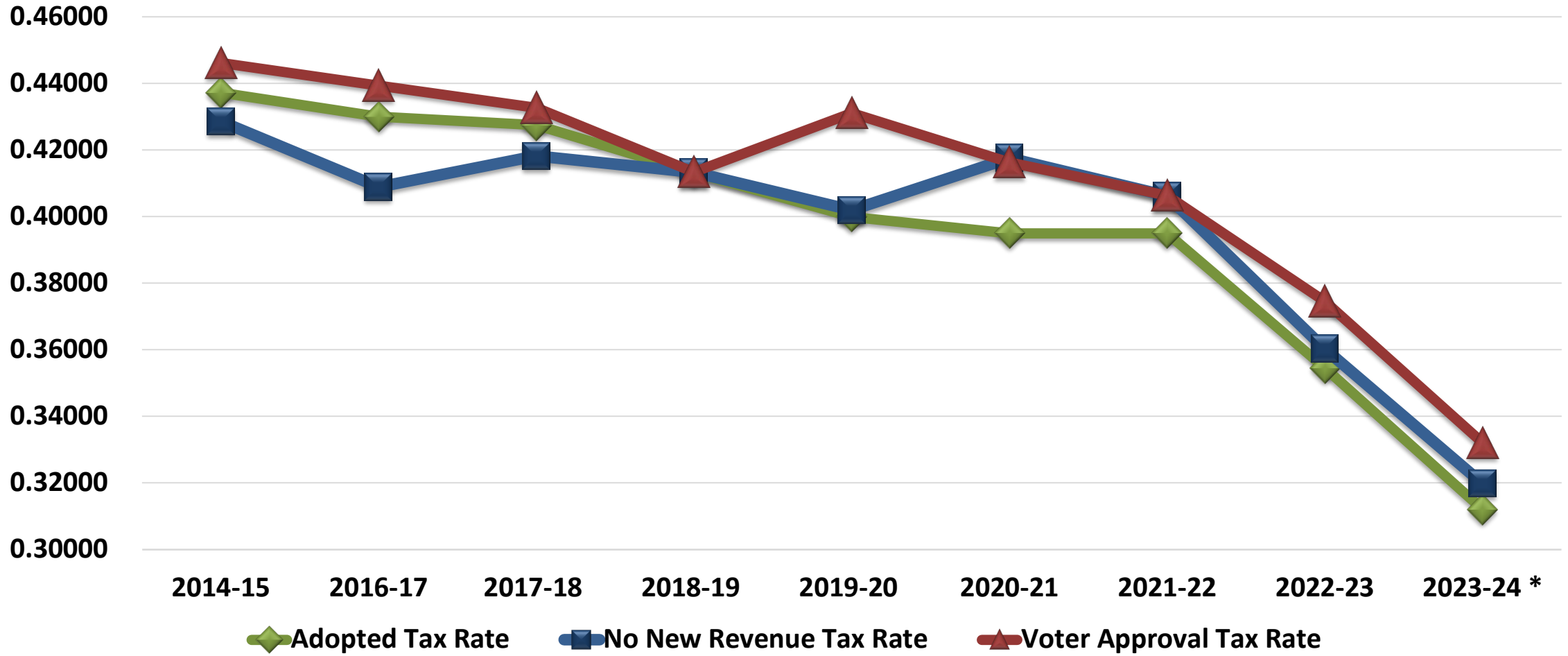
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PROPERTY TAX



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Property Tax Rate History



Levy with Certification

	Current	Certified with Current Rate	Certification
Adjusted Value	6,832,377,912	7,778,099,210	7,778,099,210
No-New-Revenue	0.36028	N/A	0.319772
Voter-Approval	0.37456	N/A	0.332450
City Rate	0.35450	0.35450	0.312000
Collection	\$23,895,979	\$26,742,790	\$24,062,446
Vs. FY 2022-23	-	2,846,811	166,466
New Levy		337,821	297,321
Existing Levy		2,508,989	(130,854)

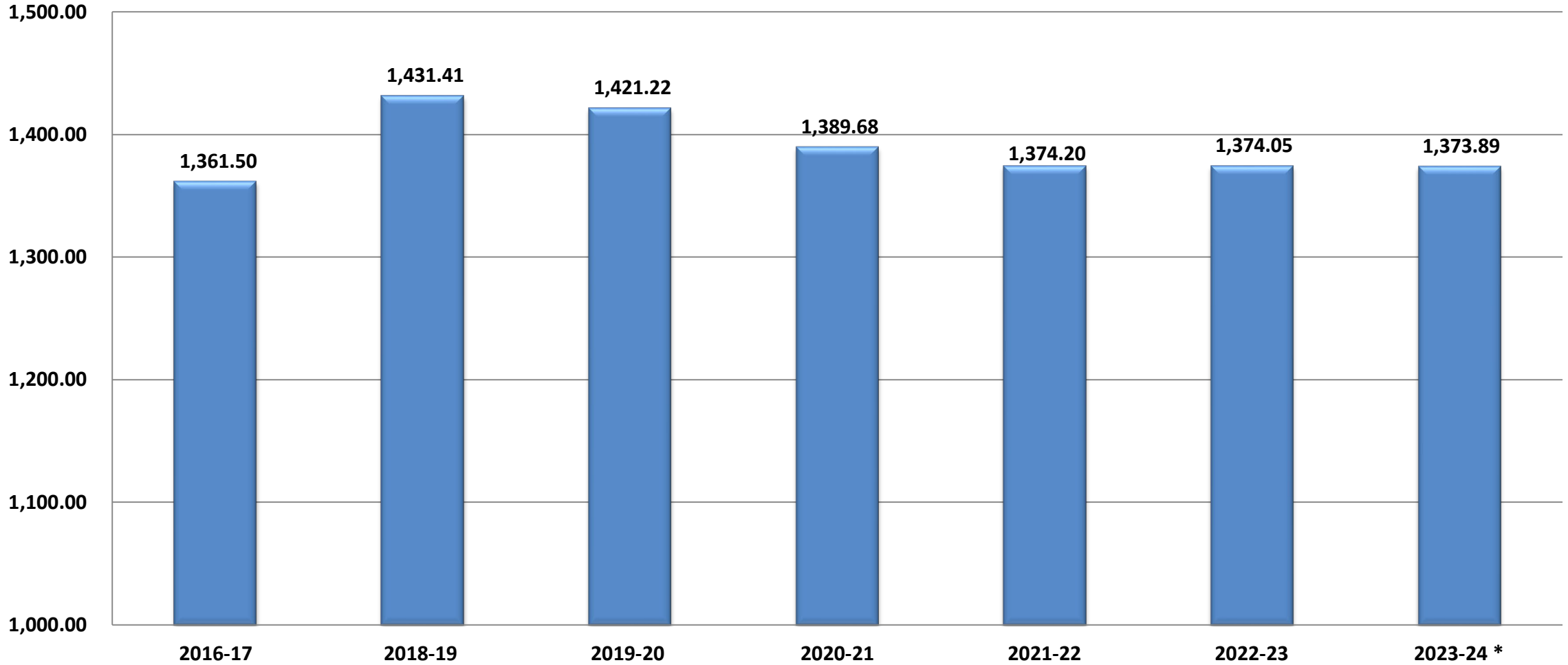
- Value of \$0.0025/100 = \$191,573

Tax Rate Options

	FY 2022-23 Rate	FY 2023-24 Rate	<i>No New Revenue Rate</i>	<i>Voter- Approval Rate</i>	<i>Voter- Approval w/ Incremental Rate</i>
Tax Rate	\$0.35450	\$0.31200	\$0.319772	\$0.332018	\$0.384608
Average Taxable Home	\$387,603	\$440,350	\$440,350	\$440,350	\$440,350
Avg. Home Tax Bill	1,374	1,374*	\$ 1,408	\$1,462	\$1,694
Per Month	114.50	114.49	\$117.34	\$121.84	\$141.14
Change from FY 2022-23 (\$)		(\$0.16)	\$34.06	\$87.99	\$319.57

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

Average Tax Levy History



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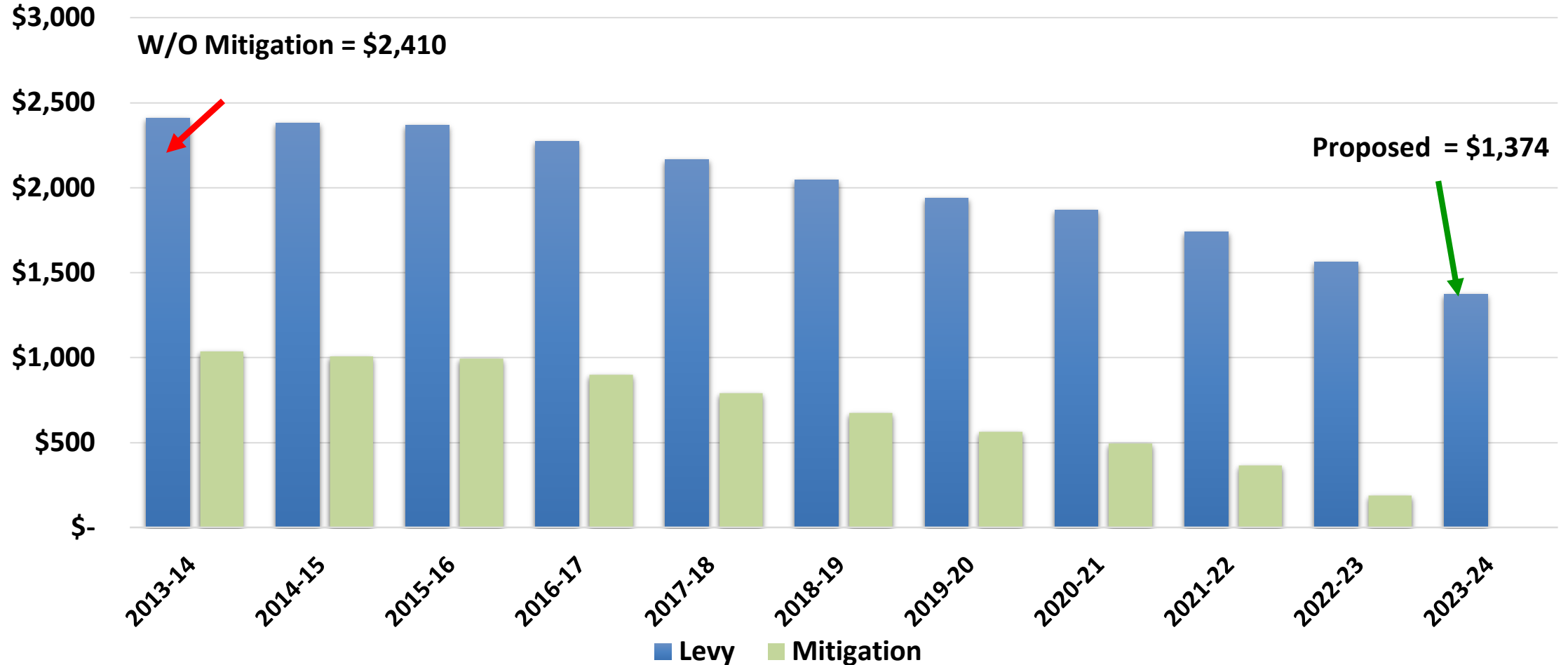
Tax Mitigation Timeline

Fiscal Year	Tax Rate	Change from FY 2013-14	Homestead	Avg. Home Tax Bill without Mitigation
FY 2013-14	\$0.44219	-	1%	2,410
FY 2014-15	\$0.43719	(\$0.00500)	1%	2,382
FY 2015-16	\$0.43469	(\$0.00750)	1%	2,369
FY 2016-17	\$0.43000	(\$0.01219)	4%	2,272
FY 2017-18	\$0.42750	(\$0.01469)	8%	2,165
FY 2018-19	\$0.41325	(\$0.02894)	10%	2,047
FY 2019-20	\$0.39990	(\$0.04229)	12%	1,937
FY 2020-21	\$0.39500	(\$0.04719)	14%	1,870
FY 2021-22	\$0.39500	(\$0.04719)	20%	1,739
FY 2022-23	\$0.35450	(\$0.08769)	20%	1,561
FY 2023-24	\$0.31200	(\$0.13019)	20%	-

\$0.312 & 20% Homestead Exemption vs. FY 14 Rate & 1% HS = \$1,036 savings or ~5.2 month of services

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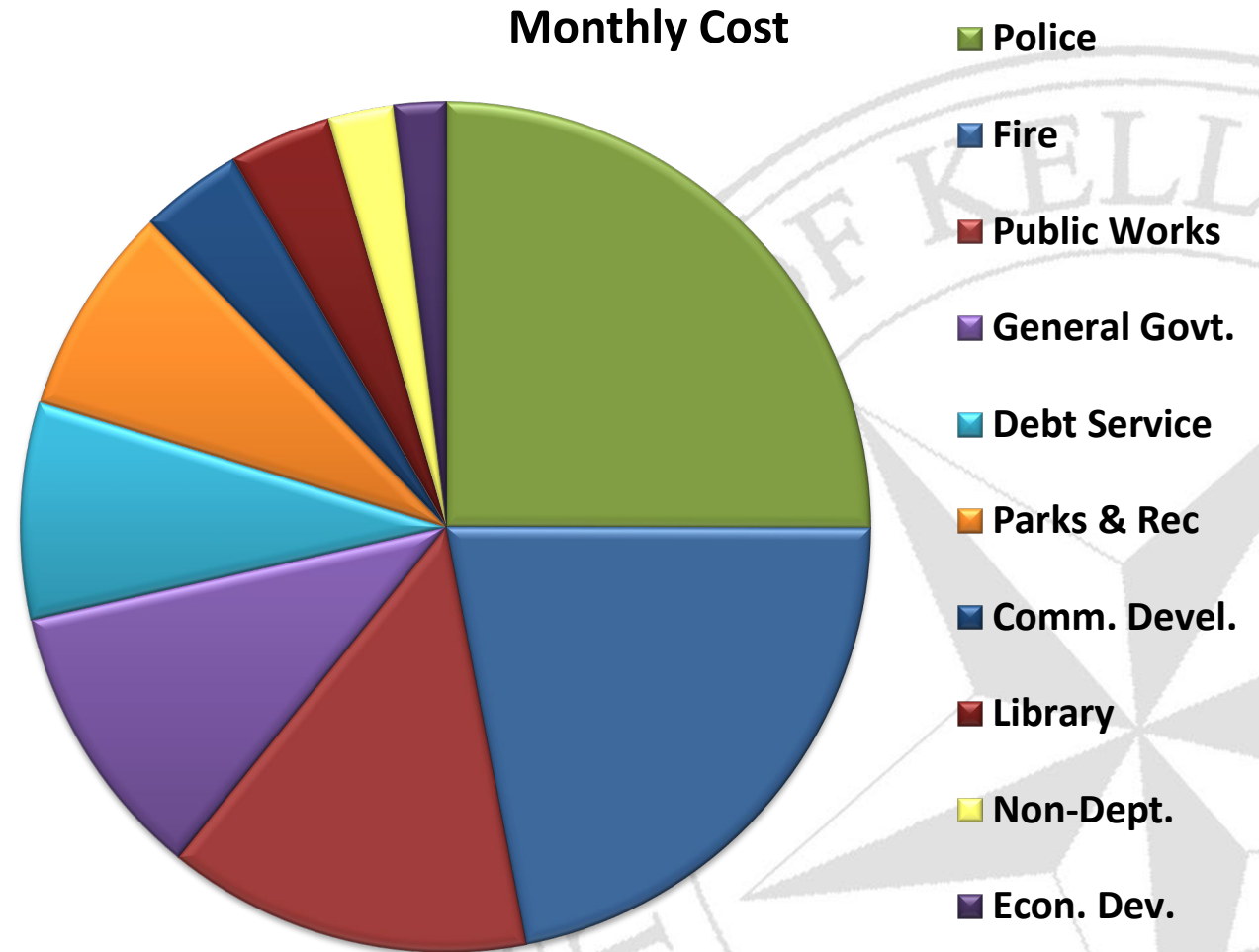
Average 2024 Household Levy Without Tax Mitigation



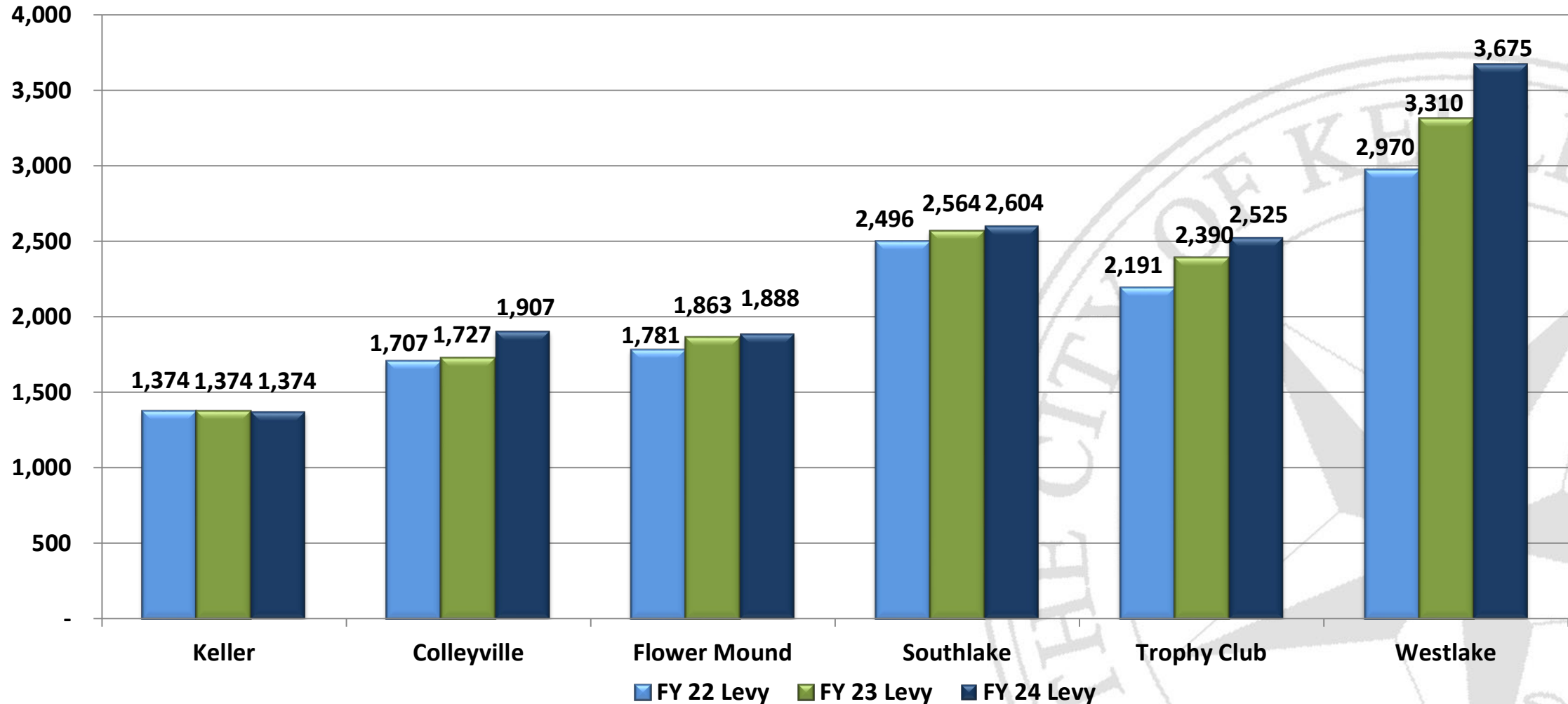
\$0.3120 & 20% Homestead Exemption vs. FY 14 Rate & 1% HS = \$1,036 savings or ~5.2 month of services

Cost of City Services for Average Residential Taxpayer

Police	28.54
Fire	25.40
Public Works	15.83
General Govt.	12.11
Debt Service	9.43
Parks & Rec	9.10
Comm. Devel.	4.46
Library	4.45
Non-Dept.	2.84
Econ. Dev.	2.33
Total	\$ 114.49

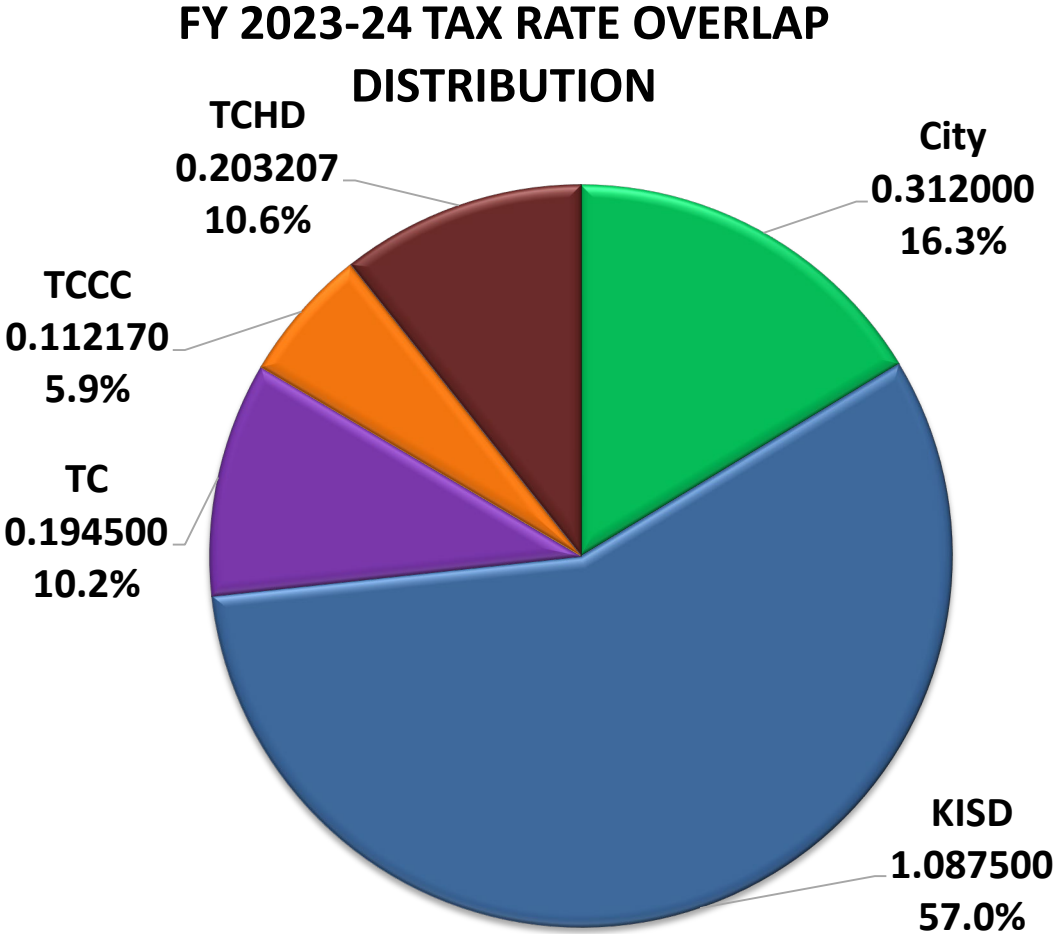


Neighboring Cities' Tax Levies (Average Household)



Overlapping Tax Rate - Estimated

Entity	2023 Levy	2024 Levy	Variance
KISD*	\$ 5,658	\$ 5,551	(107.08)
Keller	1,374	1,374	(0.16)
Tarrant County	1,085	952	(133.64)
TCHD	1,087	994	(93.12)
TCCC	631	617	(13.25)
Total	\$ 9,835	\$ 9,488	(347.26)



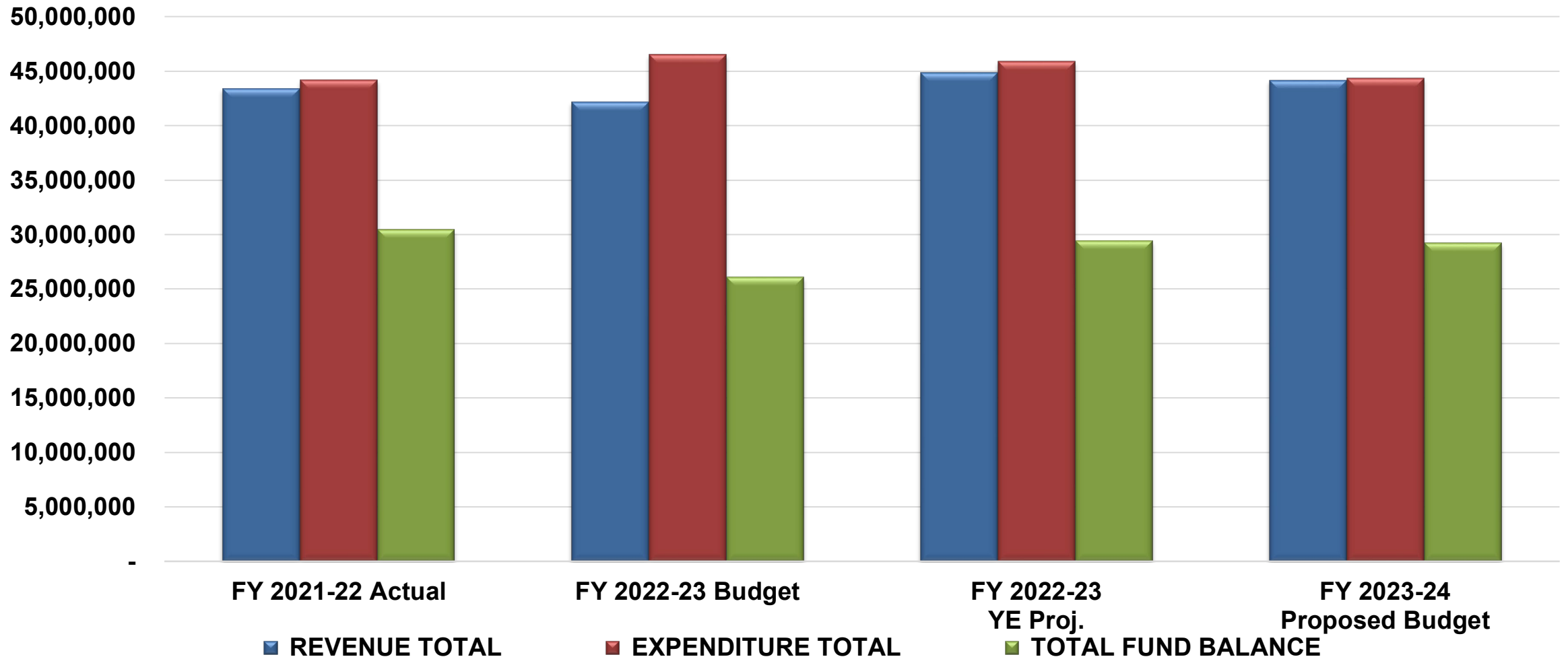
*Does not reflect proposed ISD \$100K homestead

GENERAL FUND

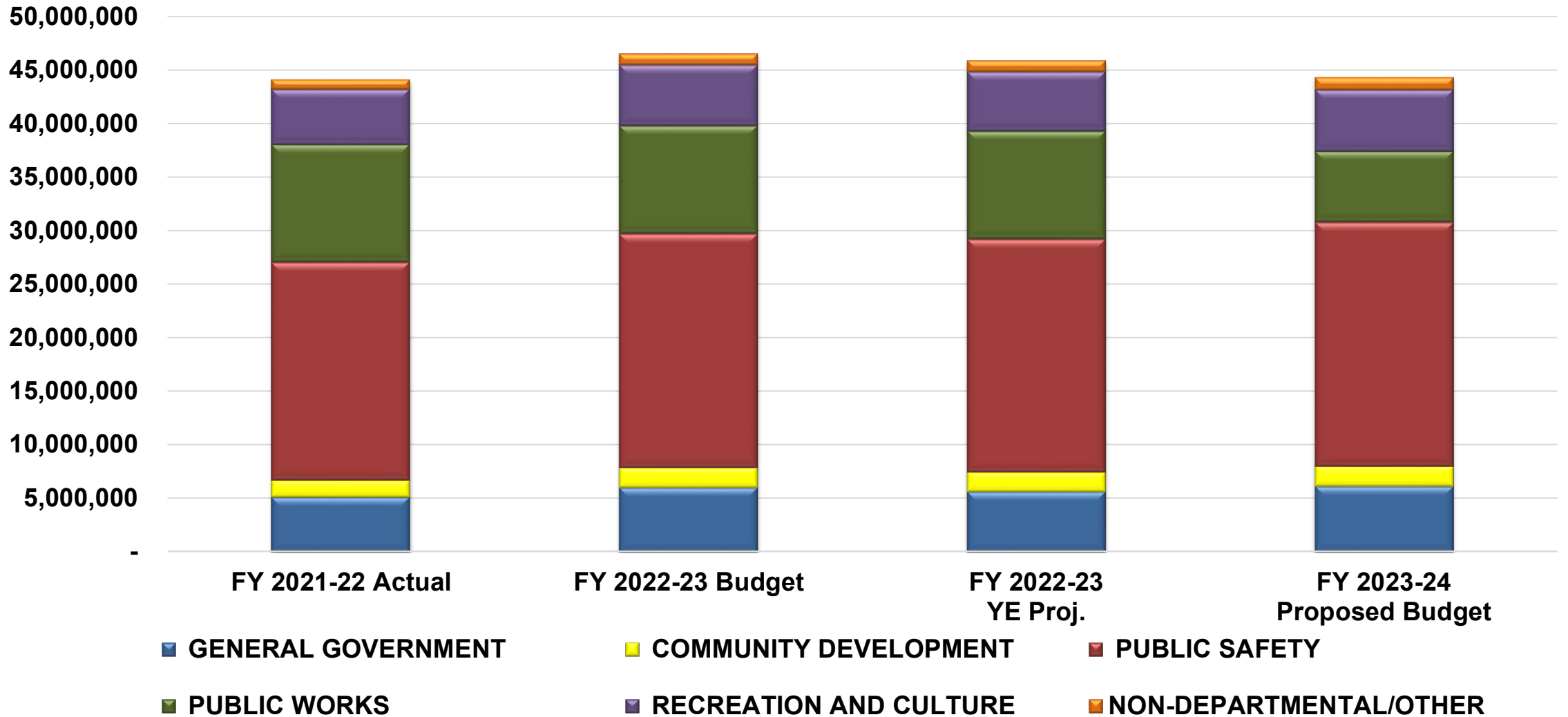


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FY 2023-24 Proposed Budget General Fund Overview



General Fund Expenditures By Activity

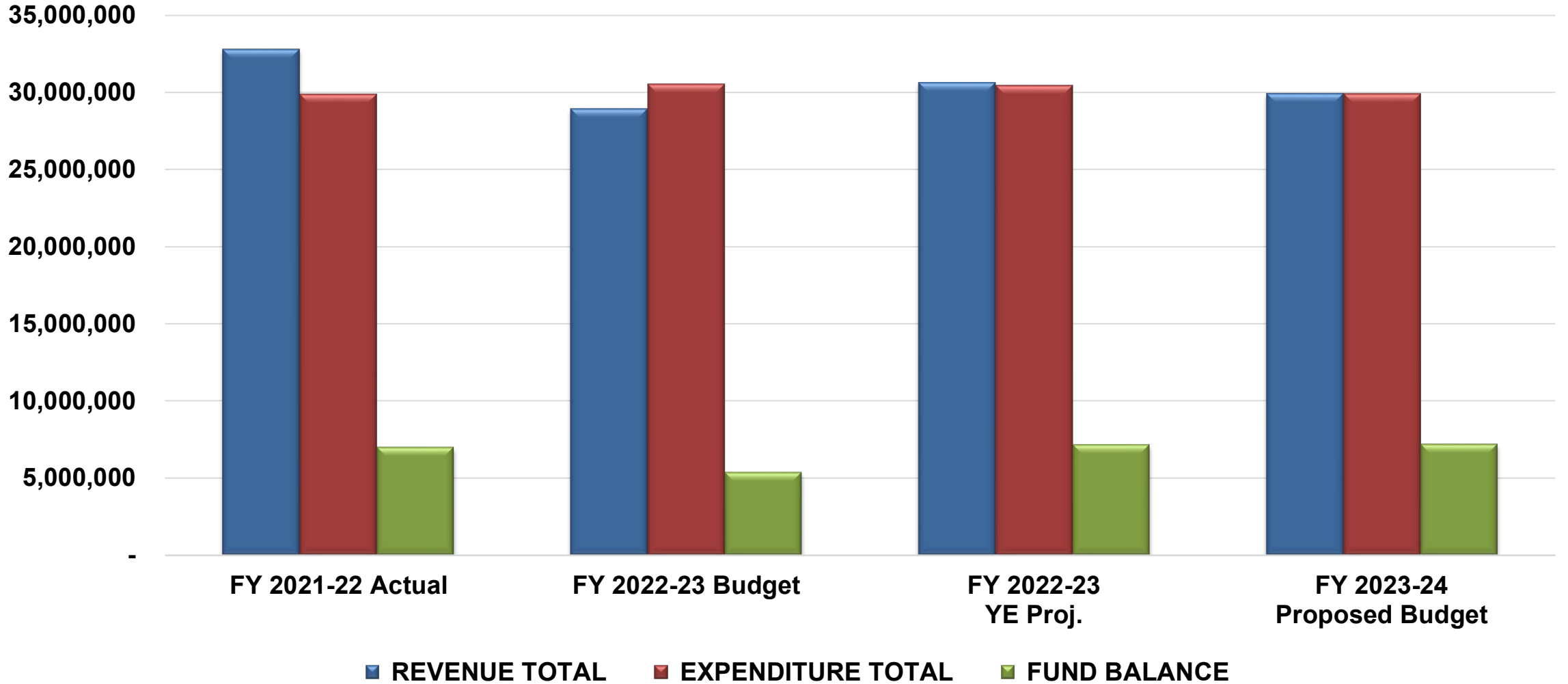


Ad Valorem Expenditures

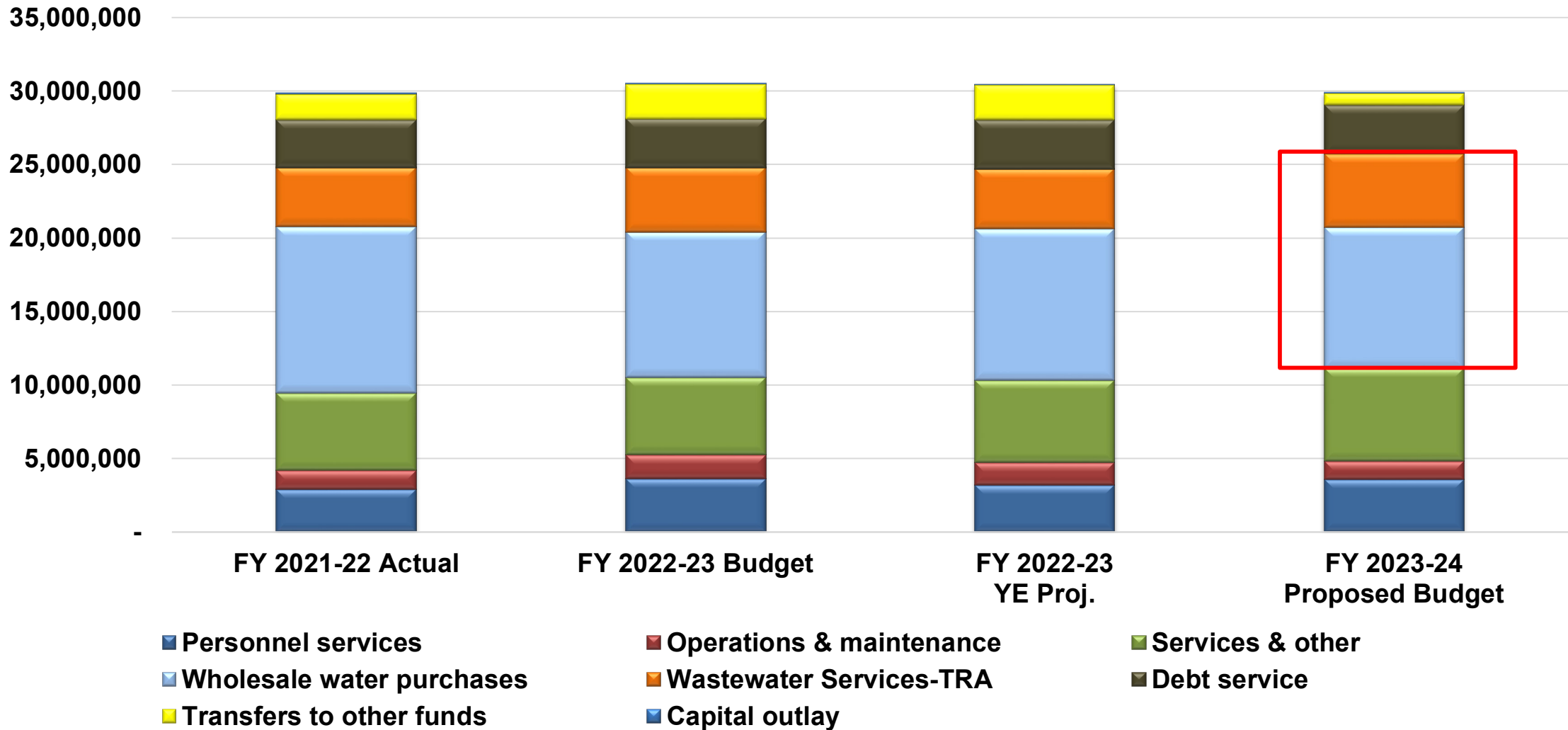
Expenditure	On-Going Cost	One-Time Cost	Total Cost
Compensation	\$ 1,191,625	\$ -	\$ 1,191,625
Pavement Markings	-	700,000	700,000
Old Town Keller/Elm St	-	580,000	580,000
Mt. Gilead Reconstruction	-	512,500	512,500
Dump Truck	24,000	216,000	240,000
Signal Modifications	-	200,000	200,000
Third Party Franchise Inspections	-	200,000	200,000
377 Median Design	-	100,000	100,000
Tarrant Parkway Right Turn Dedication	-	100,000	100,000
Outdoor Warning Siren Replacement	-	47,600	47,600
Third Party Drainage Review	40,000	-	40,000
Third Party Plan Review Increase	30,000	-	30,000
Special Event Enhancements	30,000	-	30,000
Community Strategic Plan-Fire	-	16,350	16,350
Fire Planning Software & Dashboard	13,089	-	13,089
Book Hold Lockers	-	10,000	10,000
Public Art Utility Boxes	1,500	-	1,500
Total	\$ 1,330,214	\$ 2,682,450	\$ 4,012,664

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Water and Wastewater Fund Summary



Water and Wastewater Expenditures



Average Monthly Bill

Monthly Bill	Current	Proposed	Difference (%)	Difference (\$)
<u>ANNUAL AVERAGE MONTHLY BILL</u>				
Water (16,381 Gallons)	102.75	100.64	(2.06)%	(2.11)
Sewer (8,311 Gallons)	55.72	60.42	8.43%	4.70
TOTAL	\$158.47	\$161.06	1.63%	\$2.59
<u>SUMMER AVERAGE MONTHLY BILL</u>				
Water (28,972 Gallons)	180.48	176.77	(2.05)%	(3.71)
Sewer (8,311 Gallons)	55.72	60.42	8.43%	4.70
TOTAL	\$236.19	\$237.19	0.42%	\$0.99

Other Tax Funds

Fund	FY 2023-24 Revenues	FY 2023-24 Expenditures	Variance	Fund Balance
Debt Service Fund	4,061,596	3,996,592	65,004	3,480,619
TIRZ #2	310,626	-	310,626	365,463
Keller Development Corporation Fund	4,757,442	4,795,181	(37,739)	3,483,680
Keller Crime Control And Prevention District Fund	2,445,115	7,139,159	(4,694,044)	2,692,134
Street And Sidewalk Improvements Fund	2,356,897	2,605,414	(248,517)	1,622,243

Other Enterprise/Internal Service Funds

Fund	FY 2023-24 Revenues	FY 2023-24 Expenditures	Variance	Fund Balance
Self-Insurance Fund	4,707,586	4,640,578	67,008	7,012,027
Keller Pointe	3,102,806	3,101,253	1,553	767,075
Information Technology	2,680,186	3,119,404	(439,218)	1,725,644
Drainage Fund	1,554,275	1,618,256	(63,981)	1,769,908
Fleet Replacement Fund	1,895,186	2,535,461	(640,275)	2,468,681
Facility Replacement Fund	263,487	760,553	(497,066)	853,123

FY 2023-24 Facilities Projects

	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Police Station Renovation		4,500,000				4,500,000
Total Facilities Projects	\$-	\$ 4,500,000	\$ -	\$-	\$ -	\$4,500,000

FY 2023-24 Street Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Old Town Keller/Elm St	580,000			10,000,000		10,580,000
2022 Street Reconstruction Project		2,345,414				2,345,414
Mt. Gilead Reconstruction	512,500		512,500			1,025,000
Pavement Markings	700,000					700,000
Pedestrian Masterplan Grant	125,000				475,000	600,000
Sidewalk Repair	302,500					302,500
Bancroft/Spring Branch Reconstruction		250,000				250,000
Signal Modifications	200,000					200,000
377 Median Design	100,000					100,000
Tarrant Parkway Right Turn Dedication	100,000					100,000
Total Street Projects	\$2,620,000	\$2,595,414	\$ 512,500	\$ 10,000,000	\$ 475,000	\$16,202,914

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FY 2023-24 Parks Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Sports Park Revitalization				27,000,000		27,000,000
Sports Park Splash Pad		750,000				750,000
Trail System Expansion		750,000				750,000
Sports Park Playground Replacement		300,000				300,000
Total Parks Projects	\$ -	\$1,800,000	\$ -	\$ 27,000,000	\$ -	\$28,800,000

FY 2023-24 Water Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
SWIFT Water Lines	250,000			4,060,000		4,310,000
Water Tank Maintenance	175,000					175,000
Water Line Replacements	200,000					200,000
Total Water Projects	\$ 625,000	\$ -	\$ -	\$ 4,060,000	\$ -	\$ 4,685,000

FY 2023-24 Wastewater Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Wastewater Line Replacements	200,000					200,000
Total Wastewater Projects	\$200,000	\$ -	\$ -	\$ -	\$ -	\$200,000

FY 2023-24 Drainage Projects

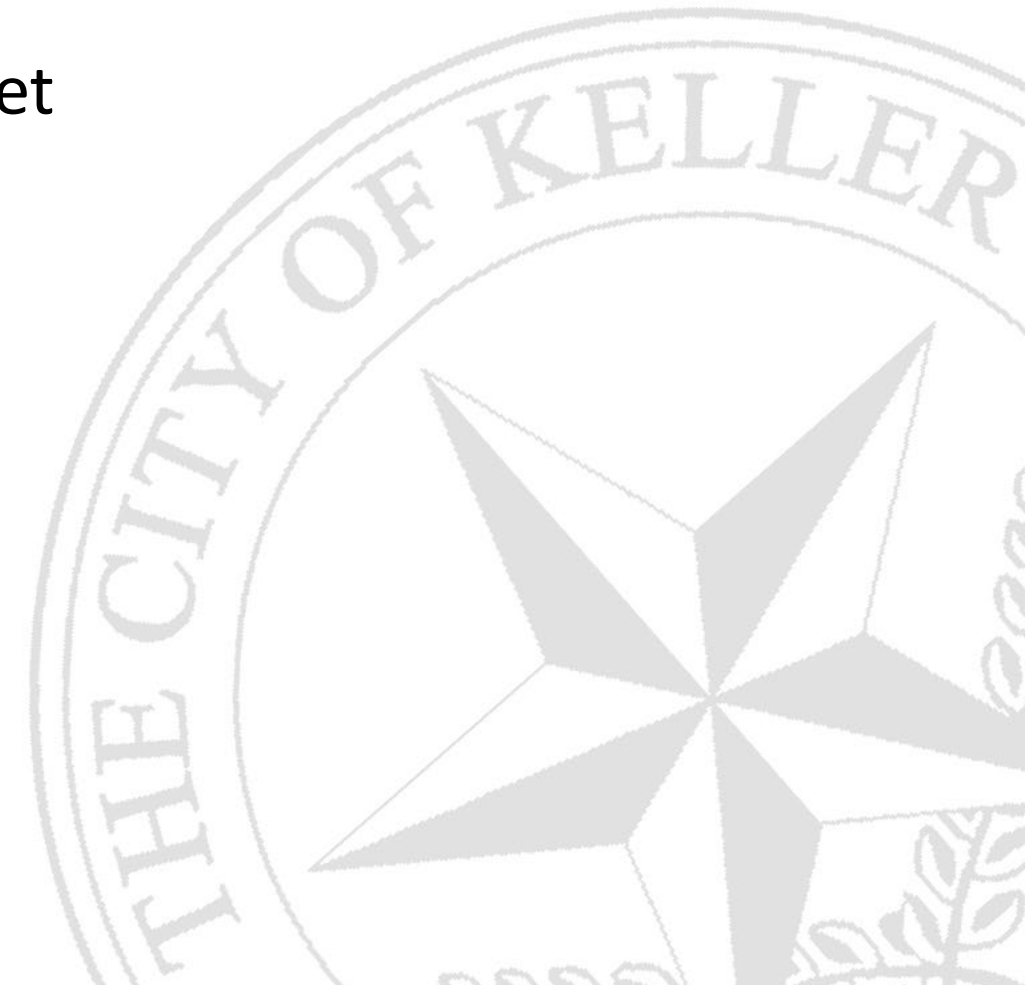
Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Woods Drive	200,000					200,000
Stream Channel Erosion Repairs	50,000					50,000
Total Drainage Projects	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000

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- Rate adjustments to City water of (2.0)% & wastewater of 8.5% (3.1)
- Maintains All Replacement Funding (3.4)

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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