



MEMORANDUM

DATE: June 22, 2026

TO: Keller Development Corporation Board Members

FROM: Cody Maberry, Director of Community Services
Bryan Rebel, Chief Financial Officer

SUBJECT: Proposed FY 2026-27 Keller Development Corporation Annual Budget

Enclosed please find a copy of the proposed FY 2026-27 operating budget for KDC. Revenues are anticipated to increase slightly. The FY 2026-27 operational expenditures will increase slightly, capital improvement project transfers are anticipated to decrease related to the completion of the Keller Sports Park Renovation Project and fewer proposed projects, and capital outlay will increase which should result in an increase to fund balance. The purpose of this report is to provide a detailed explanation for the forecast for revenues, expenses and projects that demonstrate good stewardship in serving the citizens of the City of Keller for the purposes that the Keller Development Corporation was established.

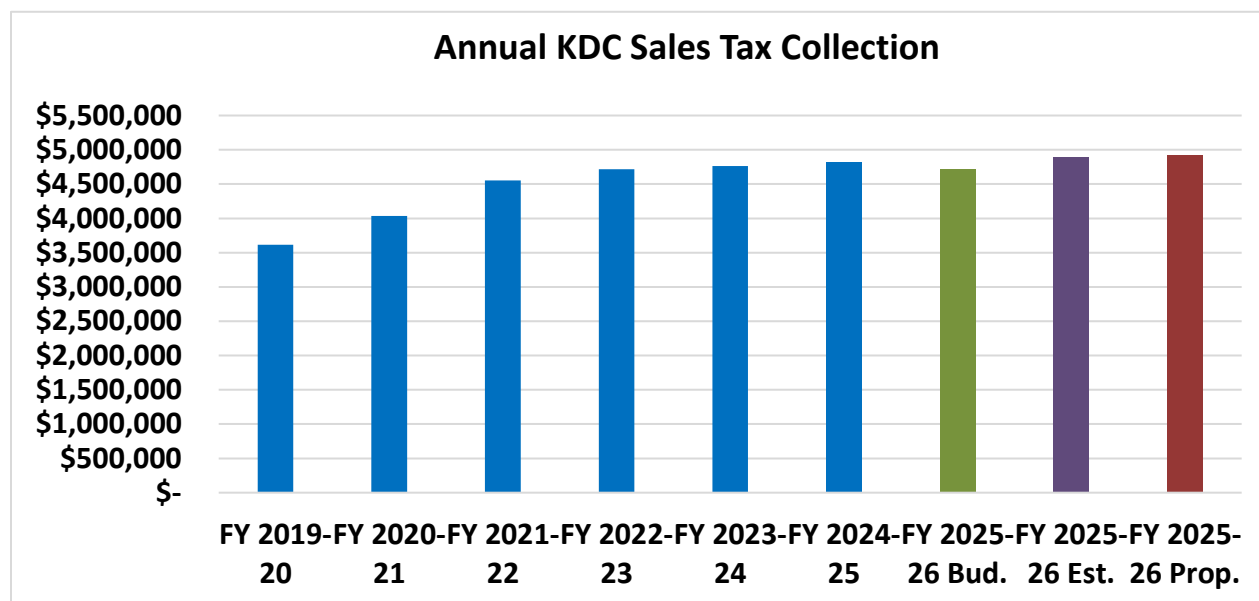
FINANCIAL SUMMARY OF THE OPERATING BUDGET

Revenues: Total projected revenues for FY 2026-27 are \$4,962,412, an increase of \$97,196 or 2.0% over the current year adopted budget and \$55,207 or 1.1% less than the year-end projections. A majority of the KDC revenue is related to sales tax which is projected to be \$142,632 over the current year adopted budget.

Underlying Sales Tax estimate comes from analysis of historical Sales Tax receipts from the Texas State Comptroller. Collections of Sales Tax through May, 2026 were as follows:

SALES TAX SUMMARY – MAY REMITTANCE			
	KDC	Budget Analysis	
		Projected Total	Variance
Current Month	\$473,977	\$455,442	\$18,535
Same Month-Prior Year	\$452,871		4.1%
<i>Incr (Decr)</i>	\$21,106		
<i>Pct change</i>	4.7%		
Current YTD	\$3,210,686	\$3,062,636	\$148,050
Last YTD	\$3,201,887		4.8%
<i>Incr (Decr)</i>	\$8,799		
<i>Pct change</i>	0.27%		
<i>% of Budget</i>	68.2%		
<i>Avg. % of Budget</i>	64.6%		

Below is an annual sales tax collection graph showing prior year actual collections in blue, current year budget in red, current year-end estimate in green, and proposed budget projection in purple. The graph highlights the growth in prior years and that current year-end projection and the proposed budget both match to the current budget.



Other Revenues include \$31,000 for Rental Revenue, the proceeds from the TOCA Soccer Center and ME Development ground lease agreements, and \$78,156 for interest income.

Expenditures: Total FY 2026-27 expenditures are proposed to be \$4,731,516 which is a decrease of \$389,795 or 7.6% from the current year adopted budget. The proposed decrease is related to the completion of the Sports Park Reconstruction Project and fewer proposed projects.

The following items are proposed for FY 2026-27:

- Operations & Maintenance – proposed budget is \$172,122 or an increase of \$496, or 0.2%.
- Debt Service – proposed budget is \$2,599,394 or an increase of \$1,325, or 0.05%, related to the annual Sports Park debt payment.
- Capital Improvement Project Transfers – proposed projects total \$1,920,000, a decrease of \$250,616 or 11.5% over prior year approved budget, and include the following projects:
 - Playground Replacement - \$650,000 is proposed to replace the playground at Johnson Road Park.
 - Synthetic Turf Replacement - \$520,000 is proposed for annual funding to replace all the synthetic turf at the Keller Sports Park in the future.

- Trail System Expansion - \$500,000 is proposed to design and construct additional multi-purpose hike and bike trails throughout the City. Priority will be placed on completing missing trail segments to allow more residents to have access to the entire trail system.
 - Restroom Renovation - \$150,000 is proposed to renovate the restrooms in Johnson Road Park.
 - Wayfinding Signage - \$100,000 is proposed to purchase and install wayfinding signage at the Keller Sports Park.
- Capital Outlay – proposed capital outlay totals \$40,000, a decrease of \$141,000 from the prior year approved budget, to replace aging heavy park maintenance equipment, including two utility vehicles and a stump grinder.

Reserves and Fund Balances: The projected total ending fund balance at September 30, 2027 is \$2,531,189, an increase of \$230,896 or 10.0% over the estimated ending balance for September 30, 2026 of \$2,301,090. An operating reserve of \$649,849 represents 25.0% of annual debt service payments. The remaining \$1,881,340 in fund balance is considered unassigned (available) and could be made available for park improvements as determined by City Council.

Summary

In summary, revenues total \$4,962,412 which is a slight increase and expenditures total \$4,731,516 which is a decrease. This results in a projected increase to fund balance of \$230,896.

If you need additional information, please contact either of us at your convenience.