

FY 2018-19 Budget Work Session

Aug. 28, 2018



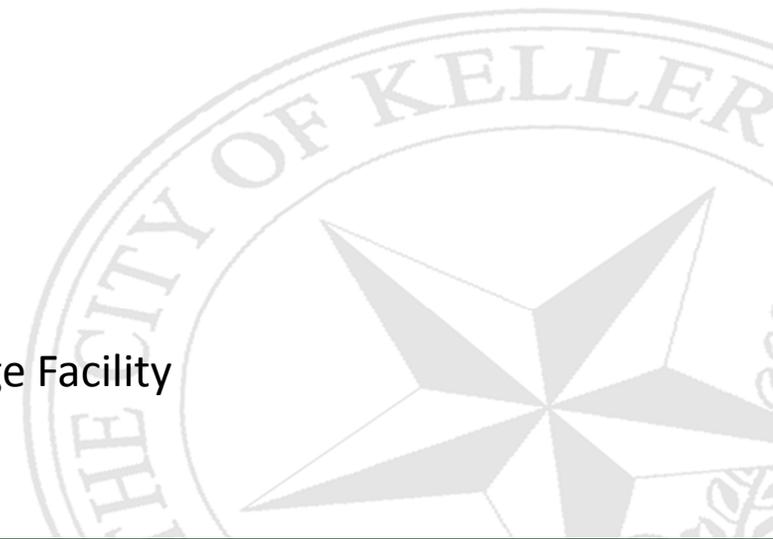
Presentation Overview

- Budget Overview
 - Essential Points
 - Overall Operating Budget
 - Property Tax Calculations
 - Ad Valorem Expenditures
- General Fund Overview
 - Compensation
- Water-Wastewater Overview
- Other Operating Funds
- Capital Improvements Projects
- Next Steps

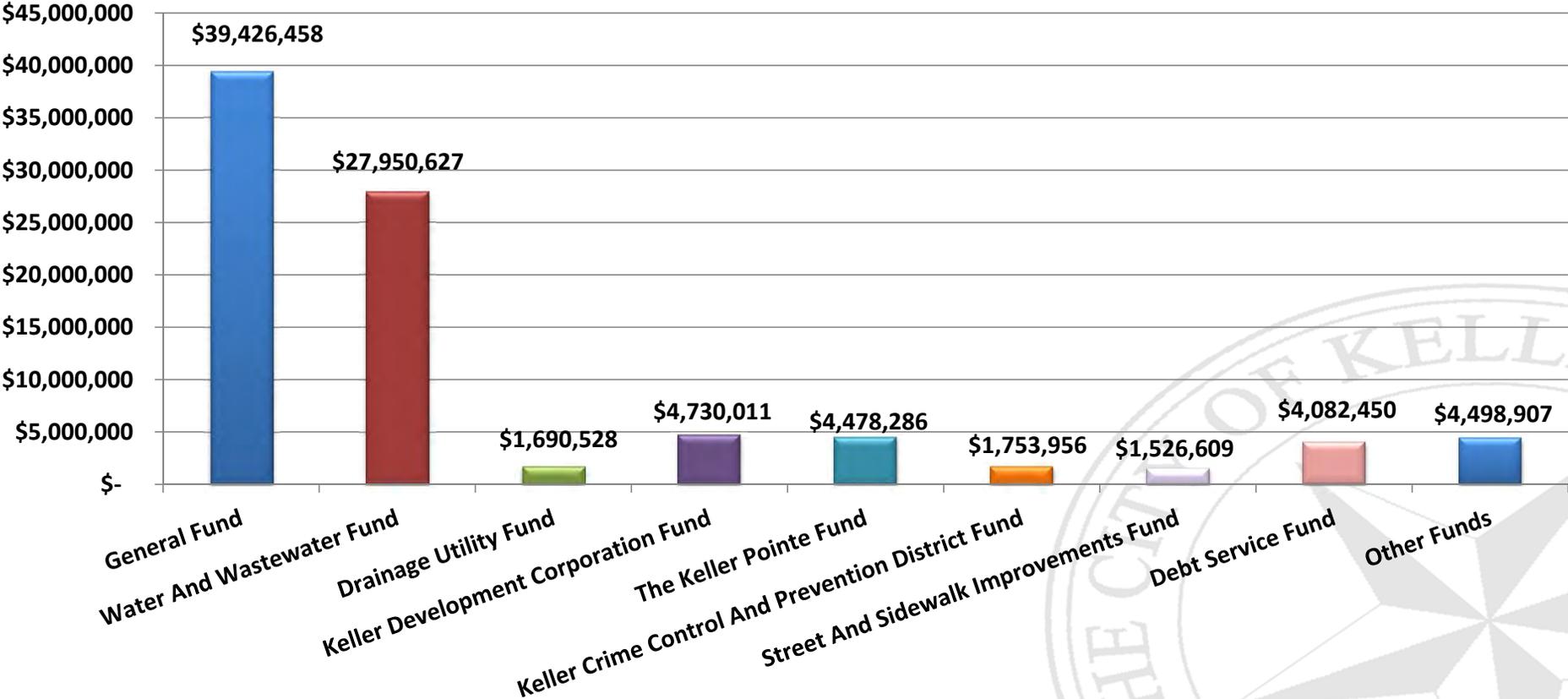


Essential Points for FY 2018-19 Budget

- An operationally balanced budget that meets City Council goals and directions
- Increased Homestead Exemption from 8% to 10%
- Decreased Tax Rate by \$0.01425/100 to \$0.41325/100
- Total GF Personnel under 1%
- Senior Center “Seed” Funds= \$1,600,000*
- Johnson Road Reconstruction = \$2,000,000
- Bear Creek & Whitley Roundabout= \$925,000
- Keller Smithfield & Bear Creek Signal= \$250,000
- Increased Sidewalk Maintenance = \$30,000
- KCCPD = Accreditation Manager @ \$105,000
- Minimal City Water/Wastewater rate adjustments
- KDC = Overton Ridge Park and Bear Creek Restroom /Storage Facility
- Maintains All Replacement Funding
- TIRZ Levy to GF



FY 2018-19 Proposed Operating Budget \$90,137,832



FY 2018-19 Proposed Budget Revenue by Source

Revenues	FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 27,446,659	\$ 23,918,725	\$ (3,527,934)	-12.85%
Sales Tax & Other Taxes	16,378,703	16,802,237	423,534	2.59%
Licenses and Permits	964,856	824,479	(140,377)	-14.55%
<i>Charges for Services</i>	<i>36,086,618</i>	<i>36,969,216</i>	<i>882,598</i>	<i>2.45%</i>
Intragovernmental	1,976,540	1,828,744	(147,796)	-7.48%
Fines and Fees	1,955,320	1,939,504	(15,816)	-0.81%
Development Fees	236,460	198,928	(37,532)	-15.87%
Intergovernmental	3,140,965	3,160,974	20,009	0.64%
<i>Other Revenues</i>	<i>456,195</i>	<i>569,963</i>	<i>113,768</i>	<i>24.94%</i>
Total Revenues	\$ 88,642,316	\$ 86,212,770	\$ (2,429,546)	-2.74%

FY 2018-19 Proposed Budget Revenue by Fund

Revenues	FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 35,767,465	\$ 38,922,924	\$ 3,155,459	8.82%
Water And Wastewater Fund	27,630,832	27,951,785	320,953	1.16%
Drainage Utility Fund	1,458,985	1,477,446	18,461	1.27%
KDC Fund	3,010,647	3,087,407	76,760	2.55%
KCCPD	1,416,603	1,445,755	29,152	2.06%
Street Maintenance Fund	1,550,122	1,581,598	31,476	2.03%
The Keller Pointe Fund	3,287,310	3,232,000	(55,310)	-1.68%
Debt Service Fund	5,382,140	4,137,572	(1,244,568)	-23.12%
TIRZ	5,332,612	-	(5,332,612)	-100.00%
<i>Other Funds</i>	<i>3,805,600</i>	<i>4,376,283</i>	<i>570,683</i>	<i>15.00%</i>
Total Revenues	\$ 88,642,316	\$ 86,212,770	\$(2,429,546)	-2.74%

FY 2018-19 Proposed Budget Expenditure by Category

Expenditures	FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 29,993,112	\$ 30,396,612	\$ 403,499	1.35%
Operations & maintenance	6,372,628	6,308,819	(36,057)	-0.57%
<i>Services & other</i>	<i>14,853,098</i>	<i>15,792,138</i>	<i>881,288</i>	<i>5.91%</i>
Wholesale water purchases	10,230,544	9,715,501	(515,043)	-5.03%
Wastewater Services-TRA	3,591,344	3,700,836	109,492	3.05%
Debt service	12,232,739	9,636,424	(2,596,315)	-21.22%
Transfers to other funds	5,598,747	11,679,312	6,080,565	108.61%
<i>Capital outlay</i>	<i>1,582,952</i>	<i>2,981,133</i>	<i>1,398,556</i>	<i>88.37%</i>
Total Expenditures	\$ 84,484,790	\$ 90,137,832	\$ 5,653,042	6.69%

FY 2018-19 Proposed Budget Expenditure by Fund

Expenditures	FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 35,767,465	\$ 39,426,458	\$ 3,658,993	10.23%
Water And Wastewater Fund	27,331,316	27,950,627	619,311	2.27%
Drainage Utility Fund	1,440,660	1,690,528	249,868	17.34%
Keller Development Corporation Fund	2,722,024	4,730,011	2,007,987	73.77%
Crime Control & Prevention District Fund	1,183,542	1,753,956	570,414	48.20%
Street & Sidewalk Improvements Fund	1,526,250	1,526,609	359	0.02%
The Keller Pointe Fund	3,197,344	4,478,286	1,280,942	40.06%
Debt Service Fund	4,694,983	4,082,450	(611,033)	-13.02%
Tax Increment Reinvestment Fund	2,784,425	-	(2,784,425)	-100.00%
<i>Other Funds</i>	<i>3,838,281</i>	<i>4,498,907</i>	<i>660,626</i>	<i>17.21%</i>
Total Expenditures	\$ 84,484,790	\$ 90,137,832	\$ 5,653,042	6.69%

PROPERTY TAX



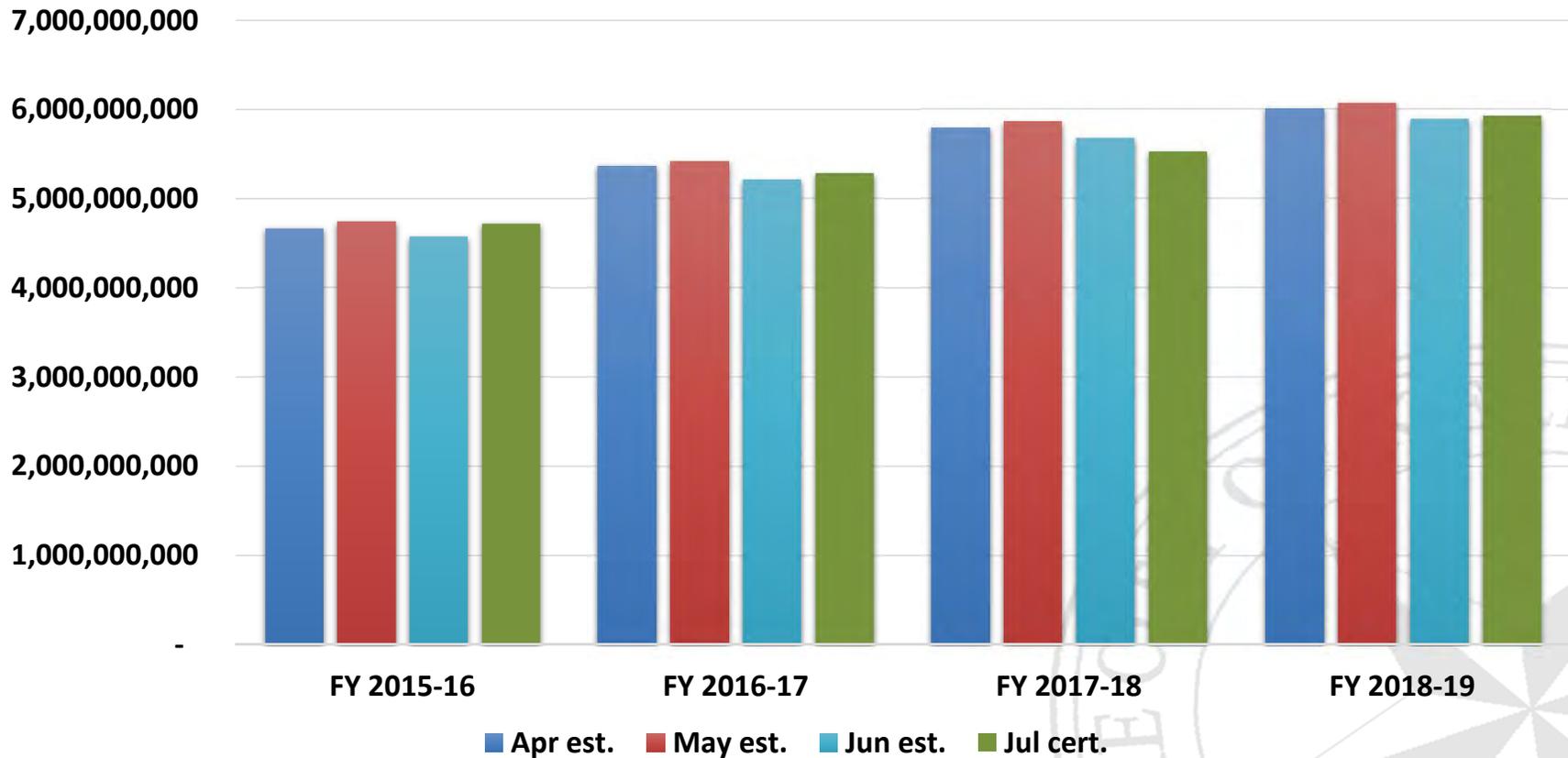
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Levy with Certification

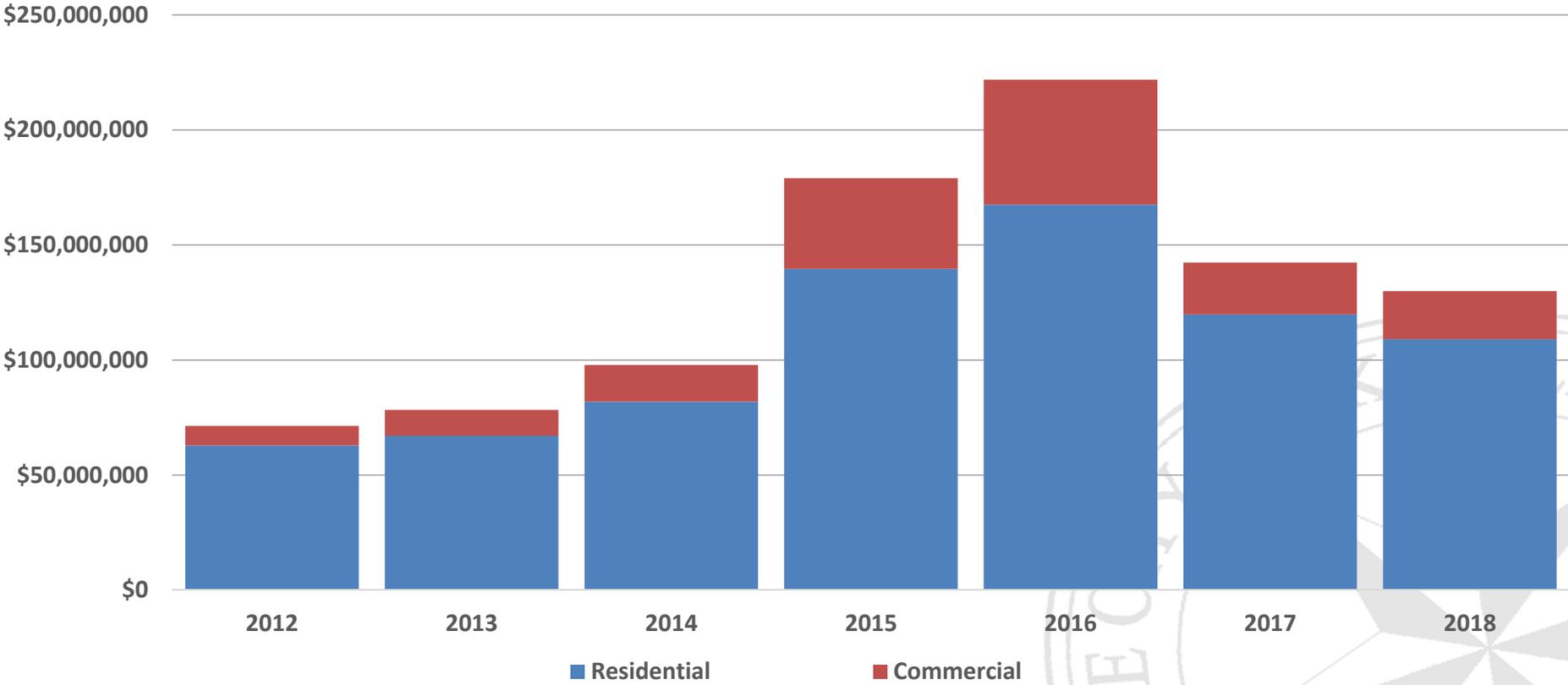
	Current	June Estimate	Certification @ Current TR	Certification @ Proposed TR
Adjusted Value	4,657,305,710	5,222,483,159	5,121,689,116	5,121,689,116
Effective	0.415271	N/A		0.413279
Rollback	0.429901	N/A		0.413302
City Rate	0.427500	0.427500	0.427500	0.413250
Collection	\$23,132,822	\$24,894,899	\$24,467,236	\$23,742,869
Vs. FY 2017-18	-	1,762,077	1,334,414	610,047
New Levy	608,591	555,526	555,526	537,008
Existing Levy	335,717	1,206,551	778,888	73,038

- Value of \$0.0025/100 = \$143,736

Property Tax Value – April thru Certified



New Construction

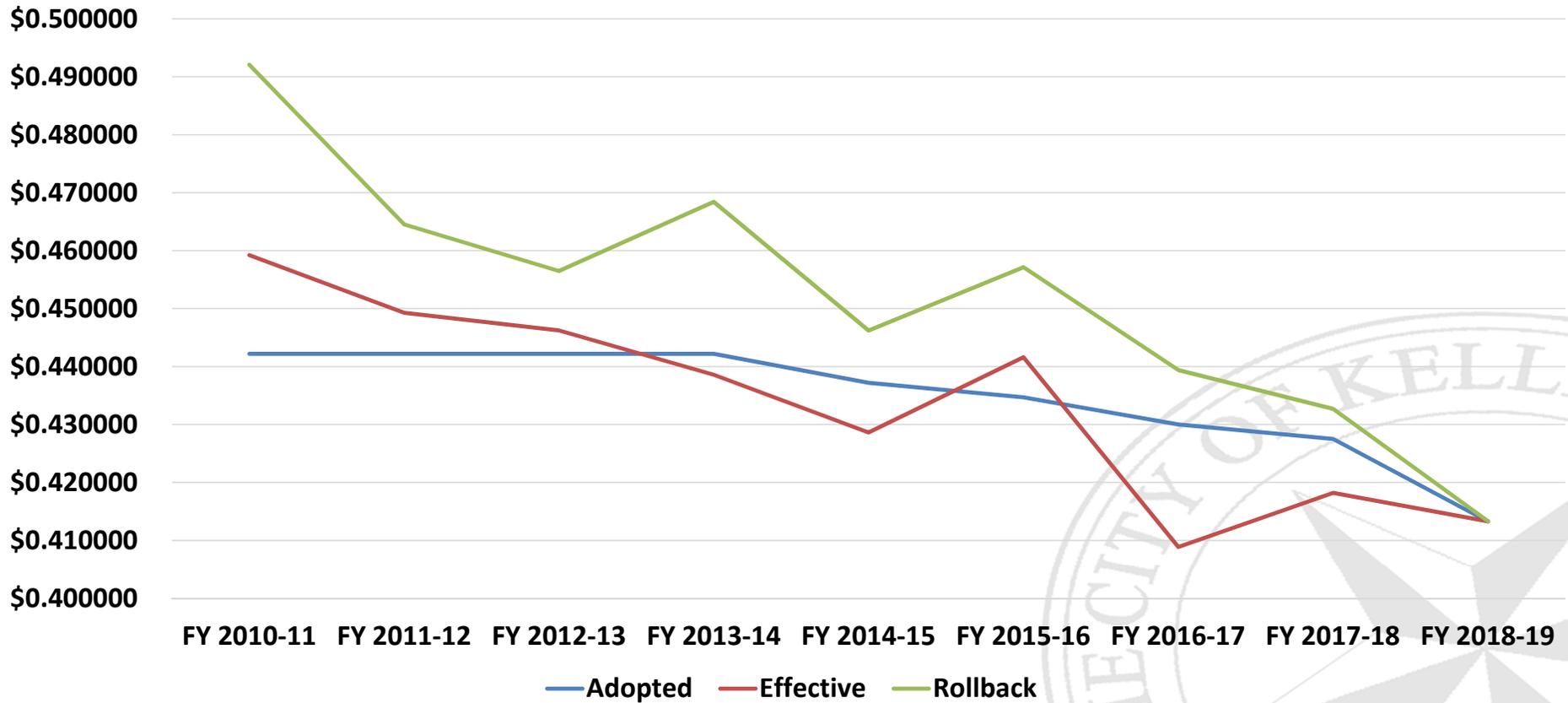


AV Levy Breakdown

	Current	Proposed	\$ Variance	% Variance
General Fund (O&M)	16,882,718	19,660,642	2,777,924	16.45%
Debt Service (I&S)	5,326,795	4,082,227	(1,244,568)	(23.36)
TIRZ	923,309	-	(923,309)	(100.00%)
Total	\$ 23,132,822	\$ 23,773,710	\$ 610,047	2.64%
General Fund w/o TIRZ		18,737,333	1,854,616	11.0%
General Fund w/o TIRZ & Debt		17,492,765	610,047	3.6%

- Value of \$0.0025/100 = \$143,635

Property Tax Rate History



Average Home Impact

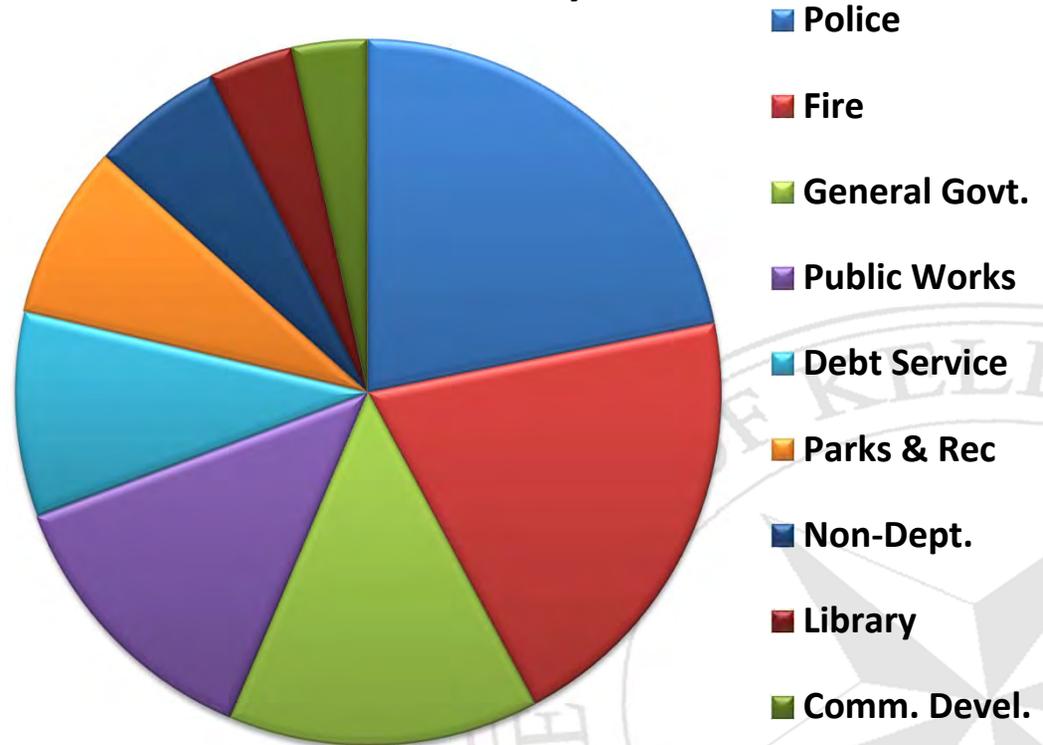
	FY 2017-18	June Est.	Cert. @	Cert. @
Tax Rate	\$0.42750	\$0.42750	\$0.42750	\$0.413250
Exemption	8%	8%		10%
Avg. Home Value	329,840	349,585		346,378
Avg. Home Tax Bill	1,410	1,494	1,481	1,431
Per Month	117.51	124.54	122.68	119.28
At FY 14 Rate	1,459	1,545		1,531
At FY 15 Rate	1,442	1,528		1,514
At FY 16 Rate	1,433	1,519		1,505
At FY 17 Rate	1,418	1,503		1,489

\$0.41325 vs. FY 14 Rate = \$114 savings or ~1 month of services

Cost of City Services for Average Residential Taxpayer

Monthly Cost

Police	26.06
Fire	24.17
General Govt.*	16.99
Public Works	15.39
Debt Service	11.19
Parks & Rec	9.58
Non-Dept.	7.15
Library	4.62
Comm. Devel.	4.13
Total	\$ 119.28



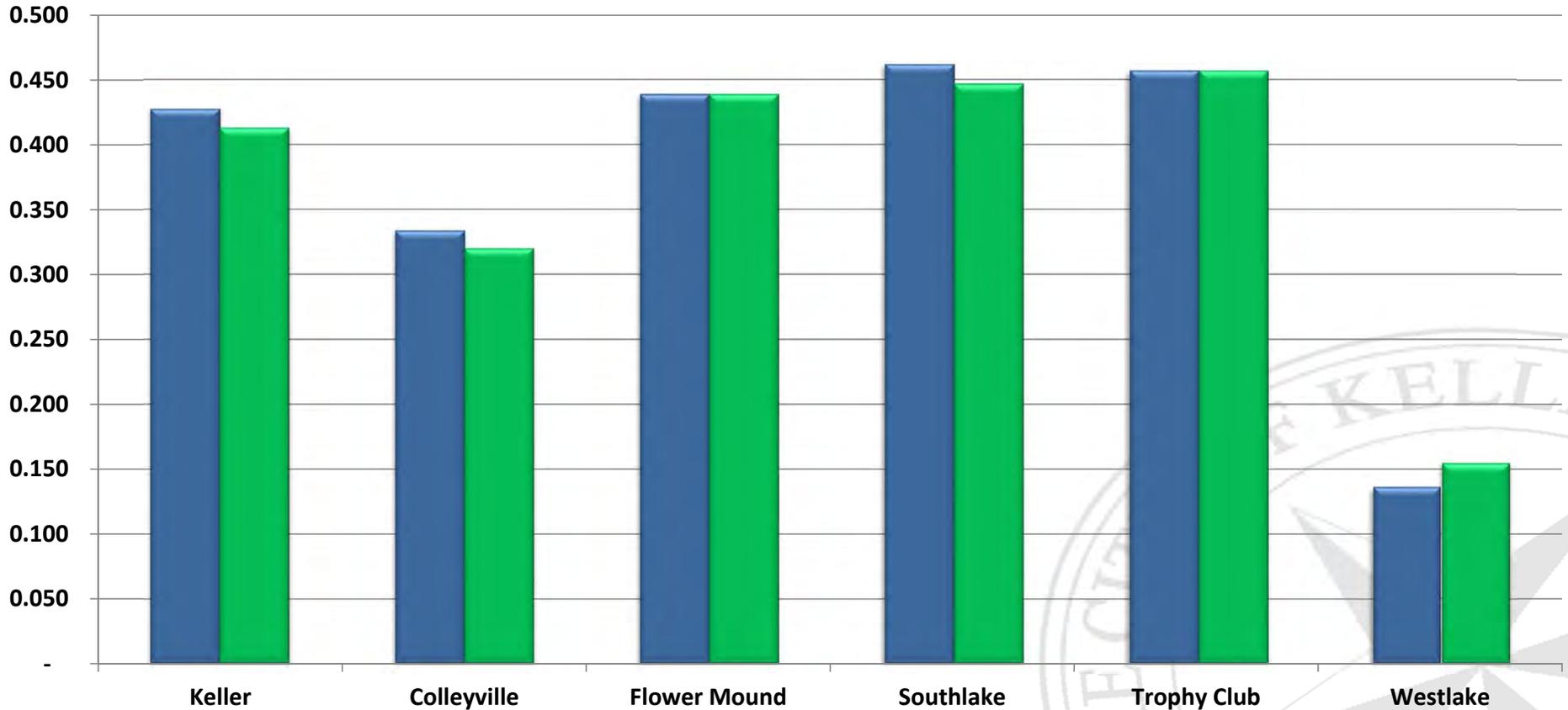
* - Administration, Town Hall Operations, Mayor & City Council, Finance & Accounting, Municipal Court, Human Resources, & Economic Development

Ad Valorem Expenditures

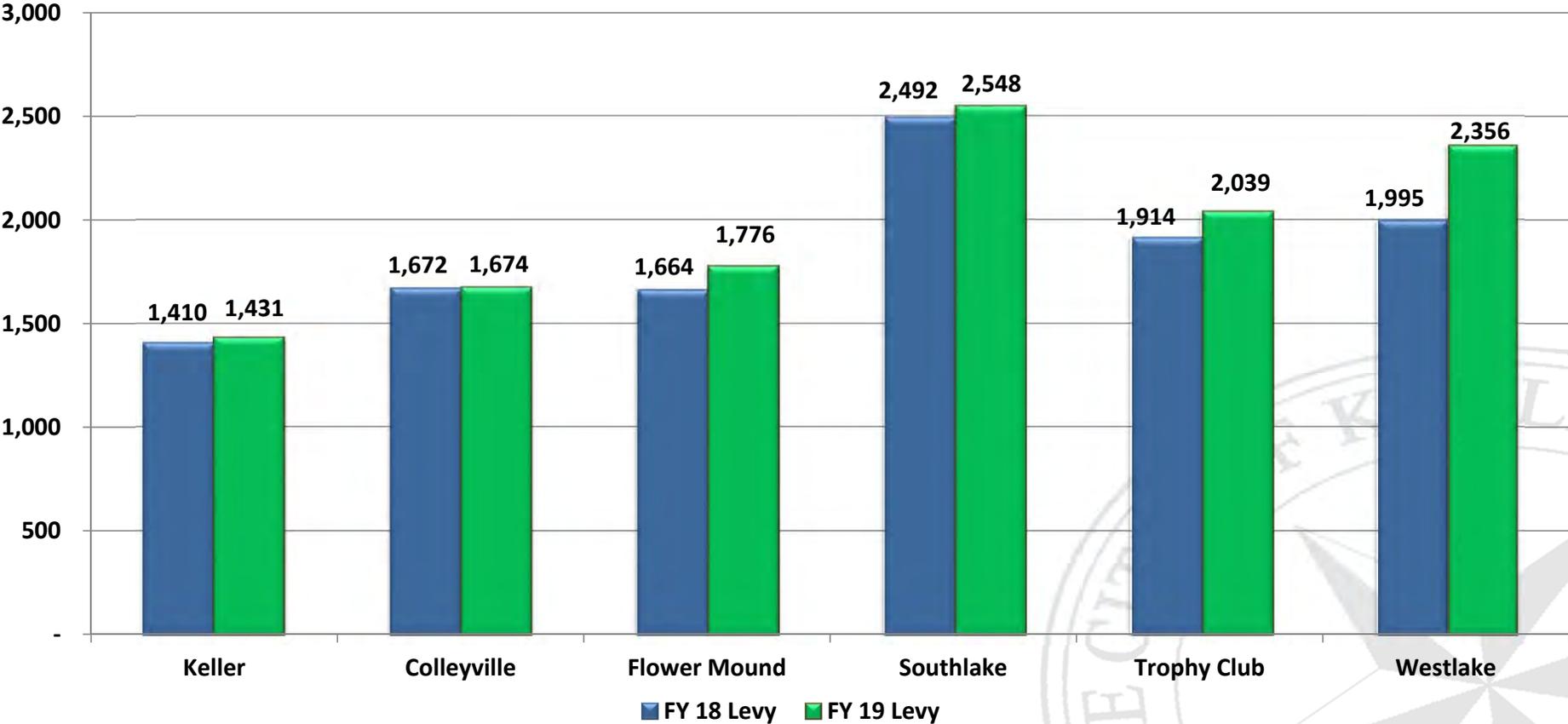
Expenditure	On-Going Cost	One-Time Cost	Total Cost
Senior Activity Center "Seed" Funds *	\$ -	\$ 1,600,000	\$ 1,600,000
Johnson Road Reconstruction Ph I	-	1,000,000	1,000,000
Bear Creek - Whitley Roundabout	-	925,000	925,000
Compensation (0.89% impact)	582,441	-	582,441
Economic Development Digital Impact Project	-	280,000	280,000
Dump Truck - Replacement	15,200	152,000	167,200
Keller-Smithfield & Bear Creek Signal	-	125,000	125,000
Training Officer Vehicle - New	5,236	36,653	41,889
Recreation Software	20,500	-	20,500
Median Landscape Services	20,000	-	20,000
Fire SCBA Replacement Grant Match	-	16,713	16,713
Construction Inspection Software	11,650	2,940	14,590
Council Cell Phone Allowance	4,320	-	4,320
Street Sweeper AVL	1,000	-	1,000
Total	\$ 660,347	\$ 4,138,306	\$ 4,798,653

* - No expenditures to be made until after voter approval

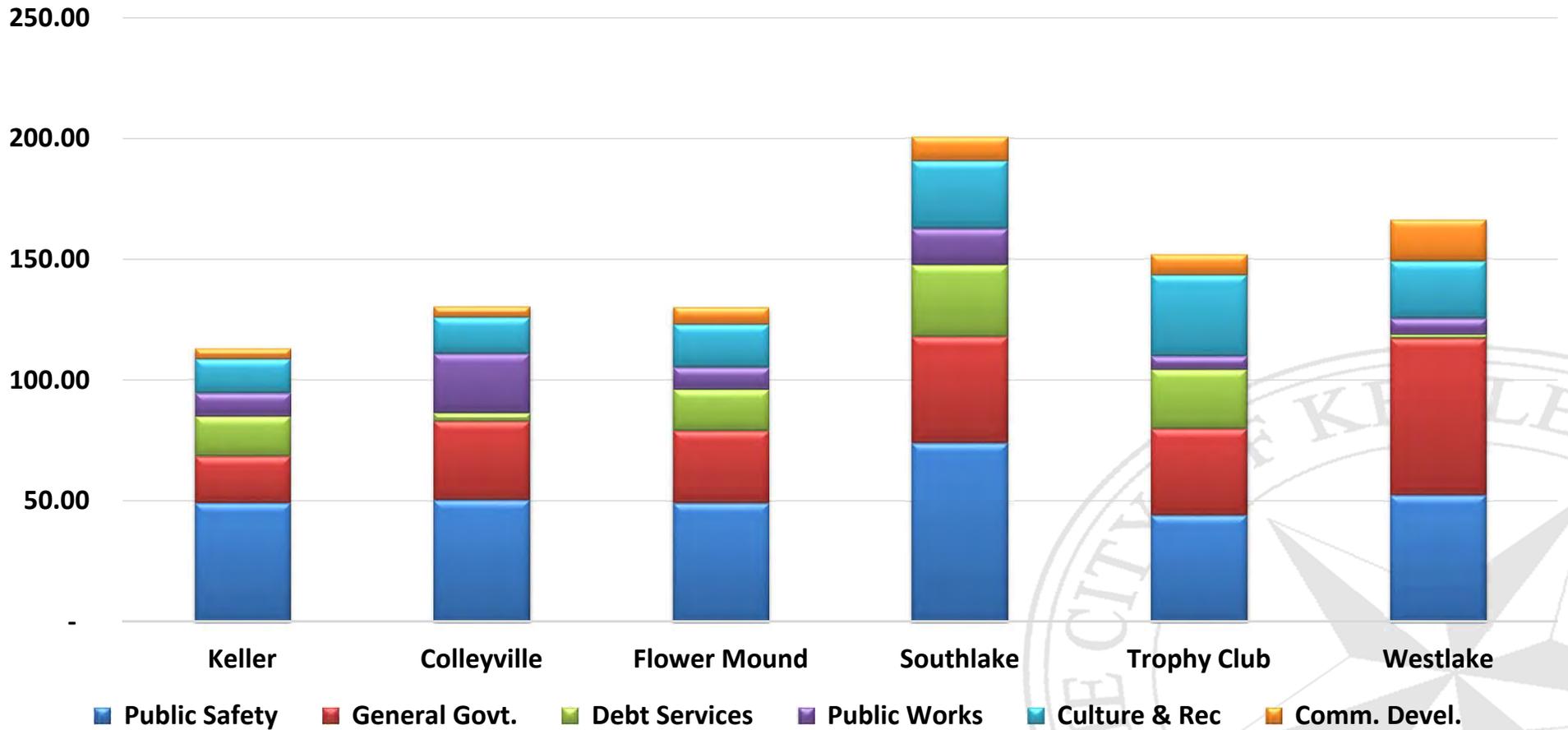
Neighboring Cities' Tax Rates



Neighboring Cities' Tax Levies



Comparison City Monthly Cost

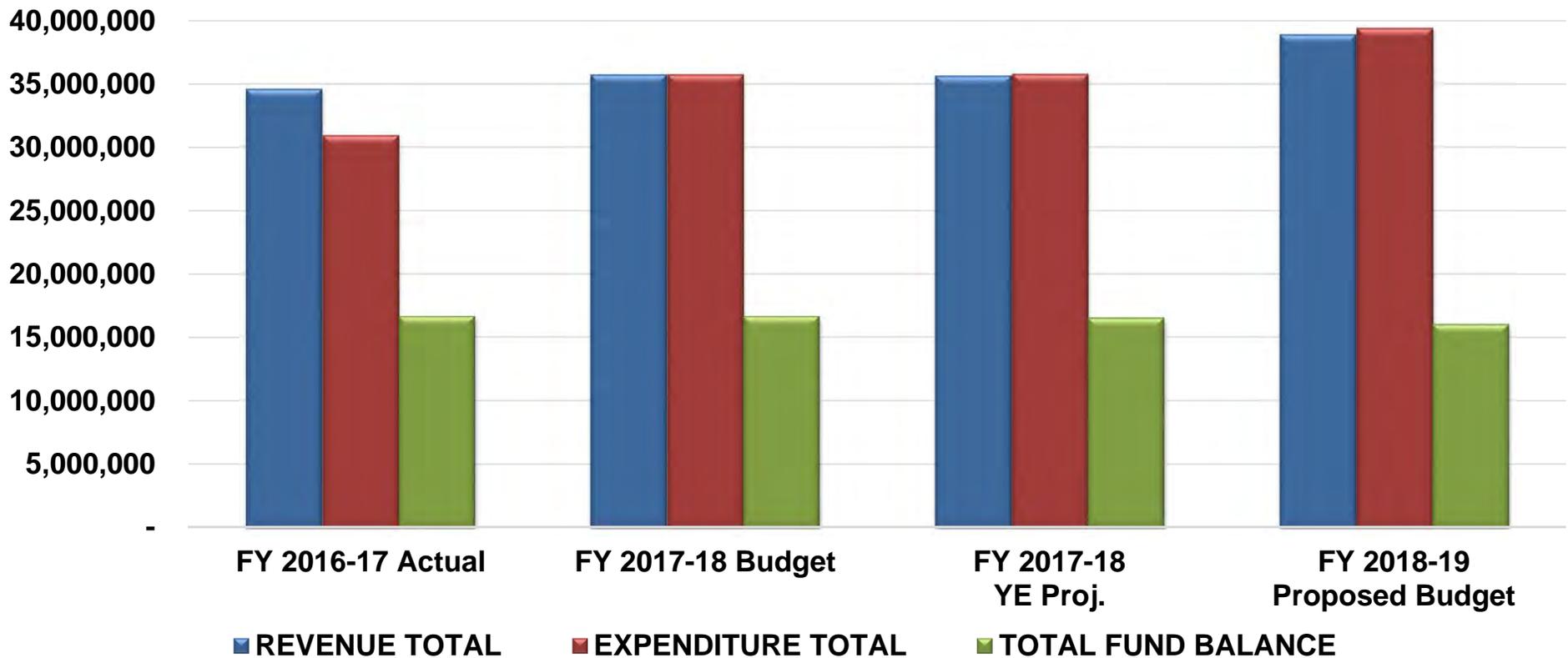


GENERAL FUND



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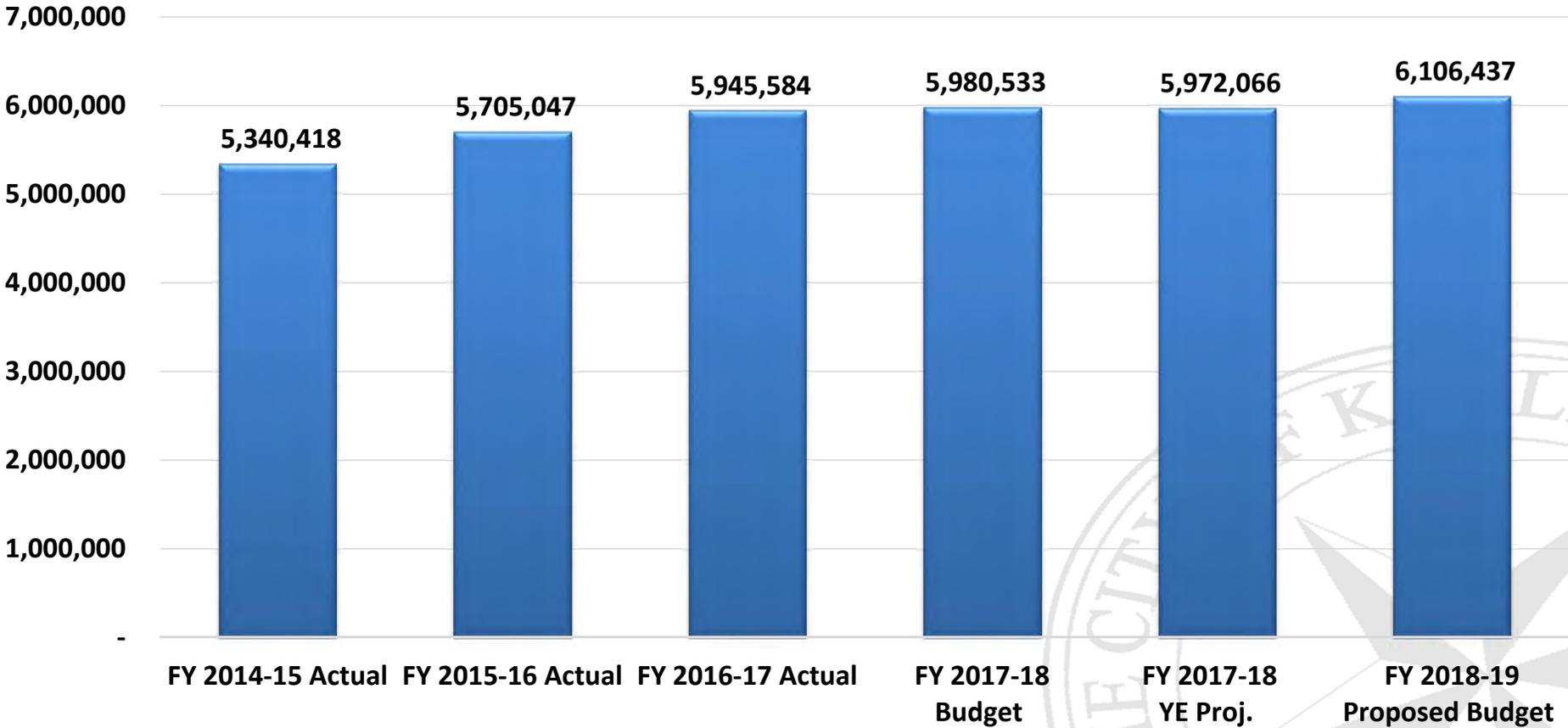
FY 2018-19 Proposed Budget General Fund Overview



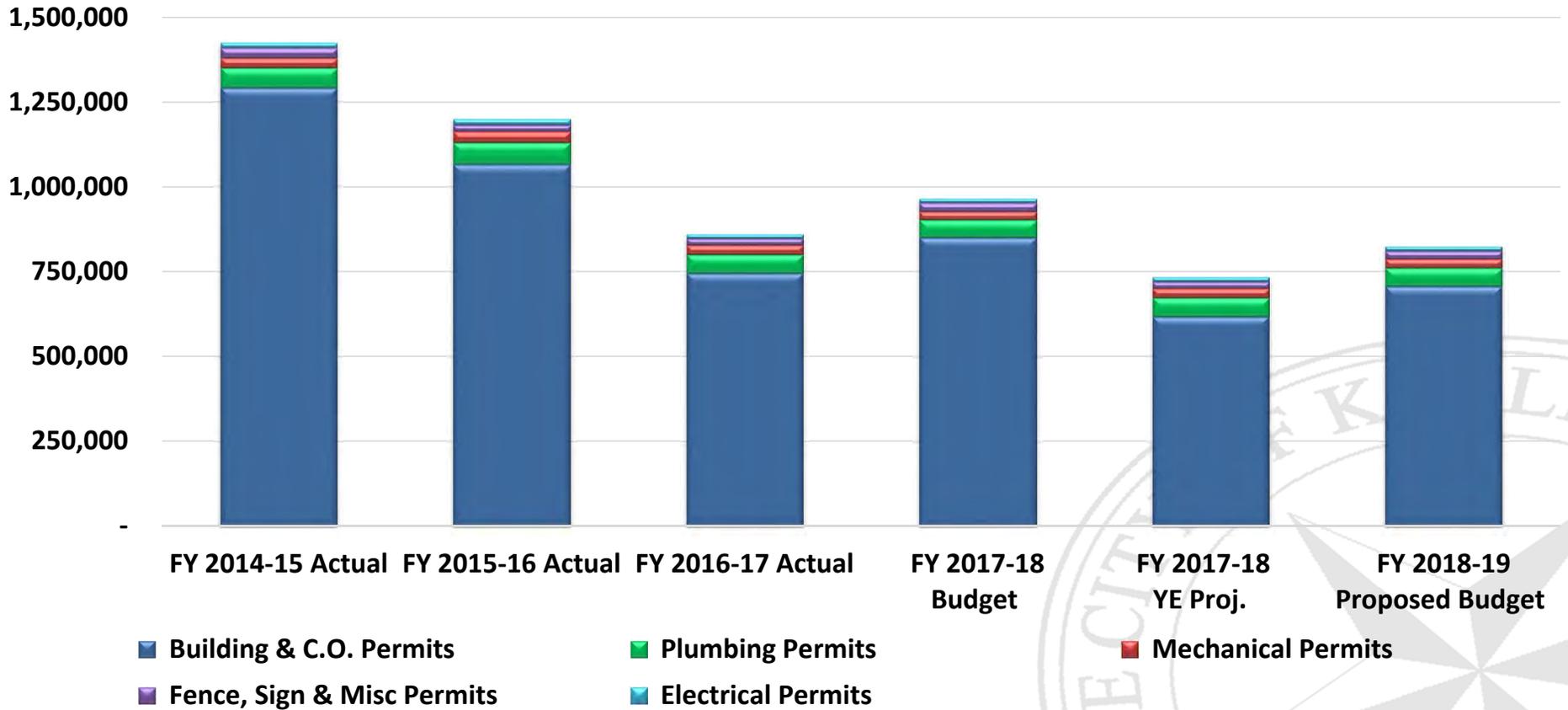
General Fund Revenue by Source

Revenues	FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 17,001,516	\$ 19,794,205	\$ 2,792,689	16.43%
Sales Tax	5,980,533	6,106,437	125,904	2.11%
Other Taxes	4,389,293	4,572,968	183,675	4.18%
Licenses and Permits	964,856	824,479	(140,377)	-14.55%
Charges for Services	1,373,235	1,425,353	52,118	3.80%
Fines and Fees	1,204,360	1,213,074	8,714	0.72%
Development Fees	236,460	198,928	(37,532)	-15.87%
Intragovernmental	1,331,367	1,428,744	97,377	7.31%
Intergovernmental	3,120,965	3,140,974	20,009	0.64%
Other Revenue	164,880	217,762	52,882	32.07%
Total Revenues	\$ 35,767,465	\$ 38,922,924	\$ 3,155,459	8.82%

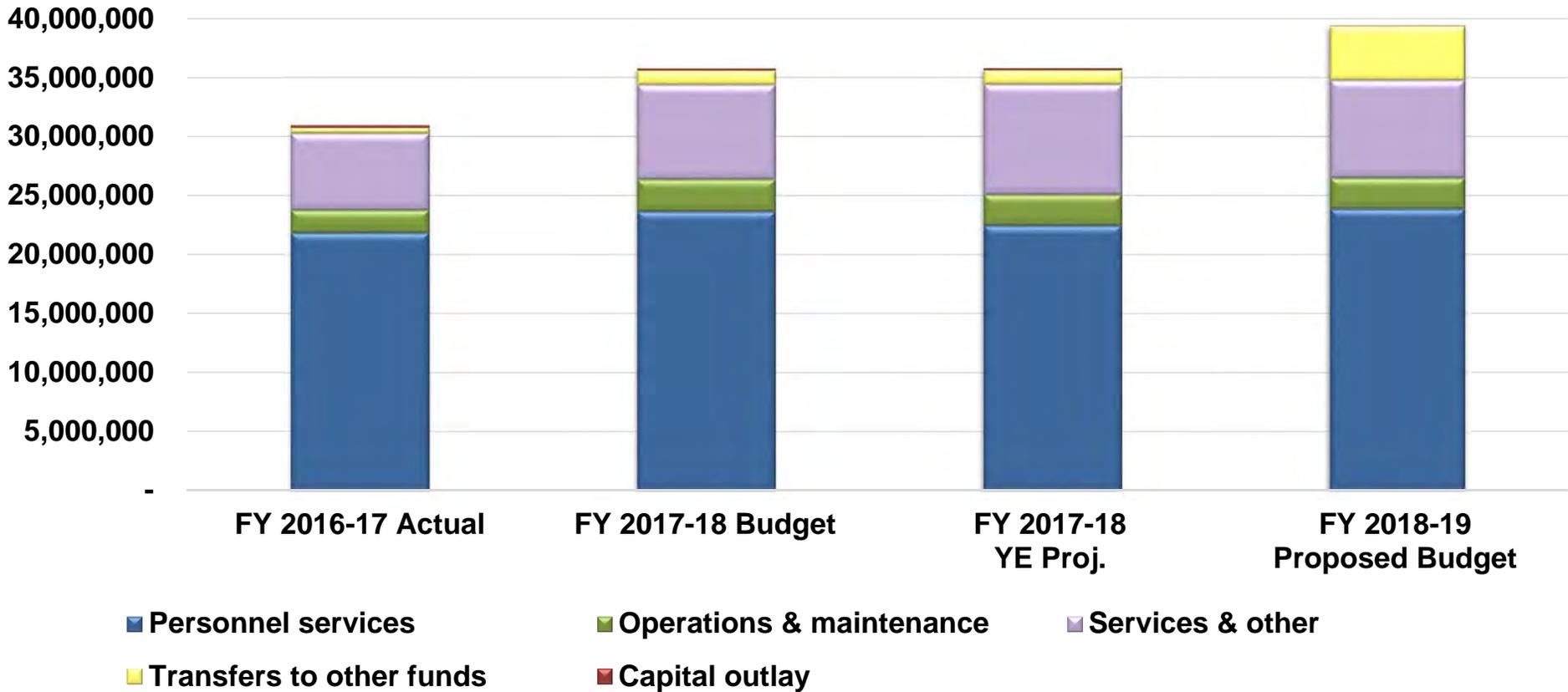
Sales Tax Revenue



Permit Revenue



General Fund Expenditures By Category

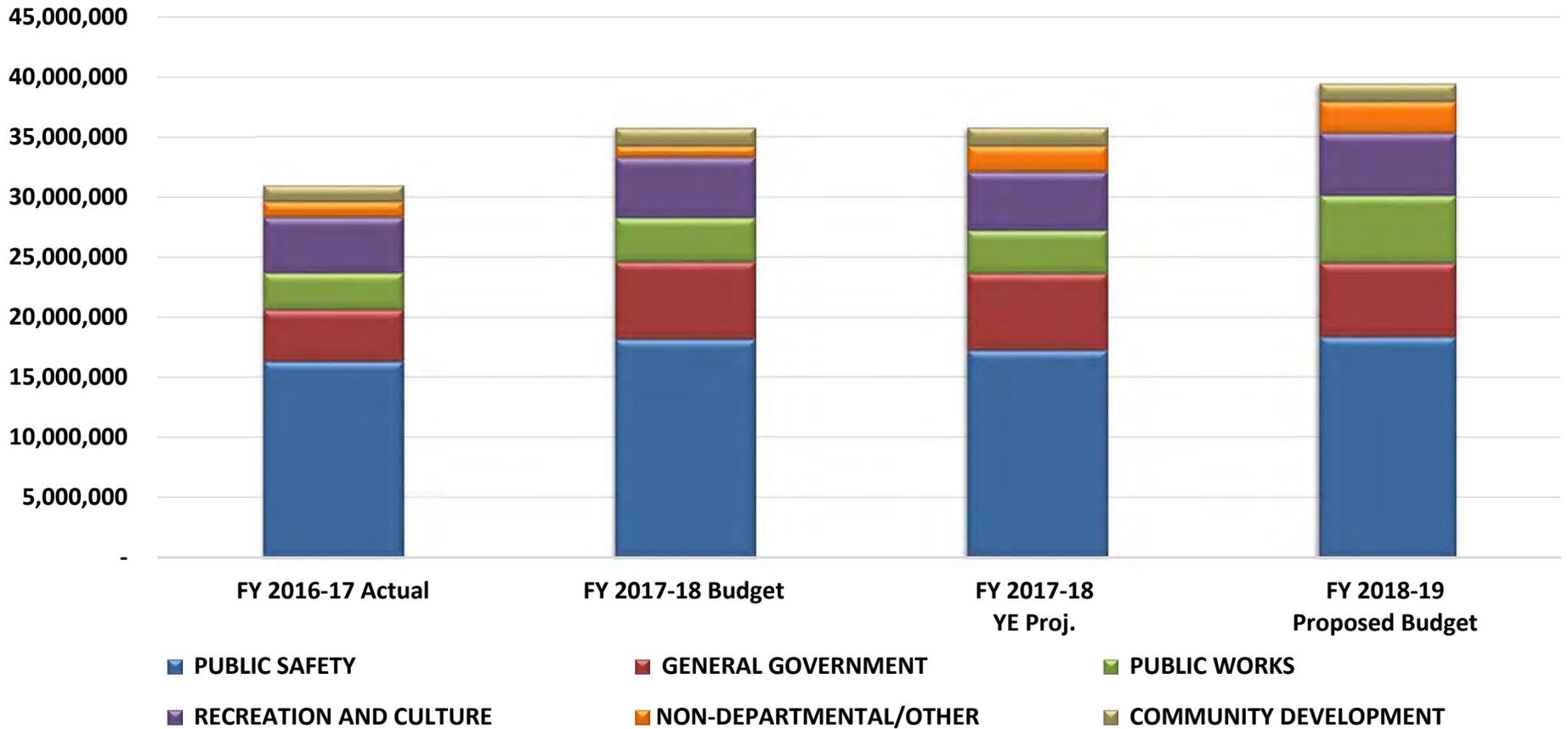


General Fund Expenditures By Category

Category	FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 23,665,362	\$ 23,875,958	\$ 210,595	0.89%
Operations & maintenance	2,715,755	2,617,693	(98,062)	-3.61%
Services & other	8,002,669	8,268,207	265,538	3.32%
Transfers to other funds	1,208,850	4,607,600	3,398,750	281.16
Capital outlay	174,828	57,000	(117,828)	-67.40%
TOTAL	\$ 35,767,464	\$ 39,426,458	\$ 3,658,993	10.23%

- With one-times removed, decrease of \$479,313 or 1.34%

General Fund Expenditures By Activity



General Fund Expenditures

	FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Public Safety	\$ 18,128,923	\$ 18,320,943	\$ 192,020	1.06%
General Government	6,493,036	6,198,360	(294,676)	-4.54%
Recreation And Culture	5,018,891	5,178,450	159,559	3.18%
Public Works	3,661,427	5,615,011	1,953,584	53.36%
Community Development	1,529,359	1,505,909	(23,451)	-1.53%
Non-Departmental/Other	935,828	2,607,785	1,671,957	178.66%
TOTAL	\$ 35,767,464	\$ 39,426,458	\$ 3,658,993	10.23%

- With one-times removed, decrease is \$479,313 or 1.34%

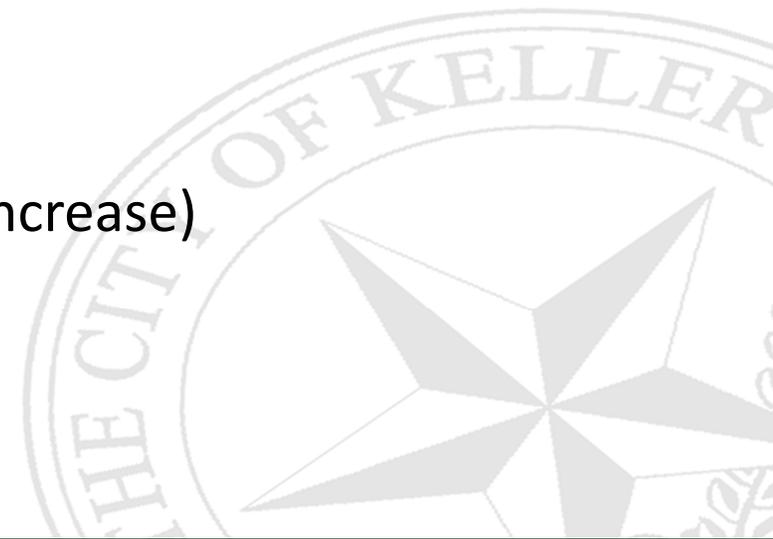
COMPENSATION AND BENEFITS



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Compensation and Benefits

- Public Safety
 - Sustainable Step Plan (2% annually) (sworn/cert. only)
 - 4% Market Adjustment (remain competitive)
 - Civilian
 - 2.0% Merit Increase (avoid compression)
 - 1.5% Market Adjustment (remain competitive)
 - Healthcare Plan – 0.0%
 - Dental Plan – 26% (Overall = \$27,500 or 0.7% increase)
 - Workers' Compensation Rate Decrease
 - Adding 2.25 FTEs
- Total General Fund Impact =
\$210,590 or 0.89%**



FY 2018-19 Proposed Budget Staffing

Revenues	FY 2017-18	Per Capita	FY 2018-19	Per Capita	Variance
General Fund	243.73	5.46	243.73	5.42	-
KCCPD	-	-	1.00	0.02	1.00
Public Safety SR	-	-	0.75	0.02	0.75
Water And Wastewater Fund	42.00	0.94	42.50	0.95	0.50
Drainage Utility Fund	8.50	0.19	8.50	0.19	-
Information Services	7	0.16	7.00	0.16	-
Keller Pointe	43.29	0.97	43.29	0.96	-
Total FTEs	344.52	7.72	346.77	7.72	2.25

Staffing Additions

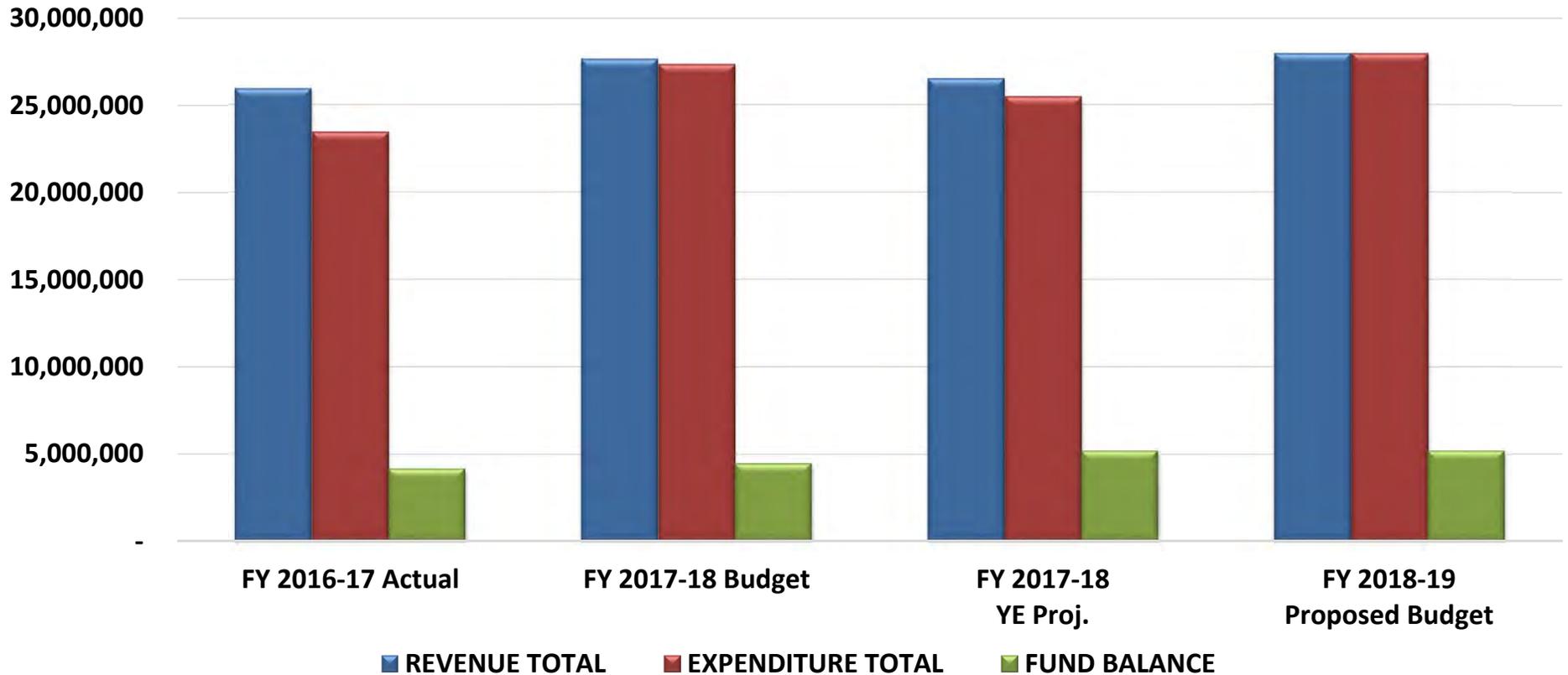
- Accreditation Manager
- PT School Resource Officer (funded by KISD)
- PT Environmental Services Technician

WATER AND WASTEWATER FUND

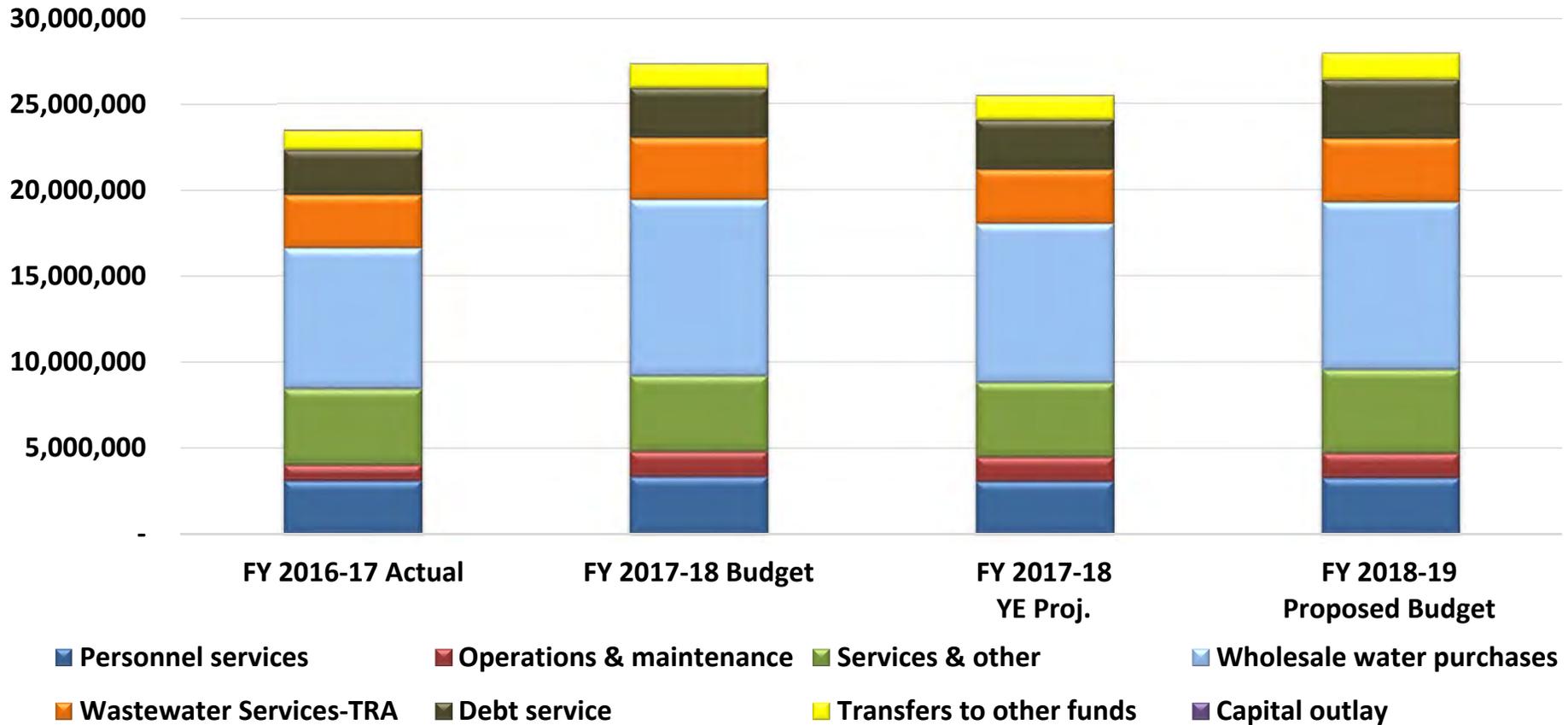


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Water and Wastewater Fund Summary



Water and Wastewater Expenditures



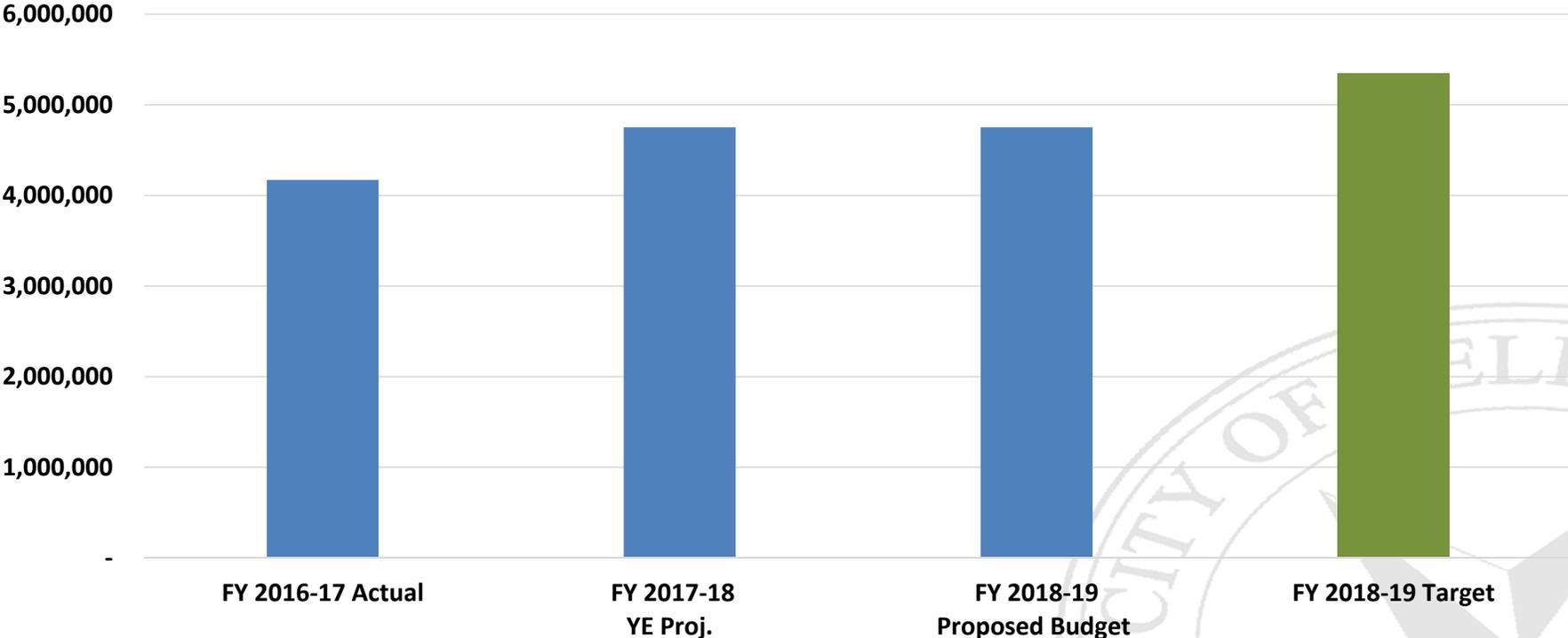
Water and Wastewater Expenditures

	FY 2016-17 Budget	FY 2017-18 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 3,327,659	\$ 3,258,576	\$ (69,083)	-2.08%
Operations & maintenance	1,469,050	1,427,923	(41,127)	-2.80%
Services & other	4,393,838	4,864,011	470,173	10.70%
Wholesale water purchases	10,230,544	9,715,501	(515,043)	-5.03%
Wastewater Services-TRA	3,591,344	3,700,836	109,492	3.05%
Debt service	2,887,381	3,436,780	549,399	19.03%
Transfers to other funds	1,387,500	1,512,000	124,500	8.97%
Capital outlay	44,000	35,000	(9,000)	-20.45%
TOTAL	\$ 27,331,316	\$ 27,950,627	\$ 619,311	2.27%

Average Monthly Bill

Monthly Bill	Current	Proposed	Difference (%)	Difference (\$)
<u>ANNUAL AVERAGE MONTHLY BILL</u>				
Water (12,685 Gallons)	76.67	77.92	1.63%	1.25
Sewer (7,262 Gallons)	44.97	45.85	1.92%	0.86
TOTAL	\$121.64	\$123.77	1.73%	\$2.11
<u>SUMMER AVERAGE MONTHLY BILL</u>				
Water (17,316 Gallons)	99.41	100.92	1.52%	1.51
Sewer (7,262 Gallons)	44.97	45.85	1.92%	0.86
TOTAL	\$144.38	\$146.77	1.64%	\$2.37

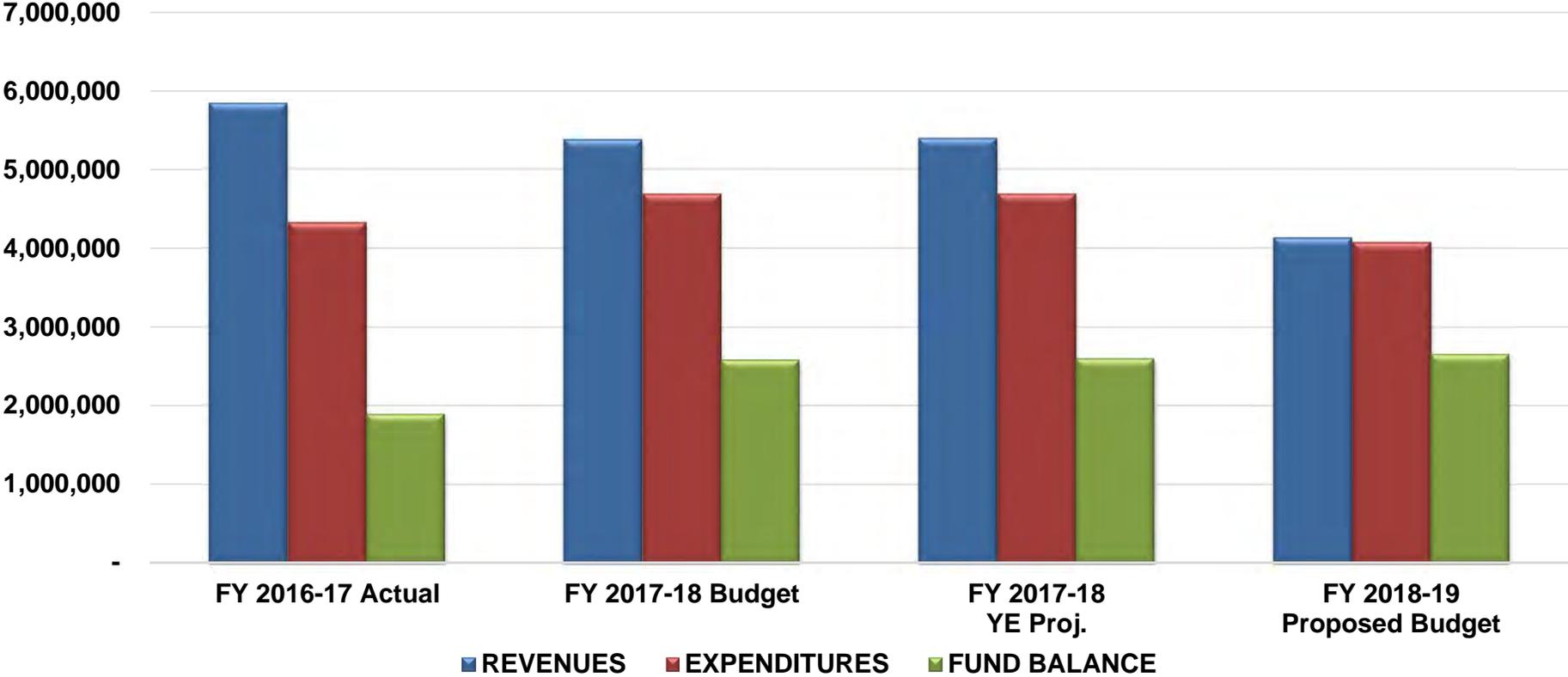
Water and Wastewater Fund – Fund Balance



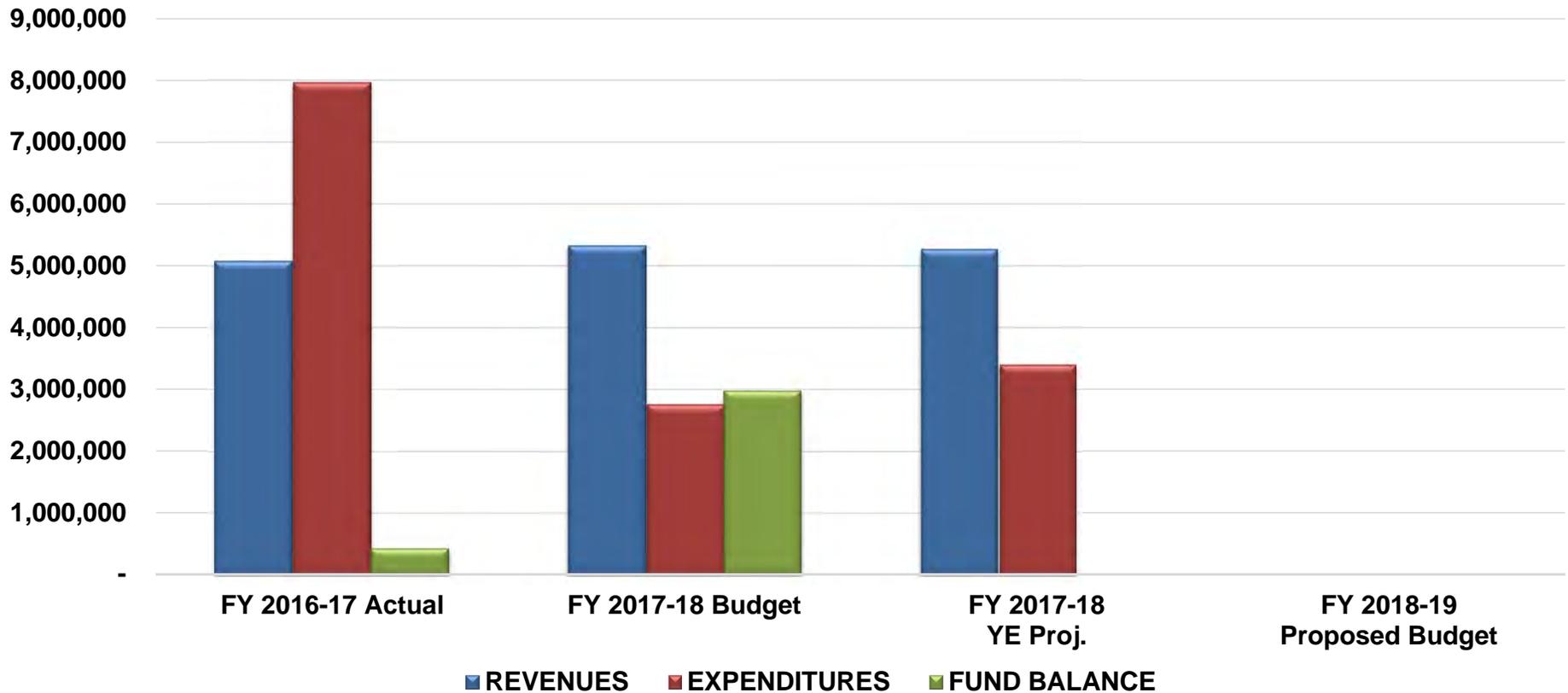
OTHER OPERATING FUNDS



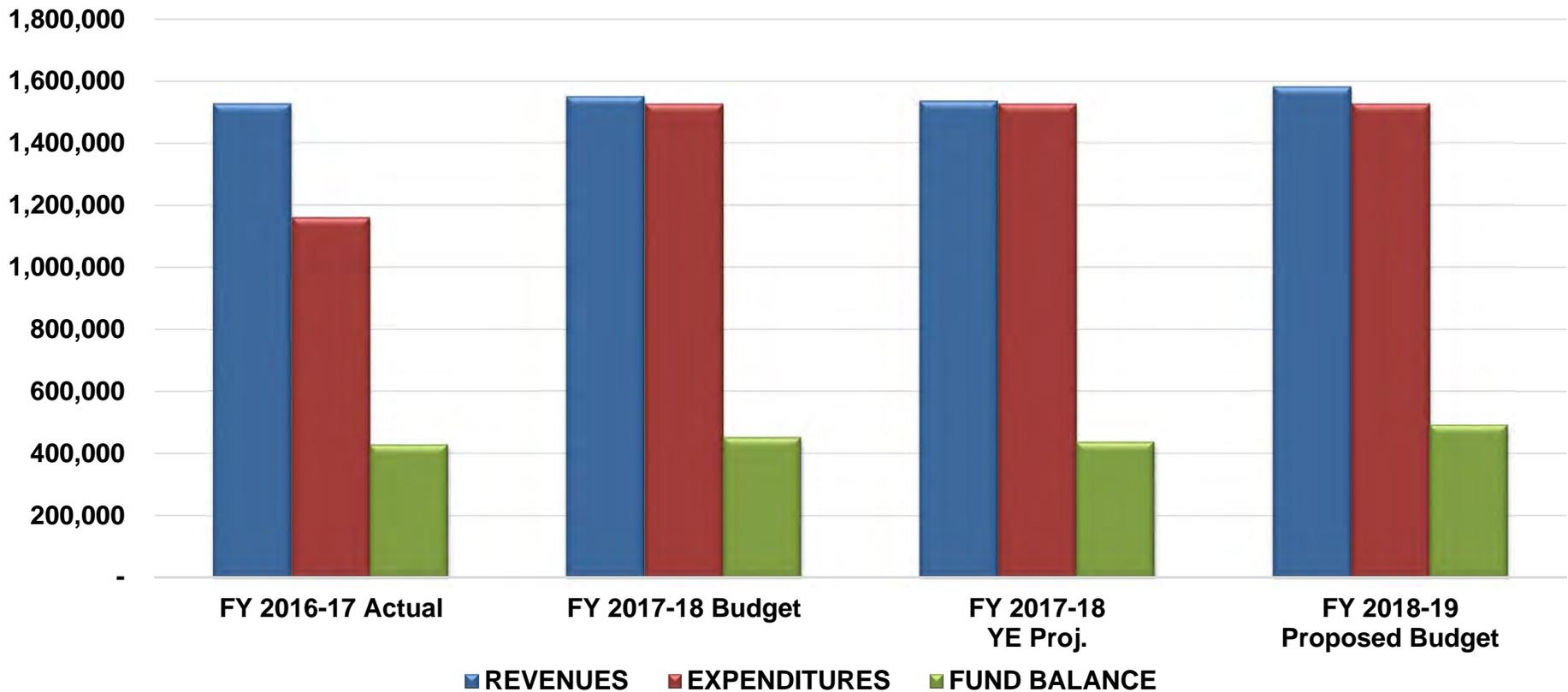
Debt Service



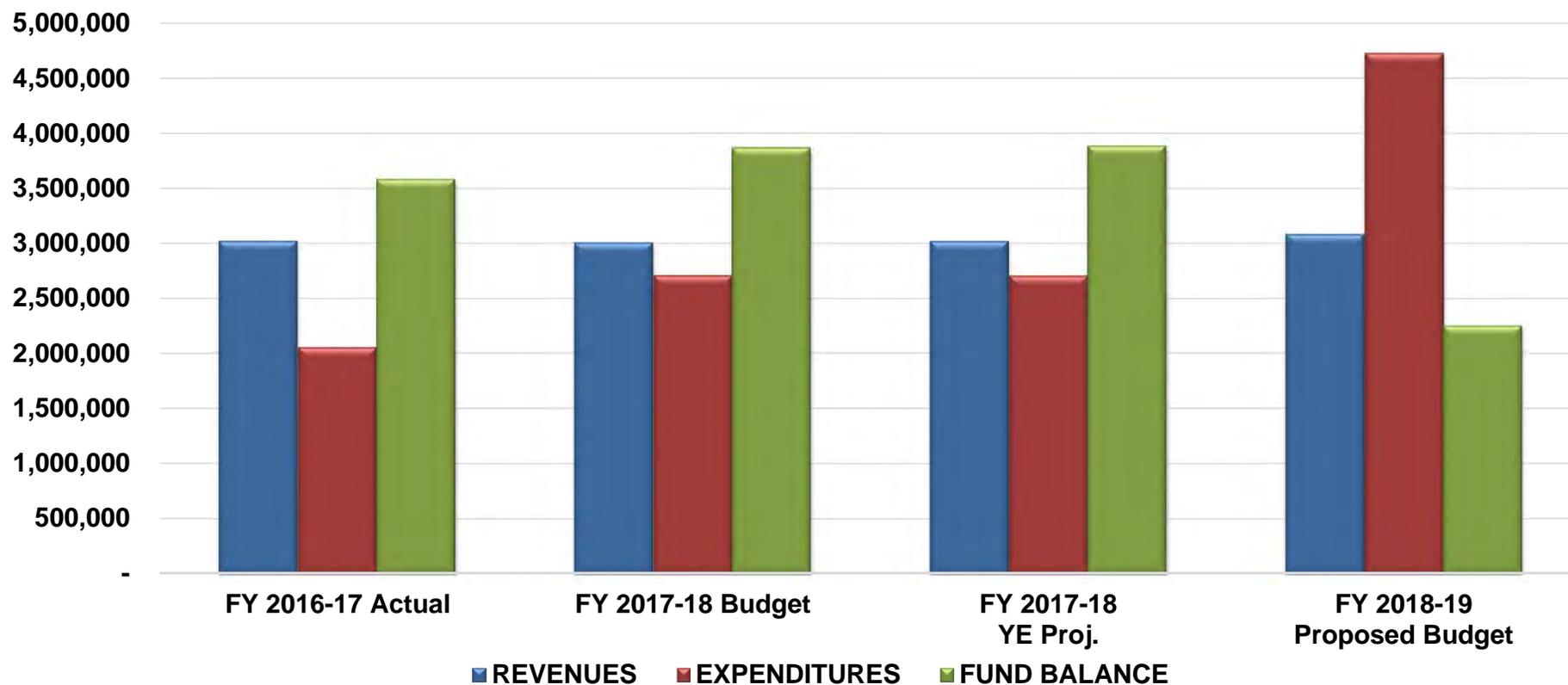
Tax Increment Reinvestment Zone



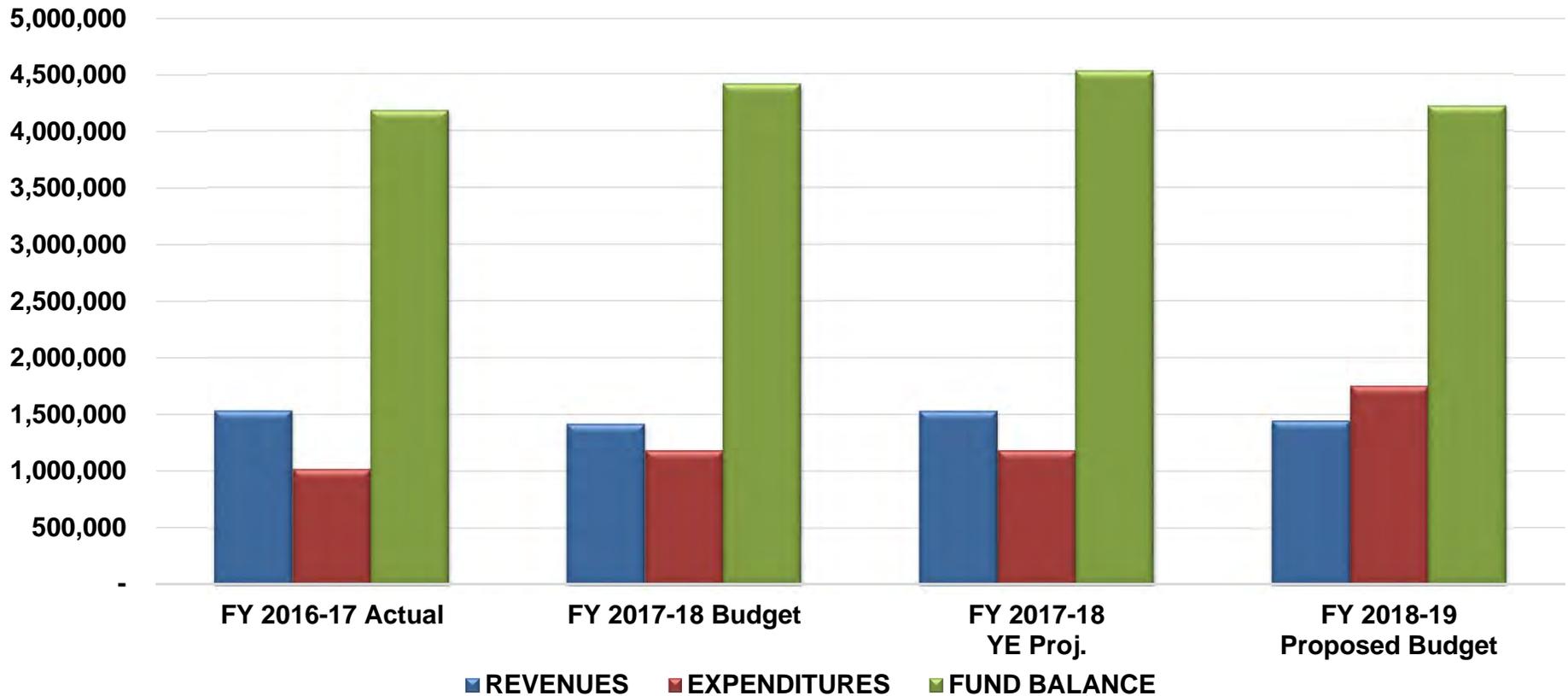
Street and Sidewalk Improvement Fund



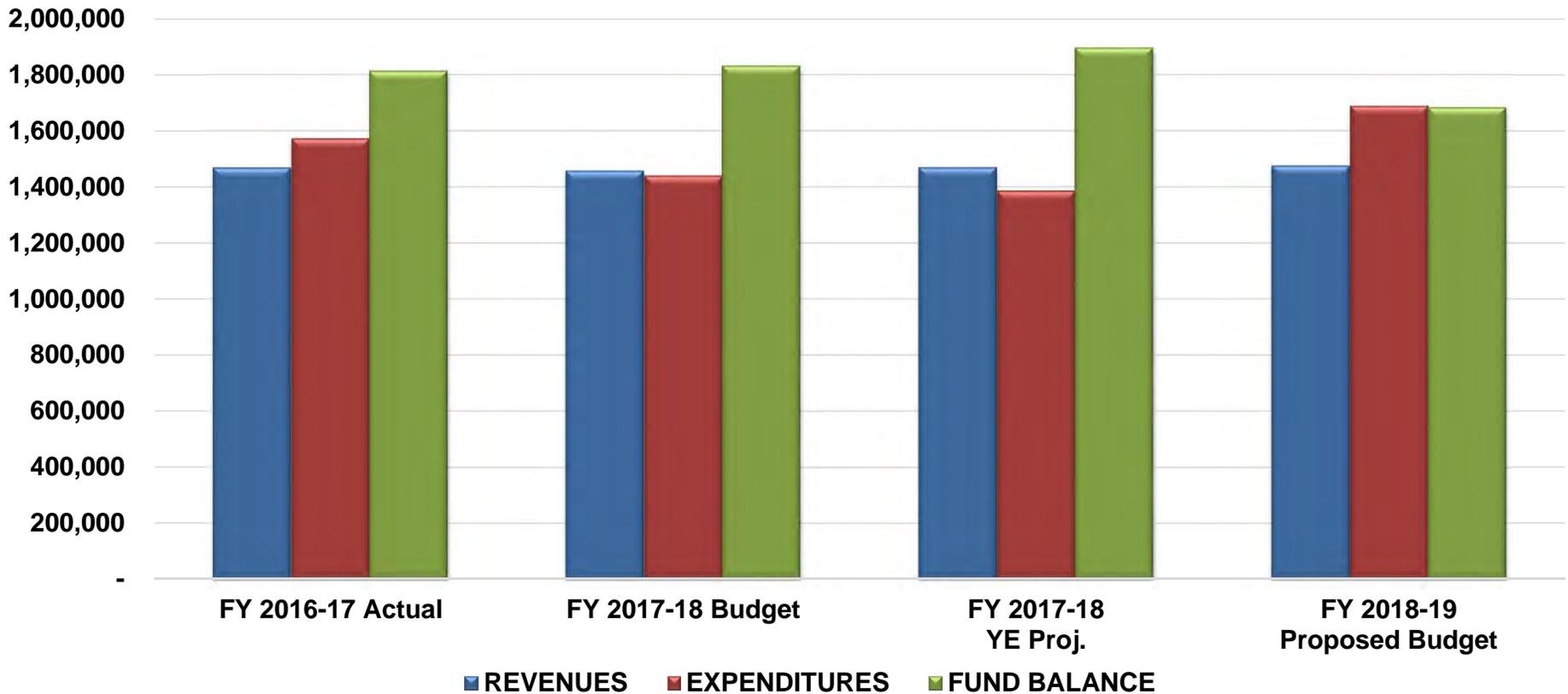
Keller Development Corporation



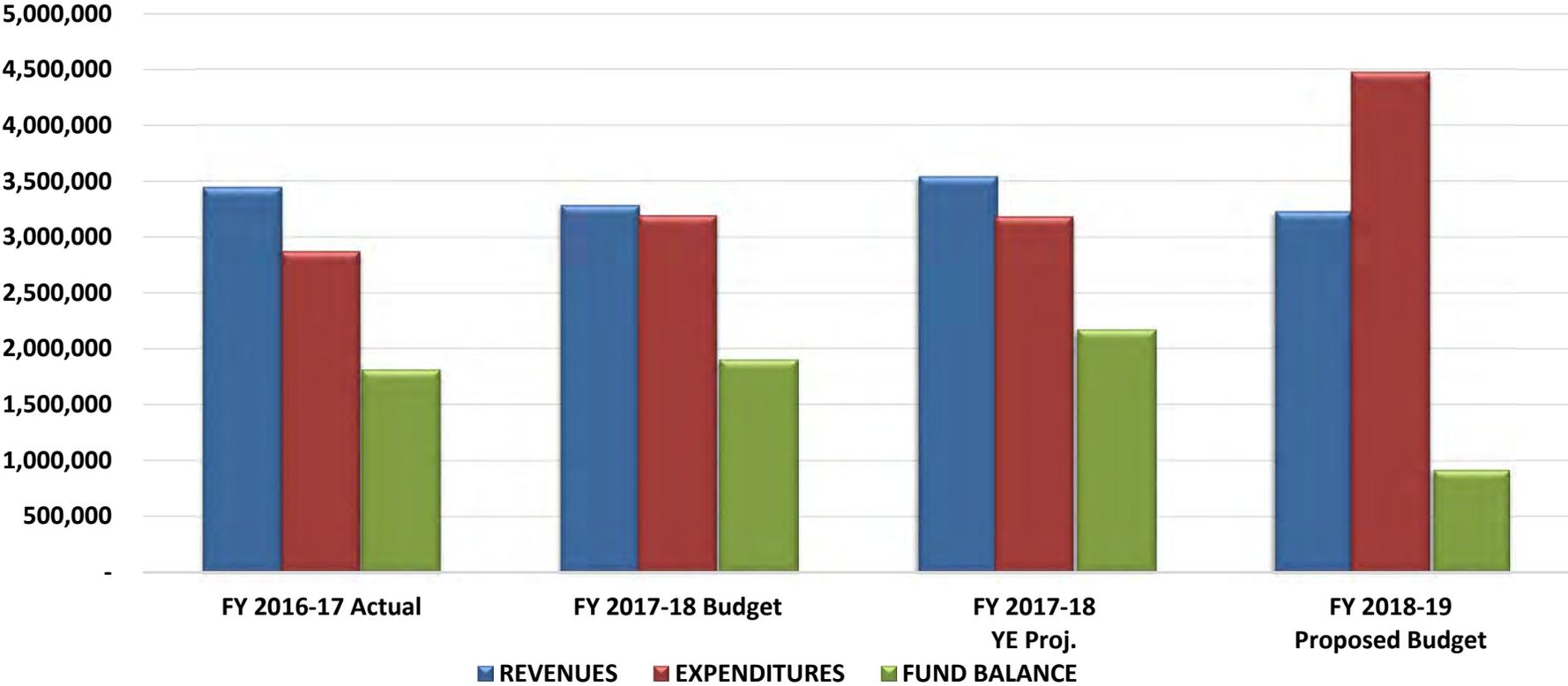
Keller Crime Control and Prevention District



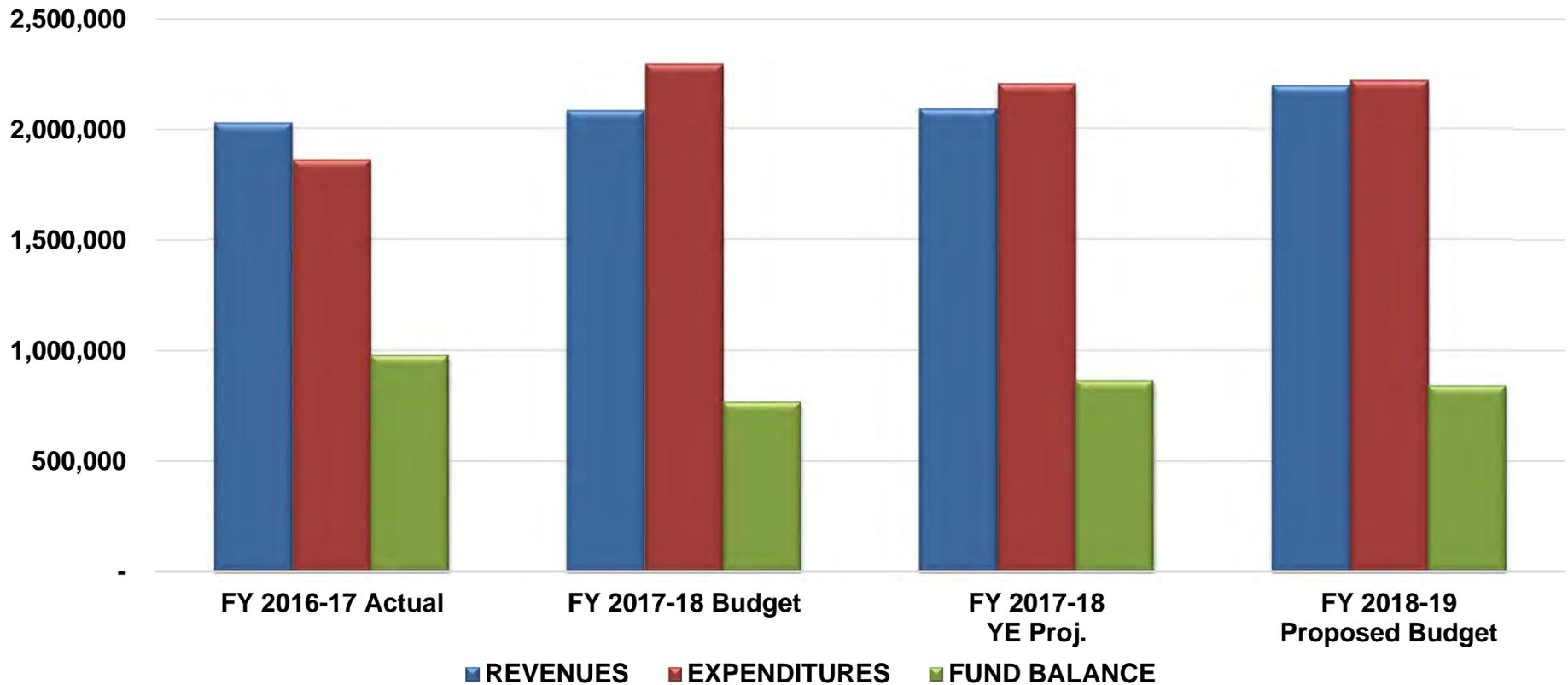
Drainage Fund



Keller Pointe Fund



Information Technology Fund



Other Operating Funds

Fund	Revenues	Expenditures	Variance	Fund Balance
Public Safety Special Revenue	66,951	67,951	(1,000)	143,924
Recreation Special Revenue Fund	295,100	289,596	5,504	389,526
Municipal Court Special Revenue Fund	134,823	108,934	25,889	207,767
PEG Channel Fund	142,870	128,600	14,270	475,507
Community Clean-Up Fund	34,071	33,631	440	235,656
<i>Fleet Replacement Fund</i>	<i>1,108,160</i>	<i>1,265,788</i>	<i>(157,628)</i>	<i>1,596,889</i>
Facility Replacement Fund	400,100	387,100	13,000	431,704
TOTAL	\$ 2,182,075	\$ 2,281,600	\$ (99,525)	\$ 3,480,973

CAPITAL IMPROVEMENT PROJECTS



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FY 2018-19 Street Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Other	Total Cost
Bear Creek / Whitley Roundabout	925,000					925,000
Bear Creek / Keller-Smithfield Signal	125,000		125,000			250,000
Johnson Road Reconstruction Ph. I (Rufe Snow to Keller-Smithfield)	1,000,000		1,000,000			2,000,000
Utility Relocations	250,000				500,000	750,000
Sidewalk Construction/Repair	160,000					160,000
Tarrant County Street Reconstruction	350,000					350,000
2019 Street Reconstruction Project		1,451,609				1,190,000
2020 Street Reconstruction Project (design/engineering)		75,000				75,000
Total Street Projects	\$ 2,810,000	\$ 1,526,609	\$ 1,125,000	\$ -	\$ 500,000	\$ 5,961,609

FY 2018-19 Parks Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Overton Ridge Park Expansion		2,472,603				2,472,603
Trail System Expansion		250,000				250,000
Bear Creek Park Restroom / Storage Facility		240,000				240,000
Parks Capital Replacement Program		100,000				100,000
Total Parks Projects	\$ -	\$3,062,603	\$ -	\$ -	\$ -	\$ 3,062,603



FY 2018-19 Water Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Alta Vista Transmission Main				2,107,800		2,107,800
Alta Vista Pump Station				4,861,495		4,861,495
Hwy 377 12" Water Lines				900,000		900,000
Tank Maintenance	175,000					175,000
Update Water Master Plan / Condition Analysis	125,000					125,000
Lavena Water Line Ext.	100,000					100,000
Large Valve Replacements	64,750					64,750
Water Service Replacements	64,750					64,750
Total Water Projects	\$ 529,500	\$ -	\$ -	\$ 7,869,295	\$ -	\$ 8,389,795

FY 2018-19 Wastewater Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Other	Total Cost
US 377 Sanitary Sewer Project	237,500				250,000	487,500
Big Bear West Interceptor Line Replacement (design/engineering)	75,000					75,000
Mains & Services Replacements	300,000					300,000
SS Evaluation Study / I&I	120,000					120,000
Total Wastewater Projects	\$ 732,500	\$ -	\$ -	\$ -	\$ 250,000	\$ 982,500

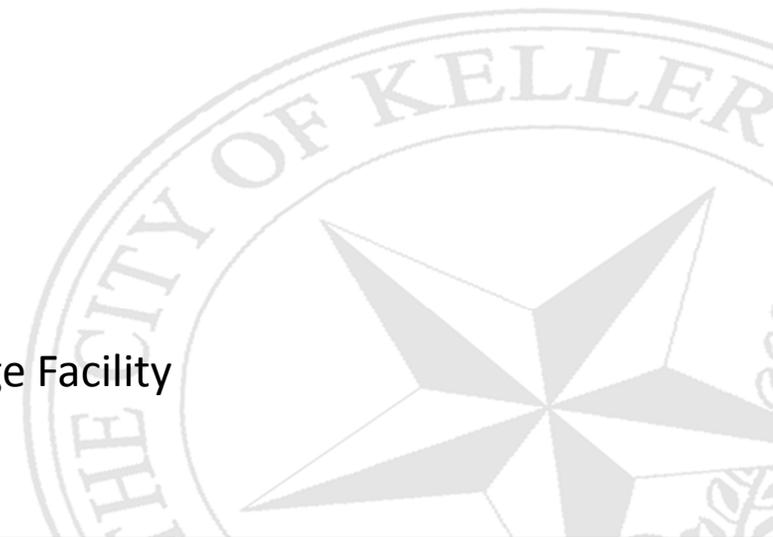
FY 2018-19 Drainage Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Update Drainage Master Plan – Inventory & Assessment	150,000					150,000
Woods Drive	150,000					150,000
Total Drainage Projects	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000



Essential Points for FY 2018-19 Budget

- An operationally balanced budget that meets City Council goals and directions
- Increased Homestead Exemption from 8% to 10%
- Decreased Tax Rate by \$0.01425/100 to \$0.41325/100
- Total GF Personnel under 1%
- Senior Center “Seed” Funds= \$1,600,000*
- Johnson Road Reconstruction = \$2,000,000
- Bear Creek & Whitley Roundabout= \$925,000
- Keller Smithfield & Bear Creek Signal= \$250,000
- Increased Sidewalk Maintenance = \$30,000
- KCCPD = Accreditation Manager @ \$105,000
- Minimal City Water/Wastewater rate adjustments
- KDC = Overton Ridge Park and Bear Creek Restroom /Storage Facility
- Maintains All Replacement Funding
- TIRZ Levy to GF



Budget Timeline – Next Steps

Calendar Item	Date(s)
Vote on Homestead Exemption (8% to 10%)	June 19
Proposed Budget Published	August 14
Vote on Max Tax Rate	August 21
Council Budget Work Session	August 28
First Public Hearing on Tax Rate	September 4
Second Public Hearing on Tax Rate	September 11 (SC)
Budget and Tax Rate Adoption	September 18
Fiscal Year Begins	October 1



Questions?

Aaron Rector

817-743-4026



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