



MEMORANDUM

DATE: June 11, 2024

TO: Keller Development Corporation Board Members

FROM: Cody Maberry, Director of Community Services
Aaron Rector, Interim City Manager

SUBJECT: Proposed FY 2024-25 Keller Development Corporation Annual Budget

Enclosed please find a copy of the proposed FY 2024-25 operating budget for KDC. Revenues are anticipated to increase slightly. The FY 2024-25 operational expenditures will remain the same, capital improvement project transfers are anticipated to increase related to Sports Park projects, and capital outlay will increase which should result in an decrease 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.

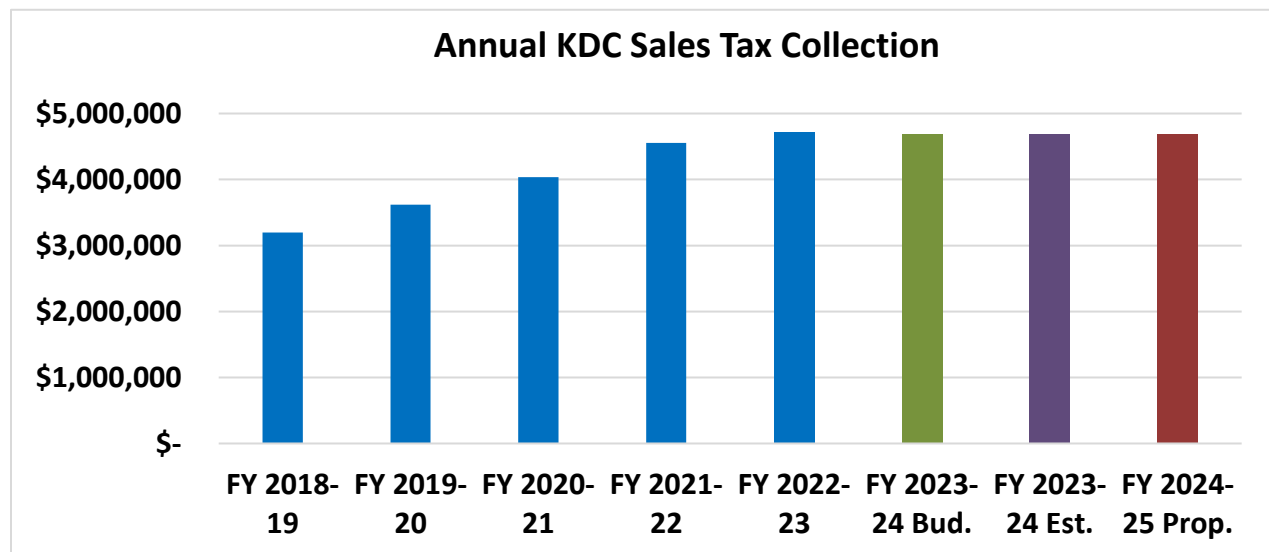
FINANCIAL SUMMARY OF THE OPERATING BUDGET

Revenues: Total projected revenues for FY 2024-25 are \$4,913,968, an increase of \$156,526 or 3.3% over the current year adopted budget and \$11,250 or 0.2% over the year-end projections. A majority of the KDC revenue is related to sales tax which is projected to be the same as budget and year-end projections.

Underlying Sales Tax estimate comes from analysis of historical Sales Tax receipts from the Texas State Comptroller. Collections of Sales Tax through May, 2024 were as follows:

SALES TAX SUMMARY – MAY REMITTANCE			
	KDC	Budget Analysis	
		Projected Total	Variance
Current Month	\$471,400	\$456,420	\$14,980
Same Month-Prior Year	\$444,689		3.3%
<i>Incr (Decr)</i>	\$26,712		
<i>Pct change</i>	6.0%		
Current YTD	\$3,141,111	\$3,027,273	\$113,838
Last YTD	\$3,114,510		3.8%
<i>Incr (Decr)</i>	\$26,601		
<i>Pct change</i>	6.8%		
<i>% of Budget</i>	67.0%		
<i>Avg. % of Budget</i>	64.5%		

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 includes \$31,000 for Rental Revenue, the proceeds from the Blue Sky Sports Center and ME Development ground lease agreements, and \$192,140 for interest income.

Expenditures: Total FY 2024-25 expenditures are proposed to be \$4,923,180 which is an increase of \$127,999 or 2.7% from the current year adopted budget. The proposed increase is related to the issuance of the Sports Park debt and related projects.

The following items are proposed for FY 2024-25:

- Operations & Maintenance – proposed budget is \$173,045 or a decrease of \$1,871 from the current year.
- Debt Service – proposed budget is \$2,593,519 or a decrease of \$213,746, or 7.6%, related to actual versus estimated annual Sports Park debt payment.
- Capital Improvement Project Transfers – proposed projects total \$2,120,616, an increase of \$320,616 or 17.8% over prior year approved budget, and include the following projects:
 - Splashpad - \$1,112,283 is proposed to create a splashpad for free public use in the Keller Sports Park.
 - Parking Lot Improvements - \$508,333 is proposed to improve the remaining parking lots in the Keller Sports Park.
 - Trail System Expansion - \$400,000 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.

- Playground Shade Structure - \$100,000 is proposed to install a shade structure over one of the recently upgraded playgrounds in the parks system.
- Capital Outlay – proposed capital outlay total \$36,000, an increase of \$23,000 from the prior year approved budget, to replace aging heavy park maintenance equipment, including a tractor.

Reserves and Fund Balances: The projected total ending fund balance at September 30, 2025 is \$2,384,858, a decrease of \$9,212 or 0.4% over the estimated ending balance for September 30, 2024 of \$2,394,070. An operating reserve of \$259,352 represents 10.0% of annual debt service payments. The remaining \$2,125,506 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 \$4,913,968 and expenditures total \$4,923,180 both of which are an increase. This results in a projected decrease to fund balance of \$9,212.

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