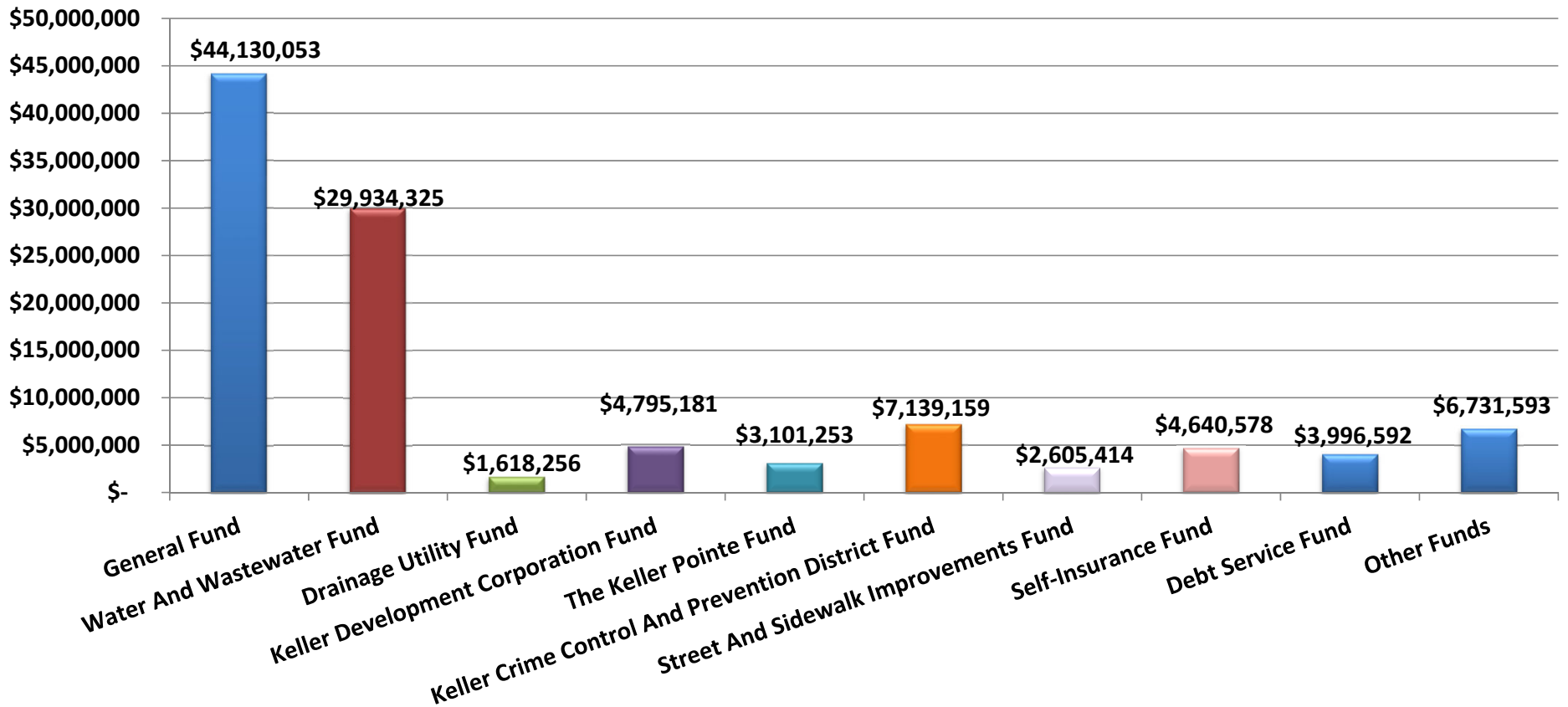


**Item D-3**

**Strategic Planning Budget Session –  
Property Tax and  
Proposed Budget Update**

# FY 2023-24 City of Keller Proposed Operating Budget \$108,692,404



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# FY 2023-24 Proposed Budget

## Revenue by Source

Revenues	FY 2022-23 Budget	FY 2023-24 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 24,095,601	\$ 24,351,784	\$256,183	1.06%
Sales Tax & Other Taxes	21,339,597	23,772,099	2,432,502	11.40%
Licenses and Permits	1,036,249	651,103	(385,146)	-37.17%
Charges for Services	43,182,047	44,906,489	1,724,442	3.99%
Intragovernmental	2,008,251	2,059,353	51,102	2.54%
Fines and Fees	1,234,391	1,263,088	28,697	2.32%
Development Fees	226,458	187,462	(38,996)	-17.22%
Intergovernmental	3,938,533	4,444,953	506,420	12.86%
Other Revenues	1,244,653	1,130,602	(16,471)	-1.44%
<b>Total Revenues</b>	<b>\$ 98,208,200</b>	<b>\$ 102,766,933</b>	<b>\$ 4,558,733</b>	<b>4.64%</b>

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# FY 2023-24 Proposed Budget Expenditure by Category

Expenditures	FY 2022-23 Budget	FY 2023-24 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 34,003,342	\$ 35,200,781	\$ 1,197,439	3.52%
Operations & maintenance	7,489,178	7,305,664	(184,117)	-2.46%
Services & other	21,746,903	23,534,972	1,788,069	8.22%
Wholesale water purchases	9,889,956	9,575,070	(314,886)	-3.18%
Wastewater Services-TRA	4,387,384	5,022,787	635,403	14.48%
Debt service	9,173,803	10,627,841	1,454,038	15.85%
Transfers to other funds	10,578,417	12,836,081	2,257,664	21.34%
Capital outlay	5,592,613	4,589,208	(1,003,405)	-17.94%
<b>Total Expenditures</b>	<b>\$ 102,862,199</b>	<b>\$ 108,692,404</b>	<b>\$ 5,830,205</b>	<b>5.67%</b>

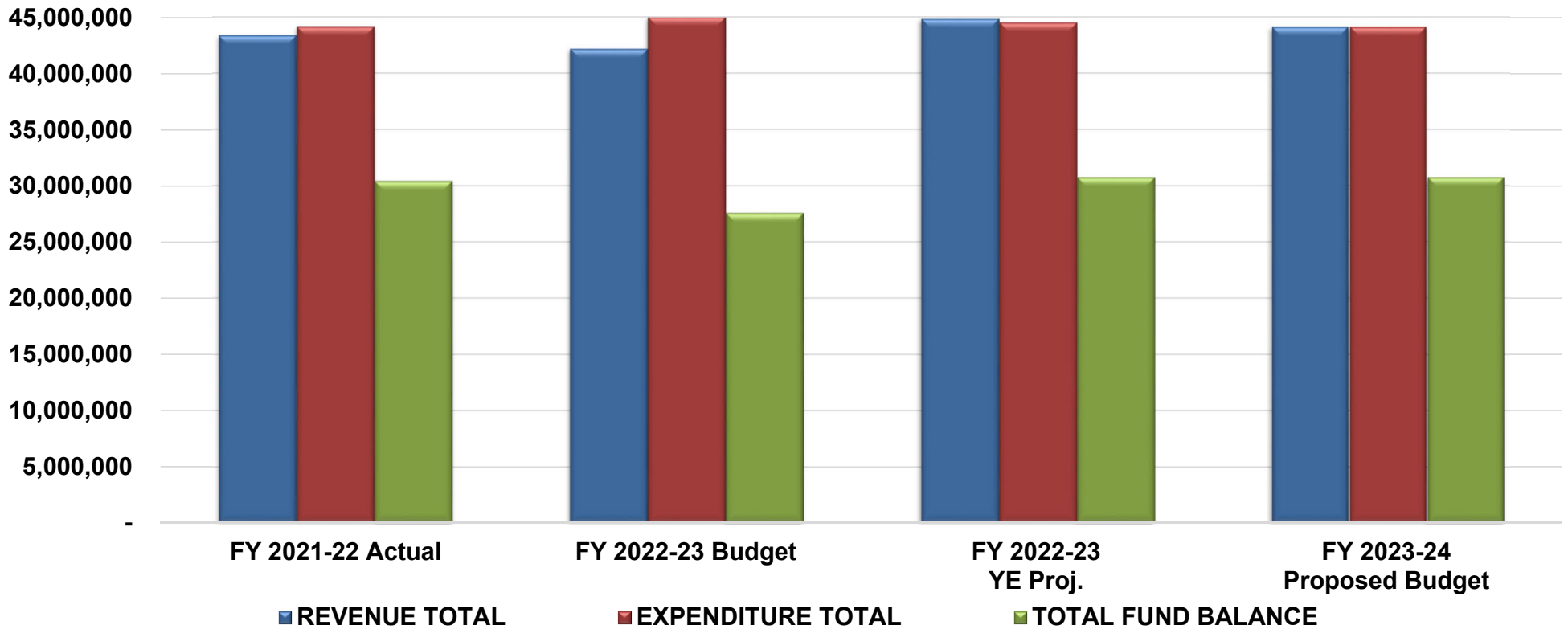
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# FY 2023-24 Proposed Budget Expenditure by Fund

Expenditures	FY 2022-23 Budget	FY 2023-24 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 45,009,687	\$ 44,130,053	\$ (879,634)	-1.95%
Water And Wastewater Fund	28,882,645	29,934,325	1,051,680	3.64%
Drainage Utility Fund	1,676,475	1,618,256	(58,219)	-3.47%
Keller Development Corporation Fund	4,038,943	4,795,181	756,238	18.72%
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	6,990,311	6,731,593	(258,718)	-3.70%
<b>Total Expenditures</b>	<b>\$ 102,862,199</b>	<b>\$ 108,692,404</b>	<b>\$ 5,830,205</b>	<b>5.67%</b>

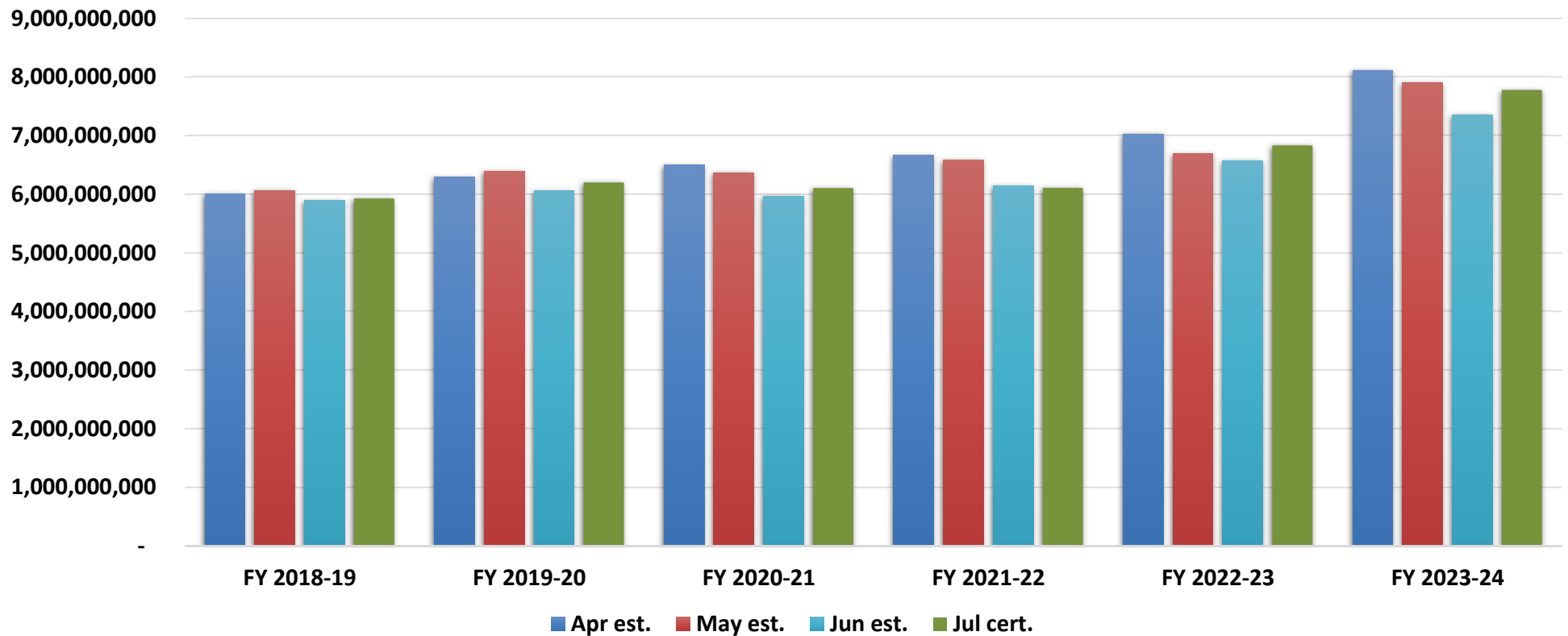
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# FY 2023-24 Proposed Budget General Fund Overview

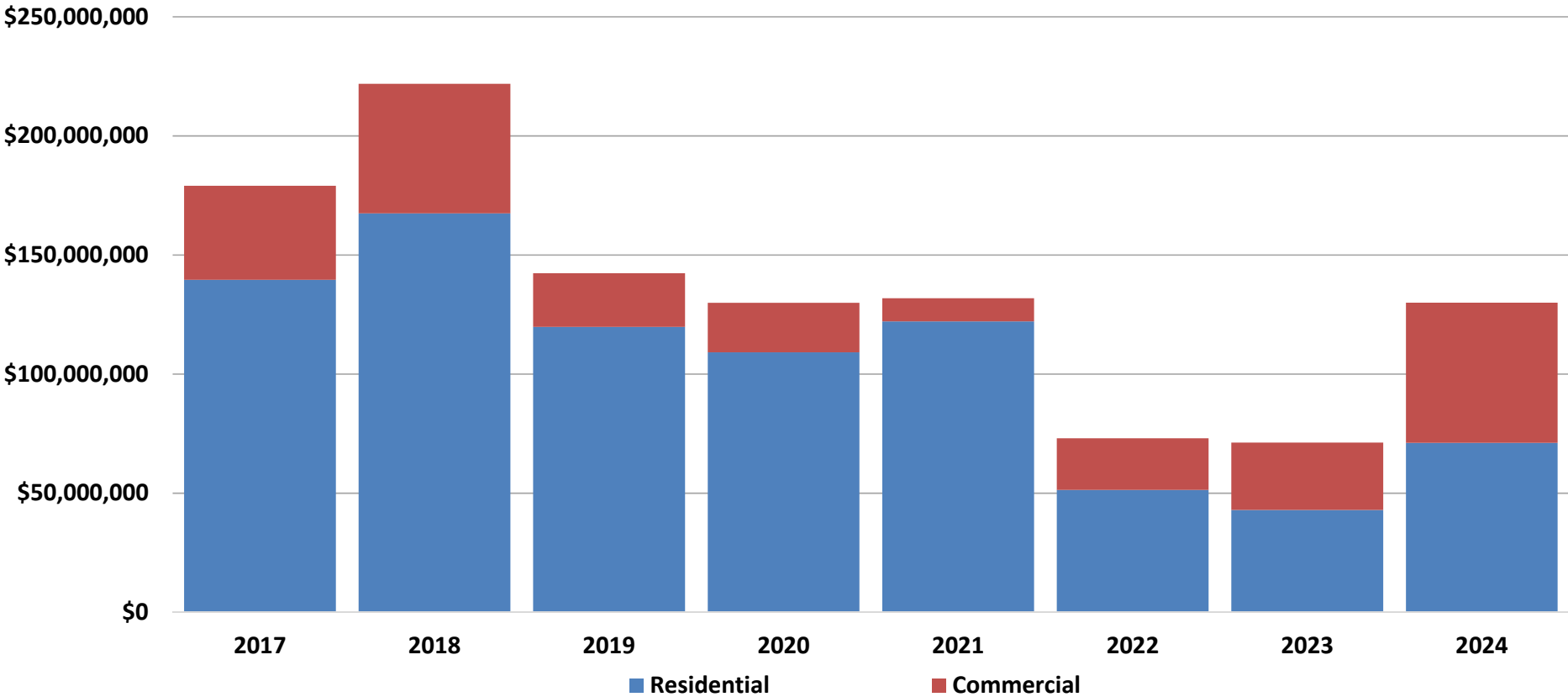


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# Property Tax Value – April thru Certified



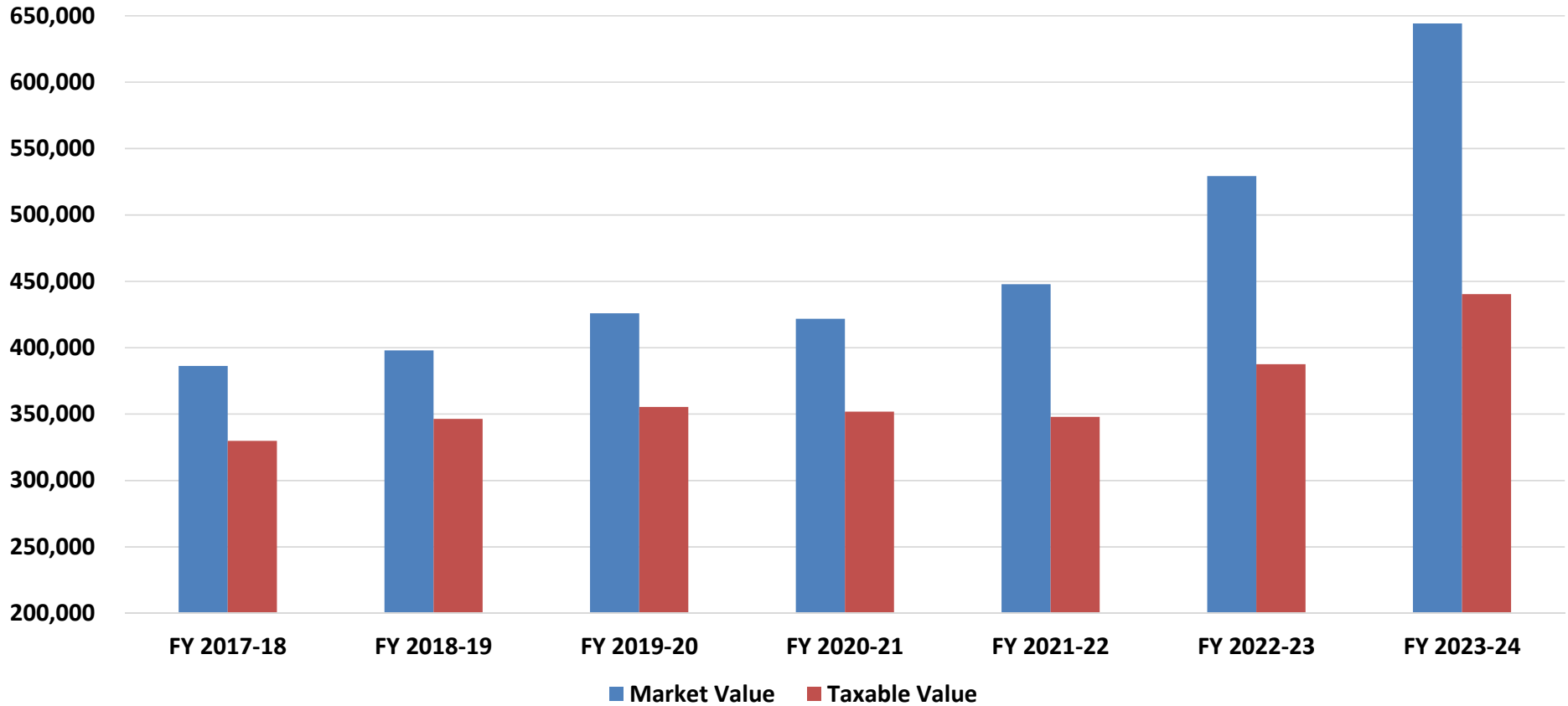
# New Construction



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# Average Market vs. Taxable Home History



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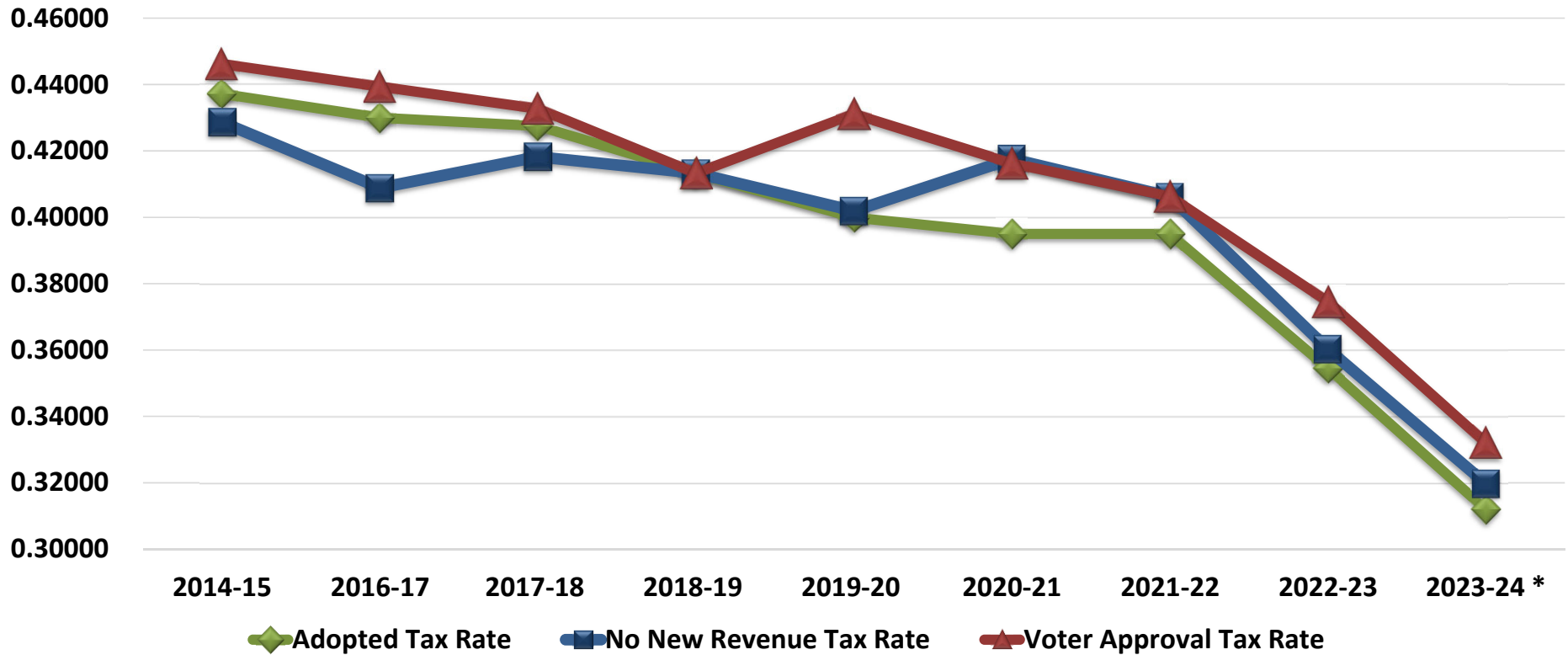
# Levy with Certification

	Current	June Estimate	Certification
Adjusted Value	<b>6,832,377,912</b>	7,500,461,845	<b>7,778,099,210</b>
No-New-Revenue	0.36028	N/A	0.319772
Voter-Approval	0.37456	N/A	0.332020
City Rate	<b>0.35450</b>	0.35450	<b>0.312000</b>
Collection	\$23,895,979	\$25,775,949	\$24,062,446
Vs. FY 2022-23	-	1,879,970	166,466
New Levy		388,163	297,321
Existing Levy		1,491,808	(130,854)

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

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# Property Tax Rate History



# Tax Rate Options

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

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

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# Tax Mitigation Timeline

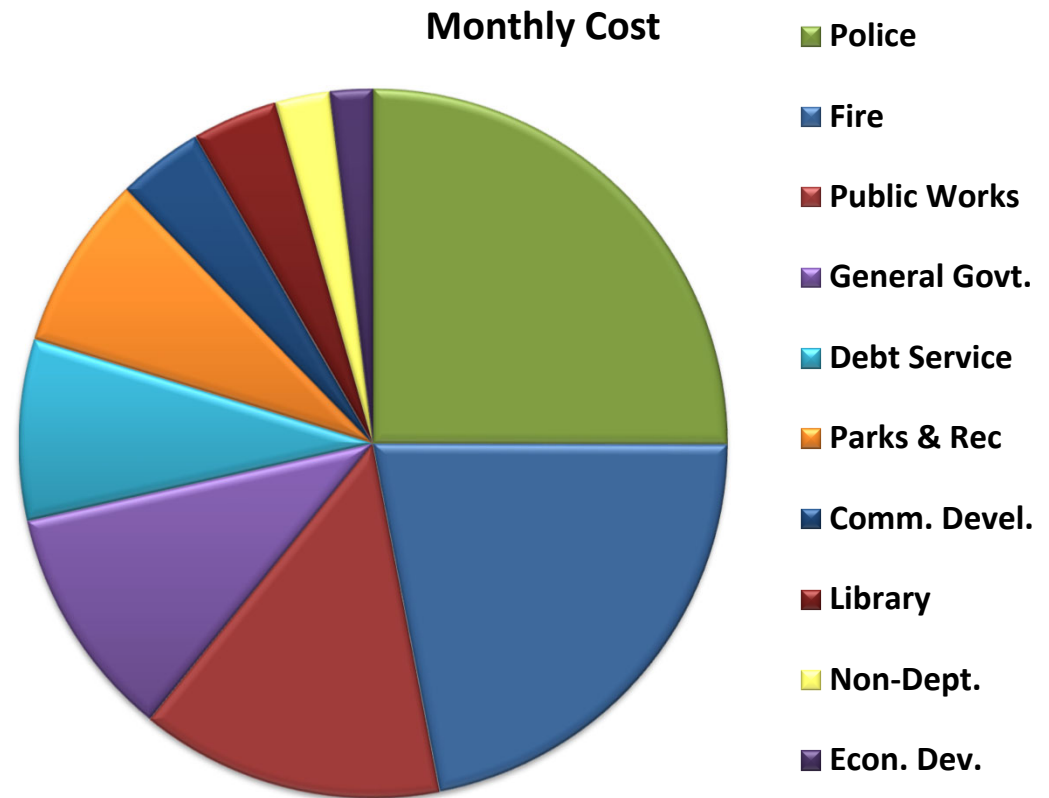
Fiscal Year	Tax Rate	Change from FY 2013-14	Homestead	Avg. Home Tax Bill without Mitigation
FY 2013-14	\$0.44219	-	1%	2,410
FY 2014-15	\$0.43719	(\$0.00500)	1%	2,382
FY 2015-16	\$0.43469	(\$0.00750)	1%	2,369
FY 2016-17	\$0.43000	(\$0.01219)	4%	2,272
FY 2017-18	\$0.42750	(\$0.01469)	8%	2,165
FY 2018-19	\$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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# Cost of City Services for Average Residential Taxpayer

Police	28.68
Fire	25.10
Public Works	15.90
General Govt.	12.17
Debt Service	9.47
Parks & Rec	9.14
Comm. Devel.	4.48
Library	4.47
Non-Dept.	2.85
Econ. Dev.	2.24
<b>Total</b>	<b>\$ 114.49</b>



# FY 2023-24 Proposed Budget

## General Fund Expenditure by Category

Expenditures	FY 2022-23 Budget	FY 2023-24 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 26,979,762	\$ 28,171,394	\$ 1,191,632	4.42%
Operations & maintenance	3,380,991	3,152,833	(228,158)	-6.75%
Services & other	9,251,049	9,892,559	641,510	6.93%
Transfers to other funds	5,015,667	2,865,667	(2,150,000)	-42.87%
Capital outlay	382,218	47,600	(334,618)	-87.55%
<b>Total Expenditures</b>	<b>\$ 45,009,687</b>	<b>\$ 44,130,053</b>	<b>\$ (879,634)</b>	<b>(1.95)%</b>

Growth = \$1,642,616 or 4.11% with one-times removed

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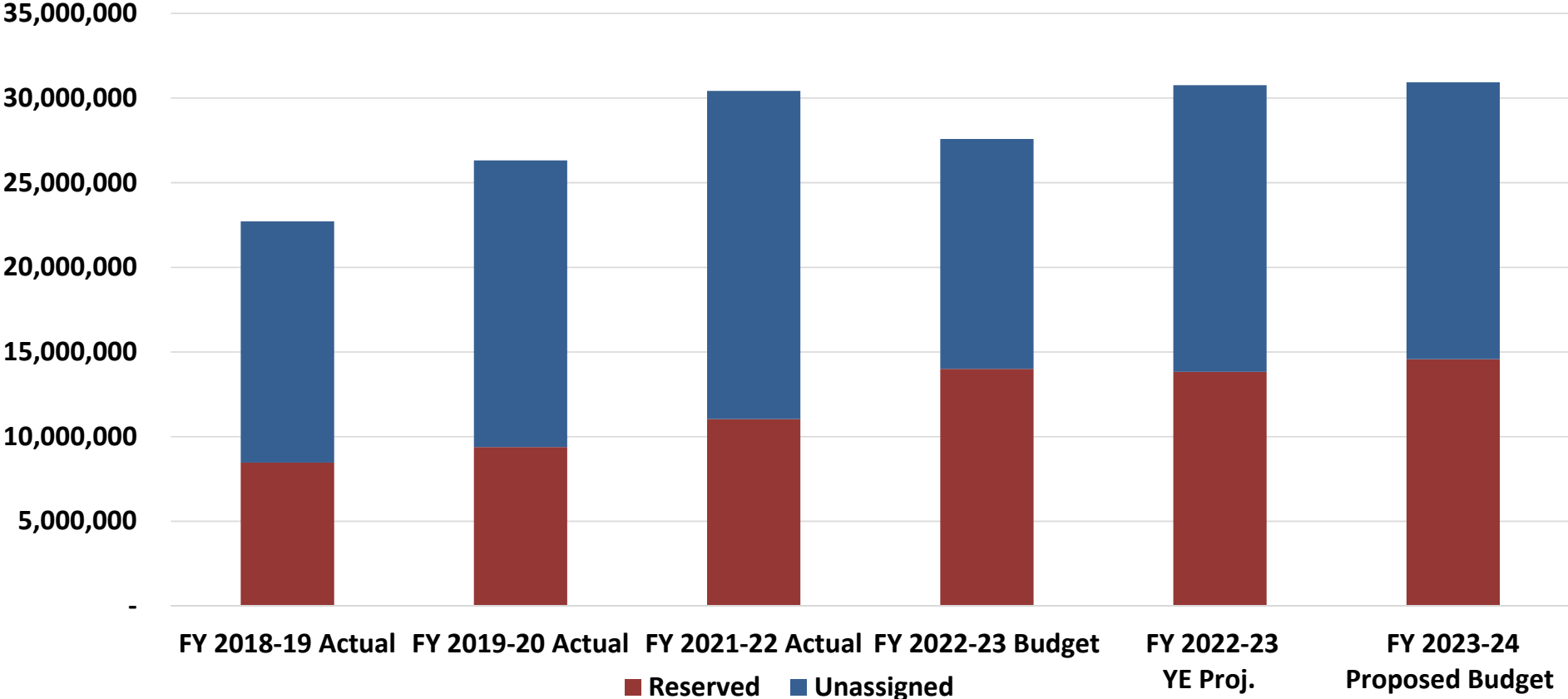
# Ad Valorem Expenditures

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
<b>Total</b>	<b>\$ 1,330,214</b>	<b>\$ 2,682,450</b>	<b>\$ 4,012,664</b>

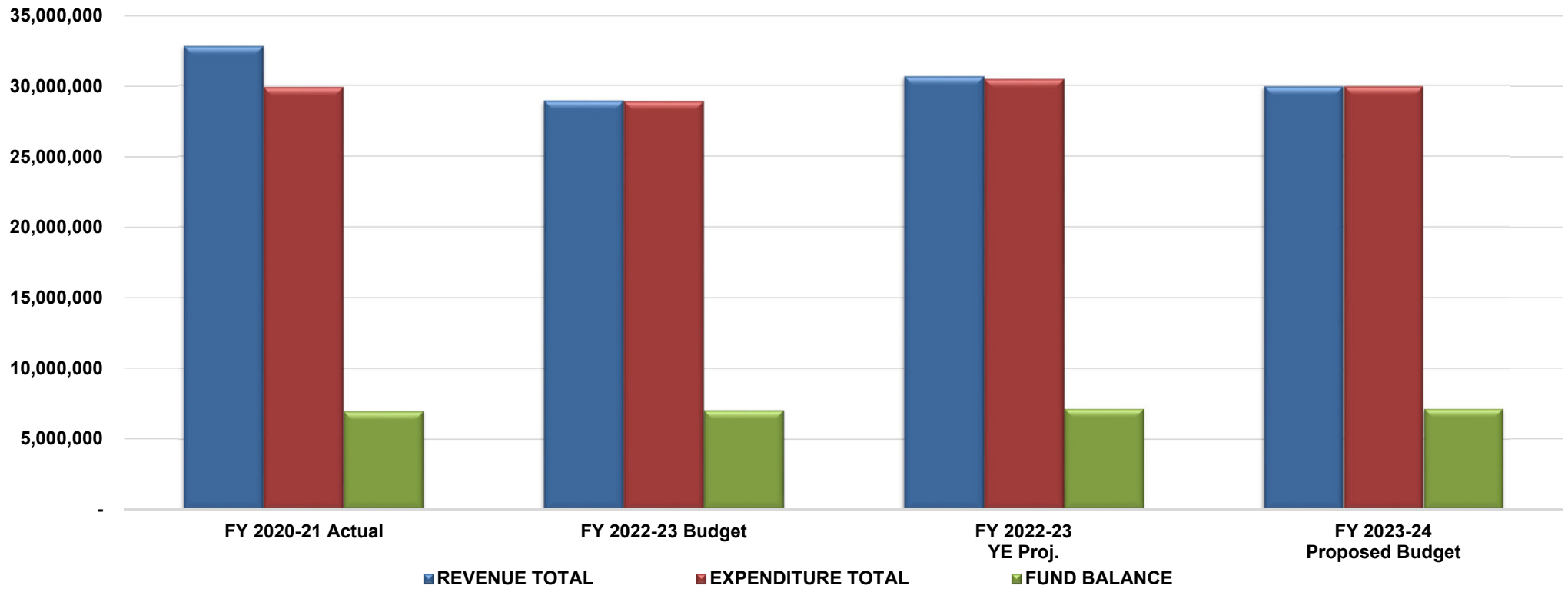
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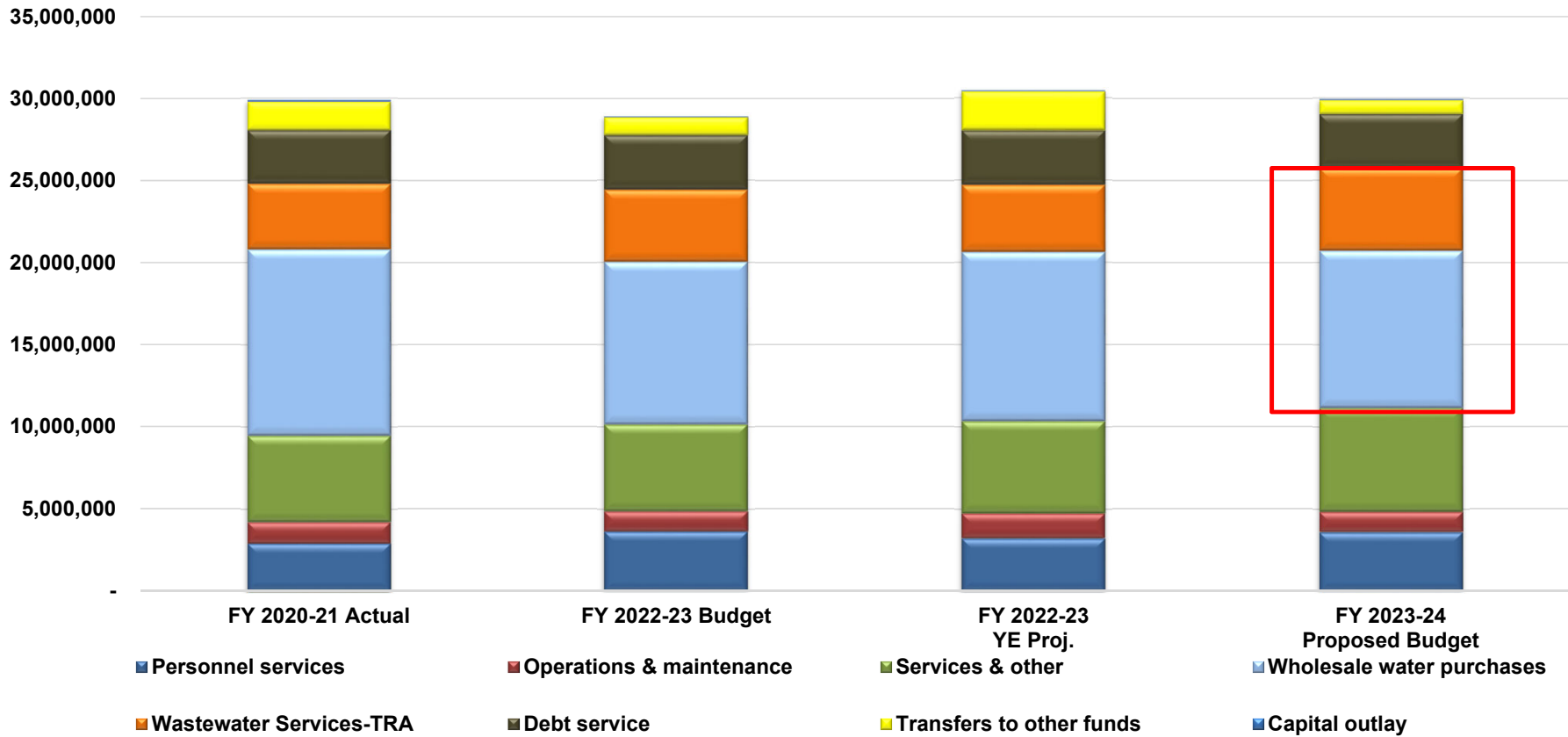
# General Fund - Fund Balance



# Water and Wastewater Fund Summary



# Water and Wastewater Expenditures



## Water and Wastewater Expenditures

Expenditures	FY 2022-23 Budget	FY 2023-24 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 3,646,370	\$ 3,594,777	\$ (51,593)	-1.4%
Operations & maintenance	1,218,468	1,240,908	22,440	1.8%
Services & other	5,287,502	6,314,874	1,027,372	19.4%
<i>Wholesale water purchases</i>	<i>9,889,956</i>	<i>9,575,070</i>	<i>(314,886)</i>	<i>(3.2)%</i>
<i>Wastewater Services-TRA</i>	<i>4,387,384</i>	<i>5,022,787</i>	<i>635,403</i>	<i>14.5%</i>
Debt service	3,312,965	3,295,909	(17,056)	-0.5%
Transfers to other funds	1,075,000	825,000	(250,000)	-23.3%
Capital outlay	65,000	65,000	-	0.0%
<b>TOTAL</b>	<b>\$ 28,882,645</b>	<b>\$ 29,934,325</b>	<b>\$ 1,051,680</b>	<b>3.6%</b>

## Average Monthly Bill

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

# 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)	3,760,113
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	6,262,027
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	499,500	(236,013)	611,673

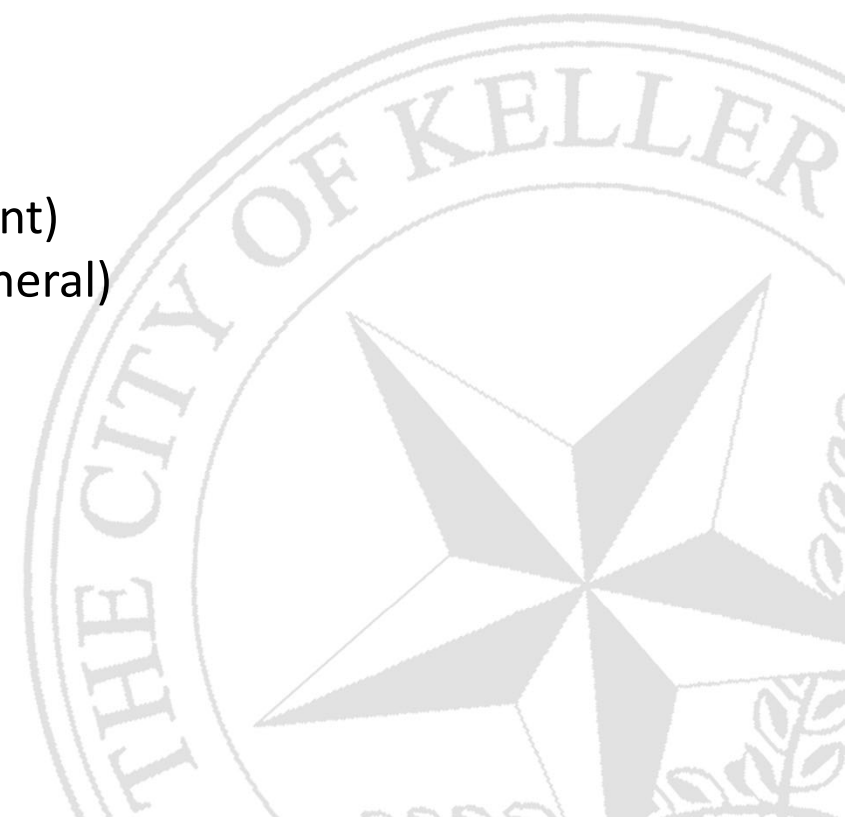
# Other Operating Funds

Fund	FY 2023-24 Revenues	FY 2023-24 Expenditures	Variance	Fund Balance
Recreation Special Revenue Fund	375,779	348,662	27,117	391,623
PEG Channel Fund	88,676	135,000	(46,324)	503,277
Municipal Court Special Revenue Fund	56,197	55,466	731	(2,598)
Community Clean-Up Fund	42,182	38,100	4,082	414,750



## FY 2023-24 CIP Highlights

- Elm Street = \$15M (Debt)
- Mt. Gilead Reconstruction = \$1M (General, Roadway IF)
- Pavement Markings= \$700K (General)
- Old Town East = \$580K (General)
- Signal Modifications = \$200K (General)
- Pedestrian Masterplan Grant = \$600K (General, Grant)
- Tarrant Parkway Right Turn Dedication = \$100K (General)
- 377 Median Design = \$100K (General)
- Police Station Renovations = \$4.5M (KCCPD)
- Keller Sports Park = \$27M (Debt/KDC)
- Trail System Expansion= \$750K (KDC)
- TBD Splash Pad= \$750K (KDC)
- SWIFT = \$4.31M (W-WW, Debt)
- Woods Drive Drainage = 200K (Drainage)



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# 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)

# Budget Timeline – Next Steps

Calendar Item	Date(s)
Proposed Budget Published	August 10
<b>Vote on Max Tax Rate</b>	<b>August 15</b>
Budget and Tax Rate Adoption	September 19
Fiscal Year Begins	October 1



**Questions?**

**Aaron Rector**

**817-743-4026**

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