

## Item D-1

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



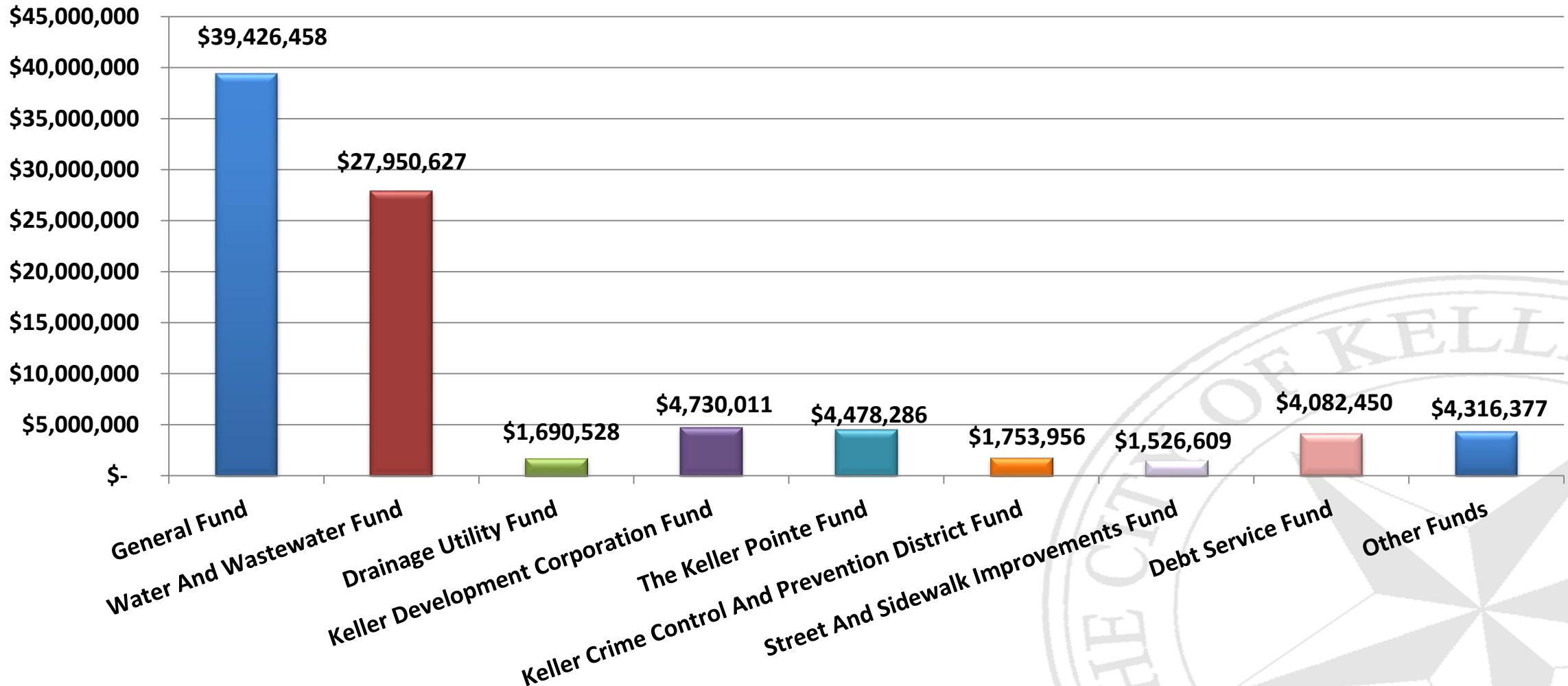
# Presentation Overview

- Operating Budget Overview
- Property Tax Calculations
- Ad Valorem Expenditures
- Compensation
- CIP Changes
- Budget Essential Points
- Next Steps



# FY 2018-19 City of Keller

## Proposed Operating Budget \$89,955,302



# 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%
Charges for Services	36,086,618	36,913,460	826,842	2.29%
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%
Other Revenues	456,195	563,651	107,456	23.55%
<b>Total Revenues</b>	<b>\$ 88,642,316</b>	<b>\$ 86,150,702</b>	<b>\$ (2,491,614)</b>	<b>-2.81%</b>

# FY 2018-19 Proposed Budget

## Expenditure by Category

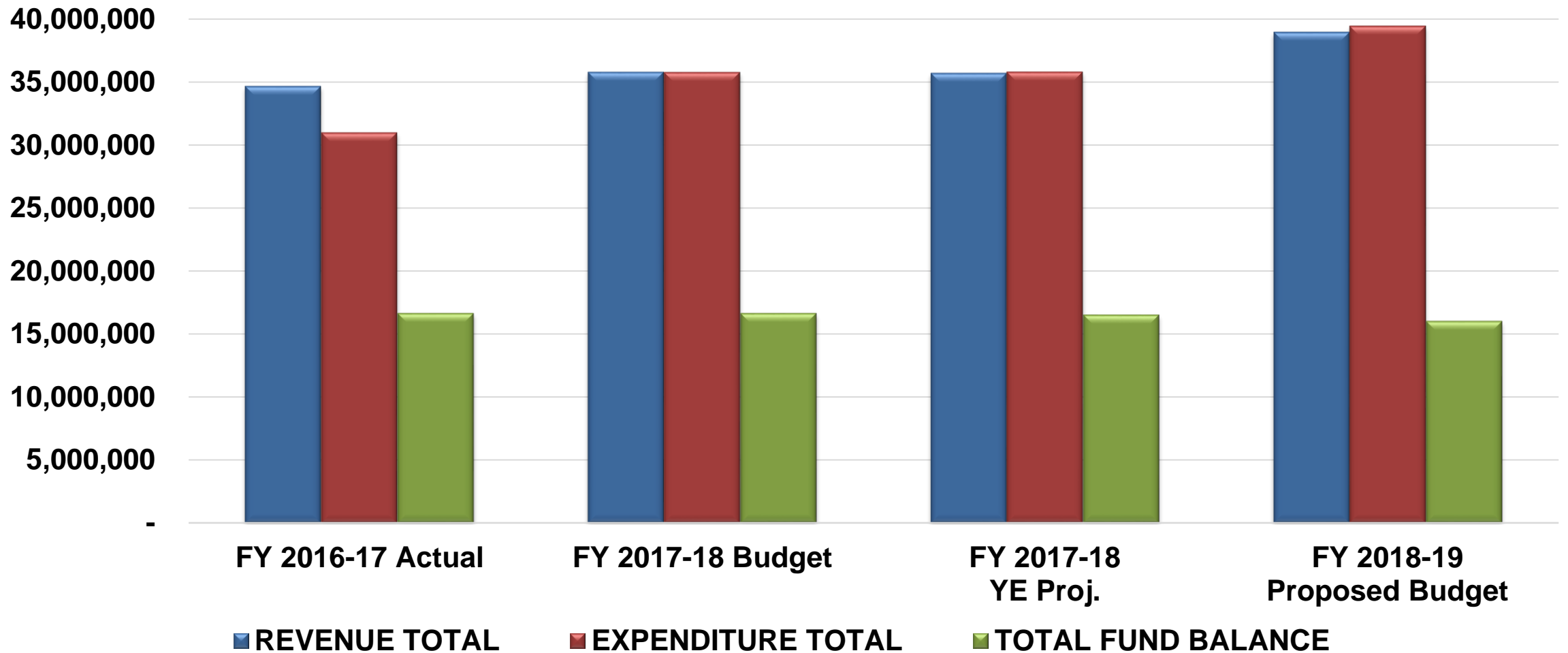
Expenditures	FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 29,993,112	\$ 30,396,612	\$ 403,499	1.35%
Operations & maintenance	6,372,628	6,308,819	(36,057)	-0.57%
Services & other	14,853,098	15,719,195	808,345	5.42%
Wholesale water purchases	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%
Capital outlay	1,582,952	2,798,603	1,216,026	76.84%
<b>Total Expenditures</b>	<b>\$ 84,484,790</b>	<b>\$ 89,955,142</b>	<b>\$ 5,470,512</b>	<b>6.48%</b>

# FY 2018-19 Proposed Budget Expenditure by Fund

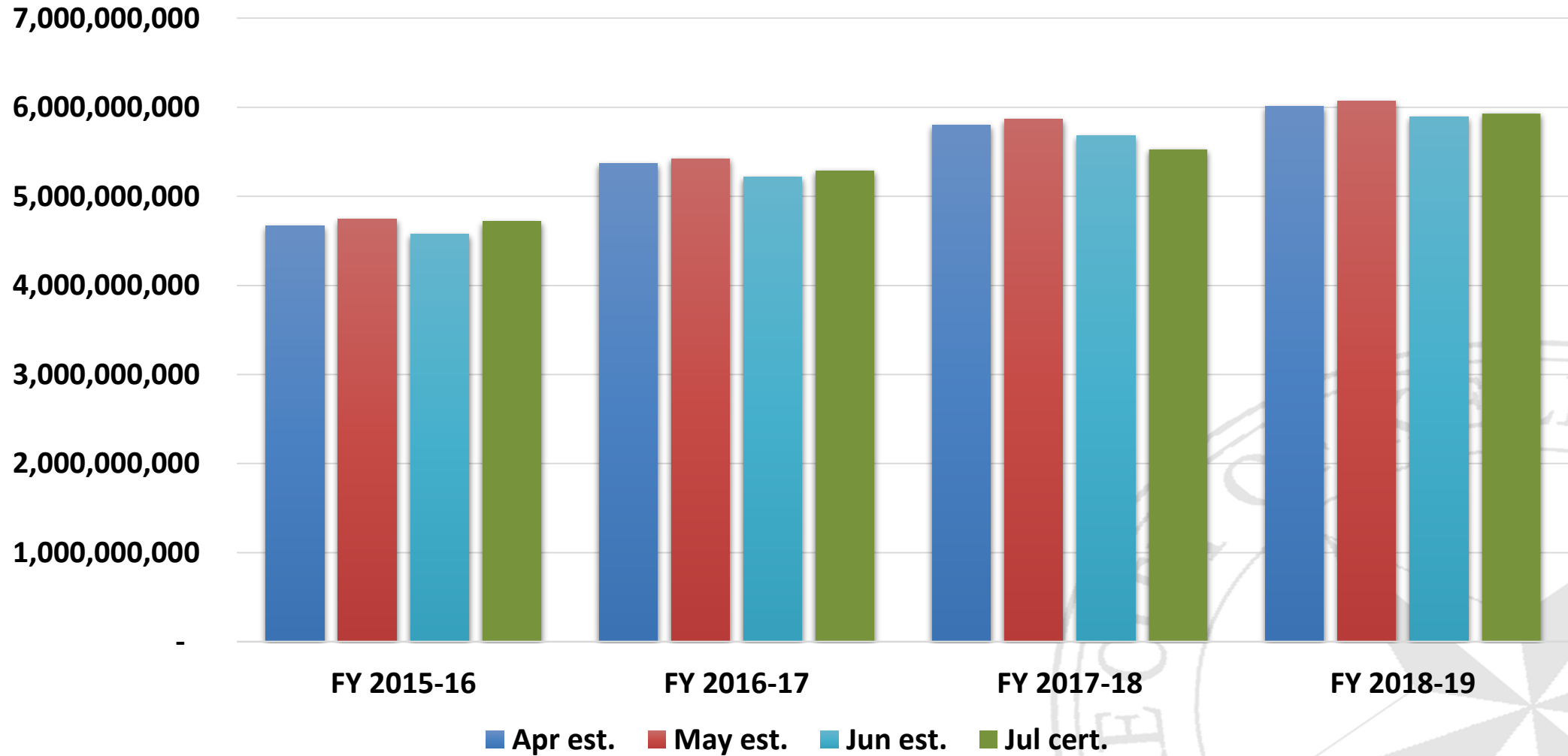
Expenditures	FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 35,767,465	\$ 39,426,458	\$ 3,658,993	10.23%
Water And Wastewater Fund	27,331,316	27,950,627	619,311	2.27%
Drainage Utility Fund	1,440,660	1,690,528	249,868	17.34%
Keller Development Corporation 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	4,470,626	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%
Other Funds	3,838,281	4,244,877	478,096	12.46%
<b>Total Expenditures</b>	<b>\$ 84,484,790</b>	<b>\$ 89,955,302</b>	<b>\$ 5,470,512</b>	<b>6.48%</b>

# FY 2018-19 Proposed Budget

## General Fund Overview

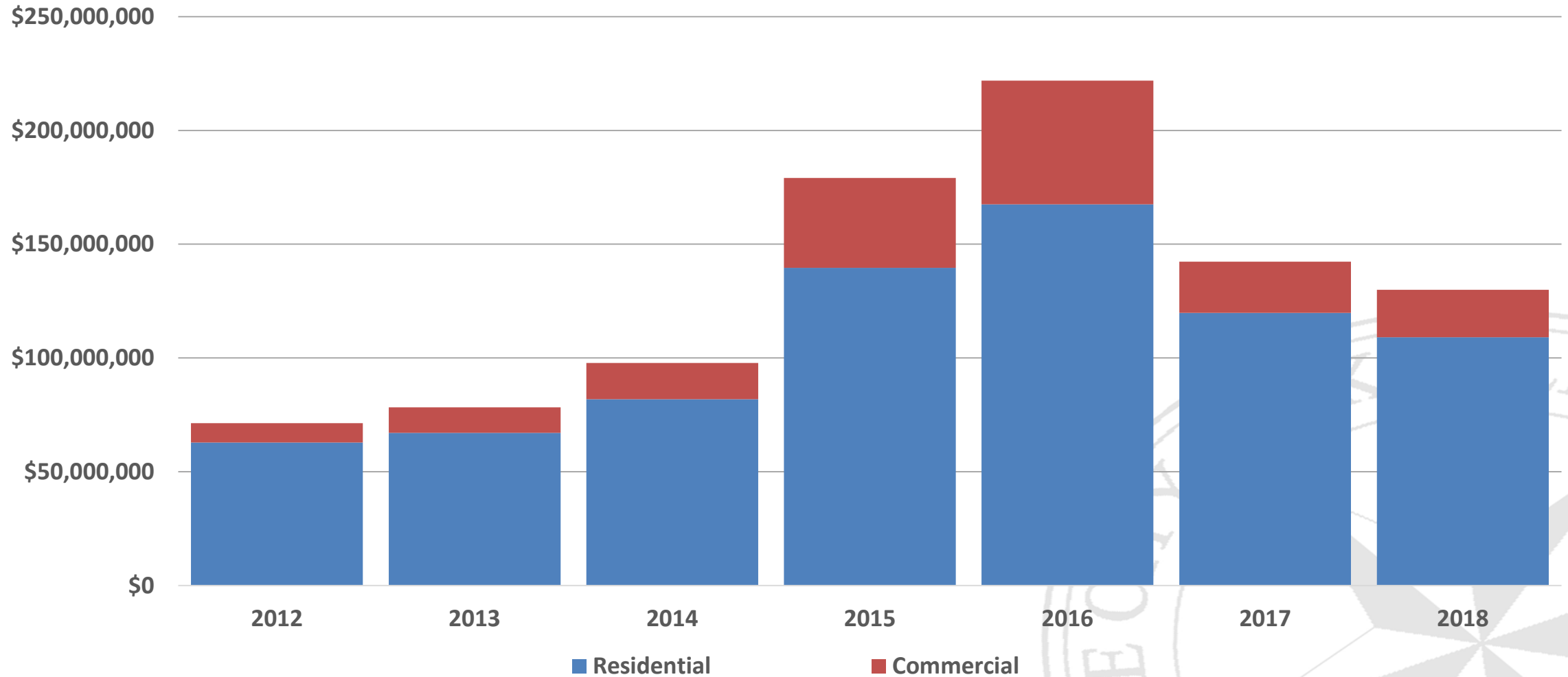


# Property Tax Value – April thru Certified





# New Construction



# Levy with Certification

	Current	June Estimate	Certification @ Current TR	Certification @ \$0.42750
Adjusted Value	4,657,305,710	5,222,483,159	5,121,689,116	<b>5,121,689,116</b>
Effective	0.415271	N/A	<b>0.413279</b>	
Rollback	0.429901	N/A	<b>0.413302</b>	
City Rate	0.427500	0.427500	0.427500	<b>0.413250</b>
Collection	\$23,132,822	\$24,894,899	\$24,467,236	<b>\$23,742,869</b>
Vs. FY 2017-18	-	1,762,077	1,334,414	<b>610,047</b>
New Levy	608,591	555,526	555,526	<b>537,008</b>
Existing Levy	335,717	1,206,551	778,888	<b>73,038</b>

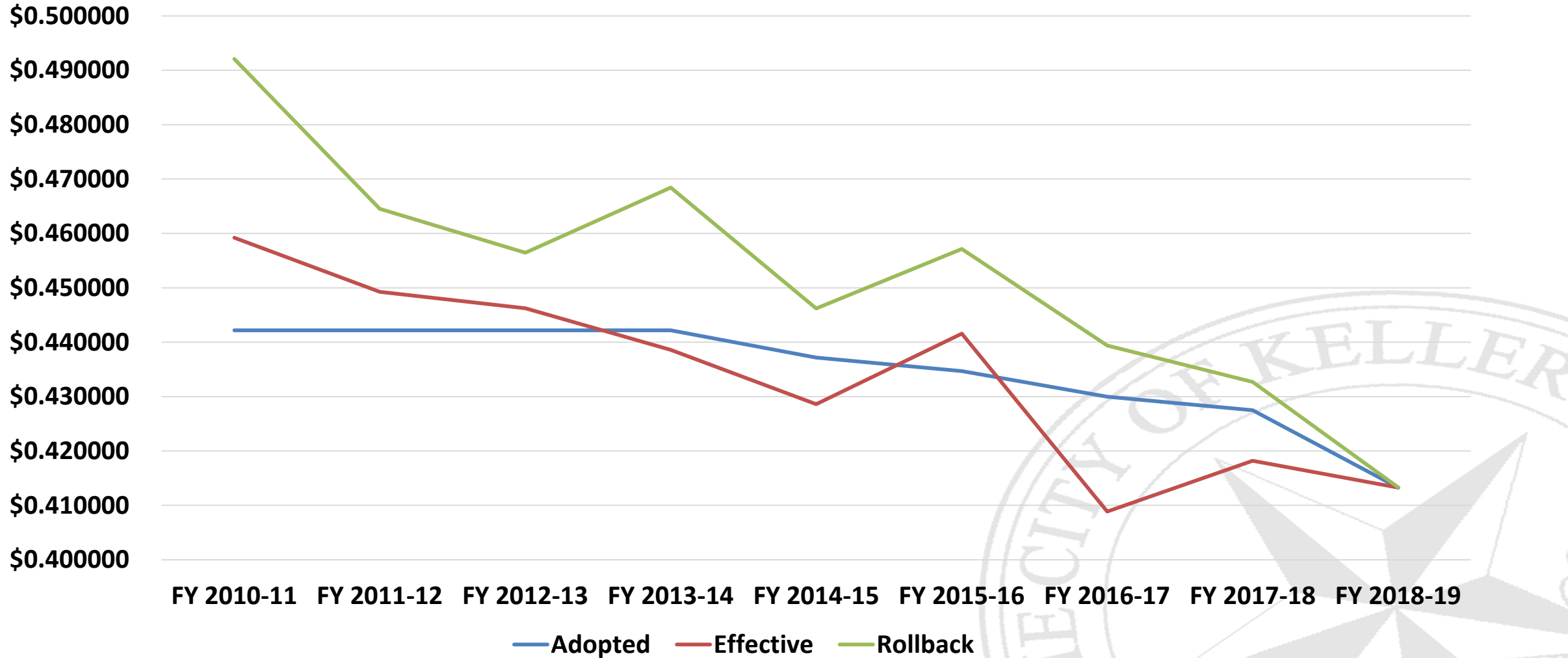
- Value of \$0.0025/100 = \$143,736

# 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%)
<b>Total</b>	<b>\$ 23,132,822</b>	<b>\$ 23,773,710</b>	<b>\$ 610,047</b>	<b>2.64%</b>
General Fund w/o TIRZ		18,737,333	1,854,616	<b>11.0%</b>
General Fund w/o TIRZ & Debt		17,492,765	610,047	3.6%

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

# Property Tax Rate History



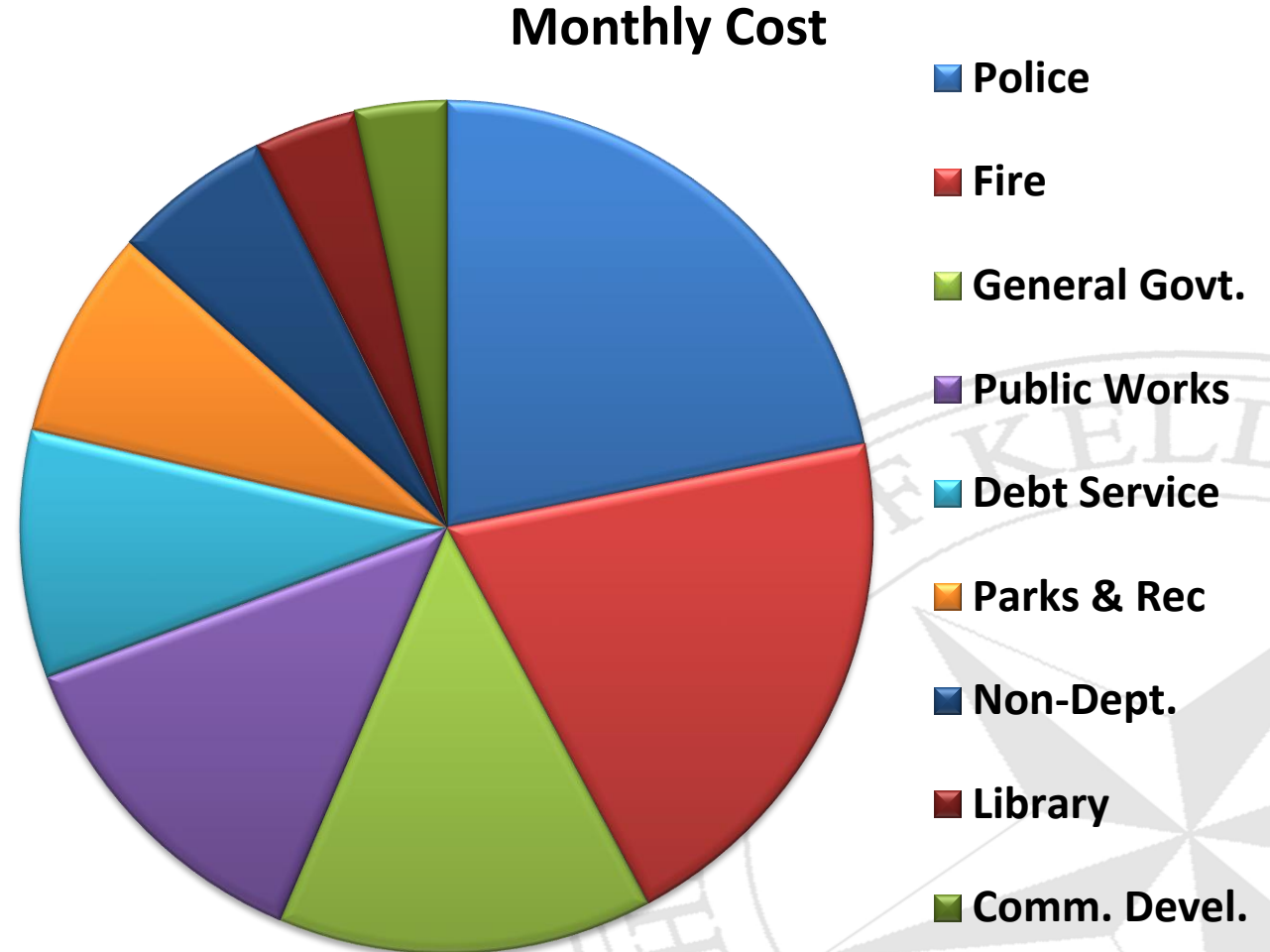
# Average Home Impact

	FY 2017-18	June Est.	Cert. @	Cert. @
Tax Rate	\$0.42750	\$0.42750	\$0.42750	<b>\$0.413250</b>
Exemption	8%	8%		<b>10%</b>
Avg. Home Value	329,840	349,585		<b>346,378</b>
Avg. Home Tax Bill	1,410	1,494	1,481	<b>1,431</b>
Per Month	117.51	124.54	122.68	<b>119.28</b>
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

**\$0.41075 vs. FY 14 Rate = \$122 savings or ~1 month of services**

# Cost of City Services for Average Residential Taxpayer

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
<b>Total</b>	<b>\$ 119.28</b>



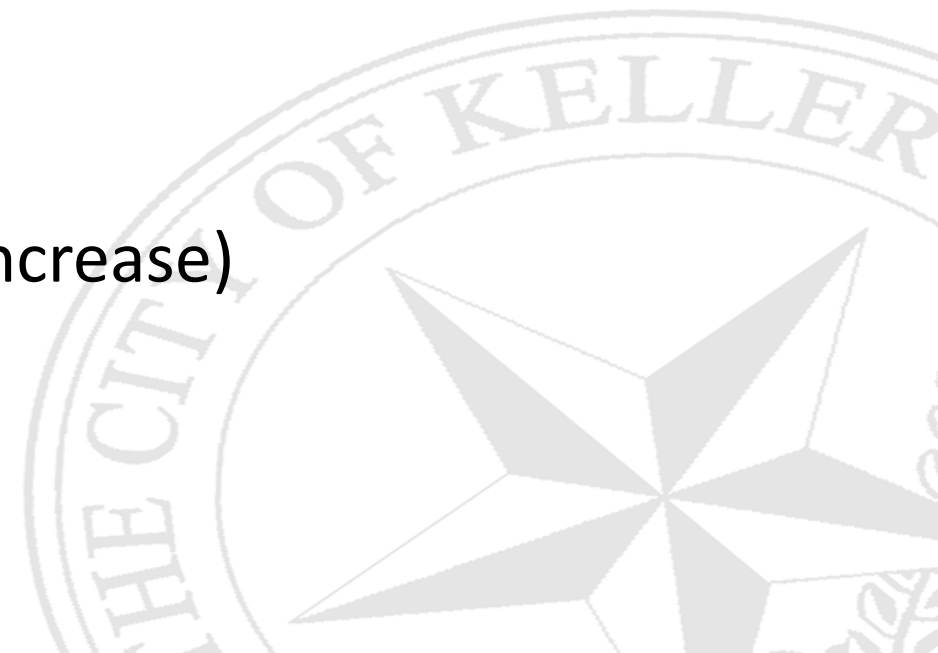
# Ad Valorem Expenditures

Expenditure	On-Going Cost	One-Time Cost	Total Cost
Senior Activity Center Design/Engineering *	\$ -	\$ 1,600,000	\$ 1,600,000
Johnson Road Reconstruction	-	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 Replacements	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
<b>Total</b>	<b>\$ 677,060</b>	<b>\$ 4,121,593</b>	<b>\$ 4,798,653</b>

\* - No expenditures to be made until after voter approval

# Compensation and Benefits

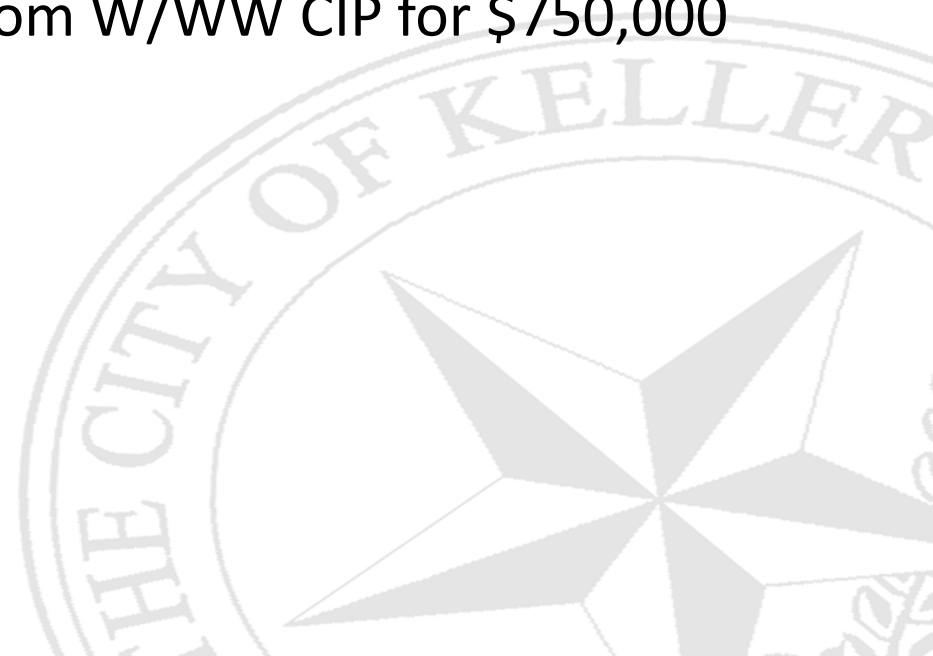
- Public Safety
    - Sustainable Step Plan (2% annually) (sworn/cert. only)
    - Up to 4% Market Adjustment (remain competitive)
  - Civilian
    - 2.0% Merit Increase (avoid compression)
    - 1.5% Market Adjustment (remain competitive)
  - Healthcare Plan – 0.0%
  - Dental Plan – 26% (Overall = \$27,500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





# CIP Changes

- Bear Creek & Whitley roundabout –General Fund increased by \$462,500
- Annual street maintenance – Street Maintenance Fund increased by \$261,609
- Added locker room renovation added – Pointe increased by \$600,000
- Utility Relocations Moved to Street CIP – Transferred from W/WW CIP for \$750,000



# 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 Design/Engineering = \$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
- Accreditation Manager in KCCPD= \$105,000
- Minimal City Water/Wastewater rate adjustments
- KDC = Overton Ridge Park and Bear Creek Restroom Pavilion
- Maintains All Replacement Funding
- TIRZ Levy to GF



# Budget Timeline – Next Steps

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



**Questions?**

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