

Items H-6 thru H-8

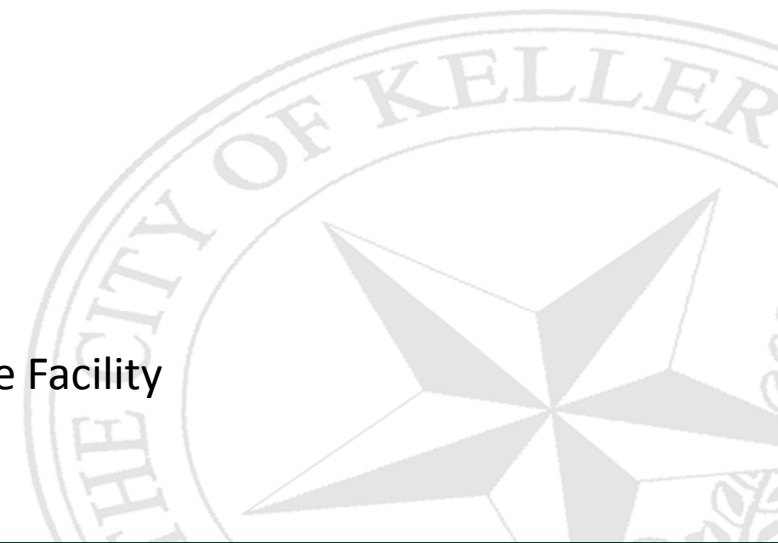
H-6 - PUBLIC HEARING: Consider an ordinance adopting the annual budget for the City of Keller, Texas, for the Fiscal Year beginning October 1, 2018 and ending September 30, 2019, including the 2018-19 Capital Improvements Program, and adopting the Fiscal Year 2018-19 Fee Schedule for the City of Keller, Texas

H-7 - Consider a resolution ratifying the tax revenue for the tax year 2018 (Fiscal Year 2018-19) for the City of Keller, Texas.

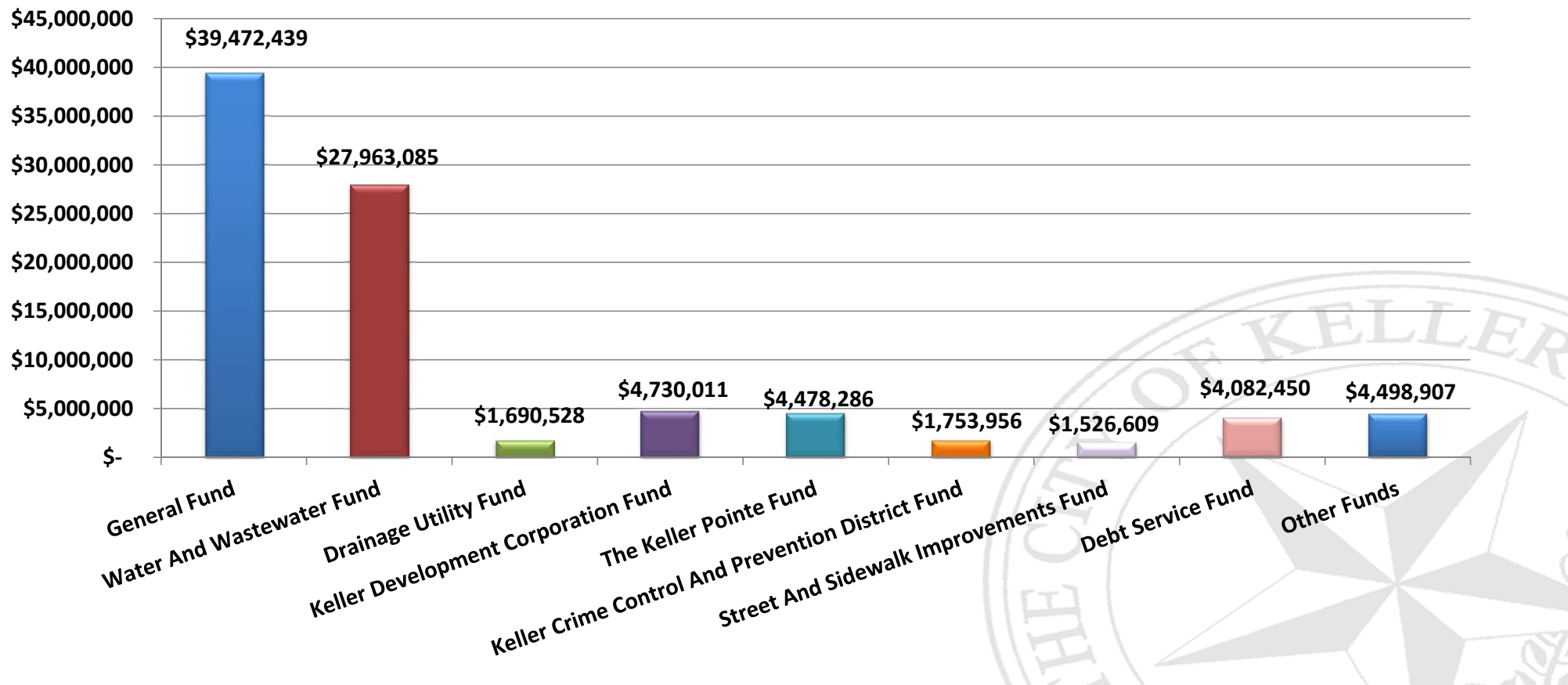
H-8 - Consider an ordinance levying taxes to be assessed on all taxable properties within the city limits of the City of Keller, Texas for the tax year 2018 (Fiscal Year 2018-19).

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 Phase I = \$2,000,000
- Bear Creek & Whitley Roundabout= \$925,000
- Keller-Smithfield & Bear Creek Signal= \$250,000
- Increased Sidewalk Maintenance by \$30,000 to \$160,000
- 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 \$90,196,271



Excellence • Integrity • Service • Creativity • Communication

Changes from Published Proposed Budget

- Enterprise Fleet Agreement / FY 2018-19 Vehicle Purchases = \$182,530
- PO “Rollovers” = \$58,439
 - OTK Concept Plan = \$24,396 (GF)
 - Construction Inspection Services = \$12,458 (W/WW)
 - Shopping & Dining Guide = \$11,585 (GF)
 - ROW Permit/Lane Closure Update = \$10,000 (GF)



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	36,965,903	879,285	2.44%
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	569,963	113,768	24.94%
Total Revenues	\$ 88,642,316	\$ 86,209,457	\$ (2,432,859)	-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%
Other Funds	3,805,600	4,372,970	567,370	14.91%
Total Revenues	\$ 88,642,316	\$ 86,209,457	\$(2,432,859)	-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	6,307,976	(36,900)	-0.58%
Services & other	14,853,098	15,848,977	938,127	6.29%
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	6,010,065	107.35%
Capital outlay	1,423,952	2,981,133	1,547,181	107.90%
Total Expenditures	\$ 84,336,165	\$ 90,196,271	\$ 5,860,106	6.95%

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	\$ 39,472,439	\$ 3,704,974	10.36%
Water And Wastewater Fund	27,331,316	27,963,085	631,769	2.31%
Drainage Utility Fund	1,440,660	1,690,528	249,868	17.34%
KDC Fund	2,722,024	4,730,011	2,007,987	73.77%
KCCPD	1,183,542	1,753,956	570,414	48.20%
Street Maintenance 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%
TIRZ	2,784,425	-	(2,784,425)	-100.00%
Other Funds	3,689,656	4,498,907	660,626	17.21%
Total Expenditures	\$ 84,336,165	\$ 90,196,271	\$ 5,860,106	6.95%

PROPERTY TAX



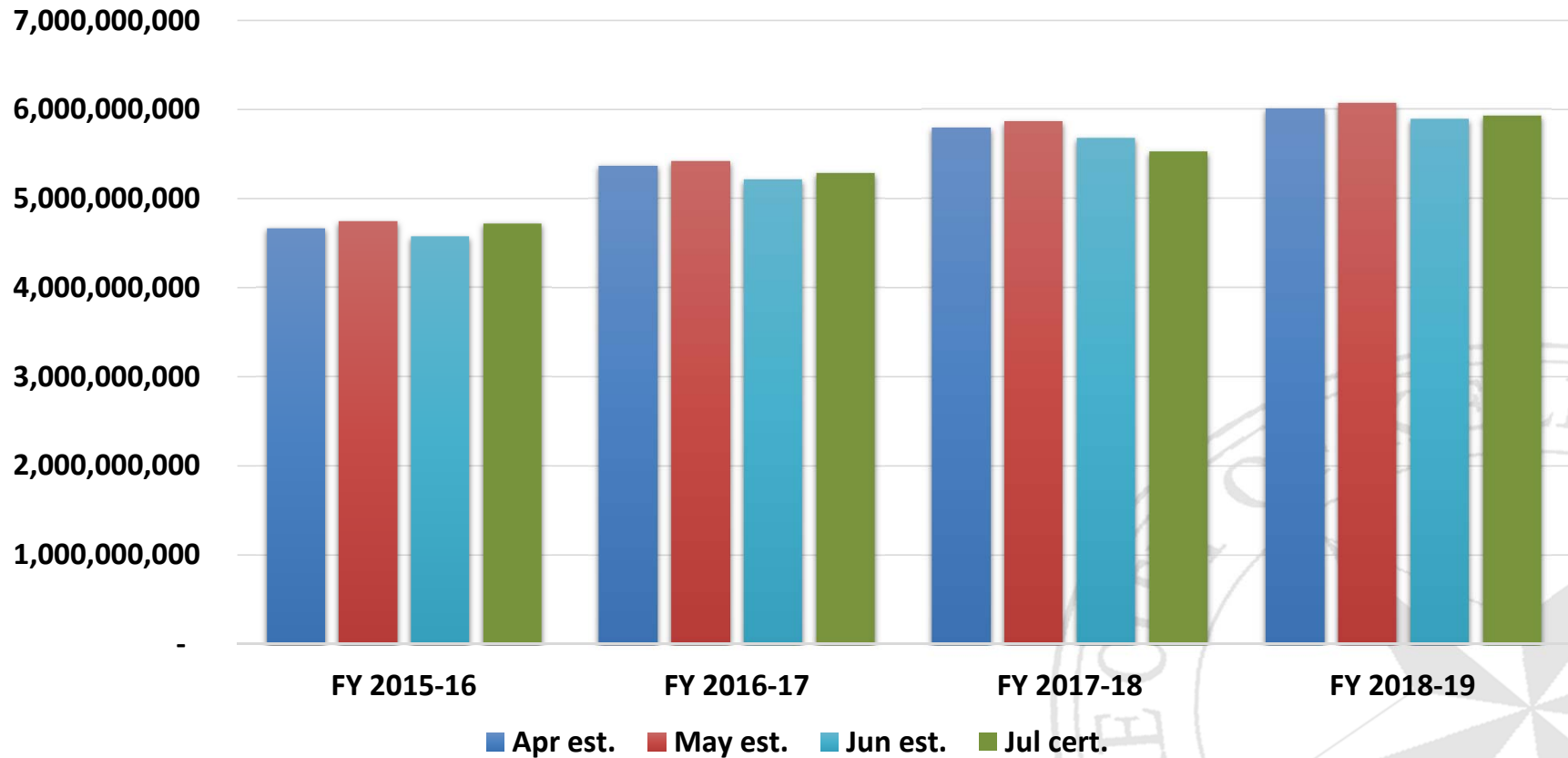
Excellence • Integrity • Service • Creativity • Communication

Levy with Certification

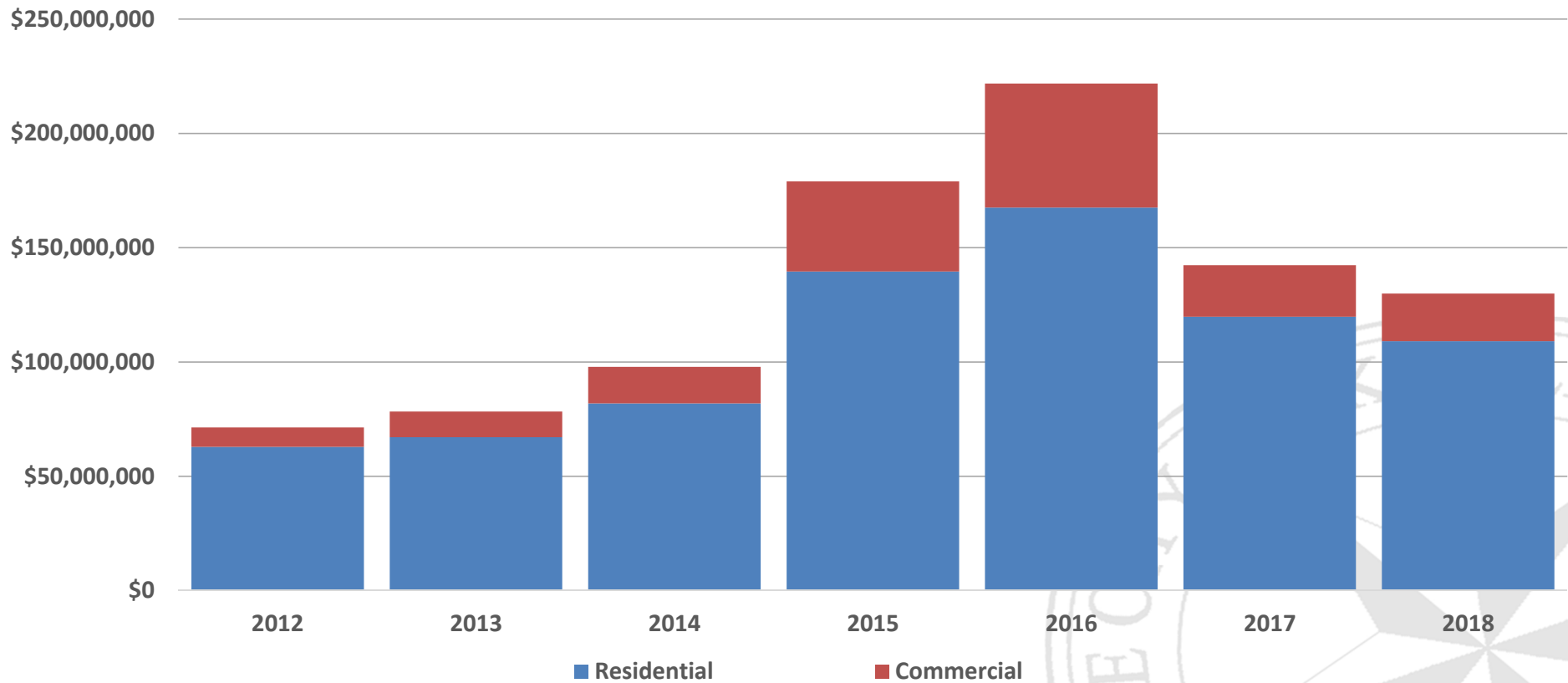
	Current	June Estimate	Certification @ Current TR	Certification @ Proposed TR
Adjusted Value	4,657,305,710	5,222,483,159	5,121,689,116	5,121,689,116
Effective	0.415271	N/A		0.413279
Rollback	0.429901	N/A		0.413302
City Rate	0.427500	0.427500	0.427500	0.413250
Collection	\$23,132,822	\$24,894,899	\$24,467,236	\$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



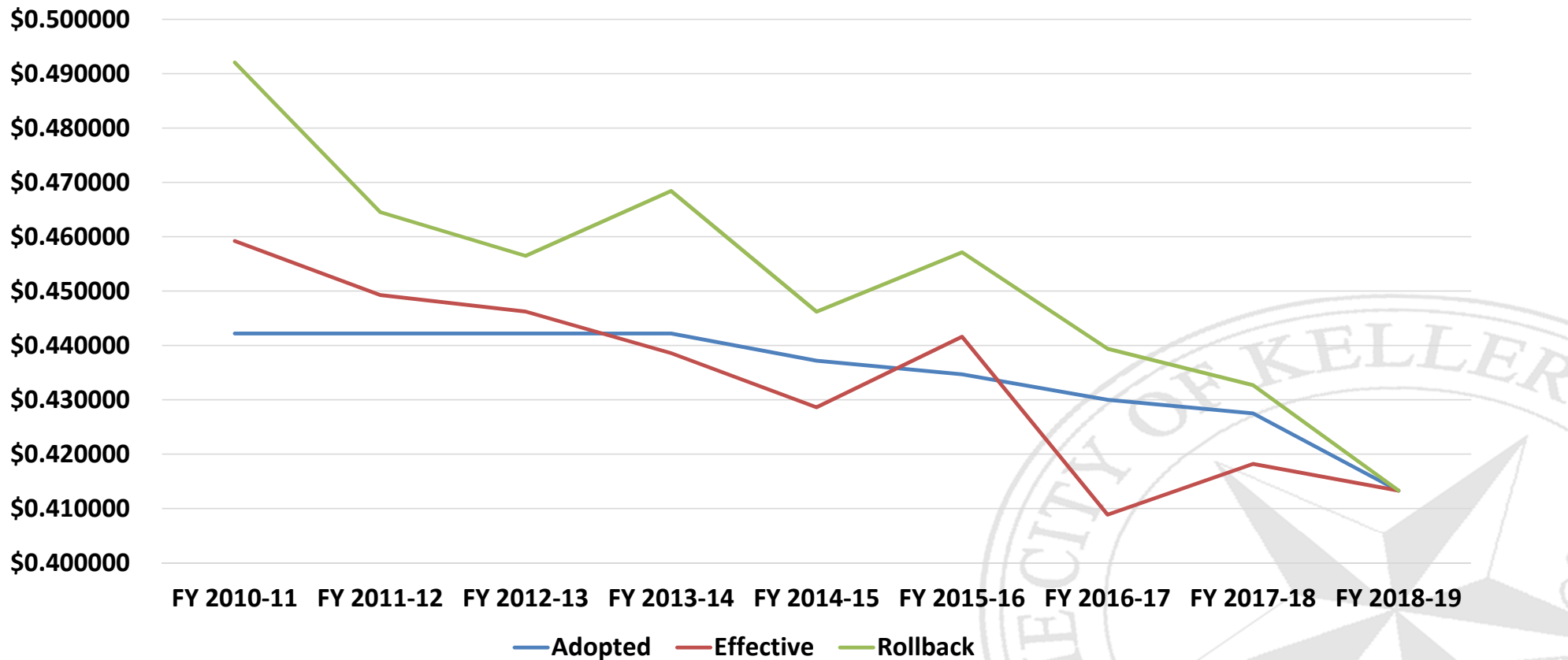
Excellence • Integrity • Service • Creativity • Communication

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



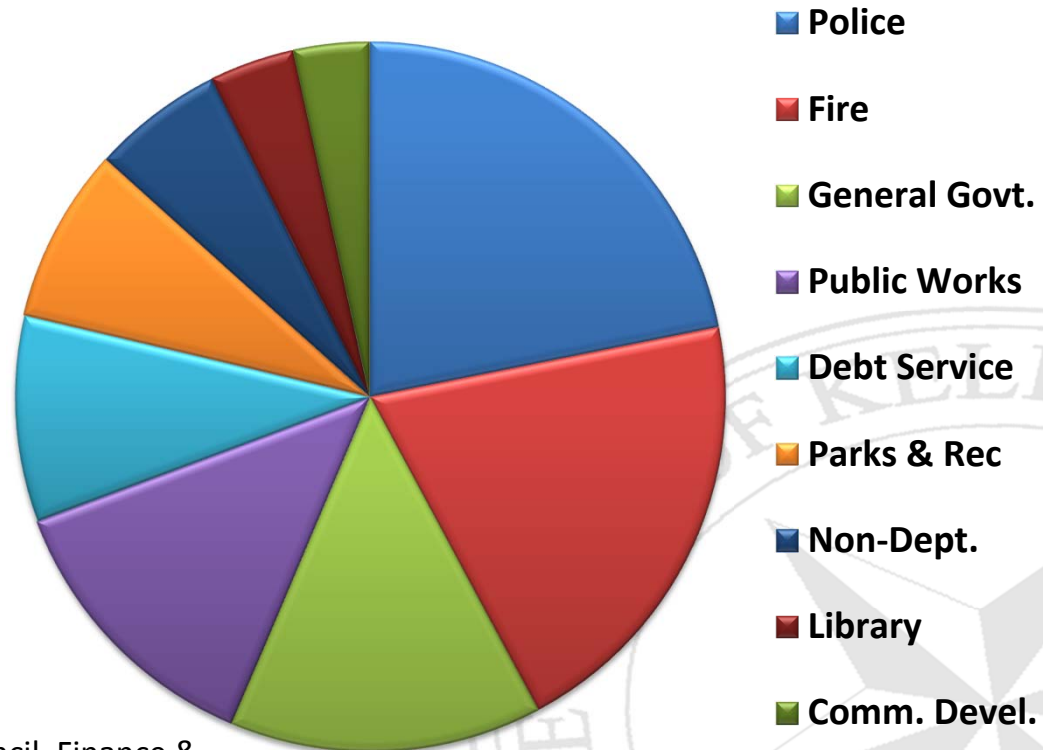
Average Home Impact

	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

Monthly 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
Total	\$ 119.28



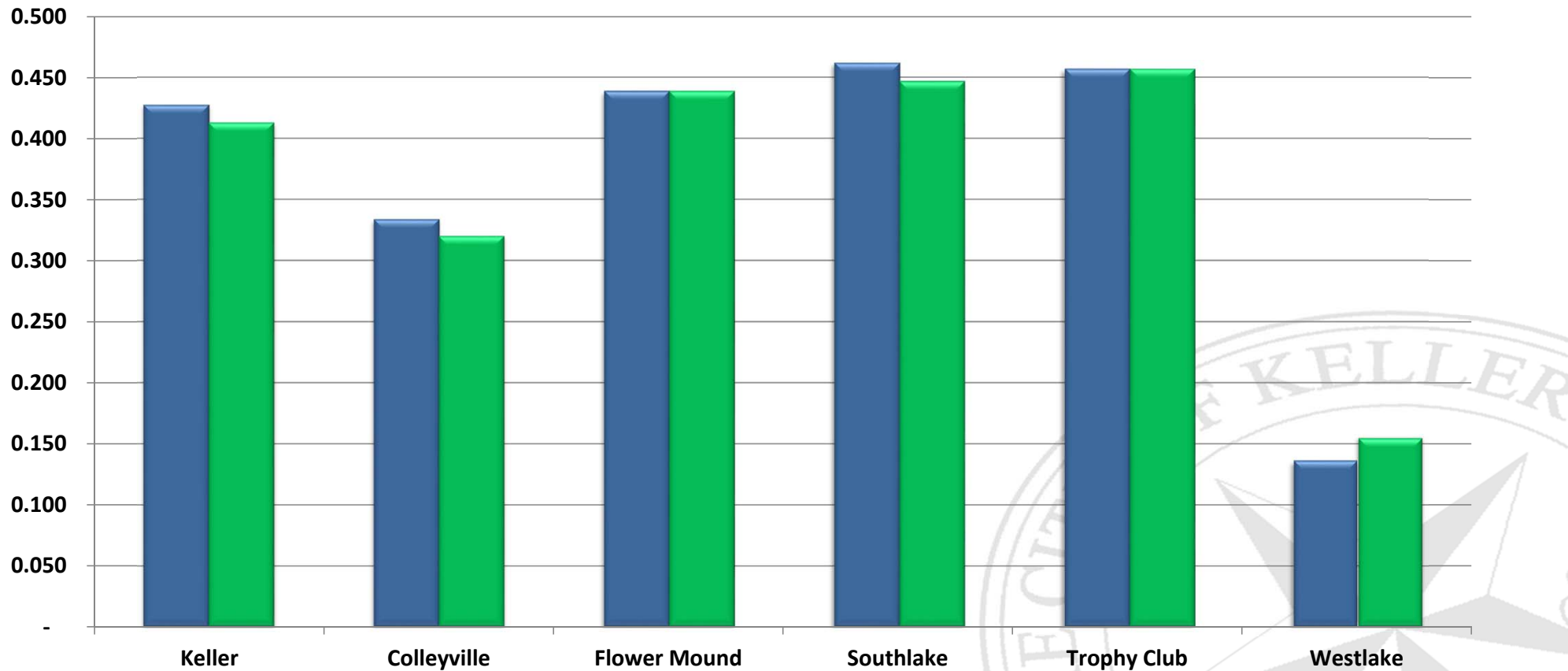
* - Administration, Town Hall Operations, Mayor & City Council, Finance & Accounting, Municipal Court, Human Resources, & Economic Development

Ad Valorem Expenditures

Expenditure	On-Going Cost	One-Time Cost	Total Cost
Senior Activities Center "Seed" Funds *	\$ -	\$ 1,600,000	\$ 1,600,000
Johnson Road Reconstruction Phase 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

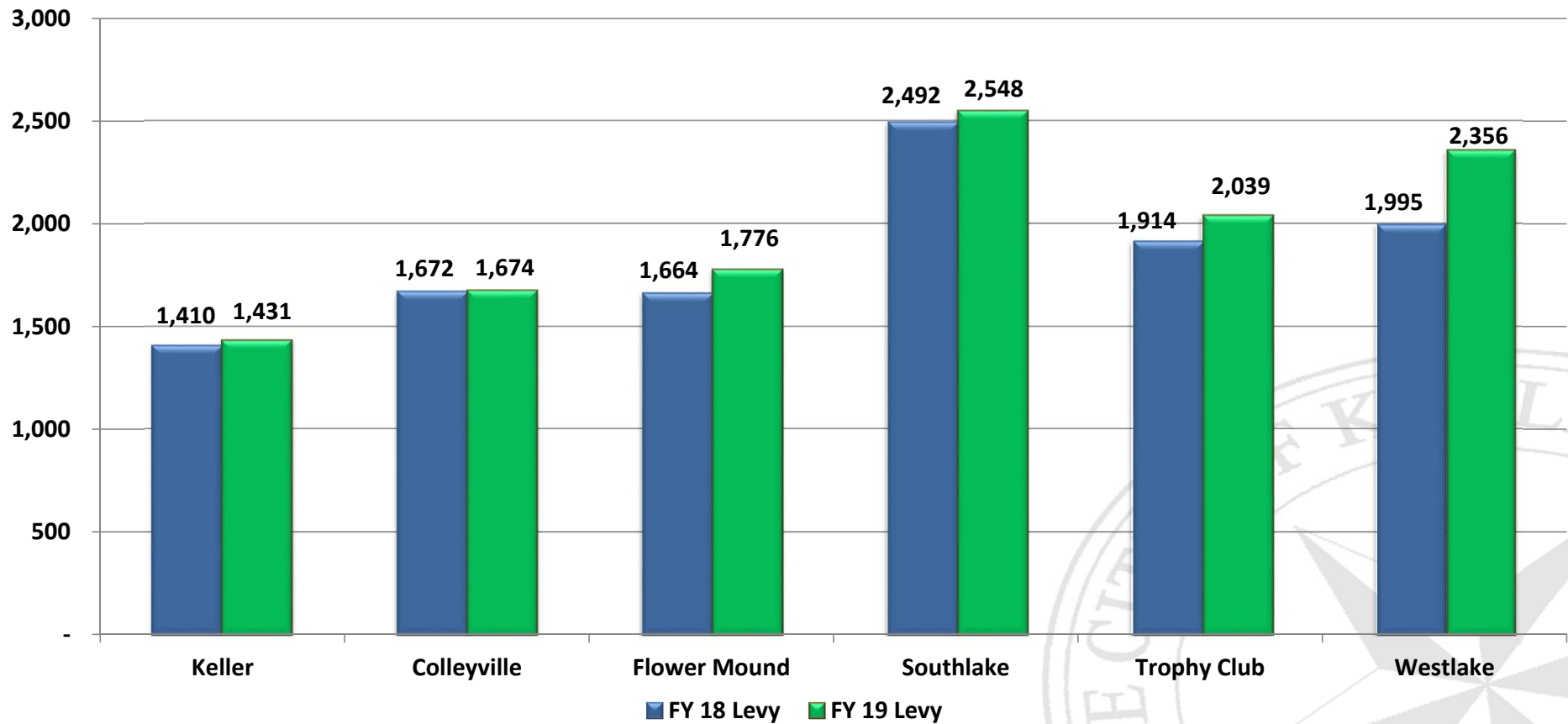
* - No expenditures to be made until after voter approval

Neighboring Cities' Tax Rates



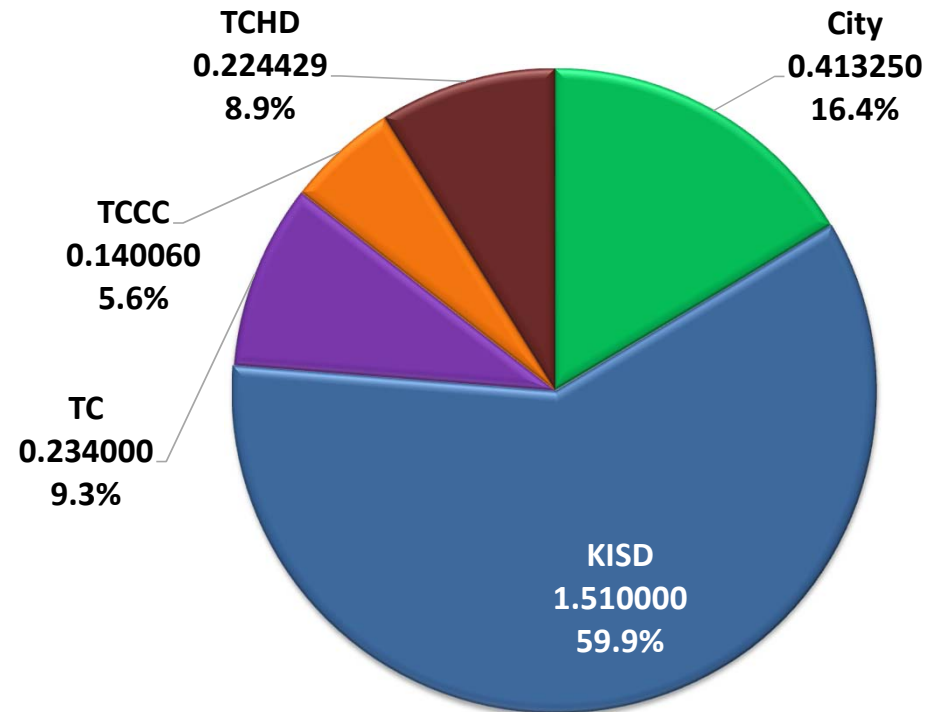
Excellence • Integrity • Service • Creativity • Communication

Neighboring Cities' Tax Levies



Overlapping Tax Rate/ Average Homeowner Impact

Entity	Levy
Keller ISD	5,230
Keller	1,431
Tarrant County (TC)	811
Hospital District (TCHD)	777
Community College (TCCC)	485
Total	\$ 8,735

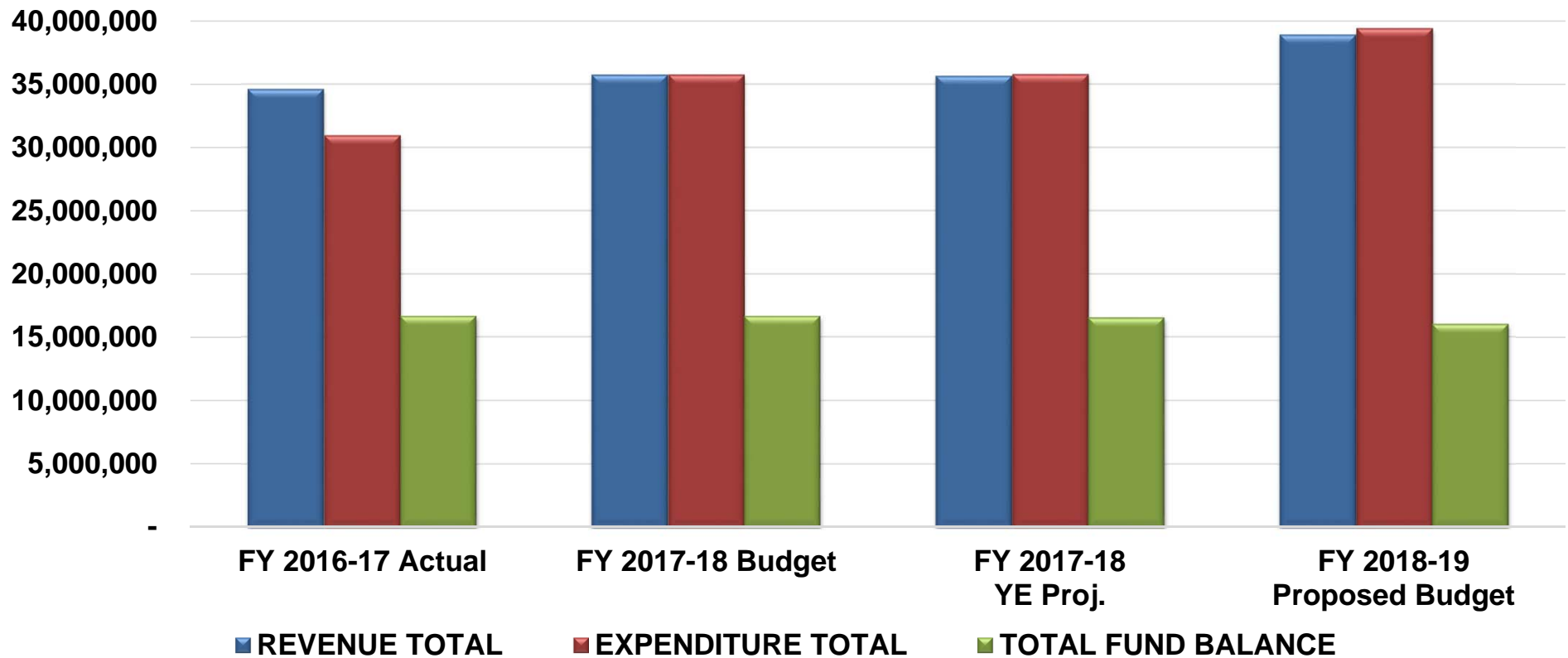


GENERAL FUND



Excellence • Integrity • Service • Creativity • Communication

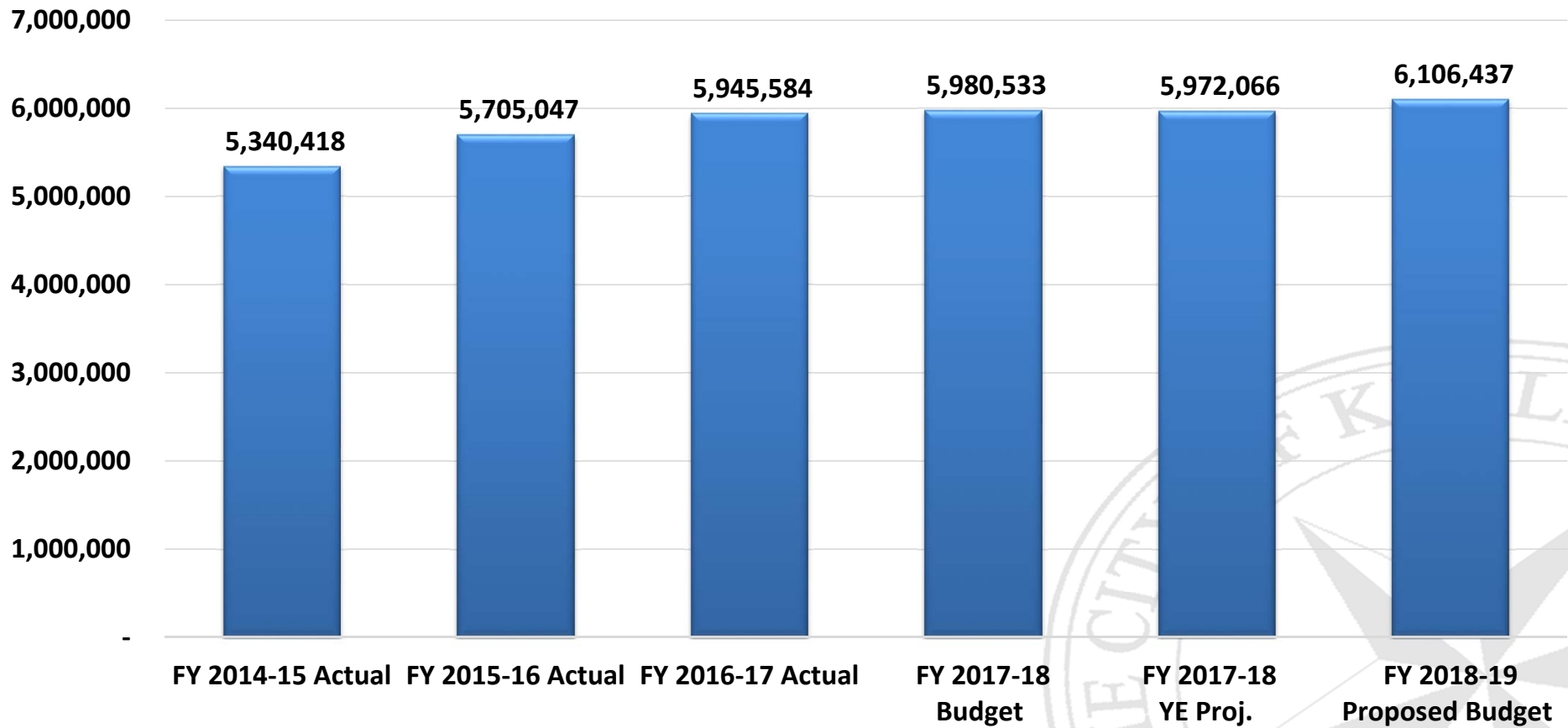
FY 2018-19 Proposed Budget General Fund Overview



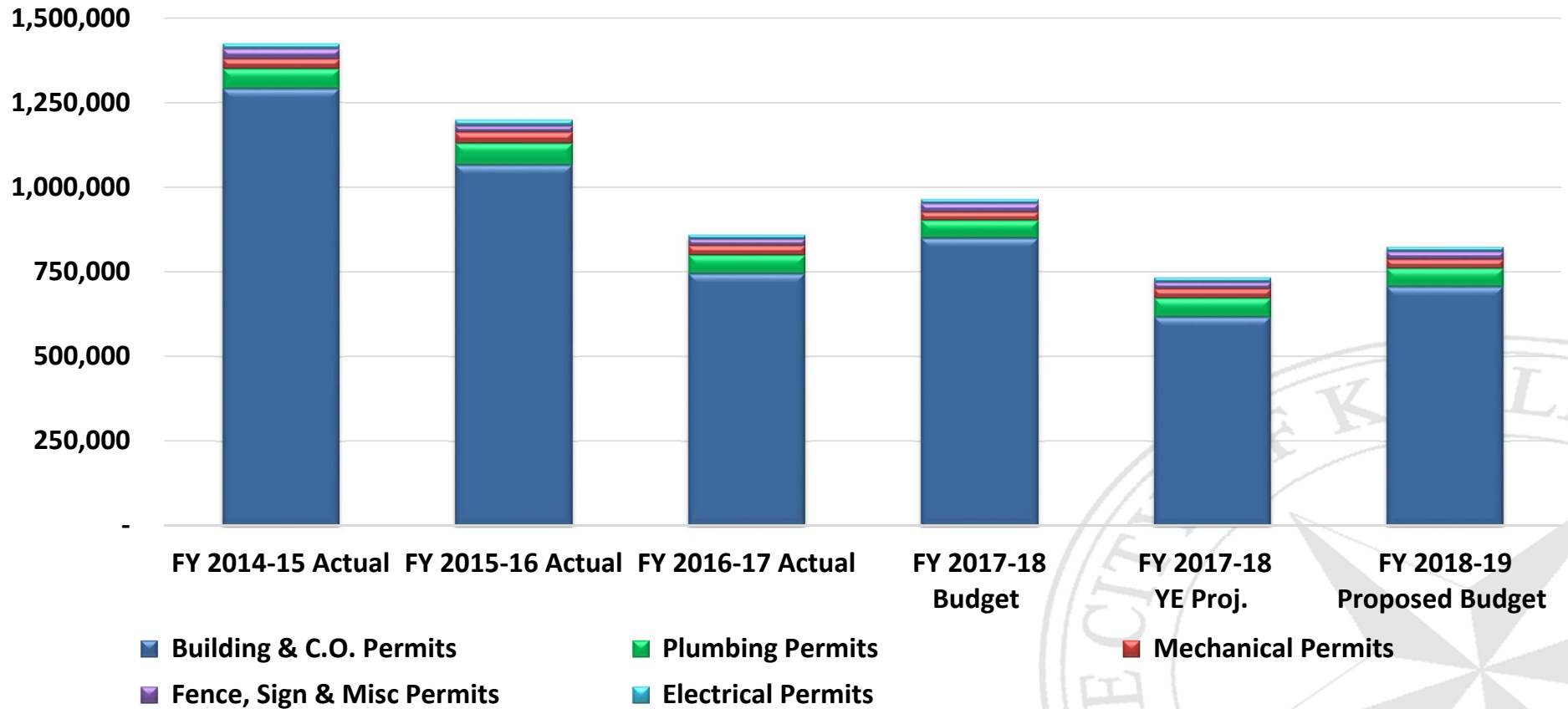
General Fund Revenue by Source

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%

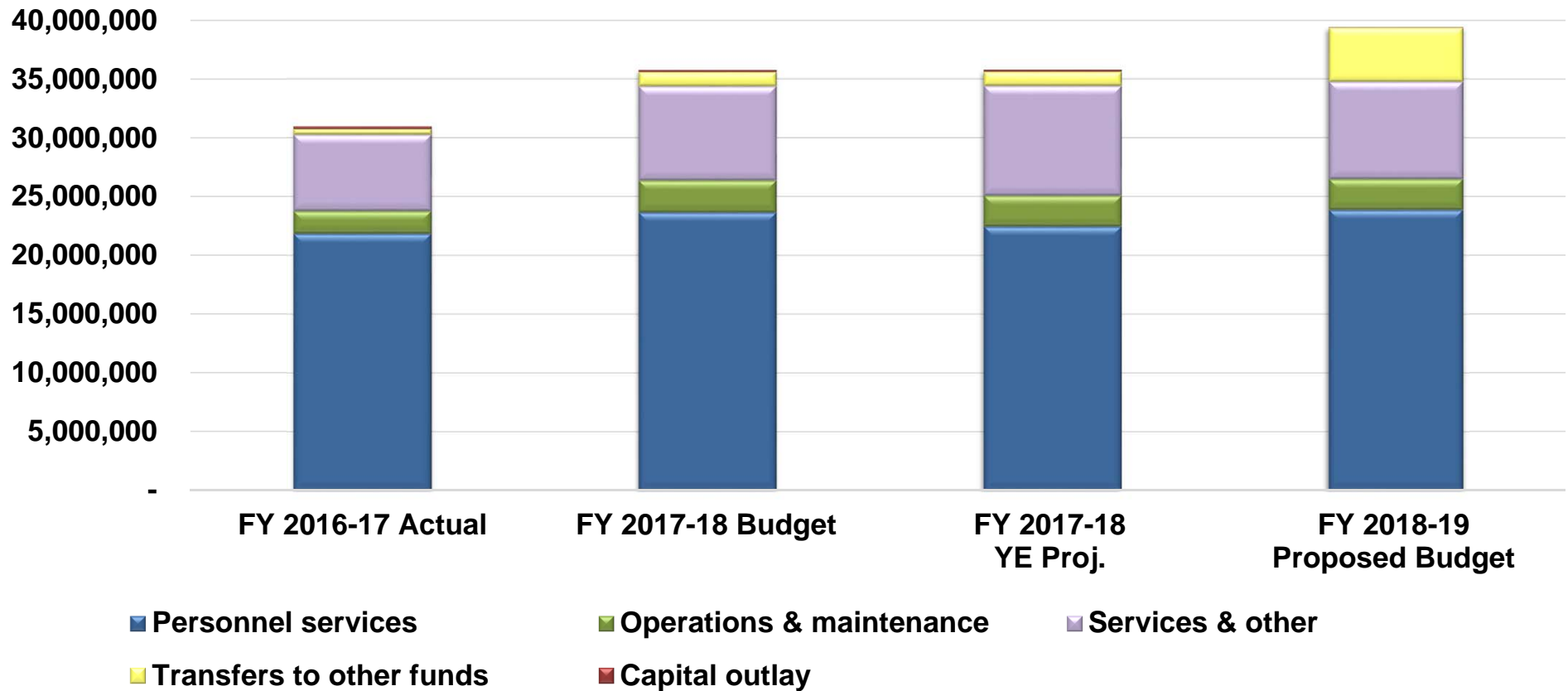
Sales Tax Revenue



Permit Revenue



General Fund Expenditures By Category

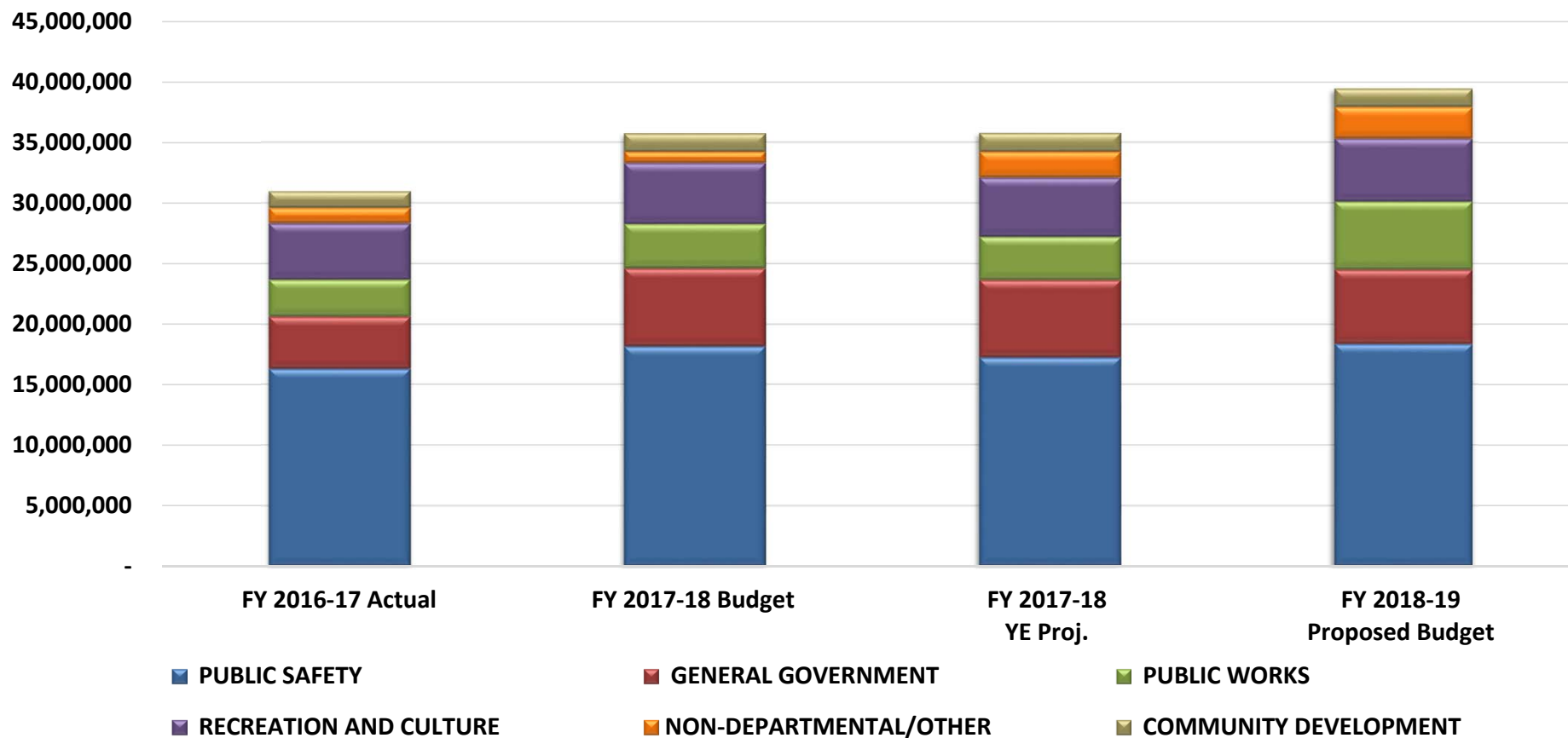


General Fund Expenditures By Category

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	2,619,293	(96,462)	-3.55%
Services & other	8,002,669	8,312,588	309,919	3.87%
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	\$ 39,472,439	\$ 3,704,974	10.36%

- 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	\$ 18,319,343	\$ 190,420	1.05%
General Government	6,493,036	6,234,341	(258,695)	-3.98%
Recreation And Culture	5,018,891	5,178,450	159,559	3.18%
Public Works	3,661,427	5,625,011	1,963,584	53.63%
Community Development	1,529,359	1,505,909	(23,451)	-1.53%
Non-Departmental/Other	935,828	2,609,385	1,673,557	178.83%
TOTAL	\$ 35,767,464	\$ 39,472,439	\$ 3,704,974	10.36%

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

COMPENSATION AND BENEFITS



Excellence • Integrity • Service • Creativity • Communication

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

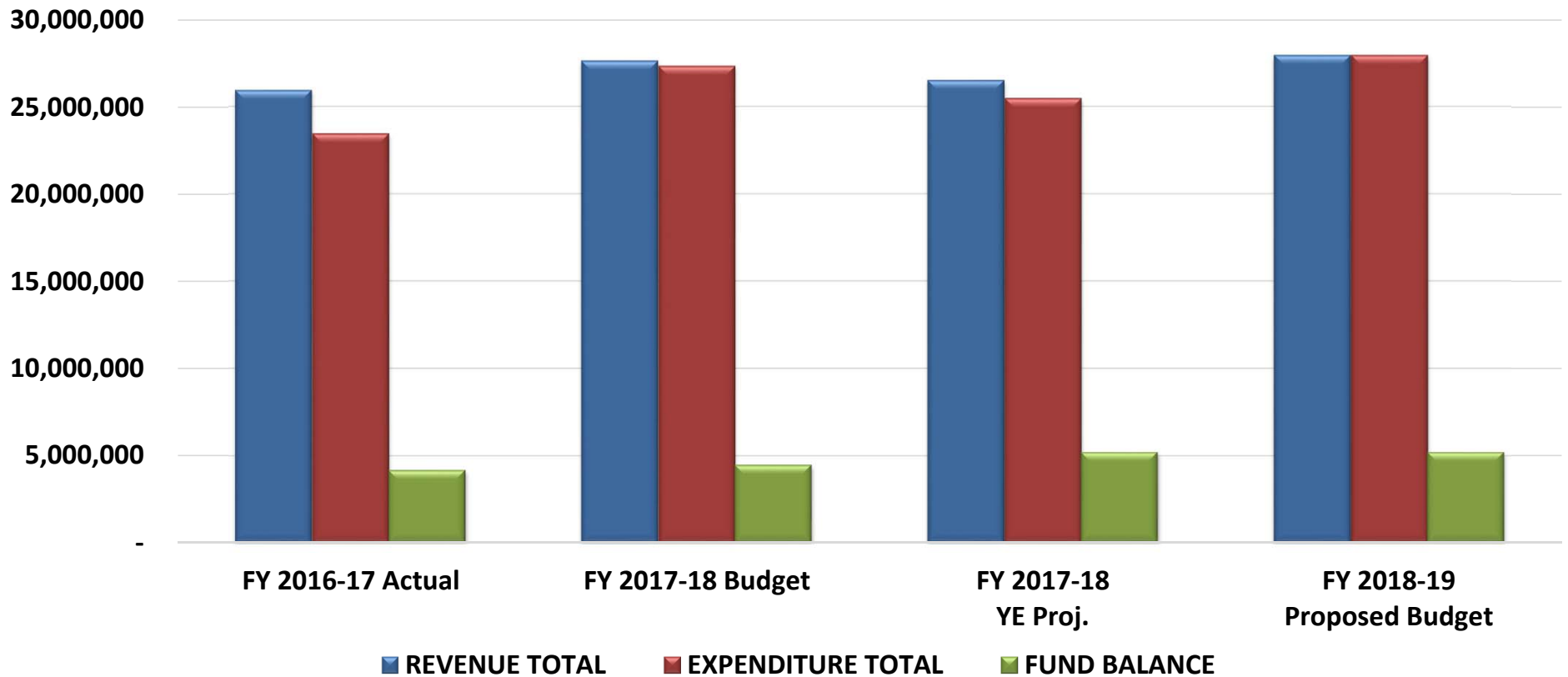
- Accreditation Manager (KCCPD)
- PT School Resource Officer (funded by KISD)
- PT Environmental Services Technician (Water & Wastewater Fund)

WATER AND WASTEWATER FUND

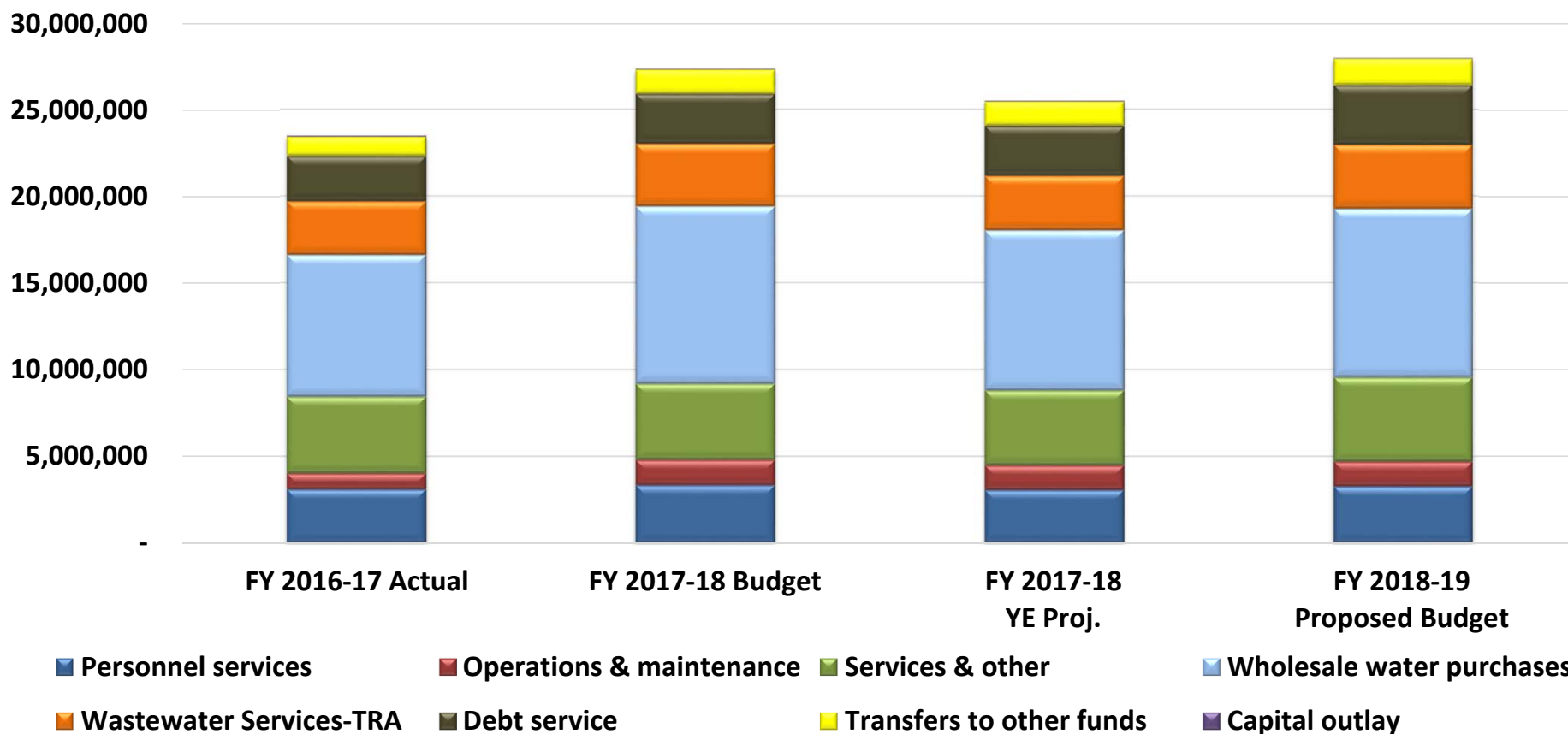


Excellence • Integrity • Service • Creativity • Communication

Water and Wastewater Fund Summary



Water and Wastewater Expenditures



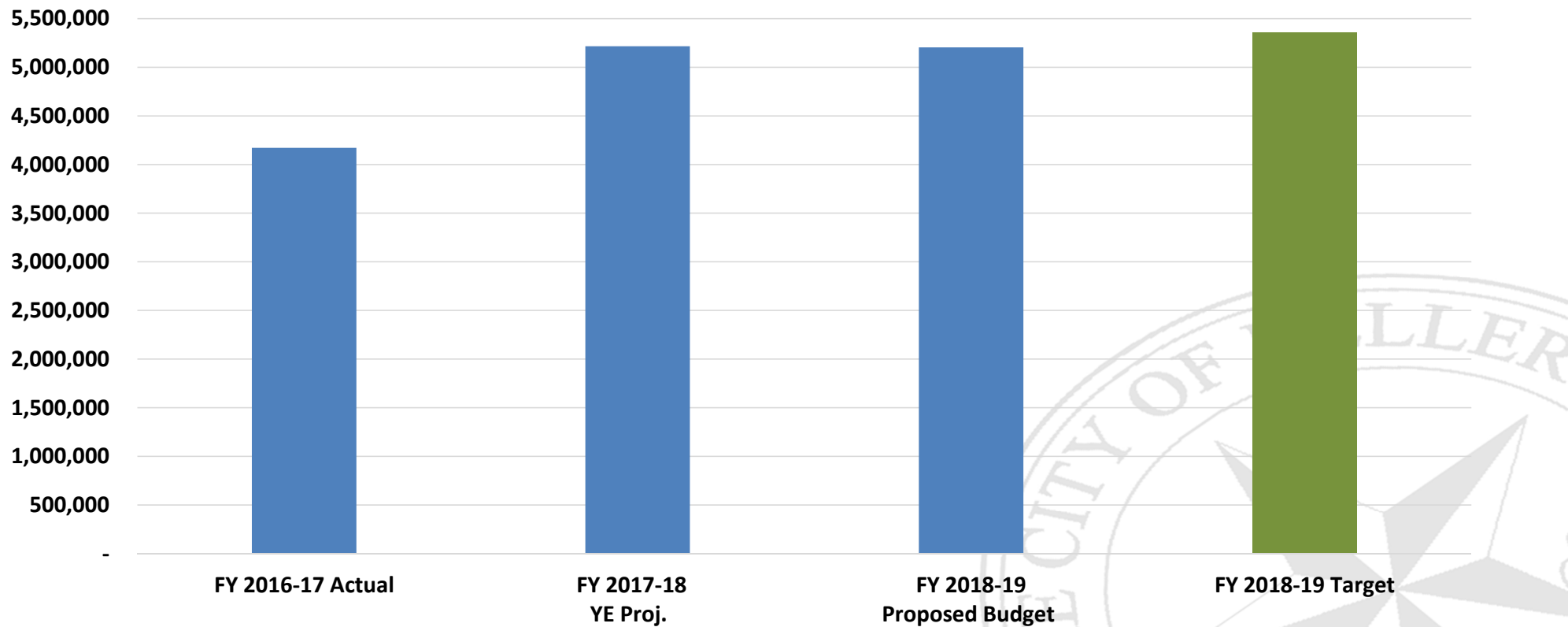
Water and Wastewater Expenditures

	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	4,876,469	482,631	10.98%
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	\$ 27,963,085	\$ 631,769	2.31%

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

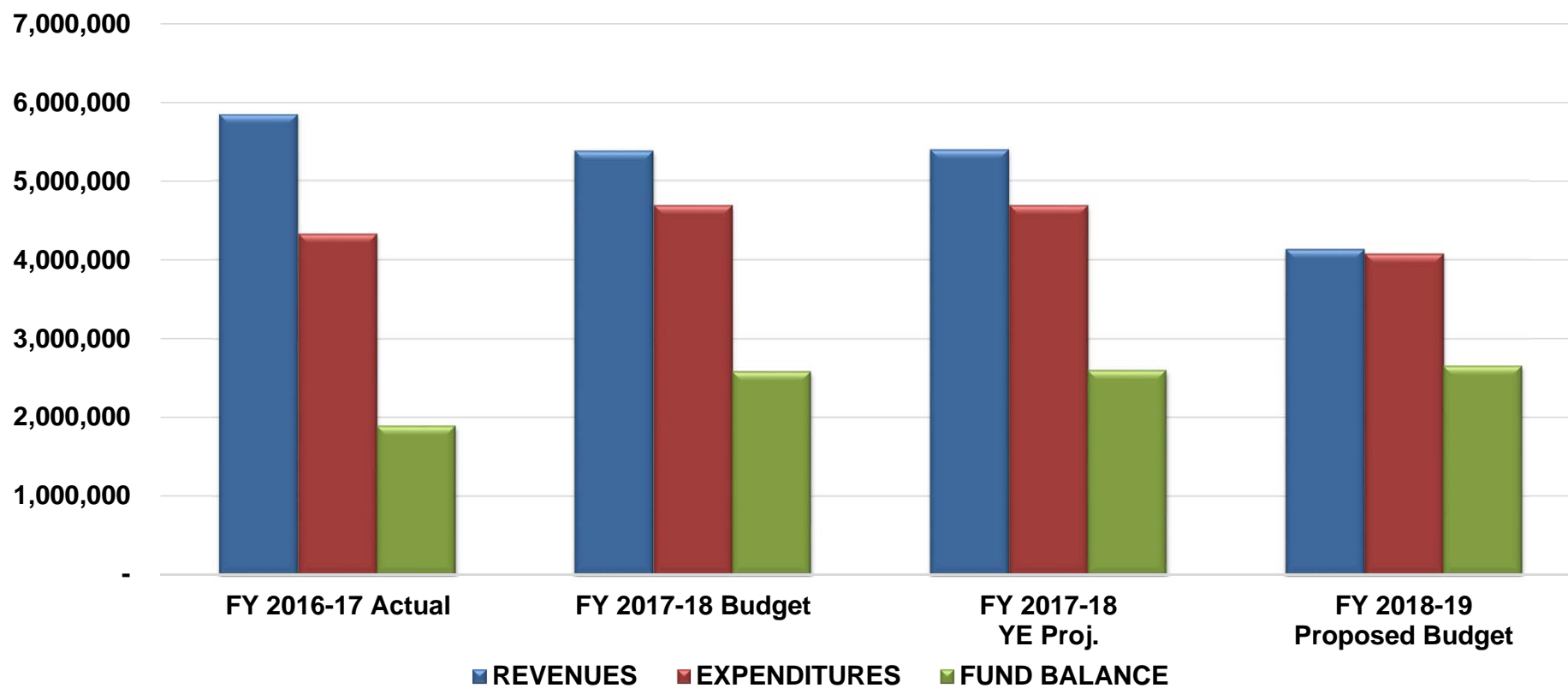


OTHER OPERATING FUNDS

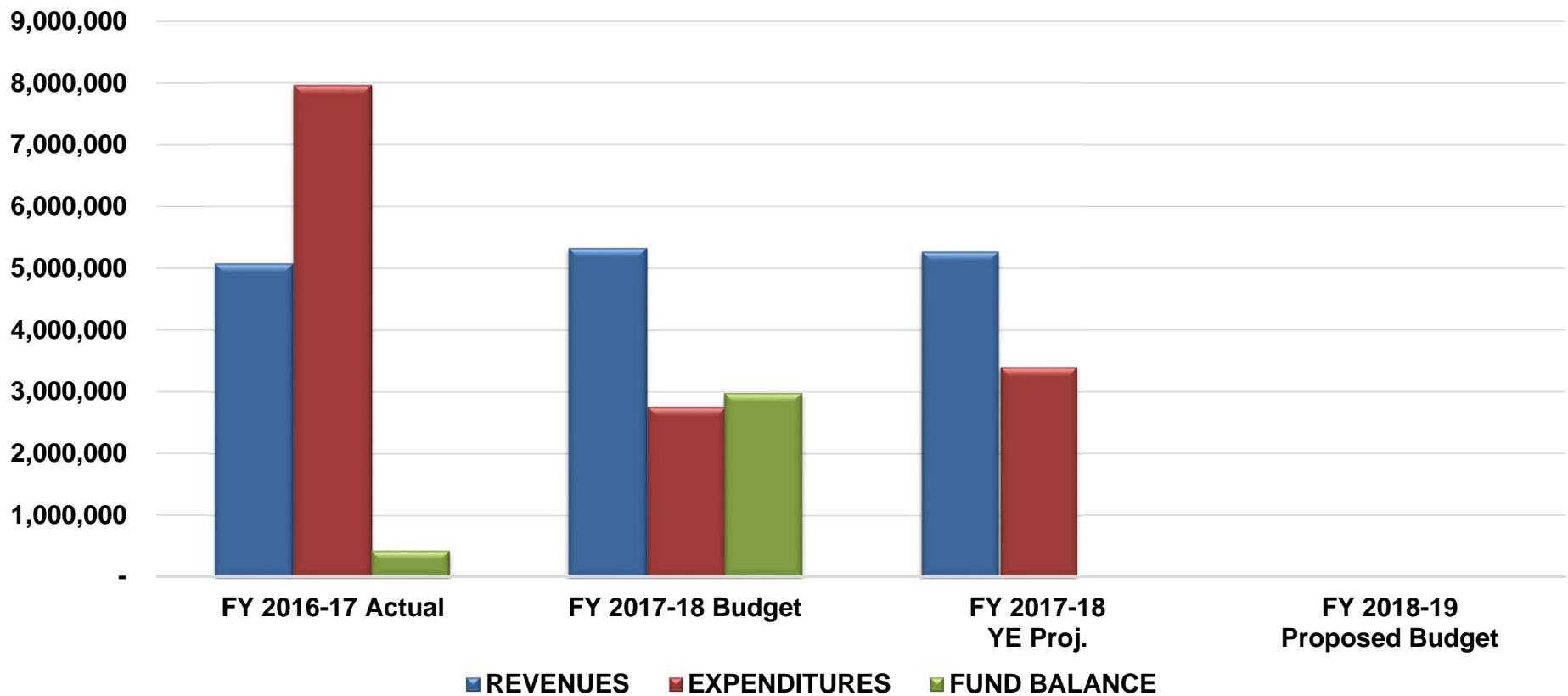


Excellence • Integrity • Service • Creativity • Communication

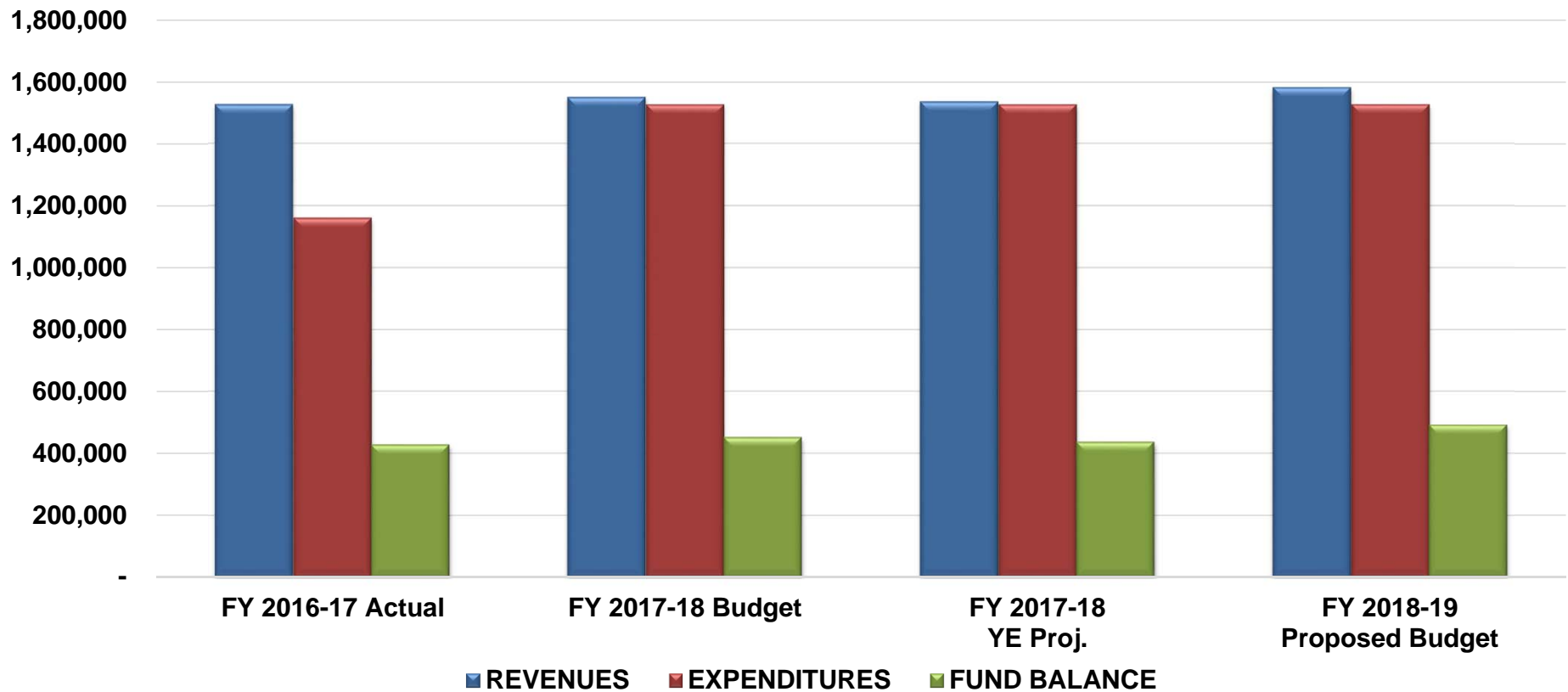
Debt Service



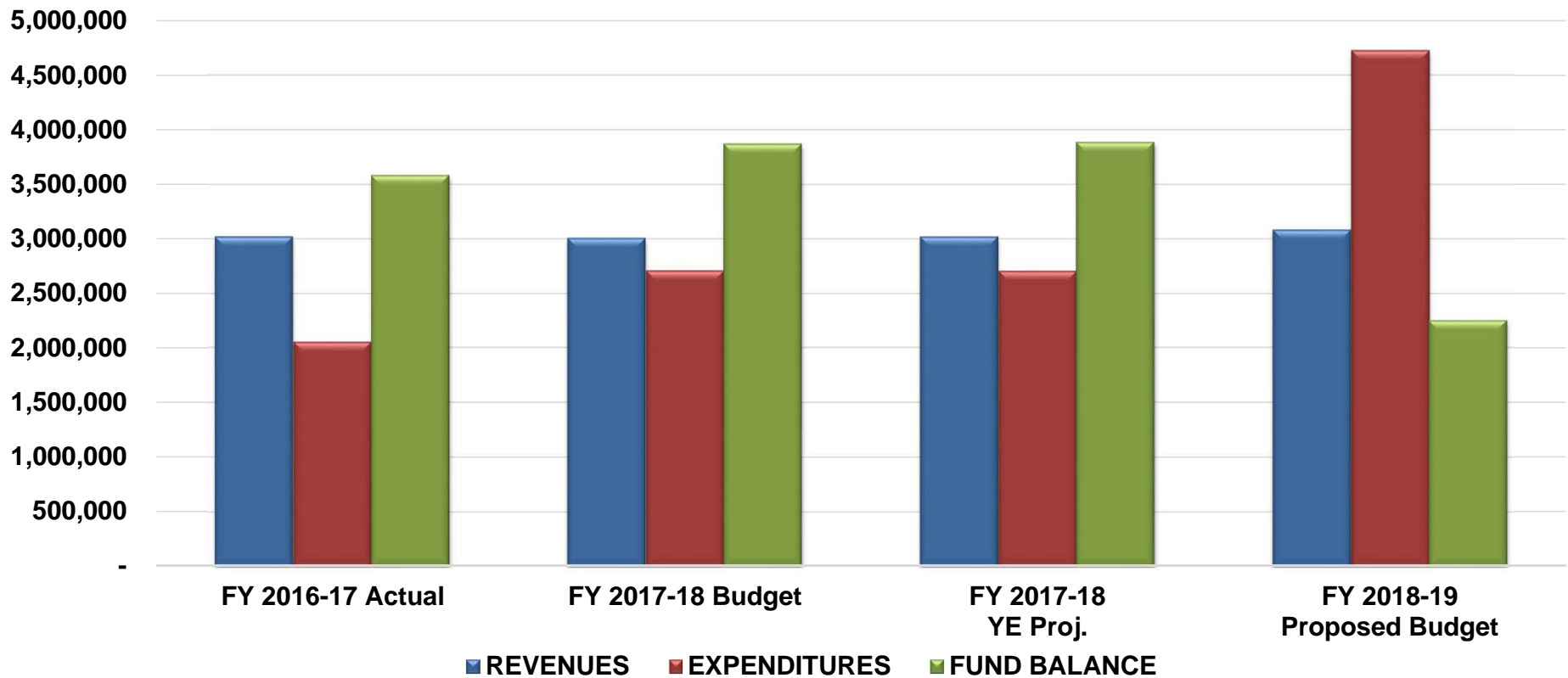
Tax Increment Reinvestment Zone



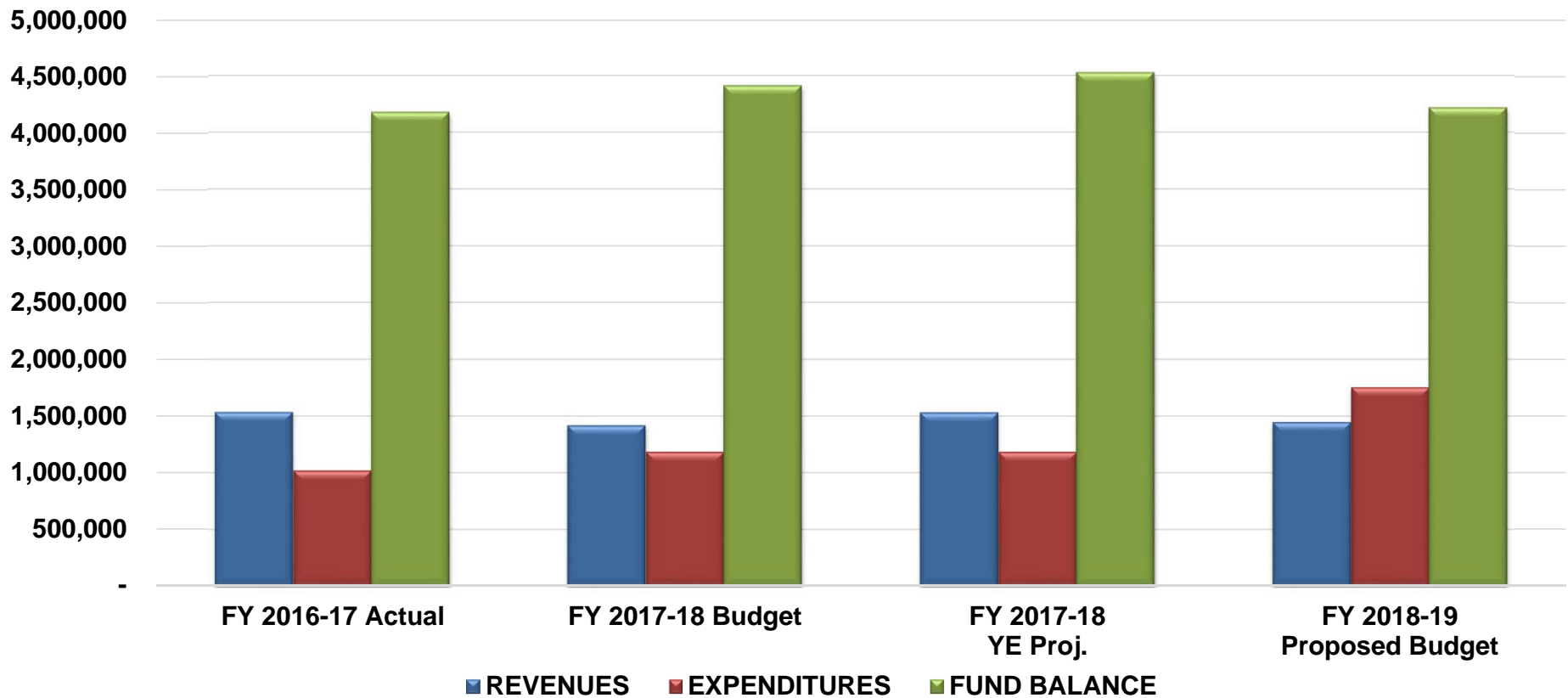
Street and Sidewalk Improvement Fund



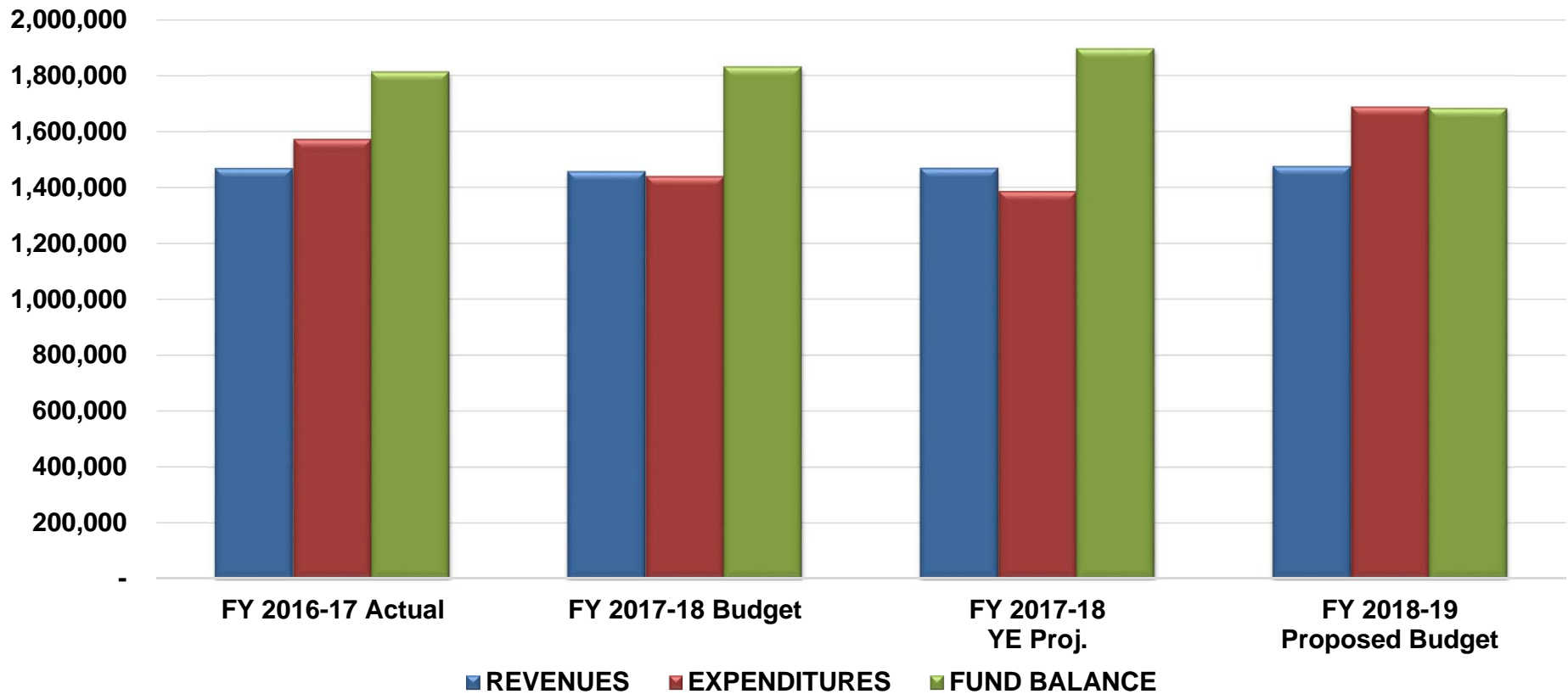
Keller Development Corporation



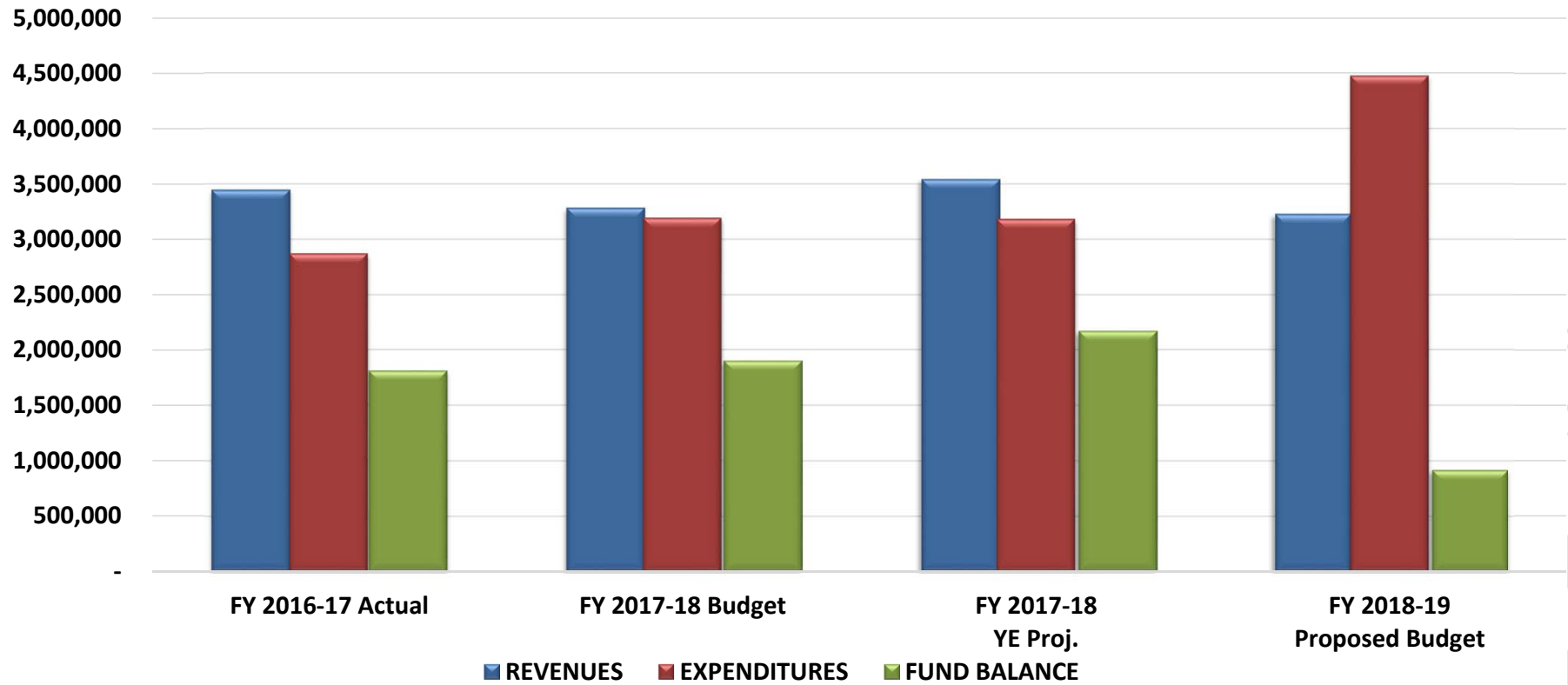
Keller Crime Control and Prevention District



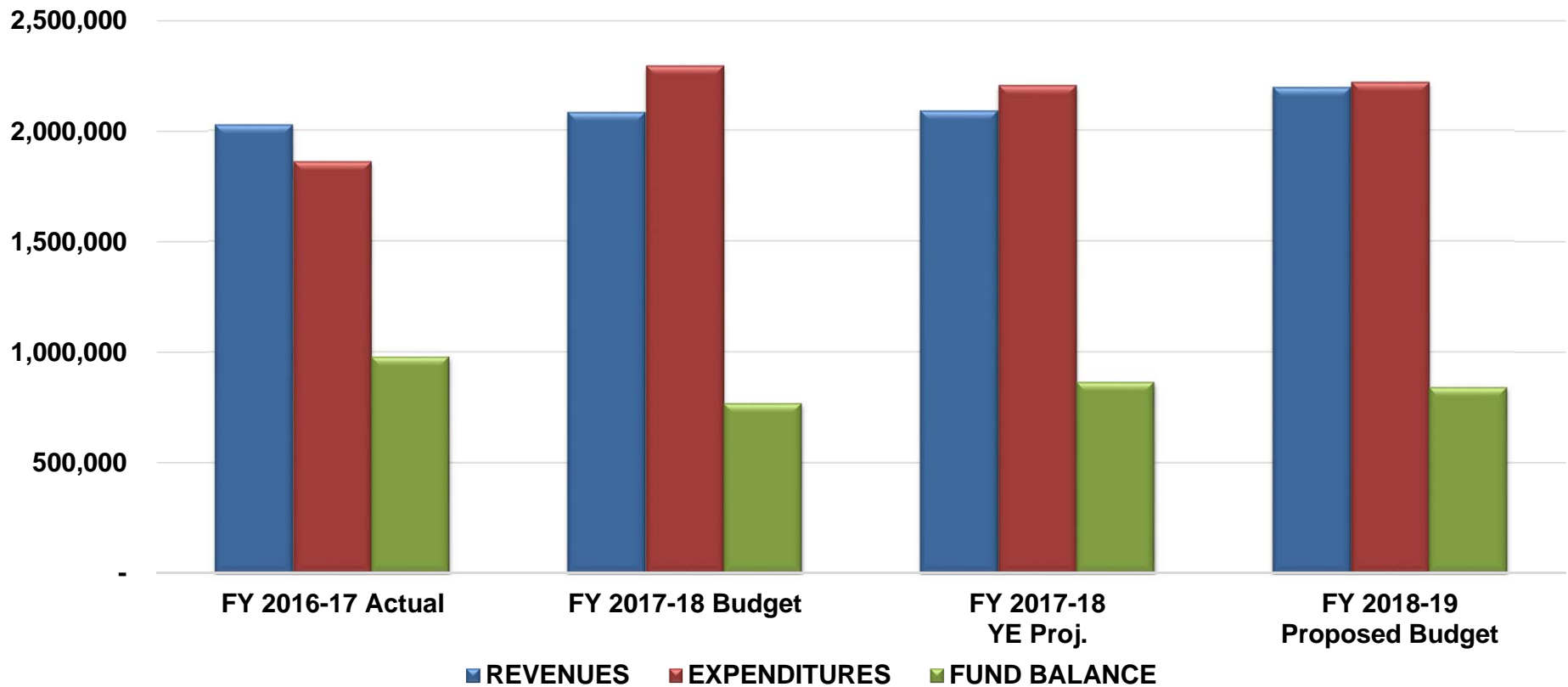
Drainage Fund



The Keller Pointe Fund



Information Technology Fund



Other Operating Funds

Fund	Revenues	Expenditures	Variance	Fund Balance
Public Safety Special Revenue Fund	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>1,104,847</i>	<i>1,265,788</i>	<i>(160,941)</i>	<i>1,742,201</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



Excellence • Integrity • Service • Creativity • Communication

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				1,451,609
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 Facilities/General Governmental

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Senior Activity Center	1,600,000					1,600,000
Keller Pointe Locker Room Renovation	600,000					150,000
Total Facilities/General Governmental Projects	\$ 2,200,000	\$ -	\$ -	\$ -	\$ -	\$ 2,200,000



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 Phase I = \$2,000,000
- Bear Creek & Whitley Roundabout= \$925,000
- Keller-Smithfield & Bear Creek Signal= \$250,000
- Increased Sidewalk Maintenance by \$30,000 to \$160,000
- 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



City Council Action

- **Conduct Public Hearing on Proposed Budget**
- **Adopt the Proposed Budget**
- **Ratify the Tax Increase**
- **Adopt the Tax Rate**





Questions?

Aaron Rector

817-743-4026



Excellence • Integrity • Service • Creativity • Communication