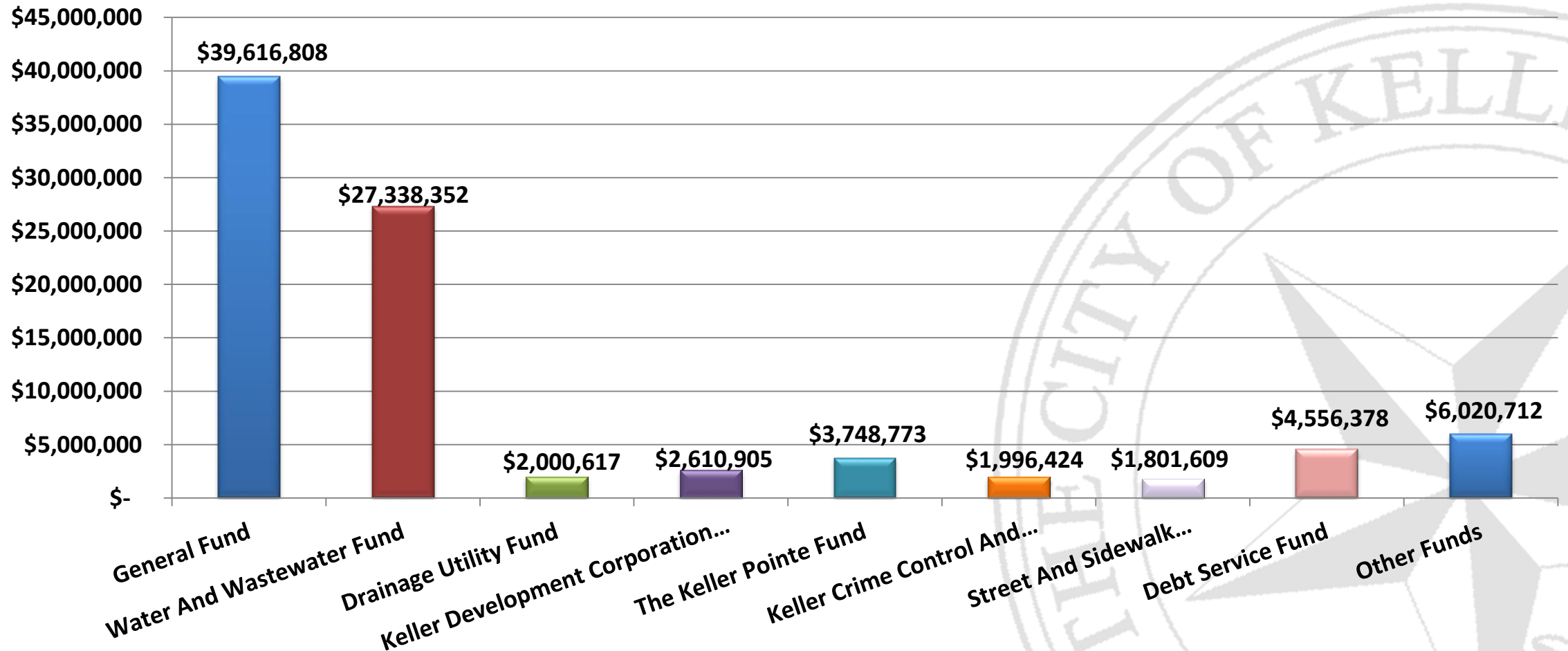


Item D-4

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

# FY 2019-20 City of Keller

## Proposed Operating Budget \$89,690,578



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# FY 2019-20 Proposed Budget

## Revenue by Source

Revenues	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 23,918,725	\$ 24,362,027	\$ 443,302	1.85%
Sales Tax & Other Taxes	16,802,237	17,482,296	680,059	4.05%
Licenses and Permits	824,479	803,607	(20,872)	-2.53%
Charges for Services	36,965,903	37,670,735	704,832	1.91%
Intragovernmental	1,828,744	1,897,936	69,192	3.78%
Fines and Fees	1,939,504	1,794,821	(144,683)	-7.46%
Development Fees	198,928	204,770	5,842	2.94%
Intergovernmental	3,160,974	3,471,270	310,296	9.82%
Other Revenues	549,888	1,090,118	540,230	98.24%
<b>Total Revenues</b>	<b>\$ 86,189,382</b>	<b>\$ 88,777,580</b>	<b>\$ 2,588,198</b>	<b>3.00%</b>

# FY 2019-20 Proposed Budget

## Expenditure by Category

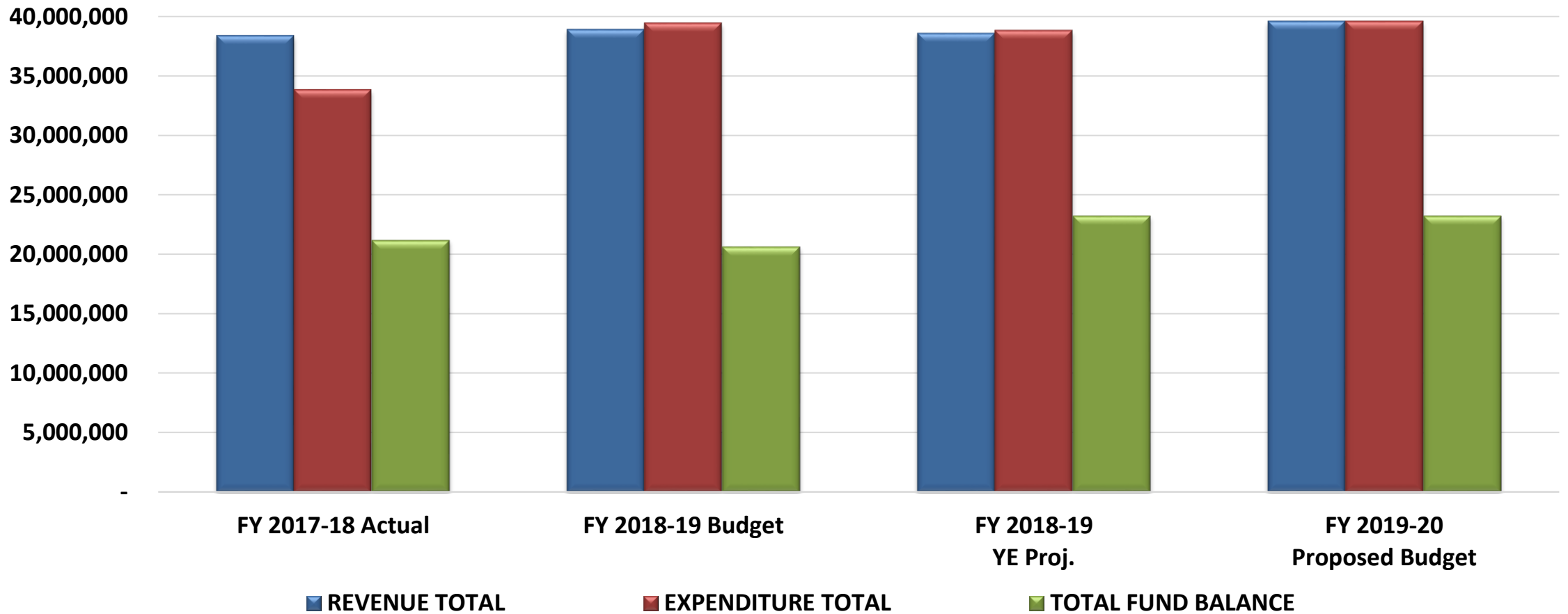
Expenditures	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 30,422,612	\$ 30,774,421	\$ 351,809	1.16%
Operations & maintenance	6,297,966	6,465,547	167,881	2.67%
Services & other	15,845,287	17,043,285	1,197,998	7.56%
Wholesale water purchases	9,715,501	8,614,600	(1,100,901)	-11.33%
Wastewater Services-TRA	3,700,836	3,561,059	(139,777)	-3.78%
Debt service	9,636,424	10,078,235	441,811	4.58%
Transfers to other funds	11,508,812	8,658,124	(2,850,688)	-24.77%
Capital outlay	3,069,133	4,495,307	1,426,174	46.47%
<b>Total Expenditures</b>	<b>\$ 90,196,271</b>	<b>\$ 89,690,578</b>	<b>\$ (505,693)</b>	<b>(0.56)%</b>

# FY 2019-20 Proposed Budget

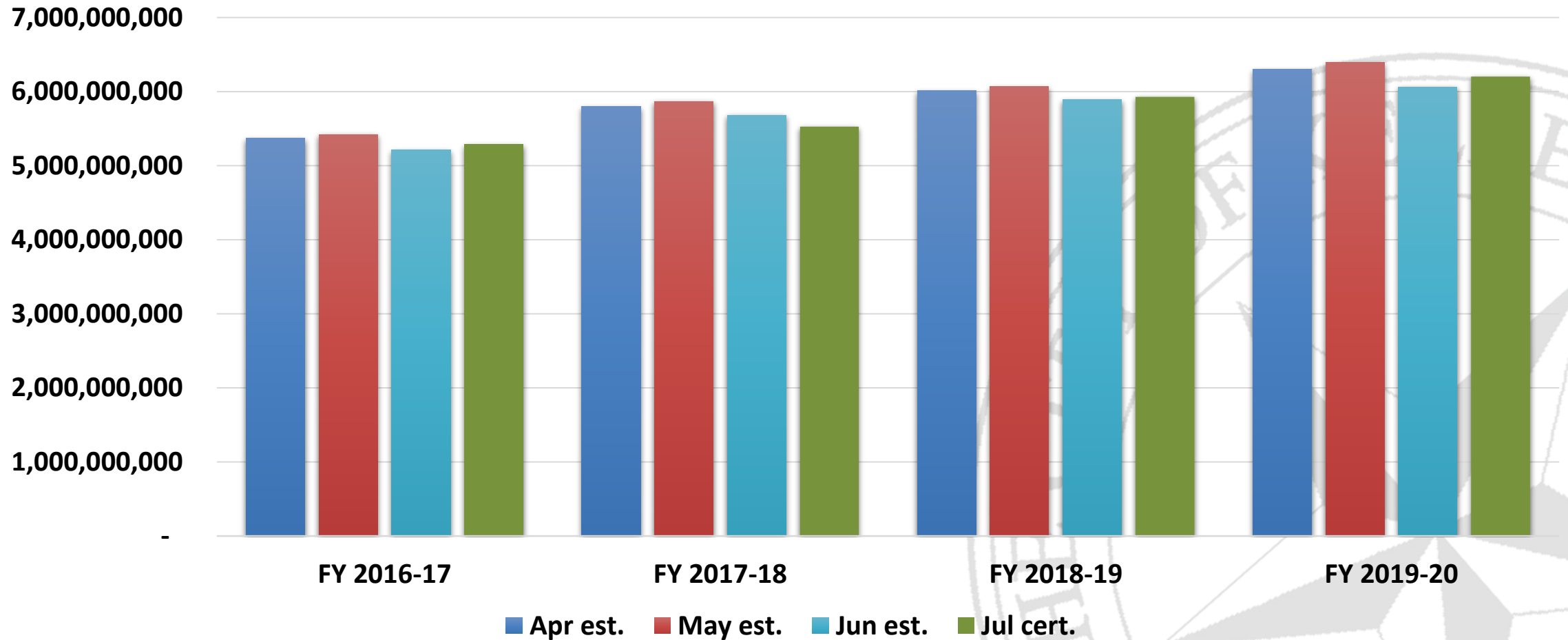
## Expenditure by Fund

Expenditures	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 39,472,439	\$ 39,616,808	\$ 144,369	0.37%
Water And Wastewater Fund	27,963,085	27,338,352	(624,733)	-2.23%
Drainage Utility Fund	1,690,528	2,000,617	310,089	18.34%
Keller Development Corporation Fund	4,730,011	2,610,905	(2,119,106)	-44.80%
Keller Crime Control And Prevention District Fund	1,753,956	1,996,424	242,468	13.82%
Street And Sidewalk Improvements Fund	1,526,609	1,801,609	275,000	18.01%
The Keller Pointe Fund	4,478,286	3,748,773	(729,513)	-16.29%
Debt Service Fund	4,082,450	4,556,378	473,928	11.61%
Other Funds	4,498,907	6,020,712	1,521,805	33.83%
<b>Total Expenditures</b>	<b>\$ 90,196,271</b>	<b>\$ 89,690,578</b>	<b>\$ (505,693)</b>	<b>-0.56%</b>

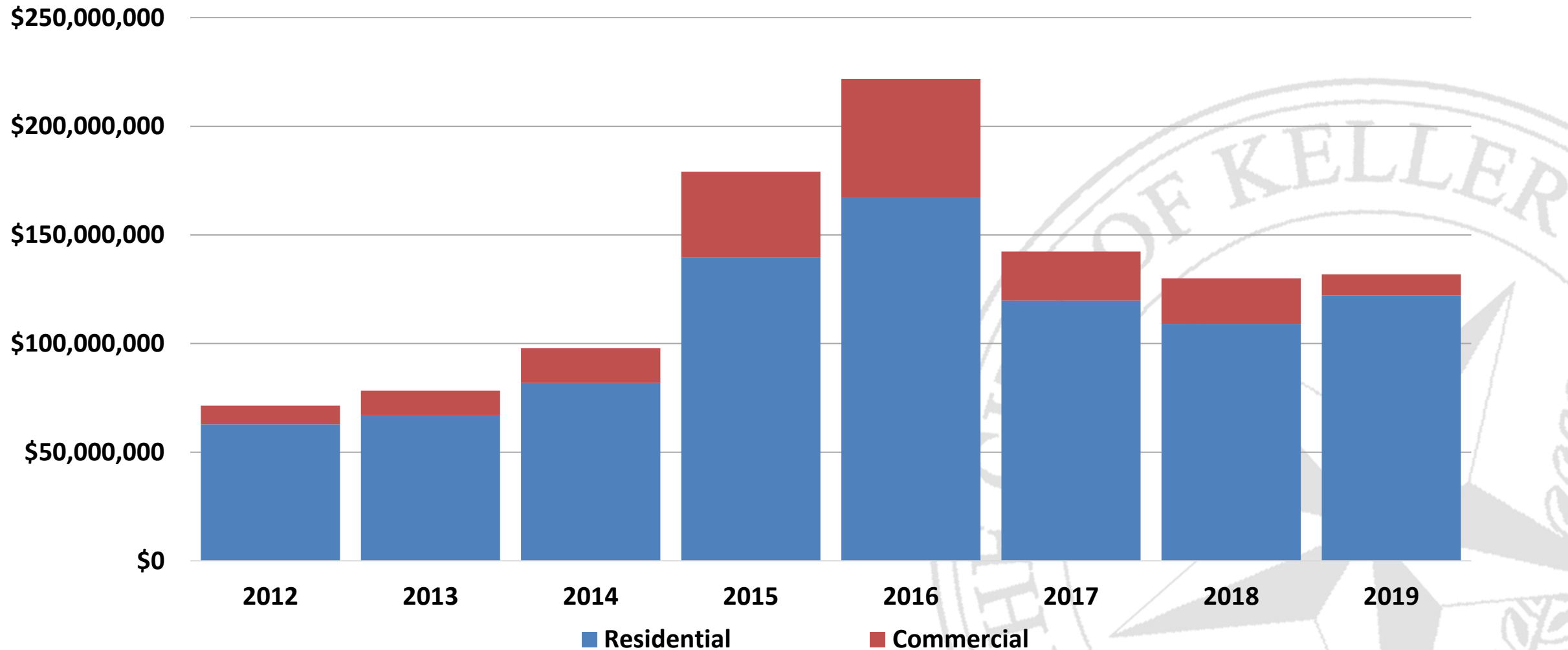
# FY 2019-20 Proposed Budget General Fund Overview



# Property Tax Value – April thru Certified



# New Construction



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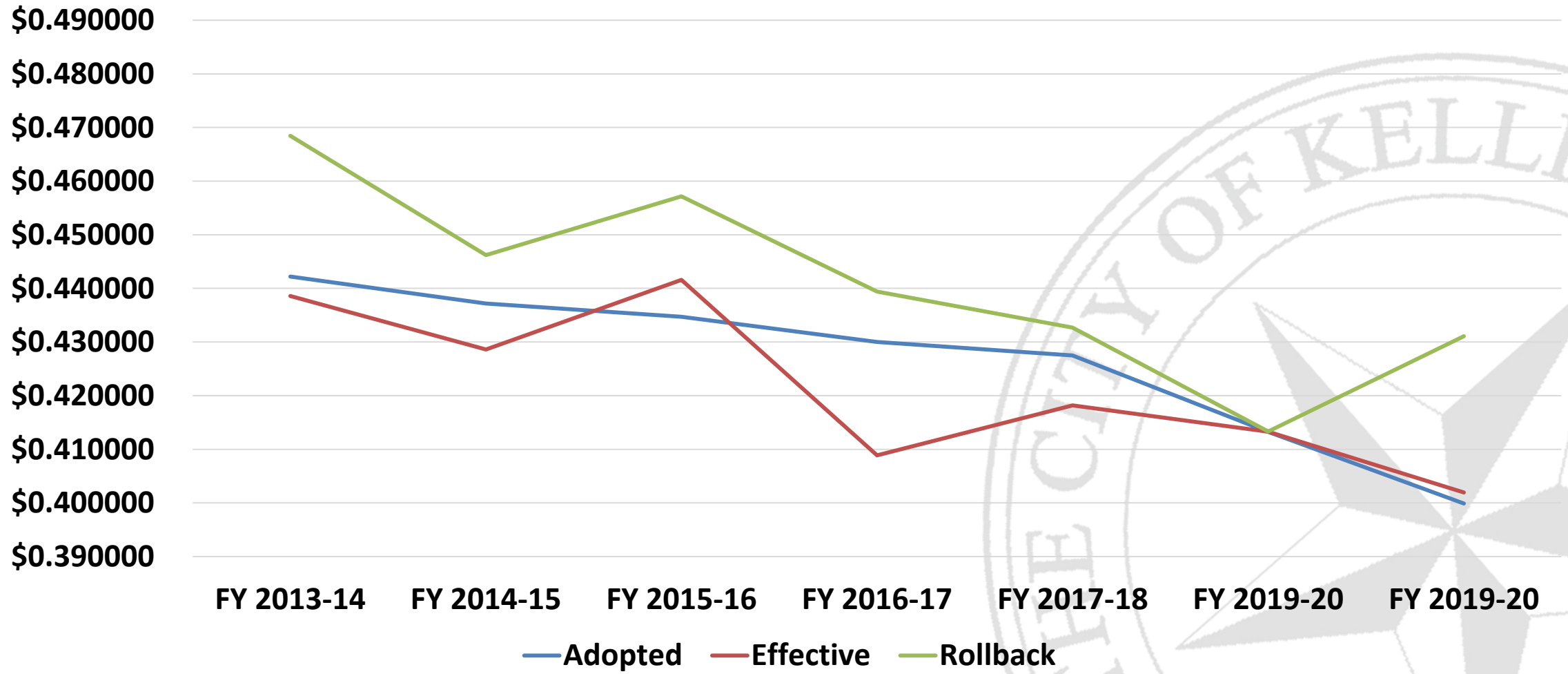
# Levy with Certification

	Current	June Estimate	Certification @ Current TR	Certification @ Proposed TR
Adjusted Value	5,788,817,005	6,119,201,907	6,085,224,050	6,085,224,050
Effective	0.413279	N/A	0.401949	
Rollback	0.413302	N/A	0.431064	
City Rate	0.413250	0.413250	0.413250	0.3999
Collection	\$23,742,869	\$25,097,945	\$24,872,907	\$24,293,022
Vs. FY 2018-19	-	1,355,076	1,130,038	427,546
New Levy	537,008	590,938	544,889	527,287
Existing Levy	73,038	764,137	585,149	(99,741)

- Value of \$0.0025/100 = \$151,103

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# Property Tax Rate History



# Tax Rate Options

	Proposed Rate	Effective Rate
Tax Rate	\$0.3999	\$0.401949
Avg. Home Tax Bill	\$ 1,421	\$ 1,429
Per Month	\$118.42	\$119.04
Increase from FY 2018-19 (\$)	\$18.81	\$26.09
Increase from FY 2018-19 (%)	1.34%	1.86%
Additional Sidewalk Maint.	\$ 151,694	\$ 259,514
Total Levy Increase	\$427,546	\$535,367
Existing Levy	\$(99,741)	\$5,379
New Property Levy	\$527,287	\$529,988

# Tax Mitigation Timeline

Fiscal Year	Tax Rate	Change from FY 2013-14	Homestead
FY 2013-14	\$0.44219	\$0.00000	1%
FY 2014-15	\$0.43719	\$0.00500	1%
FY 2015-16	\$0.43469	\$0.00750	1%
FY 2016-17	\$0.43000	\$0.01219	4%
FY 2017-18	\$0.42750	\$0.01469	8%
FY 2018-19	\$0.41325	\$0.02894	10%
FY 2019-20	\$0.39990	\$0.04229	12%

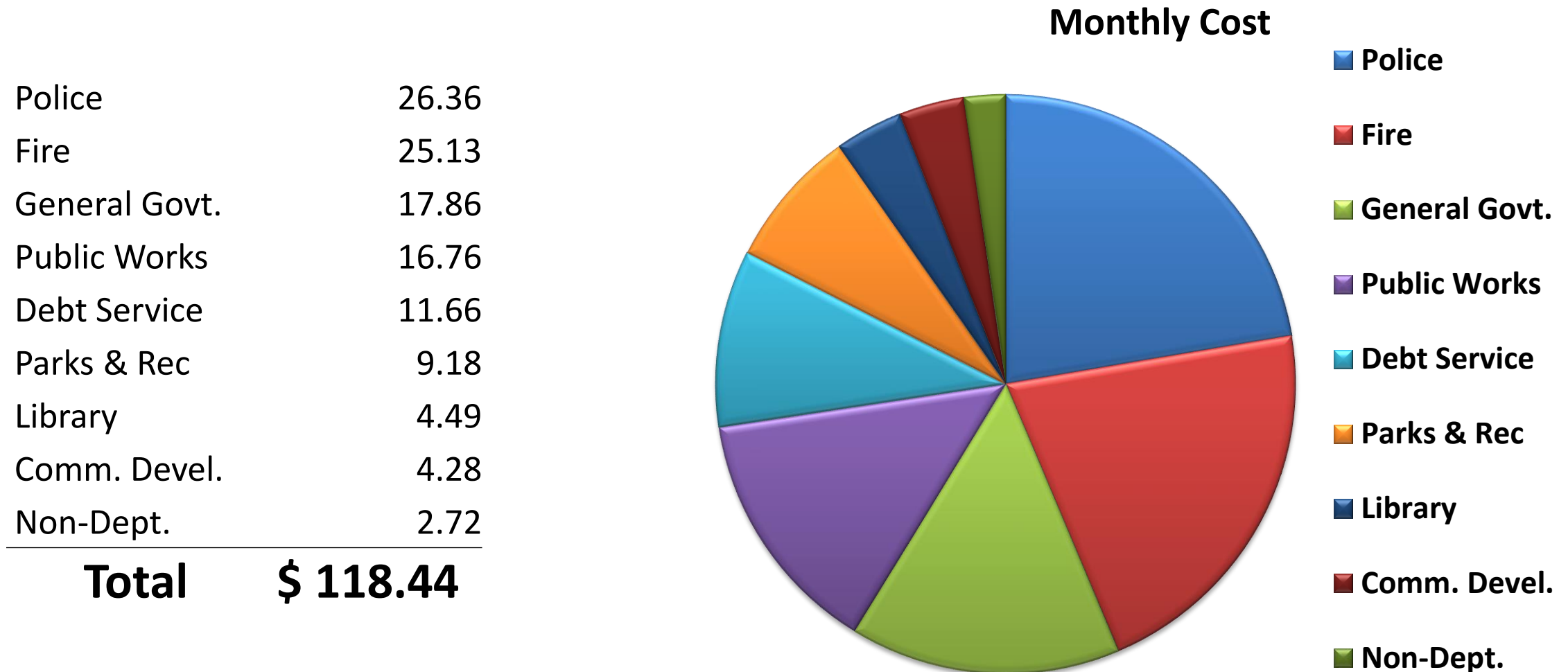
# Average Home Impact

	FY 2018-19	June Est.	Cert. @	Cert. @
Tax Rate	\$0.41325	\$0.41325	<b>\$0.413250</b>	<b>\$0.3999</b>
Exemption	10%	10%		<b>12%</b>
Avg. Home Value	339,361	365,798		<b>355,394</b>
Avg. Home Tax Bill	1,402	1,511	1,468	<b>1,421</b>
Per Month	117.51	125.97	122.39	<b>118.44</b>
At FY 14 Rate	1,501	1,618		1,571
At FY 15 Rate	1,484	1,599		1,554
At FY 16 Rate	1,475	1,590		1,545
At FY 17 Rate	1,459	1,573		1,528
At FY 18 Rate	1,451	1,564		1,519

**\$0.3999 vs. FY 14 Rate = \$150 savings or ~1 month of services**

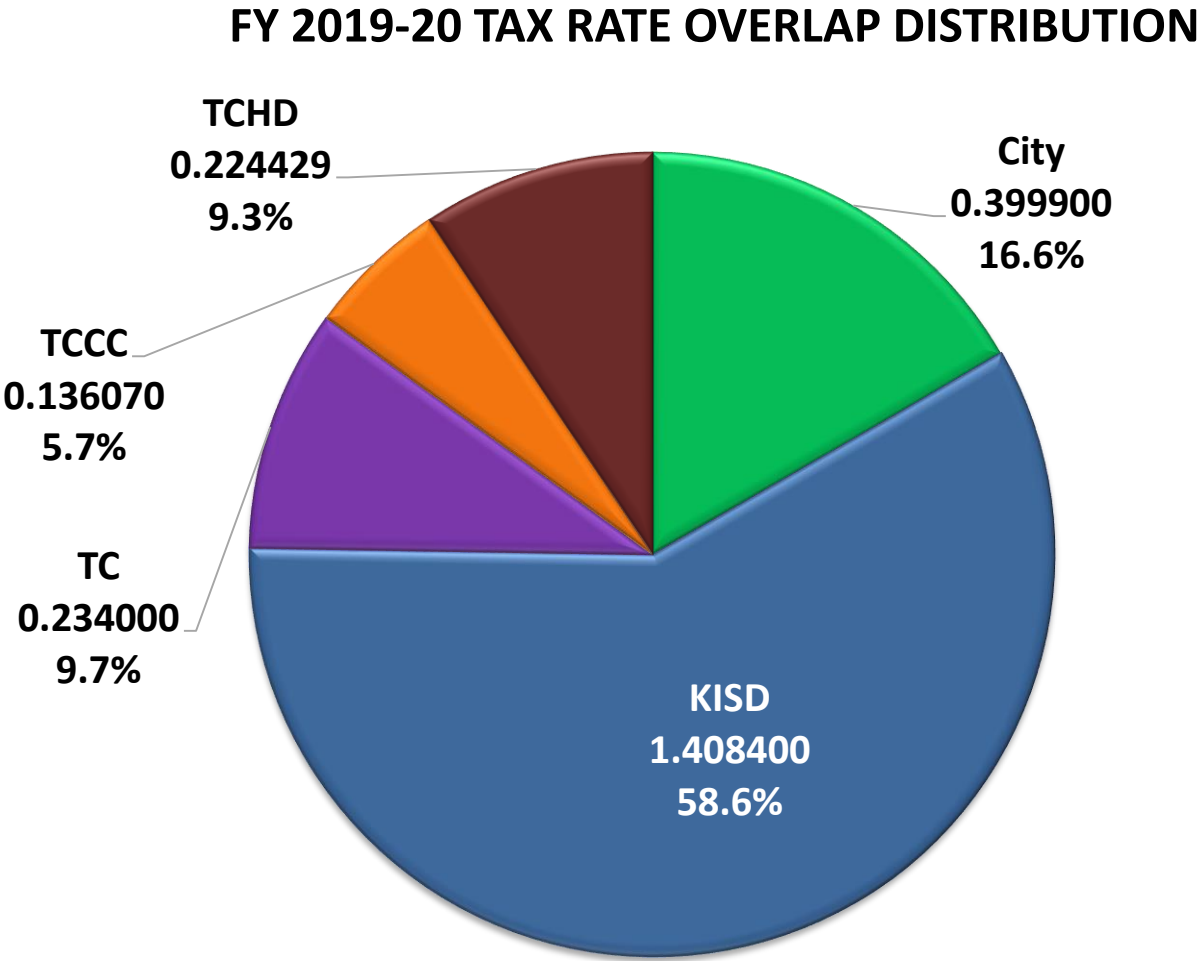
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# Cost of City Services for Average Residential Taxpayer



# Overlapping Tax Rate

Entity	Levy
KISD	\$ 5,005
Keller	1,421
Tarrant County	832
TCHD	798
TCCC	484
<b>Total</b>	<b>\$ 8,539</b>



# Ad Valorem Expenditures

Expenditure	On-Going Cost	One-Time Cost	Total Cost
Johnson Road Reconstruction	\$ -	\$ 2,000,000	\$ 2,000,000
SCBA Replacements (FD)		213,000	213,000
Gradall Excavator		185,000	185,000
Compensation	179,459		179,459
North Tarrant Pkwy & Lakeview		150,000	150,000
UPRR Pedestrian Crossings		150,000	150,000
Fire/EMS Replacement Fund	138,023		138,023
Finance Software	108,302		108,302
Engineering Design Updates		89,200	89,200
2nd Set of Bunker Gear	28,000		28,000
W. Vine Street Drainage		25,000	25,000
Dispatcher*	19,923		19,923
Outdoor Siren Repeater		10,000	10,000
Website Monitoring & Improvements	9,750		9,750
Thermal Imaging Camera		8,800	8,800
Online Benefits Enrollment	2,500		2,500
Backup Ambulance Connectivity	480		480
Police Officer*	-	-	-
<b>Total</b>	<b>\$ 486,437</b>	<b>\$ 2,831,000</b>	<b>\$ 3,317,437</b>

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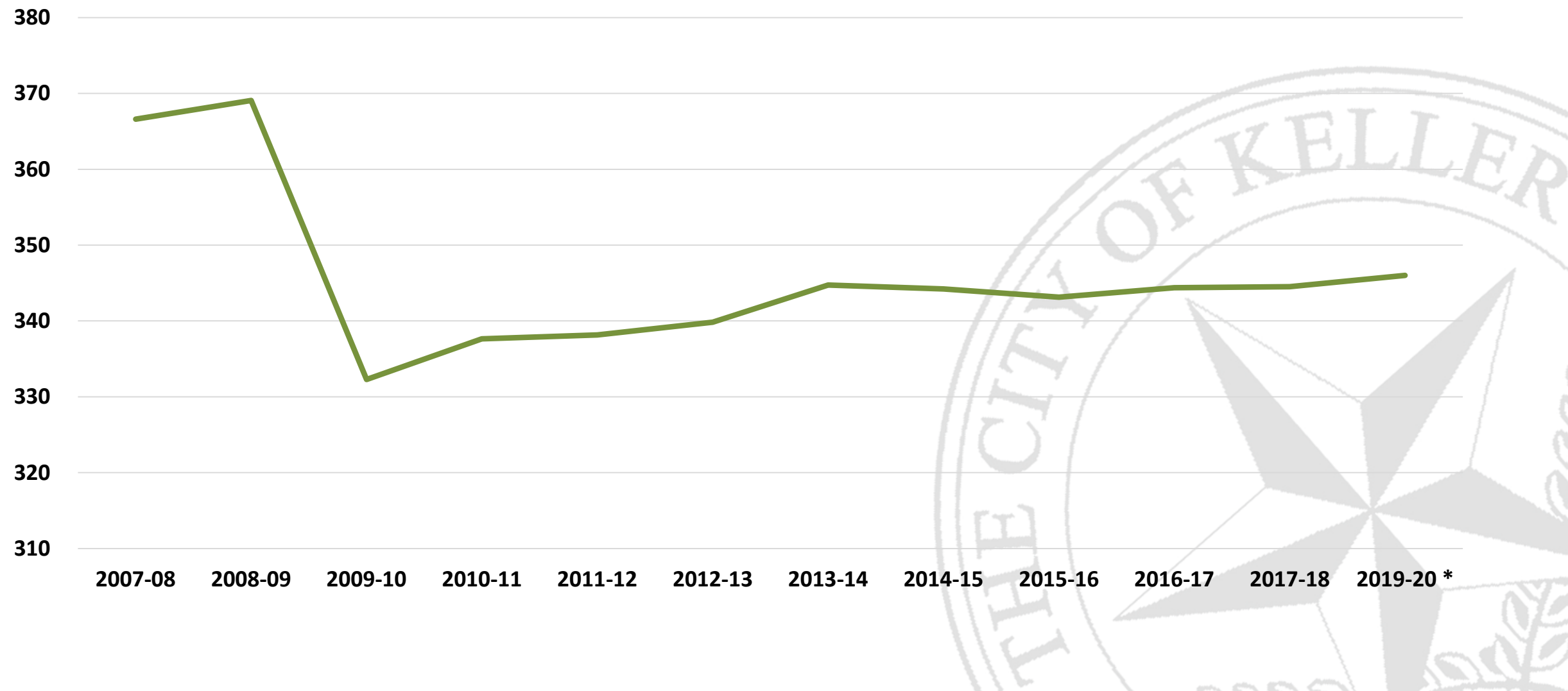


# Compensation and Benefits

- Public Safety
  - Sustainable Step Plan (2% annually) (sworn/cert. only)
  - Up to 1.25% Market Adjustment (remain competitive)
- Civilian
  - 1.50% Merit Increase (avoid compression)
  - 1.75% Market Adjustment (remain competitive)
- Healthcare & Dental Plan – 5.01%
- Dental Plan – 6.0%
- Workers' Compensation Rate Decrease, except Fire
- Adding 2.0 FTEs (net 19,923)
- Reduced 2.75 FTEs in FY 2018-19

**Total General Fund Impact =  
\$179,459 or 0.9%**

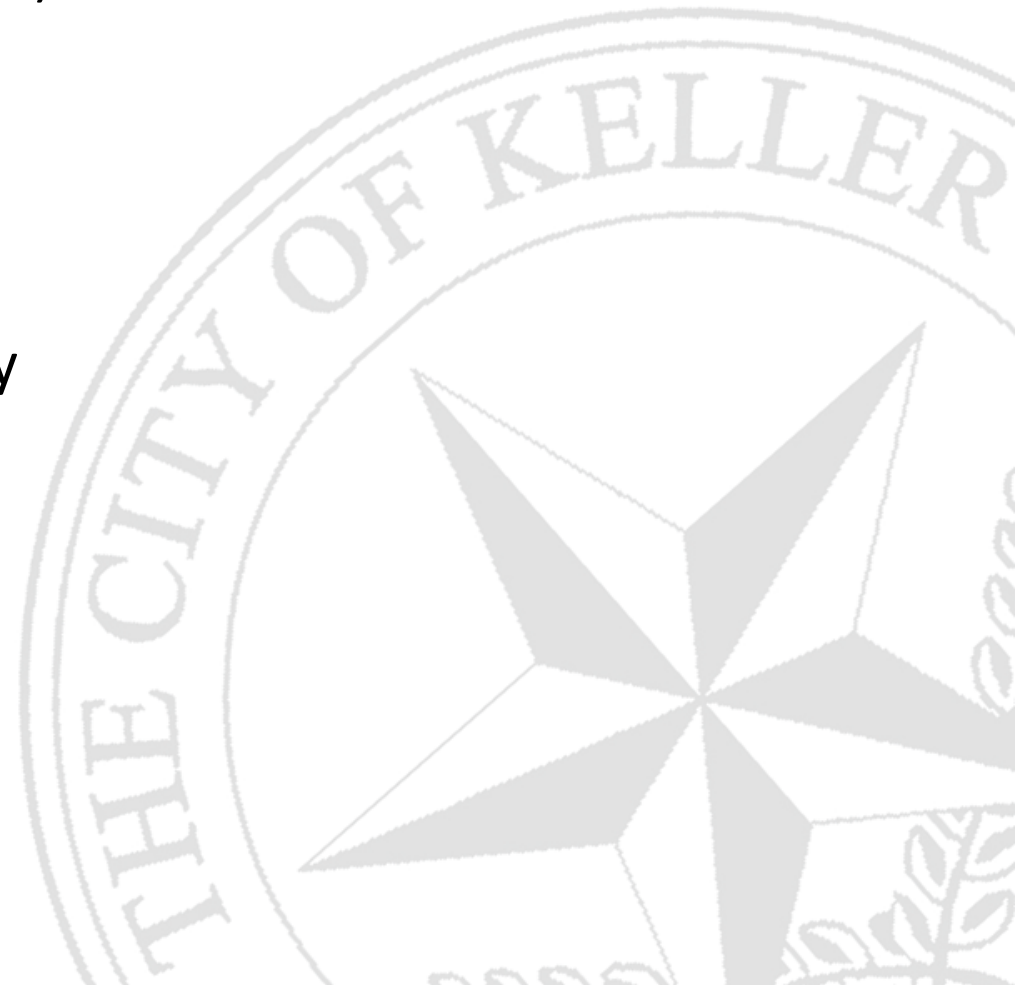
# FTE History



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# CIP Changes

- Removed Wastewater Utility Relocations = (\$100,000)
- KDC Playground replacement = TBD
- Consolidated Johnson Road projects
- Future Sidewalk Maintenance increase 10% annually
- Future Trail Expansion increase 10% annually



# Essential Points for FY 2019-20 Budget

- An operationally balanced budget that meets City Council goals and directions
- Increased Homestead Exemption from 10% to 12%
- Decreased Tax Rate by \$0.001355/100 to \$0.3999/100
- Total GF Personnel increase under 1.5%
- Johnson Road Reconstruction = \$2,000,000
- North Tarrant Parkway & Lakeview = \$150,000
- Increased Sidewalk Maintenance = \$40,000 + \$151,694
- Police Officer = \$0 & Dispatcher = \$19K
- Overall Reduced Water rate & Minimal Wastewater rate adjustments
- Johnson Rd and Hwy 377 Waterline Debt Issuance
- Maintains All Replacement Funding
- Creates Fire/EMS Equipment Replacement Fund
- New Financial Software (\$484,719)

# Budget Timeline – Next Steps

Calendar Item	Date(s)
<del>Vote on Homestead Exemption (10% to 12%)</del>	<del>June 18</del>
Proposed Budget Published	August 13
<b>Vote on Max Tax Rate</b>	<b>August 20</b>
Council Budget Work Session	August 27
<del>First Public Hearing on Tax Rate</del>	<del>September 3</del>
<del>Second Public Hearing on Tax Rate</del>	<del>September 10 (SC)</del>
Budget and Tax Rate Adoption	September 17
Fiscal Year Begins	October 1



**Questions?**

Aaron Rector

817-743-4026

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