

## Items G-3 thru G-5

**G-3 - PUBLIC HEARING:** Consider an ordinance adopting the annual budget for the City of Keller, Texas, for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020, including the 2019-20 Capital Improvements Program, and adopting the Fiscal Year 2019-20 Fee Schedule for the City of Keller, Texas

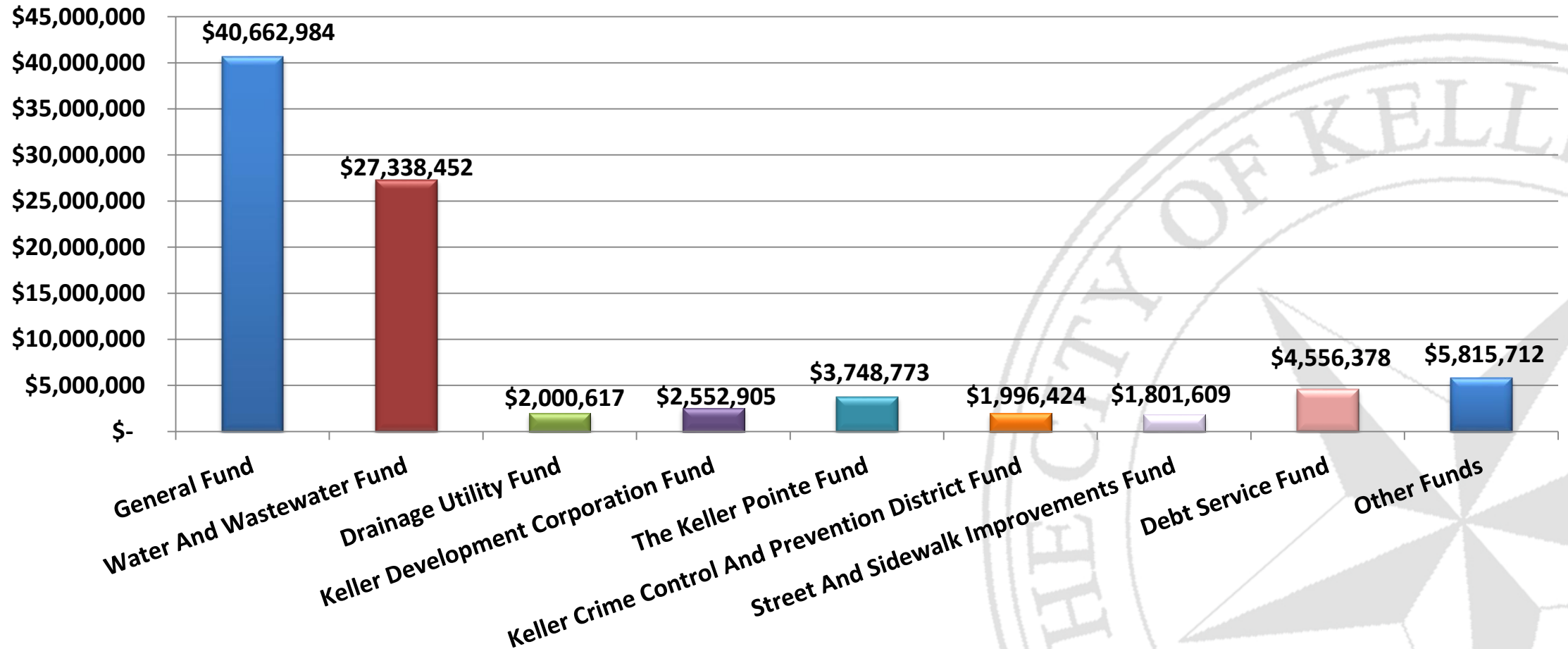
**G-4 -** Consider a resolution ratifying the tax revenue for the tax year 2019 (Fiscal Year 2019-20) for the City of Keller, Texas.

**G-5 -** 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 2019 (Fiscal Year 2019-20).

# Essential Points for FY 2019-20 Budget

- Operationally Balanced Budget that meets City Council Goals and Direction
- Increased Homestead Exemption from 10% to 12%
- Decreased Tax Rate by \$0.01355/100 to \$0.3999/100
- Total GF Personnel Increase under 1.5%
- Johnson Road Reconstruction = \$2,000,000
- Bear Creek and Whitley Roundabout = \$1,229,000
- North Tarrant Parkway & Lakeview Traffic Channelization = \$150,000
- Increased Sidewalk Maintenance = \$40,000 increase (to \$200,000) +\$151,694
- Police Officer = \$0 & Dispatcher = \$19,000
- Overall Reduced Water rate & Minimal Wastewater rate adjustments
- Maintains All Replacement Funding
- Creates Fire/EMS Equipment Replacement Fund
- New Financial Software (\$484,719)

# FY 2019-20 Proposed Operating Budget \$90,473,854



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# Changes from Published Proposed Budget

- SCBA Grant = \$(163,800) in GF & \$(213,800) in Fleet Fund
- Hidden Lakes Median = \$22,500 in GF
- Court costs = \$(25,386) in GF
- Parks Maintenance Updates \$(37,185) in GF & \$(58,000) in KDC
- Updated Johnson Rd and Hwy 377 water line funding sources
- PO “Rollovers” = \$58,439
  - Shopping & Dining Guide = \$10,247 (GF)
  - Website Redesign/ Update = \$10,000 (GF)
  - Pre-Council carpet replacement = \$8,000

# FY 2019-20 Proposed Budget

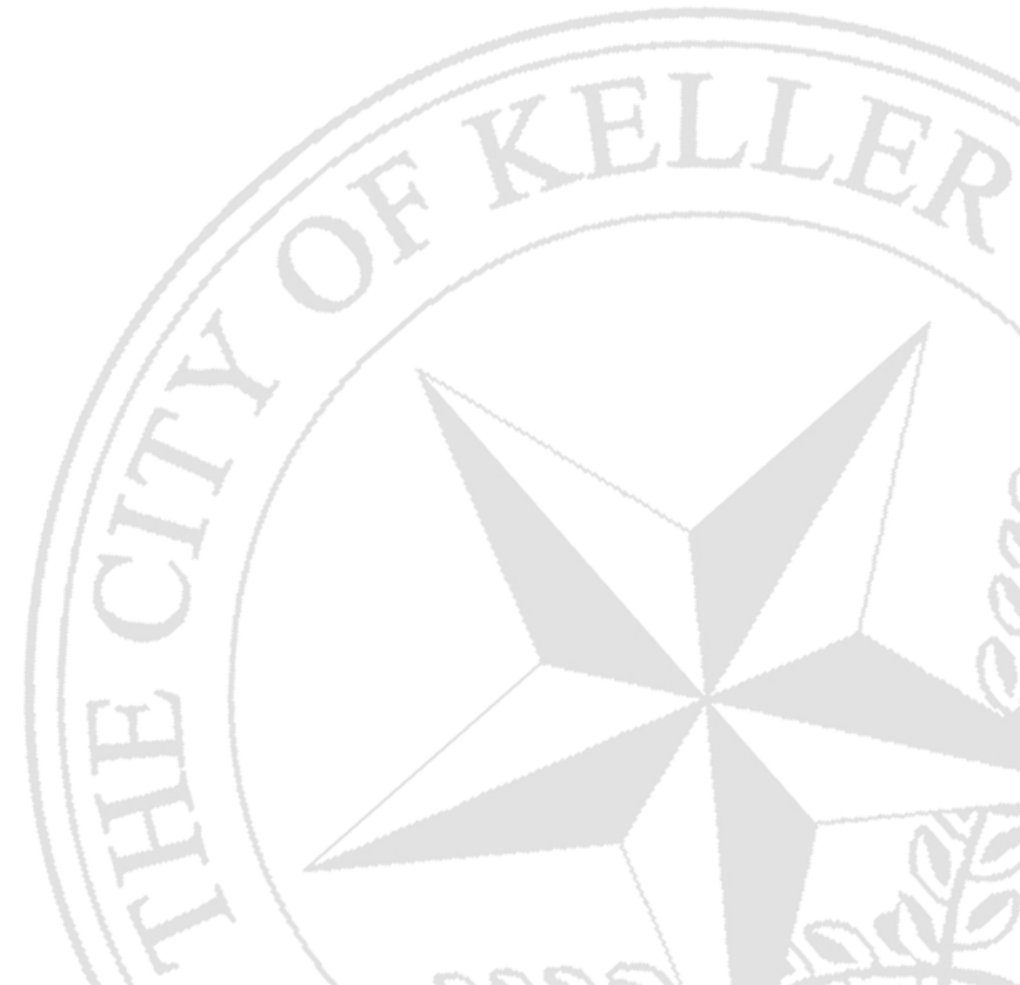
## Revenue by Fund

Revenues	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 38,922,924	\$ 39,616,809	\$ 693,885	1.78%
Water And Wastewater Fund	27,951,785	27,733,604	(218,181)	-0.78%
Drainage Utility Fund	1,477,446	1,490,226	12,780	0.87%
Keller Development Corporation Fund	3,087,407	3,299,231	211,824	6.86%
Keller Crime Control And Prevention District Fund	1,445,755	1,716,477	270,722	18.73%
Street And Sidewalk Improvements Fund	1,581,598	1,667,967	86,369	5.46%
The Keller Pointe Fund	3,232,000	3,362,096	130,096	4.03%
Debt Service Fund	4,137,572	4,380,352	242,780	5.87%
Other Funds	4,372,970	5,321,001	948,031	21.68%
<b>Total Revenues</b>	<b>\$ 86,209,457</b>	<b>\$ 88,587,763</b>	<b>\$ 2,378,306</b>	<b>2.76%</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	40,662,984	\$ 1,190,545	3.02%
Water And Wastewater Fund	27,963,085	27,338,452	(624,633)	-2.23%
Drainage Utility Fund	1,690,528	2,000,617	310,089	18.34%
Keller Development Corporation Fund	4,730,011	2,552,905	(2,177,106)	-46.03%
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	5,807,712	1,308,805	29.09%
<b>Total Expenditures</b>	<b>\$ 90,196,271</b>	<b>\$ 90,473,854</b>	<b>\$ 273,583</b>	<b>0.31%</b>

## **PROPERTY TAX**



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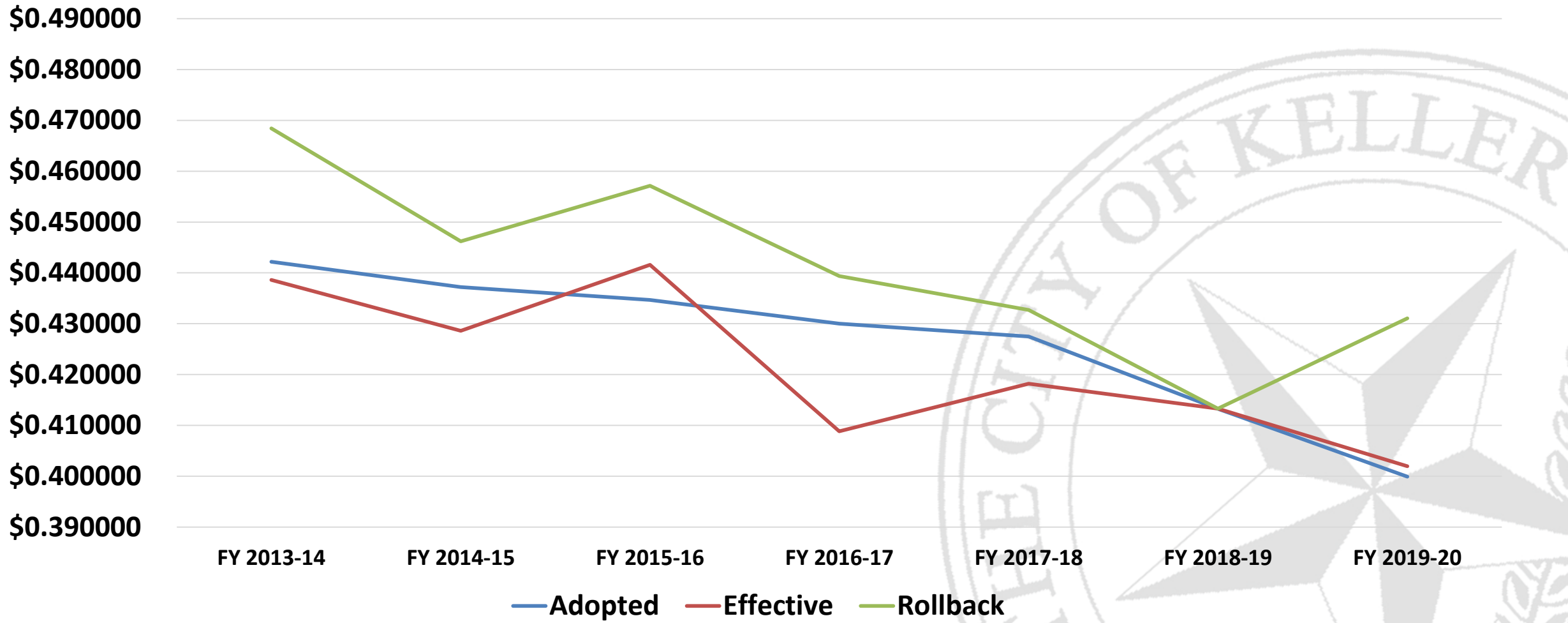
# Levy with Certification

	Current	June Estimate	Certification @ Current TR	Certification @ Proposed TR
Adjusted Value	5,788,817,005	6,119,201,907	6,089,788,184	6,089,788,184
Effective	0.413279	N/A	0.401949	
Rollback	0.413302	N/A	0.431064	
Proposed Rate	0.413250	0.413250	0.413250	0.39990
Collection	\$23,742,869	\$25,097,945	\$24,872,907	\$24,170,415
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



# Property Tax Rate History



# 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	116.87	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

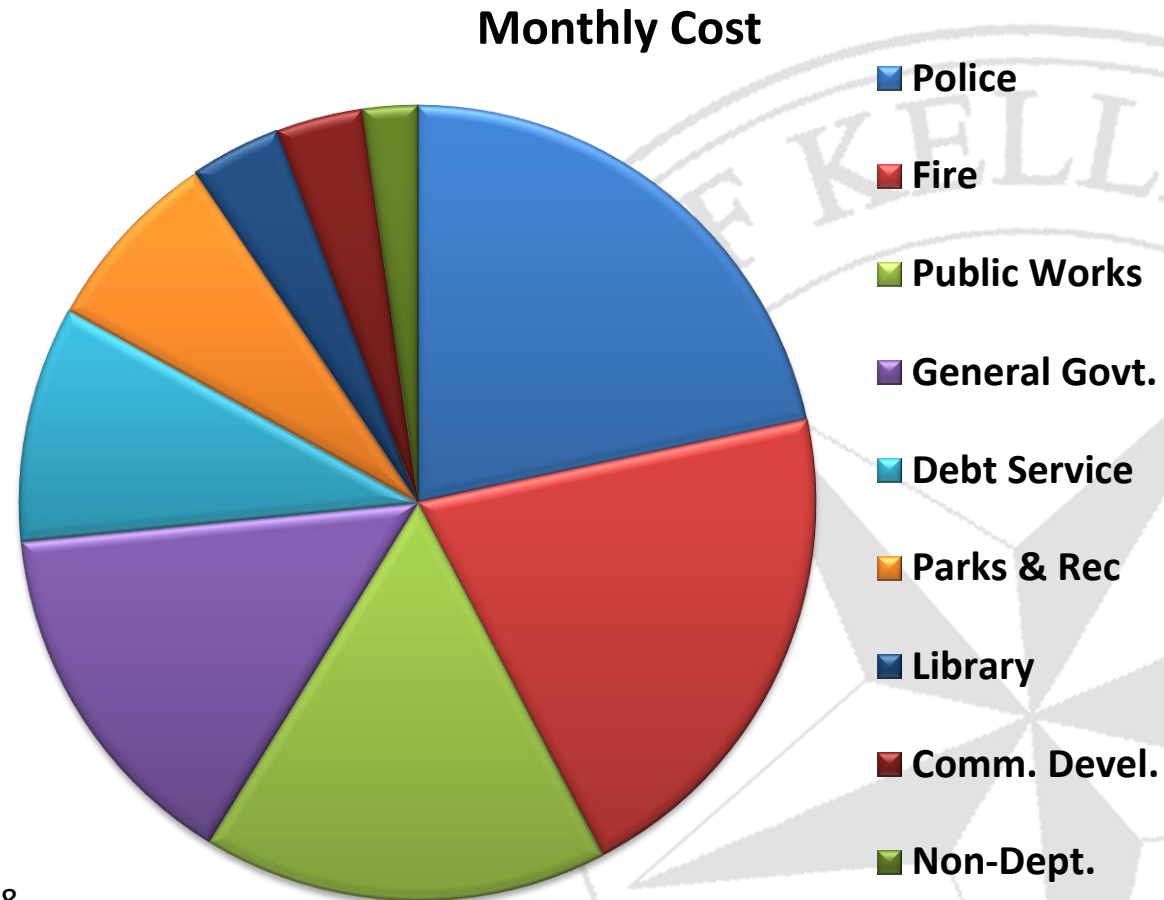
**\$0.39990 vs. FY 14 Rate = \$150 savings or ~1 month of services**

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# Cost of City Services for Average Residential Taxpayer

Police	\$ 25.75
Fire	24.12
Public Works	19.60
General Gov.*	17.43
Debt Service	11.39
Parks & Rec	8.93
Library	4.38
Comm. Dev.	4.18
Non-Dept.	2.65
<b>Total</b>	<b>\$ 118.44</b>

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

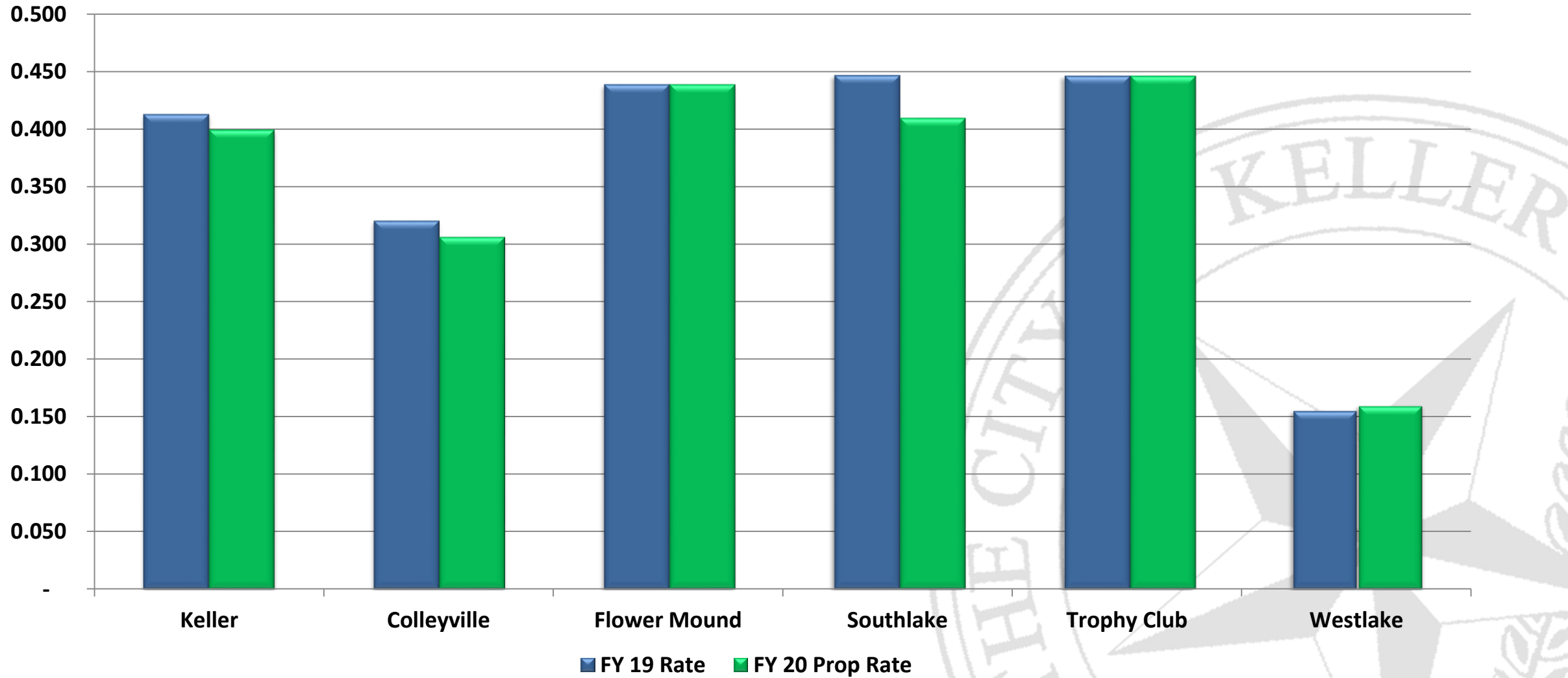


## Ad Valorem Expenditures

Expenditure	On-Going Cost	One-Time Cost	Total Cost
Johnson Road Reconstruction	\$ -	\$ 2,000,000	\$ 2,000,000
Bear Creek & Whitley Roundabout		1,229,000	1,229,000
Gradall Excavator		185,000	185,000
Compensation	179,459		179,459
North Tarrant Pkwy & Lakeview Traffic Channelization		150,000	150,000
UPRR Pedestrian Crossings (sidewalks)		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
<b>SCBA Replacements (FD)</b>		<b>50,000</b>	<b>50,000</b>
2nd Set of Bunker Gear (FD)	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, Training & Improvements	9,750		9,750
Thermal Imaging Camera (FD)		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>\$ 3,897,000</b>	<b>\$ 4,383,437</b>

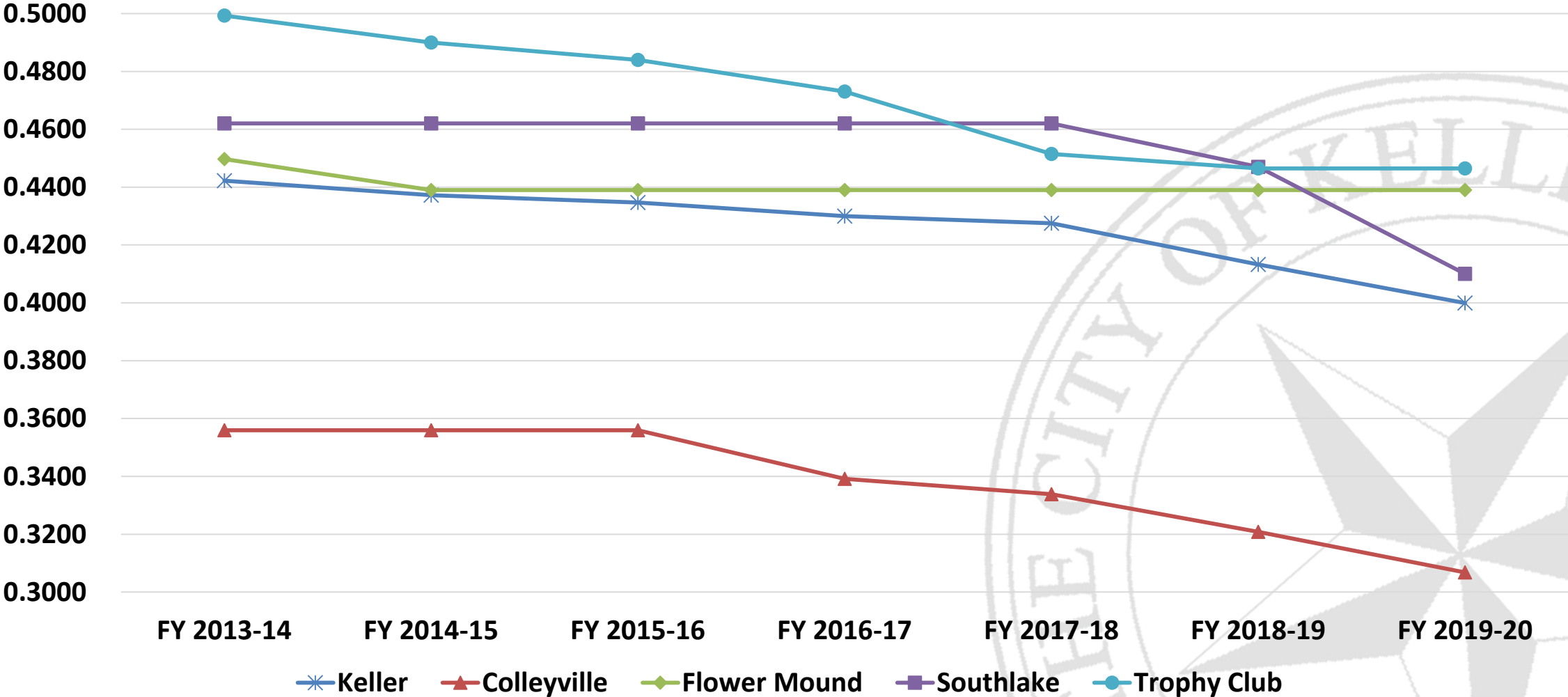
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# Neighboring Cities' Tax Rates



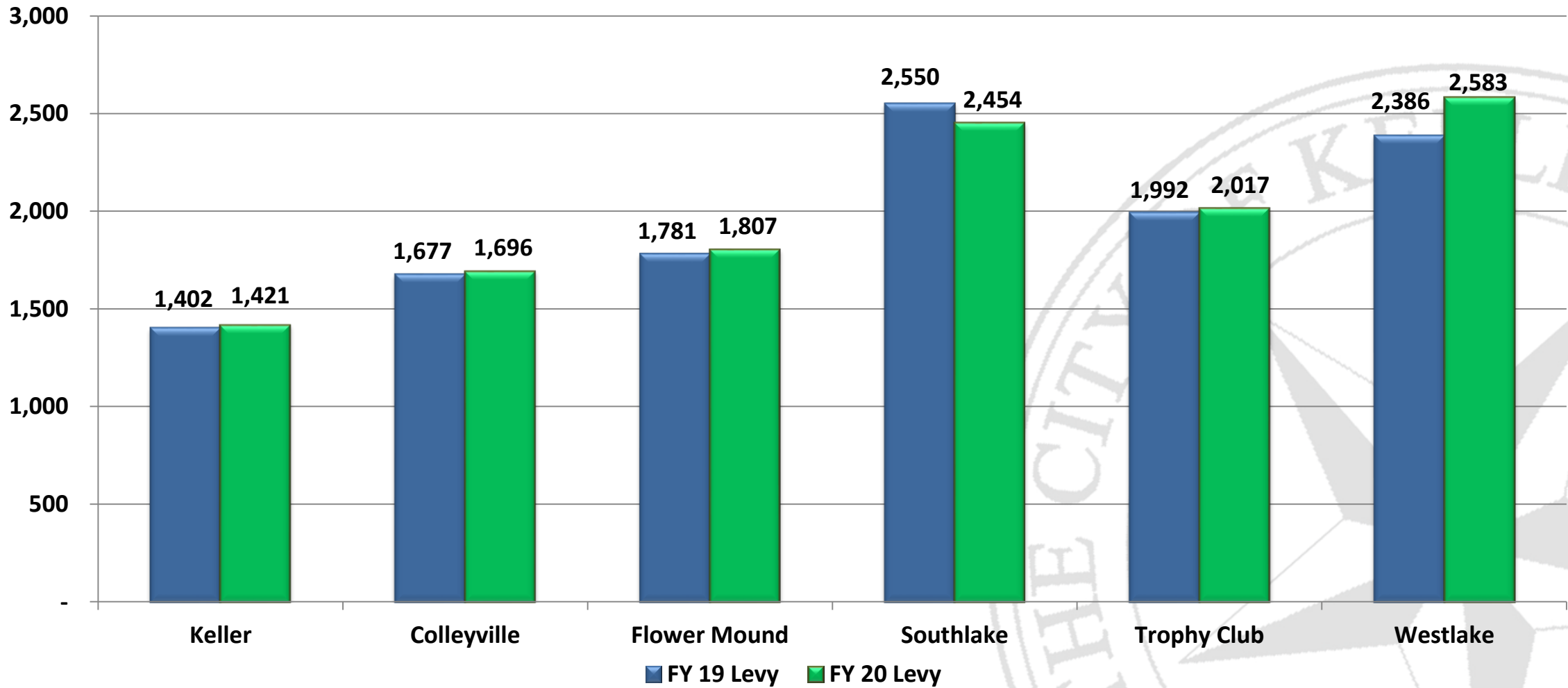
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# Neighboring Cities' Tax Rate History





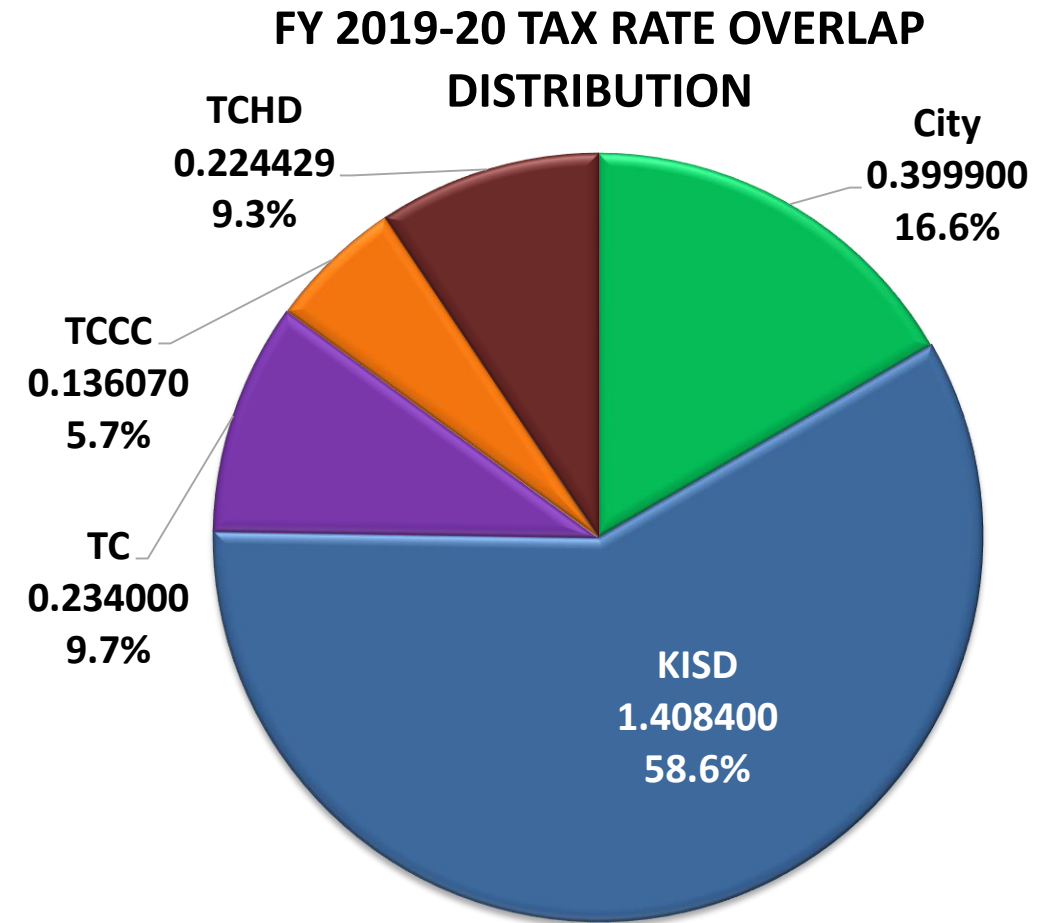
# Neighboring Cities' Tax Levies (Average Household)



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# Overlapping Tax Rate - Estimated

Entity	2019 Levy	2020 Levy	Estimated
KISD	\$ 5,124	\$ 5,005	(\$119)
Keller	1,402	1,421	19
Tarrant County	794	832	38
TCHD	762	798	36
TCCC	462	484	22
<b>Total</b>	<b>\$ 8,544</b>	<b>\$ 8,539</b>	<b>(\$5)</b>



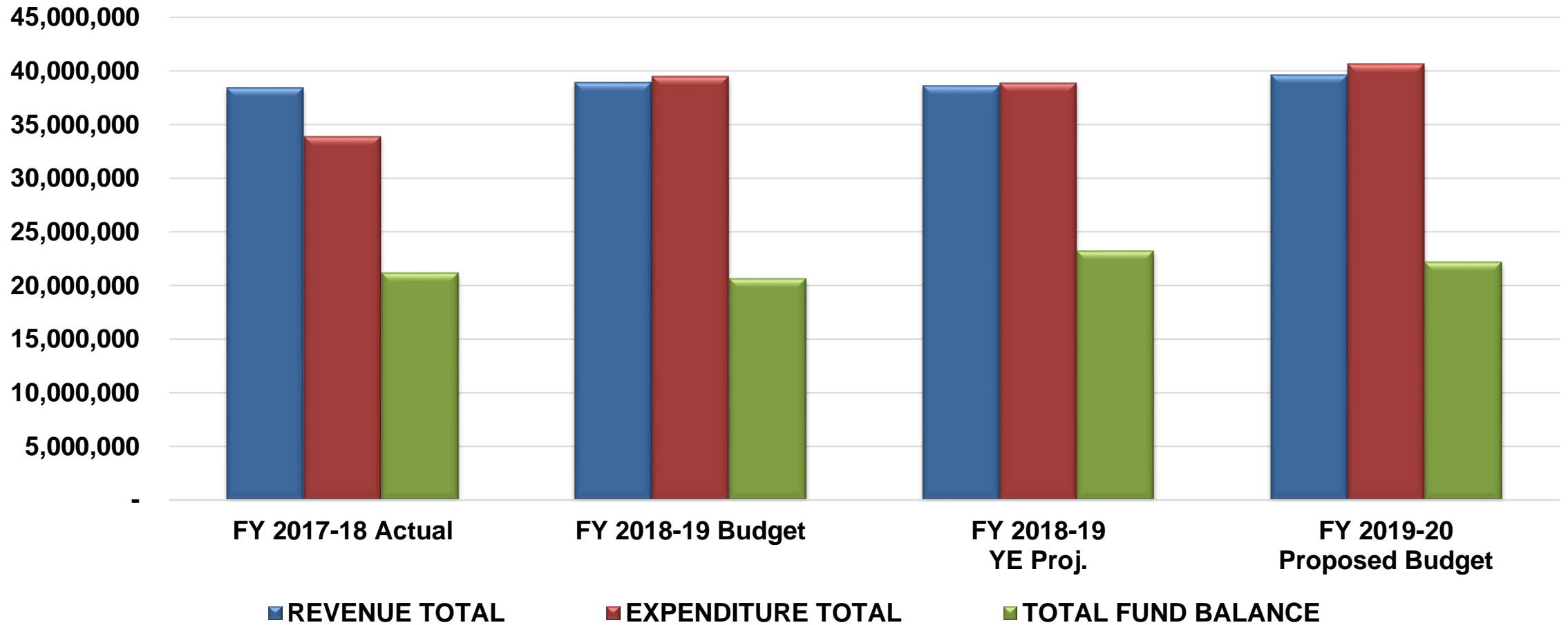
## **GENERAL FUND**



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# FY 2019-20 Proposed Budget

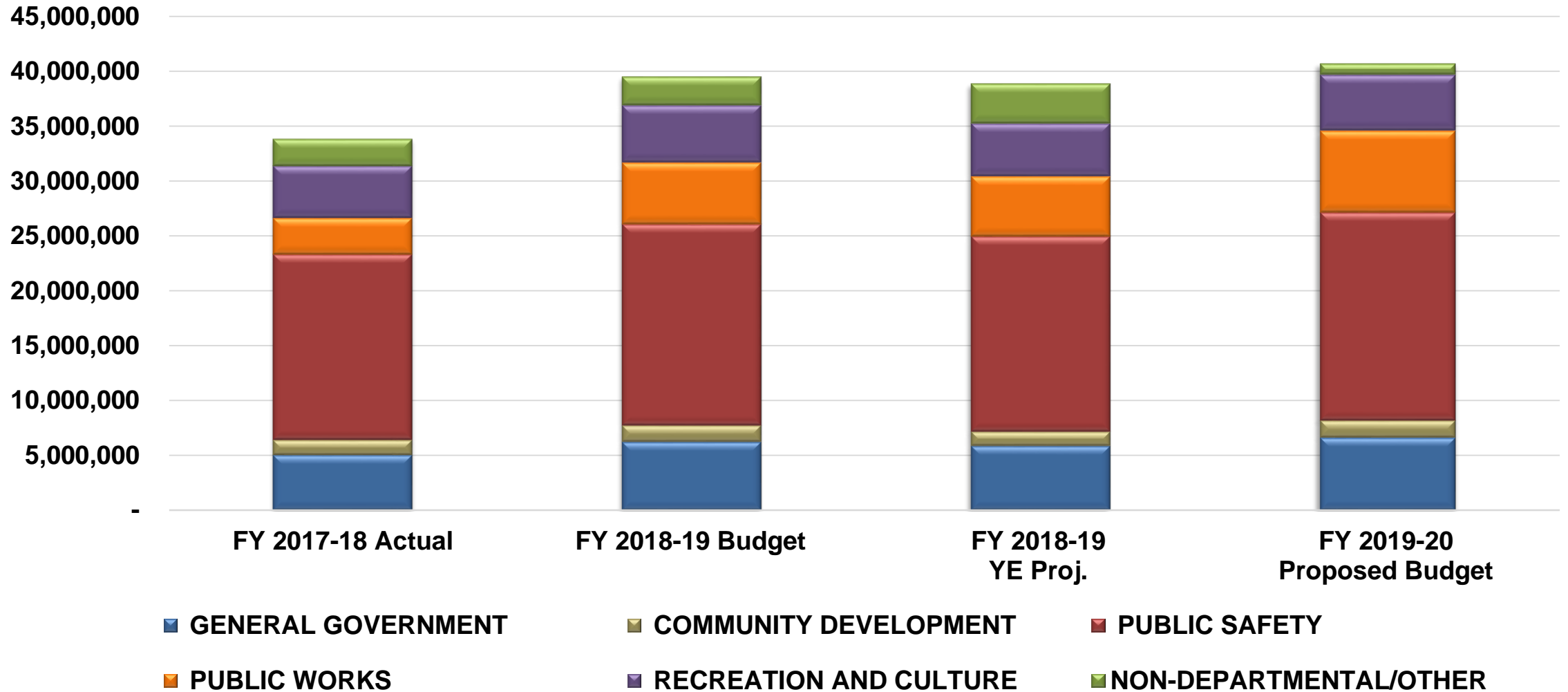
## General Fund Overview



# General Fund Revenue by Source

Revenues	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 19,794,205	\$ 19,992,361	\$ 198,156	1.00%
Sales Tax	6,106,437	6,488,274	381,837	6.25%
Other Taxes	4,572,968	4,421,667	(151,301)	-3.31%
Licenses and Permits	824,479	803,607	(20,872)	-2.53%
Charges for Services	1,425,353	1,343,417	(81,936)	-5.75%
Fines and Fees	1,213,074	1,085,803	(127,271)	-10.49%
Development Fees	198,928	204,770	5,842	2.94%
Intragovernmental	1,428,744	1,497,936	69,192	4.84%
Intergovernmental	3,140,974	3,451,270	310,296	9.88%
Other Revenue	217,762	327,704	109,942	50.49%
<b>Total Revenues</b>	<b>\$ 38,922,924</b>	<b>\$ 39,616,809</b>	<b>\$ 693,885</b>	<b>1.78%</b>

# General Fund Expenditures By Activity



# General Fund Expenditures

	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Public Safety	\$ 18,319,343	\$ 18,942,686	\$ 623,343	3.40%
Public Works	5,625,011	7,446,653	1,821,642	32.38%
General Government	6,234,341	6,620,696	386,355	6.20%
Recreation And Culture	5,178,450	5,057,127	(121,323)	-2.34%
Community Development	1,505,909	1,587,571	81,662	5.42%
Non-Departmental/Other	2,609,385	1,008,251	(1,601,134)	-61.36%
<b>TOTAL</b>	<b>\$ 39,472,439</b>	<b>\$ 40,662,984</b>	<b>\$ 1,190,545</b>	<b>3.02%</b>

- With one-times removed, increase of \$454,553 or 1.29%



# Compensation and Benefits

## Public Safety

- Sustainable Step Plan (2% annually) (sworn/cert. only)
- 1.25% Market Adjustment (remain competitive)

## Civilian

- 1.50% Merit Increase (avoid compression)
- 1.75% Market Adjustment (remain competitive)

**Total General Fund Impact =  
\$112,315 or 0.5%**

Healthcare – 5.01%

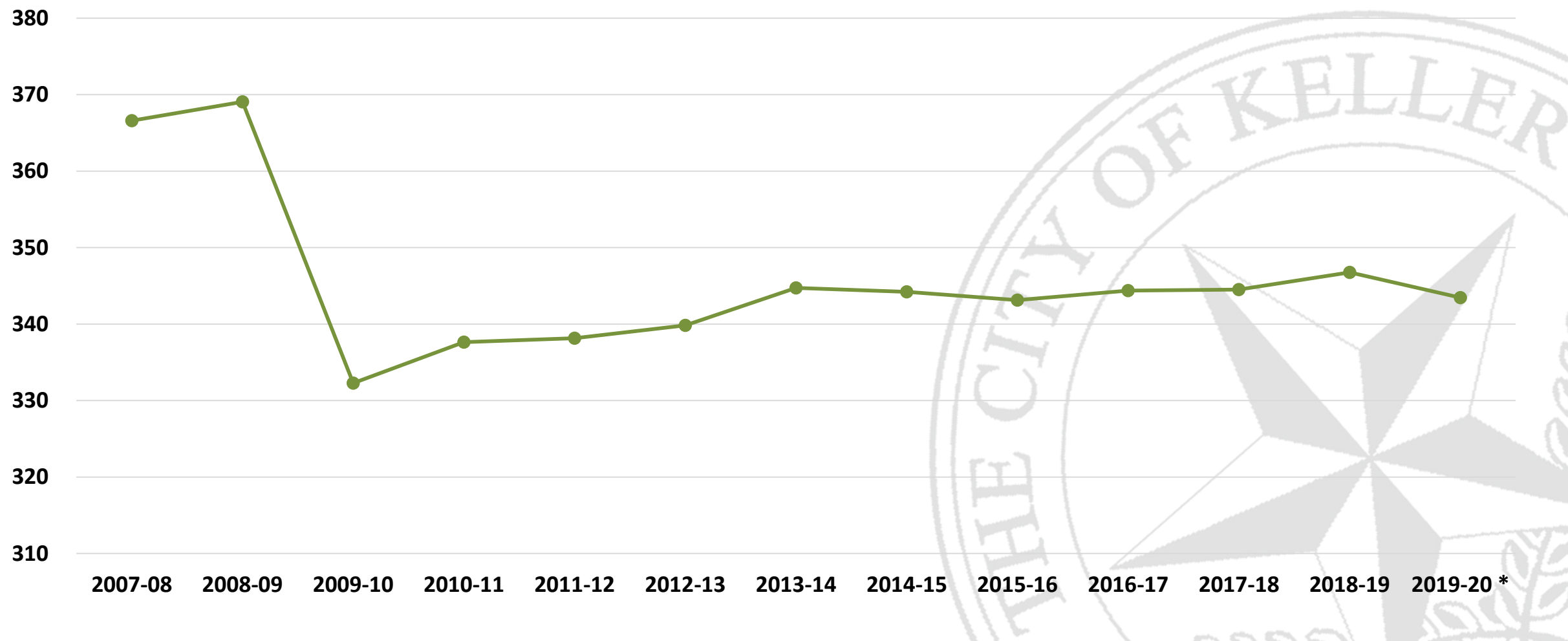
Dental Plan – 6.0%

Workers' Compensation Rate Decrease, except Fire Department

Adding 2.0 FTEs (net \$19,923)

Reduced 5.3 FTEs in FY 2018-19

# FTE History



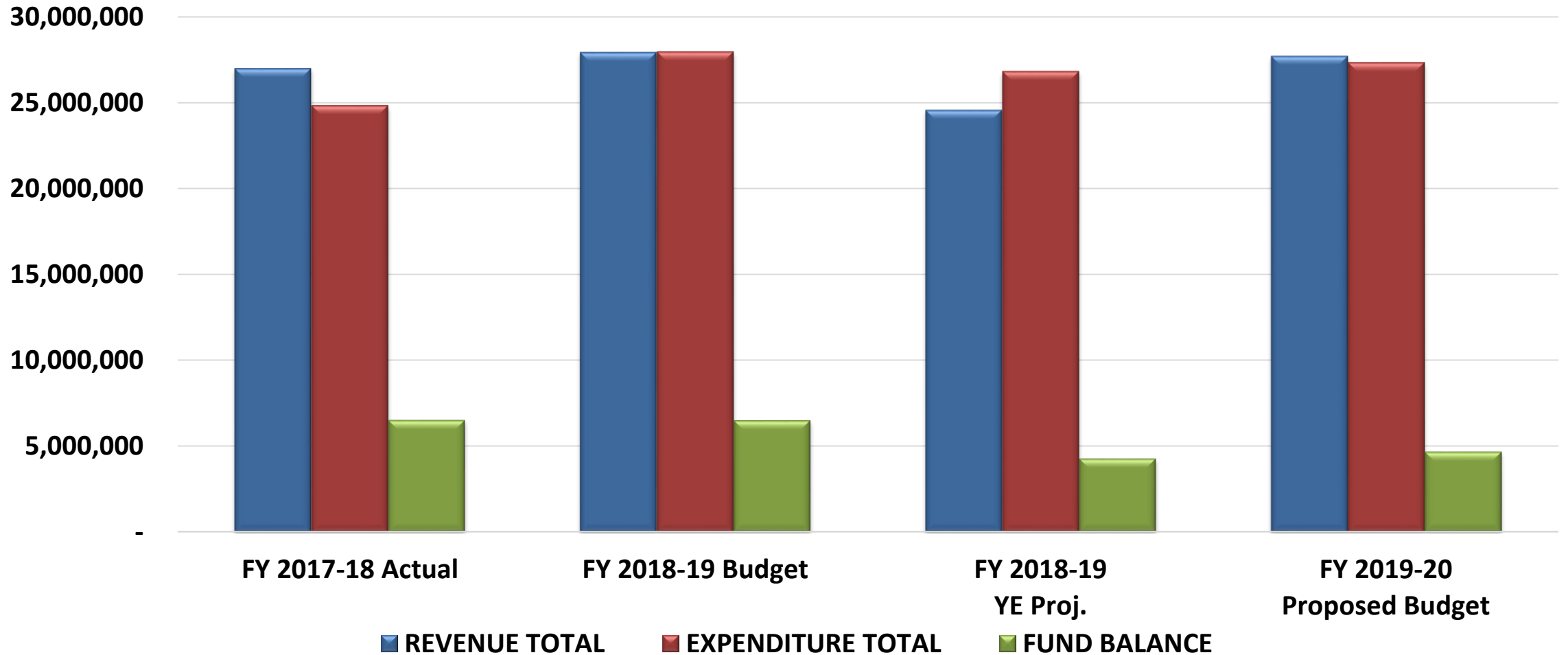
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## **WATER AND WASTEWATER FUND**

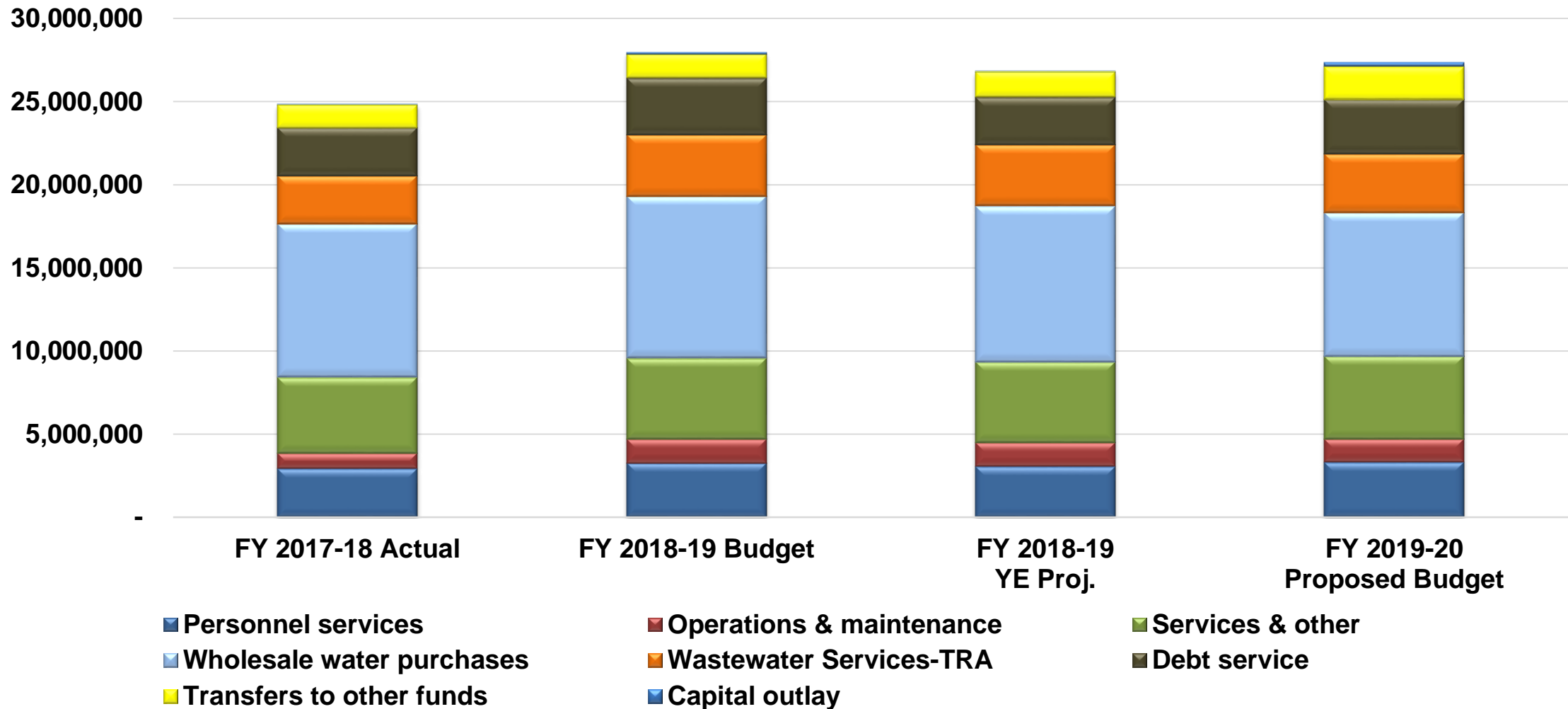


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# Water and Wastewater Fund Summary



# Water and Wastewater Expenditures



# Water and Wastewater Expenditures

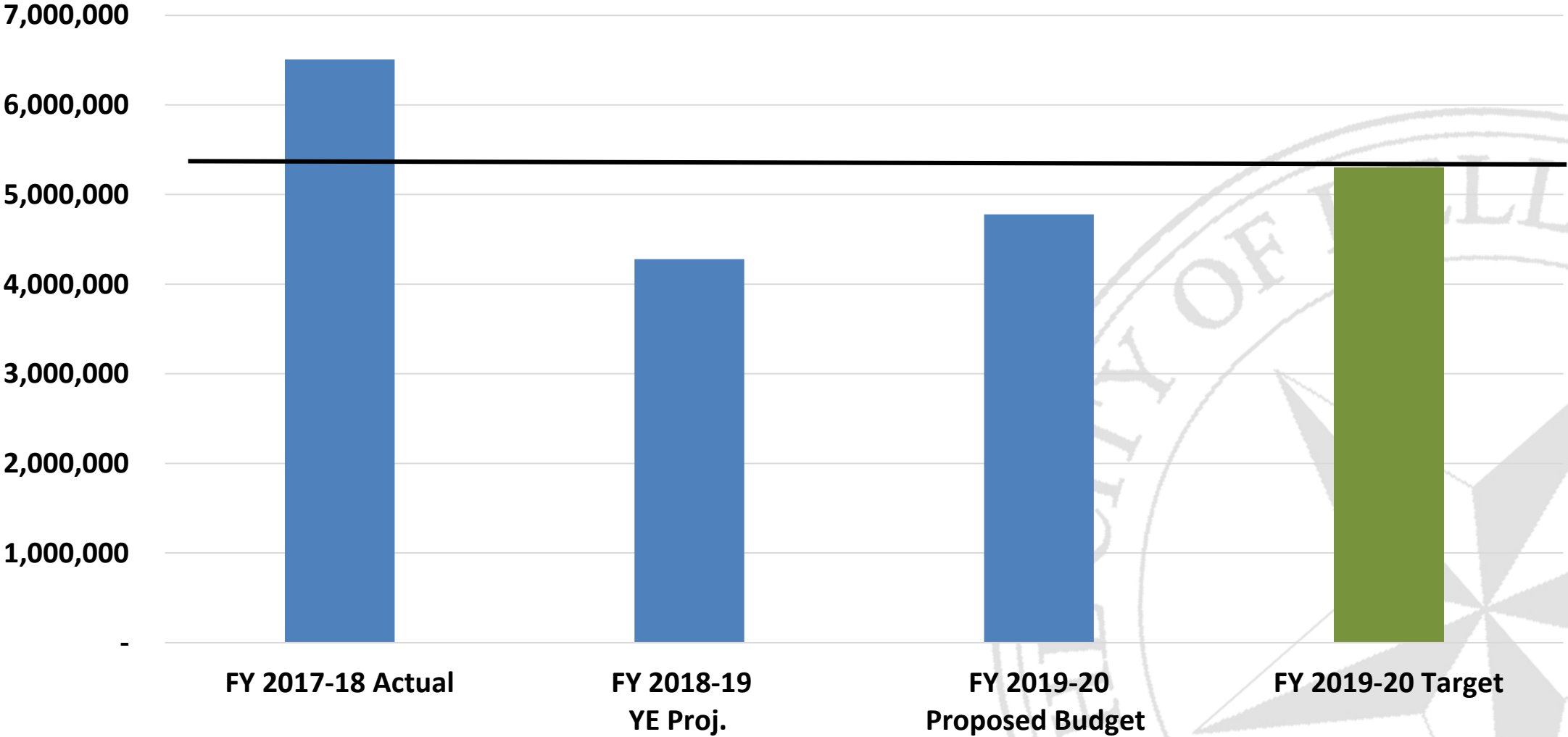
	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 3,258,576	\$ 3,321,930	\$ 63,354	1.94%
Operations & maintenance	1,439,923	1,383,296	(56,627)	-3.93%
Services & other	4,876,469	4,992,479	116,010	2.38%
Wholesale water purchases	9,715,501	8,614,600	(1,100,901)	-11.33%
Wastewater Services-TRA	3,700,836	3,561,059	139,777	-3.78%
Debt service	3,436,780	3,257,088	(179,692)	-5.23%
Transfers to other funds	1,412,000	1,973,000	561,000	39.73%
Capital outlay	123,000	235,000	112,000	91.06%
<b>TOTAL</b>	<b>\$ 27,963,085</b>	<b>\$ 27,338,452</b>	<b>\$ (624,633)</b>	<b>-2.23%</b>

# Average Monthly Bill

Monthly Bill	Current	Proposed	Difference (%)	Difference (\$)
<b><u>ANNUAL AVERAGE MONTHLY BILL</u></b>				
Water (12,850 Gallons)	78.74	76.18	(3.25)%	(2.56)
Sewer (7,794 Gallons)	48.17	48.94	1.60%	0.77
<b>TOTAL</b>	<b>\$126.91</b>	<b>\$125.12</b>	<b>(1.41)%</b>	<b>(\$1.79)</b>
<b><u>SUMMER AVERAGE MONTHLY BILL</u></b>				
Water (19,734 Gallons)	112.93	108.70	(3.74)%	(4.23)
Sewer (7,262 Gallons)	48.17	48.94	1.60%	0.77
<b>TOTAL</b>	<b>\$161.09</b>	<b>\$157.63</b>	<b>(2.15)%</b>	<b>(\$3.46)</b>



# Water and Wastewater Fund – Fund Balance



## **OTHER OPERATING FUNDS**



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# Other Tax Funds

Fund	FY 2019-20 Revenues	FY 2019-20 Expenditures	Variance	Fund Balance
Debt Service Fund	\$ 4,380,352	\$ 4,556,378	\$(176,026)	\$2,552,533
Keller Development Corporation Fund	3,299,231	2,552,905	746,326	3,172,690
Street & Sidewalk Improvement Fund	1,667,967	1,801,609	(133,642)	508,005
Keller Crime Control & Prevention District Fund	1,716,477	1,996,424	(279,947)	4,663,053

# Other Enterprise Funds

Fund	FY 2019-20 Revenues	FY 2019-20 Expenditures	Variance	Fund Balance
Pointe Fund	\$ 3,362,096	\$ 3,748,773	\$( 386,677)	\$ 975,432
Information Technology Fund	2,308,655	2,613,870	( 305,215)	938,307
Drainage Fund	1,490,226	2,000,617	( 510,391)	1,563,840

# Other Operating Funds

Fund	FY 2019-20 Revenues	FY 2019-20 Expenditures	Variance	Fund Balance
Public Safety Special Revenue Fund	68,078	65,152	2,926	87,447
Recreation Special Revenue Fund	281,095	289,413	(8,318)	175,505
Municipal Court Special Revenue Fund	112,121	102,092	10,029	215,048
PEG Channel Fund	165,272	78,600	86,672	623,035
Community Clean-Up Fund	38,001	33,631	4,370	245,197
Fleet Replacement Fund	2,140,280	2,567,854	(427,574)	1,577,883
Facility Replacement Fund	420,499	278,100	142,399	961,012
<b>TOTAL</b>	<b>\$ 3,225,346</b>	<b>\$ 3,414,842</b>	<b>\$ (189,496)</b>	<b>\$ 3,885,127</b>

## **CAPITAL IMPROVEMENT PROJECTS**



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# FY 2019-20 Street Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Johnson Road Reconstruction	2,000,000	216,000		800,000		3,016,000
2020 Street Reconstruction Project		1,451,609				1,451,609
Bear Creek & Whitley Roundabout	1,229,000					1,229,000
Utility Relocations	150,000					150,000
Sidewalk Construction/Repair	351,693					351,693
North Tarrant Pkwy & Lakeview traffic channelization	150,000					150,000
UPRR Pedestrian Crossings (sidewalks)	150,000					150,000
Pavement Seepage		150,000				150,000
Pavement Condition Study		125,000				125,000
2021 Street Reconstruction Project (design/engineering)		75,000				75,000
West Vine Street Drainage	25,000					25,000
<b>Total Street Projects</b>	<b>\$ 4,055,693</b>	<b>\$ 2,017,609</b>	<b>\$ -</b>	<b>\$ 800,000</b>	<b>\$ -</b>	<b>\$ 6,873,302</b>
FM 1709 & Keller-Smithfield					(\$2,250,000)	(\$2,250,000)
FM 1709 & Rufe Snow					(\$2,250,000)	(\$2,250,000)
<b>Total Street Projects Revised</b>	<b>\$ 4,055,693</b>	<b>\$ 2,017,609</b>	<b>\$ -</b>	<b>\$ 800,000</b>	<b>\$ (4,500,000)</b>	<b>\$ 2,373,302</b>

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# FY 2019-20 Parks Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Trail System Expansion		34,000				34,000
Keller Sports Park Parking Lot Improvements – C Pad		185,000				185,000
TBD Playground Replacement		180,000				180,000
Parks Capital Replacement Program		100,000				100,000
<b>Total Parks Projects</b>	<b>\$ -</b>	<b>\$ 499,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 499,000</b>

# FY 2019-20 Facilities Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Senior Activities Center				8,000,000*		8,000,000
Keller Pointe Indoor Pool Repairs	397,222					397,222
Keller Pointe Locker Room Renovation	230,000					230,000
<b>Total Facilities Projects</b>	<b>\$ 627,222</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,000,000</b>	<b>\$ -</b>	<b>\$ 8,627,222</b>

\*Up to \$8.0M; Cost determined by bid/CMR

# FY 2019-20 Water Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
<i>Hwy 377 12" Water Lines</i>	366,095		400,000	(900,000)		(133,905)
AWIA Emergency Risk, Resiliency, Response Plan	200,000					200,000
Water Tank Maintenance	175,000					175,000
Update Water Master Plan / Condition Analysis	125,000					125,000
<i>N. Main St 8" Water Line</i>	(112,587)		(100,000)			(212,587)
<i>S. Elm St 8" Water Line</i>	(100,508)					(100,508)
<b>Total Water Projects</b>	<b>\$ 653,000</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$( 900,000)</b>	<b>\$ -</b>	<b>\$ 53,000</b>

# FY 2019-20 Wastewater Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Big Bear West Interceptor Line Replacement	500,000					500,000
SS Evaluation Study / I&I	120,000					120,000
SS Evaluation Study / Condition Study	100,000					100,000
<b>Total Wastewater Projects</b>	<b>\$ 720,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 720,000</b>

# FY 2019-20 Drainage Projects

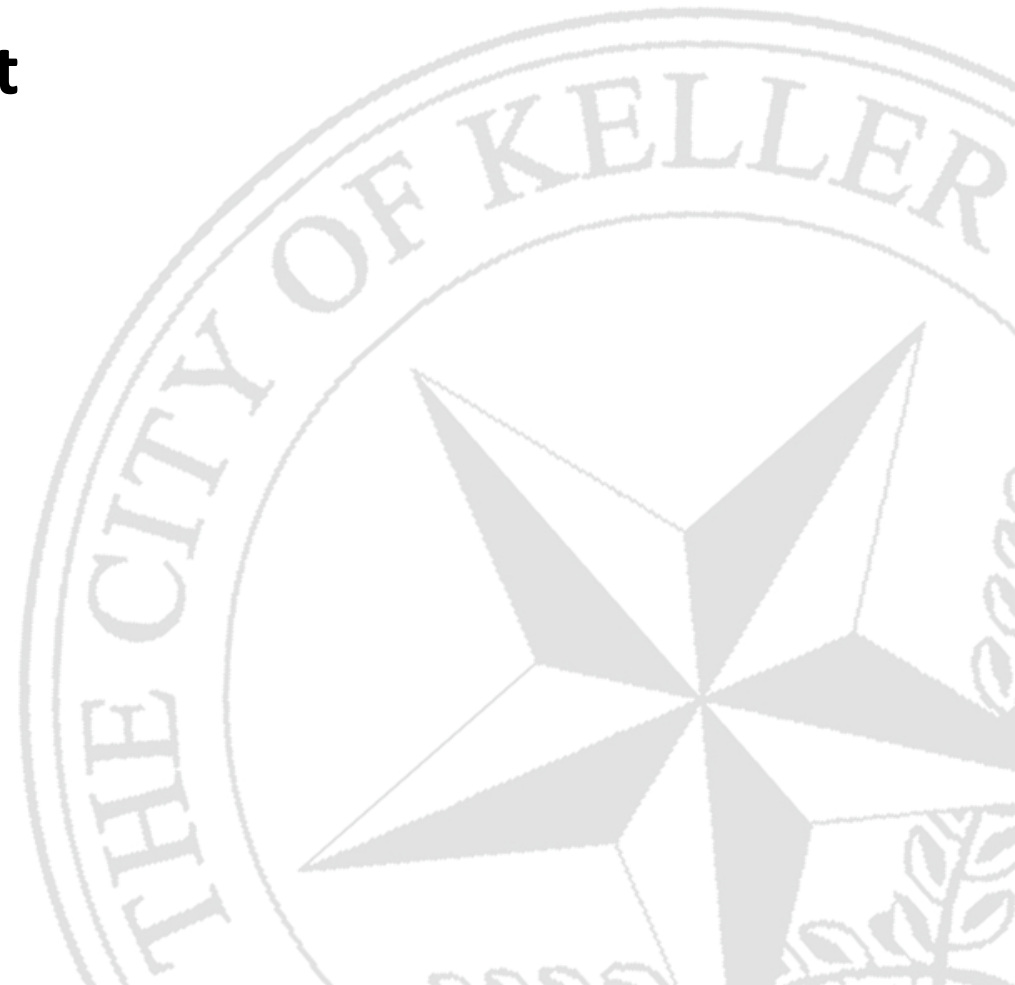
Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
<i>Barbara WW line</i>	350,000					350,000
Nightingale Culvert	325,000					325,000
Drainage Master Plan	200,000					200,000
Shady Lane South	70,000					70,000
<b>Total Drainage Projects</b>	<b>\$ 945,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 945,000</b>

# Essential Points for FY 2019-20 Budget

- Operationally Balanced Budget that meets City Council Goals and Direction
- Increased Homestead Exemption from 10% to 12%
- Decreased Tax Rate by \$0.01355/100 to \$0.3999/100
- Total GF Personnel Increase under 1.5%
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- Overall Reduced Water rate & Minimal Wastewater rate adjustments
- Maintains All Replacement Funding
- Creates Fire/EMS Equipment Replacement Fund
- New Financial Software (\$484,719)

# 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

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