

Items H-2 & H-3

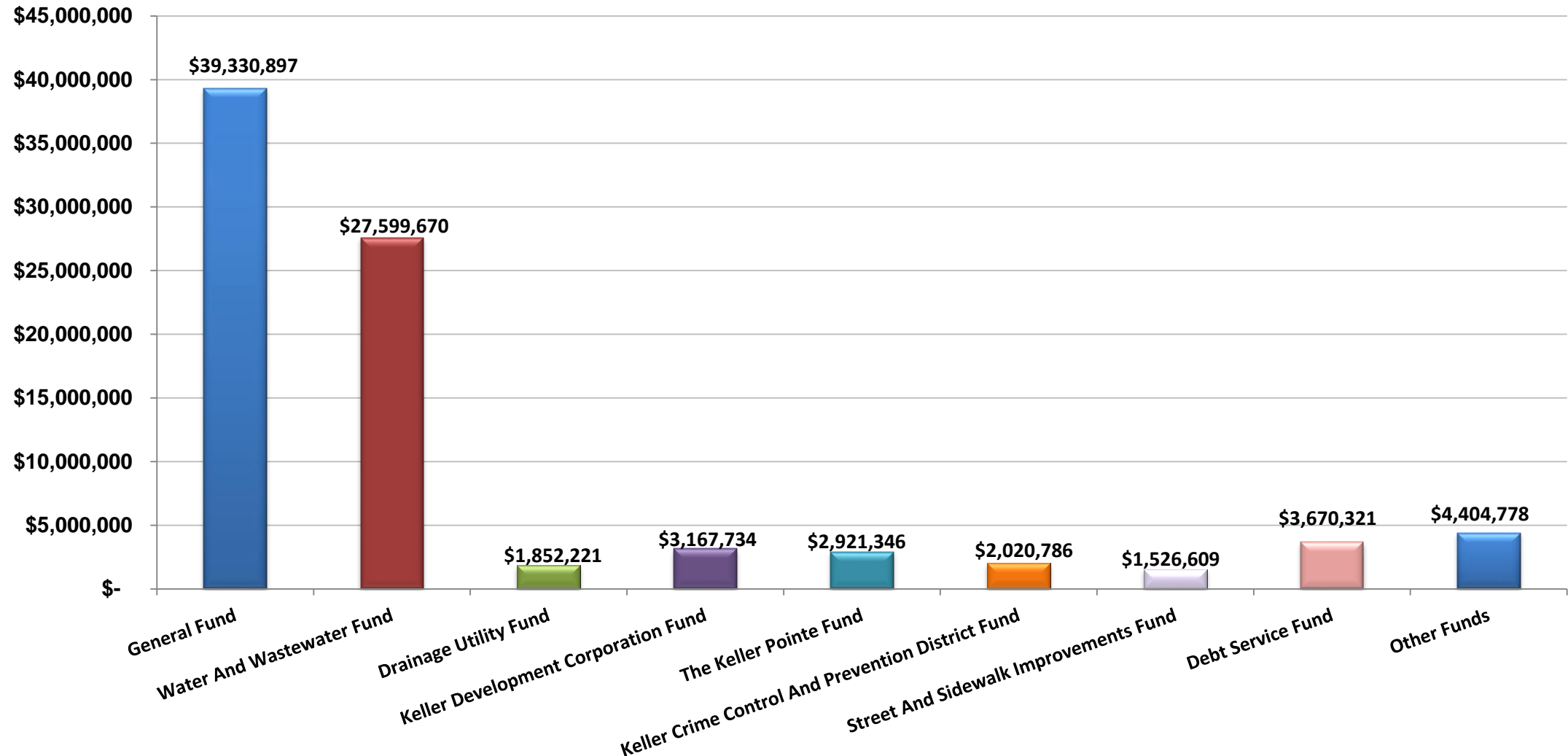
H-2 PUBLIC HEARING: Consider an ordinance adopting the annual budget for the City of Keller, Texas, for the Fiscal Year beginning October 1, 2020 and ending September 30, 2021, including the 2020-21 Capital Improvements Program, and adopting the Fiscal Year 2020-21 Fee Schedule for the City of Keller, Texas

H-3 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 2020 (Fiscal Year 2020-21).

Essential Points for FY 2020-21 Budget

- An operationally balanced budget that meets City Council goals and directions
- Increased Homestead Exemption, from 12% to 14%
- Decreased Tax Rate by \$0.0049/100, to \$0.3950/100
- Total GF Personnel increase under 3%
- Shady Grove Reconstruction = \$1,000,000
- Bar-Ditch Maintenance (one-time) = \$830,000
- One-Time Sidewalk Maintenance = \$131,865 (\$370,336 total)
- Animal Control Officer = \$17,454 (cost split between regional partners)
- Overall minimal Water rate & decreased Wastewater rate adjustments
- Keller Senior Activities Center (FY 20) and SWIFT Debt Issuance
- Maintains All Replacement Funding

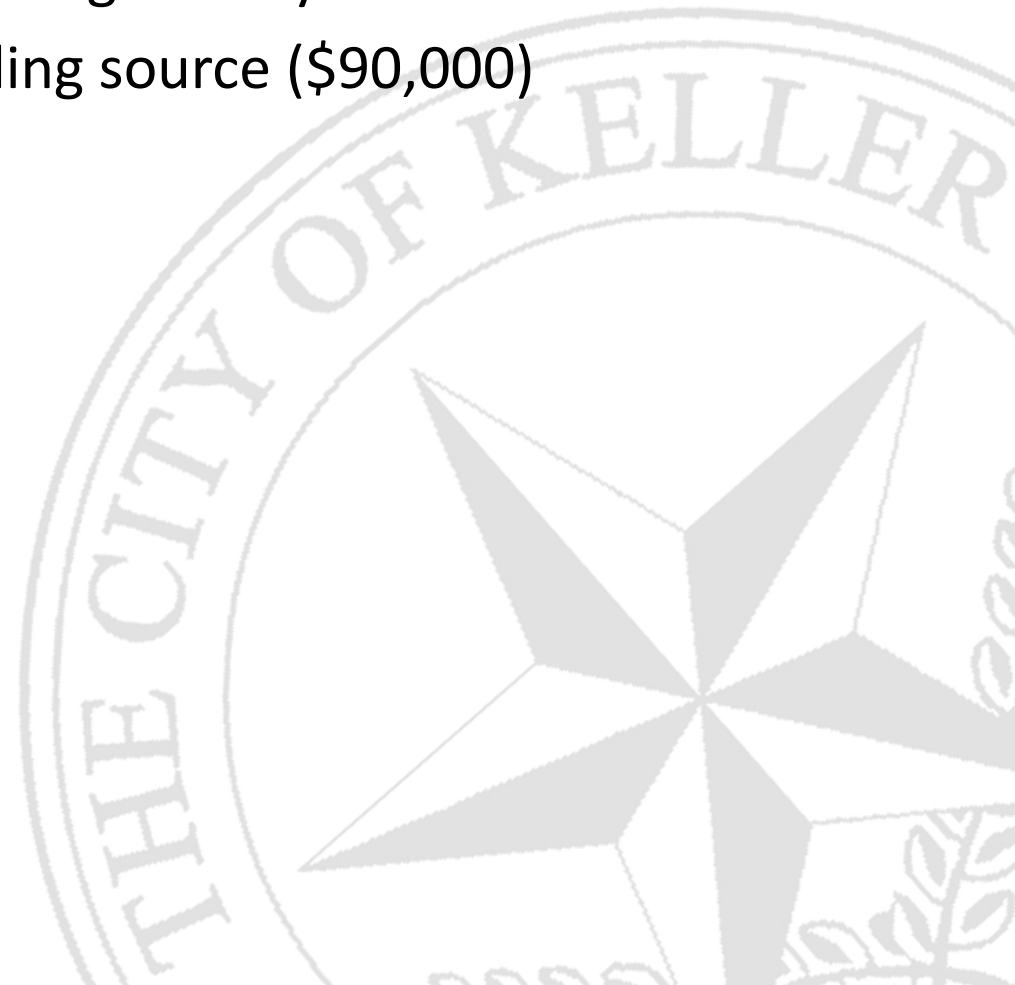
FY 2020-21 Proposed Operating Budget \$86,494,362



Excellence • Integrity • Service • Creativity • Communication

Changes from Published Proposed Budget

- Increased Nightingale Culvert Project \$43,000 in Drainage Utility Fund
- Updated 2021 Sanitary Sewer Evaluation Study funding source (\$90,000)
- Reduce Utility Relocations by \$85,000
- PO “Rollovers” = \$754,147
 - Finance Software = \$562,152
 - City Details Update = \$78,496
 - Dump Truck = \$61,119
 - Town Hall Air Conditioning Replacement \$43,445
 - Fiber Installation = \$8,935



FY 2020-21 Proposed Budget

Revenue by Fund

Revenues	FY 2019-20 Budget	FY 2020-21 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 39,616,809	\$ 39,422,426	\$ (194,383)	-0.49%
Water And Wastewater Fund	27,733,604	27,601,020	(132,584)	-0.48%
Drainage Utility Fund	1,490,226	1,505,371	15,145	1.02%
Keller Development Corporation Fund	3,299,231	3,306,192	6,961	0.21%
Keller Crime Control And Prevention District Fund	1,716,477	1,716,477	-	0.0%
Street And Sidewalk Improvements Fund	1,667,967	1,640,558	(27,409)	-1.64%
The Keller Pointe Fund	3,362,096	2,599,682	(762,414)	-22.68%
Debt Service Fund	4,380,352	3,760,294	(620,058)	-14.16%
Other Funds	5,321,001	4,796,292	(524,709)	-9.86%
Total Revenues	\$ 88,587,763	\$ 86,348,312	\$ (2,239,451)	-2.53%

FY 2020-21 Proposed Budget

Expenditure by Fund

Expenditures	FY 2019-20 Budget	FY 2020-21 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 40,662,984	\$ 39,330,897	\$ (1,332,087)	-3.28%
Water And Wastewater Fund	27,338,452	27,599,670	261,218	0.96%
Drainage Utility Fund	2,000,617	1,852,221	(148,396)	-7.42%
Keller Development Corporation Fund	2,552,905	3,167,734	614,829	24.08%
Keller Crime Control And Prevention District Fund	1,996,424	2,020,786	24,362	1.22%
Street And Sidewalk Improvements Fund	1,801,609	1,526,609	(275,000)	-15.26%
The Keller Pointe Fund	3,748,773	2,921,346	(827,427)	-22.07%
Debt Service Fund	4,556,378	3,670,321	(886,057)	-19.45%
Other Funds	5,815,712	4,404,778	(1,410,934)	-24.26%
Total Expenditures	\$ 90,473,854	\$ 86,494,362	\$ (3,979,492)	-4.4%

PROPERTY TAX



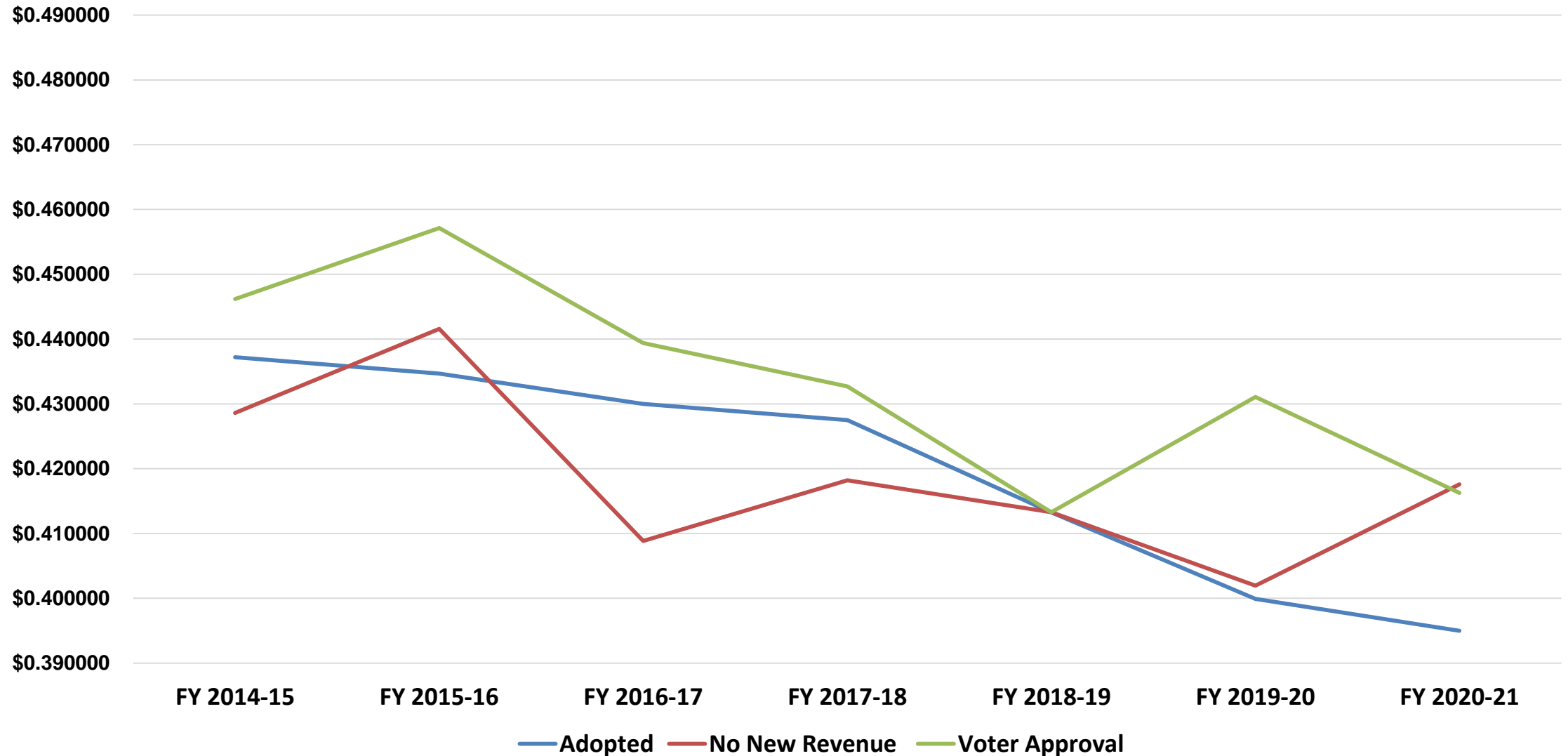
Excellence • Integrity • Service • Creativity • Communication

Levy with Certification

	Current	June Estimate	Certification @ Current TR	Certification @ Proposed TR
Adjusted Value	6,089,788,184	6,222,058,171	6,008,353,326	6,008,353,326
No New Revenue Rate	0.401949	N/A		0.417588
Voter Approval Rate	0.431064	N/A		0.416278
Proposed Rate	0.39990	0.39990	0.39990	0.3950
Collection	\$24,170,415	\$24,187,510	\$23,833,961	\$23,582,462
Vs. FY 2019-20	-	17,095	(336,454)	(587,953)
New Levy	527,287	352,287	293,905	290,304
Existing Levy	(99,741)	335,852	(630,359)	(878,257)

- Value of \$0.0025/100 = \$149,256

Property Tax Rate History



Excellence • Integrity • Service • Creativity • Communication

Tax Mitigation Timeline

Fiscal Year	Tax Rate	Change from FY 2013-14	Homestead	Avg. Home Tax Bill without Mitigation
FY 2013-14	\$0.44219	\$0.00000	1%	1,791
FY 2014-15	\$0.43719	(\$0.00500)	1%	1,771
FY 2015-16	\$0.43469	(\$0.00750)	1%	1,760
FY 2016-17	\$0.43000	(\$0.01219)	4%	1,689
FY 2017-18	\$0.42750	(\$0.01469)	8%	1,609
FY 2018-19	\$0.41325	(\$0.02894)	10%	1,522
FY 2019-20	\$0.39990	(\$0.04229)	12%	1,440
FY 2020-21	\$0.39500	(\$0.04719)	14%	1,390

\$0.3950 & 14% HS vs. FY 14 Rate & 1% HS = \$401 savings or ~3.5 month of services

Excellence • Integrity • Service • Creativity • Communication

Average Home Impact

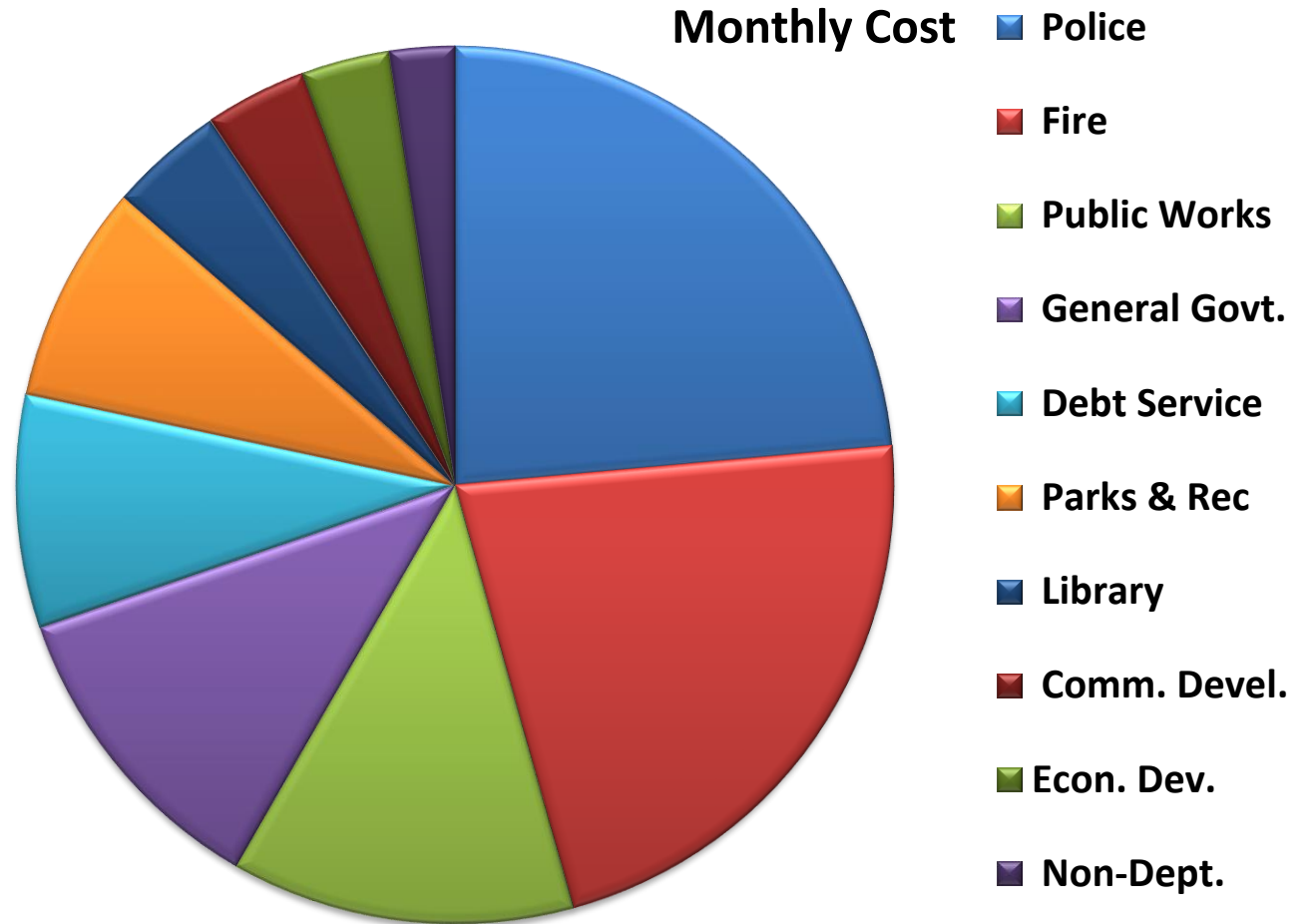
	FY 2019-20	June Est.	Cert. @	Cert. @
Tax Rate	\$0.3999	\$0.3999	\$0.3999	\$0.3950
Exemption	12%	12%		14%
Avg. Home Value	355,394	362,656		351,817
Avg. Home Tax Bill	1,421.2	1,450	1,407	1,390
Per Month	118.44	120.86	117.24	115.81
At FY 14 Rate	1,572	1,604		1,484
At FY 15 Rate	1,554	1,585		1,538
At FY 16 Rate	1,545	1,576		1,529
At FY 17 Rate	1,528	1,559		1,513
At FY 18 Rate	1,519	1,550		1,504
At FY 19 Rate	1,469	1,499		1,454

\$0.3950 vs. FY 14 Rate = \$166 savings or ~1.5 month of services

Excellence • Integrity • Service • Creativity • Communication

Cost of City Services for Average Residential Taxpayer

Police	\$ 27.29
Fire	25.59
Public Works	14.65
General Govt.	13.24
Debt Service	9.96
Parks & Rec	9.33
Library	4.86
Comm. Dev.	4.35
Econ. Dev.	3.76
Non-Dept.	2.78
Total	\$ 115.81



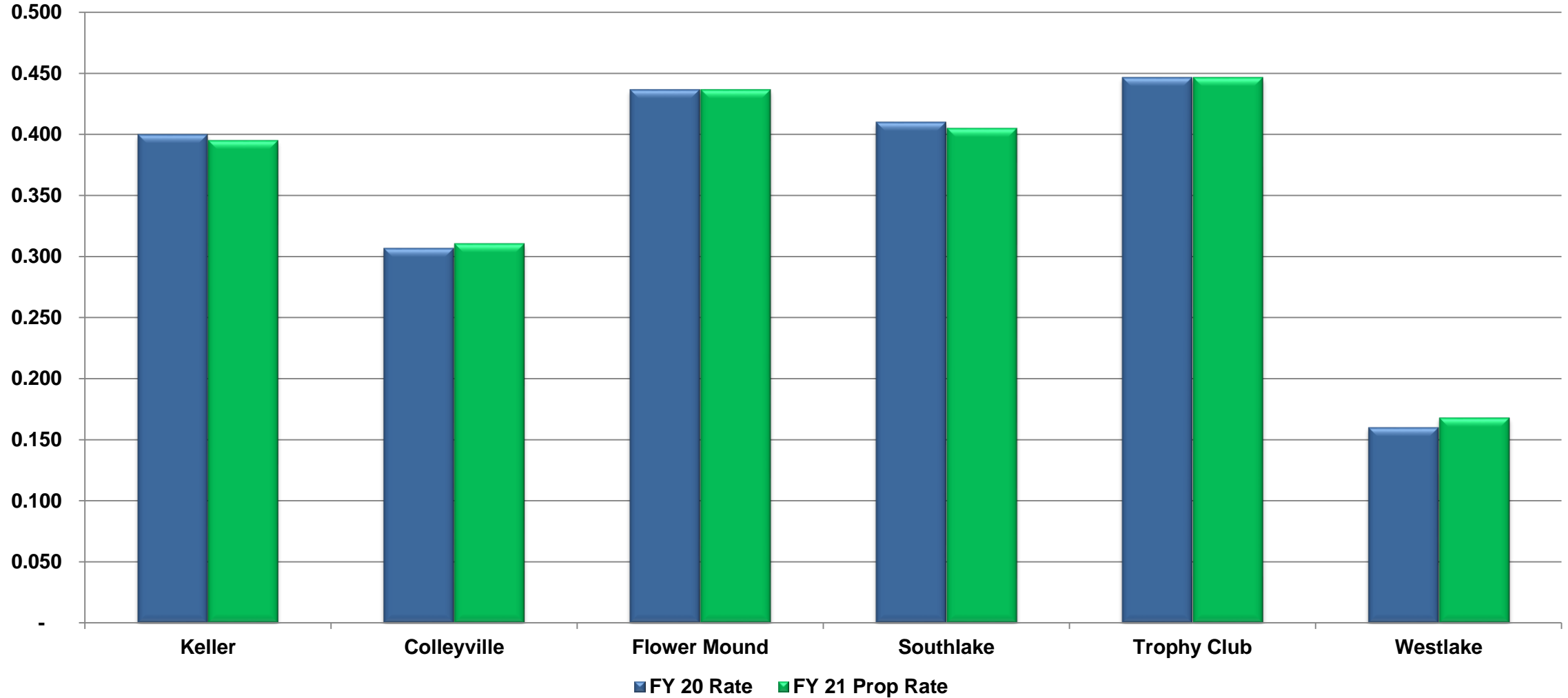
Ad Valorem Expenditures

Expenditure	On-Going Cost	One-Time Cost	Total Cost
Shady Grove	\$ -	\$ 1,000,000	\$ 1,000,000
Bar Ditch Maintenance (One-Time)		830,000	830,000
Compensation	582,516		582,516
Sidewalk Repairs (One-Time)		131,865	131,865
Concrete Repairs	100,000		100,000
Crack Sealer		85,000	85,000
Bus Replacement		75,000	75,000
Replacement Way-Finding Signs		56,000	56,000
Animal Control Officer (Roanoke)	17,454		17,454
Fire Accreditation	14,350		14,350
Fire Data Analytics Software	10,500		10,500
Total	\$ 724,820	\$ 2,177,865	\$ 2,902,685

* - 1/4 Net impact; Cost split between regional partners

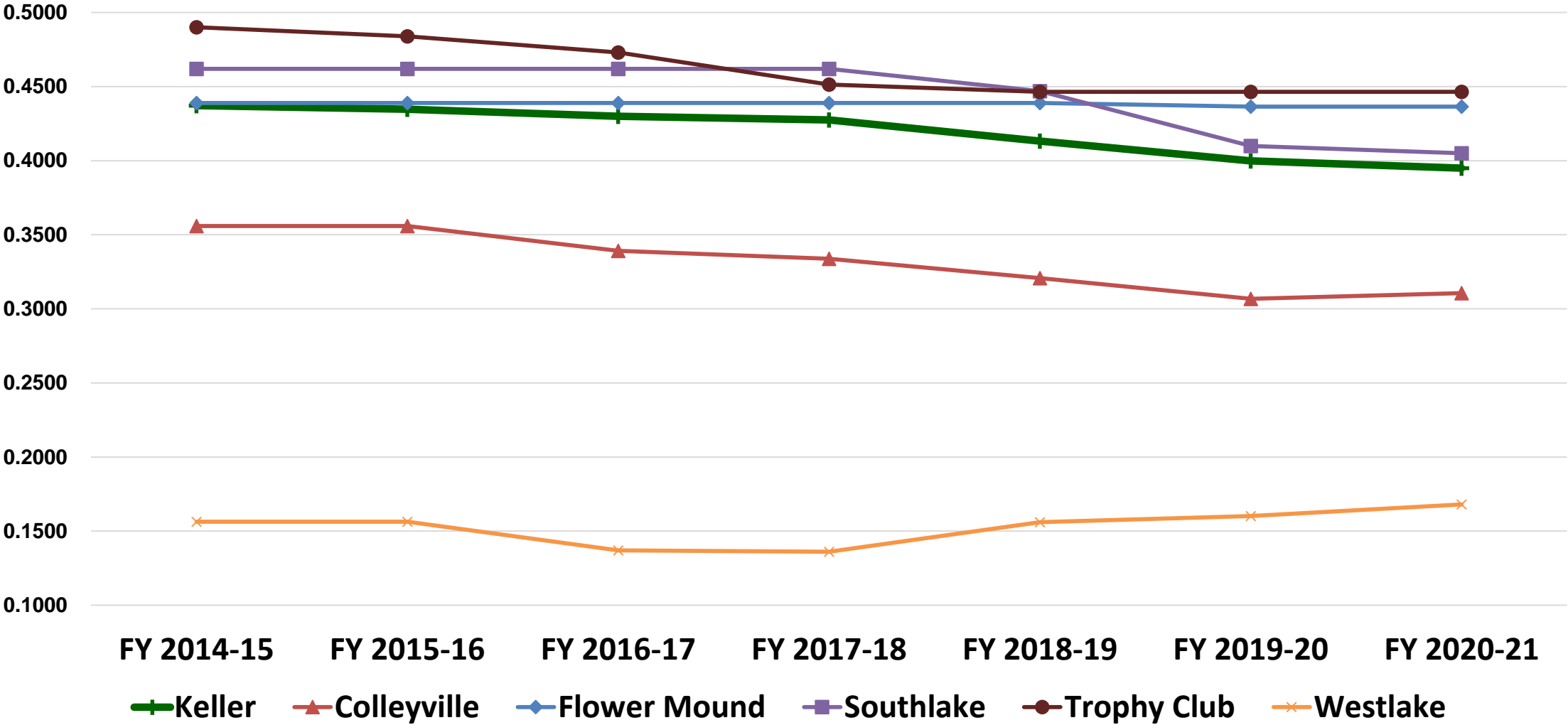
Excellence • Integrity • Service • Creativity • Communication

Neighboring Cities' Tax Rates

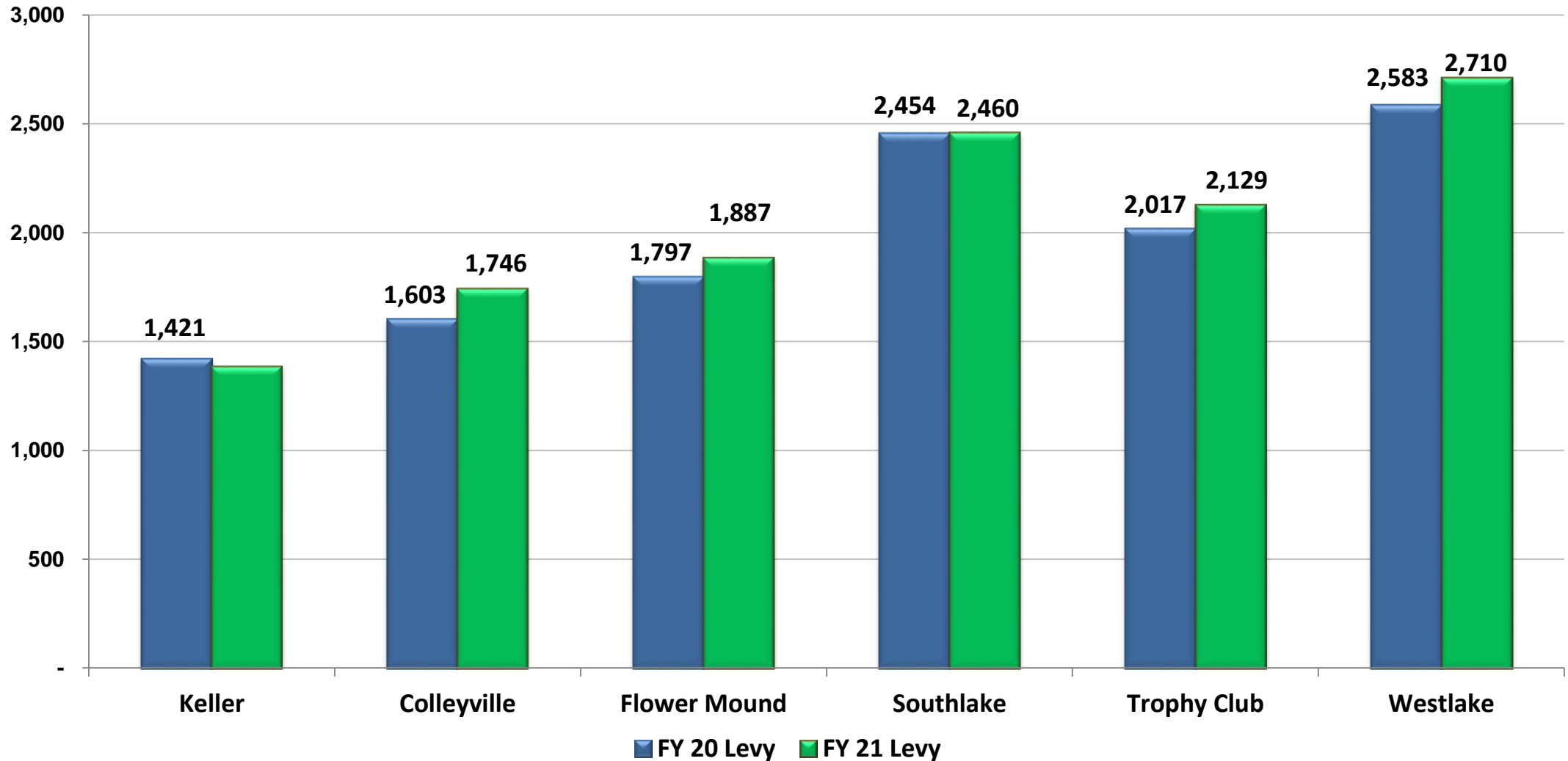


Excellence • Integrity • Service • Creativity • Communication

Neighboring Cities' Tax Rate History



Neighboring Cities' Tax Levies (Average Household)

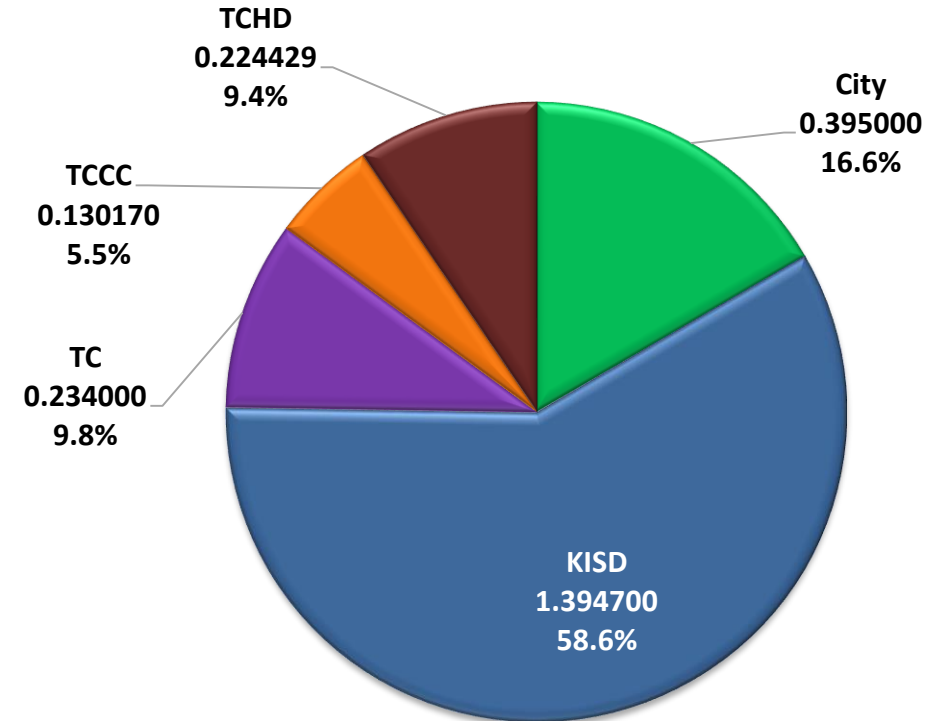


Excellence • Integrity • Service • Creativity • Communication

Overlapping Tax Rate - Estimated

Entity	2020 Levy	2021 Levy	Estimated
KISD	\$ 5,005	4,907	(\$98)
Keller	1,421	1,390	(31)
Tarrant County	832	823	(9)
TCHD	798	790	(8)
TCCC	463	458	(5)
Total	\$ 8,519	\$8,368	(\$151)

FY 2020-21 TAX RATE OVERLAP DISTRIBUTION



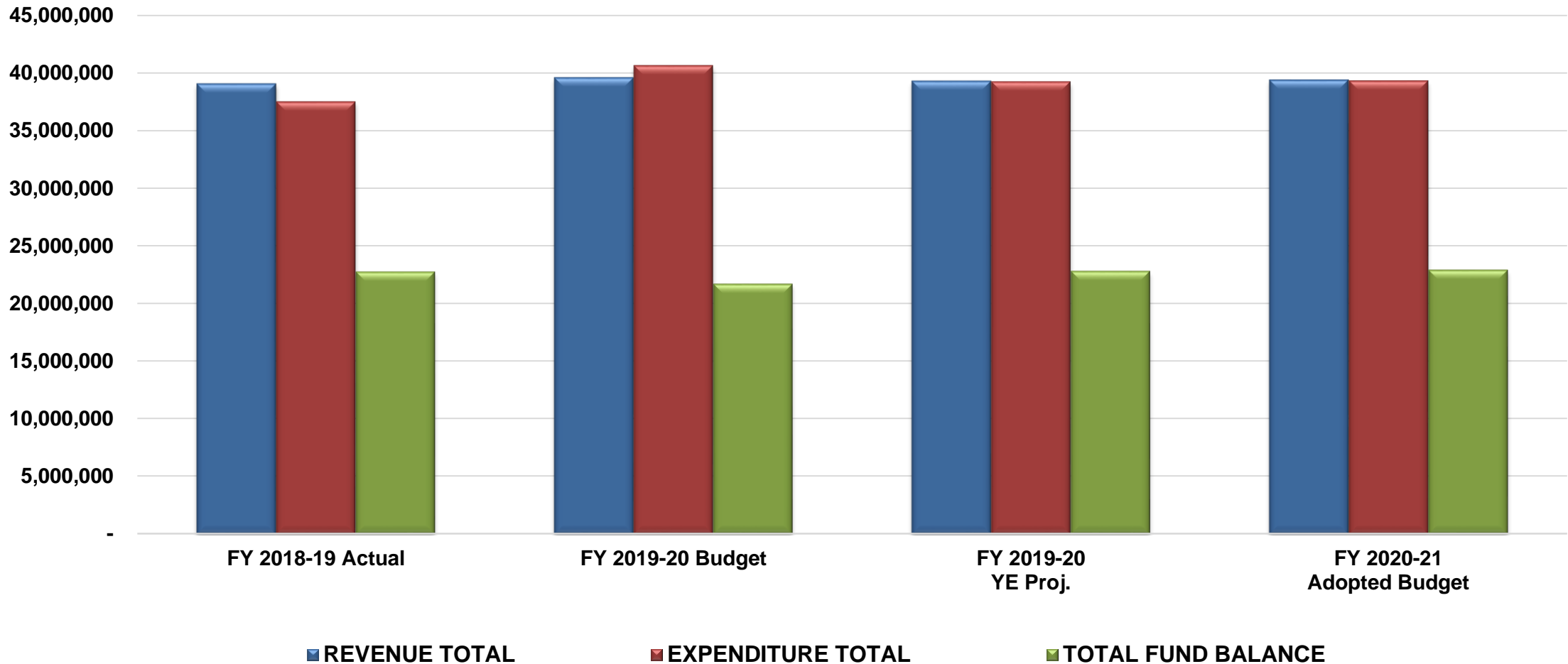
GENERAL FUND



Excellence • Integrity • Service • Creativity • Communication

FY 2020-21 Proposed Budget

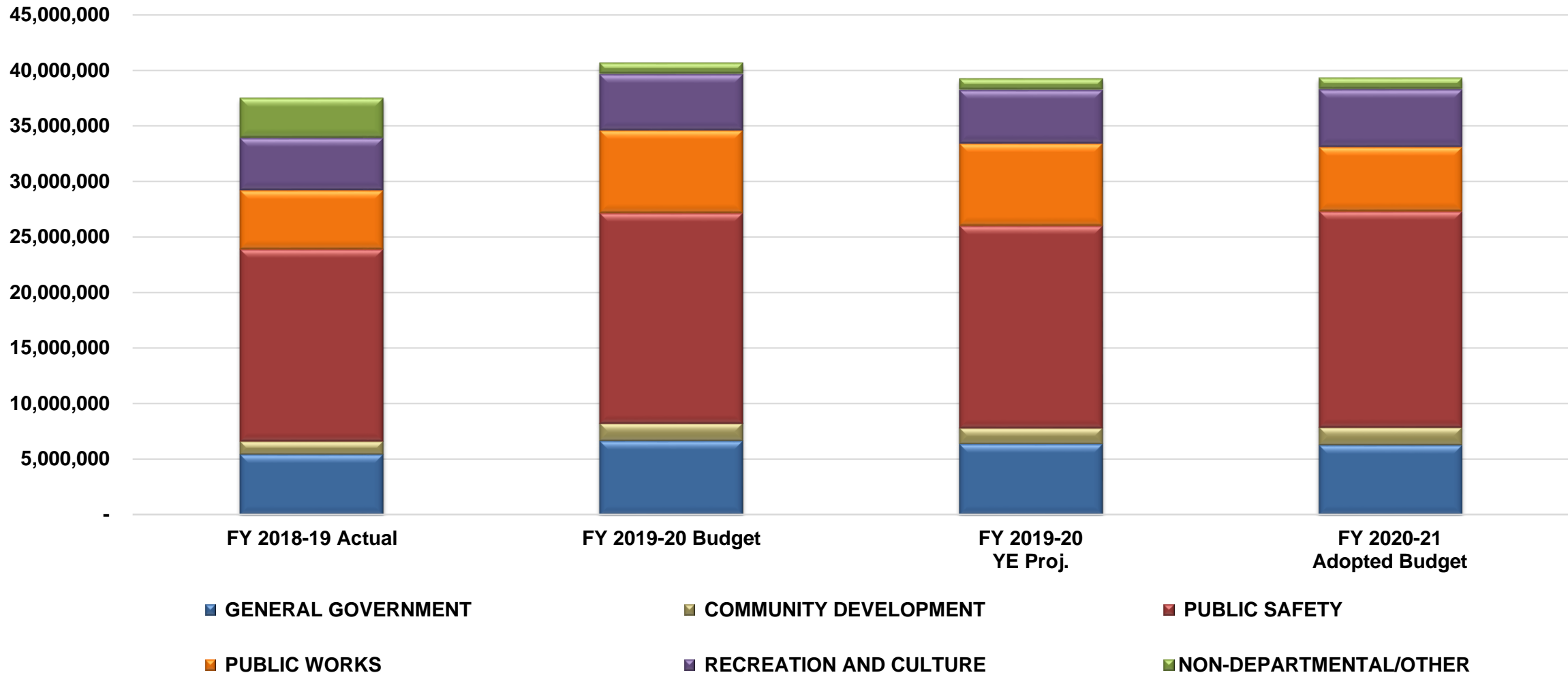
General Fund Overview



General Fund Revenue by Source

Revenues	FY 2019-20 Budget	FY 2020-21 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 19,992,361	\$ 20,016,263	\$ 23,902	0.12%
Sales Tax	6,488,274	6,488,274	-	-
Other Taxes	4,421,667	4,353,801	(67,866)	-1.5%
Licenses and Permits	803,607	779,631	(23,976)	-3.0%
Charges for Services	1,343,417	1,380,019	36,602	2.7%
Fines and Fees	1,085,803	954,877	(130,926)	-12.1%
Development Fees	204,770	200,150	(4,620)	-2.3%
Intragovernmental	1,497,936	1,564,624	66,688	4.5%
Intergovernmental	3,451,270	3,330,536	(120,734)	-3.5%
Other Revenue	327,704	354,251	26,547	8.1%
Total Revenues	\$ 39,616,809	\$ 39,422,426	\$ (194,383)	-0.49%

General Fund Expenditures By Activity



Excellence • Integrity • Service • Creativity • Communication

General Fund Expenditures

	FY 2019-20 Budget	FY 2020-21 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Public Safety	\$ 18,942,686	\$ 19,447,328	\$ 504,642	2.7%
Public Works	7,446,653	5,790,574	(1,656,079)	-22.2%
General Government	6,620,696	6,257,855	(362,841)	-5.5%
Recreation And Culture	5,057,127	5,213,808	156,681	3.1%
Community Development	1,587,571	1,600,714	13,143	0.83%
Non-Departmental/Other	1,008,251	1,020,618	12,367	1.2%
TOTAL	\$ 40,662,984	\$ 39,330,897	\$ (1,332,087)	-3.3%

- With one-times removed, increase of \$628,354 or 1.7%

Compensation and Benefits

Public Safety

- Sustainable Step Plan (2% annually) (sworn/cert. only)

Civilian

- 2% Merit Increase (avoid compression)

Market Adjustments = April date based upon economic factors

- Public Safety – Up to 4% Market Adjustment
- Civilian – 2% Market Adjustment

**Total General Fund Impact =
\$645,482 or 2.7%**

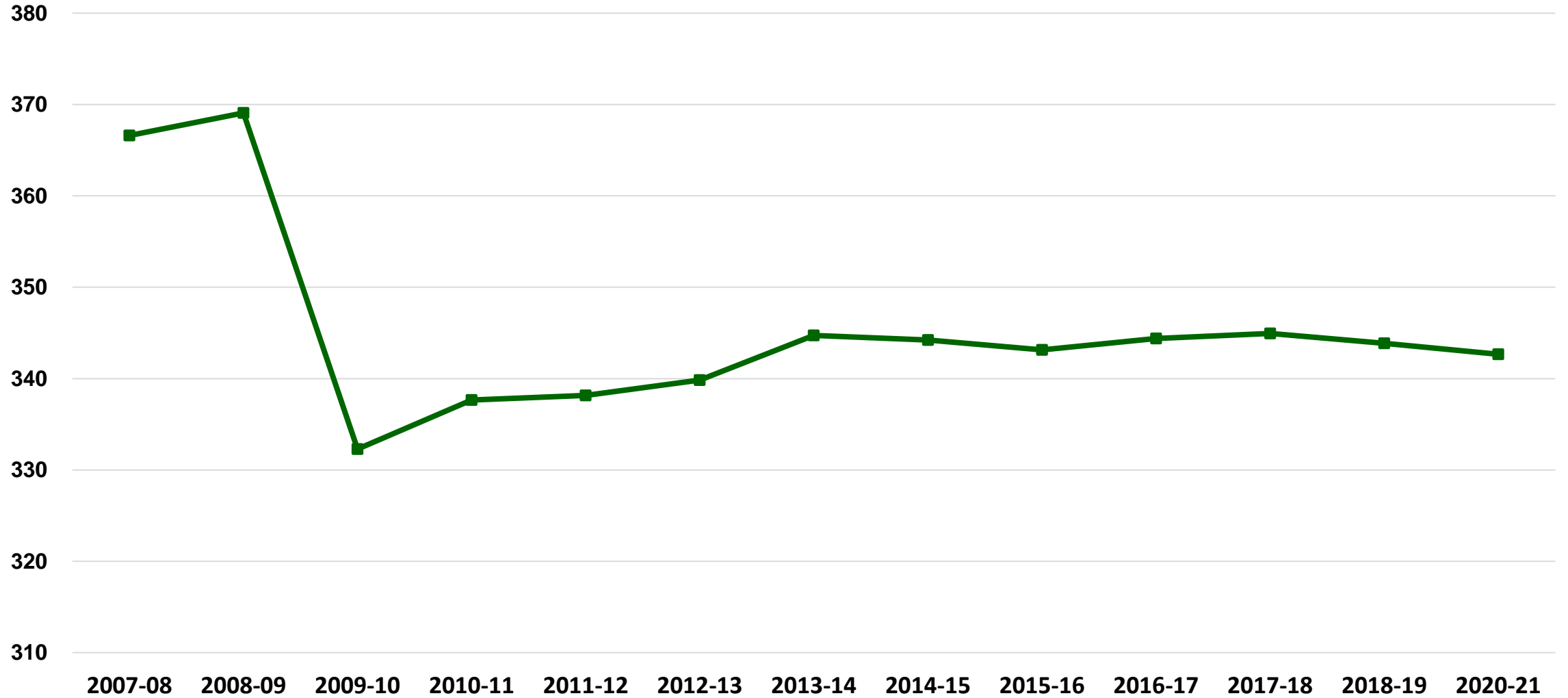
Healthcare – 4.45%

Dental Plan – 0.0%

Workers' Compensation Rate Decrease, except Fire Department

Reduced 1.2 FTEs

FTE History



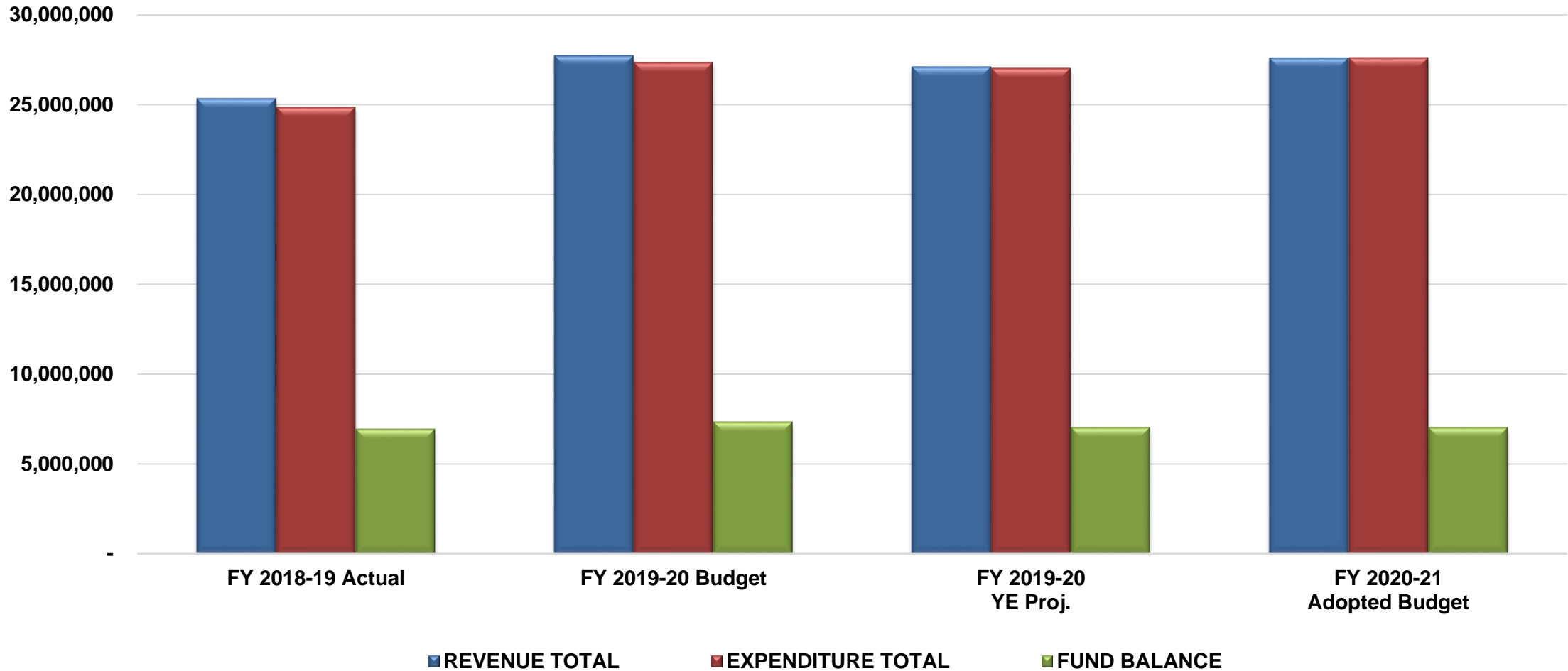
Excellence • Integrity • Service • Creativity • Communication

WATER AND WASTEWATER FUND



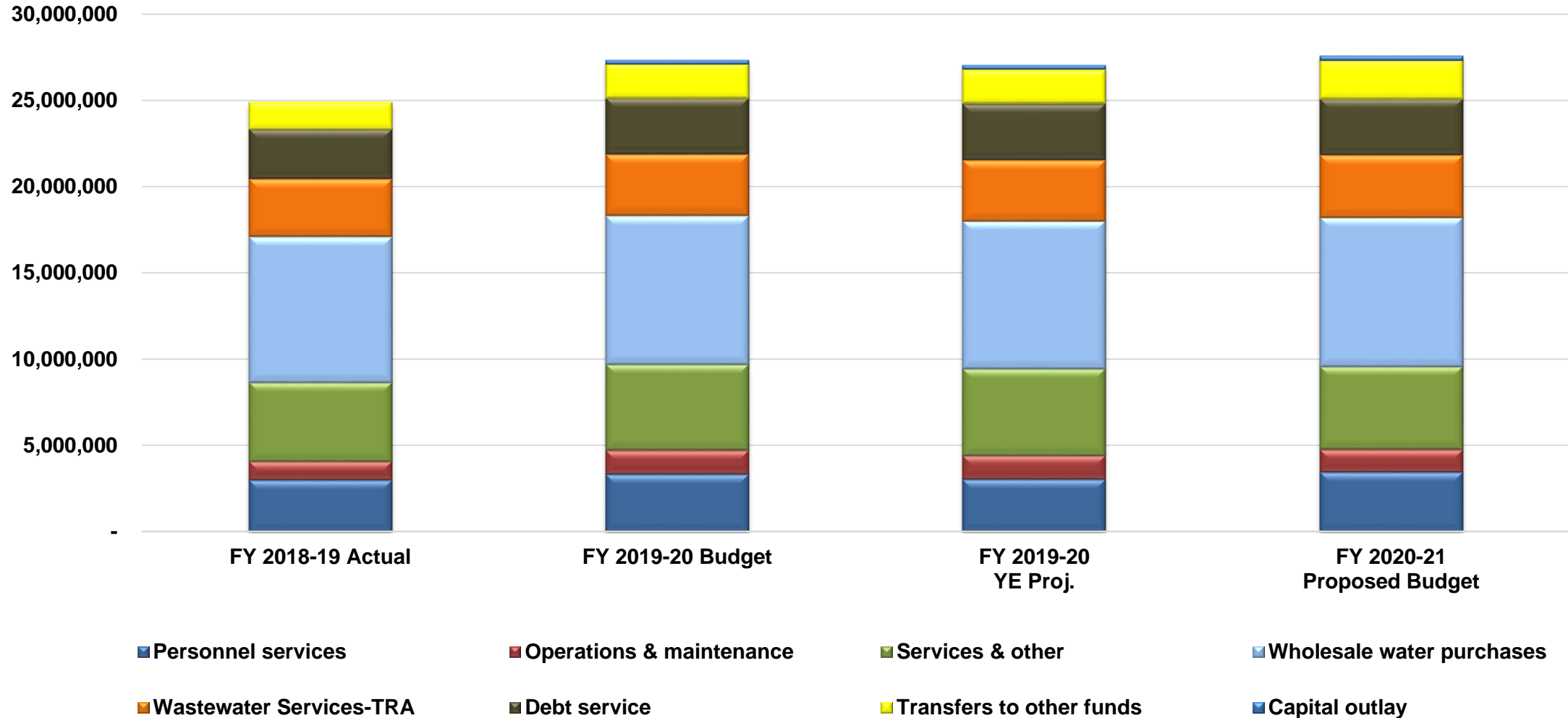
Excellence • Integrity • Service • Creativity • Communication

Water and Wastewater Fund Summary



Excellence • Integrity • Service • Creativity • Communication

Water and Wastewater Expenditures



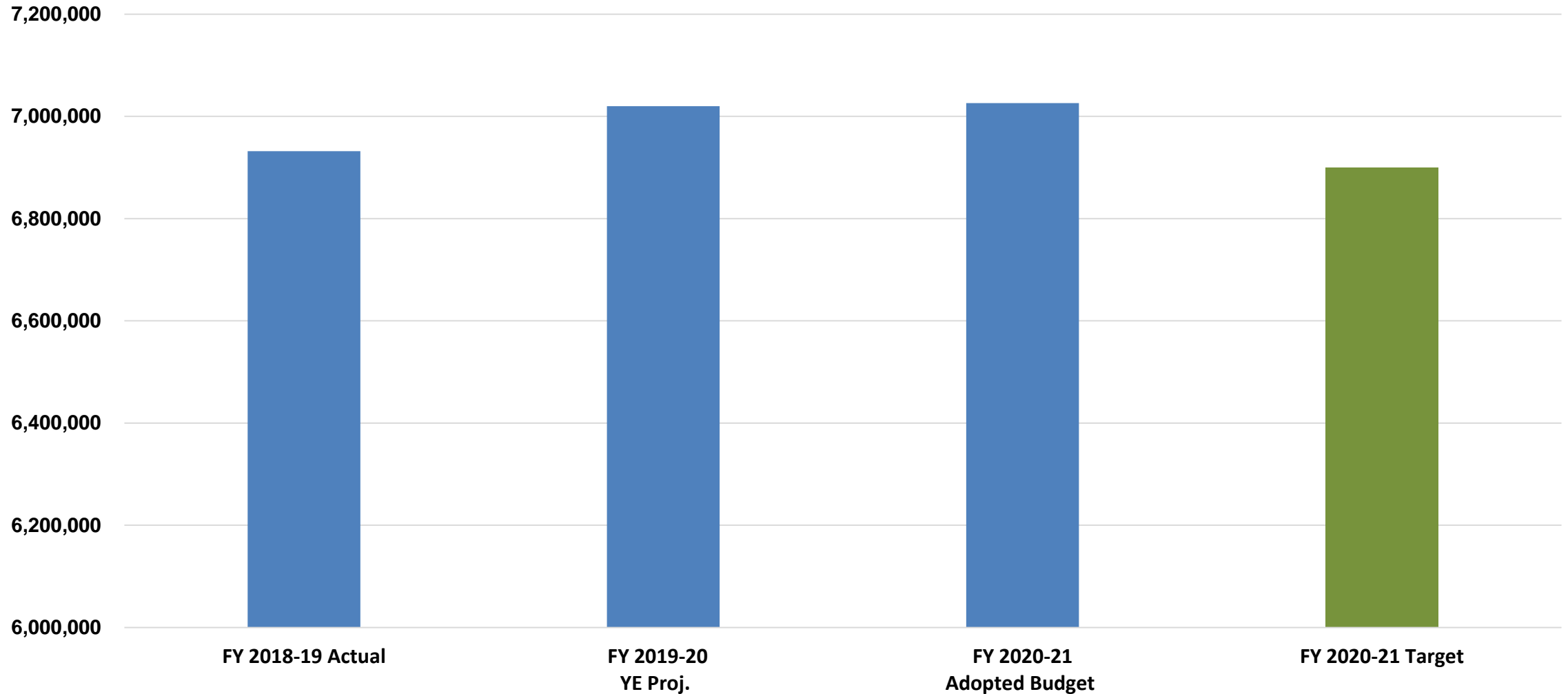
Water and Wastewater Expenditures

	FY 2019-20 Budget	FY 2020-21 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Personnel services	\$ 3,321,930	\$ 3,445,174	\$ 123,244	3.7%
Operations & maintenance	1,383,296	1,306,899	(76,397)	-5.5%
Services & other	4,992,479	4,811,543	(180,936)	-3.6%
Wholesale water purchases	8,614,600	8,641,707	27,101	0.3%
Wastewater Services-TRA	3,561,059	3,626,637	65,578	1.8%
Debt service	3,257,088	3,263,805	6,717	0.2%
Transfers to other funds	1,973,000	2,238,905	265,905	13.5%
Capital outlay	235,000	265,000	30,000	12.8%
TOTAL	\$ 27,338,452	\$ 27,599,670	\$ 261,218	0.96%

Average Monthly Bill

Monthly Bill	Current	Proposed	Difference (%)	Difference (\$)
<u>ANNUAL AVERAGE MONTHLY BILL</u>				
Water (13,223 Gallons)	77.94	79.19	1.60%	1.25
Sewer (6,228 Gallons)	42.03	41.67	(0.85)%	(0.36)
TOTAL	\$119.98	\$120.87	0.74%	\$0.89
<u>SUMMER AVERAGE MONTHLY BILL</u>				
Water (19,202 Gallons)	106.18	107.86	1.58%	1.67
Sewer (6,228 Gallons)	42.03	41.67	(0.85)%	(0.36)
TOTAL	\$148.22	\$149.53	0.89%	\$1.32

Water and Wastewater Fund – Fund Balance



OTHER OPERATING FUNDS



Excellence • Integrity • Service • Creativity • Communication

Other Tax Funds

Fund	FY 2020-21 Revenues	FY 2020-21 Expenditures	Variance	Fund Balance
Debt Service Fund	3,760,294	3,670,321	89,973	2,760,800
Keller Development Corporation Fund	3,306,192	3,167,734	138,458	3,443,659
Keller Crime Control And Prevention District Fund	1,716,477	2,020,786	(304,309)	4,798,497
Street And Sidewalk Improvements Fund	1,640,558	1,526,609	113,949	570,849

Other Enterprise/Internal Service Funds

Fund	FY 2020-21 Revenues	FY 2020-21 Expenditures	Variance	Fund Balance
Keller Pointe	2,599,682	2,921,346	(321,664)	501,098
Information Technology	2,328,830	2,902,664	(573,834)	525,067
Drainage Fund	1,505,371	1,852,221	(346,850)	1,424,196
Fleet Replacement Fund	1,463,859	610,681	853,178	2,408,498
Facility Replacement Fund	395,499	181,445	214,054	1,551,986

Other Operating Funds

Fund	FY 2020-21 Revenues	FY 2020-21 Expenditures	Variance	Fund Balance
Recreation Special Revenue Fund	234,764	289,412	(54,648)	8,322
PEG Channel Fund	117,589	153,600	(36,011)	543,769
Public Safety Special Revenue Fund	144,639	144,638	1	113,279
Municipal Court Special Revenue Fund	68,760	82,707	(13,947)	180,003
Community Clean-Up Fund	42,352	39,631	2,721	293,623

CAPITAL IMPROVEMENT PROJECTS



Excellence • Integrity • Service • Creativity • Communication

FY 2020-21 Street Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
2021 Street Reconstruction Project		1,401,609				1,401,609
Shady Grove (Keller Smithfield to Smithfield)	1,000,000					1,000,000
Bar Ditch Maintenance	830,000					830,000
Sidewalk Reconstruction	370,336					370,336
Utility Relocations	165,000					165,000
2022 Street Reconstruction (Design & Engineering)		125,000				125,000
Total Street Projects	\$2,365,336	\$1,526,609	\$ -	\$ -	\$ -	\$3,891,945

Excellence • Integrity • Service • Creativity • Communication

FY 2020-21 Parks Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Keller Sports Park Parking Lot Improvements (Baseball Lot)		600,000				600,000
2021 Trail System Expansion		275,000				275,000
Bear Creek Parking Lot Improvements		225,000				225,000
Bear Creek Pond Dredging		215,000				215,000
2021 Capital Replacement Program		100,000				100,000
Bursey Ranch Playground Replacement		100,000				100,000
Total Parks Projects	\$ -	\$1,515,000	\$ -	\$ -	\$ -	\$1,515,000

Excellence • Integrity • Service • Creativity • Communication

FY 2020-21 Water Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
2021 SWIFT Project				4,060,000		4,060,000
Water Tank Maintenance	600,000					600,000
SCADA	540,000					540,000
Hwy. 377 12" Water Lines	133,905					133,905
Total Water Projects	\$ 1,273,905	\$ -	\$ -	\$ 4,060,000	\$ -	\$ 5,333,905

FY 2020-21 Wastewater Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
2020 Mains & Services Replacements	500,000					500,000
<i>2021 SS Evaluation Study/Capacity Analysis</i>	<i>180,000</i>					<i>180,000</i>
2019 SS Evaluation Study I&I	120,000					120,000
Total Wastewater Projects	\$800,000	\$ -	\$ -	\$ -	\$ -	\$800,000

FY 2020-21 Drainage Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
<i>Nightingale Culvert (Year 2 Funding)</i>	368,000					368,000
Drainage Master Plan	200,000					200,000
Total Drainage Projects	\$ 568,000	\$ -	\$ -	\$ -	\$ -	\$ 568,000

Essential Points for FY 2020-21 Budget

- An operationally balanced budget that meets City Council goals and directions
- Increased Homestead Exemption, from 12% to 14%
- Decreased Tax Rate by \$0.0049/100, to \$0.3950/100
- Total GF Personnel increase under 3%
- Shady Grove Reconstruction = \$1,000,000
- Bar-Ditch Maintenance (one-time) = \$830,000
- One-Time Sidewalk Maintenance = \$131,865 (\$370,336 total)
- Animal Control Officer = \$17,454 (cost split between regional partners)
- Overall minimal Water rate & decreased Wastewater rate adjustments
- Keller Senior Activities Center (FY 20) and SWIFT Debt Issuance
- Maintains All Replacement Funding

City Council Action

- Conduct Public Hearing on Proposed Budget
- Adopt the Proposed Budget
- Adopt the Tax Rate





Questions?

Aaron Rector

817-743-4026

Excellence • Integrity • Service • Creativity • Communication