



## MEMORANDUM

**DATE:** May 11, 2021

**TO:** Keller Development Corporation Board Members

**FROM:** Cody Maberry, Director of Community Services  
Aaron Rector, Director of Administrative Services

**SUBJECT:** Proposed FY 2021-22 Keller Development Corporation Annual Budget

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Enclosed please find a copy of the proposed FY 2021-22 operating budget for KDC. Revenues are anticipated to increase. Operational expenditures will decrease slightly and capital improvement project transfers are anticipated to increase which should result in a slight increase to fund balance. The purpose of this report is to provide a detailed explanation for the forecast for revenues, expenses and projects that demonstrate good stewardship in serving the citizens of the City of Keller for the purposes that the Keller Development Corporation was established.

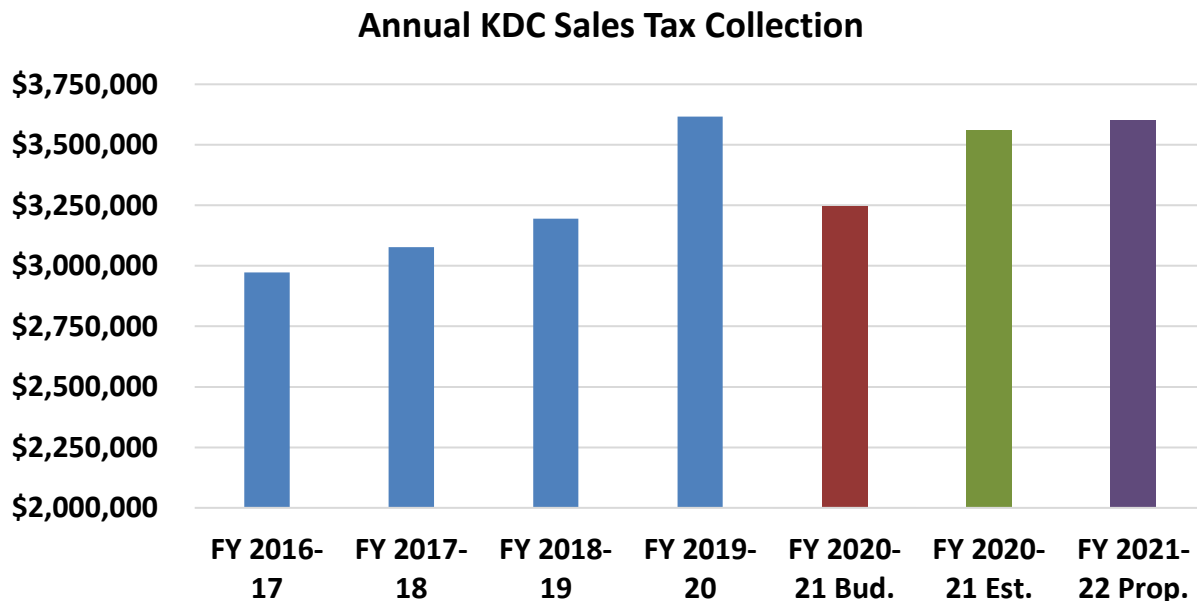
### FINANCIAL SUMMARY OF THE OPERATING BUDGET

**Revenues:** Total projected revenues for FY 2021-22 are \$3,658,114, an increase of \$351,922 or 10.6% over the current year adopted budget and is an increase of \$38,674 or 1.1% from year-end projections. A majority of the KDC revenue is related to sales tax which is projected to increase by 11.0% over budget, or 1.1% from year-end projections.

Underlying Sales Tax estimate comes from analysis of historical Sales Tax receipts from the Texas State Comptroller. Collections of Sales Tax through April, 2021 were as follows:

SALES TAX SUMMARY – APRIL REMITTANCE			
	KDC	Budget Analysis	
		Projected Total	Variance
Current Month	\$232,799	\$214,833	\$17,966
Same Month-Prior Year	\$229,393		8.4%
<i>Incr (Decr)</i>	\$3,406		
<i>Pct change</i>	1.5%		
Current YTD	\$2,427,564	\$1,793,548	\$634,016
Last YTD	\$1,965,634		35.35%
<i>Incr (Decr)</i>	\$461,930		
<i>Pct change</i>	23.50%		
<i>% of Budget</i>	74.8%		
<i>Avg. % of Budget</i>	55.3%		

Below is an annual sales tax collection graph showing prior year actual collections in blue, current year budget in red, current year-end estimate in green, and proposed budget projection in purple. The graph highlights the growth in prior years, that current year is above budget, and the proposed budget projection increase of 1.1% growth from current year-end estimate.



Other Revenues includes \$16,000 for Rental Revenue, the proceeds from the Blue Sky Sports Center ground lease agreement, and \$42,000 for interest income.

**Expenditures:** Total FY 2021-22 expenditures are proposed to be \$2,953,049 which is an increase of \$213,235 or 6.7% from the current year adopted budget. The proposed increase is mainly related to an increase in capital improvement project transfers which increase from \$1,515,000 to \$1,987,500.

The following items are proposed for FY 2021-22:

- Operations & Maintenance – proposed budget is \$69,130 or an increase of \$340, or 0.5% due to an increase in the administrative costs.
- Debt Service – proposed budget is \$1,581,419 or a decrease of \$1,075, or 0.1%, due to a decrease in annual debt payments.
- Capital Improvement Project Transfers – proposed projects total \$1,987,500, an increase of \$472,500 or 31.2% over prior year approved budget, and include the following projects:
  - Parking Lot Improvements - \$790,000 is proposed to mill and overlay the Softball parking lot at the Keller Sports Park.
  - Bates Street Park Development - \$685,000 is proposed to design and construct improvements to Bates Street Park as part of Old Town Keller Phase II.

- Trail System Expansion - \$302,500 is proposed to design and construct additional multi-purpose hike and bike trails throughout the City. Priority will be placed on completing missing trail segments to allow more residents to have access to the entire trail system.
- Playground Replacement - \$110,000 is proposed to replace the oldest playground in the parks system, currently designated as the playground at Chase Oaks Activity Node.
- Parks Capital Replacement Program - \$100,000 is proposed for park improvements or repairs of playgrounds, pavilions, restroom facilities, shade structures, and other park components on an as-needed basis.
- Capital Outlay – proposed capital outlay total \$0, no change from the prior year approved budget.

***Reserves and Fund Balances:*** The projected total ending fund balance at September 30, 2022 is \$4,216,929, a slight increase of \$20,065 or 0.5% over the estimated ending balance for September 30, 2021 of \$4,196,864. An operating reserve of \$158,142 represents 10.0% of annual debt service payments. The remaining \$4,058,787 in fund balance is considered unassigned (available) and could be made available for park improvements as determined by City Council.

### **Summary**

In summary, revenues total \$3,658,114 and expenditures total \$3,638,049 both of which are an increase. This results in a slight projected increase to fund balance of \$20,065

If you need additional information, please contact either of us at your convenience.