

Items H-7, H-8, & H-9

H-7 PUBLIC HEARING: Consider an ordinance adopting the annual budget for the City of Keller, Texas, for the fiscal year beginning October 1, 2021 and ending September 30, 2022, including the 2021-22 Capital Improvements Program, and adopting the Fiscal Year 2021-22 Fee Schedule for the City of Keller, Texas

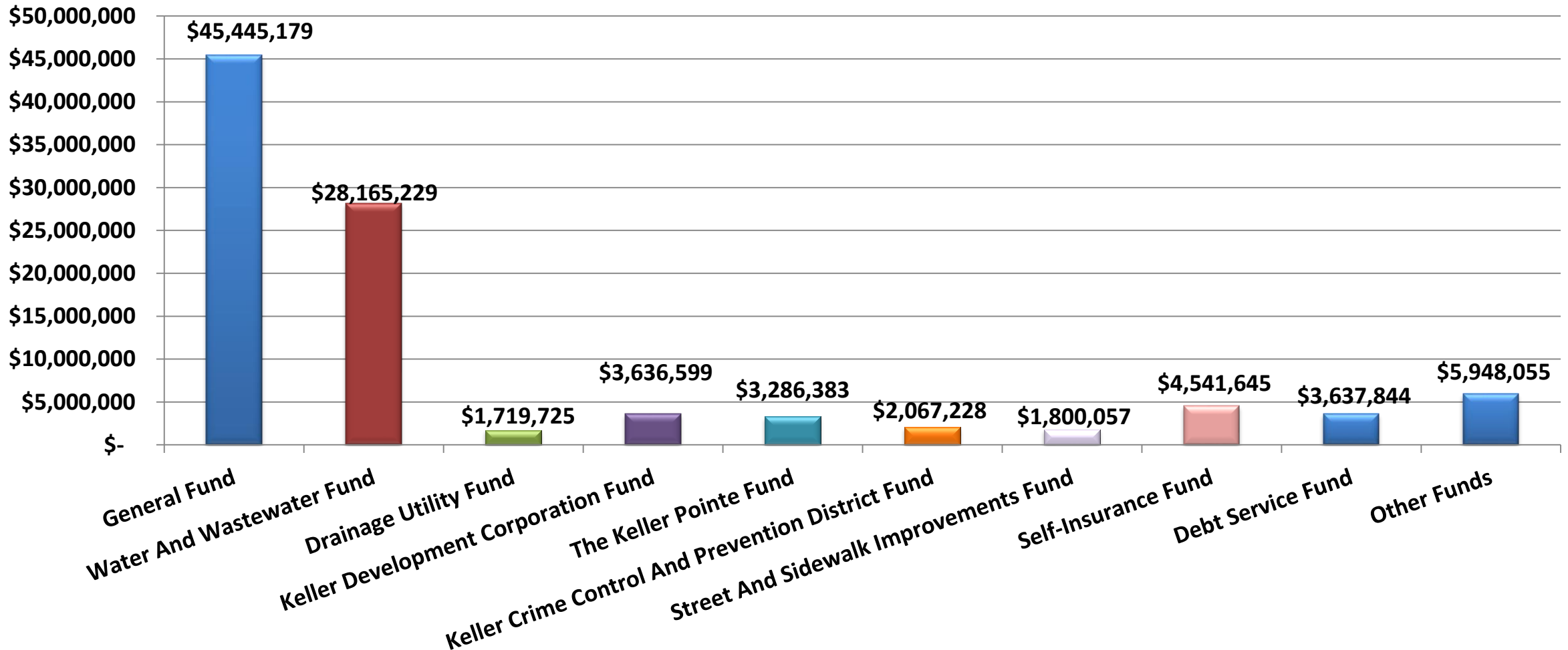
H-8 Consider a resolution ratifying the tax revenue for the Tax Year 2021 (Fiscal Year 2021-22) for the City of Keller, Texas.

H-9 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 2021 (Fiscal Year 2021-22).

Essential Points for FY 2021-22 Budget

- An operationally balanced budget that meets City Council goals and directions (Strategy 3.1)
- Increased Homestead Exemption, from 14% to 20% (3.4)
- Proposing Tax Rate under “No New Revenue” Rate (3.4)
- Total GF Personnel increase under 4% (5.3)
- Significant investment in streets and sidewalk infrastructure = \$9.1M (4.1, 4.2)
- Bates Street Park = \$685K (2.1)
- Detention Officer = \$30,123 (cost split between regional partners) (1.3)
- City water & wastewater rate adjustments by 1.5% (3.1)
- Fire Engine Replacement = \$1.4M (3.4)
- Maintains All Replacement Funding (3.4)

FY 2021-22 Proposed Operating Budget \$100,247,944



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Changes from Published Proposed Budget

- Added \$4,875,000 for ARPA funded CIP
- PO “Rollovers” = \$219,451
 - Way-Finding Signs = \$56,000
 - Ammunition = \$11,342
 - Animal Control AC Repairs = \$10,597
 - Playground EZ Riders = \$5,076
 - Council Chamber Improvements = \$17,000
 - Broadcast Camera and Audio Upgrades = \$66,000
 - Computer Replacements= \$15,379
 - PPV Fans = \$13,800
 - Water Distribution Truck= \$24,257



FY 2021-22 Proposed Budget

Revenue by Fund

Revenues	FY 2020-21 Budget	FY 2021-22 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 39,422,426	\$ 40,363,799	\$ 941,373	2.39%
Water And Wastewater Fund	27,601,020	28,203,138	602,118	2.18%
Drainage Utility Fund	1,505,371	1,449,159	(56,212)	-3.73%
Keller Development Corporation Fund	3,306,192	3,637,996	331,804	10.04%
Keller Crime Control And Prevention District Fund	1,716,477	1,886,171	169,694	9.89%
Street And Sidewalk Improvements Fund	1,640,558	1,805,153	164,595	10.03%
The Keller Pointe Fund	2,599,682	3,029,742	430,060	16.54%
<i>Self Insurance Fund</i>	-	<i>4,581,640</i>	<i>4,581,640</i>	<i>N/A</i>
Debt Service Fund	3,760,294	3,612,468	(147,826)	-3.93%
Other Funds	4,795,820	4,629,862	(165,958)	-3.46%
Total Revenues	\$ 86,347,840	\$ 93,199,128	\$ 6,851,288	7.93%

Growth = \$2.3M or 2.6% with Self-Insurance Removed

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FY 2021-22 Proposed Budget

Expenditure by Fund

Expenditures	FY 2020-21 Budget	FY 2021-22 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
General Fund	\$ 39,301,407	\$ 45,445,179	\$ 6,143,772	15.63%
Water And Wastewater Fund	27,599,670	28,165,229	565,559	2.05%
Drainage Utility Fund	1,844,721	1,719,725	(124,996)	-6.78%
Keller Development Corporation Fund	3,166,284	3,636,599	470,315	14.85%
Keller Crime Control And Prevention District Fund	2,020,786	2,067,228	46,442	2.30%
Street And Sidewalk Improvements Fund	1,526,609	1,800,057	273,448	17.91%
The Keller Pointe Fund	2,921,346	3,286,383	365,037	12.50%
Self-Insurance Fund	-	4,541,645	4,541,645	N/A
Debt Service Fund	3,670,321	3,637,844	(32,477)	-0.88%
Other Funds	4,314,778	5,948,055	1,633,277	37.85%
Total Expenditures	\$ 86,365,922	\$ 100,247,944	\$ 13,882,022	16.07%

Growth = \$2.4M or 2.7% with Self-Insurance & One-times Removed

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PROPERTY TAX



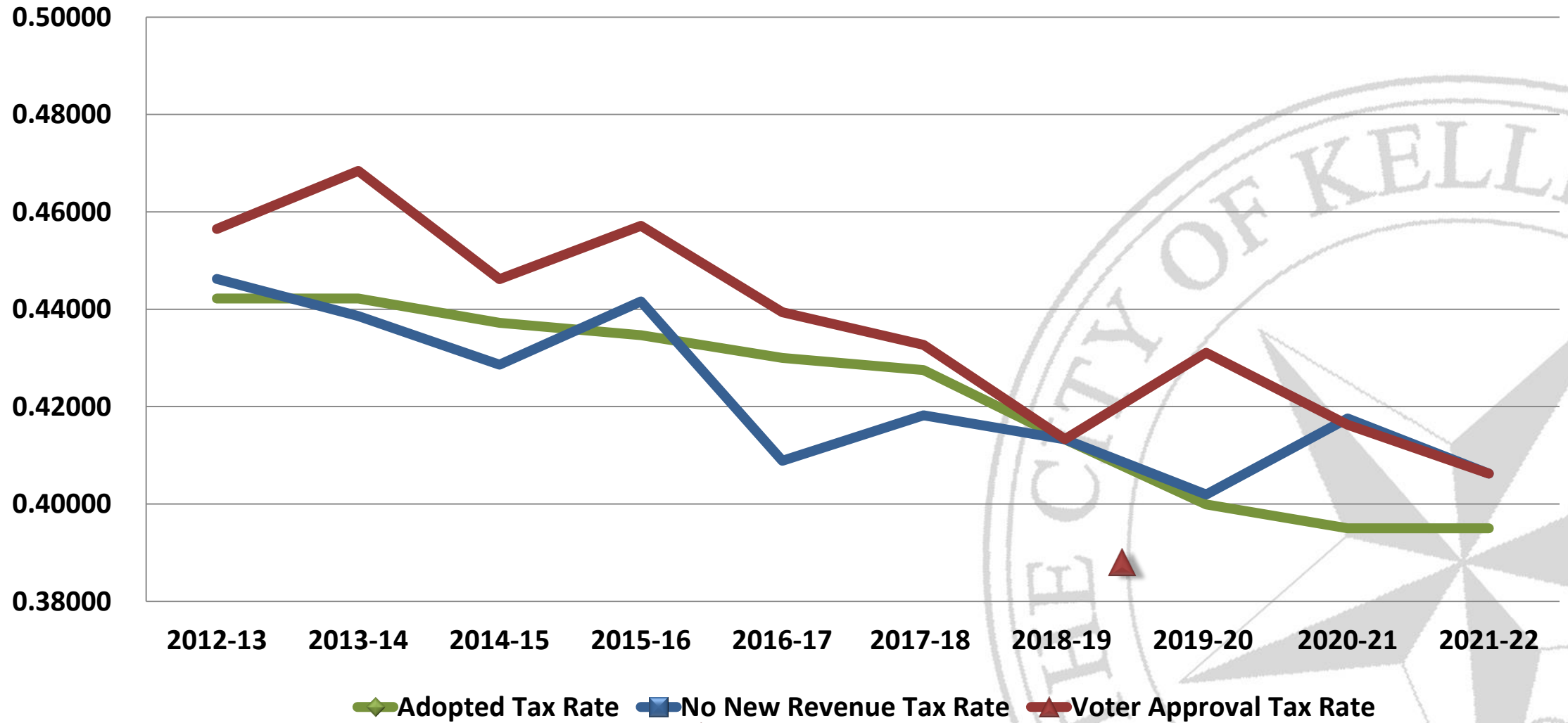
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Levy with Certification

	Current	June Estimate	Certification
Adjusted Value	6,008,353,326	6,222,058,171	6,045,915,406
Tax Rate	0.3950	0.3950	0.3950
Collection	\$23,582,462	\$24,205,688	\$23,706,216
Vs. FY 2020-21	-	623,225	123,754
New Levy	290,303	330,320	281,397
Existing Levy	(878,257)	292,905	(157,644)

Value of \$0.0025/100 = \$150,043

Property Tax Rate History



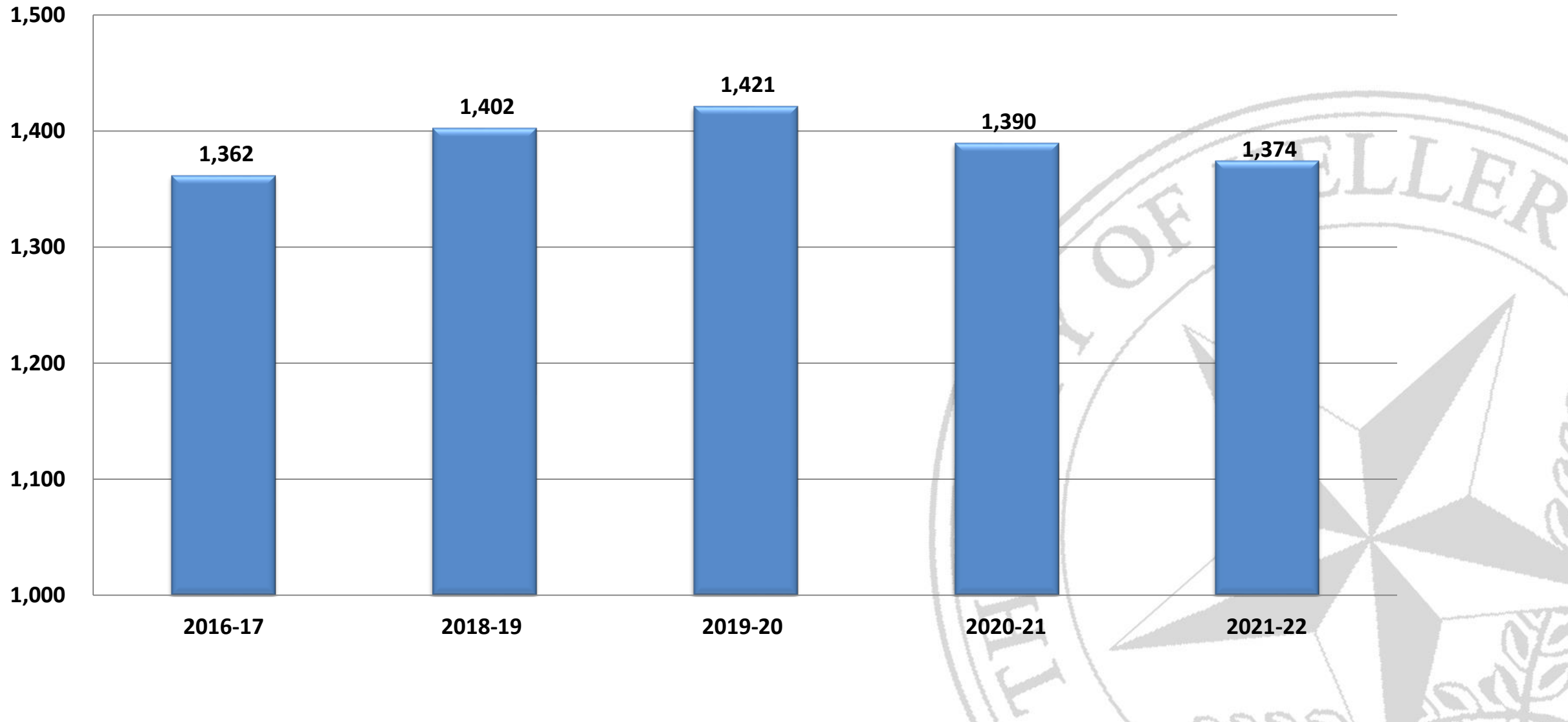
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Tax Rate Options

	FY 2020-21 Rate	FY 2021-22 Rate	No New Revenue Rate	Voter- Approval Rate	Voter- Approval w/ Incremental Rate
Tax Rate	\$0.3950	\$0.3950	\$0.406220	\$0.406260	\$0.427533
Average Taxable Home	\$351,817	\$347,898	\$347,898	\$347,898	\$347,898
Avg. Home Tax Bill	1,390	1,374*	\$ 1,412	\$1,413	\$1,487
Per Month	115.81	114.52	\$117.69	\$117.78	\$123.95
Change from FY 2020-21 (\$)	\$ -	(\$15.48)	\$23.55	\$23.70	\$97.70

* - Lowest average bill since FY 2016-17

Average Tax Levy History



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20% Homestead Impact

	FY 2020-21	June Est.	Cert. @
Tax Rate	\$0.3950	\$0.3950	\$0.3950
Exemption	14%	14%	20%
Avg. Home Value	\$351,817	\$372,388	\$347,898
Avg. Home Tax Bill	1,390	1,471	1,374*
Per Month	115.81	122.58	114.52
Variance	-	81.24	(\$15.48)

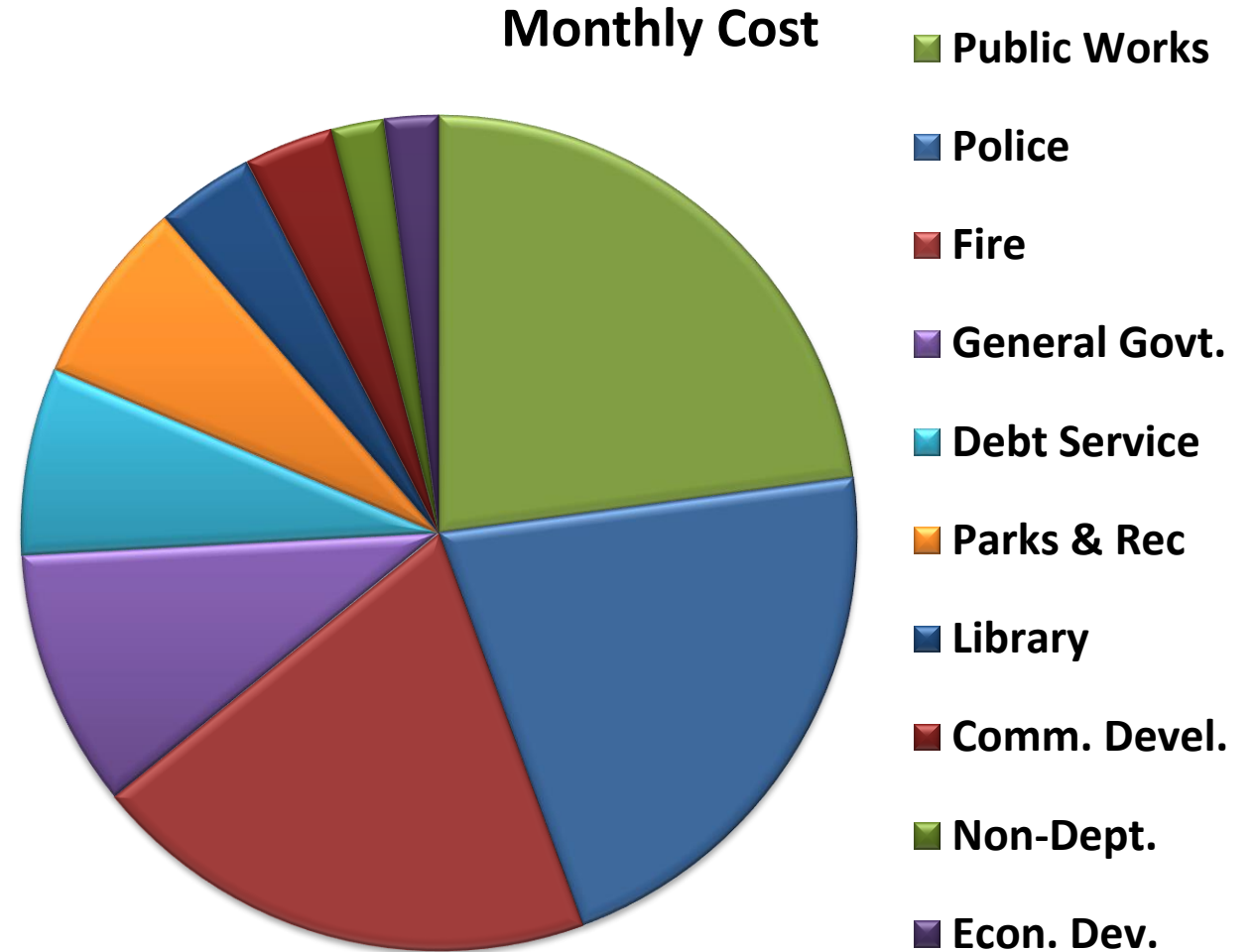
Tax Mitigation Timeline

Fiscal Year	Tax Rate	Change from FY 2013-14	Homestead	Avg. Home Tax Bill without Mitigation
FY 2013-14	\$0.44219	\$0.00000	1%	1,904
FY 2014-15	\$0.43719	(\$0.00500)	1%	1,882
FY 2015-16	\$0.43469	(\$0.00750)	1%	1,871
FY 2016-17	\$0.43000	(\$0.01219)	4%	1,795
FY 2017-18	\$0.42750	(\$0.01469)	8%	1,710
FY 2018-19	\$0.41325	(\$0.02894)	10%	1,617
FY 2019-20	\$0.39990	(\$0.04229)	12%	1,530
FY 2020-21	\$0.39500	(\$0.04719)	14%	1,477
FY 2021-22	\$0.39500	(\$0.04719)	20%	1,374

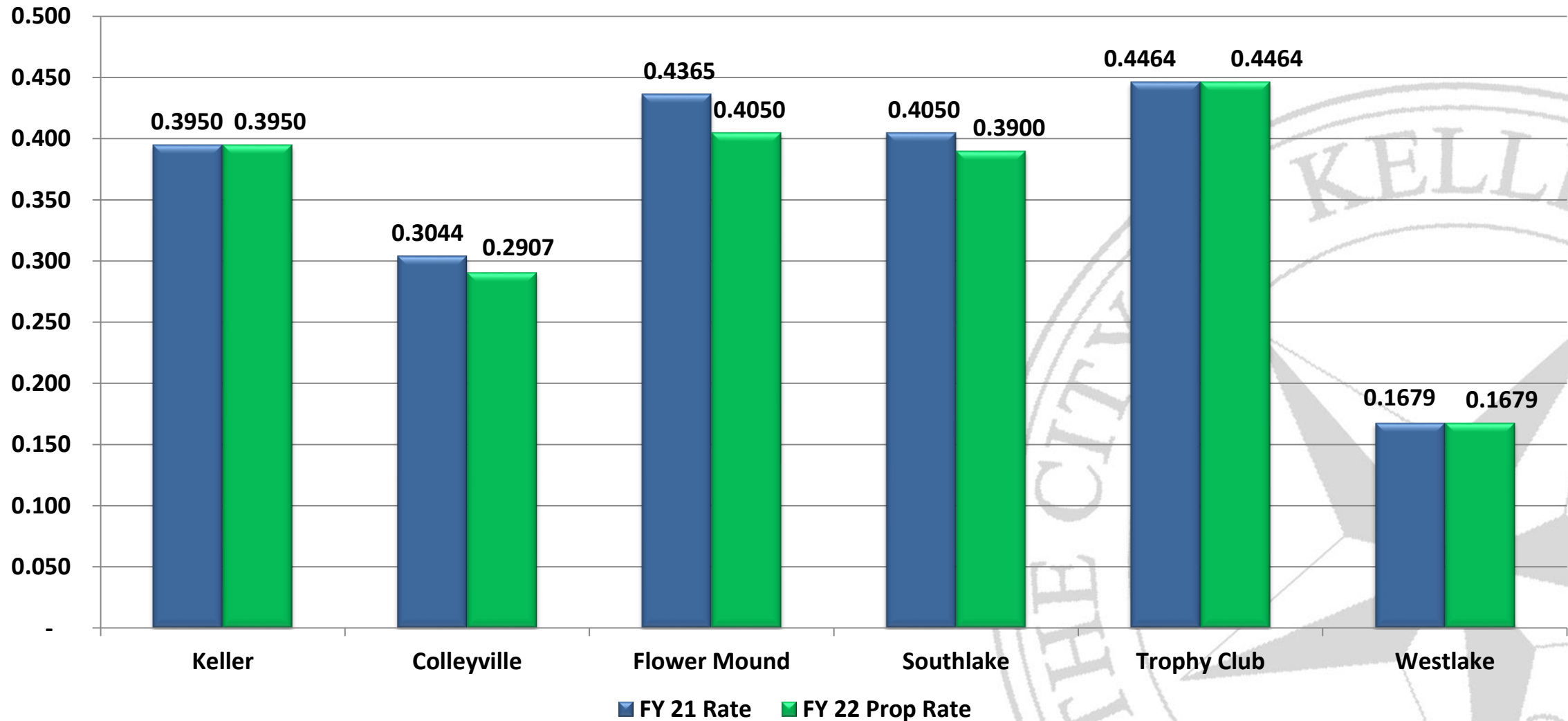
\$0.3950 & 20% Homestead Exemption vs. FY 14 Rate & 1% HS = \$529 savings or ~4.6 month of services

Cost of City Services for Average Residential Taxpayer

<i>Public Works</i>	26.19
Police	24.66
Fire	22.60
General Govt.*	11.45
Debt Service	8.33
Parks & Rec	8.25
Library	4.33
Comm. Devel.	3.97
Non-Dept.	2.33
Econ. Dev.	2.40
Total	\$ 114.52

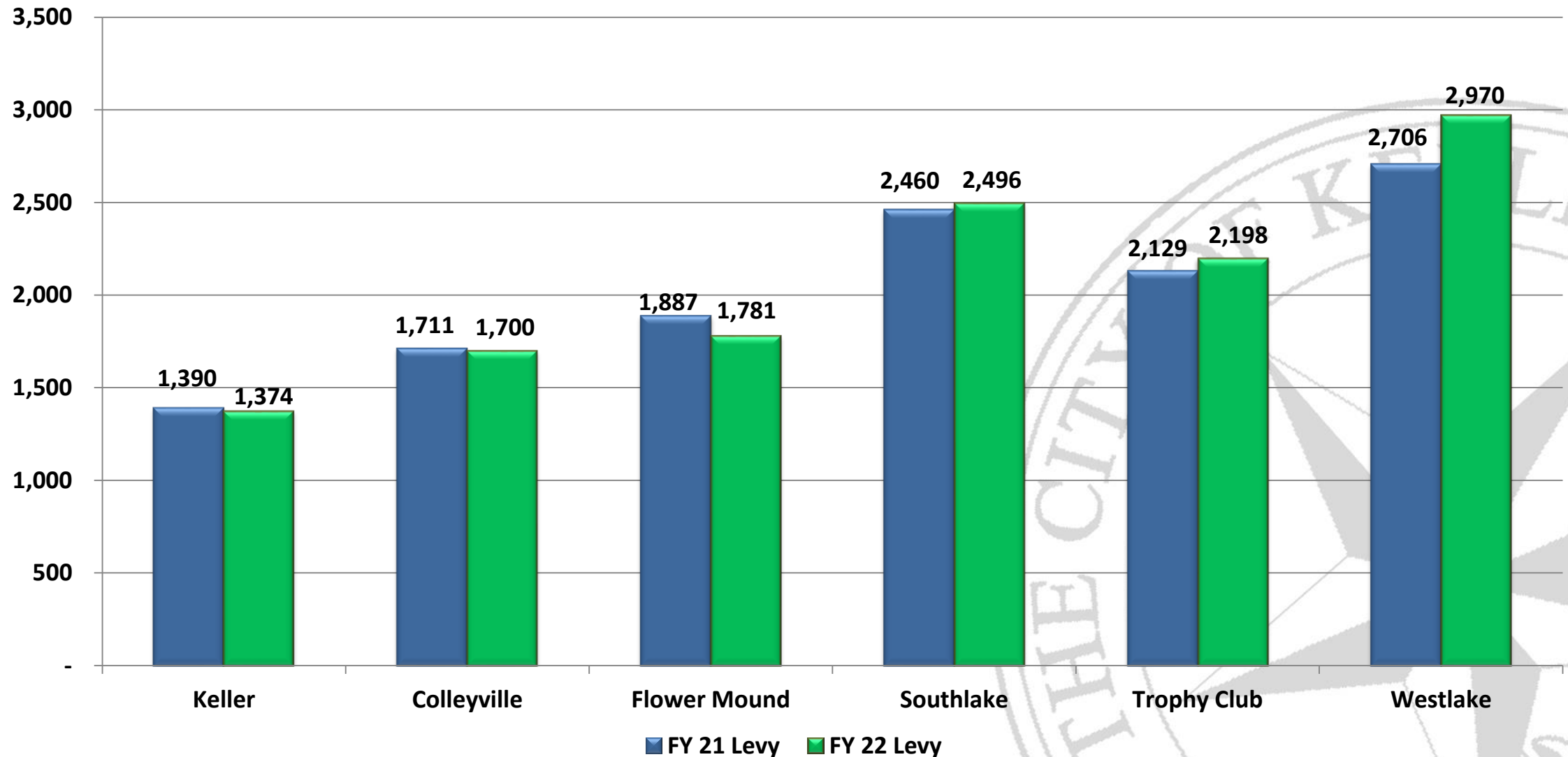


Neighboring Cities' Tax Rates



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Neighboring Cities' Tax Levies (Average Household)

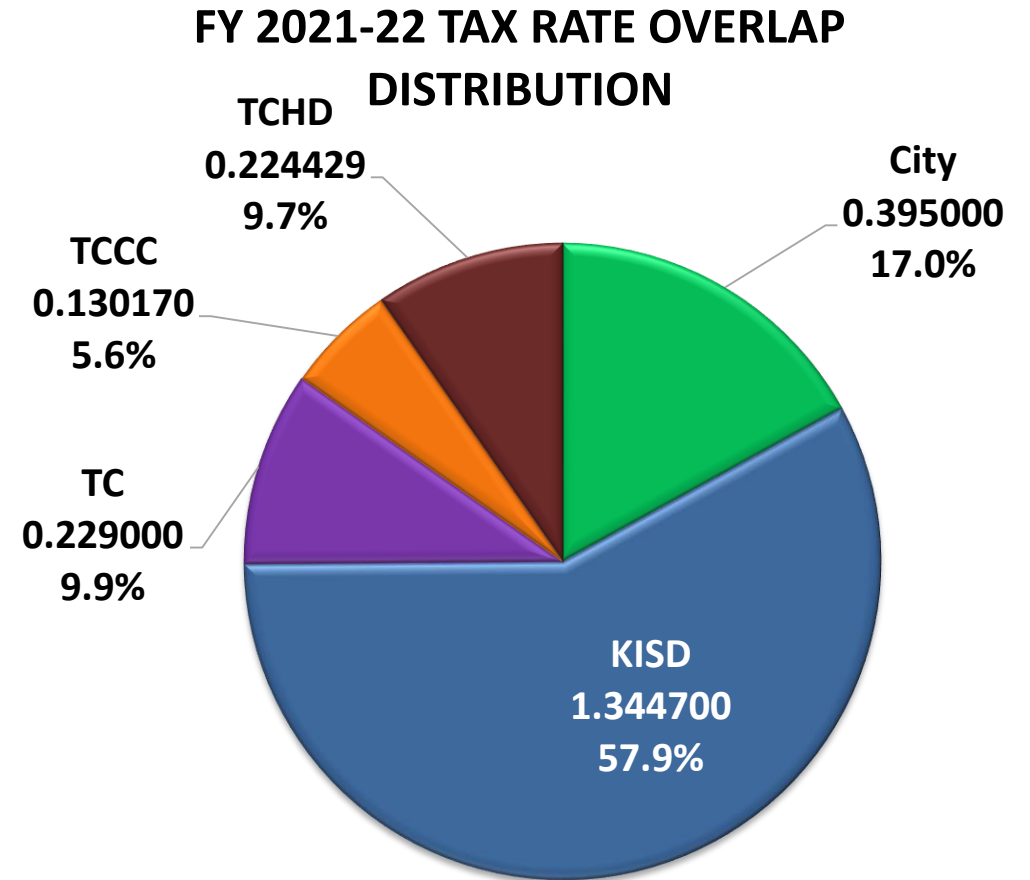


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Overlapping Tax Rate - Estimated

Entity	2021 Levy	2022 Levy	Estimated
KISD	\$ 5,706	5,848	\$142
Keller	1,390	1,374	(15)
Tarrant County	957	996	39
TCHD	918	976	58
TCCC	533	566	34
Total	\$9,503	\$9,760	\$257

Keller increase of \$88 w/o 20% - Over \$100 mitigated



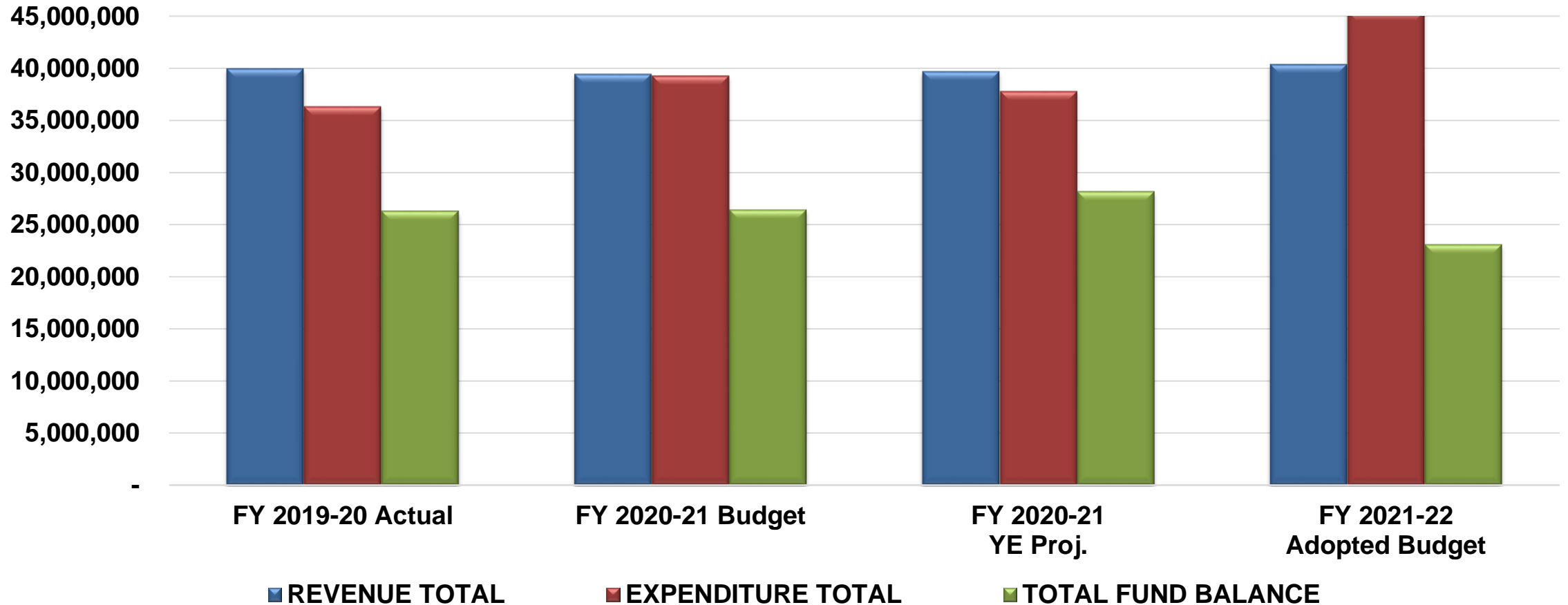
GENERAL FUND



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FY 2021-22 Proposed Budget

General Fund Overview

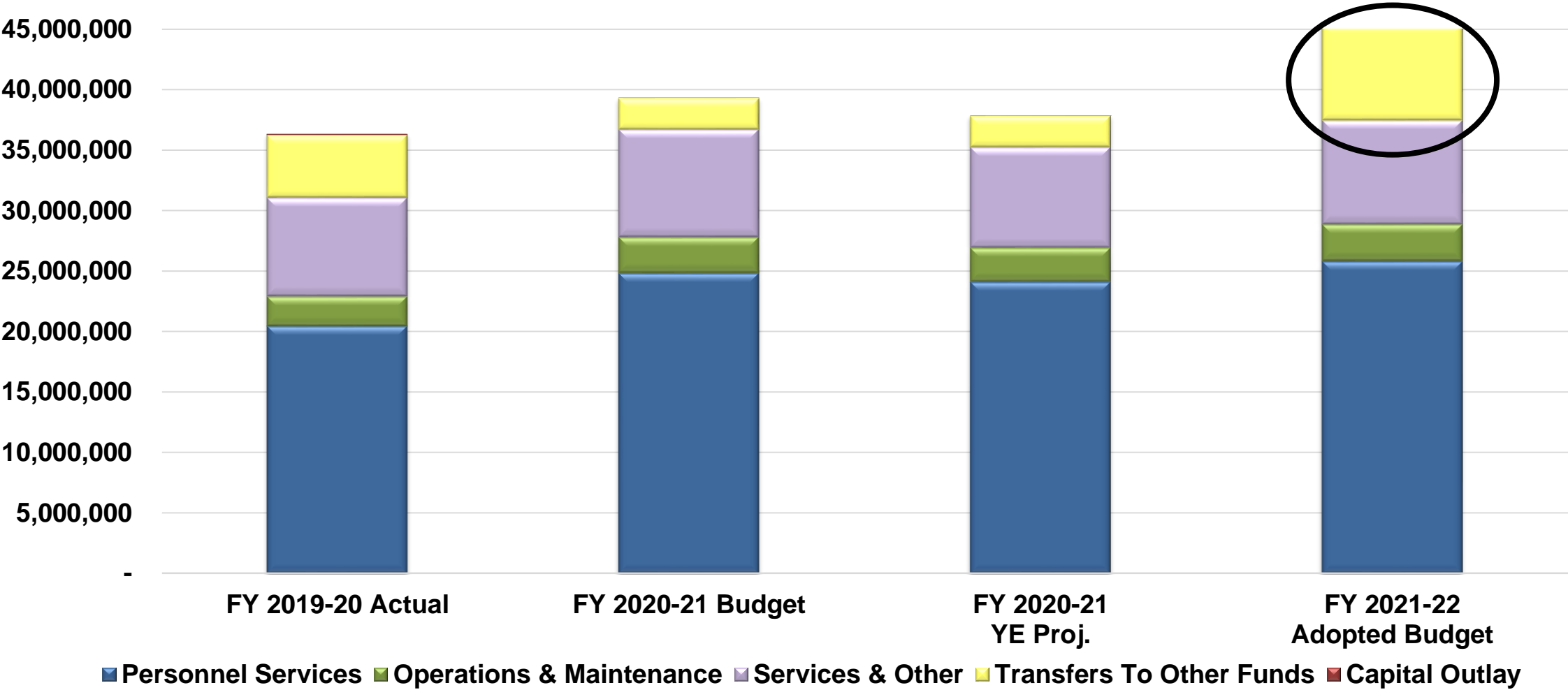


Growth = \$622,765 or 1.68% with one-times removed

General Fund Revenue by Source

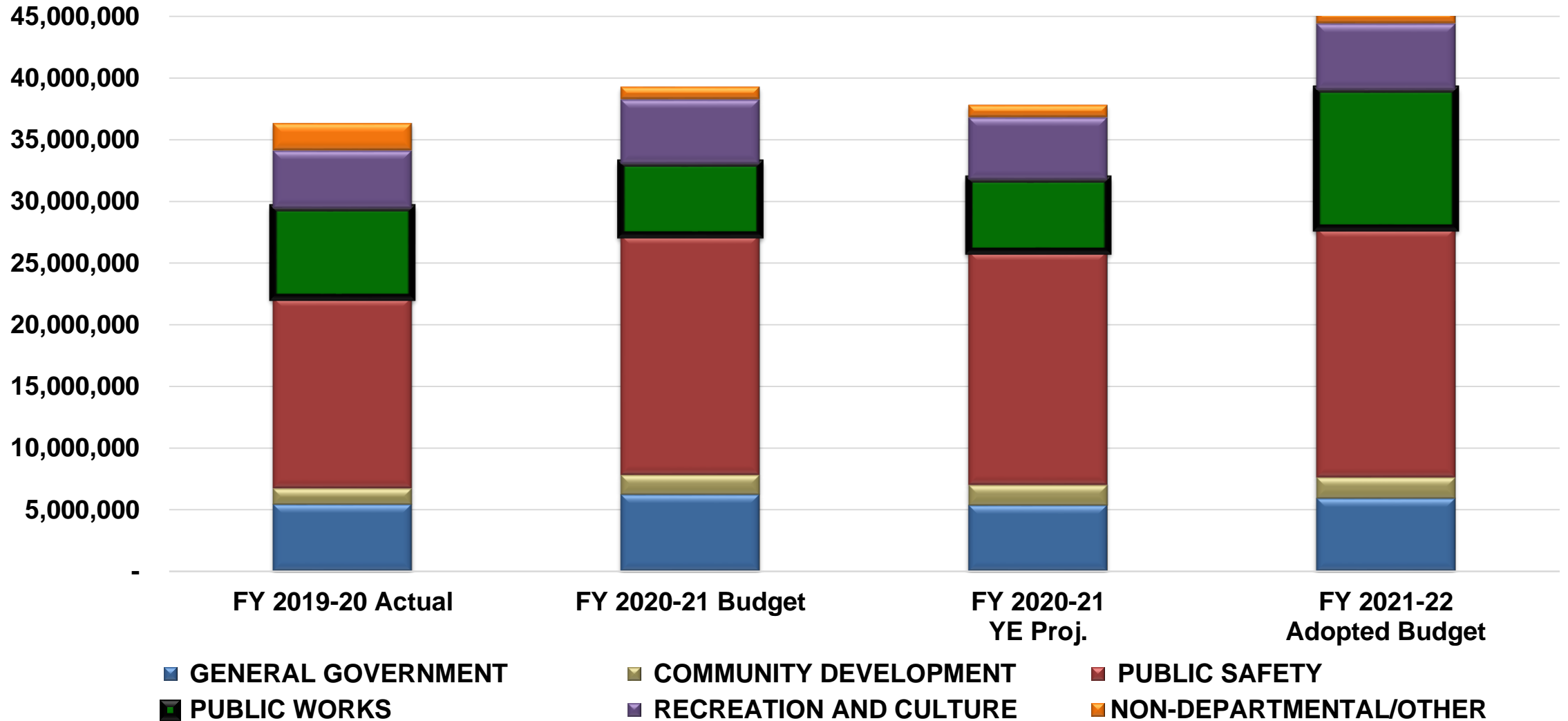
Revenues	FY 2020-21 Budget	FY 2021-22 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
Property Taxes	\$ 20,016,263	\$ 20,242,689	\$ 226,426	1.13%
Sales Tax	6,488,274	7,200,229	711,955	10.97%
Other Taxes	4,353,801	4,336,146	(17,655)	-0.41%
Licenses and Permits	779,631	810,068	30,437	3.90%
Charges for Services	1,380,019	1,423,327	43,308	3.14%
Fines and Fees	954,877	823,320	(131,557)	-13.78%
Development Fees	200,150	179,073	(21,077)	-10.53%
Intragovernmental	1,564,624	1,617,630	53,006	3.39%
Intergovernmental	3,330,536	3,509,558	179,022	5.38%
Other Revenue	354,251	221,759	(132,492)	-37.40%
Total Revenues	\$ 39,422,426	\$ 40,363,799	\$ 941,373	2.39%

General Fund Expenditures By Category



Growth = \$622,765 or 1.68% with one-times removed

General Fund Expenditures By Activity



Ad Valorem Expenditures

Expenditure	On-Going Cost	One-Time Cost	Total Cost
Sidewalk Repair	\$ 250,000	\$ 3,250,000	\$ 3,500,000
Shady Grove	-	2,000,000	2,000,000
Street Maintenance	-	1,800,057	1,800,057
Compensation	905,024	-	905,024
Bear Creek Erosion Study	-	400,000	400,000
Community Development Software	3,000	62,000	65,000
Detention Officer*	64,834	-	64,834
July 4 th Event	50,000	-	50,000
Emergency Siren Repair	-	35,000	35,000
Asphalt Tack Trailer	3,200	28,800	32,000
Message Board Trailer	2,200	20,000	22,000
Center Stage Commercial Plan Review	-	20,000	20,000
NETCOM Assistant Manager (Reclass)*	15,761	-	15,761
Total	\$ 1,294,019	\$ 7,615,857	\$ 8,909,876

*Cost split between regional partners

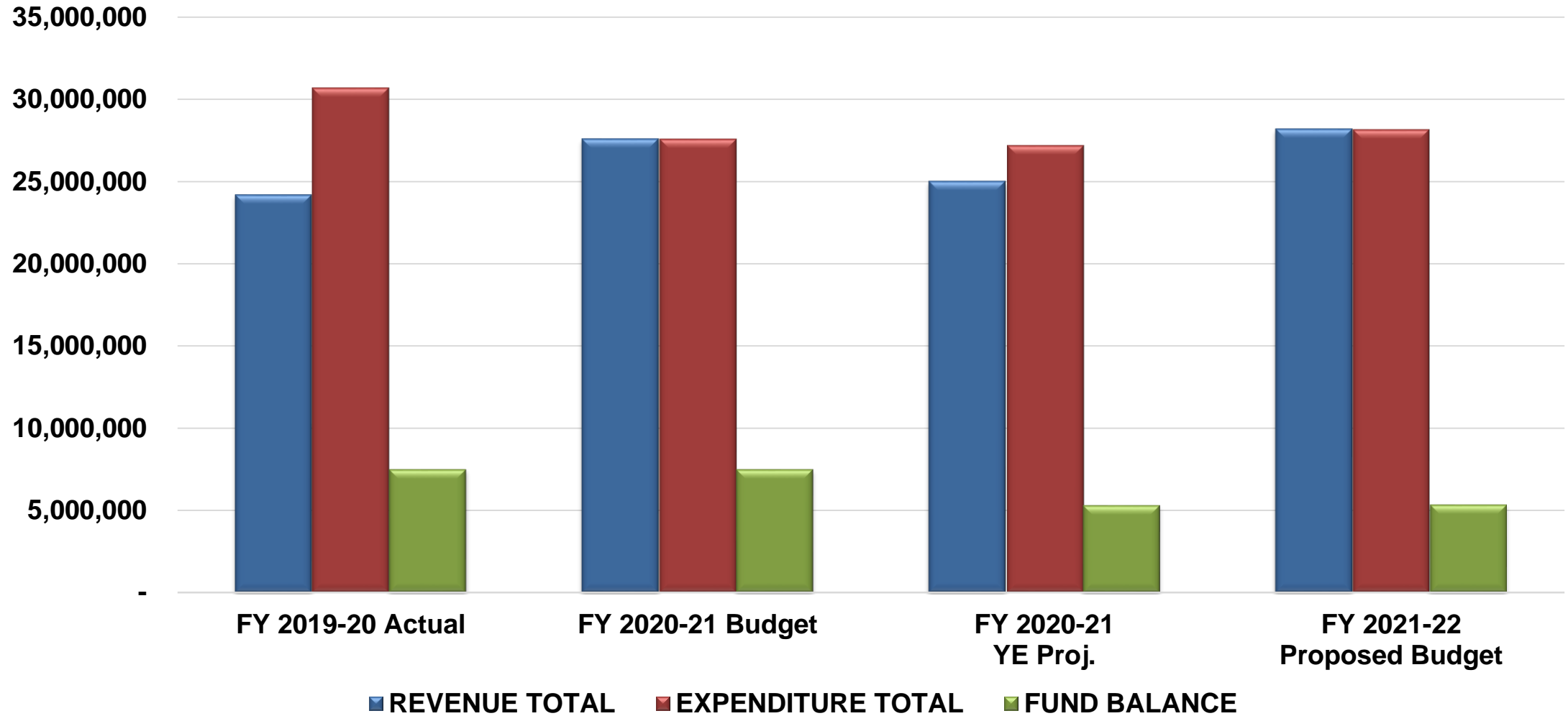
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WATER AND WASTEWATER FUND

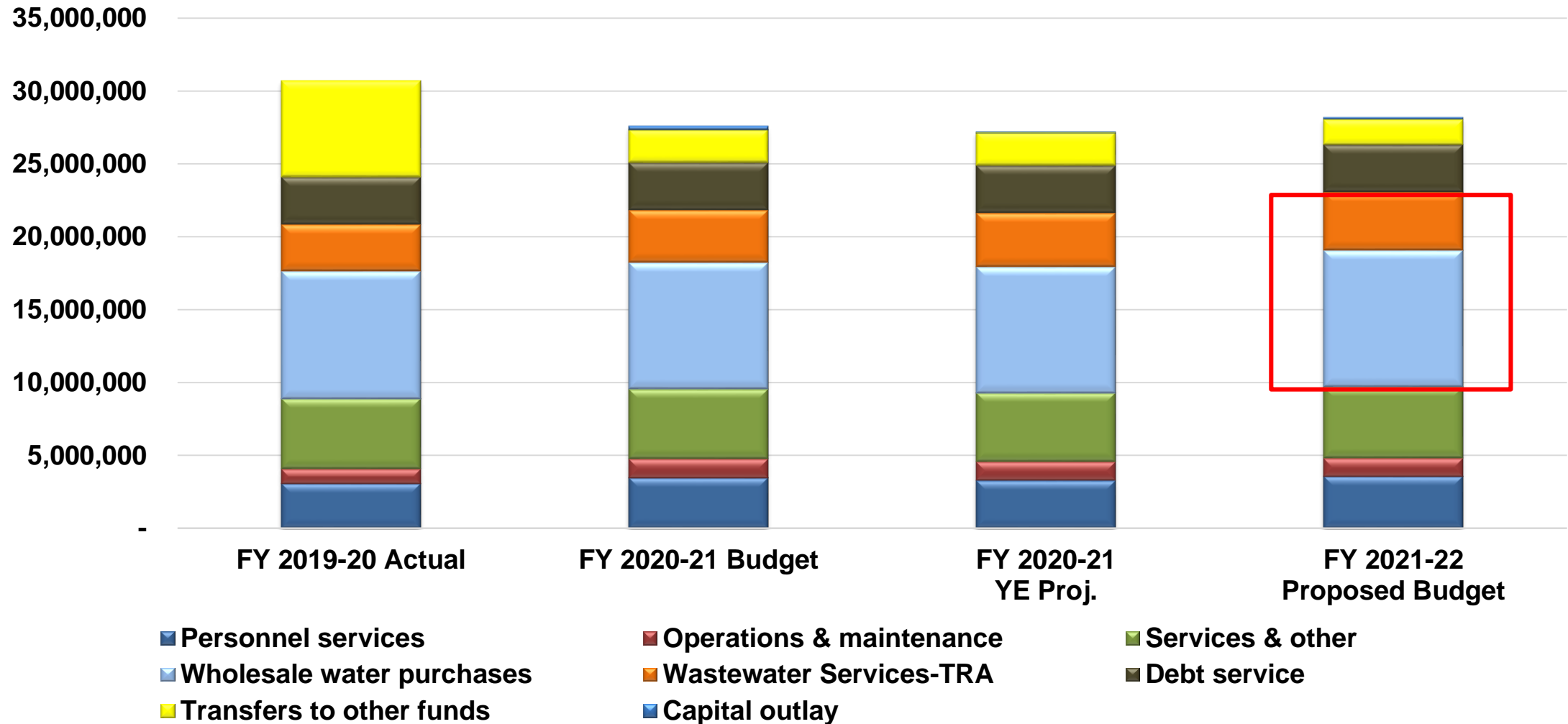


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Water and Wastewater Fund Summary



Water and Wastewater Expenditures



Average Monthly Bill

Monthly Bill	Current	Proposed	Difference (%)	Difference (\$)
<u>ANNUAL AVERAGE MONTHLY BILL</u>				
Water (13,113 Gallons)	78.64	82.39	4.77%	3.75
Sewer (7,064 Gallons)	44.80	46.38	3.53%	1.58
TOTAL	\$123.44	\$128.77	4.32%	\$5.33
<u>SUMMER AVERAGE MONTHLY BILL</u>				
Water (21,659 Gallons)	120.56	126.60	5.01%	6.04
Sewer (7,064 Gallons)	44.80	46.38	3.53%	1.58
TOTAL	\$165.36	\$172.98	4.61%	\$7.62

OTHER OPERATING FUNDS



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Other Tax Funds

Fund	FY 2021-22 Revenues	FY 2021-22 Expenditures	Variance	Fund Balance
Debt Service Fund	3,612,468	3,637,844	(25,376)	3,287,068
Keller Development Corporation Fund	3,637,996	3,636,599	1,397	4,174,363
Keller Crime Control And Prevention District Fund	1,886,171	2,067,228	(181,057)	5,015,374
Street And Sidewalk Improvements Fund	1,805,153	1,800,057	5,096	901,687

Other Enterprise/Internal Service Funds

Fund	FY 2021-22 Revenues	FY 2021-22 Expenditures	Variance	Fund Balance
Self-Insurance Fund	4,581,640	4,541,645	39,995	3,682,142
Keller Pointe	3,029,742	3,286,383	(256,641)	880,849
Information Technology	2,389,964	2,359,404	30,560	1,054,856
Drainage Fund	1,449,159	1,719,725	(270,566)	1,346,581
Fleet Replacement Fund	1,520,003	2,013,813	(493,810)	2,374,110
<i>Facility Replacement Fund</i>	<i>256,350</i>	<i>1,034,470</i>	<i>(778,120)</i>	<i>1,075,463</i>

Other Operating Funds

Fund	FY 2021-22 Revenues	FY 2021-22 Expenditures	Variance	Fund Balance
Recreation Special Revenue Fund	148,683	159,221	(10,538)	163,218
PEG Channel Fund	108,460	203,500	(95,040)	520,156
Public Safety Special Revenue Fund	81,461	83,545	(2,084)	201,499
Municipal Court Special Revenue Fund	80,125	54,471	25,654	221,267
Community Clean-Up Fund	44,816	39,631	5,185	333,819

CAPITAL IMPROVEMENT PROJECTS



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FY 2021-22 Street Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
2022 Street Reconstruction Project	1,800,057	1,800,057				3,600,114
Sidewalk Reconstruction	3,500,000					3,500,000
Shady Grove (Keller Smithfield to Smithfield)	2,000,000					2,000,000
Bates Street Park		685,000				685,000
Bear Creek Bridge Erosion Protection	400,000					400,000
Total Street Projects	\$7,700,057	\$2,485,057	\$ -	\$ -	\$ -	\$10,185,114

FY 2021-22 Parks Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Keller Sports Park Parking Lot Improvements (Softball Lot)		790,000				790,000
Whitley Safe Routes to School					680,515	680,515
Trail System Expansion		302,500				302,500
Chase Oak Playground Replacement		110,000				110,000
Capital Replacement Program		100,000				100,000
Total Parks Projects	\$ -	\$1,302,500	\$ -	\$ -	\$ 680,515	\$1,983,015

FY 2021-22 Water Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Water Tank Maintenance	350,000				<i>1,500,000</i>	1,850,000
Pearson Pump Station					<i>2,000,000</i>	2,000,000
Bate Street Line Replacements					<i>675,000</i>	675,000
Knox Tank Mixer	600,000					600,000
Lift Station Generators					<i>500,000</i>	500,000
SWIFT Water Lines	250,000					250,000
MSC Generators					<i>200,000</i>	200,000
Water Line Replacements	100,000					100,000
Total Water Projects	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 4,875,000	\$ 6,175,000

FY 2021-22 Wastewater Projects

Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Cade Branch Wastewater Capacity Improvements			2,415,600			2,415,600
Cade Branch Wastewater Capacity Improvements 8" to 15"			946,200			946,200
Mains and Services Replacement	165,000					165,000
Shady Hollow Lift Station	140,000					140,000
SS Evaluation Study I&I	120,000					120,000
Total Wastewater Projects	\$425,000	\$ -	\$ 3,361,800	\$ -	\$ -	\$3,786,800

FY 2021-22 Drainage Projects

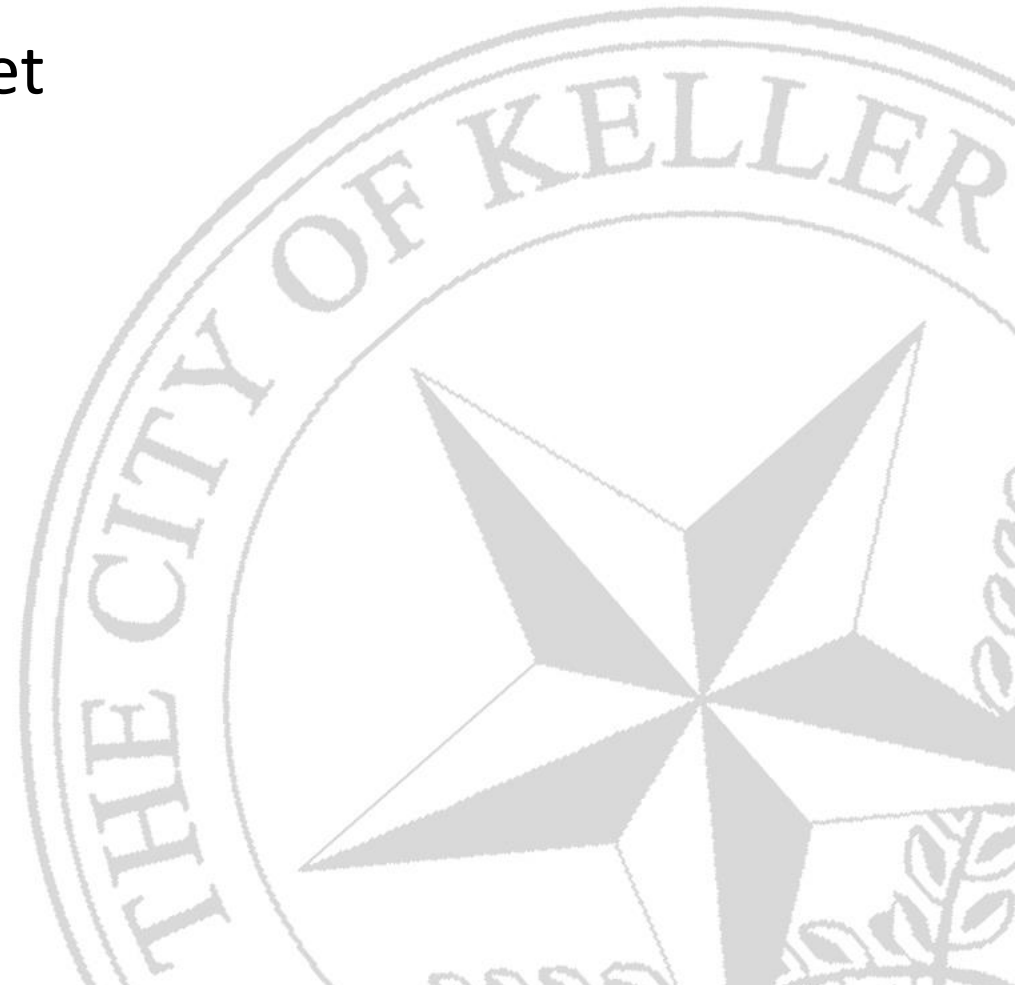
Project	Operating Funds	Sales Tax Funds	Impact Fees	Debt	Grant/ Interlocal	Total Cost
Bear Creek Culvert	325,000					325,000
Stream Bank Erosion Study	100,000					100,000
Total Drainage Projects	\$ 425,000	\$ -	\$ -	\$ -	\$ -	\$ 425,000

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- Significant investment in streets and sidewalk infrastructure = \$9.1M (4.1, 4.2)
- Bates Street Park = \$685K (2.1)
- Detention Officer = \$30,123 (cost split between regional partners) (1.3)
- City water & wastewater rate adjustments by 1.5% (3.1)
- Fire Engine Replacement = \$1.4M (3.4)
- Maintains All Replacement Funding (3.4)

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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