



Proposed Budget Fiscal Year 2010-2011

Mayor and City Council

Pat McGrail, Mayor

Ray Brown, City Council - Place 1

John Baker, City Council - Place 2 and Mayor Pro Tem

Tom Cawthra, City Council - Place 3

Jim Thompson, City Council - Place 4

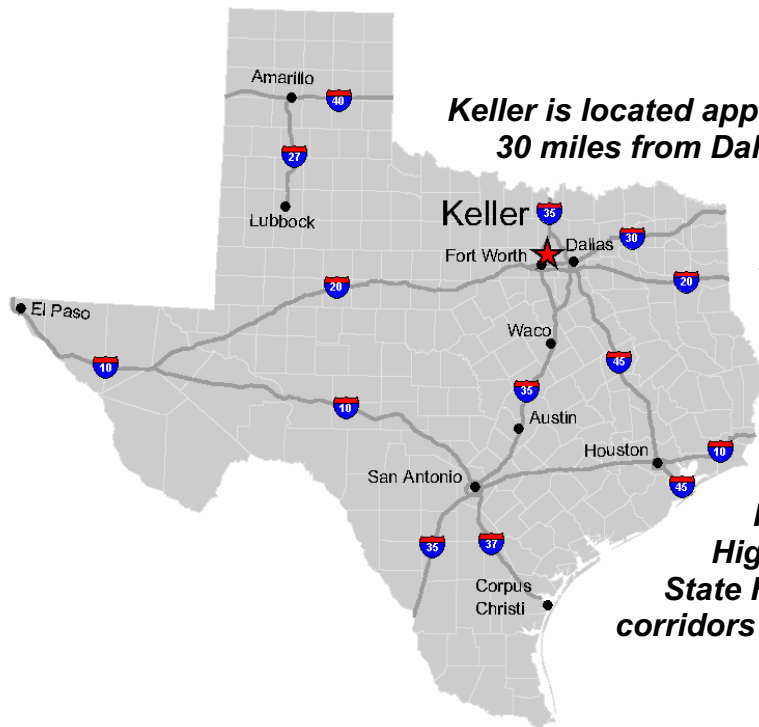
Mitch Holmes, City Council - Place 5

Administrative Officials

Dan O'Leary, City Manager

Johnny Phifer, Director of Finance





Keller is located approximately 15 miles from Fort Worth and 30 miles from Dallas. Located in the heart of the Dallas Fort Worth Metroplex, Keller is 9 miles from the Dallas/Fort Worth International Airport and 5 miles from Fort Worth Alliance Airport. Keller city limits encompasses approximately 19 square miles, and is traversed by several major traffic corridors including U.S. Highway 377 and Texas Farm-to-Market Road 1709. In addition, Interstate Highway 35W, Interstate Highway 820, State Highway 170, and State Highway 114 are also major highway corridors within easy access to Keller citizens.

CITY OF KELLER, TEXAS

ANNUAL BUDGET

October 1, 2010 to September 30, 2011

MAYOR AND CITY COUNCIL



Left to right: Council Members Ray Brown, John Baker (Mayor Pro Tem), Tom Cawthra, Mayor Pat McGrail, Council Members Jim Thompson and Mitch Holmes.

DAN O'LEARY
CITY MANAGER

JOHNNY PHIFER
DIRECTOR OF FINANCE

DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Keller for its annual budget for the fiscal year beginning October 1, 2008. The City has received this award for 13 consecutive years (fiscal years 1997 – 2009). In order to receive this award, the City must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The budget as a policy document. This criterion involves including a City-wide statement (or statements) of budget policies, goals and objectives for the year, and an explanation of the budgeting process to the reader, describing the short-term and operational policies that guide the development of the budget. The criterion also relates to the longer-term City-wide policies that are expected to continue in effect for a number of years. The budget award criterion also requires the inclusion of a budget message and/or transmittal letter by the City Manager.

The budget as a financial plan. This criterion involves including an explanation of the financial structure and operations of the City, and the City's major revenue sources and fund structure. The budget should contain an all inclusive financial plan for all funds and resources of the City, including projections of financial condition at the end of the fiscal year, projections of current year financial activity, and provide a basis for historical comparisons. The budget should also present a consolidated picture of all operations and financing activities in a condensed format and an explanation of the budgetary accounting basis, whether prepared on a generally accepted accounting principles (GAAP) basis, cash basis, modified accrual basis, or any other acceptable method.

The budget as an operations guide. This criterion involves including information in the document explaining the relationship between organizational units (departments) and programs; including an organization chart, a description of the departmental organizational structure and staffing levels, and historical comparisons of staffing levels; explaining how capital spending decisions will affect operations; providing objectives and performance measures; and describing the general directions given to department heads through the use of goals and objectives, reorganizations, statement of functions, or other methods.

The budget as a communications device. This criterion relates to having the budget document available for public inspection; providing summary information suitable for use by interested citizens and/or the media; avoiding the use of complex technical language and terminology; explaining the basic units of the budget, including funds, departments or activities; and disclosing sources of revenues and explanations of revenue estimates and assumptions. The intent is to enhance the communication aspects of the budget document, so that information in the budget can be communicated to a reader with a non-financial background.

This award is valid for a period of one year only. We believe our current budget document continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Keller
Texas**

For the Fiscal Year Beginning

October 1, 2008

President

Executive Director

CITY OF KELLER MISSION STATEMENT

The mission of the City of Keller is to ensure a safe, comfortable environment for all citizens by realizing a vision that is well planned and sensitive to the community.

We are dedicated to the provision of quality services and facilities for today and tomorrow through responsive, efficient and effective utilization of resources.

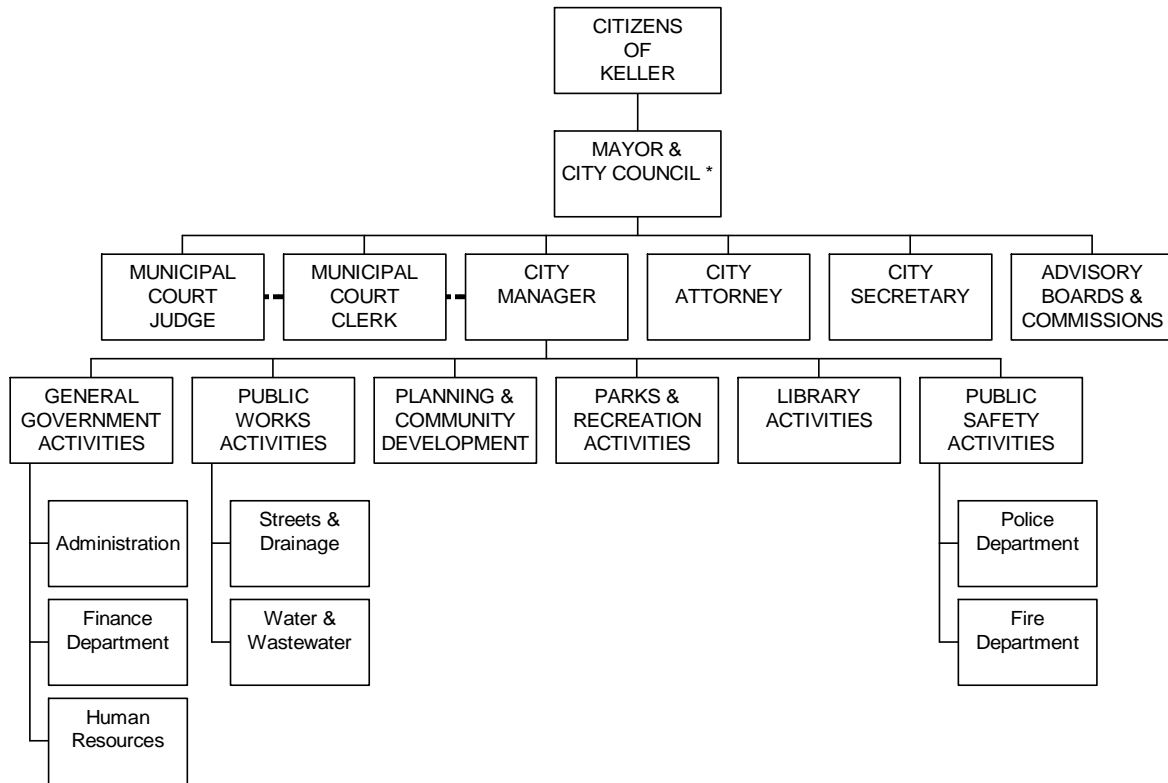
PRINCIPAL OFFICIALS

Name	Title
<u>ELECTED OFFICIALS:</u>	
Pat McGrail	Mayor
Ray Brown	Council Member, Place 1
John Baker	Council Member, Place 2 and Mayor Pro Tem
Tom Cawthra	Council Member, Place 3
Jim Thompson	Council Member, Place 4
Mitch Holmes	Council Member, Place 5
 <u>APPOINTED OFFICIALS</u>	
Dan O'Leary	City Manager
Greg Dickens	Director of Public Works
Chris Fuller	Assistant City Manager
Dan Gaumont	Fire Chief
Mark Hafner	Police Chief
Dona Roth Kinney	Director of Parks and Recreation
Keith Macedo	Director of Information Services
Michael Newman	Municipal Court Judge
Carolyn Nivens	Director of Human Resources
Johnny Phifer	Director of Finance
Steve Polasek	Assistant City Manager
Jana Prock	Library Director
Jeanie Roumell	Municipal Court Clerk
Sheila Stephens	City Secretary
 <u>OTHER APPOINTED OFFICIALS:</u>	
Boyle and Lowry, L.L.P.	City Attorney
First Southwest Company	Financial Advisors
First Southwest Asset Management, Inc.	Investment Advisors
McCall, Parkhurst & Horton, L.L.P.	Bond Counsel
Aliquantus Consulting-Alison Benton	Economic Development Consultant

BUDGET CALENDAR

<u>Description of Task/Event</u>	<u>Date(s)</u>
Council/staff budget priority workshop	March 30, 2010
Meetings with Finance Department and departmental budget staffs to distribute budget materials and instructions	April 8, 2010
Departmental budget input	April – May 2010
FY2010 revised estimates and FY2011 budget requests due in Finance Office	May 28, 2010
Departmental budget compilation by Finance Department staff resulting from initial departmental budget requests	May 7 – May 23, 2010
Review of budget requests by City Manager and meetings with departments and Finance Director to review initial budget proposals	April 30 – May 28, 2010
Final (certified) tax values due from Tarrant Appraisal District	July 25, 2010
Final budget revisions prepared for distribution of proposed budget to City Council	July 6 – July 23, 2010
File proposed budget with City Secretary, distribute to City Council, and place copy of proposed budget in the Keller Public Library	August 15, 2010
Hold proposed budget review workshop(s) for Council/staff and citizen input	August/September 2010
Hold public hearings on the FY2011 budget and tax rates (if required), ordinance to adopt both the FY2011 budget and FY2010 estimate, and ordinance to adopt tax rate	September 2010
Fiscal year 2010-2011 begins	October 1, 2010

CITY OF KELLER, TEXAS ORGANIZATION CHART



* Denotes elected positions.

General Budget Information and Statistics
Fiscal Year 2010-11

Property tax rate for FY2010	\$0.44219, per \$100 of assessed taxable valuation of property, unchanged from previous year.
Total overlapping tax rate for all taxing units	\$2.558057 overlapping tax rate, including the City, KISD, and Tarrant County taxing entities
Total value of properties within Keller	\$4,323,985,530 (appraised market value) \$3,918,739,926 (net taxable value)
Total budget (all funds)	\$65,973,335
Total employees (all funds)	344.9 full time equivalents
General Fund employees per 1,000 population	5.7
Police Department	83 FTEs
Fire Department	56 FTEs
Estimated population	38,450 at January 1, 2009 40,474 at January 1, 2010
Sales tax rates within Keller	6.25% State of Texas 1.00 City of Keller 0.50 Keller Development Corporation 0.25 Keller Crime Control Prevention District <u>0.25</u> Street maintenance sales tax 8.25% Total
Building permits issued	250 residential permits (\$70 million value) Non-residential permit value – \$10 million
Total park acreage	456
Special events guests	25,000
Annual library materials circulation	450,000 (materials checked out)
Library program participants	11,700
Lane miles of paved streets maintained	418
Total fire and EMS calls for service	2,980
Total calls received/dispatched (Police dispatch)	185,500 (Keller, Southlake and Colleyville)
Total billed water sales (million gallons)	2,821.6
average daily usage (million gallons)	7.7
base (winter) average usage (million gallons)	5.0
peak day water demand(million gallons)	19.0
average monthly usage billed per customer	16,535 gallons
Total daily water capacity (million gallons)	24.0
Average wholesale cost of water	\$1.78 per 1,000 gallons



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Keller Bike Patrol

INTRODUCTION

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August 10, 2010

To the Honorable Mayor McGrail and Members of the City Council

Re: *The Proposed Annual Budget for Fiscal Year 2010/2011*

“Lean and Mean as the new normal” is the theme for the proposed fiscal year 2010-2011 budget. An economy in recession has continued to lower revenues for the operation of many local governments. The City of Keller is no different and is responding by decreasing expenditures, maintaining the current tax rate and keeping service levels constant. Property values have declined for the first time in Keller history. Sales taxes and other fees continue to decline in spite of glimmers of hope of an economic recovery. In response, the proposed fiscal year 2010-2011 City of Keller budget is smaller than the previously adopted fiscal year 2009-2010 budget.

This has been accomplished by utilizing a “Lean and Mean” strategy for going forward. The proposed budget includes “Lean” features such as nineteen fewer positions than last year, no new capital borrowing costs, and holding the line on operational costs. The budget also includes a number of “mean” features to include investing in the current work force by maintaining benefit levels in medical and retirement plans, addressing out of balance salaries identified in our market study and investing in equipment used by our employees to help them get the job done more effectively and efficiently.

Reductions in costs and the judicious use of the fund balance provide flexibility to manage revenues and expenditures over a multi-year period without drastically diminishing service levels to the community.

This budget addresses four main goals as established in March of 2010.

1. Reduce overall General Fund expenditures below the fiscal year 2009-2010 levels and move towards structural balance.
2. Down-size the organization with the goal to minimize service level reductions and move towards structural balance.
3. Invest in increased compensation for a leaner organization.
4. No tax rate increase.

Revenue and Population Growth

The North Central Texas Council of Governments estimates that the population in Keller grew by approximately 2.6% since last year making it one of the twenty-five largest cities in the Dallas-Fort Worth metropolitan area. The official population in Keller is now 40,474. This increase is up slightly from the previous year’s growth of 1.7%. While it remains one of the smallest increases Keller has experienced in a number of years, it does represent a positive aspect in a depressed market. The slowdown in the growth rate is most likely due to the continued recession, particularly in the financial sector affecting new housing and commercial construction.

Total projected revenues increased by \$508,612 or 0.8% for fiscal year 2010-2011. Our net taxable value and total property tax revenues decreased by 1.7%. Total charges for services increased \$1.2 million (4.6%) – primarily from water and wastewater charges and revenues of The Keller Pointe. In addition, intergovernmental revenues increased by \$311,982, primarily due to the new Colleyville interlocal agreement for communications and jail services.

Property Tax Rate and Sales Taxes

As mentioned, the taxable property value decreased by 1.7% to \$3.98 billion. The decrease in taxable property value includes \$64.7 million in new construction. New construction decreased by \$66.9 million (50.8%) from the previous year. The proposed budget includes a tax rate of \$0.44219 per \$100 of taxable value, unchanged from the current year.

For the second consecutive year, sales tax revenues have declined. In contrast to double digit increases enjoyed in the past, sales tax growth is flat for fiscal year 2011. Fiscal year 2010 reflects a decrease of 2.6% over the previous year's sales tax revenues.

Other General Fund Revenues

The current pace of building activity is projected to continue next year. While it is up from 2008-09, compared to previous fiscal years prior to 2009, the revenues generated from development activity are expected to continue to decline. Revenues from building permits/development fees are also anticipated to be flat in fiscal year 2011. Most remaining General Fund revenues are expected to be less next year.

Reading the Proposed Budget

In governmental accounting the resources of the government are accounted for in funds. Following the introductory information and budget summaries, the budget document is separated into five sections – General Fund; Water and Wastewater Utility Fund; Other Funds; Debt Service; and Capital Improvements Funds.

Explanation of Fund Accounting

"Funds" are defined as an independent accounting entity with a self-balancing set of accounts. Funds are categorized into fund types each of which is associated with major services provided by the governmental unit. The equity accounts in governmental accounting are referred to as fund balance. The fund balance accounts can be divided into unreserved fund balance accounts and reserved fund balance accounts. Unreserved fund balance is the difference between assets, liabilities and fund reserves. "Reserved" indicates that a portion of the fund balance is not available for appropriation or is legally separated for a specific future use.

- Fund balance "designations" may be established to indicate managerial plans or intent. For example, a portion of the unreserved fund balance may be "designated" for future capital equipment replacement.

There are basically three groups of funds in governmental accounting; governmental funds, proprietary funds, and fiduciary funds. The City of Keller does not operate a fiduciary fund.

- Governmental funds are often referred to as "source and use" funds. These are the funds through which most governmental functions typically are financed. The fund types included in this category are general, special revenue, capital projects, and debt service funds.
- Proprietary funds are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The fund types included in this category are enterprise and internal service funds. For example, the City utilizes the following enterprise funds: Water and Wastewater Utility, and the Drainage Utility funds, respectively. The City has no internal service funds.

Each Fund's revenues and expenditures are depicted by columns of Actual FY 2008/2009, Budget FY 2009/2010, Estimate FY 2009/2010, and Budget FY 2010/2011 revenue and expenditure data. Fund summaries are provided for all revenues and expenditures applicable to each. The General Fund (tax-supported general operations) and the Water and Wastewater Utility Fund have numerous operating departments or divisions.

Additional Information

The Supplemental Data section contains general information, such as the City's budget and financial policies, the fiscal year 2010/2011 pay plan, and a Glossary of Terms.

The Reader's Guide (pages 1-8), Keller Profile (pages 9-15), and budget Summaries (pages 17-71) that follow the Budget Message provide a wealth of historical data concerning property values, ad valorem tax analysis, property value distributions, property taxes, overlapping tax rates, sales tax collections, city workforce information, utility usage, as well as brief explanations of various miscellaneous funds. In addition, page vii, provides "quick facts" for fiscal year 2011. This information can provide a quick reference concerning the city's budget process, operations and budgeted expenditures and revenues.

FY 2010/2011 Budget Overview

The budget attempts to address the City Council's goals while maintaining current service levels. The following is a summary of major initiatives or actions included in the proposed budget:

- Property tax rate of \$0.44219 is unchanged
- General Fund *decrease* of 0.5% for non-personnel related expenditures
- Includes \$136,000 salaries and benefits contingency in the General Fund for compensation pay plan and/or market adjustments; otherwise no salary increases or reductions in force
- Includes increased funding to operate new expanded library for a full year
- Includes increased costs for retirement plan

The 2010 (FY2011) net assessed taxable valuation, after adjustments, is \$3.75 billion, a decrease of \$68.7 million, or 1.7 percent over the 2009 (FY2010) net value. Residential property values comprise approximately 82 percent of total property values for fiscal year 2011; however, commercial/industrial values decreased by \$ 29.7 million (7.1%). A total tax rate of \$ 0.44219 per \$100 of assessed taxable valuation funds fiscal year 2011 operations, unchanged from the previous year. The tax rate distribution for fiscal year 2011 compared to fiscal year 2010 is as follows:

	<u>FY 2009/2010</u>	<u>FY 2010/2011</u>
General Fund	\$ 0.31009	\$ 0.31219
Debt Service Fund	<u>0.13210</u>	<u>0.13000</u>
Total Tax Rate	\$ 0.44219	\$ 0.44219

The total operating budget for fiscal year 2011 is \$ 65,973,335, including new debt requirements. This is a decrease of \$ 3,195,112, or 4.6 percent over the 2009/2010 adopted budget.

GENERAL FUND

Quick Facts:

	<u>FY 2010/2011</u> <u>(Budget)</u>	<u>FY 2009/2010</u> <u>(Budget)</u>	<u>Percentage</u> <u>Increase (Decrease)</u>
Expenditures:	\$27.6 Million	\$27.8 Million	(0.4%)
Revenues:	\$26.7 Million	\$26.5 Million	0.9%

Summary:

The projected beginning fund balance for fiscal year 2011 of \$8,682,589 exceeds the targeted beginning fund balance by \$3,567,912, or about 50 days of operations. The total ending fund balance at September 30, 2011 is projected to be \$ 7,795,314. The financial policies require a contingency reserve of 3 percent of operating expenditures, or \$798,291. The City's financial management policies also establish a

benchmark (target) of 16.7 percent of operating, non-recurring expenditures as an unreserved fund balance. The actual unreserved fund balance is projected at \$6,975,023, which is 26 percent of operating, non-recurring expenditures, thereby exceeding the established benchmark. **In summary, a General Fund Budget for fiscal year 2010/2011 that adapts to the current economy, manages expenditures without major service cuts and provides the necessary revenue for debt payments resulting from capital projects.**

The following is a summary of the significant operating cost increases/decreases associated with the decrease of \$115,244 (0.4 percent) versus the fiscal year 2010 adopted budget.

General Fund major changes (FY2011):

Description	Amount
Increase in personnel costs (including benefits) for 2 new positions in the Police Department related to the Colleyville communications/jail services merger	\$ 113,550
Savings from reduction in force-salaries	(667,150)
Savings from reduction in force-benefits	(299,300)
Decrease in fuel costs-all departments	(101,365)
Net reduction in street maintenance expenditures	(39,115)
Increase in health insurance costs-all departments	221,983
Net increase in capital outlay expenditures-all departments	151,940
Increase related to TMRS rate adjustment-all departments	139,119
Compensation pay plan adjustment contingency	136,000
Increase in Information Services charge-backs-all departments	61,660
Increase in vehicle and equipment maintenance-all departments	43,625
Street sign replacement/maintenance program	39,435
Consulting services for Community Development special projects	25,000
Increase in utility costs – electric, water, and sewer	23,955
Increase in unemployment compensation due to reduction in force	20,400
Other miscellaneous increases (reductions)	15,019
TOTAL	<u>\$ (115,244)</u>

The following table provides a summary of changes by department in the fiscal year 2011 budget, compared to the fiscal year 2010 adopted budget.

FY2011 Changes by Department		
Department	2009-2010 Adopted	
	Amount	Pct. Change
General Government/Administration	\$ (16,546)	(0.4%)
Community Development	(76,710)	(6.5%)
Police Department	145,946	2.0%
Fire Department	3,910	0.1%
Public Works	(196,589)	(6.2%)
Keller Public Library	(64,780)	(4.7%)
Parks and Recreation	(58,550)	(2.3%)
Non-Departmental	148,075	21.0%
Total	<u>\$ (115,244)</u>	(0.4%)

Personnel costs are obviously the major driver of increases in the fiscal year 2010/2011 General Fund budget. Personnel services (salaries, wages and benefits) account for \$19.3 million, or 69.7 percent of the total expenditures of the General Fund for fiscal year 2011.

All capital improvements and purchases will be paid from current revenues and not short-term financing.

WATER AND WASTEWATER FUND

Quick Facts:

	<u>FY 2010/2011</u> <u>(Budget)</u>	<u>FY 2009/2010</u> <u>(Budget)</u>	<u>Percentage</u> <u>Increase (Decrease)</u>
Expenditures:	\$18.9 Million	\$19.8 Million	(4.9%)
Revenues:	\$18.9 Million	\$17.8 Million	5.7%

The Water and Wastewater (Utility) Fund is an enterprise fund and thereby operates on its own revenues and fees generated primarily from water and wastewater service charges.

A \$1,000,000 water and wastewater rate stabilization reserve is included as a reservation of fund balance for the purpose of providing funds for variations in weather conditions, specifically years having above-average rainfall (wet year) or below-average rainfall (dry year).

Water revenues are primarily dependent upon the amount of rainfall received during the year and as a result are generally more volatile than General Fund revenues. Based on total water usage through June 2010, water sales of 2.735 billion gallons are anticipated for fiscal year 2010. The fiscal year 2011 budget forecasts 2.822 billion gallons of water usage. Customer water usage reached an all-time high of 3.5 billion gallons in fiscal year 2006, due primarily to dry weather conditions. For fiscal year 2011, a conservative customer average water usage, with reasonable customer growth estimates, is being used to determine the budget amounts. Therefore, if normal rainfall amounts are received during the year, revenues will not be adversely impacted.

The Fort Worth Water Department instituted water conservation measures, system-wide, in 2006 in order to reduce peak water use demands created from extensive residential growth throughout the district and the extra-ordinary use of water for landscape irrigation; however, the conservation measures had little effect on the city's budgeted water revenues.

Water rates were increased 8.5 percent in April 2006. Except for changes in wholesale pass-through rates, no additional rate changes are proposed for fiscal year 2011.

Expenditures

The most significant expenditure is wholesale water purchases. Wholesale water purchases are projected to be \$5,340,000 or 28 percent of total expenditures, compared to \$ 5,090,000 or 26 percent of total expenditures for fiscal year 2010. This represents an increase of \$250,000, or 4.9 percent from the fiscal year 2010 estimate. Wholesale water purchases are anticipated to be 2.822 billion gallons in fiscal year 2011 and 2.735 billion gallons in fiscal year 2010.

Other major expenditures for fiscal year 2011 are debt service on long-term debt (13 percent); wastewater treatment and collection services provided by the Trinity River Authority (11.4 percent); operating expenses and transfers (26.5 percent); personnel services (salaries and benefits) (15 percent); and capital outlay (3.2%).

Even though Water and Wastewater Fund revenues are independent of the General Fund revenues, the proposed budget provides no pay increase for Water/Wastewater employees in order to maintain equity among city employees. Additionally, the fiscal year 2010 reduction in force eliminated 4.75 full-time positions from the Water and Wastewater Fund.

OTHER FUNDS

Drainage Utility Fund

Quick Facts:

	<u>FY 2010/2011</u> <u>(Budget)</u>	<u>FY 2009/2010</u> <u>(Budget)</u>	<u>Percentage</u> <u>Increase (Decrease)</u>
Expenditures:	\$ 995,160	\$1,288,803	(29.5%)
Revenues:	\$1,515,800	\$1,592,473	(5.1%)

The Drainage Utility Fund is an enterprise fund that operates from revenues received from drainage fees of \$8.00 per month per household. Commercial (non-residential) properties are charged a minimum of \$8.00 per month to a maximum of \$66.24 per month.

Major expenditures for fiscal year 2011 are provided for personnel services (54 percent) for 8 full-time equivalent positions. Operations and maintenance and services and other expenditures (40 percent of the total budget) provide for both equipment maintenance and drainage channel maintenance, and includes equipment rental as needed. Debt service accounts for 5% of total expenditures.

Should the council consider large drainage improvement projects, it is likely that the majority of the projects will be funded using a combination of debt and drainage user fee revenues.

Keller Development Corporation Fund (KDC)

Quick Facts:

	<u>FY 2010/2011</u> <u>(Budget)</u>	<u>FY 2009/2010</u> <u>(Budget)</u>	<u>Percentage</u> <u>Increase (Decrease)</u>
Expenditures:	\$2.27 Million	\$2.51 Million	(10.5%)
Revenues:	\$2.01 Million	\$2.11 Million	(5.0%)

The Keller Development Corporation (KDC) is charged with the responsibility of administering the proceeds from the one-half cent local option sales tax approved by the voters in 1992 for park and recreation facility improvements. On July 12, 2010 the Board of Directors of the KDC reviewed and approved a proposed budget. As required by the Development Corporation Act of 1979, the City Council conducted a public hearing on the budget on July 20, 2010 complying with requirement of a 60-day notice prior to the effective date of expending funds appropriated herein from the Corporation.

Debt service expenditures provide for retirement of the \$1.8 million Sales Tax Revenue Bonds originally issued in 1992 (refunded in 2005) for land acquisition and development of the Keller Sports Park, and certificates of obligation issued in 2003 and 2004 for Keller Sports Park improvements, and construction of The Keller Pointe recreation and aquatic facility. Transfers to other funds provide for transfers to the City's Debt Service Fund to reimburse the City for debt service due on debt obligations originally issued by the City on behalf of the KDC in 1996 and 1997 for Keller Sports Park improvements, and obligations issued in 2009 for acquisition of park property in 2008.

Sales tax revenues for fiscal year 2011 are anticipated to be flat. The fiscal year 2010 estimated sales tax revenues of \$1,994,500 are \$ 93,500 (4.5%) **below** the original adopted budget amount.

Recreation and Aquatics Center (The Keller Pointe) Fund

Quick Facts:

	<u>FY 2010/2011 (Budget)</u>	<u>FY 2009/2010 (Budget)</u>	<u>Percentage Increase (Decrease)</u>
Expenditures:	\$3.019 Million	\$3.311 Million	(9.6%)
Revenues:	\$3.021 Million	\$3.333 Million	(10.3%)

The Recreation and Aquatics Center Fund was established in fiscal year 2003. This Fund is intended to account for all direct costs associated with the operations of the Recreation and Aquatics Center (The Keller Pointe). Major expenditures include personnel services for staffing the facility and for recreation programs (63 percent), and facility operations and supplies. Services & other expenditures include utilities (electricity, water, natural gas) and payments to recreation program instructors and trainers. Capital outlay expenditures include \$25,000 toward a facility maintenance and replacement account, in accordance with the original enterprise plan.

Since the opening of The Pointe in May 2004, the operating budget expenditures have increased primarily in the areas of program staffing and utility costs (electricity, water and gas), which correspond to greater facility usage.

Information Services Fund

Quick Facts:

	<u>FY 2010/2011 (Budget)</u>	<u>FY 2009/2010 (Budget)</u>	<u>Percentage Increase (Decrease)</u>
Expenditures:	\$1.61 Million	\$1.55 Million	3.7%
Revenues:	\$1.50 Million	\$1.40 Million	6.9%

The Information Services (IS) Special Revenue Fund was created in 2001 to account for citywide information services/information technology operations. Funding sources are provided from transfers from the General Fund, Water and Wastewater Fund, and The Pointe. Expenditures provide for information technology support personnel and goods and services to be utilized on a city-wide basis, including expenditures for Town Hall networking equipment with the Keller Police Department, The Pointe, the SCADA system, and the Municipal Service Center. In November 2002, geographic information services (GIS) activities were transferred from the Public Works Department to the IS Fund and a GIS Division of the IS Fund was created. In October 2005, the Public Library support, Internet services, and Audio Visual services were transferred to Information Services.

The IS department has developed and implemented a 6-year Technology Plan whereby all computer hardware and software, printer and other technology equipment has been evaluated and placed on a replacement schedule. The benefit of the Plan is to establish a planned and affordable replacement schedule of all technology equipment that may be budgeted on an annual basis.

Miscellaneous Other Funds

Library, Recreation, Municipal Court, and Teen Court are funded by special contributions, participation fees, donations, grants, reimbursements, interlocal agreements with other cities, and other revenues such as voluntary utility bill donations. Expenditures are specifically restricted to the amount of revenues available annually and do not comprise a significant portion of the city's total annual budget. A new Community Clean-Up Fund has been added for fiscal year 2011. This fund will account for a new 20-cent monthly fee assessed to residential customers to be used for clean-up programs, such as storm debris pick-up, as well as educational and promotional activities.

Keller Crime Control Prevention District Fund

The Keller Crime Control Prevention District (KCCPD) was renewed by the voters for a term of fifteen (15) years on May 13, 2006. The KCCPD is funded with a 1/4th of a cent sales tax. The KCCPD Fund provides funding for vehicle and related replacements, national accreditation, technology improvements, and a tactical wireless camera. In addition, \$999,500 and \$647,075 are reserved for future capital improvements for jail improvements, and furniture, fixture, and equipment replacement, respectively. As required by state law, the City Council, at the regular meeting of August 3, 2010 approved the KCCPD fiscal year 2011 Budget.

DEBT SERVICE FUND

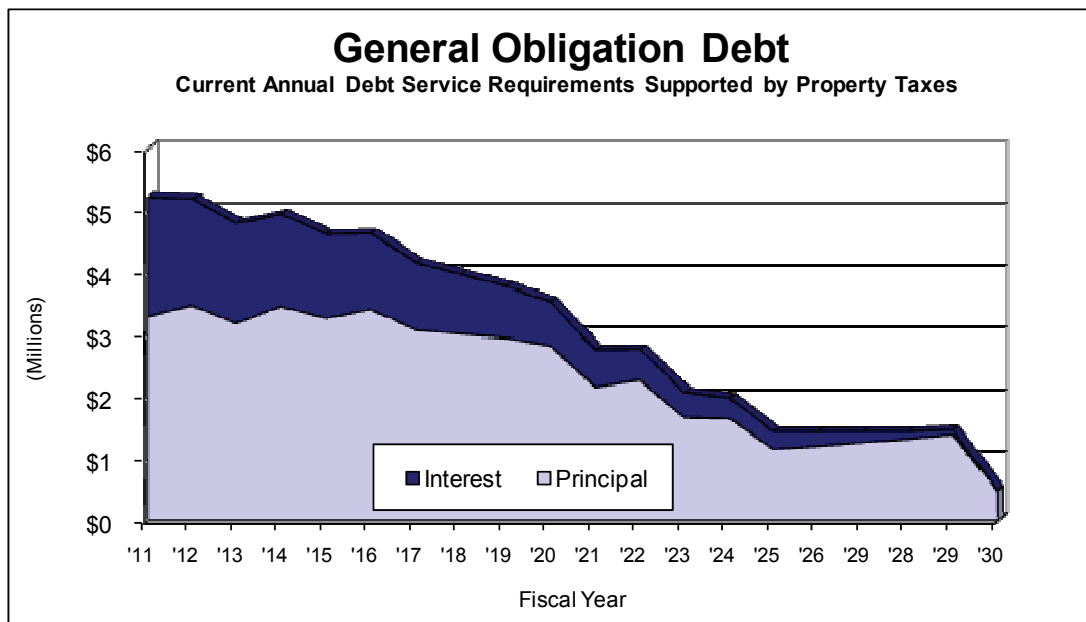
Quick Facts:

	<u>FY 2010/2011</u> <u>(Budget)</u>	<u>FY 2009/2010</u> <u>(Budget)</u>	<u>Percentage</u> <u>Increase (Decrease)</u>
Expenditures:	\$5.84 Million	\$6.11 Million	(4.6%)
Revenues:	\$5.74 Million	\$5.94 Million	(3.5%)

This Fund is used to account for revenues and expenditures related to the retirement of the city's tax-supported general obligation debt. Fiscal year 2011 direct debt per capita is \$1,150, down from an estimated fiscal year 2010 debt per capita of \$1,261. Even though the City issued \$6.71 million in new tax-supported obligations in May 2010, the direct debt per capita decreased. Debt per capita decreased due to a combination of current year debt retirement, bond refundings and an increase in population.

The city's current bond ratings are "Aa2" from Moody's Investors Services and "AA" from Standard & Poor's Rating Group. Both rating agencies upgraded the City's bond ratings in February 2009. In July 2010, Moody's notified the City that as a result of their recalibration of long-term U.S. municipal ratings, the City's rating was changed from Aa3 to Aa2. Both rating categories now classify the city's debt obligations as high-quality investment grade. The rating agencies realize that the city has done well managing its direct debt obligation and understands the growth demands that have necessitated extensive infrastructure development.

The chart below indicates the current annual principal and interest requirements through fiscal year 2029-30. The chart includes the new debt obligations issued in May 2010.



Tax Increment Reinvestment Zone No. 1 Interest and Sinking Fund

The Tax Increment Reinvestment Zone No. 1 (TIRZ No. 1) Interest and Sinking Fund budget for fiscal year 2011 reflects participating taxing entities' tax contributions (including the City of Keller's participation).

For budget purposes, and in accordance with state law, the value of the TIRZ No. 1 district is based upon the previous year's assessed property value at the end of the calendar year. That is, the value of the district upon which this fiscal year's budget is based on is the captured assessed property value of the district on December 31, 2009. Therefore, the true assessed values of projects which are completed early in the calendar year are often not fully realized until the subsequent year's budget cycle.

Reflected in the TIRZ I&S Fund for future fiscal years are annual debt service costs relating to the Combination Tax and TIRZ Revenue Certificates of Obligation, Series 2000A, issued for the Town Hall, Town Hall Plaza, Town Lakes, and Public Parking; Series 2001, issued for the construction of the KISD Natatorium; and Series 2002, issued for (and combined with remaining funds from the series 1999 issue) the remaining phase of Bear Creek Parkway and the Keller Parkway median construction completed in October 2002.

In May 2010, the City Council approved a refunding and restructuring of TIRZ debt in the amount of \$6.3 million. As a result of the restructuring, the annual TIRZ assessments are anticipated to provide sufficient annual revenues through fiscal year 2018 – requiring no City of Keller subsidy. The refunding bonds are callable on or after August 15, 2018. The TIRZ will terminate on September 30, 2018 and obligations that are due after that date will be paid with remaining TIRZ funds, if available. In the event that insufficient TIRZ funds remain, the obligations will be paid with the annual interest and sinking fund ad valorem (property) tax levy.

CAPITAL IMPROVEMENTS

Capital improvements are project-based, not fiscal year-based; therefore, they are normally not included in the total operating budget. However, since the Park Development Fee Fund, the Street Improvements Fund, and the Equipment Replacement Fund have recurring revenues, these budgets (revenues) are included in the operating budget totals. In addition, budgets of capital project funds do not lapse at year's end, and unspent funds are automatically re-appropriated into the next fiscal year.

Park Development Fee Fund

Park Development Fees are from fees paid by new development in lieu of parkland dedication. The Park Development Fee, per residential lot of \$1,000, is used for parkland acquisition and development. Expenditures from the Fund are usually recommended by the Parks and Recreation Board and approved by the City Council through the annual budget process. It is estimated that only \$5,000 in fees will be collected in fiscal year 2011.

The Park Development Fee Fund is a clear example of the effect of the recession on city revenues. In fiscal year 2007, the City collected \$436,000 in Park Development Fees and other developer contributions, compared to the expected revenue in fiscal year 2011 of \$5,000. Project funding may carry over to subsequent fiscal years due to the overall length of time some projects take to complete.

Street/Drainage Improvements Fund

This fund is used to account for street maintenance sales tax funds, sidewalk fees paid by development, special street assessments, transfers from other funds and other miscellaneous street-related improvement revenue. The fiscal year 2011 expenditures include street re-construction payable from the street maintenance sales tax revenue and miscellaneous sidewalk replacements and extensions. With the use of \$475,400 in available fund balance, it is estimated that \$ 1,490,000 will be expended in fiscal year 2011 for street re-construction/rehabilitation projects as identified in the CIP.

Sales tax revenues for fiscal year 2011 are anticipated to be flat. The fiscal year 2010 estimated sales tax revenues of \$997,200 are \$46,500 (4.5%) **below** the original adopted budget amount.

Equipment Replacement Fund

This Fund is used for short-term finance specific capital equipment purchases. The benefit of using this Fund to purchase capital equipment is that the city is generally able to invest funds at a higher rate of return than the cost of interest on the borrowed funds. The Water & Wastewater and Drainage Utility Funds transfer annual "lease" payments from their respective operating budgets to fund routine vehicle and light-equipment replacements. The fiscal year 2011 Budget includes the replacement of a utility service vehicle (\$27,000) for the Water and Wastewater Fund.

Capital Projects Fund

The Capital Projects Fund is used to account for revenues from the issuance of debt and project expenditures for specific capital improvements. A five-year capital improvements program (CIP) summary is also included in the Capital Improvements section of the document. No debt-financed capital projects are proposed for fiscal year 2011. **As you will notice, our five (5) year CIP has a number of projects where no funding source has been identified.**

Calculations and Projections

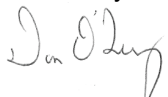
Property tax appraisal information is provided by the Tarrant Appraisal District. Historical sales tax information is provided by the State Comptroller. Franchise, municipal consent agreement and licensing fees are projected pursuant to contractual provisions with each franchisee, municipal consent or licensing agreement and adjusted for growth. All other operating revenues and fees have been estimated on the basis of experience and historical growth trends by the city staff. Operating revenues depict cautious optimism that the regional economy will continue to grow at a steady, yet slower pace than previous years. As a result, a conservative approach has been taken when projecting available revenues for the upcoming fiscal year in order to ensure that revenues will be available throughout the entire fiscal year to support operations, annual debt requirements and preserve financial reserve targets.

All financial goals and targets have been met or exceeded for each fund, expressed in a percentage of operating expenditures and number of days of operating expenditures, pursuant to the approved financial policy and reflective of the city's commitment to maintaining a sound fiscal policy with emphasis on establishing reserves for future capital and equipment replacements and significantly improving the General Fund reserves.

Summary

I hope you find this introduction and overview useful and informative as you prepare to deliberate during our upcoming budget work session. I believe this proposed budget is fiscally-responsible and responsive to the City Council's goals and objectives. I look forward to participating in deliberations and working with the Council to adopt a budget which positively impacts the services we deliver to the Citizens of Keller. This proposed budget would not be possible without the tremendous effort of our department directors and their staffs.

Sincerely,



Dan O'Leary
City Manager

Non-Financial Departmental Goals

Exhibit A

Department	Superior Service	Council & Citizen Communication	Fiscally Responsible	Quality Transportation and Infrastructure	High Quality Personnel	Quality (Well-Planned) Residential Housing	Quality of Life (Leisure)	Quality (Aggressive) Economic Development
City Manager/Administration ⁽¹⁾								
Finance Department ⁽¹⁾								
Municipal Court ⁽¹⁾								
Human Resources ⁽¹⁾								
Information Technology ⁽¹⁾								
Economic Development ⁽¹⁾								
Planning/Community Development								
Police Department								
Fire Department								
Public Works								
Water & Wastewater								
Parks & Recreation								
Library								

⁽¹⁾ Included in the Administration/General Government category in budget summaries.

Superior Service – Develop staff committed to serve in a professional, friendly, responsive, and customer/citizen-focused manner.

Council & Citizen Communication – Develop and maintain programs that effectively communicate and increase the public’s awareness of City services.

Fiscally Responsible – Develop, implement, and continue plans and policies that provide funds to maximize the quality of services while balancing revenue sources with cost of maintenance and operations, and debt service.

Quality Transportation and Infrastructure – To ensure the health, safety and welfare of Keller citizens through the provision of high quality Public Works Services involving an aggressive work program to design, construct, maintain and rehabilitate the street, drainage, water and sanitary sewer infrastructure in Keller.

High Quality Personnel – Hire, develop and retain high quality staff by establishing interlocal agreements or joint ventures with other municipalities to provide a quality and cost saving service to our citizens.

Quality (Well-Planned) Residential Housing – Facilitate the development of land in Keller for high quality residential (as well as non residential) use, while preserving Keller scenic character, promoting sound economic development, maintaining a thoroughfare system while protecting residential areas, promoting enhancement of neighborhoods through natural features and providing for recreational areas and open spaces.

Quality of Life (Leisure) – The Keller Public Library will strive to expand services that will keep connecting people with the information needed to live enriched, productive lives. Parks and Recreation programs are designed to enrich our community by providing recreational, entertainment and fitness opportunities; quality parks and facilities; and programs that enhance the lives of our citizens.

Quality (Aggressive) Economic Development – Promote and develop, in a proactive format, a well-balanced economic infrastructure by focusing on quality jobs and related issues that will preserve and enhance our high quality of life.

READER GUIDE

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READER'S GUIDE

The annual operating budget for the City of Keller (the City) is the result of many hours of deliberation by both City staff and the City Council. Organization of the budget document is designed to help the reader locate information, both financial and non-financial, in a timely manner.

This guide is included to provide the reader with an overview of the budget document, the budget process, budget implementation, and reporting on budget results.

BUDGET PROCESS

Budget Calendar. The following table provides a condensed budget calendar used each year by City staff.

February – April	Forms, instructions, and directives provided to City staff and Departments
April – mid May	Departmental preparation and input of budget requests, and current year re-estimates (amendments)
April – June	City Council and staff budget goals workshop
May – June	Meetings with City Departments by City Manager and Finance Director to review budget requests and current year re-estimates (amendments)
July – August	Final budget revisions prepared by City Manager and Finance Department for distribution of proposed budget to City Council
July 25	Certified tax appraisal roll due from Tarrant Appraisal District
Early August	Calculate and publish effective tax rate
August 15	Proposed budget filed with City Secretary for public review, distributed to the City Council, and copy of proposed budget placed in the Keller Public Library
Mid August – early September	City Council budget workshop(s) to review proposed budget; hold public hearings on tax rate (if necessary)
Mid – late September	Hold public hearing and adopt the budget, set tax rate, and adopt current year budget estimates (amendments)
October – early November	Fiscal year begins October 1. Finance Department staff and City Manager make final corrections resulting from the budget adoption, and publish budget document, which is distributed to users usually in mid November.

Preparation and Adoption for FY2011. In March 2010, the budget process for fiscal year 2010-2011 (FY2011) began. The Finance Department prepared and distributed budget preparation instructions and forms to each department to assist in the budget preparation and formulation. The budget instructions included expenditure request forms, current personnel staffing levels by position and other information necessary to complete budget requests for FY2011. Departments were instructed to prepare budget requests in accordance with the Council's goals and objectives, which were established at a City Council budget goal-setting workshop held in March, 2010. (See City Manager's transmittal letter.)

READER'S GUIDE

BUDGET PROCESS

(continued)

Upon completion and submission of budget requests by the departments, the Finance Department then processed and compiled the budget requests and line-item expenditure details for review by the City Manager. The City Manager then reviewed each departmental expenditure request and line-item expenditure details, and current year estimates, with the respective department manager and staff. Over a period of three to four weeks, the City Manager made revisions and modifications to the original departmental requests, and current year estimates, in order to arrive at a final proposed budget. The Finance Department also prepared revenue estimates using available historical data, combined with current year projections and trend information. The City Manager also reviewed and made modifications to revenue estimates.

On or before August 15th of each year, the City Manager presents to the City Council a proposed budget for the next fiscal year. The proposed budget is also filed with the City Secretary, posted on the City's Internet website, and placed in the Keller Public Library for public review and inspection. The City Council and staff then hold a public budget review work session, where specifics of the proposed budget are considered and discussed, and prioritized. As a result of Council direction, some amendments are usually made to the proposed budget. These amendments are then incorporated into an amended proposed budget. After the amendments are incorporated into the proposed budget, a public hearing on the amended proposed budget is held by the City Council in September. Prior to the public hearing, in accordance with the City's charter requirements, proper notice is published in the local newspaper encouraging interested citizens to be present and make any comments on the City's proposed budget. At the conclusion of that public hearing on the proposed budget, the City Council adopts the final budget by ordinance, including any additional modifications that may have been made as a result of the public hearing. (However, any increase in the proposed budget as a result of the modifications requires an additional public hearing to consider the proposed increase.) Subsequent to the adoption of the budget, a separate ordinance is adopted, establishing the tax rate necessary to fund the operations and debt service requirements.

Budget Amendment. In accordance with Article VIII, Section 12 of the Keller Charter, the City Council may amend the budget by ordinance if the amendment will not increase total budget expenditures. If an increase in total expenditures is necessary to protect the public property or the health, safety or general welfare of the citizens of Keller, the total budget may be increased after notice and public hearing (as prescribed for the adoption of the original budget).

BUDGET OBJECTIVES

The FY2011 budget has been prepared in an effort to communicate to the citizens and staff of the City the overall policies and goals of the City Council. The budget document includes descriptions of the City's various activities and programs (departments), goals and objectives for the current and future years, and comparative service level indicators for each program or activity, where available. This format is designed to communicate clearly to the public the goals and objectives of the City Council, thereby enabling the reader to gain more useful information about the City, without requiring detailed accounting or budgetary knowledge.

For each operational fund, the budget is prepared on a line-item basis by individual department and division/activity. The City Manager then presents budget programs and goals and objectives to the City Council. Line-item expenditure justifications are omitted from the budget document, in order to focus more on the programs and objectives of the coming fiscal year. The Finance Department will provide a line-item and capital outlay detail budget upon request.

READER'S GUIDE

BUDGET PHILOSOPHY

Budget philosophy for the City depends upon the local needs and concerns of the citizens. Other factors also affect budget philosophy, such as the state of the local economy, the demands of the public for increased services, and unfunded mandates and requirements of federal and state regulatory agencies. Even with all of these considerations, the City's budget is prepared from a conservative perspective with regard to estimating both revenues and expenditures. Although historical comparisons and trends are very useful, often current year data and trends will take precedence over prior year trends.

Likewise, expenditures are estimated conservatively, i.e., allowances are made for unanticipated expenditures, and personnel services costs for vacant positions are funded for the entire fiscal year, except where noted otherwise. The use of conservative budget estimates generally results in favorable budget variances at the end of the fiscal year, thereby increasing the actual fund balance,

PRESENTATION OF FINANCIAL INFORMATION AND BASIS OF ACCOUNTING

Fund Accounting. The City utilizes fund accounting procedures to prepare the annual operating budget. By definition, a "fund" is a distinct fiscal entity, accounting for receipts and disbursements that are for specific activities. A fund is a self-balancing set of accounts, where assets equal liabilities plus fund balance.

The City primarily uses the following fund types:

- Governmental funds; and
- Proprietary funds

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions of the City are financed. The City uses the following four types of governmental fund types:

General Fund – the general operating fund of the City, used to account for and report all financial sources not accounted for and reported in another fund. Typical governmental functions, such as police, fire, library, streets, parks, and administration are funded in the General Fund.

Special Revenue Funds – these funds are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than debt service or capital projects. The City budgets for the following other funds:

Keller Development Corporation – accounts for proceeds of the one-half cent local sales tax for park improvements.

The Keller Pointe (Recreation/Aquatic Center) Fund – accounts for the operations of The Keller Pointe Recreation and Aquatic Center, which opened for operations in May 2004. It is the intent of City management that: a) the operations of the facility will be self-supporting and funded by user fees and charges; and b) no general tax-supported revenue will be used to fund facility operations. The Fund is classified as a Special Revenue Fund for financial reporting purposes, rather than a Proprietary/Enterprise Fund. Even though the intent of the Fund is to fund its operating costs with user fees, the debt obligations used to fund the construction of the facility are the responsibility of the Keller Development Corporation, and are not being repaid from user fees. Consequently, the Fund is not classified as an Enterprise Fund. The Fund is shown as a user-fee supported fund, or a Special Revenue Fund throughout the budget document.

READER'S GUIDE

Fund Accounting

Governmental Fund Types – Special Revenue Funds (continued)

Library Special Revenue Fund – accounts for special contributions and related expenditures for the Keller Public Library.

Recreation Special Revenue Fund – accounts for specific revenues resulting from the operation of the City's recreation program, and related costs.

Municipal Court Special Revenue Fund – accounts for technology, building security fees and juvenile case manager fees collected from Municipal Court citations. Expenditures from these fees are specifically designated by State law.

Public Safety Special Revenue Fund – accounts for revenues and expenditures of a specific nature for the Police and Fire Departments. Included within this fund are revenues from narcotics seizures, training cost reimbursements from the State of Texas Law Enforcement Officer Standards and Education (LEOSE), local, state, or federal grants, Homeland Security grants, and miscellaneous public donations to the Police and Fire Departments. Because the amount and source of revenues are unpredictable and sporadic, no annual budget is prepared or adopted for this fund.

Teen Court Special Revenue Fund – accounts for the operations of the regional joint teen court operations with the cities of Keller, Haltom City, and Watauga, and the surrounding school districts. Initial funding for this activity was provided from a State Teen Court grant. The State Teen Court grant expired in October 2001.

Information Services Special Revenue Fund – The Information Services Fund is funded primarily by transfers from both the General Fund and Water and Wastewater Fund, as well as income received from communication tower leases on property owned by the City. These resources are used to fund the operation of a City-wide information systems and information technology program.

Special Contributions and Donations Fund – created in FY2007 to account for public donations or other designated revenues. Because the amount and source of revenues are unpredictable and sporadic, no annual budget is prepared or adopted for this fund.

Keller Crime Control Prevention District Special Revenue Fund – a fund established in FY2002 to account for revenues derived from sales and use taxes, in accordance with Section 363 of the Texas Local Government Code, to be used for public safety crime control and prevention programs (crime tax). In November 2001, voters authorized 3/8 of one cent (0.375%) sales and use tax. In May 2006, voters authorized the tax for an additional period of 15 years. In November 2007, voters authorized a reduction in the rate from 3/8 of one cent (0.375%) to 1/4 of one cent (0.25%).

Community Clean-Up Special Revenue Fund – created in FY2011 and accounts for resources from monthly fees assessed to residential customers that are specifically designated for clean-up programs within the community, including, but not limited to, storm debris pick-up, city-wide clean-ups, and educational and promotional activities. The purpose of this program is to provide public services that assist in keeping the City free and clear of any debris, waste, refuse or other items that may cause a public safety issue, be a public nuisance or be a detriment to the aesthetics of the community.

Budgeted funds in this group are located in the Other Funds section of the document.

Debt Service Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The City utilizes two debt service funds.

READER'S GUIDE

Fund Accounting

Governmental Fund Types

(continued)

Debt Service Fund – used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. This fund does not account for debt obligations backed by revenues of the City's water and wastewater activities.

Keller Town Center Tax Increment Reinvestment Zone (TIF) Interest and Sinking (I&S) Fund – accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest issued by the Keller Town Center TIF. TIF assessments are paid into the I&S fund from each of the participating entities.

These two funds are located in the Debt Service section of the document. Debt service for Proprietary Fund Types is included within the activities of the respective proprietary fund.

Capital Projects Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Funding sources are typically bond proceeds or certificates of obligation. There are several capital project funds used by the City to fund various capital improvements, which are included in the City's audited financial statements. However, the City currently maintains only three capital project funds that are recurring in nature, i.e., financed with transfers, user fees, or short-term debt. Except for intragovernmental transfers to other funds, e.g., transfers of interest earnings or impact fees from capital projects funds to debt service funds for debt retirement, only the following capital project funds are included in the City's budget totals:

Park Development Fee Fund – accounts for developer fees that are designated for funding parks capital improvements.

Street/Sidewalk/Drainage Improvements Fund – accounts for developer sidewalk fees, street assessments, and the one-eighth cent (0.125%) street maintenance sales tax revenues that are designated for street, sidewalk, and drainage improvements. In November 2007, voters reauthorized the tax for four additional years at 1/4 of one cent (0.25%).

Equipment Replacement Fund – accounts for the annual funding of capital equipment replaced with the issuance of short-term debt proceeds, or transfers from other funds. The equipment replaced is typically operational in nature, and therefore, this fund is included in the budget total amounts.

Project-based capital projects funds are included in the City's audited financial statements, but are not subject to annual appropriations, and are therefore excluded from the operating budget totals. These funds include: Capital Projects Fund, Parks Capital Improvements Fund, and the Roadway Impact Fee Fund. However, project information for some of these funds is disclosed in the Capital Improvements section of the document.

Proprietary Fund Types: In addition to governmental fund types, the City also uses proprietary fund types or enterprise funds. Enterprise funds are used to account for operations that are financed in a manner similar to private business enterprises. The City utilizes the following enterprise funds:

Water and Wastewater Fund – accounts for and reports revenues and expenses of the City's water and wastewater activities, financed through user charges and fees for water and wastewater services. Expenses also include the related annual debt service obligations.

Drainage Utility Fund – accounts for and reports revenues and expenses of the City's drainage utility, which is financed through drainage charges. This fund is located in the Other Funds section of the document.

READER'S GUIDE

Budget Columns. In order to facilitate enhancing year-by-year changes, comparative financial information for the following years, is presented in the columns below:

(1)* 2008-2009 <hr style="width: 80%; margin: 0 auto;"/> Actual (FY2009)	(2) 2009-2010 <hr style="width: 80%; margin: 0 auto;"/> Budget (FY2010)	(3) 2009-2010 <hr style="width: 80%; margin: 0 auto;"/> Estimate (FY2010)	(4) 2010-2011 <hr style="width: 80%; margin: 0 auto;"/> Budget (FY2011)
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* FY2009 amounts represent the actual amounts as provided by the prior year audited financial statements.

Basis of Accounting and Budgeting. The accounts of the City are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. All funds are budgeted (except as otherwise stated earlier) and accounted for on a Generally Accepted Accounting Principles (GAAP) basis for purposes of financial statement presentation in the City's audited financial statements. The Governmental Fund Types, e.g., General and Special Revenue Funds, use a financial resources measurement focus and are accounted and budgeted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures represent a decrease in net financial resources and, other than interest on general long-term debt, are recorded when the fund liability is incurred, if measurable. Interest on general long-term debt is recorded when due.

In the City's audited financial statements, Proprietary (Enterprise) Fund types, e.g., Water and Wastewater Fund, are accounted and budgeted on a cost of services or "capital maintenance" measurement focus, using the full accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. However, for purposes of this budget presentation, depreciation is not budgeted, and capital expenditures and bond principal payments are shown as uses of funds (expenditures). Unless otherwise noted, working capital, rather than retained earnings, is used to represent fund balance in all funds, including Enterprise Funds. Working capital is generally defined as the difference between current assets (e.g., cash and receivables, etc.) and current liabilities, excluding the current portion of principal and interest due (e.g., accounts payable), and provides a better comparative analysis of proprietary fund reserves for budget purposes than does the presentation of retained earnings as presented in the audited financial statements. In addition, budgeting capital outlay as expenditures for budgetary purposes allows the proposed capital purchases to be reviewed and authorized by City Council each year.

BUDGET DOCUMENT PRESENTATION FORMAT

Included in the introductory section of the budget document is a city-wide organization chart, a budget calendar, and a list of principal officials. As in prior years, the budget contains the City Manager's budget message (transmittal letter) to the citizens and the City Council.

Following the introductory material in the document, City-wide budget summaries, or budget in brief, are presented. Budget summaries include consolidated and/or condensed budget information by fund and general categories, including all revenues and expenditures, transfers, and projected ending fund balances. Other summary information is also included, such as personnel and staffing position summary by fund/department/program or activity; and an ad valorem tax summary, presenting information regarding the assessed valuation and the tax rate (levy) adopted for each year. Appropriate graphs and charts have also been included in order to assist the reader in the interpretation of financial data.

READER'S GUIDE

BUDGET DOCUMENT PRESENTATION FORMAT (continued)

Financial summaries and detailed departmental information are then presented for each individual budgetary fund, where appropriate. The information presented for each fund includes a comparative fund summary with beginning and ending fund balances, and a summary of revenues and expenditures. Revenues are then presented for each fund by detailed sources, while summaries of expenditures are presented for both the department/activity and function (i.e., personal services, operations, etc.). Personnel and staffing level summaries are also presented for each individual fund and department/activity. Graphs and charts of summary data are also included where appropriate.

Following the individual fund summary data, detailed departmental and activity information is presented. These presentations include a department expenditure summary, and an authorized personnel/position summary for each department. A department/activity summary includes (1) a brief description of the program/activity (department), outlining the major areas of responsibility; (2) major goals for the program/activity for the year; and (3) appropriate comparative service level analysis.

The Supplementary Information section includes the City's wage and salary pay scale by individual job title and glossary of terms. Also included in this section are statements of budget policies, explaining the policies and procedures utilized during the various stages of the budget process. The budget policies include explanations of the budget preparation process, its deliberation and adoption; the public hearing process; and policies for amending the budget subsequent to its adoption.

DEPARTMENTAL MATRIX

The following table indicates the relationship of City Departments between funds and fund types used in the budget document.

Department	Governmental Funds				Proprietary Funds	
	General Fund	Other Funds ⁽¹⁾	Debt Service	Capital Projects	Water & Wastewater	Drainage
Administration/General Government						
Planning & Development						
Police Department						
Fire Department						
Public Works Department						
Keller Public Library						
Parks and Recreation						
Water & Wastewater (Administration)						
Water Utilities						
Wastewater Utilities						
Drainage Utility						

⁽¹⁾ Includes all budgeted Special Revenue Funds.

READER'S GUIDE

INTEGRATION WITH THE FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP)

A separate Five-Year Capital Improvements Program (CIP) document is prepared and updated each year, and includes detailed project descriptions, along with anticipated project costs, and sources of project funding. Almost all projects require the issuance of debt (e.g., general obligation bonds, certificates of obligation). Since most of the projects require the issuance of debt, the projects are not actually approved, or funded, until the Mayor and City Council take official action to authorize funding for the project during a public meeting.

A summary of the 2010-2011 through 2014-2015 CIP is provided in the capital improvements section of the document.

CONCLUSION AND ACKNOWLEDGMENTS

The preparation of the FY2011 budget document was made possible by the dedicated service of the staff and the Mayor and City Council of the City. Each employee who assisted in contributing to the preparation of this annual budget has the sincere appreciation of the budget staff. Appreciation is also expressed to the Mayor and City Council for providing the necessary resources in which to maintain the integrity of the City's financial and budgetary affairs.



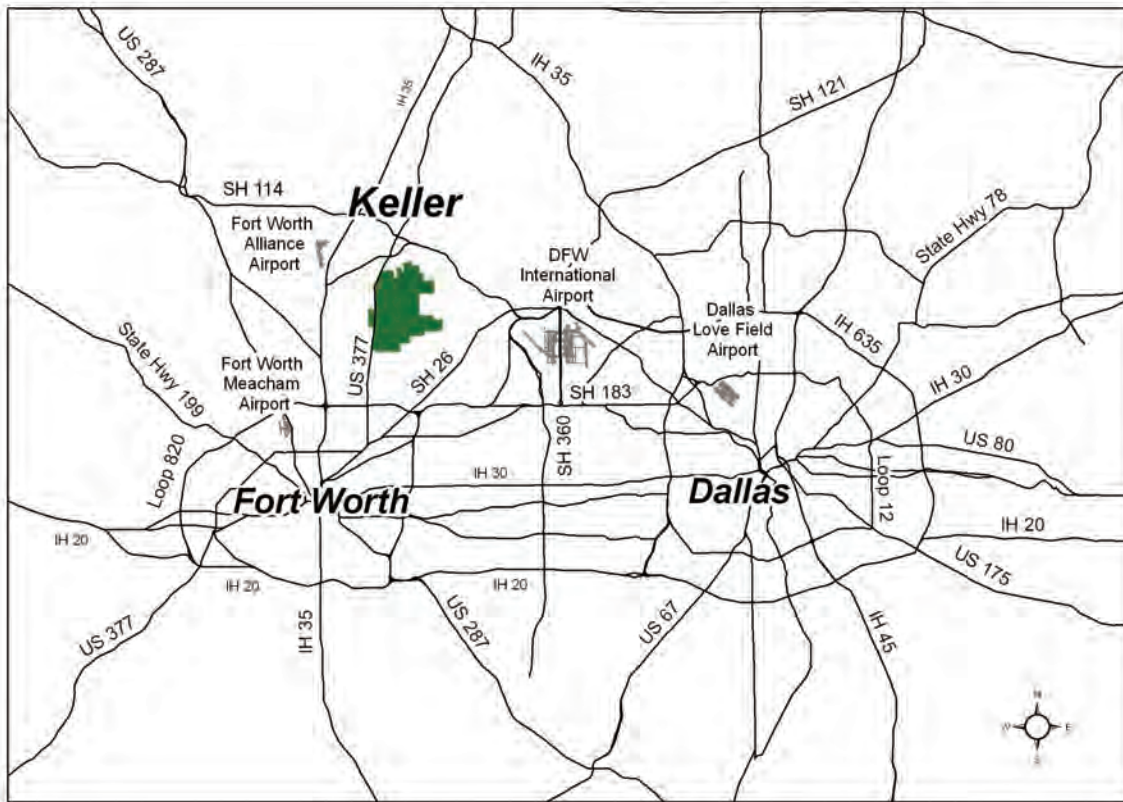
KELLER PROFILE

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KELLER PROFILE

GENERAL INFORMATION

The City of Keller was recently rated as one of the “Top 10 Places to Live” in the United States for 2009 by *Money* magazine as well as one of the top 10 suburbs in the Dallas area in 2008 by *D magazine*. Some of the items that contributed to these rankings include our extremely low crime rate, an excellent park and trail system, diverse and affordable housing opportunities, and an overall high quality of life. This ranking is a reflection of the dynamic community that Keller is becoming and its premier location in the heart of the DFW Metroplex. Keller is approximately mid-way between the Dallas/Fort Worth International and Alliance Airports, both major employers for our community. The city’s approximately 19 square miles is traversed by several major traffic corridors including U.S. 377 and Farm-to-Market 1709. The city’s quality school system, high residential growth rate, business-friendly atmosphere, low taxes, premier park system and low crime rate make Keller an inviting destination for new commercial development projects.



Keller History. Located near Double Springs, Keller was originally known as Athol and was settled in the early 1850's because of its close proximity to the Trinity River, a supply of plentiful game, and the abundance of land for cattle raising and farming. The City of Keller was officially established in 1881 during the rapid development of railroad service through the area. It was named after John C. Keller, a Texas Pacific Railroad foreman, after the site became a stop on the railroad line. While Keller's residents were originally farmers, the arrival of the railroad helped develop the city into a successful trade center where a number of businesses thrived. Many of the buildings that housed the original businesses still stand today in the Old Town Keller area.

Keller Local Government. The City was incorporated in 1955 under the general laws of the State of Texas. In 1982, voters adopted the City's Charter, becoming a Home Rule City, and subsequently began operating under the Council-Manager form of government. The City Council is comprised of a Mayor and five Council Members, elected at-large. The Council Members are elected for two-year staggered terms and elections are held annually in May.

KELLER PROFILE

GENERAL INFORMATION

(Continued)

Establishing City policy is the sole responsibility of, and is vested in, the City Council. The City Council is required by the City Charter to appoint a City Manager to serve as the Chief Administrative and Executive Officer of the City. The duties of the City Manager include the appointment of all City department managers, administering the daily affairs of the City and ensuring that City policies are enforced.

OPERATIONS

The City of Keller provides a full level of public services to its citizens, including administrative services; police, fire and emergency medical services; municipal courts service; parks and recreation facilities; a municipal library; community planning and building inspection; economic development; public works and engineering; street maintenance; water, wastewater and drainage utility services; and contracts for solid waste collection and disposal.

The FY2011 annual budget of \$65,973,335 includes a budgeted staffing level of approximately 345 full-time equivalent employees, including 83 in the police department and 60 in the fire department.

POPULATION AND ECONOMICS

The City has experienced significant population growth since 1970 rating it among the fastest growing cities in Tarrant County. The following table presents Keller's official Census population since 1970, as well as the current year estimated population.

	Population	Increase (Decrease)	Pct Increase (Decrease)
1970 Census	1,474	NA	NA
1980 Census	4,156	2,682	182.0%
1990 Census	13,683	9,527	229.2%
2000 Census	27,345	13,662	99.8%
2010 Estimate	40,474	13,129	48.0%

The City's estimated population by 2010 is 40,474 with the expected build out population between 45,000 and 50,000.

The City is approximately 84% developed and continues to grow primarily as a residential community, with residents employed by major companies located within a 15-mile radius of the City. Several manufacturing firms are located in the Keller area, as well as a variety of commercial establishments, restaurants, shops and food stores. Increasing residential development in north Fort Worth, adjacent to Keller's boundary, impacts Keller's commercial and restaurant development due to the lack thereof in the new residential areas. The City continues to encourage quality commercial growth, which will benefit the entire community. **More than 2.1 million square feet of commercial space, valued at over \$168 million, was constructed between 2004 and 2008.** The average new home is 4,669 square feet compared to 5,296 square feet last year. The average construction value of \$303,383 compares to 2008's value of \$347,139. The City expects to have steady residential and commercial growth in the coming years.

KELLER PROFILE

POPULATION AND ECONOMICS

(Continued)

The Keller Pointe, an 87,940 square foot recreation and aquatic center with construction financed by the Keller Development Corporation half-cent sales tax, opened in May 2004. The facility's operations are self-supported by user fees. As of July 2010 the Pointe has approximately 3,500 paid memberships.

Keller Town Hall and Town Hall Plaza were dedicated on April 19, 2002. The 53,000 square foot facility houses the City Council chambers and approximately 65 employees of the administration, finance, utility billing and collections, parks and recreation administration, community development, public works administration, engineering, information services, and human resources departments. The facility is intended to have the capacity for approximately 110 employees at build-out of the City.

In order to keep pace with the rapid residential growth and expanding commercial areas, infrastructure improvements have continued to be a high priority. A 1.4-mile section of Rufe Snow Drive, a primary arterial roadway extending from IH-820 in North Richland Hills northward to the center of Keller at Keller Parkway (F.M. 1709), is currently under review for an expansion to become either a 4-lane divided or 6-lane divided road. This expansion of Rufe Snow Drive between Rapp Road and Bear Creek Parkway is scheduled to begin in the winter of 2010, with an expected completion date in 2011. Major commercial and residential projects along Rufe Snow Drive include: North Hills Family Practice, a 22,932 sq. ft. medical office development; Cobblestone Parks, a 29-lot residential development; Family Video, an 8,161 sq. ft. retail store; and Fall Creek Estates, a 131 lot residential development nearing completion. Similarly, North Tarrant Parkway is under construction and will expand to a 6 lane divided arterial. Construction on North Tarrant Parkway will be complete in 2011. It, along with Rufe Snow Drive, will have landscaped medians, turn lanes, traffic signals, and sidewalks. Two additional north-south arteries are either under design or under construction. First, Randol Mill Avenue (F.M. 1938) is proposed to become a 4-lane divided roadway. This proposal is currently under design and will increase access along the City's eastern boundary to SH 114. Last, U.S. Highway 377 beginning at Keller Hicks Road and extending north to State Highway 170 was completed in 2009 and now provides a new 4-lane divided highway along Keller's western boundary, thus completing a major north-south arterial roadway from IH-820 to SH 170. In addition, the expanded U.S. Highway 377 will provide improved access to several miles of prime commercial frontage totaling approximately 170 acres.

Major commercial and residential projects on U.S. Highway 377 include: AUI Contractors Field Office and Warehouse, a 30,331 sq. ft. office and contractor yard; Bear Creek Plaza, Phase 3, a 101,000 sq. ft. commercial development of restaurants and shops; Care Now, a 5,575 sq. ft. medical facility; Marshall Pointe Estates, an 84-lot residential development; Marshall Ridge, Phases 1 and 3, a 453-lot residential development. The City has included on the current Thoroughfare Master Plan to construct a two-way couplet through the Old Town Keller business district, which will ultimately create three lanes of traffic moving south along U.S. Highway 377 and three lanes of traffic traveling north along the current alignment of Elm Street. The project currently has a 10-15 year planning and design time frame, and when complete will accomplish two primary goals – the improvement of traffic flow through a major bottleneck, and the preservation of our Old Town business district.

Keller Town Center is a concentrated center of business activity that creates a focal point in the City of Keller. This focal point is non-residential with residential uses allowed as part of the overall mixed-use nature of the area. For example, the Arthouse at Keller Town Center is a 240,974 sq. ft. mixed-use development with 188 residential units. Uptown Keller, Phase 1 is another mixed-use development consisting of 48 residential lots. The major component of this development is a 27,996 square-foot retail/office building that fronts Keller Parkway (F.M. 1709). Similarly, Uptown Keller, Phase 2 consists of a 54,411 square-foot, three-story "Cornerstone Building" with retail on the ground floor and residential units on the upper floors. Other developments in Town Center include Pecan Park, a 10,170 square foot office development, a Wachovia banking facility, and the Square at Keller Town Center, a 77,600 square-foot office and retail development.

KELLER PROFILE

Area Employers. There are many employers in the Dallas/Fort Worth Metroplex area, as well as Tarrant County. The largest area employers are shown in the following table:

Major Employers	Number of Employees	Major Local Employers	Number of Employees
AMR Corporation	15,143	Keller ISD	2,103
Bell Helicopter/Textron	4,873	City of Keller (FTEs)	345
ATC Logistics	3,000	Southstar Logistics	330
Sabre Holdings	3,000	Kroger	190
BNSF Railway	2,500	Home Depot	139
Fidelity Investments	2,000	Kohl's Department Store	120
Gaylord Texan Resort	1,900	Lowe's	110
Dallas/Fort Worth Airport	1,700	Tom Thumb Grocery	101
Healthmarkets	1,200		

CENSUS AND DEMOGRAPHICS

The following information for Keller is taken from the U.S. Census 2007 Data and *American Community Survey*.

Population Characteristics (2007):

	<u>Population</u>	<u>Percent of Total</u>
Male	18,730	47.3 %
Female	18,946	52.7 %

Race (2007):

White	33,821	89.8 %
Black	1,184	3.1 %
Am. Indian	239	0.6 %
Asian	965	2.6 %
Pacific Islander	16	–
Other race	773	2.1 %
2 or more races	678	1.8 %
Hispanic origin (any race – included in above numbers)	2,259	6.0 %

2010 Estimate 40,474

Age Distribution (2007):

<u>Age</u>	<u>Percent of Total</u>
0 – 19 years	36.3 %
20 – 64	57.7 %
65+	6.0 %

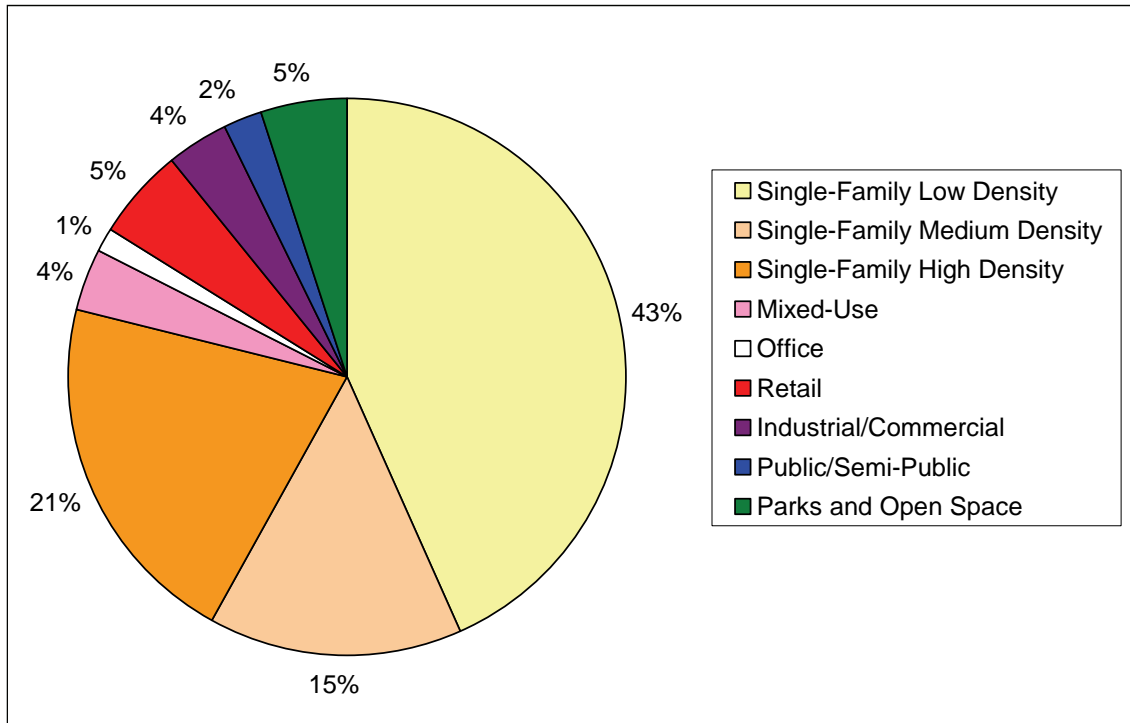
Median age: 37.3 years

Income (2007):

Median household income	\$107,518
Per capita income	\$39,614
Average household income	\$121,512

KELLER PROFILE

PROPOSED LAND USE



The above chart indicates the current proposed land use mix of Keller at build-out. Single-family residential property will comprise approximately 79% of the total land area of Keller.

EDUCATION

Education for the community is provided by the Keller Independent School District (KISD), which encompasses an area of approximately 51 square miles. The KISD conducts programs for Pre K-12, and employs approximately 2,189 teachers in addition to administrative personnel and support staff. KISD has 36 school campuses, with an approximate enrollment of 30,000 students, and an alternate education center. In addition, there are several private or parochial schools in the area. KISD also has two National Blue Ribbon Schools of Excellence, 32 TEA Exemplary and Recognized schools and the 2007 Texas State Secondary Teacher of the Year.

Educational opportunities beyond high school are readily available. The Northeast campus of the Tarrant County College District is within short driving distance. In addition, within a 40-mile radius, there are a number of colleges and universities, including Southern Methodist University, Texas Christian University, Texas Women's University, the University of North Texas, the University of Dallas, and the University of Texas at Arlington. There are also several trade, industrial and technical schools located throughout the area.

KELLER PROFILE

QUALITY OF LIFE

Parks and Recreation. The City has ten developed parks: Keller Sports Park (130 acres); Johnson Road Park (15 acres); Bear Creek Park (44 acres); The Parks at Town Center (102 acres); Bursery Ranch Park (1.34 acres); Overton Ridge Park (8 acres); Chase Oaks Activity Node (5 acres); Willis Coves Open Space (4 acres); Veteran's Memorial Park (.3 acres) and a linear park, Big Bear Creek Greenbelt (26.2 acres), which includes a 5.39 mile concrete hike and bike trail. In addition to this main spine of the trail system, Keller also provides an additional twelve (12) miles of trails throughout the city. These parks provide fishing areas, hike and bike trails, basketball and volleyball courts, playground areas, picnic tables, open play areas, practice areas and pavilions. The Keller Sports Park, opened in 1996, provides soccer and football/t-ball fields, and two 4-plex fields (baseball and softball), an outdoor multi-use arena and has leased 9.9 acres for a 68,000 square foot indoor soccer arena, including two outdoor fields. As previously mentioned, the department also operates The Keller Pointe, an 87,940 square foot state of the art recreation and aquatics center, currently serving over 3,400 annual memberships equating to over 10,000 individual members. The Keller Parks and Recreation Department offers a variety of recreational programs, special events, exercise classes, sports leagues, youth camps and workshops. The Recreation Division also administers the activities of the Keller Senior Activities Center, coordinating recreational activities, events and trips.

Keller Public Library. The Keller Public Library provides materials for checkout and programs for citizens of all ages within the community. Special programs include story times, movie nights, teen and adult programs, and a summer reading club. Online resources available with a library card are databases, downloadable audio books and e-books. The library facility was recently renovated and expanded to approximately 21,000 square feet, and includes 50 public computers, three meeting rooms, a patio, and much more.

Area Recreation and Leisure. There are several 18-hole championship golf courses located within minutes of the City. The Sky Creek Ranch golf course, located in Keller, opened in 1998. The City offers a suburban lifestyle with varied neighborhoods. There are approximately 20 lakes located in the 11-county Dallas/Fort Worth area, offering boating, fishing, camping and picnicking facilities. The Cities of Fort Worth and Dallas with their varied cultural opportunities of theaters, museums, zoos, botanical gardens and professional sports teams are less than a 30-minute drive from the City. Major tourism attractions in the area include: Fort Worth Botanical Gardens, Fort Worth Zoo, Fort Worth Stockyards, Hurricane Harbor, Six Flags over Texas, Texas Motor Speedway, NRH₂O family water park, and The Keller Pointe Recreation and Aquatics Center. Professional ball club franchises in the area include the Dallas Cowboys, Texas Rangers, Dallas Stars, Dallas Mavericks, and FC Dallas. There are also numerous minor and independent league franchises for baseball (the Fort Worth Cats), and hockey available in the area.

MEDICAL

Excellent health care facilities are located within minutes of the City, including four of the largest hospitals in Tarrant County. The Metroplex area is served by more than 70 hospitals offering specialized services such as organ transplantation, major trauma care, cancer treatment, kidney dialysis and chemical dependency treatment. Baylor Medical and Diagnostic Center, located on U.S. Highway 377 in Keller has approximately 39,000 square-feet, and commenced operation in March 2006. Lonestar Endoscopy, also located on U.S. Highway 377 (next to Baylor Medical) is also fully operational.

TRANSPORTATION

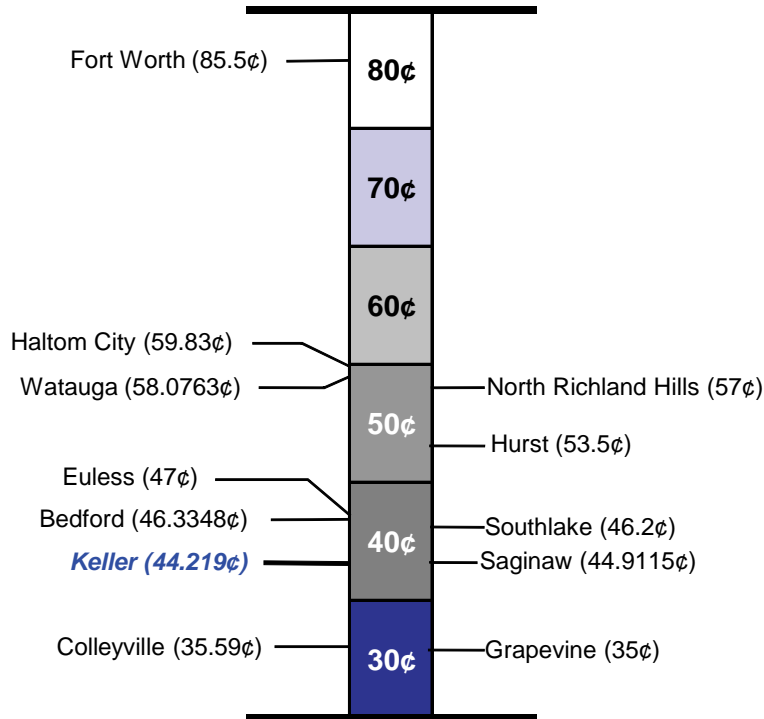
The City is well served by major highways. North/south highways include U.S. Highway 377, SH 121, SH 26, and FM 1938. The east/west highways include IH-820, SH 170, FM 1709, and SH 183. These major highways provide easy access to Dallas, Fort Worth, and the surrounding Metroplex area.

Air service is provided by nearby Dallas/Fort Worth International Airport, the nation's fourth busiest airport, providing service to national and international destinations. Meacham Field, approximately 5 miles away in northern Fort Worth is a fixed base operation for private and commercial service and

KELLER PROFILE

provides sophisticated instrument approach facilities, lighted runways, terminal facilities and fuel and maintenance services. Alliance Airport, located northwest of Keller, began limited operations in 1989, and is the first newly constructed industrial airport in the United States. The Airport is home to a FedEx hub, BNSF Intermodal Terminal, Drug Enforcement Agency, and numerous distribution company facilities.

2009 (FY2010) Tax Rates of Neighboring Northeast Tarrant County Cities (Rates per \$100 of Taxable Value)



FY2011 Tax rates not yet available.

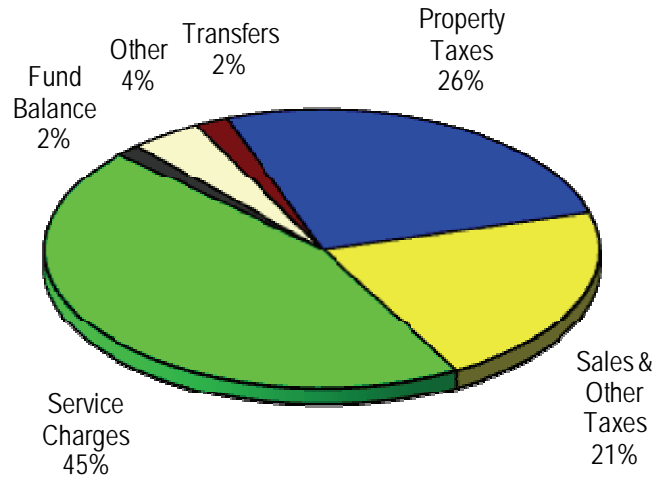


BUDGET SUMMARY

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CITY OF KELLER, TEXAS 2010-2011 BUDGET

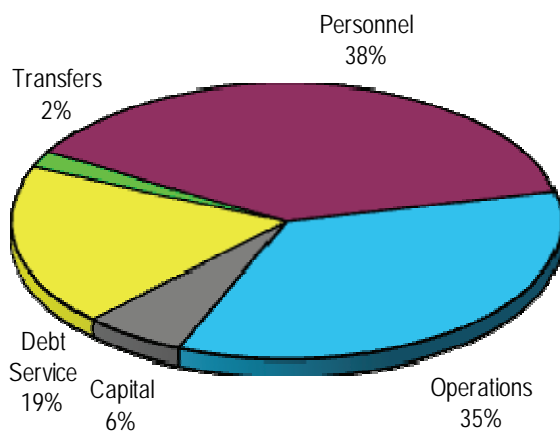
SOURCES OF REVENUE \$65,973,335



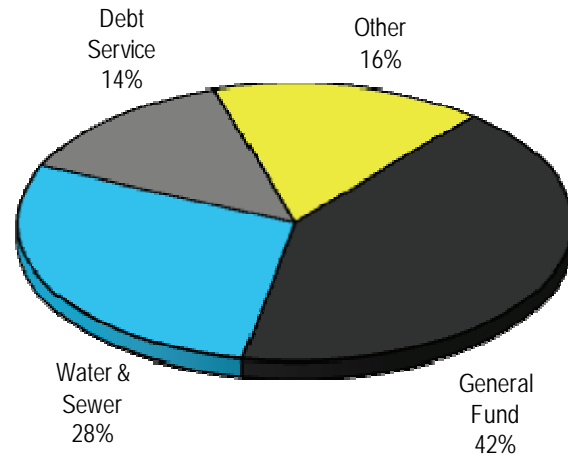
Resources include use of fund balance.

EXPENDITURES (USES) \$65,973,335

Expenditures by Function



Expenditures by Fund



BUDGET SUMMARY BY FUND TYPE

Fund Type / Fund Name	Estimated Beginning Balance 10/01/2010	Revenues And Transfers In	Expenditures And Transfers Out	Other Reservations Of Fund Balance	Estimated Ending Balance 09/30/2011
GOVERNMENTAL FUND TYPES:					
Property-Tax Supported Funds:					
General Fund	\$ 8,682,589	\$ 26,748,785	\$ 27,636,060	\$ 823,291	\$ 6,972,023
Debt Service Fund	536,445	5,740,155	5,839,955	-	436,645
* Subtotal *	9,219,034	32,488,940	33,476,015	823,291	7,408,668
Special Revenue/Other Funds:					
Keller Development Corporation	523,984	2,009,500	2,269,175	255,789	8,520
The Keller Pointe (1)	780,870	3,021,475	3,019,295	-	783,050
Information Services Fund	388,504	1,503,800	1,606,235	-	286,069
Library Special Revenue Fund	27,591	44,510	41,500	-	30,601
Recreation Special Revenue Fund	79,063	118,300	138,630	26,603	32,130
Court Special Revenue Fund	196,069	109,000	152,430	-	152,639
Teen Court Special Revenue Fund	21,832	89,730	83,835	-	27,727
Crime Control Prevention District	2,907,526	969,500	558,575	2,646,575	671,876
Community Clean-Up Fund	-	30,000	30,000	-	-
* Subtotal *	4,925,439	7,895,815	7,899,675	2,928,967	1,992,612
Other Debt Service Funds:					
Interest & Sinking Fund - TIF	38,274	3,176,195	3,178,820	-	35,649
Capital Projects Funds:					
Park Development Fee Fund	28,650	5,100	10,000	-	23,750
Street/Drainage Improvements Fund	482,908	1,014,600	1,490,000	-	7,508
Equipment Replacement Fund	713,072	89,940	27,000	-	776,012
* Subtotal *	1,224,630	1,109,640	1,527,000	-	807,270
TOTAL GOVERNMENTAL FUNDS	15,407,377	44,670,590	46,081,510	3,752,258	10,244,199
ENTERPRISE FUNDS:					
User Fee-Supported Funds:					
Water & Wastewater Fund	6,490,797	18,884,505	18,896,665	1,000,000	5,478,637
Drainage Utility Fund	671,051	1,515,800	995,160	-	1,191,691
TOTAL ENTERPRISE FUNDS	7,161,848	20,400,305	19,891,825	1,000,000	6,670,328
TOTAL - ALL FUNDS	\$ 22,569,225	\$ 65,070,895	\$ 65,973,335	\$ 4,752,258	\$ 16,914,527

Total revenues	\$ 65,070,895
Use of available fund balances	902,440
Total available	<u>\$ 65,973,335</u>
 Total appropriations	 <u>\$ 65,973,335</u>

(1) – Fund balance is cash and investments. Fund is fully supported by user fees, in accordance with the Recreation and Aquatic Center enterprise plan, but shown as a Special Revenue Fund for financial reporting and budgeting purposes.

BUDGET FINANCIAL SUMMARY (BUDGET IN BRIEF)

Revenues and Expenditures are presented both by Fund and by Function. Funds include the General Fund, Special Revenue Funds, Debt Service Fund, Enterprise (e.g., Water and Wastewater) Funds, and the Keller Development Corporation, the Park Development Fee Fund, The Keller Pointe Recreation/Aquatic Center Fund, and the Equipment Replacement Fund.

EXPENDITURES

Total expenditures for all funds for FY2011 are \$65,973,335, a decrease of \$802,770, or 1.2 percent, over 2009-2010 (FY2010) estimated expenditures. FY2011 expenditures are a decrease of \$3,195,112, or 4.6 percent over the FY2010 original adopted budget. The budget includes operating expenditures and capital outlays for the various funds, departments, and agencies of the City.

Total Expenditures by Fund – All Funds

Fund	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
General fund	\$ 25,647,823	\$ 26,734,270	\$ 27,636,060	\$ 901,790	3.4%
Water & wastewater fund	17,594,528	19,588,635	18,896,665	(691,970)	(3.5)
Drainage utility fund	871,566	1,319,440	995,160	(324,280)	(24.6)
Other funds	2,207,270	2,244,400	2,611,205	366,805	16.3
Keller Development Corporation	2,091,913	2,109,745	2,269,175	159,430	7.6
The Keller Pointe	2,899,626	2,923,355	3,019,295	95,940	3.3
Debt service funds	9,004,280	9,935,270	9,018,775	(916,495)	(9.2)
Capital projects funds (1)	1,582,781	1,920,990	1,527,000	(393,990)	(20.5)
TOTAL	\$ 61,899,787	\$ 66,776,105	\$ 65,973,335	\$ (802,770)	(1.2%)

(1) Includes Park Development Fee Fund, Street/Drainage Improvements Fund, Equipment Replacement Fund, and transfers to other funds.

Total Expenditures by Function – All Funds

Function	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
Personnel services	\$ 24,902,861	\$ 24,898,380	\$ 25,142,675	\$ 244,295	1.0%
Operations & maintenance	3,222,589	4,146,475	4,223,665	77,190	1.9
Services & other	16,941,191	17,777,265	18,846,260	1,068,995	6.0
Capital outlay	3,088,354	5,295,310	3,953,075	(1,342,235)	(25.3)
Debt service	12,169,011	12,948,260	12,551,835	(396,425)	(3.1)
Interfund transfers (1)	1,575,781	1,710,415	1,255,825	(454,590)	(26.6)
TOTAL	\$ 61,899,787	\$ 66,776,105	\$ 65,973,335	\$ (802,770)	(1.2%)

(1) FY2009 interfund transfers exclude transfers of \$2,979,449 to the Water and Wastewater Operating Fund from the Water & Wastewater Interest & Sinking Fund (\$544,345); Water Impact Fee Fund (\$1,576,860); and Wastewater Impact Fee Fund (\$858,244).

REVENUES

Total revenues and transfers for all funds are \$65,070,895 for FY2011, an increase of \$508,612, or 0.8 percent over FY2010 estimated revenues. Revenues include property taxes, sales taxes, service charges (e.g., water and wastewater charges), interest revenue and other miscellaneous revenues.

Total Revenues by Fund – All Funds

Fund	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
General fund	\$ 26,376,063	\$ 26,398,900	\$ 26,748,785	\$ 349,885	1.3%
Water & wastewater fund	20,534,806	18,073,893	18,884,505	810,612	4.5
Drainage utility fund	938,222	1,651,175	1,515,800	(135,375)	(8.2)
Other funds	2,823,502	2,759,350	2,864,840	105,490	3.8
Keller Development Corporation	2,039,760	2,012,000	2,009,500	(2,500)	(0.1)
The Keller Pointe	2,994,271	2,923,355	3,021,475	98,120	3.4
Debt service funds	8,690,766	9,584,160	8,916,350	(667,810)	(7.0)
Capital projects funds (1)	1,489,355	1,159,450	1,109,640	(49,810)	(4.3)
TOTAL	\$ 65,886,745	\$ 64,562,283	\$ 65,070,895	\$ 508,612	0.8%

(1) Includes Park Development Fee Fund, Street/Drainage Improvements Fund, Equipment Replacement Fund, and transfers to other funds.

Total Revenues by Source – All Funds

Revenue Source	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
Total property taxes	\$ 16,661,233	\$ 17,656,080	\$ 17,358,500	\$ (297,580)	(1.7%)
Sales and other taxes	14,045,207	13,927,335	14,010,345	83,010	0.6
Licenses & permits	753,514	817,000	817,000	-	0.0
Charges for services	25,217,502	26,169,260	27,373,285	1,204,025	4.6
Fines & fees	1,376,855	1,500,700	1,467,700	(33,000)	(2.2)
Interest revenue	470,377	344,170	312,050	(32,120)	(9.3)
Intergovernmental	2,145,266	1,978,418	2,290,400	311,982	15.8
Miscellaneous revenues	321,561	269,030	185,790	(83,240)	(30.9)
Proceeds from debt issuance	340,000	189,875	-	(189,875)	(100.0)
Interfund transfers (1)	4,555,230	1,710,415	1,255,825	(454,590)	(26.6)
TOTAL	\$ 65,886,745	\$ 64,562,283	\$ 65,070,895	\$ 508,612	0.8%

(1) FY2009 interfund transfers include transfers of \$2,979,449 to the Water and Wastewater Operating Fund from the Water & Wastewater Interest & Sinking Fund (\$544,345); Water Impact Fee Fund (\$1,576,860); and Wastewater Impact Fee Fund (\$858,244).

ANALYSIS OF CHANGES IN FUND BALANCES

The following table indicates the reasons for projected changes in fund balances for the year, a decrease of \$902,440:

Fund	Beginning Fund Balance	Ending Fund Balance	Difference	Comments
General Fund	\$ 8,682,589	\$7,795,314	(\$887,275)	Ending balance exceeds financial policy minimum balance target.
Water & Wastewater Fund	6,490,797	6,478,637	(12,160)	Ending balance exceeds financial policy minimum balance target.
Drainage Utility Fund	671,051	1,191,691	520,640	Ending balance exceeds financial policy minimum balance target.
Keller Development Corporation	523,984	264,309	(259,675)	Planned capital and debt service expenditures. The ending balance exceeds the minimum balance target.
The Keller Pointe Recreation & Aquatic Center (fund balance is cash and investments)	780,870	783,050	2,180	Funds remaining will be carried forward for future years' operations, capital replacements, and/or projects. Financial policies do not specify a targeted fund balance for this fund.
Information Services Fund	388,504	286,069	(102,435)	Funds remaining will be carried forward for future years' operations, capital replacements, and/or projects. Financial policies do not specify a targeted fund balance for this fund.
Keller Crime Control Prevention District	2,907,526	3,318,451	410,925	Planned capital expenditures. Financial policies do not specify a targeted fund balance for this fund.
Non-major special revenue funds	324,555	269,700	(54,855)	Funds remaining will be carried forward for future years' operations, capital replacements, and/or projects. Financial policies do not specify a targeted fund balance for these funds.
Debt Service	574,719	472,294	(102,425)	Planned use of available balances, which can only be used for debt retirement.
Total capital projects funds	1,224,630	807,270	(417,360)	Planned use of available balances for capital improvements.

SUMMARY OF MAJOR EXPENDITURES

PERSONNEL SERVICES

City operations are primarily service-oriented, with a focus of providing a variety of services to the citizens of Keller. As a result, personnel services (salaries, wages and benefits) account for \$25.1 million, or 38.1% of total expenditures, compared to \$24.9 million or 37.3% of total expenditures for FY2010. Total personnel services will increase by \$244,295 (1.1%) in FY2011 over FY2010. Excluding The Keller Pointe, two new full-time positions were added in the Police Department. These two positions are related to the Colleyville communications/jail services merger, and will be fully funded by the City of Colleyville. There are no pay plan adjustments or cost of living increases included in the FY2011 budget. During FY2010, a total of 19 FTEs (including 3 vacant positions) were eliminated throughout various funds and departments of the City. Total full-time equivalent positions (FTEs) increased by 6.33 FTEs (1.9%), from 341.07 to 347.4. The increase includes the addition of 4.33 FTE's for seasonal employee hours at The Keller Pointe. (A full-time equivalent position is equal to one employee funded for 40 hours per week for 52 weeks.)

Personnel services also include the cost of employee benefits. The City provides group health, life and dental insurance benefits for employees. Dependent coverage for employees is paid by a combination of payroll deductions from employees and the City, with employees paying 50% and the City paying 50%. In addition, the City matches mandatory benefits for worker compensation, social security, Medicare (FICA), and retirement benefits (TMRS). The City also participates in deferred compensation plans, which are paid by employee deductions.

A comparative summary by fund of authorized, full-time equivalent positions, including vacant positions, is provided in the following table:

Fund	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
General Fund	245.84	231.79	233.79	2.00	0.9%
Information Services Fund	7.50	7.00	7.00	-	-
Water & Wastewater Fund	46.42	43.17	43.17	-	-
Drainage Utility Fund	8.75	8.50	8.50	-	-
Keller Development Corp.	2.78	2.78	2.78	-	-
The Keller Pointe	52.59	45.83	50.16	4.33	9.4
Court Special Revenue	1.00	1.00	1.00	-	-
Teen Court Fund	1.00	1.00	1.00	-	-
Total	365.88	341.07	347.40	6.33	1.9%

For the General Fund, employees per 1,000 residents decreased from 5.88 in FY2010 to 5.78 in FY2011 (1.7%).

The FY2009 Actual, FY2010 Estimate, and FY2011 Budget personnel services amounts have been decreased to reflect savings from position vacancies and attrition, where applicable.

OPERATIONS AND MAINTENANCE

Operation and maintenance expenditures include major categories of supplies, equipment, grounds, and building maintenance costs. These costs for FY2011 are \$4,423,665, or 6.4% of total expenditures. The FY2011 budget reflects an increase of \$77,190, or 1.9% over FY2010 expenditures. The increase in expenditures provides additional funding for maintenance activities for buildings and grounds, machinery and equipment, fuel, and infrastructure maintenance (streets, roads, drainage ways, etc.).

MAJOR EXPENDITURES
(continued)

SERVICES AND OTHER

Services and other expenditures include expenditures for professional services, legal services, contractual services, engineering services, utilities, liability insurance premiums, wholesale water purchases, wastewater treatment services, and other general expenditures. Amounts for FY2011 are \$18,846,260, or 28.6% of total expenditures. This reflects an increase of \$1,068,995 (6%) over FY2010 expenditures, which represented 26.6% of total expenditures. The increase in expenditures reflects the general increase in water purchases and other service levels provided by the City. The increase in service levels is also related to the increased population and development of the City.

CAPITAL OUTLAY

Capital outlay includes expenditures for capital improvements, and new or replacement City assets. Capital outlay expenditures for FY2011 are \$3,953,075, representing 6% of total expenditures, compared to FY2010 expenditures of \$5,295,310, representing 7.9% of total expenditures. Capital expenditures also include park improvements funded by the Keller Development Corporation, the Park Development Fee Fund, the Keller Crime Control Prevention District, as well as the Street/Drainage Improvements Fund (street maintenance sales tax), water and wastewater infrastructure improvements, and equipment replacements funded in the Equipment Replacement Capital Projects Fund. Capital outlay expenditures for FY2011 decreased \$1,342,235, or 25.5% from FY2010. The primary reason for the decrease is due to the \$1,360,200 Big Bear East Branch wastewater interceptor project that was funded in FY2010 from the Water and Wastewater Fund.

DEBT SERVICE

General obligation (property-tax supported) debt service requirements, excluding water and wastewater, Keller Development Corporation (KDC), and Tax Increment Reinvestment Zone (TIRZ) financing district debt service, for FY2011 are \$5,224,155 and comprise 7.9% of total expenditures. Expenditures increased by \$29,150, or 0.6% over FY2010.

During FY2010, the City issued an additional \$8.31 million in new debt obligations. The new obligations, combined with bond refunding, were structured in a manner that maintained the current level of tax-supported debt for several years. The new obligations were issued to fund the following capital improvements:

Certificates of Obligation	\$8,310,000
Property Tax-Supported Projects:	
North Tarrant improvements-Phase III	\$2,200,000
Rufe Snow Drive improvements-Phase III	3,210,000
Keller Parkway and U.S. 377 improvements	300,000
Bourland Road and Mt. Gilead Road Intersection improvements	500,000
F.M. 1938 extension to Highway 114	<u>500,000</u>
Total Tax-Supported Projects	6,710,000
Water & Wastewater Projects (supported by user fees):	
North Tarrant improvements-Phase III	150,000
Shady Grove Road water improvements	608,000
Rufe Snow Drive improvements-Phase III	500,000
Indian Knoll Trail water improvements	<u>342,000</u>
Total Water/Wastewater	<u>1,600,000</u>
Total Certificates of Obligation	<u>\$8,310,000</u>

(Certificates of Obligation authorized by Council on April 6, 2010)

MAJOR EXPENDITURES
DEBT SERVICE (continued)

During FY2010, the City issued obligations that refunded existing outstanding issues. The new obligations were issued to fund the following capital improvements:

2010 General Obligation Refunding Bonds (TIRZ):	
TIRZ Certificates of Obligation, Series 2000	\$ 550,000
TIRZ Certificates of Obligation, Series 2001	<u>5,750,000</u>
Total	<u>\$6,300,000</u>

The 2010 TIRZ refunding bonds are supported by the annual revenues of the TIRZ.

2010A General Obligation Refunding Bonds:	
General Obligation Bonds, Series 1981	\$ 525,000
Certificates of Obligation, Series 1998A	510,000
General Obligation Refunding Bonds, Series 1999	2,200,000
Issuance and legal costs	<u>55,000</u>
Total	<u>\$3,290,000</u>

The 2010A refunding bonds are supported by a combination of property taxes (61%) and water and wastewater revenues (39%).

The City's current bond ratings are as follows:

	<u>Moody's</u>	<u>Standard & Poor's</u>
Tax-supported debt	Aa2	AA
Revenue bonds *	Baa	BBB

In February 2009, both Standard and Poor's and Moody's upgraded the City's bond ratings. Moody's increased the City's rating one step from A1 to Aa3, while Standard and Poor's increased the City's rating by two steps, from A+ to AA. Both rating categories now classify the City's debt obligations as high-quality investment grade. In April 2010, these ratings were confirmed by the respective rating agencies. In July 2010, Moody's notified the City that as a result of their recalibration of long term U.S. municipal ratings, the City's rating was changed from Aa3 to Aa2.

* As of October 1, 2009, the only remaining revenue bond debt outstanding is \$405,000 Keller Development Corporation Sales Tax Revenue Refunding Bonds, Series 2005. These revenue bonds will be retired in January 2013.

The following statistical information represents three important ratios: general obligation debt per capita, debt to assessed valuation and debt to total general government expenditures for property tax-supported debt.

MAJOR EXPENDITURES
DEBT SERVICE (continued)

	<u>FY2010</u>	<u>FY2011</u>
General obligation debt outstanding at October 1 (000's)	\$ 49,744	\$ 46,527
Estimated population, October 1	39,450	40,474
Direct debt per capita	\$ 1,261	\$ 1,150
Net taxable valuation (000's)	\$ 3,977,560	\$ 3,918,740
<i>Ratio of debt to taxable valuation</i>	1.3%	1.2%
<i>Financial policy target</i>	15.0%	15.0%
Total general government expenditures (000's) (General Fund and Debt Service Fund)	\$ 31,929	\$ 32,860
Debt service expenditures (000's)	\$ 5,195	\$ 5,224
<i>Debt service expenditures as a percentage of total general government expenditures</i>	16.3%	15.9%
<i>Financial policy target</i>	25.0%	25.0%

As indicated above, the City's actual ratios are within the goals and limits of the Financial Policy.

INTERFUND (INTRAGOVERNMENTAL) TRANSFERS

Transfers to other funds for FY2011 are \$1,255,825, representing 1.9% of total expenditures. Transfers are comprised primarily of transfers from other funds to the Debt Service Fund for debt payments and transfers to capital projects funds. Transfers decreased by \$454,590, or 26.6% from FY2010 amounts.

As previously mentioned, transfers are made from other funds to the debt service fund for debt service retirement. The City periodically issues general obligation debt on behalf of other funds or operations, e.g., Water & Wastewater projects, or the Keller Development Corporation. As a result, the fund benefiting from the debt issuance reimburses the debt service fund for the appropriate portion of the annual debt service requirements. The following transfers are provided for FY2010 and FY2011:

	<u>FY2010</u>	<u>FY2011</u>
Debt Service Transfers from other Funds:		
Keller Development Corporation	\$ 178,090	\$ 143,315
Street/Drainage Improvements Fund	3,000	-
Water & Wastewater Fund	447,620	465,840
TIF Interest & Sinking Fund	1,066,510	615,800
Subtotal	<u>1,695,220</u>	<u>1,224,955</u>
Operational Transfers from other Funds:		
Teen Court Fund	15,195	30,870
Subtotal	<u>15,195</u>	<u>30,870</u>
Total Transfers	<u>\$ 1,710,415</u>	<u>\$ 1,255,825</u>

In addition to debt service transfers, transfers are also made to assist in funding for certain operational activities (intragovernmental transfers), such as transfers to the Equipment Replacement Fund for equipment replacement, and transfers to the Information Services Fund for direct and indirect cost allocations. These expenditures are generally classified as operational transfers (services and other), while corresponding revenues are classified as charges for services. Comparative intragovernmental transfers by fund, including debt service transfers are provided in the following table:

MAJOR EXPENDITURES
INTERFUND TRANSFERS (continued)

Fund	Intragovernmental Transfers From Other Funds		Intragovernmental Transfers To Other Funds	
	FY2010	FY2011	FY2010	FY2011
General Fund	\$ 2,340,500	\$ 2,513,500	\$ 751,095	\$ 817,040
Keller Development Corporation	—	—	216,590	181,815
Information Services Fund	1,337,350	1,445,300	—	—
Municipal Court Fund	—	—	—	460
The Keller Pointe Fund	—	—	16,445	15,835
Teen Court Fund	15,195	30,870	480	470
Debt Service Fund	628,710	609,155	1,066,510	615,800
TIF Interest & Sinking Fund	1,066,510	615,800	—	—
Equipment Replacement Fund	74,250	79,940	—	—
Streets/Drainage Improvement Fund	—	—	3,000	—
Water & Wastewater Fund	30,000	40,000	3,294,190	3,551,090
Drainage Utility Fund	—	—	144,205	152,055
Total Intragovernmental Transfers	<u>\$ 5,492,515</u>	<u>\$ 5,334,565</u>	<u>\$ 5,492,515</u>	<u>\$ 5,334,565</u>

Intragovernmental transfers by function and purpose, excluding debt service transfers, are summarized below and on the following page as follows:

	FY2010	FY2011
TRANSFERS TO GENERAL FUND		
Payments In-lieu of Taxes Transfers from:		
Water & Wastewater Fund	\$ 1,005,000	\$ 980,000
Drainage Utility Fund	97,000	95,000
Subtotal	<u>1,102,000</u>	<u>1,075,000</u>
Administrative Services Transfers from:		
Water & Wastewater Fund	1,200,000	1,400,000
Keller Development Corporation	38,500	38,500
Subtotal	<u>1,238,500</u>	<u>1,438,500</u>
Total Transfers to General Fund	<u>2,340,500</u>	<u>2,513,500</u>
TRANSFERS TO WATER & WASTEWATER FUND		
Administrative Services Reimbursement Transfers from:		
Drainage Utility Fund	30,000	40,000
Total Transfers to Water & Wastewater Fund	<u>30,000</u>	<u>40,000</u>

(Continued)

MAJOR EXPENDITURES
INTERFUND TRANSFERS (continued)

	<u>FY2010</u>	<u>FY2011</u>
TRANSFERS TO INFORMATION SERVICES FUND		
Operating Transfers from:		
General Fund	558,750	620,410
Water & Wastewater Fund	<u>558,750</u>	<u>620,410</u>
Subtotal	1,117,500	1,240,820
Cost of Services Transfers from:		
General Fund	177,150	165,760
Water & Wastewater Fund	24,140	20,470
Drainage Utility Fund	1,635	1,485
The Keller Pointe Fund	16,445	15,835
Municipal Court Fund	-	460
Teen Court Fund	<u>480</u>	<u>470</u>
Subtotal	<u>219,850</u>	<u>204,480</u>
Total Transfers to Information Services Fund	<u><u>1,337,350</u></u>	<u><u>1,445,300</u></u>
TRANSFERS TO EQUIPMENT REPLACEMENT FUND		
Internal Vehicle/Equipment Lease Payments from:		
Water & Wastewater Fund	58,680	64,370
Drainage Utility Fund	<u>15,570</u>	<u>15,570</u>
Total Transfers to Equipment Replacement Fund	<u><u>74,250</u></u>	<u><u>79,940</u></u>
TRANSFERS TO DEBT SERVICE FUND		
Debt Service Transfers from:		
Keller Development Corporation	178,090	143,315
Water & Wastewater Fund	447,620	465,840
Streets/Drainage Improvement Fund	<u>3,000</u>	<u>-</u>
Total Transfers to Debt Service Fund	<u><u>628,710</u></u>	<u><u>609,155</u></u>
TRANSFERS TO TIF INTEREST & SINKING FUND		
Debt Service Transfers from:		
Debt Service Fund	<u>1,066,510</u>	<u>615,800</u>
Total Transfers to TIF Interesting & Sinking Fund	<u><u>1,066,510</u></u>	<u><u>615,800</u></u>
TRANSFERS TO TEEN COURT FUND		
Keller share of Teen Court funding from:		
General Fund	<u>15,195</u>	<u>30,870</u>
Total Transfers to Teen Court Fund	<u><u>15,195</u></u>	<u><u>30,870</u></u>

SOURCES AND ESTIMATES OF MAJOR REVENUES
TAXES

Revenues from taxes include property (ad valorem) taxes, sales (consumer) taxes and franchise taxes. These charges are levied to fund the general municipal services that are provided to the citizens of Keller.

Total property taxes (including agricultural roll-back taxes, penalties and interest) for FY2011 are \$17,358,500, and represent 26.3% of total revenues, compared to \$17,656,080, or 27.4% of total revenues for FY2010. Total property tax revenues for FY2011 decreased by \$297,580, or 1.7% over FY2010 taxes. Property (ad valorem) taxes are assessed, or levied, on real and personal property as of January 1 of each year. The tax rate for FY2011 is \$0.44219. The FY2011 tax rate is unchanged from the FY2010 tax rate. The tax rate is comprised of a "maintenance and operations" (M&O) component (\$0.31219, or 70.6% of the total rate), which is allocated to the general fund, and a "debt service" component (\$0.13000, or 29.4% of the total rate), which is allocated to the debt service fund.

Since 1993, the tax rate has been reduced a total of \$0.10195 per \$100 (10.195¢), or 18.7%. This reduction has been possible due to the growth in the assessed taxable valuation, in combination with increases in sales and franchise taxes, and other revenues. Tax rate comparisons since 2001 are presented in the accompanying chart (per \$100 of appraised values).

<u>Year</u>	<u>Total Tax Rate</u>	<u>Percent Change</u>
2001 (FY2002)	\$ 0.43800	(1.1%)
2002 (FY2003)	0.43800	-%
2003 (FY2004)	0.43800	-%
2004 (FY2005)	0.44413	1.4%
2005 (FY2006)	0.44413	-%
2006 (FY2007)	0.43219	(2.7%)
2007 (FY2008)	0.43219	-%
2008 (FY2009)	0.43219	-%
2009 (FY2010)	0.44219	2.3%
2010 (FY2011)	0.44219	-%

There are exemptions from property taxes allowed by the State of Texas and/or the City. Exempt amounts reduce the appraised value by the amount of the exemptions. The following exemptions are currently allowed by the City:

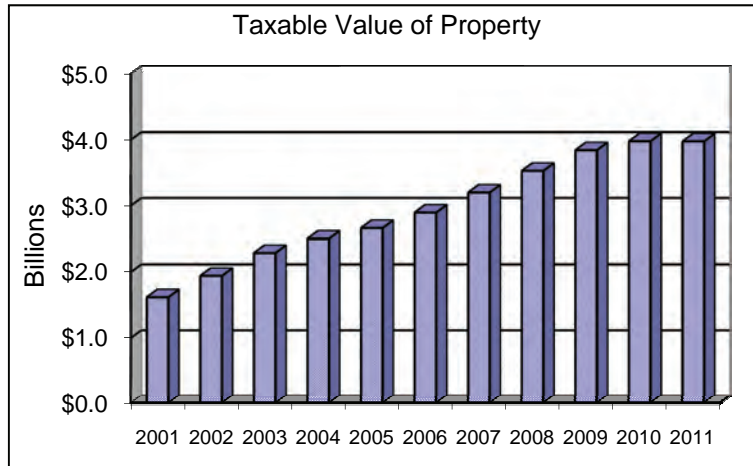
<u>Exemption Type</u>	<u>Exemption Amount</u>
Homestead exemption	1% of appraised value (minimum exemption – \$5,000)
Disabled citizen	\$10,000
Over age 65	\$40,000
Disabled veteran	\$5,000 to \$12,000, depending on the percentage of the person's disability

In August 2004, the City Council approved Ordinance No. 1209 establishing an ad valorem tax limitation on residential homesteads of the disabled and persons 65 years of age or older, and their spouses (tax ceiling) as authorized and defined by the Texas Constitution, Article VIII, Section 1-b, and the Texas Tax Code, Chapter 11. In addition, the over age 65 and disabled citizen exemptions of \$40,000 and \$10,000 respectively, remain in effect. The tax ceiling was effective for tax year 2005 (fiscal year 2005-2006).

MAJOR REVENUES (continued)

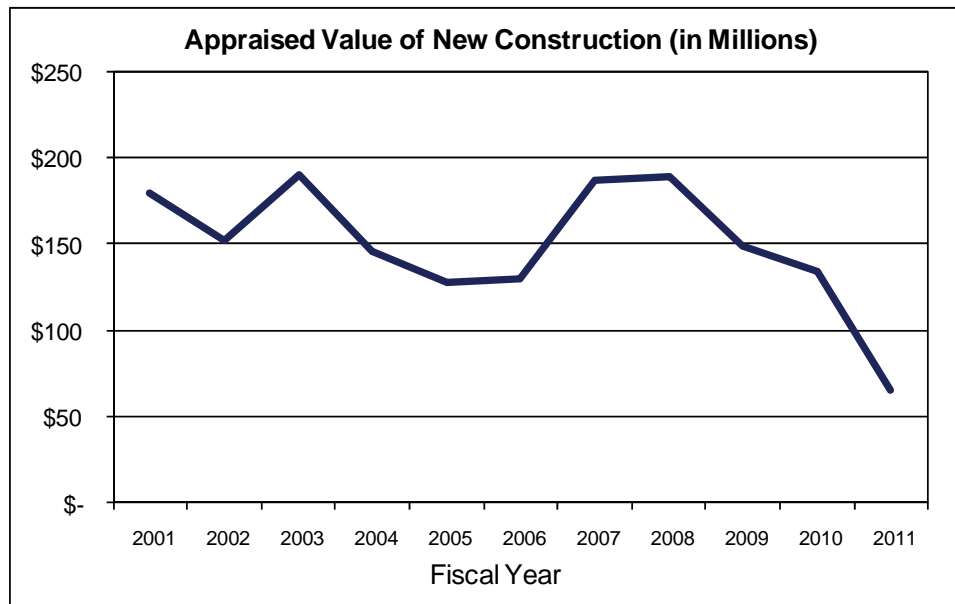
TAXES:

Each year the Tarrant Appraisal District (TAD) appraises property for all taxing entities within Tarrant County. Property appraisals are provided to the City on July 25 of each year, when the certified tax (appraisal) roll is received from TAD. The accompanying chart indicates the growth in net taxable values since 2001.



The net taxable value after exemptions and adjustments for FY2011 is \$3.92 billion. This represents a decrease in taxable value of 1.7%, or approximately \$58.8 million, compared to an increase of \$135.6 million (3.5%) in FY2010. The decrease in taxable value is the first decrease in value in Keller's history.

As shown in the above chart, Keller has experienced substantial growth in taxable value since 2001. The primary contributing factor to this growth has been new construction, most of which has been residential (single-family home) construction. Even though Keller's total taxable value for FY2011 decreased, according the Tarrant Appraisal District, the City added over \$65 million in new construction in calendar year 2009, compared to \$133.7 million in new construction added to the tax rolls in calendar year 2008 (FY2010). The chart below provides a history of new construction values, as provided by the Tarrant Appraisal District.



For FY2011, the appraised value of new residential construction in calendar year 2009 was \$61.7 million (94%) and new commercial construction was \$3.9 million (6%). For last year (calendar year 2008), the appraised value of new residential construction was \$110.3 million (82%) and new commercial construction was \$23.3 million (18%).

MAJOR REVENUES (continued)

TAXES:

Sales and other taxes: Sales and other taxes are comprised of local sales taxes, franchise taxes from local utilities, and in-lieu of tax payments from the City's Water and Wastewater and Drainage Utility Funds. Other taxes also include assessments to participating entities in the Keller Town Center Tax Increment Reinvestment Zone (TIF). Total revenue for FY2011 is \$14,010,345, representing 21.2% of total revenues, compared to \$13,927,335, representing 21.6% of total revenues in FY2010. Sales and other taxes increased by \$83,010, or 0.6% over FY2010 amounts.

All sales taxes are remitted to the State of Texas from the sale of taxable goods and services. The State of Texas then rebates to the City the following portions of these taxes: general sales taxes – 1%; 0.5% for the Keller Development Corporation; 0.25% for the Keller Crime Control Prevention District; 0.25% street maintenance; and 15% of mixed beverage tax collected within the City. As of November 2007, the City's total sales tax rate is 8.25% of retail sales, and is comprised of the following components:

State of Texas	6.25%
City of Keller	1.00
Keller Development Corporation	0.50
Keller Crime Control Prevention District	0.25 (effective April 2008)
Street maintenance sales tax	<u>0.25 (effective April 2008)</u>
Total	8.25%

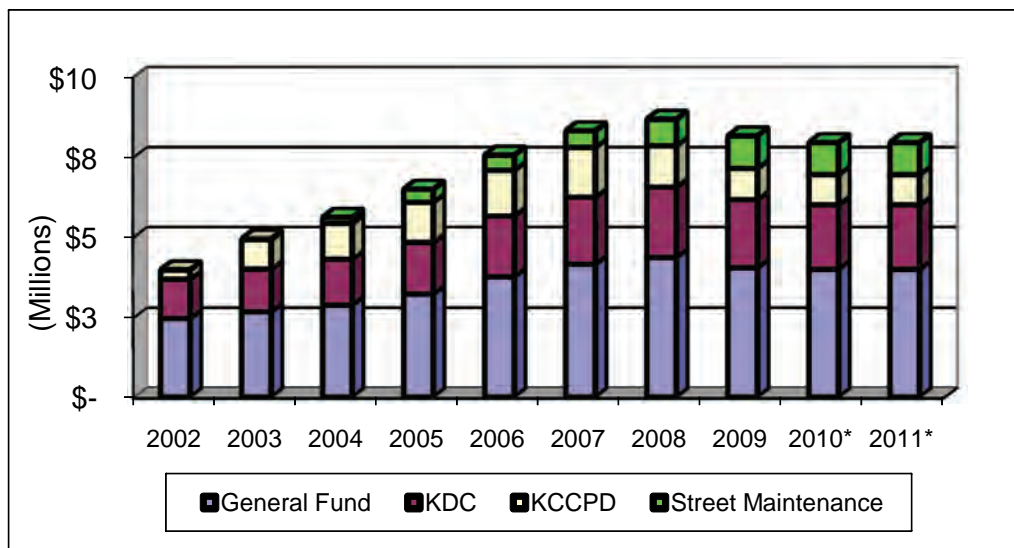
The accompanying table on the next page presents total sales tax collections for the City's general fund, the Keller Development Corporation, the Keller Crime Control & Prevention District, and street maintenance sales tax (a capital projects fund). As the table indicates, sales tax revenue has shown a significant increase, primarily because of a combination of increased retail activity, along with the additional 0.375% KCCPD sales tax that became effective in April 2002, and the street maintenance sales tax of 0.125% that became effective in April 2004. In November 2007, voters reauthorized the street maintenance sales for another four years, and in addition increased the street maintenance sales tax rate from 0.125% to 0.25%, along with a corresponding decrease in the KCCPD sales tax rate to 0.25%.

Because of the continued nationwide decrease in economic activity, sales taxes for FY2010 were less than the prior year's sales taxes by 6%. For FY2010, sales taxes are again projected to be less than the prior year by 2.6%. Prior to FY2010, sales tax revenues had consistently experienced increases each year. Total sales taxes for FY2011 are anticipated to remain unchanged over FY2010. The table below provides sales tax information since FY2002. The table reflects the reallocation of the KCCPD and street maintenance sales tax, which became effective April 1, 2008.

MAJOR REVENUES (continued)
SALES AND OTHER TAXES:

Fiscal Year	General Fund	KDC	KCCPD	Street Maintenance	Total	Pct Change
2002	\$ 2,453,697	\$ 1,226,848	\$ 285,443	\$ -	\$ 3,965,988	28.4%
2003	2,662,903	1,331,301	923,881	-	4,918,085	24.0%
2004	2,869,276	1,434,788	1,101,017	185,789	5,590,870	13.7%
2005	3,218,819	1,609,410	1,237,317	402,352	6,467,898	15.7%
2006	3,757,724	1,879,424	1,427,418	469,856	7,534,422	16.5%
2007	4,148,974	2,073,910	1,553,620	518,477	8,294,981	10.1%
2008	4,360,294	2,180,147	1,289,690	824,604	8,654,735	4.3%
2009	4,037,484	2,108,742	979,874	1,009,371	8,135,471	(6.0%)
2010*	3,989,100	1,994,500	945,000	997,200	7,925,800	(2.6%)
2011*	3,989,100	1,994,500	945,000	997,200	7,925,800	0.0%

* - projected



Franchise or gross receipts taxes are fees charged for the use of public property and rights-of-way, and are collected primarily from utility companies. Fees range from 2% – 5% of the gross receipts of the respective utility. The City of Keller also pays a 4% franchise tax from the water and wastewater fund and drainage utility fund to the City's General Fund. The water and wastewater fund and drainage utility fund also provides for payments in-lieu of property taxes to the City's general fund. Payments in lieu of property taxes are calculated on the fund's audited net asset value (historical cost less accumulated depreciation) from the prior year, multiplied by the City's property tax rate.

As a combined group, property taxes, sales taxes and franchise taxes account for \$31.37 million, or 48.2% of total revenues for FY2011, compared to \$31.53 million, or 48.9% of total revenues for FY2010. These revenues are projected to decrease by \$214,570 (0.7%) over FY2010.

MAJOR REVENUES (continued)

CHARGES FOR SERVICES

Charges for services include building permits and fees, plumbing permits, mechanical permits, electrical permits, fence permits and sign and other miscellaneous permits; and water, wastewater and drainage fees, and revenues for The Keller Pointe recreation and aquatic center. Total service charges for FY2011 are \$27,373,285, comprising 42.1% of total revenues, compared to \$26,169,260, or 40.5% of total revenues in FY2010.

Major charges for service revenues are comprised of water revenue (\$13,007,500); wastewater revenue (\$5,360,000); drainage utility fees (\$1,510,000); and operating revenues for The Keller Pointe (\$2,996,785). These revenues comprise \$22,874,285, or 35.2% of total revenues in FY2011, compared to \$21,950,955, or 34% of total revenues in FY2010.

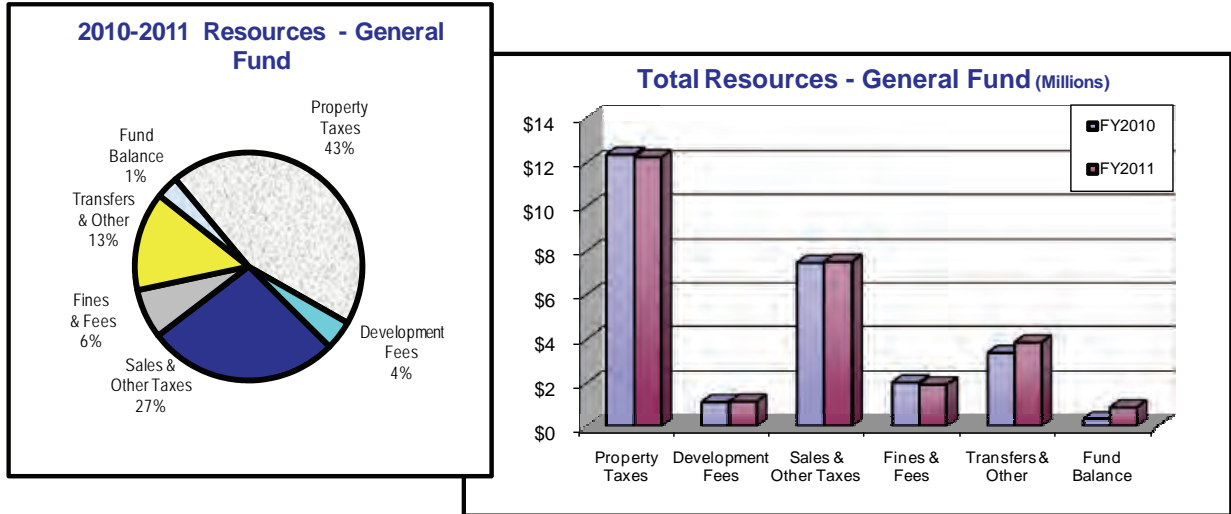
Building permits and development fees are included in the service charges category as well. These fees are projected to be \$1,155,200, for FY2011, an increase of \$29,000 (2.6%) from FY2010. Building permits and development fees comprise 1.8% of total revenues in FY2011, compared to 1.7% in FY2010.

SUMMARY

Total revenues from taxes and service charges comprise \$58.7 million, or 90.2% of total revenues, compared to \$58.9 million, or 91.2% of total revenues in FY2010. The remaining revenues for FY2011 include fine and fees revenue (\$1,467,700), licenses and permits (\$817,000), interest revenue (\$312,050), miscellaneous revenue (\$185,790), intergovernmental (\$2,290,400), and interfund (intra governmental) transfers (\$1,255,825). Combined, the remaining revenues comprise \$6.3 million, or 9.7% of total revenues.

**2010-2011 BUDGET
OVERVIEW OF GENERAL FUND**

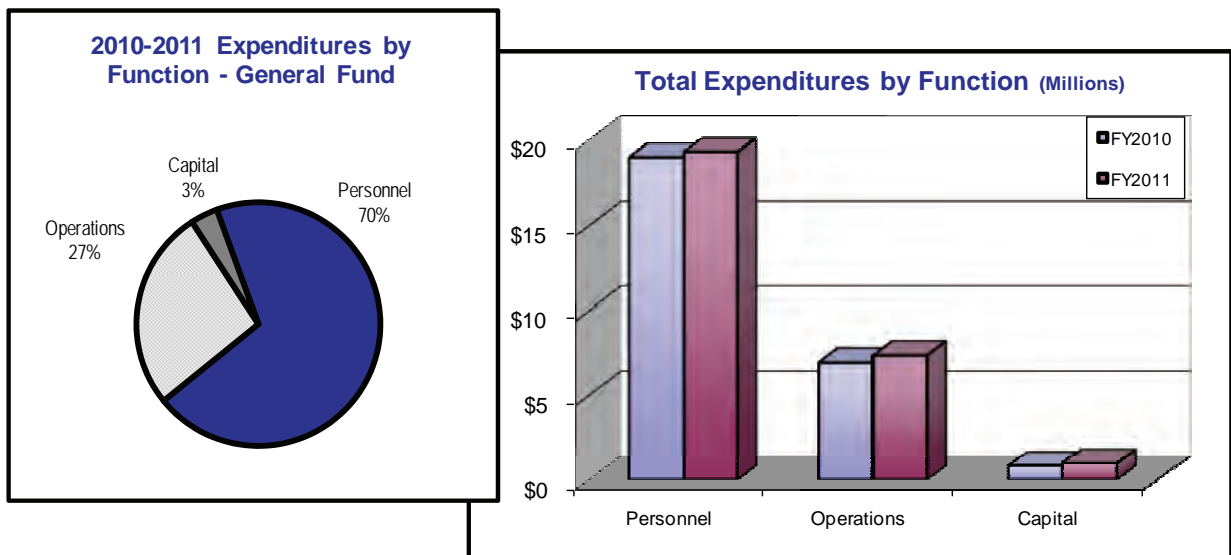
**2010-2011 RESOURCES – WHERE THE MONEY COMES FROM
\$27,636,060**



Resources include use of fund balance.

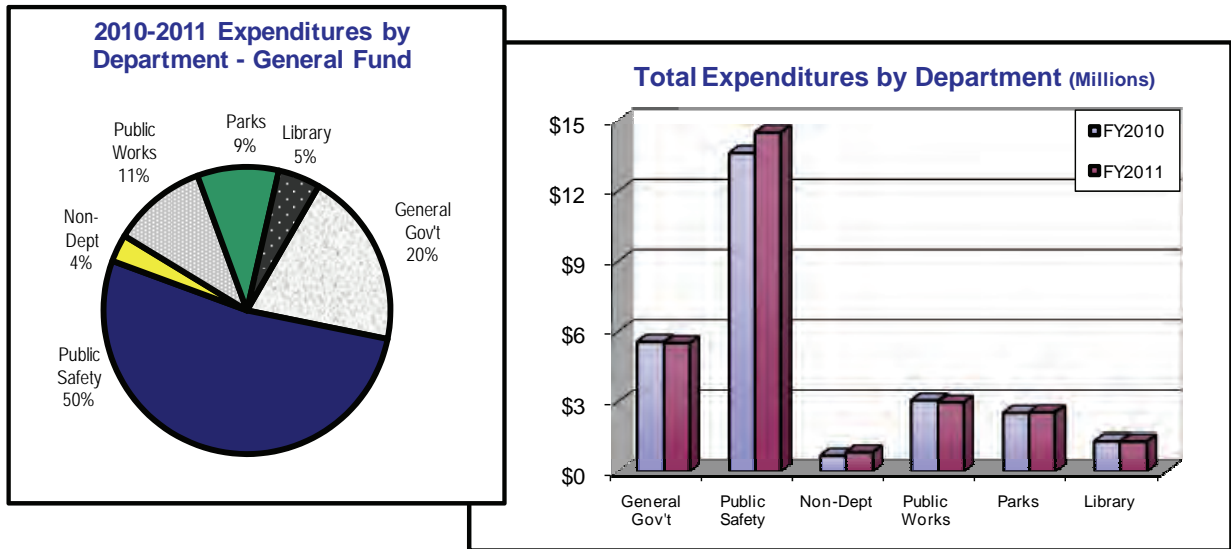
**2010-2011 EXPENDITURES – WHERE THE MONEY GOES
\$27,636,060**

Expenditures by Function



General Fund Summary (continued)

Expenditures by Department



FINANCIAL SUMMARY

The General Fund is the main operating fund of the City and is used to account for resources associated with traditional governmental activities that are not required to be accounted for in another fund. Revenues are derived primarily from property taxes, franchise taxes, sales taxes, development-related fees and intra-intergovernmental revenues. Expenditures support the following major activities: administration, general services, financial services, community development, police, fire, library, parks and recreation, and public works.

Total revenues and expenditures by function are provided in the following table.

General Fund Summary (continued)

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

Description	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
Beginning Balance	\$ 8,289,719	\$ 9,017,959	\$ 8,682,589	\$ (335,370)	(3.7%)
REVENUES:					
Total property taxes	12,044,748	12,380,000	12,257,500	(122,500)	(1.0)
Sales taxes	4,037,484	3,989,100	3,989,100	-	-
Other taxes	3,521,312	3,478,070	3,530,150	52,080	1.5
Fines & fees	2,137,973	2,032,300	1,943,900	(88,400)	(4.3)
Building permits/fees	753,515	817,000	817,000	-	-
Development fees	287,638	309,200	338,200	29,000	9.4
Intergovernmental revenue	1,979,193	1,902,495	2,183,535	281,040	14.8
Miscellaneous revenues	1,614,220	1,490,735	1,689,400	198,665	13.3
TOTAL REVENUES	26,376,083	26,398,900	26,748,785	349,885	1.3
TOTAL FUNDS AVAILABLE	34,665,802	35,416,859	35,431,374	14,515	0.0
EXPENDITURES:					
Personnel services	18,959,057	18,951,850	19,269,405	317,555	1.7
Operations & maintenance	1,554,387	2,049,610	2,104,695	55,085	2.7
Services & other	4,481,860	4,878,255	5,235,615	357,360	7.3
Capital outlay	618,369	839,360	995,475	156,115	18.6
Transfers to other funds	34,150	15,195	30,870	15,675	103.2
TOTAL EXPENDITURES	25,647,823	26,734,270	27,636,060	901,790	3.4
TOTAL ENDING BALANCE	\$ 9,017,979	\$ 8,682,589	\$ 7,795,314	\$ (887,275)	(10.2%)

The General Fund is primarily service-oriented, and provides police, fire, parks, public works, and administrative services. Therefore, personnel services (salaries, wages and benefits) comprise the largest percentage of the budget (69.7%) for FY2011, compared to 70.9% in FY2010. Operations & maintenance and services comprise 26.6% of the total FY2011 budget. Capital outlay (3.6%) and transfers to other funds (0.1%) comprise the remainder of the FY2011 budget.

The FY2011 expenditures exceed the FY2010 estimated expenditures by \$901,790 (3.4); however, the FY2011 expenditures are a decrease of \$115,244 (0.4%) from the current year adopted budget of \$26,734,270.

Full-time equivalent positions are 233.79, an increase of 2 FTEs. The new positions were added in the Police Department FY2011 for the City of Colleyville communications/jail merger. These 2 positions will be fully funded by the City of Colleyville. During FY2010 14 FTEs were eliminated in order to respond to decreases in revenues.

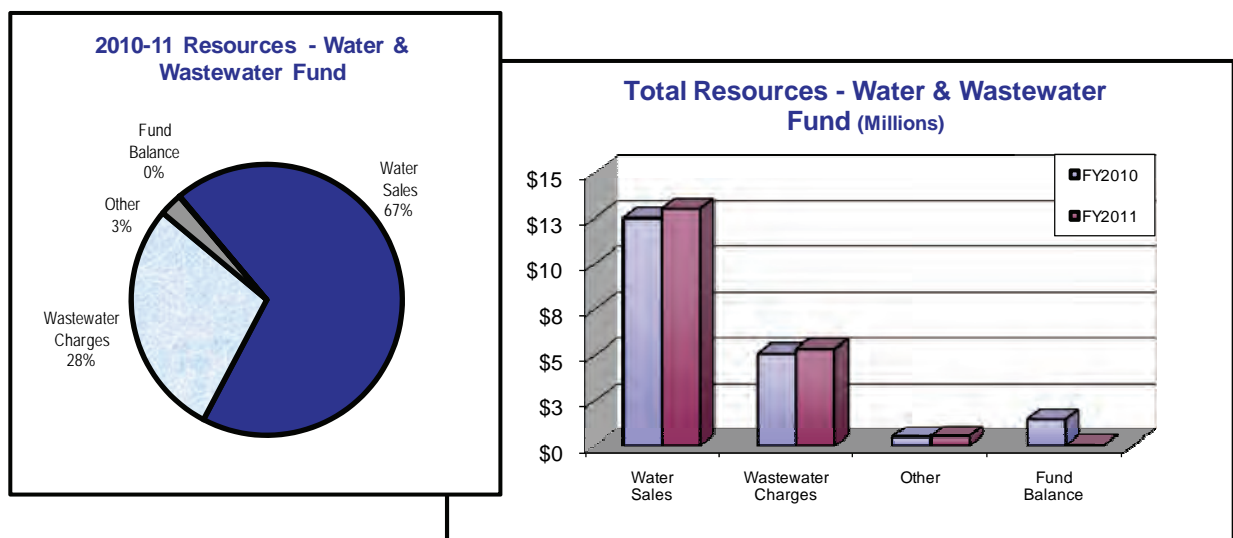
Capital outlay includes expenditures for new or replacement City assets, or improvements to existing assets. The City's personal property capitalization limit for FY2011 is \$5,000. Total capital outlay expenditures for FY2011 are \$995,475, or 3.6% of total General Fund expenditures. A discussion of specific major capital outlay items is included in the City Manager's Transmittal Letter. Capital outlay expenditures for FY2011 increased \$156,115 (18.6%) from FY2010. Major capital items include: street improvements (\$785,585); emergency equipment for the Fire Department (\$105,000); vehicle replacement for the Community Development Department (\$45,000); and street maintenance equipment for the Public Works Department (\$28,000).

General Fund Summary (continued)

Public Safety expenditures (Police and Fire) comprise over \$14.49 million of General Fund expenditures, or 52.4% of total expenditures. General Government expenditures comprise 16% of total expenditures; Community Development, 4%; Parks & Recreation, 9.2%; Library, 4.8%; Public Works, 10.7%; and Non-Departmental, 3.1%, respectively.

**2010-2011 BUDGET
OVERVIEW OF WATER AND WASTEWATER FUND**

**2010-2011 RESOURCES – WHERE THE MONEY COMES FROM
\$18,896,665**

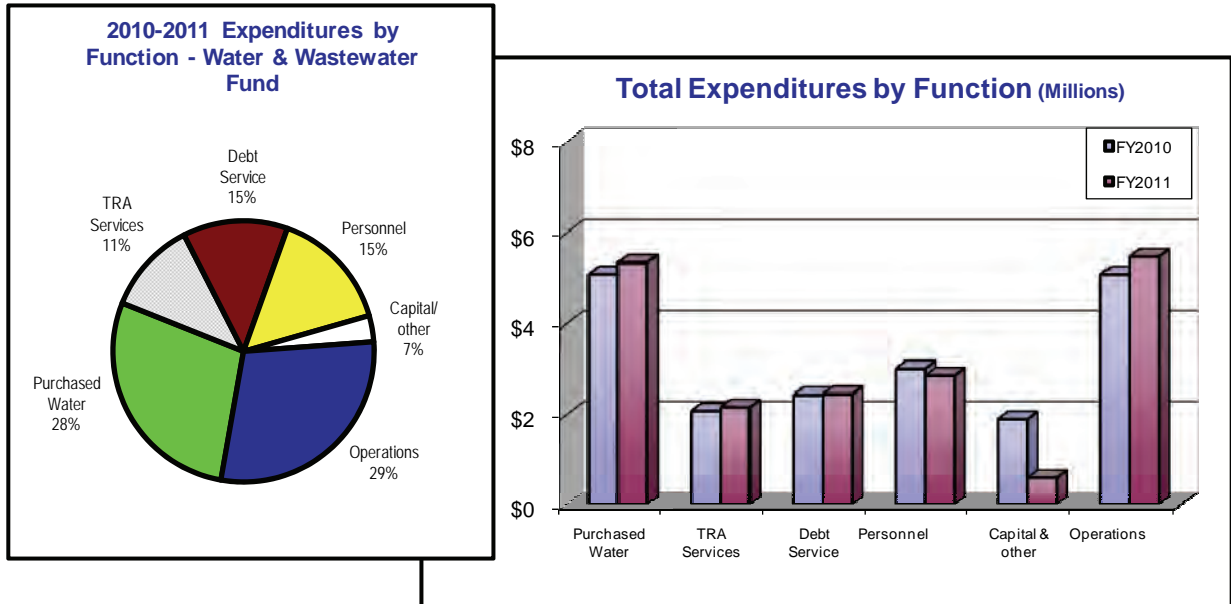


Resources include use of fund balances.

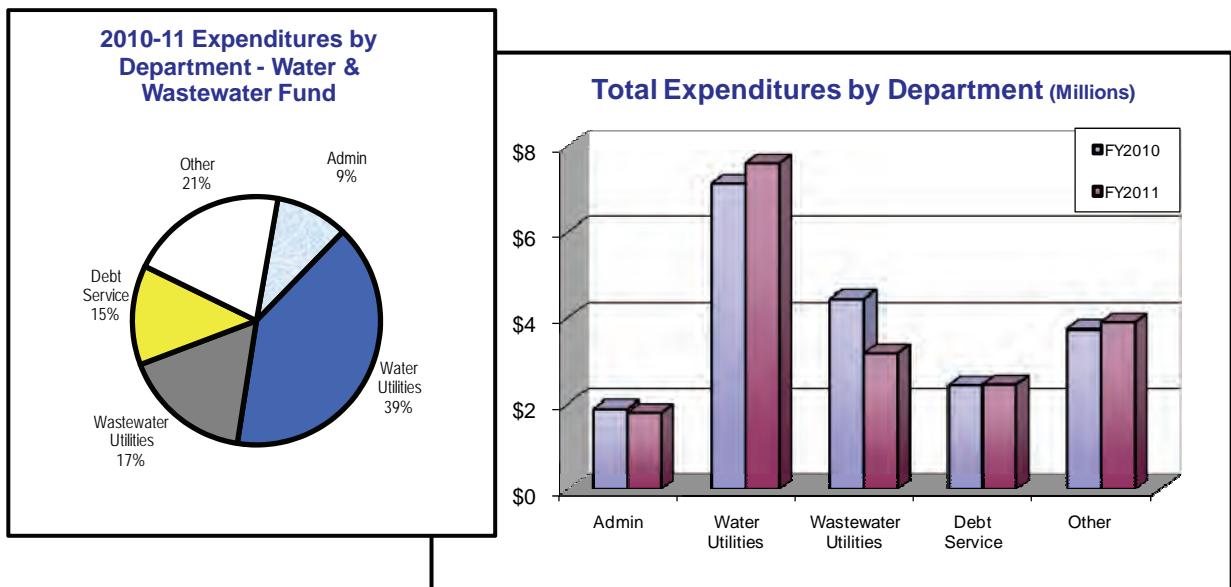
Water and Wastewater Fund Summary (continued)

2010-2011 EXPENDITURES – WHERE THE MONEY GOES
\$18,896,665

Expenditures by Function



Expenditures by Department



Water and Wastewater Fund Summary (continued)

Water and Wastewater funds and accounts are classified as enterprise funds of the City. Their purpose is to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the cost of providing services to the general public on a continuing basis be financed or recovered primarily through user fees and charges. The Water and Wastewater Fund is used to account for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, debt service and billing and collection services.

The Water and Wastewater Fund includes the following accounts:

Water and Wastewater Fund (operating account) – used to account for the operating activities of water and wastewater operations.

Water and Wastewater Capital Projects Account – used to account for resources from fees and/or debt issuance to fund capital improvements to the water and wastewater system.

Water Impact Fees Account – used to account for water impact fees for which expenses are restricted to funding capital improvements to the water infrastructure system. No budget has been prepared for this account.

Wastewater Impact Fees Account – used to account for water impact fees for which expenses are restricted to funding capital improvements to the wastewater infrastructure system. No budget has been prepared for this account.

Water & Wastewater rates. In March 2006, the City Council adopted both a water and wastewater rate increase of approximately 8%. In April 2010 the City Council authorized a wholesale rate pass-through ordinance for wholesale water purchases and wastewater treatment services. The wholesale pass-through rate is charged on all consumption for both residential and non-residential customers.

The City's current water and wastewater rates are as follows:

Monthly water rates:

(Effective May 1, 2010)

	<u>Residential</u>	<u>Non-Residential</u>
0 to 2,000 gallons	\$16.88 minimum*	\$16.88 minimum*
2,001 to 10,000 gallons (per 1,000 gallons)	\$2.86	\$2.86
10,001 to 20,000 gallons (per 1,000 gallons)	\$3.18	\$3.50
20,001 to 25,000 gallons (per 1,000 gallons)	\$3.61	\$4.13
25,001 to 40,000 gallons (per 1,000 gallons)	\$4.72	\$4.72
over 40,000 gallons (per 1,000 gallons)	\$5.15	\$5.15

The above rates include the current wholesale pass-through rate of \$1.71 (per 1,000 gallons)

* Minimum charge varies according to meter size. Rates indicated are for a 5/8 inch water meter.

Water and Wastewater Fund Summary (continued)

Monthly wastewater rates:

(Effective May 1, 2010)

Residential	\$11.85 minimum*, plus \$2.69 per 1,000 gallons of water usage (based on December, January and February average water usage); maximum to 20,000 gallons, or \$65.65 per month
Non-residential	\$11.85 minimum*, plus \$2.69 per 1,000 gallons of water usage, no monthly maximum.

The above rates include the current wholesale pass-through rate of \$1.69 (per 1,000 gallons)

* Minimum charge varies according to meter size. Rates indicated are for a 5/8 inch water meter.

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

Description	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2010-2011	
				Amount	Percent
Beginning Balance	\$ 5,065,261	\$ 8,005,539	\$ 6,490,797	\$ (1,514,742)	(18.9%)
REVENUES:					
Water sales	12,121,244	12,503,500	13,007,500	504,000	4.0
Wastewater charges	4,894,487	5,100,000	5,360,000	260,000	5.1
Taps and miscellaneous fees	398,967	382,500	439,000	56,500	14.8
Contributions	13,103	12,668	13,005	337	2.7
Interest revenue	127,556	75,225	65,000	(10,225)	(13.6)
Tranfers from other funds	2,979,449	-	-	-	0.0
TOTAL REVENUES	20,534,806	18,073,893	18,884,505	810,612	4.5
TOTAL FUNDS AVAILABLE	25,600,067	26,079,432	25,375,302	(704,130)	(2.7)
EXPENDITURES:					
Personnel services	3,021,511	3,013,190	2,860,685	(152,505)	(5.1)
Operations & maintenance	540,698	776,030	757,460	(18,570)	(2.4)
Services & other	3,510,754	3,860,640	4,246,715	386,075	10.0
Wholesale water purchased	5,321,387	5,090,000	5,340,000	250,000	4.9
Wastewater services-TRA	1,886,383	2,077,150	2,161,885	84,735	4.1
Capital outlay	422,724	1,892,525	612,450	(1,280,075)	(67.6)
Debt service	2,479,001	2,431,480	2,451,630	20,150	0.8
Transfers to other funds	412,070	447,620	465,840	18,220	4.1
TOTAL EXPENDITURES	17,594,528	19,588,635	18,896,665	(691,970)	(3.5)
TOTAL ENDING BALANCE	\$ 8,005,539	\$ 6,490,797	\$ 6,478,637	\$ (12,160)	(0.2%)

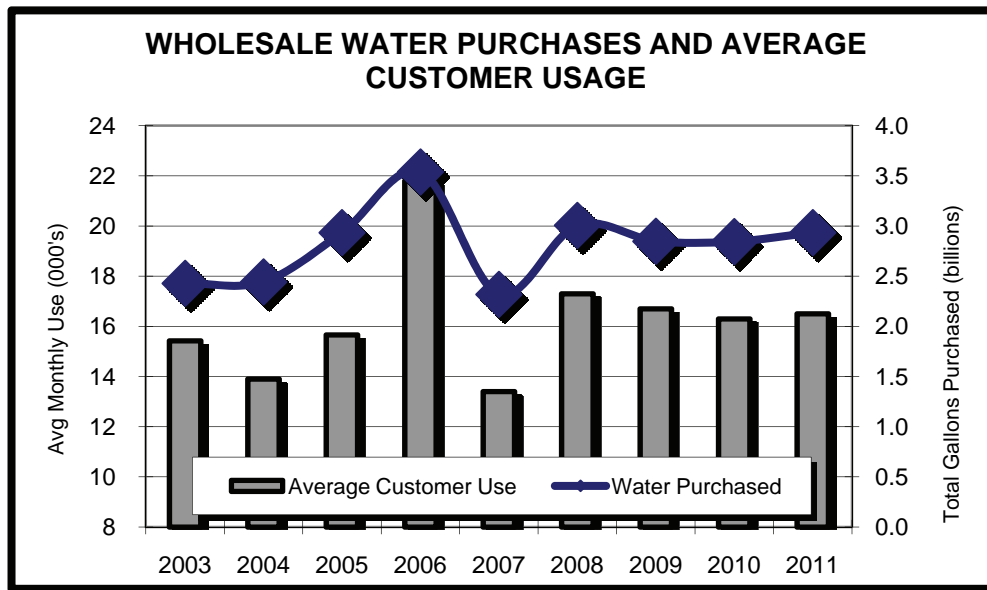
Major revenues for FY2011 are derived from water service charges (68.9%) and wastewater charges (28.4%), compared to 69.2% and 28.2% in FY2010, respectively. These combined revenue sources account for over 97.2% of fund revenues for FY2011, compared to 97.4% for FY2010.

Major expenditures for FY2011 are comprised of wholesale water purchases (28.3%); debt service on long-term debt (13%); wastewater treatment and collection services provided by the Trinity River Authority (11.4%); operating expenses and transfers (29%); personnel services (salaries and benefits), 15.1%, and capital outlay (3.2%).

Water and Wastewater Fund Summary (continued)

Water purchases are projected to be 2.935 billion gallons in FY2011, compared to 2.845 billion in FY2010, an increase of 89.7 million gallons, or 3.1%. Customer consumption reached an all-time high of 3.5 billion gallons in FY2006. For FY2011, a conservative customer average water usage, with reasonable customer growth estimates, is being used to determine the budget amounts. Therefore, if normal rainfall amounts are received during the year, revenues will not be adversely impacted.

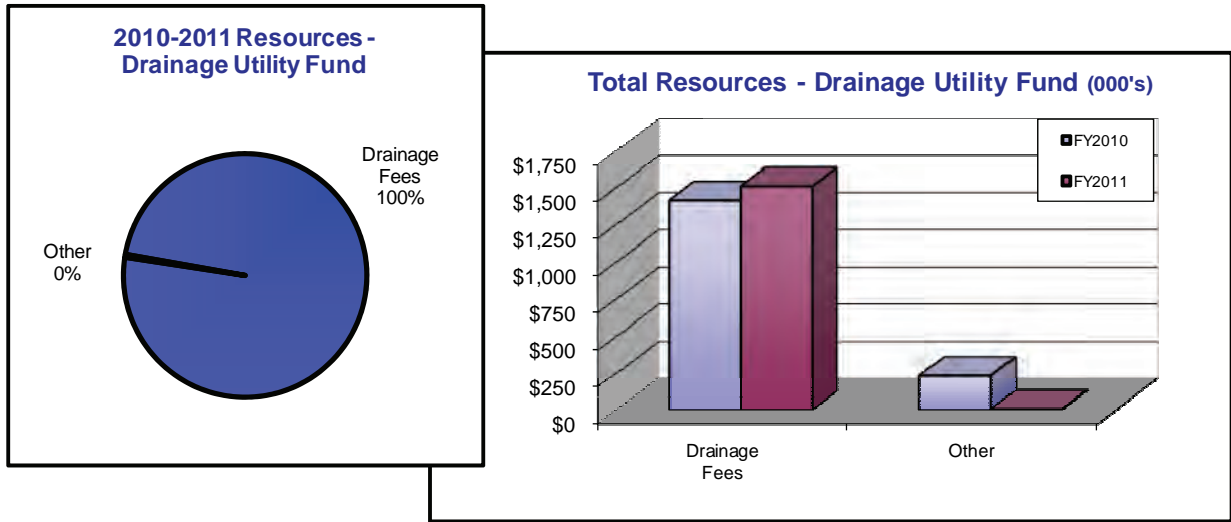
The total ending balance of \$6,478,637 includes a \$1,000,000 water and wastewater rate stabilization reserve. The purpose of the rate stabilization reserve is to provide funds for variations in weather conditions, specifically years having above-average rainfall (wet year) or below-average rainfall (dry year). The undesignated ending fund balance is \$5,478,637.



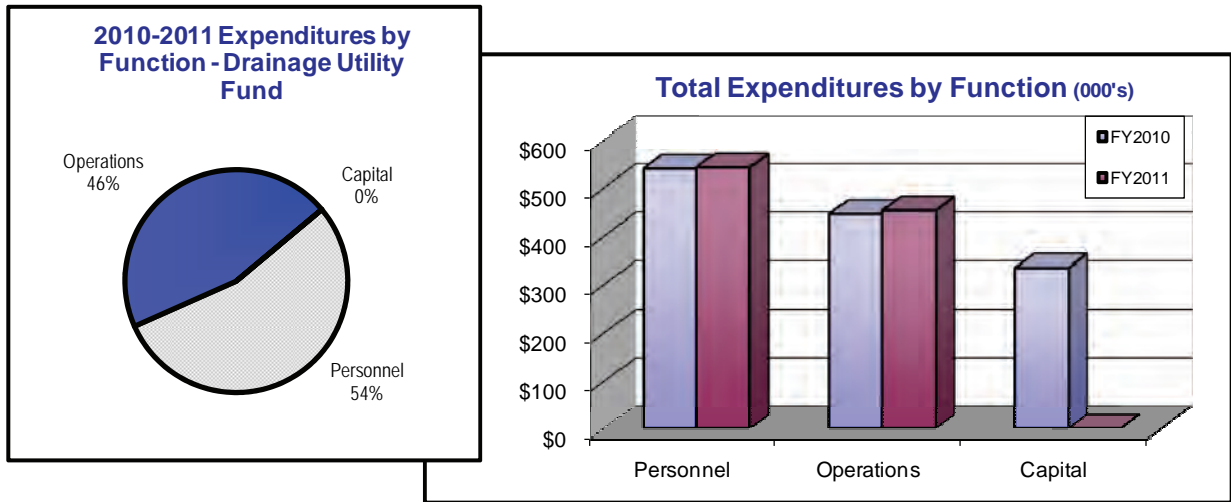
As the above graph indicates, the total number of gallons of wholesale water purchased has generally shown an increasing trend, from as high as 3.54 billion gallons in FY2006 to as low as 2.31 billion gallons in FY2007. Based on total water usage to date through June 2010, water sales of 2.73 billion gallons are anticipated for FY2010. The FY2011 budget forecasts 2.82 billion gallons of water use, and is based on normal, or average rainfall. Using this average, the annualized monthly average usage per customer is 16,535, gallons for FY2011, compared to 16,318 gallons projected for FY2010, and the actual amount of 16,715 gallons in FY2009.

**2010-2011 BUDGET
OVERVIEW OF DRAINAGE UTILITY FUND**

**2010-2011 RESOURCES – WHERE THE MONEY COMES FROM
\$1,515,800**



**2010-2011 EXPENDITURES – WHERE THE MONEY GOES
\$995,160**



The Drainage Utility Fund is an enterprise fund of the City. The Fund accounts for user fees charged per equivalent residential unit (ERU) to maintain and enhance drainage of properties within the City of Keller. A single-family residence is equivalent to one ERU. All activities necessary to provide such services are accounted for in this fund, primarily operations and maintenance.

Drainage Utility Fund Summary (continued)

The Fund was created by the City in 1990, as a result of the passage of the Municipal Drainage Utility Systems Act by the Texas State Legislature in 1987. The Act authorized the creation of a drainage utility for the purpose of providing funding for drainage maintenance and improvements. Revenues are derived from drainage charges to residential and commercial water utility customers. Monthly drainage charges are based on the ERU for each property.

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

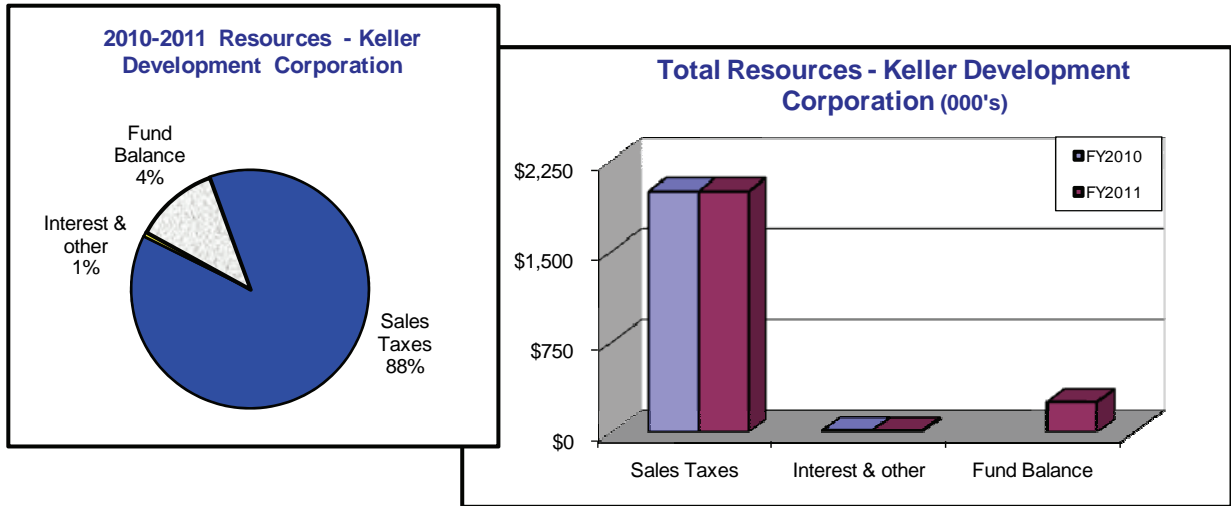
Description	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
Beginning Balance	\$ 272,660	\$ 339,316	\$ 671,051	\$ 331,735	97.8%
REVENUES:					
Drainage fees	895,783	1,415,000	1,510,000	95,000	6.7
Miscellaneous revenues	1,374	1,500	1,000	(500)	(33.3)
Intergovernmental-Ft. Worth	32,745	-	-	-	-
Gain (loss) on asset disposal	1,485	-	-	-	-
Developer contributions	-	40,000	-	(40,000)	(100.0)
Debt proceeds	-	189,875	-	(189,875)	(100.0)
Interest revenue	6,835	4,800	4,800	-	-
TOTAL REVENUES	938,222	1,651,175	1,515,800	(135,375)	(8.2)
TOTAL FUNDS AVAILABLE	1,210,882	1,990,491	2,186,851	196,360	9.9
EXPENDITURES:					
Personnel services	551,572	539,160	542,030	2,870	0.5
Operations & maintenance	65,857	79,730	122,365	42,635	53.5
Services & other	209,652	365,520	276,535	(88,985)	(24.3)
Capital outlay	44,485	335,030	-	(335,030)	(100.0)
Debt service	-	-	54,230	54,230	-0-
TOTAL EXPENDITURES	871,566	1,319,440	995,160	(324,280)	(24.6)
TOTAL ENDING BALANCE	\$ 339,316	\$ 671,051	\$ 1,191,691	\$ 520,640	77.6%

Major revenues for FY2011 are derived from drainage user fees (100%). The monthly drainage charge per ERU is currently \$8.00 per month, last updated in November 2009. The FY2010 budget included a monthly drainage increase of \$3.00 is included.

Major expenditures for FY2011 provided for personnel services (54.5%) for 8.5 full-time equivalent positions. Operations and maintenance and services and other expenditures (45.5% of the total budget) provide for both equipment maintenance and drainage channel maintenance, including equipment rentals as needed.

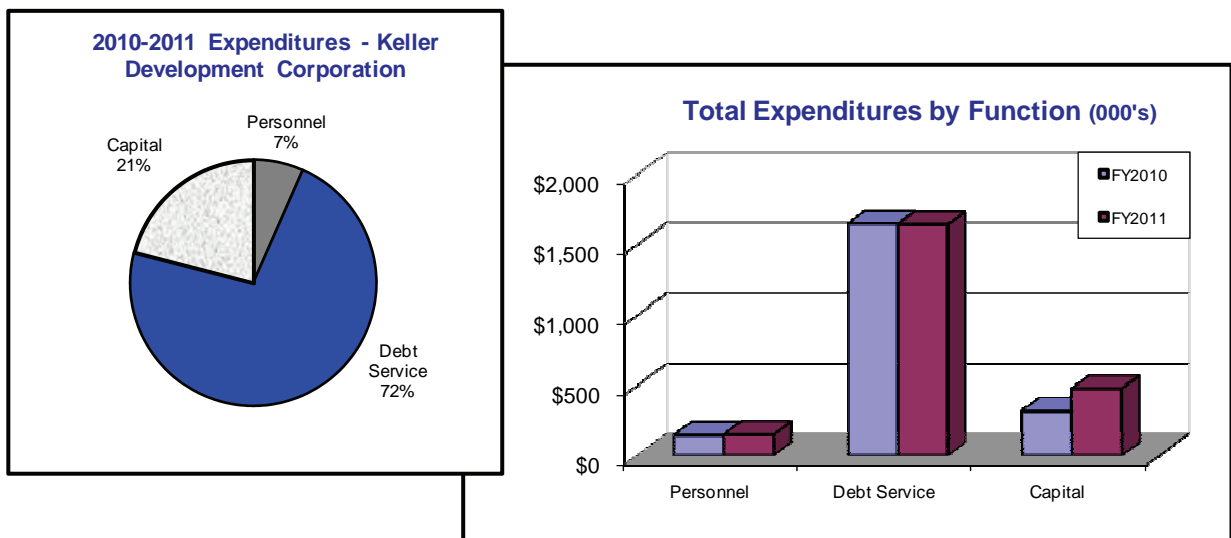
**2010-2011 BUDGET
OVERVIEW OF KELLER DEVELOPMENT CORPORATION**

**2010-2011 RESOURCES – WHERE THE MONEY COMES FROM
\$2,269,175**



Resources include use of fund balances.

**2010-2011 EXPENDITURES – WHERE THE MONEY GOES
\$2,269,175**



Keller Development Corporation Fund Summary (continued)

The Keller Development Corporation (KDC) Fund accounts for resources associated with the additional ½ cent local sales tax, interest revenue and other resources to be used exclusively for capital improvements to Keller parks. In January 1992, residents of the City authorized the additional ½ cent sales tax to be used for the construction of recreational facilities in accordance with the provisions contained in Article 5190.6, Texas Revised Civil Statutes, Section 4B. Following the election, the City Council authorized the creation of the KDC. The KDC is governed by a seven-member Board of Directors, all of whom are appointed by the City Council. Each director must be a resident of the City, and at least four directors must be members of the Keller City Council. Since the City appoints all of the members of the KDC board, the Corporation's financial information is included as a blended component unit (Special Revenue Fund) of the City.

The KDC budget was reviewed and approved by the KDC Board of Directors on July 12, 2010. State law requires a public hearing for development corporations at least 60 days prior to the expenditure of funds. The public hearing was held on July 21, 2010.

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

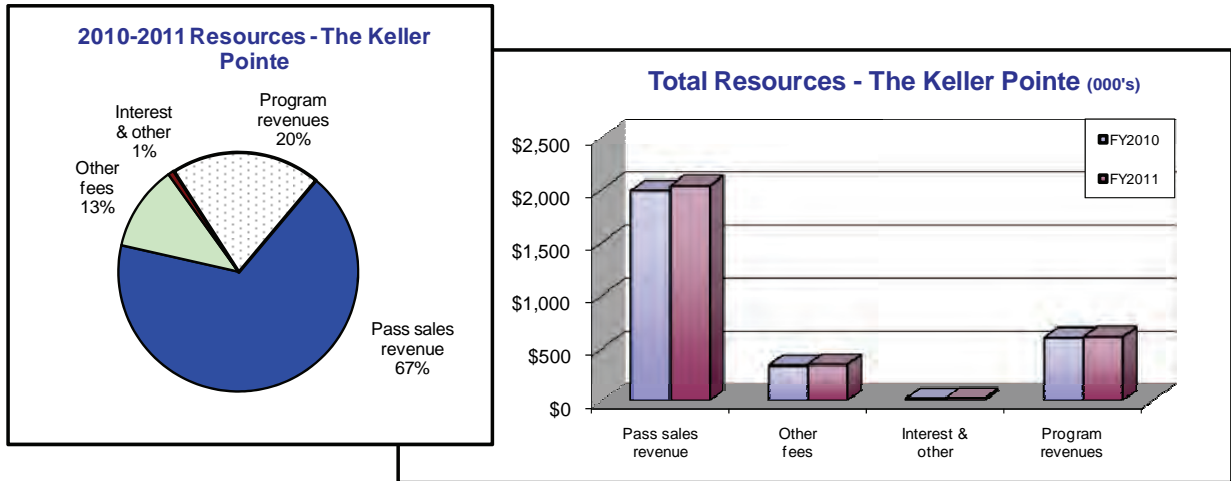
Description	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
Beginning Balance	\$ 673,882	\$ 621,729	\$ 523,984	\$ (97,745)	(15.7%)
REVENUES:					
Sales taxes	2,018,742	1,994,500	1,994,500	-	-0-
Gain (loss) on assets	-	2,500	-	(2,500)	(100.0)
Interest revenue	7,151	3,000	3,000	-	-
Rental & other revenue	13,867	12,000	12,000	-	-0-
TOTAL REVENUES	2,039,760	2,012,000	2,009,500	(2,500)	(0.1)
TOTAL FUNDS AVAILABLE	2,713,642	2,633,729	2,533,484	(100,245)	(3.8)
EXPENDITURES:					
Personnel services	142,336	144,860	149,540	4,680	3.2
Operations & maintenance	9,652	37,260	25,780	(11,480)	(30.8)
Services & other	39,323	41,500	47,250	5,750	13.9
Capital outlay/improvements	119,752	60,015	260,290	200,275	333.7
Debt service	1,645,730	1,648,020	1,643,000	(5,020)	(0.3)
Transfers to other funds	135,120	178,090	143,315	(34,775)	(19.5)
TOTAL EXPENDITURES	2,091,913	2,109,745	2,269,175	159,430	7.6
TOTAL ENDING BALANCE	\$ 621,729	\$ 523,984	\$ 264,309	\$ (259,675)	(49.6%)

Major revenues for FY2011 are comprised of sales taxes, representing 99% of the total budget. Rental revenue includes proceeds from the Keller Sports Park ground lease agreement with Blue Sky Sports Center.

Debt service expenditures provide for retirement of the \$1.8 million Sales Tax Revenue Bonds originally issued in 1992 (refunded in 2005) for land acquisition and development of the Keller Sports Park, and certificates of obligation issued in 2003 and 2004 for Keller Sports Park improvements, and construction of The Keller Pointe Recreation and Aquatic Center. Transfers to other funds provide for transfers to the City's Debt Service Fund to reimburse the City for debt service due on debt obligations originally issued by the City on behalf of the KDC in 1996 and 1997 for Keller Sports Park improvements, and in 2009 for park land acquisition.

**2010-2011 BUDGET
OVERVIEW OF THE KELLER POINTE RECREATION
AND AQUATIC CENTER FUND**

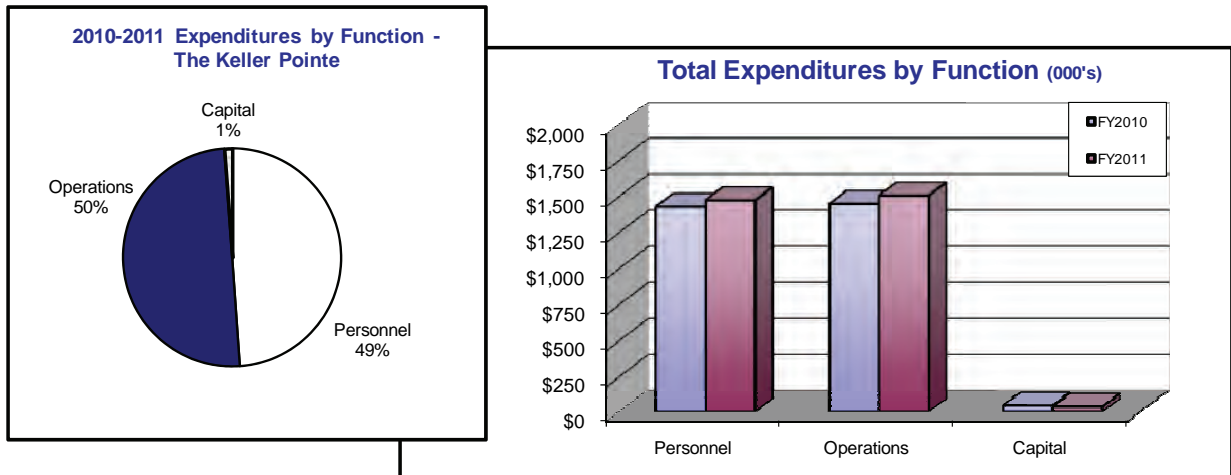
**2010-2011 RESOURCES – WHERE THE MONEY COMES FROM
\$3,021,475**



Resources include use of fund balances.

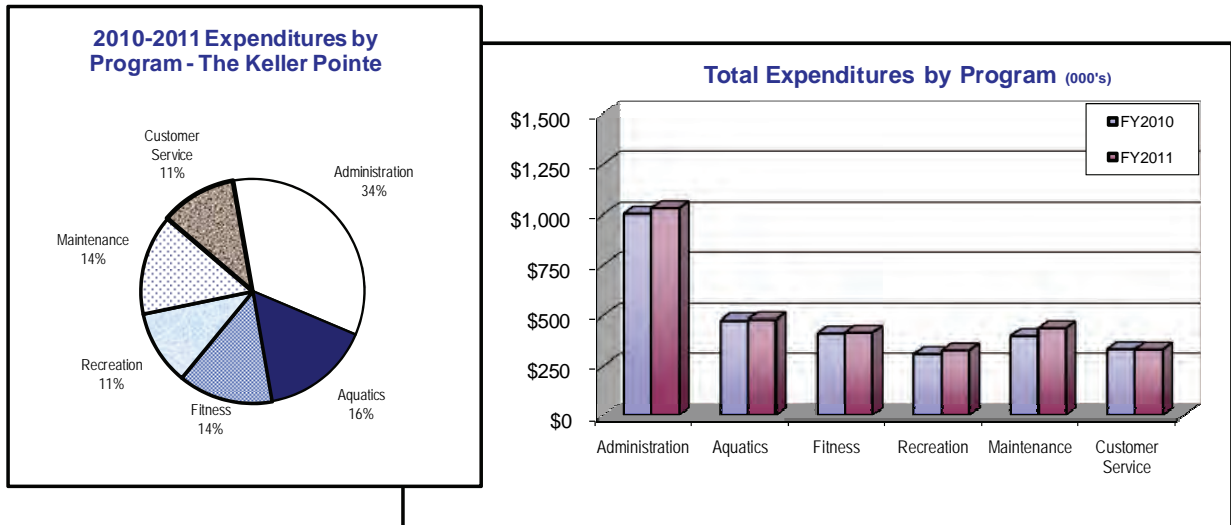
**2010-2011 EXPENDITURES – WHERE THE MONEY GOES
\$3,019,295**

Expenditures by Function



The Keller Pointe Summary (continued)

Expenditures by Division/Program



**THE KELLER POINTE
Recreation and Aquatic Center Fund**

The Keller Pointe Recreation and Aquatic Center Fund accounts for operating revenues and costs associated with the operation of the Center. The facility opened in May 2004.

Facility construction was authorized as a result of an enterprise plan study recommendation, whereby facility operations were intended to be self-supporting through user fees and charges.

The Keller Pointe Summary (continued)

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

Description	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
Beginning Balance*	\$ 655,155	\$ 749,800	\$ 780,870	\$ 31,070	4.1%
REVENUES:					
Pass sales/program revenues	2,968,583	2,932,455	2,996,785	64,330	2.2
Miscellaneous revenue	10,431	14,970	17,490	2,520	16.8
Interest revenue	15,257	7,000	7,200	200	2.9
TOTAL REVENUES	2,994,271	2,954,425	3,021,475	67,050	2.3
TOTAL FUNDS AVAILABLE	3,649,426	3,704,225	3,802,345	98,120	2.6
EXPENDITURES:					
Personnel services	1,494,331	1,430,080	1,475,530	45,450	3.2
Operations & maintenance	355,680	367,040	368,395	1,355	0.4
Services & other	1,049,615	1,083,335	1,140,370	57,035	5.3
Capital outlay	—	42,900	35,000	(7,900)	(18.4)
TOTAL EXPENDITURES	2,899,626	2,923,355	3,019,295	95,940	3.3
TOTAL ENDING BALANCE*	\$ 749,800	\$ 780,870	\$ 783,050	\$ 2,180	0.3%

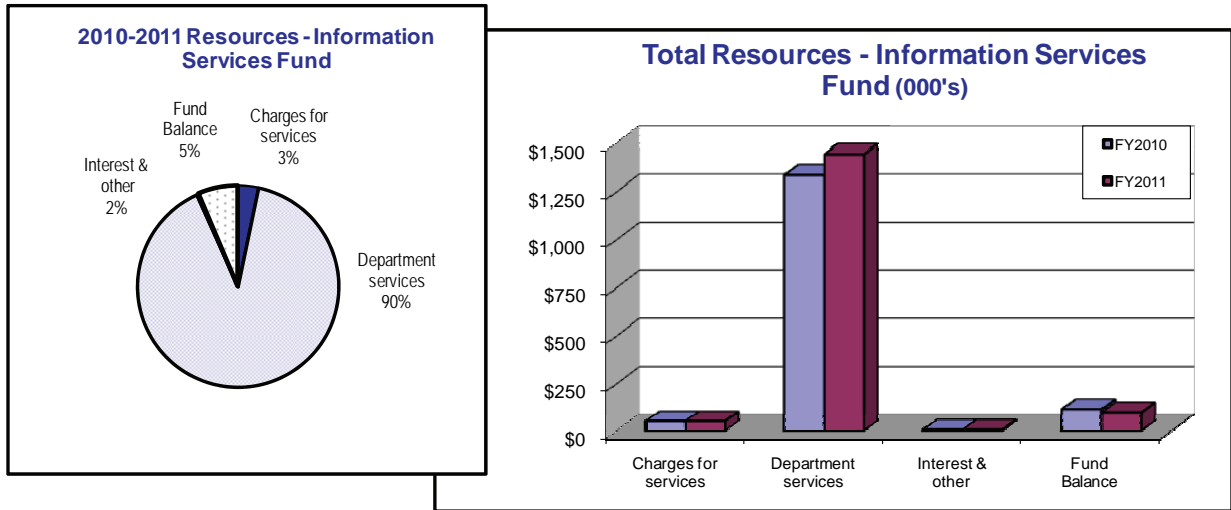
* Fund balance is cash and investments.

Major revenues for FY2011 are comprised of annual and daily passes, facility rentals, merchandise sales, and program revenues. Program revenues include aquatics, fitness (personal training), and recreation programs.

Major expenditures include personnel services for facility staffing and recreation programs (48.9%), and facility operations and supplies. Services & other expenditures include utilities (electricity, water, natural gas) and payments to recreation program instructors and trainers.

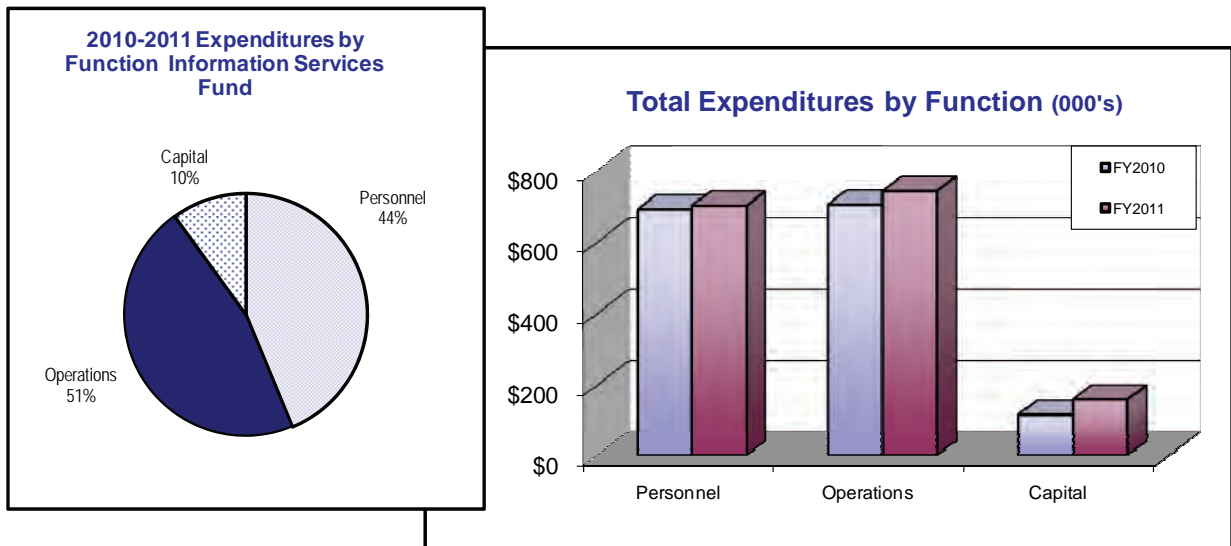
**2010-2011 BUDGET
OVERVIEW OF THE INFORMATION SERVICES FUND**

**2010-2011 RESOURCES – WHERE THE MONEY COMES FROM
\$1,606,235**



Resources include use of fund balances.

**2010-2011 EXPENDITURES – WHERE THE MONEY GOES
\$1,606,235**



Information Services Fund Summary (continued)

The Information Services Special Revenue Fund is funded jointly by transfers of charge-back fees from respective funds of the City, as well as revenues received from communication tower leases on City-owned facilities. These resources are used to fund City-wide information systems and information technology goods and services, including expenditures for Town Hall networking equipment, and geographic information system (GIS) operations. In October 2005, the Public Library support, Internet services, and Audio Visual services were transferred to Information Services.

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

Description	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
Beginning Balance	\$ 483,448	\$ 507,964	\$ 388,504	\$ (119,460)	(23.5%)
REVENUES:					
Departmental charge-back fees	1,244,690	1,337,350	1,445,300	107,950	8.1
Miscellaneous revenue	-	-	-	-	-
Communication tower rentals	71,357	52,500	52,500	-	-
Interest revenue	10,301	6,000	6,000	-	-
TOTAL REVENUES	1,326,348	1,395,850	1,503,800	107,950	7.7
TOTAL FUNDS AVAILABLE	1,809,796	1,903,814	1,892,304	(11,510)	(0.6)
EXPENDITURES:					
Personnel services	616,987	692,340	702,655	10,315	1.5
Operations & maintenance	408,727	453,100	511,250	58,150	12.8
Services & other	216,552	252,370	231,830	(20,540)	(8.1)
Capital outlay	59,566	117,500	160,500	43,000	36.6
TOTAL EXPENDITURES	1,301,832	1,515,310	1,606,235	90,925	6.0
TOTAL ENDING BALANCE	\$ 507,964	\$ 388,504	\$ 286,069	\$ (102,435)	(26.4%)

Major revenues are derived from charge-back fees to respective user departments (96.1%). Major expenditures include personnel services (43.7%) for a staff of 7 FTEs, operating, maintenance, and services costs for items such as hardware replacements, consulting services, and hardware/software maintenance (46.3%). Capital outlay (10%) provides funding for additions or replacements of essential systems.

SUMMARY OF OTHER FUNDS

The City utilizes seven other special revenue funds. A brief description and financial summary of each fund is provided below.

The Library Special Revenue Fund accounts for public donations, grants, and other revenues designated for the Keller Public Library. FY2011 highlights include total revenues of \$44,510; total expenditures of \$41,500; and a \$30,601 ending fund balance.

Other Funds (continued)

The Recreation Special Revenue Fund accounts for resources derived from donations and/or user charges that are specifically designated for recreation programs or special events, as well as tree preservation fines that are levied upon developers, and are designated for the acquisition and maintenance of trees in City parks. Total FY2011 revenues are \$118,300 and total expenditures are \$138,630, leaving an ending fund balance of \$58,733. This Fund provides for recreation programs, including the Wild West Fest and Concerts in the Park. Beginning in FY2006, recreation program revenues and expenditures are accounted for in the Recreation/Aquatic Center activities (The Keller Pointe).

The Municipal Court Special Revenue Fund accounts for technology, building security, and juvenile case manager fees collected from Municipal Court citations. Both the authority for the fees, and the related expenditures from these fees are specifically designated by State law. Total FY2011 revenues are \$109,000, and total expenditures are \$152,430, leaving an estimated ending fund balance of \$152,639.

The Teen Court Special Revenue Fund accounts for resources from grants and other governmental revenues that are specifically designated for the operation of a regional teen court program. Total FY2011 revenues are \$89,730, and total expenditures are \$83,835, leaving an estimated ending fund balance of \$27,727.

Keller Crime Control and Prevention Special Revenue Fund was established in FY2002 to account for revenues derived from sales and use taxes, in accordance with Section 363 of the Texas Local Government Code, to be used for public safety crime control and prevention programs. In November 2001, voters authorized 3/8 of one cent (0.375%) sales and use tax. The tax was authorized for an initial period of five years, with the intent of the City to utilize the proceeds to fund an expansion of the police station facility. This tax was re-authorized for an additional fifteen years by voters in May 2006. In November 2007, voters authorized a reduction in the rate from 0.375% to 0.25%, effective April 2008. Sales tax revenues of \$945,000 are projected in FY2011. Expenditures total \$558,575 and include:

Vehicles and equipment replacements	\$ 232,750
Improvements to technology	61,500
Jail expansion, facility furniture, fixtures, and equipment replacement	258,900
Accreditation fees	5,425

The projected ending fund balance at September 30, 2011 is \$3,318,451. This fund balance includes reserves for capital improvements: \$1,999,500 for jail expansion, and \$647,015 for furniture, fixtures, and equipment, leaving an undesignated fund balance of \$671,876.

The Community Clean-Up Special Revenue Fund accounts for resources from monthly fees assessed to residential customers that are specifically designated for clean-up programs within the community, including, but not limited to, storm debris pick-up, city-wide clean-ups, and educational and promotional activities. The purpose of this program is to provide public services that assist in keeping the City free and clear of any debris, waste, refuse or other items that may cause a public safety issue, be a public nuisance or be a detriment to the aesthetics of the community. Total FY2011 revenues are \$30,000, and total expenditures are \$30,000, leaving an estimated ending fund balance of zero.

**2010-2011 BUDGET
OVERVIEW OF THE DEBT SERVICE FUND**

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general obligation principal and interest. A portion of the ad valorem tax is levied and allocated annually to this fund in an amount sufficient to service the debt payments due for the fiscal year, net of other financing sources. Other financing sources include transfers from roadway impact fees, the Keller Development Corporation, and the Water and Wastewater Fund to reimburse the Debt Service Fund for principal and interest requirements due on debt issued on behalf of these other funds.

Schedules of Water and Wastewater Fund, KDC, and TIF debt obligations are contained in the respective sections of the budget.

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

Description	2008-2009 Actual	2009-2010 Estimate	2010-2011 Budget	Increase (Decrease) Over 2009-2010	
				Amount	Percent
Beginning Balance	\$ 1,023,062	\$ 841,095	\$ 536,445	\$ (304,650)	(36.2%)
REVENUES:					
Property taxes	4,616,506	5,276,080	5,101,000	(175,080)	(3.3)
Transfers from other funds	553,190	628,710	609,155	(19,555)	(3.1)
Interest revenue	37,969	52,075	30,000	(22,075)	(42.4)
TOTAL REVENUES	5,207,665	5,956,865	5,740,155	(216,710)	(3.6)
TOTAL FUNDS AVAILABLE	6,230,727	6,797,960	6,276,600	(521,360)	(7.7)
EXPENDITURES:					
Debt service	4,429,632	5,195,005	5,224,155	29,150	0.6
Transfers to other funds	960,000	1,066,510	615,800	(450,710)	(42.3)
TOTAL EXPENDITURES	5,389,632	6,261,515	5,839,955	(421,560)	(6.7)
TOTAL ENDING BALANCE	\$ 841,095	\$ 536,445	\$ 436,645	\$ (99,800)	(18.6%)

Major revenues for FY2011 are derived from property taxes (89%) and transfers from other funds (10.6%). Transfers from other funds are comprised of the following:

Transfer from Keller Development Corporation	\$ 143,315
Transfer from Water & Wastewater Fund	<u>465,840</u>
Total	<u>\$ 609,155</u>

As previously mentioned, other operating funds transfer monies into the Debt Service Fund to reimburse the Fund for tax-supported debt obligations that were issued on behalf of the respective self-supporting fund. The self-supporting funds reimburse the Debt Service Fund for their respective proportionate share of tax-supported debt service obligations that were issued on their behalf.

Expenditures are provided for retirement of principal and interest on general obligation bonds and/or certificates of obligation. A detailed list of existing debt obligations by fiscal year is provided in the Debt Service section of the budget.

SUMMARY

The above individual fund summaries provide summarized information about the City's major fund's sources of revenues and major expenditures. The summary is intended to provide a brief financial overview of each individual operating fund of the City. Additional detail information regarding revenue sources and expenditures is provided elsewhere in the budget document, e.g., in the City Manager's Transmittal Letter, and also with the individual fund/department presentation throughout the document.



Refurbished Keller Public Library – reopened in March 2010

ALL FUND SUMMARIES

Summary of Revenues, Expenditures and Changes in Fund Balances

- **Revenues by Source**
- **Expenditures by Function**
- **Expenditures by Department/Activity**

CITY OF KELLER, TEXAS
SUMMARY OF REVENUES BY SOURCE – ALL FUNDS
2010-2011 BUDGET

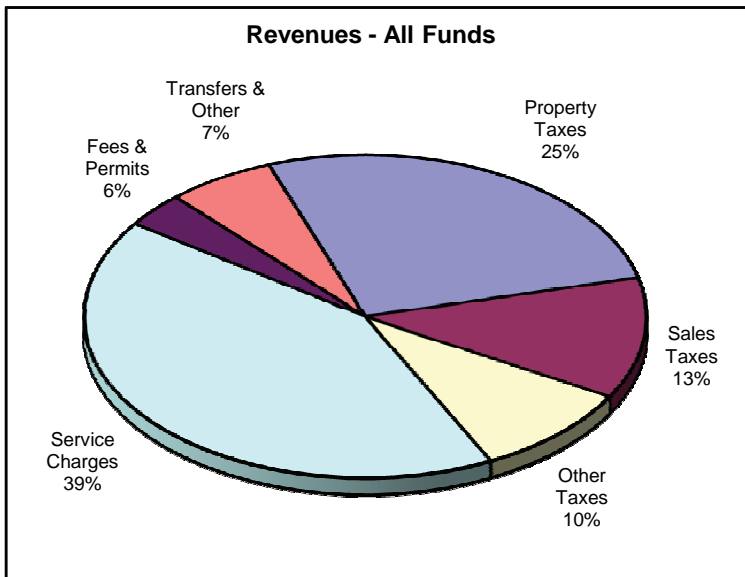
GOVERNMENTAL FUNDS					
Description	General Fund	Special Revenue Funds (1)	Debt Service Funds (2)	Annually Budgeted Capital Projects Funds (3)	Total Governmental Funds
TOTAL BEGINNING BALANCE	\$ 8,682,589	\$ 4,925,439	\$ 574,719	\$ 1,224,630	\$ 15,407,377
REVENUES:					
Total property taxes	12,257,500	–	5,101,000	–	17,358,500
Sales taxes	3,989,100	2,939,500	–	997,200	7,925,800
Other taxes	3,530,150	–	2,553,895	500	6,084,545
Licenses & permits	817,000	–	–	–	817,000
Charges for services	2,399,400	4,639,445	–	79,940	7,118,785
Fines & fees	1,341,200	113,000	–	13,500	1,467,700
Interest revenue	150,000	37,650	36,500	18,100	242,250
Proceeds from debt	–	–	–	–	–
Intergovernmental	2,183,535	68,860	–	–	2,252,395
Miscellaneous revenue (expense)	80,900	6,290	–	400	87,590
Contributions & donations	–	60,200	–	–	60,200
TOTAL REVENUES	26,748,785	7,864,945	7,691,395	1,109,640	43,414,765
OTHER FINANCING SOURCES:					
Transfers in	–	30,870	1,224,955	–	1,255,825
TOTAL OTHER SOURCES	–	30,870	1,224,955	–	1,255,825
TOTAL RESOURCES	26,748,785	7,895,815	8,916,350	1,109,640	44,670,590
TOTAL FUNDS AVAILABLE	\$ 35,431,374	\$ 12,821,254	\$ 9,491,069	\$ 2,334,270	\$ 60,077,967

(continued)

- (1) Includes Keller Development Corporation, The Keller Pointe, Library, Recreation, Municipal Court, Teen Court, Information Services, Keller Crime Control Prevention District Special Revenue, and Community Clean-Up Funds.
- (2) Includes Debt Service Fund and the TIF Interest and Sinking Fund.
- (3) Capital Project Funds are project-based budgets and therefore cover more than one fiscal year, subsequently, totals are omitted, except for the Park Development Fee Fund, Street/Drainage Improvements Fund, Equipment Replacement Fund and interfund transfers.

(continued)

PROPRIETARY FUNDS			
Enterprise Funds			
Water and Wastewater Fund	Drainage Utility Fund	Total Enterprise Funds	Totals
\$ 6,490,797	\$ 671,051	\$ 7,832,899	\$ 23,240,276
-	-	-	17,358,500
-	-	-	7,925,800
-	-	-	6,084,545
-	-	-	817,000
18,743,500	1,511,000	20,254,500	27,373,285
-	-	-	1,467,700
65,000	4,800	69,800	312,050
-	-	-	-
38,005	-	38,005	2,290,400
38,000	-	38,000	125,590
-	-	-	60,200
18,884,505	1,515,800	20,400,305	63,815,070
-	-	-	1,255,825
-	-	-	1,255,825
18,884,505	1,515,800	20,400,305	65,070,895
\$ 25,375,302	\$ 2,186,851	\$ 28,233,204	\$ 88,311,171



CITY OF KELLER, TEXAS
SUMMARY OF EXPENDITURES BY FUNCTION- ALL FUNDS
2010-2011 BUDGET

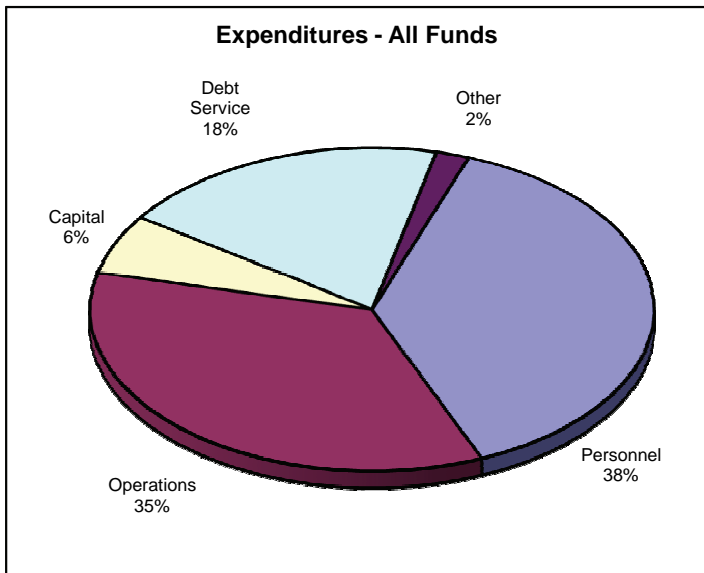
GOVERNMENTAL FUNDS					
Description	General Fund	Special Revenue Funds	Debt Service Funds	Annually Budgeted Capital Projects Funds	Total Governmental Funds
OPERATING EXPENSES:					
Personnel services	\$ 19,269,405	\$ 2,470,555	\$ -	\$ -	\$ 21,739,960
Operations & maintenance	2,104,695	1,159,145	-	80,000	3,343,840
Services & other	5,235,615	1,585,510	-	-	6,821,125
Capital outlay	995,475	898,150	-	1,447,000	3,340,625
Debt service	-	1,643,000	8,402,975	-	10,045,975
TOTAL EXPENDITURES	27,605,190	7,756,360	8,402,975	1,527,000	45,291,525
OTHER FINANCING USES:					
Transfers to other funds	30,870	143,315	615,800	-	789,985
TOTAL OTHER USES	30,870	143,315	615,800	-	789,985
TOTAL EXPENDITURES & OTHER USES	27,636,060	7,899,675	9,018,775	1,527,000	46,081,510
TOTAL ENDING BALANCE					
Reserve for contingencies	7,795,314	4,921,579	472,294	807,270	13,996,457
Other reservations of fund balance	799,716	166,789	-	-	966,505
	25,000	2,762,178	-	-	2,787,178
ENDING BALANCE	\$ 6,970,598	\$ 1,992,612	\$ 472,294	\$ 807,270	\$ 10,242,774

(continued)

- (1) Includes Keller Development Corporation, The Keller Pointe, Library, Recreation, Municipal Court, Teen Court, Information Services, Keller Crime Control Prevention District Special Revenue, and Community Clean-Up Funds.
- (2) Includes Debt Service Fund and the TIF Interest and Sinking Fund.
- (3) Capital Project Funds are project-based budgets and therefore cover more than one fiscal year, subsequently, totals are omitted, except for the Park Development Fee Fund, Street/Drainage Improvements Fund, Equipment Replacement Fund and interfund transfers.

(continued)

PROPRIETARY FUNDS			
Enterprise Funds			
Water and Wastewater Fund	Drainage Utility Fund	Total Enterprise Funds	Totals
\$ 2,860,685	\$ 542,030	\$ 3,402,715	\$ 25,142,675
757,460	122,365	879,825	4,223,665
11,748,600	276,535	12,025,135	18,846,260
612,450	—	612,450	3,953,075
2,451,630	54,230	2,505,860	12,551,835
18,430,825	995,160	19,425,985	64,717,510
465,840	—	465,840	1,255,825
465,840	—	465,840	1,255,825
18,896,665	995,160	19,891,825	65,973,335
6,478,637	1,191,691	7,670,328	21,666,785
—	—	—	966,505
1,000,000	—	1,000,000	3,787,178
\$ 5,478,637	\$ 1,191,691	\$ 6,670,328	\$ 16,913,102



CITY OF KELLER, TEXAS
SUMMARY OF EXPENDITURES BY DEPARTMENT/ACTIVITY – ALL FUNDS
2010-2011 BUDGET

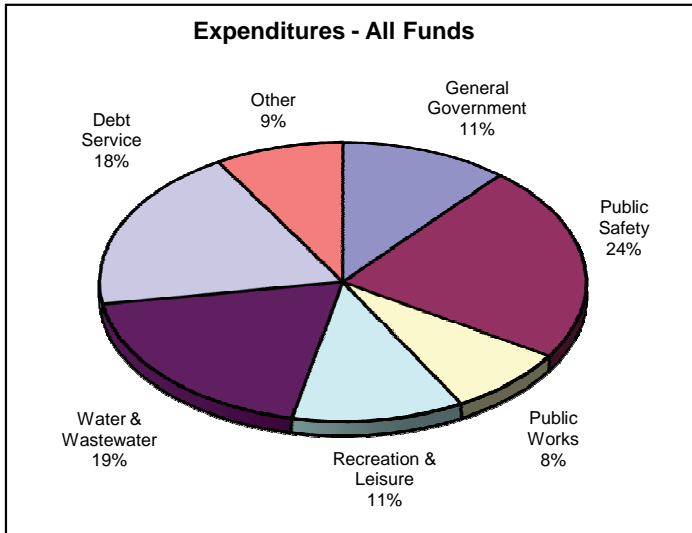
GOVERNMENTAL FUNDS					
Description	General Fund	Special Revenue Funds	Debt Service Funds	Annually Budgeted Capital Projects Funds	Total Governmental Funds
GENERAL GOVERNMENT:					
Administration/General Government	\$ 4,383,915	\$ 1,872,500	\$ –	\$ –	\$ 6,256,415
Community Development	1,104,235	–	–	–	1,104,235
Police Department	7,526,800	558,575	–	–	8,085,375
Fire Department	6,960,010	–	–	–	6,960,010
Public Works	2,957,780	–	–	1,490,000	4,447,780
Keller Public Library	1,316,810	41,500	–	–	1,358,310
Parks & Recreation	2,533,830	3,640,785	–	10,000	6,184,615
WATER & WASTEWATER:					
Administration/Customer Services	–	–	–	–	–
Water Utilities	–	–	–	–	–
Wastewater Utilities	–	–	–	27,000	27,000
OTHER/NON-DEPARTMENTAL:					
Debt service	–	1,643,000	8,402,975	–	10,045,975
Transfers	30,870	143,315	615,800	–	789,985
Non-departmental / other	821,810	–	–	–	821,810
Subtotal	<u>27,636,060</u>	<u>7,899,675</u>	<u>9,018,775</u>	<u>1,527,000</u>	<u>46,081,510</u>
TOTAL	<u>\$ 27,636,060</u>	<u>\$ 7,899,675</u>	<u>\$ 9,018,775</u>	<u>\$ 1,527,000</u>	<u>\$ 46,081,510</u>

(continued)

- (1) Includes Keller Development Corporation, The Keller Pointe, Library, Recreation, Municipal Court, Teen Court, Information Services, Keller Crime Control Prevention District Special Revenue, and Community Clean-Up Funds.
- (2) Includes Debt Service Fund and the TIF Interest and Sinking Fund.
- (3) Capital Project Funds are project-based budgets and therefore cover more than one fiscal year, subsequently, totals are omitted, except for the Park Development Fee Fund, Street/Drainage Improvements Fund, Equipment Replacement Fund and interfund transfers.

(continued)

PROPRIETARY FUNDS			
Enterprise Funds			
Water and Wastewater Fund	Drainage Utility Fund	Total Enterprise Funds	Totals
\$ -	\$ -	\$ -	\$ 6,256,415
-	-	-	1,104,235
-	-	-	8,085,375
-	-	-	6,960,010
-	805,930	805,930	5,253,710
-	-	-	1,358,310
-	-	-	6,184,615
1,796,010	-	1,796,010	1,796,010
7,594,495	-	7,594,495	7,594,495
3,170,090	-	3,170,090	3,197,090
2,451,630	54,230	2,505,860	12,551,835
465,840	-	465,840	1,255,825
3,418,600	135,000	3,553,600	4,375,410
18,896,665	995,160	19,891,825	65,973,335
\$ 18,896,665	\$ 995,160	\$ 19,891,825	\$ 65,973,335



SUMMARY OF AUTHORIZED FULL-TIME EQUIVALENT POSITIONS*

Personnel staffing levels for the City are presented in full-time equivalent (FTE) positions. For example, a position staffed for 40 hours per week for 52 weeks per year equals one full-time equivalent position. For firefighter and firefighter/paramedic positions, a FTE of 2,912 hours per year, or an average of 56 hours per week is used. A FTE position of 0.50 refers to a position that is funded for 1,040 hours per year (2,080 x 0.50). The personnel counts include vacant positions.

The total personnel staffing level for the City in FY2011 is 347.4 FTE positions, and represents an increase of 6.33 FTE positions or a 1.9% increase over the FY2010 Estimate. The increase includes 4.33 FTE positions for additional part-time and seasonal hours for The Keller Pointe. There are no pay plan adjustments or cost of living increases included in the FY2011 budget. During FY2010, a total of 19 FTEs (including 3 vacant positions) were eliminated throughout various funds and departments of the City.

Total FTE positions included in the General Fund for FY2011 are 233.79, an increase of 2 FTEs. These new full-time positions were added in the Police Department, and are related to the Colleyville communications/jail services merger. These positions will be fully funded by the City of Colleyville. The Water & Wastewater Fund totals 43.17 positions, unchanged from FY2010. Department summaries of authorized positions are presented below and with each individual fund summary schedule. In addition, personnel positions shown in detail are presented with each departmental budget. No new full-time positions were added in FY2011.

The number of General Fund employees per 1,000 residents decreased in FY2011. The accompanying chart on the next page depicts the change in the number of General Fund employees per 1,000 residents. General Fund employees per 1,000 residents decreased from 5.88 in FY2010 to 5.78 in FY2011, a decrease of 0.1 FTEs, or 1.7%.

FUND/DEPARTMENT	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
GENERAL FUND:			
Administration	10.00	8.00	8.00
Town Hall Operations	2.00	2.00	2.00
Finance & Accounting	7.50	6.50	6.50
Municipal Court	4.50	3.50	3.50
Human Resources	6.00	5.00	5.00
Economic Development	-	1.00	1.00
Community Development	13.50	11.00	11.00
Police Department	82.00	81.00	83.00
Fire Department	60.00	59.00	59.00
Public Works	17.33	14.33	14.33
Keller Public Library	15.97	15.42	15.42
Parks & Recreation	27.04	25.04	25.04
TOTAL GENERAL FUND	245.84	231.79	233.79
OTHER FUNDS:			
The Keller Pointe Recreation/Aquatic Center	52.59	45.83	50.16
Information Services Fund	7.50	7.00	7.00
Municipal Court Special Revenue	1.00	1.00	1.00
TOTAL OTHER FUNDS	61.09	53.83	58.16

* – Includes temporary/part-time positions and partial year funding for full-time positions.

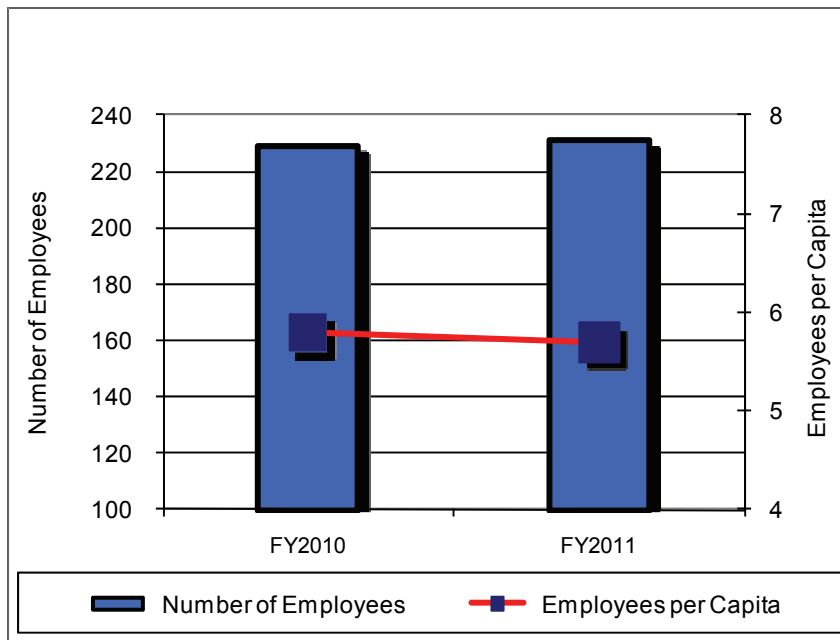
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Summary of Authorized Full-time Equivalent Positions:
(Continued)

FUND/DEPARTMENT	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
WATER & WASTEWATER FUND:			
Water & Wastewater Administration	7.42	5.17	5.17
Customer Services	13.00	12.00	12.00
Water Distribution	15.50	15.50	15.50
Wastewater Collection	9.50	9.50	9.50
Municipal Service Center Operations	1.00	1.00	1.00
TOTAL WATER & SEWER FUND	46.42	43.17	43.17
DRAINAGE UTILITY FUND:			
Drainage Maintenance	8.75	8.50	8.50
TOTAL DRAINAGE UTILITY	8.75	8.50	8.50
TOTAL CITY OF KELLER	362.10	337.29	343.62
Keller Development Corporation	2.78	2.78	2.78
Teen Court**	1.00	1.00	1.00
GRAND TOTAL	365.88	341.07	347.40
Total full-time equivalent employees per 1,000 residents	9.53	8.65	8.58
General Fund only employees per 1,000 residents	6.40	5.88	5.78

* - Includes temporary/part-time positions and partial year funding for full-time positions.

** - Includes a full time position with funding shared by the State of Texas, the cities of Keller, Watauga, and Haltom City, and the Keller and Birdville Independent School Districts.



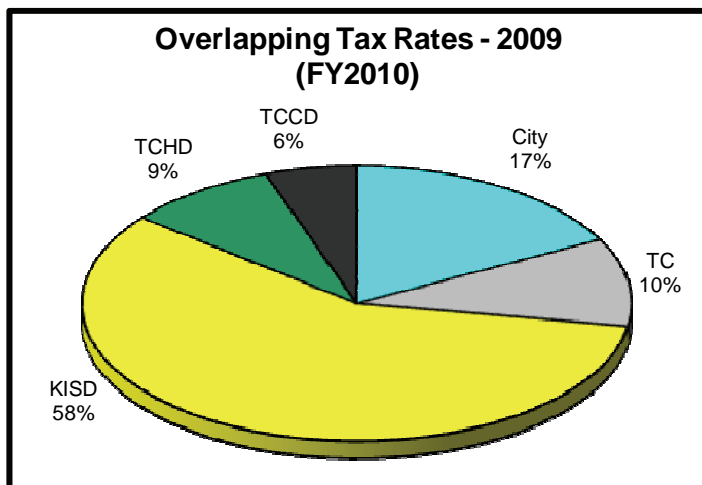
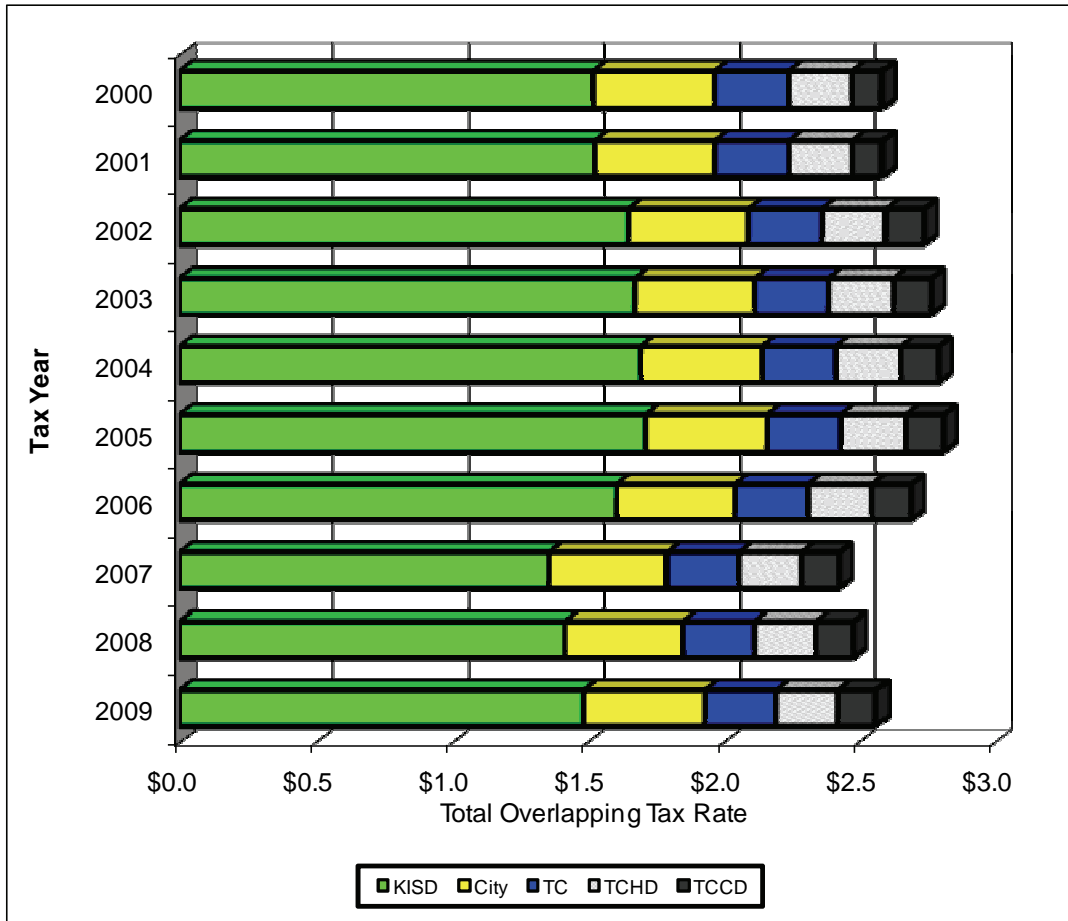
General Fund employees per 1,000 residents decreased from 5.88 in FY2010 to 5.78 employees per 1,000 residents in FY2011, a decrease of 0.1 employees per 1,000 residents, or 1.7%.

Ad Valorem Tax Analysis

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
Total appraised value (market)	\$ 4,184,988,564	\$ 4,374,148,350	\$ 4,349,326,527	\$ 4,323,985,530
<i>Percentage change</i>	8.40%	4.34%	3.93%	-0.58%
Less: Exemptions	316,971,025	329,996,021	333,866,657	348,488,498
Net taxable value	3,868,017,539	4,044,152,329	4,015,459,870	3,975,497,032
<i>Percentage change from prior year</i>	9.11%	4.33%	3.81%	(1.00)%
Tax rate per \$100	0.43219	0.44219	0.44219	0.44219
Gross tax revenue	16,717,185	17,882,837	17,755,962	17,579,250
Estimated valuation adjustments	0.00%	(0.70)%	(0.03)%	(0.74)%
Over-65 and disabled taxes limitation adjustment	25,717,624	33,774,325	36,895,904	27,437,816
Net taxable value after adjustments	3,842,404,351	3,982,068,938	3,977,560,101	3,918,739,926
<i>Percentage change from prior year</i>	8.90%	3.41%	3.52%	(1.48)%
Tax rate per \$100 of assessed valuation	0.43219	0.44219	0.44219	0.44219
Tax levy	16,606,487	17,608,311	17,588,373	17,328,276
Collection percentage - M&O (100% for debt service)	99.1%	99.3%	99.3%	99.3%
Current tax collections	\$ 16,462,169	\$ 17,485,053	\$ 17,465,254	\$ 17,206,978
<i>Percentage change from prior year</i>	8.72%	6.13%	6.09%	(1.48)%
Tax Rate Distribution:				
General Fund (M&O)	\$ 0.31175	\$ 0.31009	\$ 0.31009	\$ 0.31219
Debt Service Fund	0.12044	0.13210	0.13210	0.13000
TOTAL	0.43219	0.44219	0.44219	0.44219
<i>Percentage change from prior year</i>	0.00%	2.31%	2.31%	0.00%
Percentage Distribution:				
General Fund (M&O)	72.1%	70.1%	70.1%	70.6%
Debt Service Fund	27.9%	29.9%	29.9%	29.4%
TOTAL	100.0%	100.0%	100.0%	100.0%
Dollar Distribution:				
General Fund (M&O)	11,874,599	12,261,563	12,247,674	12,148,278
Debt Service Fund	4,587,570	5,223,490	5,217,580	5,058,700
TOTAL	\$ 16,462,169	\$ 17,485,053	\$ 17,465,254	\$ 17,206,978

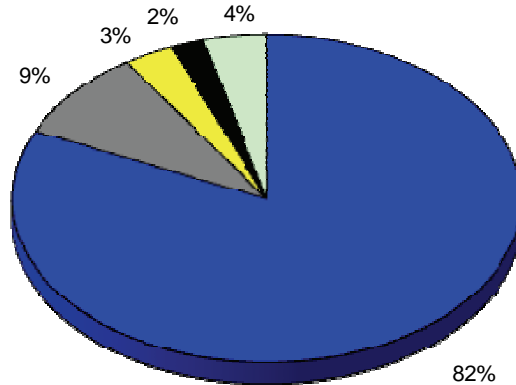
CITY OF KELLER, TEXAS OVERLAPPING TAX RATES

Overlapping tax rates are property tax rates set by all taxing entities on property within the Keller City limits. The following charts present both a ten-year history as well as the distribution of the 2009 (FY2010) tax rates. The total 2009 (FY2010) overlapping tax rate for Keller is \$2.558057 per \$100 of taxable value, an increase of \$0.07911, or 3.2% from the prior year.



City – City of Keller
 TC – Tarrant County
 KISD – Keller Independent School District
 TCHD – Tarrant County Hospital District
 TCCD – Tarrant County College District

2010 (FY2011) Distribution of Total (Appraised) Property Values by Property Type



■ Residential	■ Commercial & industrial
■ Undeveloped/vacant	■ Business personal
■ Exempt & incomplete	

Property Type	# of Accounts	Total Market Value (000's)*	Percent of Total
Residential	13,412	\$ 3,536,007.4	81.8%
Commercial & industrial	418	386,503.9	8.9%
Undeveloped/vacant	1,117	137,628.4	3.2%
Business personal	1,159	91,013.6	2.1%
Exempt & incomplete	110	172,832.2	4.0%
TOTAL	16,216	\$ 4,323,985.5	100.0%

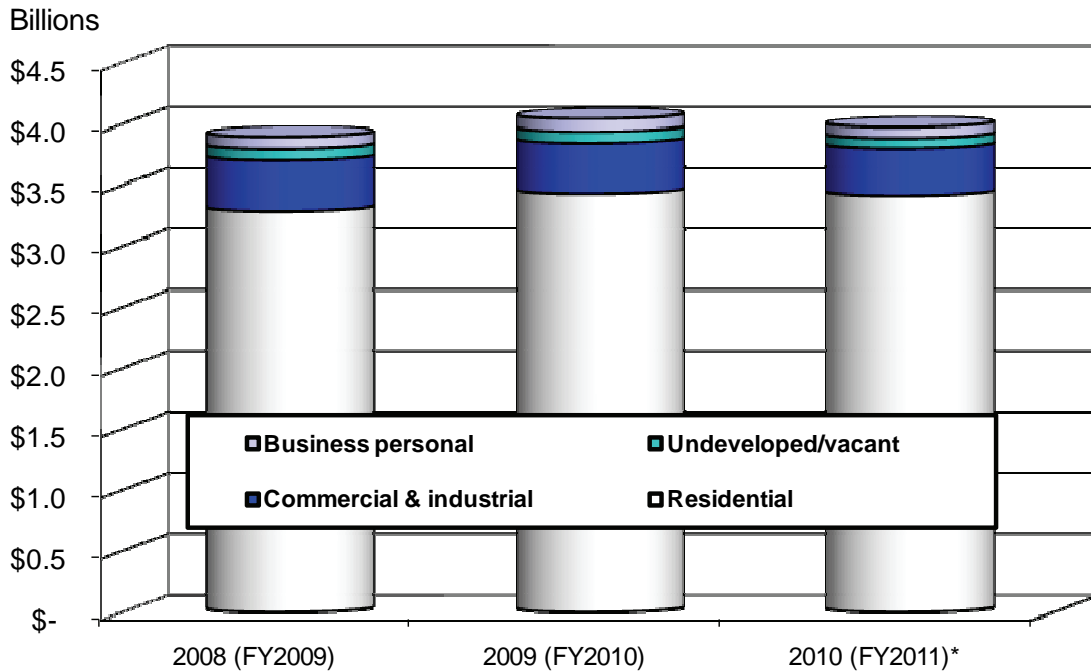
Certified values as of July 25, 2010. Residential property includes unoccupied residential property in inventory held by builders and/or developers.

2009 (FY2010) TOP TEN TAXPAYERS

Name and Description*	Market Value (000's)	Percent of Total
Capri W Dtc - multi-family development/Town Center (1)	\$ 37,105.8	0.85%
Art House - mixed-use development/Town Center (4)	25,000.0	0.57%
Ktc Seniors, Ltd. - multifamily development/Town Center (3)	17,500.0	0.40%
GTE/Verizon - telecommunications utility (2)	15,811.1	0.36%
Regency Centers LP - retail shopping/Town Center (5)	15,500.0	0.35%
T Keller LLC - Tabani/Keller Crossing retail (NA)	14,862.4	0.34%
Lowe's Home Centers - retail store (9)	13,922.7	0.32%
TXU/Oncor Electric - electric utility (8)	13,148.4	0.30%
Grand Estates at Keller LP - multi-family development (7)	12,164.0	0.28%
Home Depot USA - retail store (10)	11,612.4	0.27%
TOTAL	176,626.6	4.04%
Other property	4,197,521.7	95.96%
TOTAL MARKET VALUE	\$ 4,374,148.4	100.00%

* Prior year top ten ranking shown in parentheses.
2010 (FY2011) top ten taxpayers not available.

Taxable Values of Property



Property Category	FY2009 (000's)	FY2010 (000's)	Pct Change	FY2011 (000's)	Pct Change
Commercial & industrial	\$ 418,417.1	\$ 415,766.7	(0.6%)	\$ 386,039.7	(7.1%)
Business personal	98,975.8	105,742.5	6.8%	90,583.4	(14.3%)
Undeveloped/vacant	93,410.7	93,570.4	0.2%	84,509.8	(9.7%)
Residential	3,285,492.0	3,429,072.7	4.4%	3,414,364.1	(0.4%)
TOTAL	\$ 3,896,295.5	\$ 4,044,152.3	3.8%	\$ 3,975,497.0	(1.7%)
New construction included	148,059.9	131,546.7	(11.2%)	64,663.8	(50.8%)

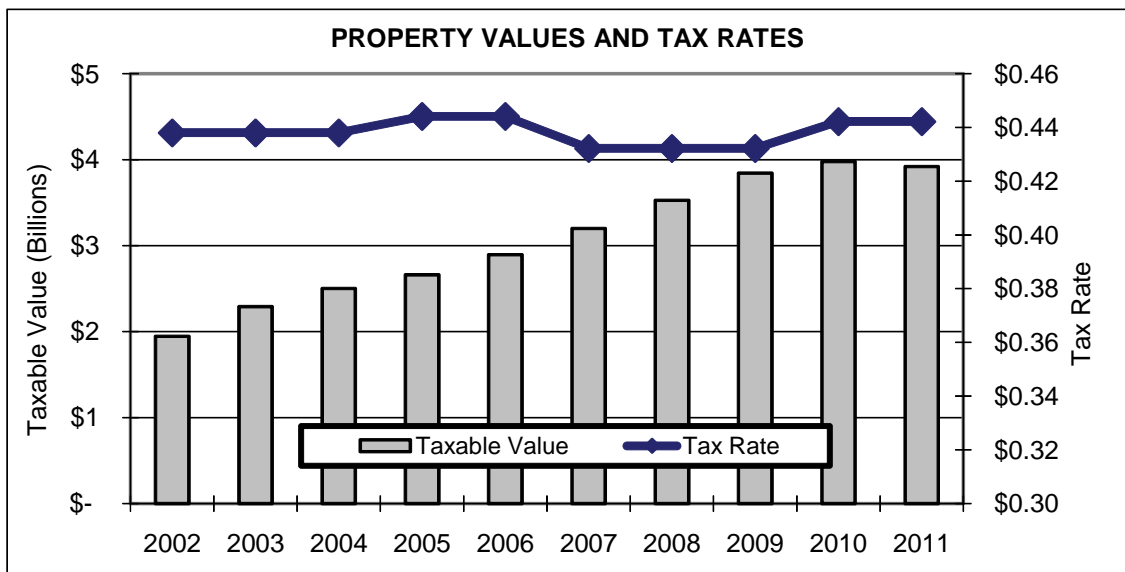
* Tarrant Appraisal District certified appraised values as of July 25, 2009. Values include \$125,206,831 in taxable value of 576 properties under protest (ARB), and \$10,608,649 taxable value of 295 incomplete accounts.

Total property (market) values decreased in FY2011 by 1.1%. Residential property values comprise over 85% of the total value. Commercial and industrial values comprise approximately 10% of total values

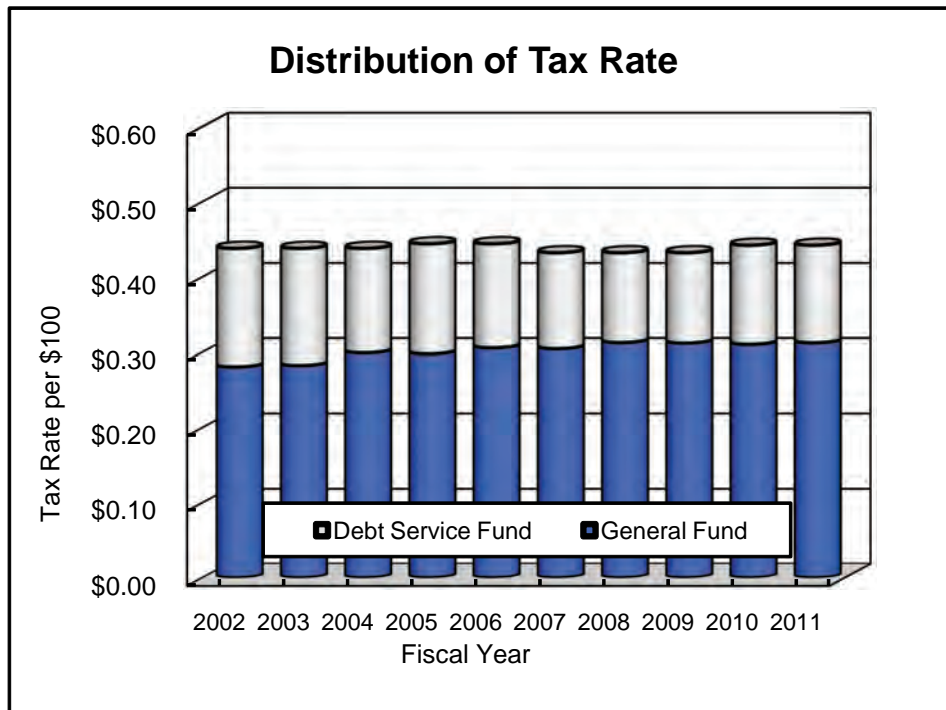
The taxable value of new construction decreased \$66.9 million (50.8%) from FY2010.

Property Valuations and Tax Levies Last Ten Years

Fiscal Year	Net Taxable Value (000's)	Tax Rate per \$100 of Value	Total Tax Levy	Percentage of Current Collections
2001-2002	\$ 1,943,633	\$ 0.43800	\$ 8,513,113	98.8%
2002-2003	2,292,171	0.43800	10,039,710	99.2
2003-2004	2,503,115	0.43800	10,963,644	99.2
2004-2005	2,661,364	0.44413	11,819,916	99.3
2005-2006	2,894,771	0.44413	12,856,546	99.1
2006-2007	3,199,354	0.43219	13,827,290	99.1
2007-2008	3,528,240	0.43219	15,248,700	99.3
2008-2009	3,842,404	0.43219	16,606,487	99.1
2009-2010	3,977,560	0.44219	17,588,374	99.3
2010-2011	3,918,740	0.44219	17,328,277	99.3

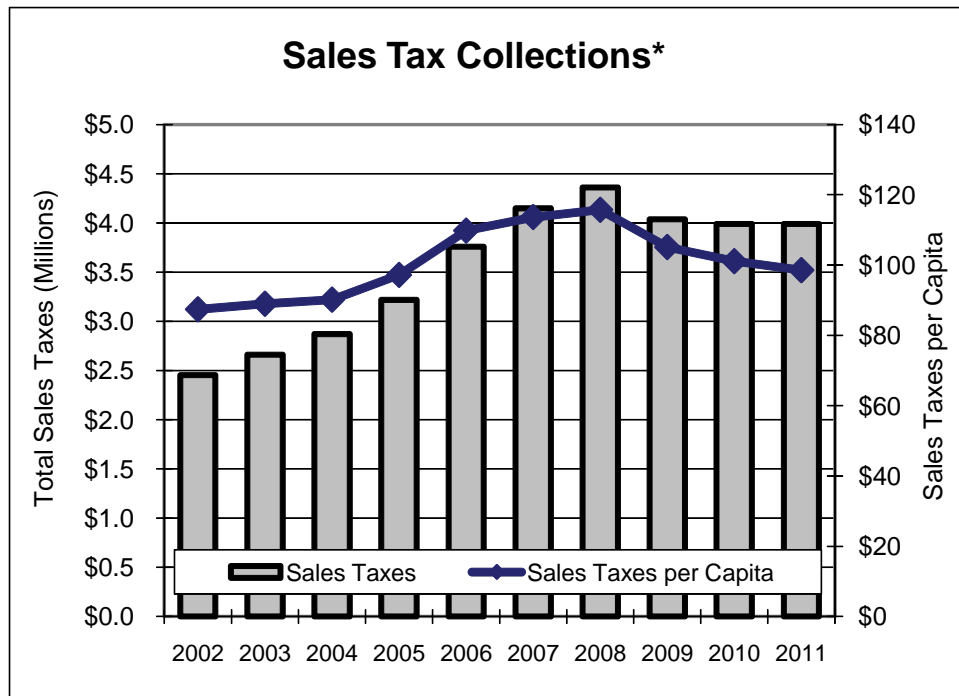


During the last ten years, taxable values have increased over \$1.975 billion, while the tax rate per \$100 of value has decreased from \$0.54414 in FY1994 to the current rate of \$0.44219, a decrease of \$0.10195, or 18.7%.



Fiscal Year Ending September 30	Tax Rate	Tax Rate Distribution	
		General Fund	Debt Service
2002	\$0.43800	\$0.28065	\$0.15735
2003	0.43800	0.28249	0.15551
2004	0.43800	0.29912	0.13888
2005	0.44413	0.29765	0.14648
2006	0.44413	0.30570	0.13843
2007	0.43219	0.30447	0.12772
2008	0.43219	0.31247	0.11972
2009	0.43219	0.31175	0.12044
2010	0.44219	0.31009	0.13210
2011	0.44219	0.31219	0.13000

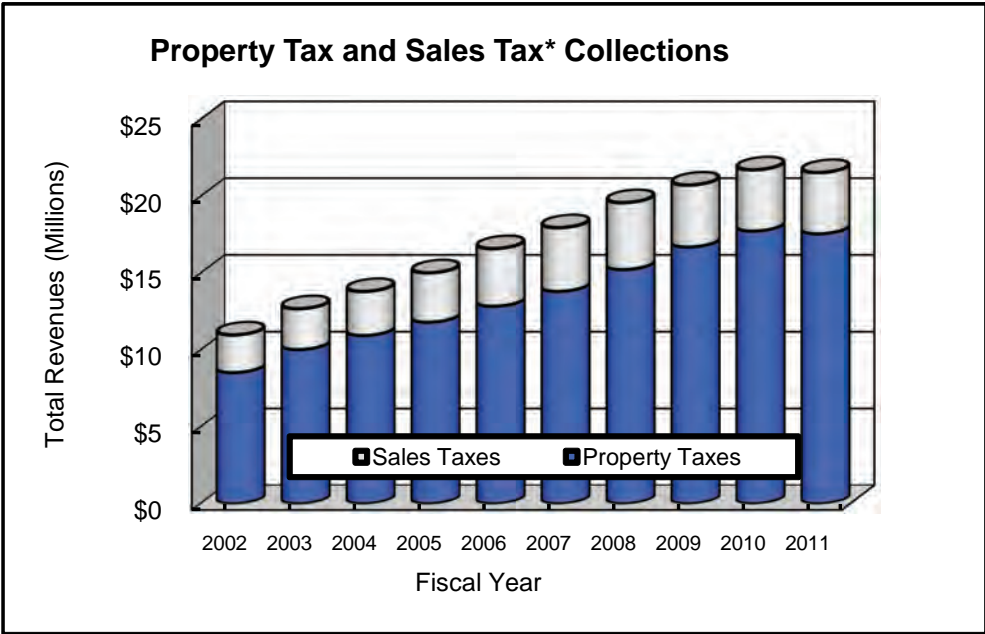
The 2010 (FY2011) property tax rate is \$0.44219, unchanged from FY2010. Due to growth in assessed taxable values, the tax rate has decreased from \$0.54414 in 1994 to \$0.44219. The debt service portion of the tax rate is legally designated for debt retirement, and changes each year because of: 1) new debt obligations issued; 2) debt obligations retired; and 3) debt refundings.



Fiscal Year Ending September 30	Total Sales Tax Collected	Pct. of Ad Valorem Tax Levy	Equivalent Ad Valorem Tax Rate	Sales Taxes Per Capita
2002	\$2,453,697	28.7%	\$0.1262	\$ 87.43
2003	2,662,903	26.5%	0.1162	89.02
2004	2,869,276	26.2%	0.1146	90.19
2005	3,218,819	27.2%	0.1209	97.21
2006	3,757,724	29.2%	0.1298	109.80
2007	4,148,974	30.0%	0.1297	113.65
2008	4,360,294	28.6%	0.1236	115.70
2009	4,037,484	24.3%	0.1051	105.14
2010	3,989,100	22.6%	0.1003	101.12
2011	3,989,100	22.6%	0.1018	98.56

* Excludes KDC, Keller Crime Control Prevention District, and street maintenance sales taxes.

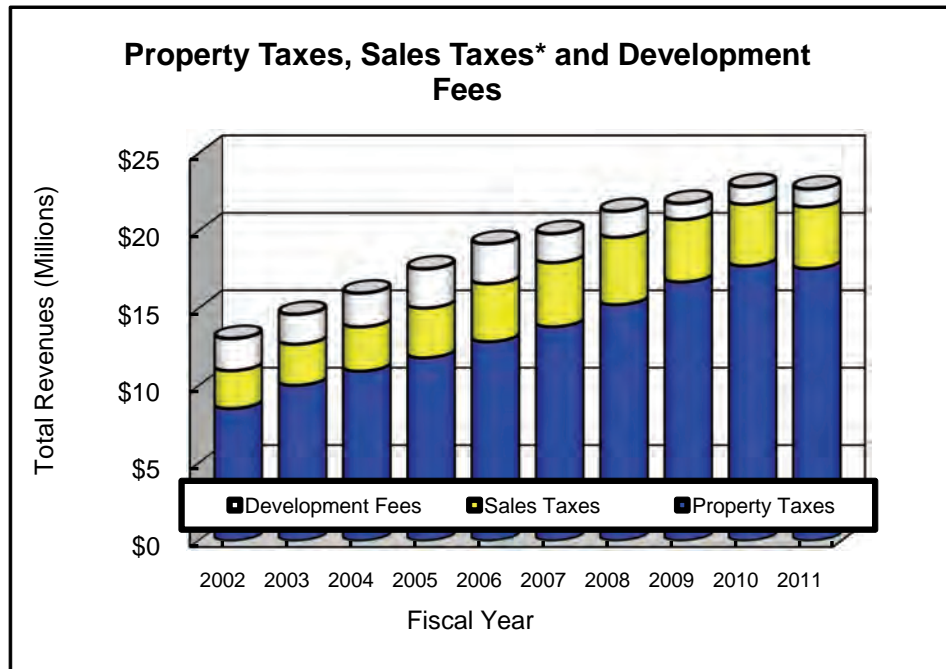
Although sales tax revenues have decreased since 2008, sales tax revenue has improved significantly since 2002 (\$1.5 million or 62 percent) because of the expansion of the retail base. The City will continue to pursue quality commercial and retail development in order to expand the sales tax base. The sales tax now equates to approximately 22.6% of the property tax levy, or approximately \$0.1018 (10.18¢) of the property tax rate.



Fiscal Year Ending September 30	Sales Tax Collections*	Total Ad Valorem Tax Levy
2002	\$2,453,697	\$8,541,520
2003	2,662,903	10,039,710
2004	2,869,276	10,954,013
2005	3,218,819	11,819,914
2006	3,757,724	12,856,545
2007	4,148,974	13,827,290
2008	4,360,294	15,248,703
2009	4,037,484	16,717,185
2010	3,989,100	17,755,962
2011	3,989,100	17,579,250

* Excludes KDC, Keller Crime Control Prevention District, and street maintenance sales taxes.

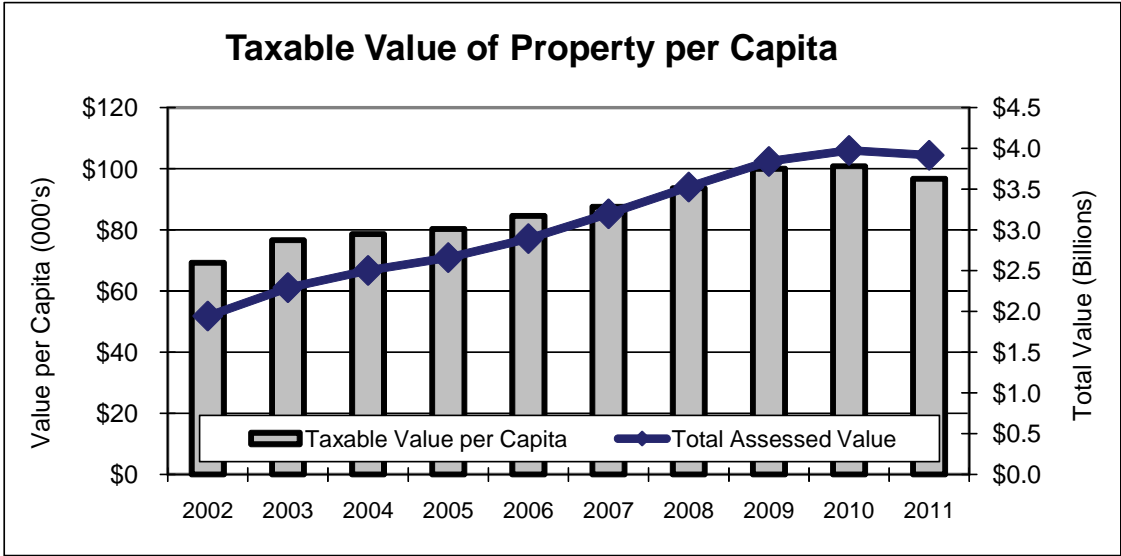
Although sales and property taxes have decreased since 2008, total sales and property tax collections increased significantly since 2002. Because of the uncertainty in both the national and regional economy, total sales and property tax revenues are projected to decrease slightly in FY2011.



Fiscal Year Ending September 30	Sales Tax Collections*	Total Ad Valorem Tax Levy	Development Fees
2002	\$ 2,453,697	\$ 8,541,520	\$ 2,071,699
2003	2,662,903	10,039,710	1,927,733
2004	2,869,276	10,954,013	2,174,421
2005	3,218,819	11,819,914	2,525,426
2006	3,757,724	12,856,545	2,573,166
2007	4,148,974	13,827,290	1,859,802
2008	4,360,294	15,248,703	1,673,381
2009	4,037,484	16,717,185	1,041,153
2010	3,989,100	17,755,962	1,126,200
2011	3,989,100	17,579,250	1,155,200

* Excludes KDC, Keller Crime Control Prevention District, and street maintenance sales taxes.

Property taxes, sales taxes and development fees comprise over 65% of the revenues of the General Fund in FY2011. Development fees peaked in 1999 at \$2.95 million. Decreases have been anticipated in future years, as residential development activity levels off, due to the City becoming closer to build-out. Fees are projected to be flat in FY2010 and FY2011 due to a decline in development activity during the past 2 years.



Fiscal Year Ending September 30	Population as of 10/01	Taxable Assessed Valuation (000's)	Taxable Valuation Per Capita
2002	28,066	\$ 1,943,633	\$ 69,252
2003	29,915	2,292,171	76,623
2004	31,814	2,503,115	78,680
2005	33,112	2,661,364	80,375
2006	34,224	2,894,771	84,583
2007	36,508	3,199,354	87,634
2008	37,685	3,528,241	93,625
2009	38,402	3,842,404	100,057
2010	39,450	3,977,560	100,825
2011	40,474	3,917,740	96,796

Taxable value per capita measures the total growth in taxable value compared to the growth in the population of the City. Significant growth in the commercial and retail tax base will eventually decrease the taxable value per capita on residential taxpayers. However, residential property in Keller continues to comprise approximately 85% of total property values.



GENERAL FUND

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GENERAL FUND

SOURCES OF MAJOR REVENUES

Total General Fund revenues for FY2011 are \$26,748,785, an increase of \$349,885 (1.3%) over FY2010 estimated revenues, and an increase of \$253,900 (1.0%) from the FY2010 original adopted budget. Major increases are projected for intragovernmental revenues (15.3%), primarily related to an anticipated interlocal agreement with the City of Colleyville for communications and jail services.

PROPERTY & OTHER LOCAL TAXES

As previously mentioned in the Budget Summary section (Budget in Brief), the net assessed taxable value for FY2011 is \$3.919 billion. Property taxes comprise 45.8% of total General Fund revenues. Sales taxes for the general fund are generated from the 1% local sales tax on taxable retail sales (excluding the Keller Development Corporation, the Keller Crime Control Prevention District, and street maintenance sales tax amounts) within the City limits. Sales taxes comprise 14.9% of Fund revenues.

Other local taxes are comprised of mixed beverage and franchise taxes, with franchise taxes accounting for approximately 99% of these revenues for both FY2010 and FY2011 respectively. Franchise taxes are fees charged for the continued use of public property (rights-of-way), and are collected primarily from utility companies, including the City of Keller's Water and Wastewater Utility and Drainage Utility. Fees range from 2% – 5% of the gross receipts of the utility. Franchise tax revenues are \$3,470,630 for FY2011, representing 13% of General Fund revenues, compared to \$3,421,770, representing 13% of total General Fund revenues in FY2010. Some franchise fee revenue, such as revenues from electricity and water and wastewater sales, is impacted by local weather conditions. Franchise revenues can also be directly related to growth in Keller, whereby growth in the customer base results in increased gross revenues to the respective utilities. The following table presents a comparison of FY2010 and FY2011 franchise taxes by type of franchise (excludes mixed beverage taxes).

<u>Franchise Type</u>	<u>FY2010</u>	<u>FY2011</u>	<u>Pct Change</u>
Electric	\$ 1,216,400	\$ 1,228,570	1.0%
Telephone (1)	533,630	520,370	(2.5%)
Cable television (1)	79,130	80,190	1.3%
Keller utilities	1,102,000	1,075,000	(2.5%)
Gas utilities	290,000	362,500	25.0%
Solid waste utilities	185,000	185,000	0.0%
Other utilities	15,610	19,000	21.7%
Total	<u>\$ 3,421,770</u>	<u>\$ 3,470,630</u>	1.4%

(1) Telephone franchise taxes include Verizon FiOS® and AT&T U-Verse® telephone, cable television, and Internet Service Provider franchise revenues.

As a combined group, property taxes, sales taxes and franchise taxes account for 73.9% of the General Fund revenues for FY2011, compared to 75.2% of General Fund revenues for FY2010.

FINES & FEES

Fines and fees include fees charged by the City for services provided, such as ambulance billing and animal control fees, as well as fines assessed by the Municipal Court, and library fines. Municipal Court fines comprise the majority of these revenues, and result from Class "C" misdemeanor violations occurring within the City limits. Municipal court fines, ambulance services, and other fees are projected at \$1,943,900 for FY2011, representing 7.3% of General Fund revenues, and a decrease of \$88,400 (4.3%) over FY2010.

BUILDING PERMITS/FEEES

Building permits and fees include plumbing permits, mechanical permits, building permits, electrical permits, fence permits, and sign and other miscellaneous permits. Fees and permits are generated as a direct result of the building and construction activity in the City of Keller. Total revenues in this category for FY2011 are projected to be \$817,000, unchanged from the FY2010 estimate. The major revenue item in this category is building permits, which are projected to be \$600,000 for FY2011, representing 2.2% of total General Fund revenues.

DEVELOPMENT FEES AND OTHER REVENUE

Development fees include fees related to residential and commercial construction and development in the City. These fees include street inspection, construction plan review, zoning and platting, street lighting, and street sign fees. Total development fee revenue for FY2011 is \$338,200, and represents 1% of total General Fund revenue. The most significant revenue in this category is construction plan review fees (\$230,000). Total development fees are projected to increase by \$29,000 (9.4%) over FY2010.

Other significant revenues include administrative services fees from the water and wastewater fund (\$1,400,000) for services and personnel for water and wastewater fund activities that are funded in the general fund; intergovernmental revenue from the Town of Westlake for reimbursement of police operation services resulting from a contract between Keller and Westlake executed in June 2003 (\$745,000); City of Southlake for combined jail and communications services (\$896,170), resulting from the contract between the cities of Keller and Southlake executed in April 2007; City of Colleyville (\$412,365) for a proposed combined jail and communications agreement; and interest revenue (\$150,000) for FY2011.

INTERFUND TRANSFERS

Other than charges for general and administrative services provided to other funds, there are no interfund transfers to the General Fund from other funds in FY2011 or FY2010.

MAJOR EXPENDITURES

Total General Fund expenditures for FY2011 are \$27,636,060, an increase of \$901,790 (3.4%) from FY2010 estimated expenditures. However, FY2011 expenditures represent a *decrease* of \$115,244 (0.4%) from the FY2010 adopted budget.

PERSONNEL SERVICES

The General Fund is service-oriented and primarily focused on providing a variety of services to the citizens of Keller. As a result, personnel services account for \$19.3 million, or 69.7% of the total expenditures of the General Fund for FY2011, compared to \$18.95 million or 70.9% of total expenditures for FY2010. Total full-time equivalent positions of 232.79 represent an increase of 2 FTE's in the Police Department, a result of the anticipated interlocal agreement with the City of Colleyville for jail and communications services. (The City of Colleyville will be reimbursing the City for the costs associated with these services.) Total full-time equivalents represent a decrease of 14 FTE's related to the FY2010 reduction in force. Personnel services also include costs and expenditures for employee benefits.

OPERATIONS AND MAINTENANCE

Operations and maintenance expenditures include major categories of supplies, equipment, street, grounds, and building maintenance costs. These costs for FY2011 are \$2.1 million, or 7.6% of total General Fund expenditures. The FY2011 budget reflects an increase of \$55,085, or 2.7% over FY2010 expenditures.

SERVICES AND OTHER

Services and other expenditures include expenditures for professional and legal services, utilities, liability insurance premiums and other general expenditures. Budgeted amounts for FY2011 are \$5.2 million, or 18.9% of total General Fund expenditures, an increase of \$357,360, or 7.3% from FY2010 expenditures.

INTERFUND (INTRA GOVERNMENTAL) TRANSFERS

Interfund (intra governmental) transfers include transfers from one fund to another fund. Total transfers to other funds for FY2011 are \$30,870, representing 0.1% of total General Fund expenditures. Transfers for FY2011 include contributions to the Teen Court Special Revenue fund for the City's portion of the joint Teen Court funding.

DEBT SERVICE

There are no debt service expenditures from the General Fund for FY2011.

CAPITAL OUTLAY

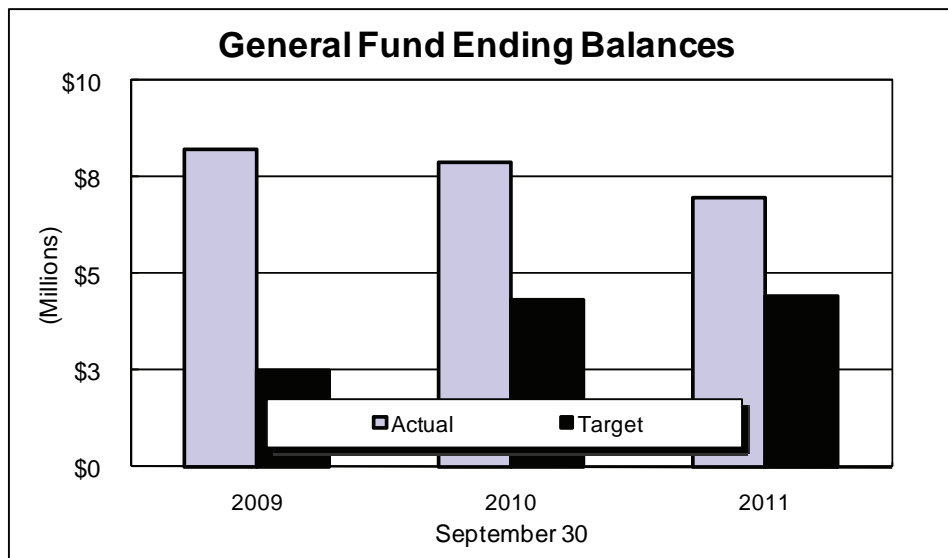
Capital outlay includes expenditures for new or replacement City assets, or improvements to existing assets. The City's personal property capitalization limit for FY2011 is \$5,000. Total capital outlay expenditures for FY2011 are \$995,265, or 3.6% of total General Fund expenditures. A discussion of specific major capital outlay items is included in the City Manager's Transmittal Letter. Capital outlay expenditures for FY2011 increased \$156,115 (18.6%) from FY2010. Major capital items include: street improvements (\$785,585); emergency equipment for the Fire Department (\$105,000); vehicle replacement for the Community Development Department (\$45,000); and street maintenance equipment for the Public Works Department (\$28,000).

FUND BALANCE RESERVES

Expenditures exceed revenues by \$887,275 for FY2011. The projected beginning fund balance for FY2011 of \$8,682,589 exceeds the targeted beginning fund balance by \$3,567,912, or about 50 days of operations. The total ending fund balance at September 30, 2011 is projected to be \$7,795,314. The financial policies require a contingency reserve of 3% of operating expenditures, or \$798,291. The City's financial management policies also establish a benchmark (target) of 16.7% (60 days) of operating, non-recurring expenditures as an unreserved fund balance. The unreserved fund balance is projected at \$6,972,023, which is 26.2% of operating, non-recurring expenditures, exceeding the established benchmark.

GENERAL FUND

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 8,289,719	\$ 7,117,402	\$ 9,017,959	\$ 8,682,589
Revenues and transfers	26,376,063	26,494,885	26,398,900	26,748,785
TOTAL FUNDS AVAILABLE	34,665,782	33,612,287	35,416,859	35,431,374
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	25,647,823	27,751,304	26,734,270	27,636,060
<u>ENDING FUND BALANCE:</u>				
Total fund balance	9,017,959	5,860,983	8,682,589	7,795,314
Reserved for special accounts	25,000	25,000	25,000	25,000
Reserved for contingencies	749,859	808,456	776,391	798,291
Unreserved fund balance	8,243,100	5,027,527	7,881,198	6,972,023
FUND TOTAL	\$ 34,665,782	\$ 33,612,287	\$ 35,416,859	\$ 35,431,374
Excess revenues (expenditures)	728,240	(1,256,419)	(335,370)	(887,275)
Unreserved ending fund balance:				
Percent of operating expenditures ⁽¹⁾	33.0%	18.7%	30.5%	26.2%
TARGET	10.0%	10.0%	16.7%	16.7%
Number of days operating expenditures	118.7	67.2	109.6	94.3
TARGET	36.0	36.0	60.0	60.0



GENERAL FUND

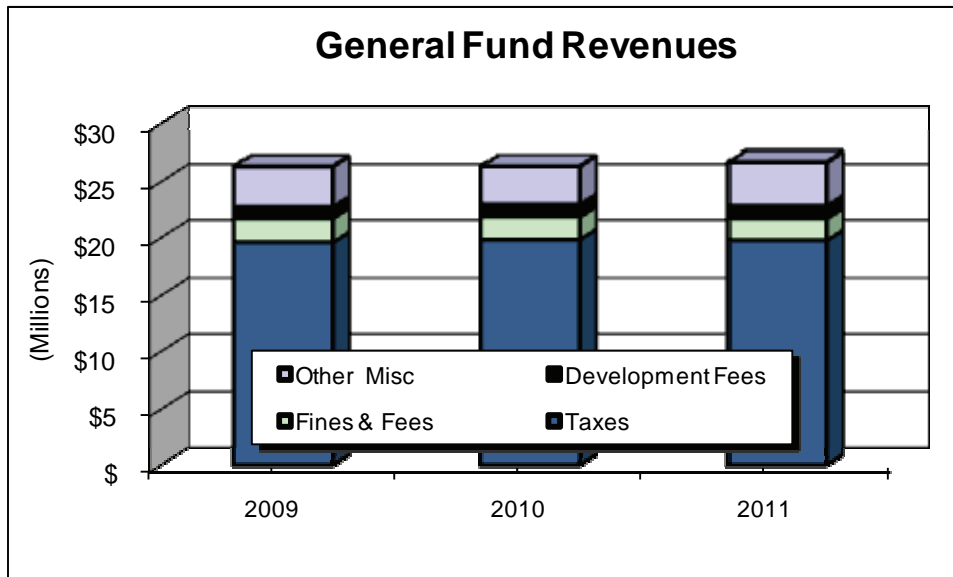
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
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SUMMARY OF GENERAL FUND REVENUES

REVENUES:

TAXES:

Total property taxes	\$ 12,044,728	\$ 12,400,000	\$ 12,380,000	\$ 12,257,500
Sales taxes	4,037,484	4,176,500	3,989,100	3,989,100
Other taxes	3,521,312	3,709,790	3,478,070	3,530,150
Subtotal	19,603,524	20,286,290	19,847,170	19,776,750
FINES & FEES	2,137,973	1,943,900	2,032,300	1,943,900
BUILDING PERMITS/FEES	753,515	607,000	817,000	817,000
DEVELOPMENT FEES	287,638	268,200	309,200	338,200
INTER-INTRAGOVERNMENTAL	3,247,693	3,140,995	3,140,995	3,622,035
OTHER REVENUE	345,720	248,500	252,235	250,900
TOTAL REVENUES & TRANSFERS	\$ 26,376,063	\$ 26,494,885	\$ 26,398,900	\$ 26,748,785



GENERAL FUND

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
REVENUES				
<u>PROPERTY TAXES:</u>				
Current taxes	\$ 11,901,050	\$ 12,270,000	\$ 12,248,000	\$ 12,140,000
Delinquent taxes	29,785	45,000	70,000	45,000
Accrued property tax revenue	2,422	-	-	-
Penalty & interest	88,597	70,000	60,000	70,000
Agricultural rollback taxes	22,874	15,000	2,000	2,500
Subtotal	12,044,728	12,400,000	12,380,000	12,257,500
<u>OTHER LOCAL TAXES:</u>				
City sales taxes	4,037,484	4,176,500	3,989,100	3,989,100
Mixed beverage taxes	55,350	59,520	56,300	59,520
Franchise & In-Lieu of taxes:				
Franchise taxes-TXU Electric	536,912	537,460	535,980	541,340
Franchise taxes-Tri County Electric	717,674	768,670	680,420	687,230
Franchise taxes-Verizon	328,603	313,010	359,910	363,510
<i>Includes FIOS[®] franchise revenues</i>				
Franchise taxes-TXU/Atmos	432,992	445,990	290,000	362,500
Franchise taxes-TV cable	120,891	148,010	79,130	80,190
Franchise taxes-SBC/AT&T	93,284	92,130	113,720	114,860
<i>FY2009 and future years include U-Verse[®] franchise revenues</i>				
Franchise taxes-Solid Waste	204,518	185,000	185,000	185,000
Franchise taxes-Water and W/W	855,000	1,005,000	1,005,000	980,000
Franchise taxes-Drainage	90,000	97,000	97,000	95,000
Franchise taxes-One Source	57,409	42,000	60,000	42,000
Franchise taxes-litigation	16,007	-	3,610	-
Franchise taxes-other	12,672	16,000	12,000	19,000
Subtotal	7,558,796	7,886,290	7,467,170	7,519,250
TOTAL TAX REVENUE	19,603,524	20,286,290	19,847,170	19,776,750
<u>FINES & FEES:</u>				
Fire inspection fees/permits	14,631	12,500	9,000	12,500
Finger printing fees	2,235	3,500	3,500	3,500
Animal control fees	19,737	16,000	16,000	16,000
Ambulance service fees	962,472	740,000	820,000	740,000
Open records request fees	4,474	6,000	6,000	6,000
Alarm fees/permits	13,050	12,000	18,000	12,000
Solicitor fees/permits	4,750	6,000	6,000	6,000
Municipal Court fines/fees	808,262	870,000	870,000	870,000
Library fines	36,730	35,000	35,000	35,000
Library lost book revenue	1,750	2,500	2,500	2,500
Library services fees	5,620	6,000	6,000	6,000
KISD FTA Fines	-	500	500	500
Court fines collection fees	42,081	33,000	33,000	33,000
Facilities/park rental fees	14,440	9,500	12,500	9,500
Park rental fees-Keller Sports Park	8,941	12,500	12,500	12,500
Communication tower rentals	101,447	78,000	90,000	78,000
Public art sales commissions	380	8,000	8,000	8,000
Right-of-way easements	\$ 450	\$ 900	\$ 900	\$ 900

(continued)

GENERAL FUND

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
REVENUES				
<u>FINES & FEES:</u>				
(continued)				
Oil & gas royalty revenue	\$ 14,028	\$ -	\$ 900	\$ -
Other services	7,460	20,000	10,000	20,000
Keller Town Center Property Owner Ass'n	75,035	72,000	72,000	72,000
TOTAL FINES & FEES	2,137,973	1,943,900	2,032,300	\$ 1,943,900
<u>BUILDING PERMITS/FEES:</u>				
Plumbing permits	63,057	50,000	70,000	70,000
Mechanical permits	43,173	35,000	45,000	45,000
Building permits/C.O.'s	556,516	450,000	600,000	600,000
Fence, sign & miscellaneous permits	25,126	22,000	25,000	25,000
Energy inspections permits	21,040	20,000	27,000	27,000
Electrical permits	44,603	30,000	50,000	50,000
TOTAL BUILDING PERMITS/FEES	753,515	607,000	817,000	817,000
<u>DEVELOPMENT FEES:</u>				
Paving/drainage Inspection fees	68,469	80,000	50,000	80,000
Construction plan review fees	191,942	160,000	230,000	230,000
Zoning & subdivision fees	20,724	18,000	18,000	18,000
Street lighting fees	4,320	9,000	9,000	9,000
Street sign fees	1,583	1,200	1,200	1,200
Opticom system fees	600	-	1,000	-
TOTAL DEVELOPMENT FEES	287,638	268,200	309,200	338,200
<u>INTERGOVERNMENTAL REVENUE:</u>				
Town of Westlake	760,105	760,105	760,105	745,000
KISD-School resource officer	107,887	118,000	118,000	130,000
State of Texas	71,575	-	-	-
Intergovernmental-disaster recovery	15,232	-	-	-
City of Southlake	1,024,394	1,024,390	1,024,390	896,170
City of Colleyville	-	-	-	412,365
TOTAL INTERGOVERNMENT REVENUE	1,979,193	1,902,495	1,902,495	2,183,535
<u>INTRAGOVERNMENTAL REVENUE:</u>				
Keller Water & Wastewater Utility	1,230,000	1,200,000	1,200,000	1,400,000
Keller Development Corporation	38,500	38,500	38,500	38,500
<i>General and administrative services</i>				
TOTAL INTRAGOVERNMENT REVENUE	1,268,500	1,238,500	1,238,500	1,438,500
<u>OTHER REVENUE:</u>				
Interest earnings	186,111	150,000	120,000	150,000
Gain (loss) on disposal of assets	11,407	3,500	10,000	5,900
Write-off recovery	23,324	20,000	20,000	20,000
Miscellaneous revenue	77,778	25,000	49,610	25,000
Sculpture show sales/donations	-	-	25,000	25,000
Public Arts donations/ticket sales	47,000	50,000	27,625	25,000
Miscellaneous grants/donations	100	-	-	-
TOTAL OTHER REVENUE	345,720	248,500	252,235	250,900
TOTAL REVENUES AND TRANSFERS	\$ 26,376,063	\$ 26,494,885	\$ 26,398,900	\$ 26,748,785

GENERAL FUND EXPENDITURES

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION</u>				
Personnel services	\$ 18,959,057	\$ 19,571,350	\$ 18,951,850	\$ 19,269,405
Operations & maintenance	1,554,387	2,226,262	2,049,610	2,104,695
Services & other	4,481,860	5,150,927	4,878,255	5,235,615
Transfers to other funds	34,150	15,195	15,195	30,870
SUBTOTAL	25,029,454	26,963,734	25,894,910	26,640,585
Capital outlay	618,369	787,570	839,360	995,475
TOTAL	\$ 25,647,823	\$ 27,751,304	\$ 26,734,270	\$ 27,636,060

<u>EXPENDITURES BY ACTIVITY</u>				
Administration/General Government	\$ 4,205,054	\$ 4,400,461	\$ 4,440,390	\$ 4,383,915
Community Development	1,159,616	1,180,945	1,107,510	1,104,235
Public Safety	13,361,449	14,336,954	13,596,920	14,486,810
Public Works	2,587,289	3,154,369	3,050,205	2,957,780
Keller Public Library	1,156,852	1,381,590	1,328,250	1,316,810
Parks & Recreation	2,485,116	2,592,380	2,506,390	2,533,830
Non-departmental / Other	692,447	704,605	704,605	852,680
TOTAL	\$ 25,647,823	\$ 27,751,304	\$ 26,734,270	\$ 27,636,060

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2010 BUDGET
Administration	10.00	8.00	8.00
Town Hall Operations	2.00	2.00	2.00
Finance & Accounting	7.50	6.50	6.50
Municipal Court	4.50	3.50	3.50
Human Resources	6.00	5.00	5.00
Economic Development	-	1.00	1.00
Community Development	14.00	11.00	11.00
Police Department	82.00	81.00	83.00
Fire Department	60.00	59.00	59.00
Public Works	17.33	14.33	14.33
Keller Public Library	15.97	15.42	15.42
Parks & Recreation	26.54	25.04	25.04
TOTAL	245.84	231.79	233.79

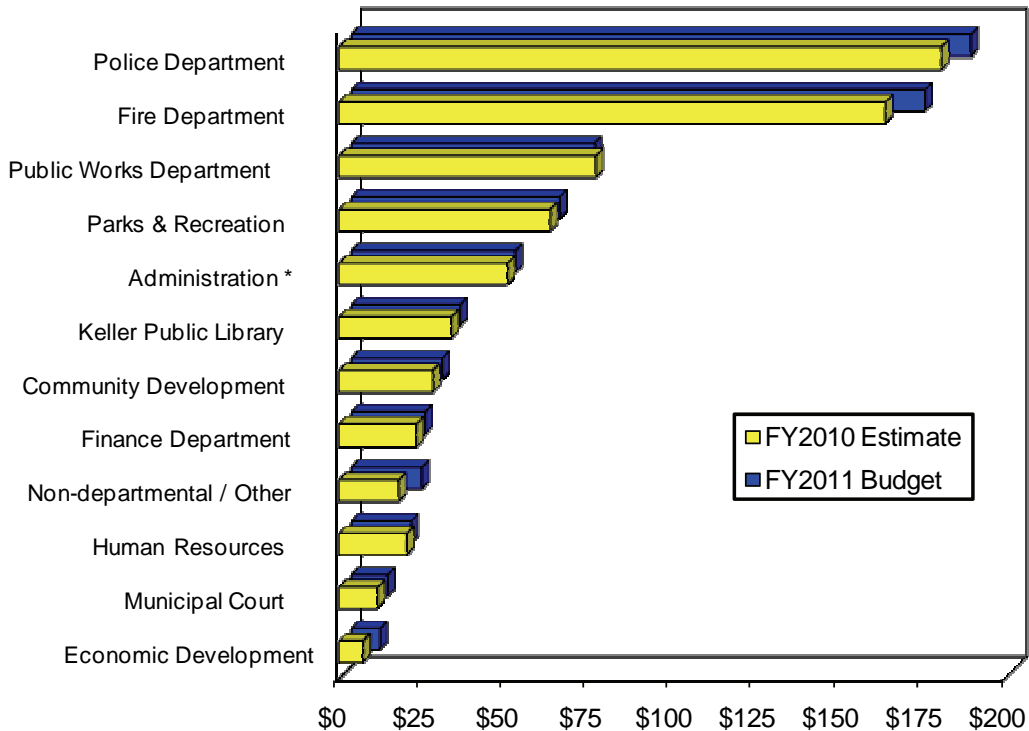
**GENERAL FUND EXPENDITURE SUMMARY
EXPENDITURES BY DEPARTMENT/ACTIVITY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
GENERAL GOVERNMENT:				
Administration	\$ 1,475,254	\$ 1,376,900	\$ 1,427,930	\$ 1,412,980
Town Hall Operations	530,008	563,340	551,195	564,250
Mayor & Council	18,156	18,805	18,805	18,805
Finance & Accounting	911,212	914,515	910,220	889,900
Municipal Court	425,182	481,986	450,755	433,870
Human Resources	674,058	744,700	801,080	725,080
Economic Development	171,184	300,215	280,405	339,030
Subtotal	4,205,054	4,400,461	4,440,390	4,383,915
COMMUNITY DEVELOPMENT:				
Administration	429,265	446,910	415,985	404,005
Building and Construction Services	730,351	734,035	691,525	700,230
Subtotal	1,159,616	1,180,945	1,107,510	1,104,235
PUBLIC SAFETY:				
Police Department	7,166,412	7,380,854	7,133,400	7,526,800
Fire Department	6,195,037	6,956,100	6,463,520	6,960,010
Subtotal	13,361,449	14,336,954	13,596,920	14,486,810
PUBLIC WORKS:				
Administration	241,434	246,250	245,145	251,640
Engineering & Inspections	392,274	490,760	446,775	432,900
Street Maintenance	1,545,605	1,992,359	1,931,010	1,845,965
Street Lighting	407,976	425,000	427,275	427,275
Subtotal	2,587,289	3,154,369	3,050,205	2,957,780
RECREATION & LEISURE:				
Keller Public Library	1,156,852	1,381,590	1,328,250	1,316,810
Parks & Recreation:				
Parks & Recreation-Administration	365,136	376,185	347,275	282,550
Parks Maintenance	1,099,741	1,180,470	1,128,060	1,172,625
Recreation Programs	185,160	193,615	186,835	206,045
Senior Services	194,449	190,190	188,075	193,150
Keller Sports Park Maintenance	466,129	475,170	481,295	498,210
Keller Town Center Maintenance	174,501	176,750	174,850	181,250
Subtotal	2,485,116	2,592,380	2,506,390	2,533,830
Total Recreation & Leisure	3,641,968	3,973,970	3,834,640	3,850,640
OTHER/NON-DEPARTMENTAL:				
Non-departmental	692,447	704,605	704,605	852,680
Subtotal	692,447	704,605	704,605	852,680
TOTAL	\$ 25,647,823	\$ 27,751,304	\$ 26,734,270	\$ 27,636,060

GENERAL FUND EXPENDITURES PER CAPITA

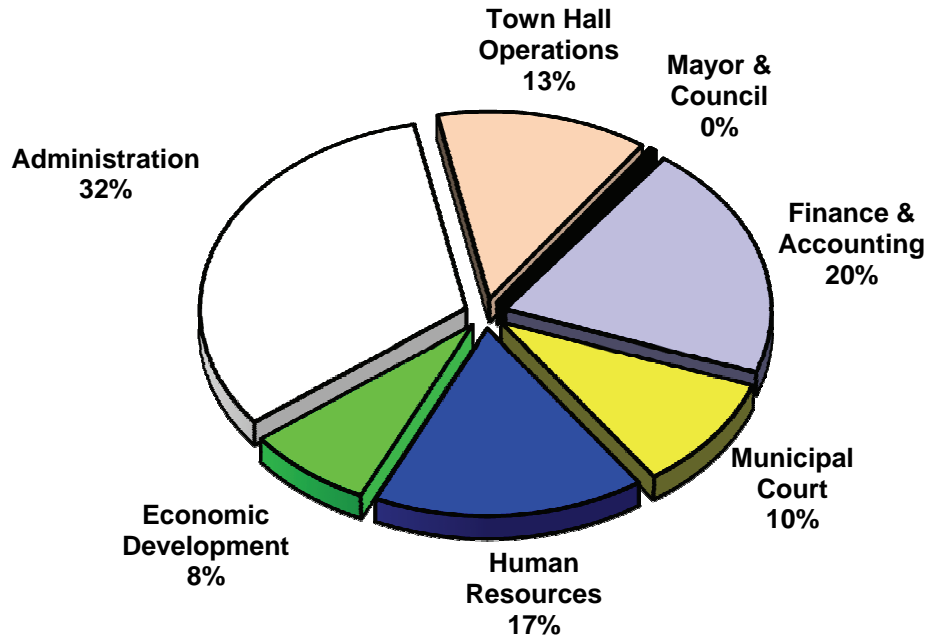
<u>DEPARTMENT</u>	<u>2009-2010 Budget</u>	<u>2009-2010 Estimate</u>	<u>2010-2011 Budget</u>
Police Department	\$ 187.09	\$ 180.82	\$ 185.97
Fire Department	176.33	163.84	171.96
Public Works Department	79.96	77.32	73.08
Parks & Recreation	65.71	63.53	62.60
Administration *	49.66	50.64	49.32
Keller Public Library	35.02	33.67	32.53
Community Development	29.94	28.07	27.28
Finance Department	23.18	23.07	21.99
Non-departmental / Other	17.86	17.86	21.07
Human Resources	18.88	20.31	17.91
Municipal Court	12.22	11.43	10.72
Economic Development	7.61	7.11	8.38
TOTAL	\$ 703.46	\$ 677.67	\$ 682.81

**General Fund
Department Expenditures per Capita**



* Includes Administration, Town Hall Operations, and Mayor/Council.

General Government

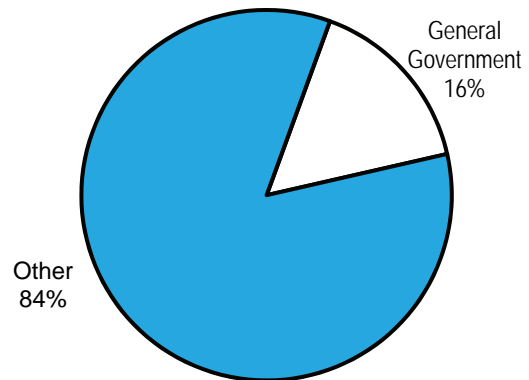


Department total: \$4,383,915

General Government

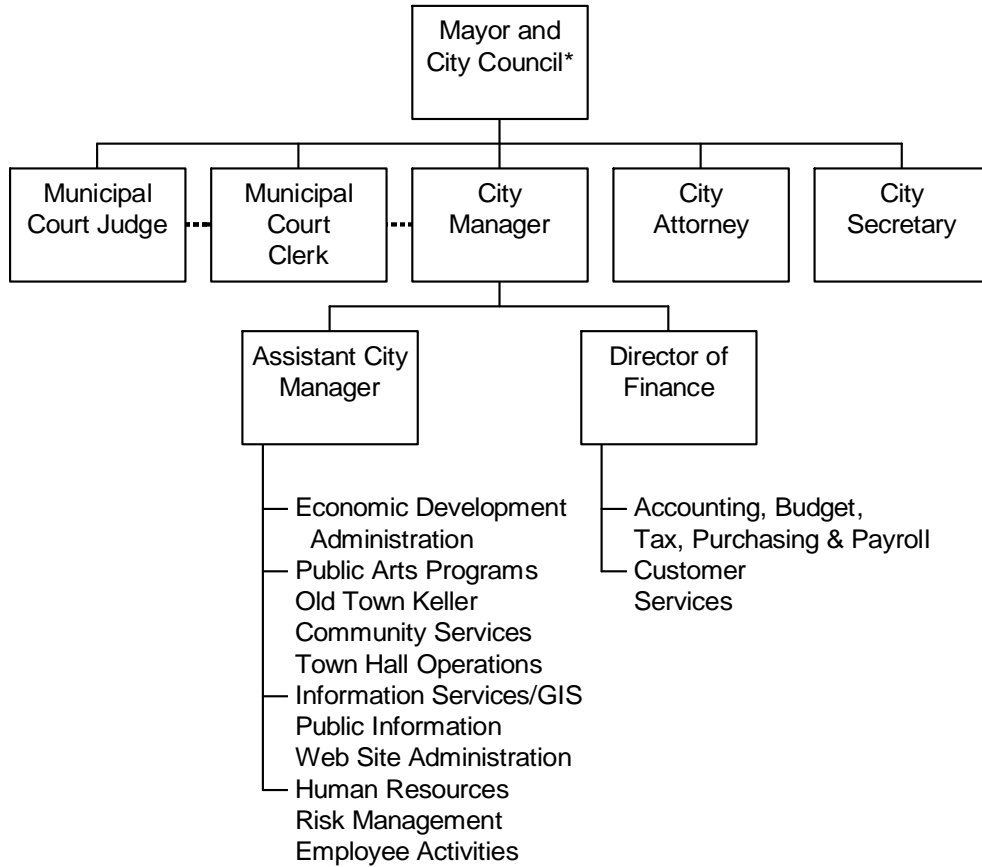
- Administration
 - Public Arts
 - Old Town Keller
 - Community Services
- Town Hall Operations
- Mayor & Council
- Finance & Accounting
- Municipal Court
- Human Resources
- Economic Development

General Fund Expenditures



CITY OF KELLER, TEXAS ORGANIZATION CHART

GENERAL GOVERNMENT



* Denotes elected position.

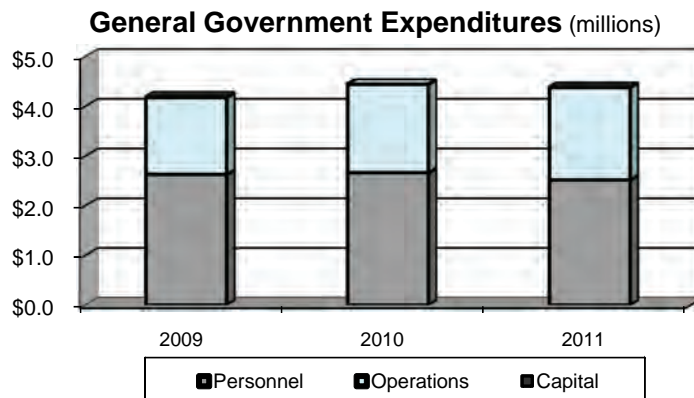
**GENERAL GOVERNMENT
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 2,627,586	\$ 2,570,020	\$ 2,663,090	\$ 2,516,720
Operations & maintenance	104,813	158,820	151,290	148,890
Services & other	1,441,396	1,671,621	1,626,010	1,711,305
Transfers to other funds	-	-	-	-
SUBTOTAL	4,173,795	4,400,461	4,440,390	4,376,915
Capital outlay	31,259	-	-	7,000
TOTAL	\$ 4,205,054	\$ 4,400,461	\$ 4,440,390	\$ 4,383,915

<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 1,475,254	\$ 1,376,900	\$ 1,427,930	\$ 1,412,980
Town Hall Operations	530,008	563,340	551,195	564,250
Mayor & City Council	18,156	18,805	18,805	18,805
Finance & Accounting	911,212	914,515	910,220	889,900
Municipal Court	425,182	481,986	450,755	433,870
Human Resources	674,058	744,700	801,080	725,080
Economic Development	171,184	300,215	280,405	339,030
TOTAL	\$ 4,205,054	\$ 4,400,461	\$ 4,440,390	\$ 4,383,915

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	10.00	8.00	8.00
Town Hall Operations	2.00	2.00	2.00
Finance & Accounting	7.50	6.50	6.50
Municipal Court	4.50	3.50	3.50
Human Resources	6.00	5.00	5.00
Economic Development	-	1.00	1.00
TOTAL	30.00	26.00	26.00





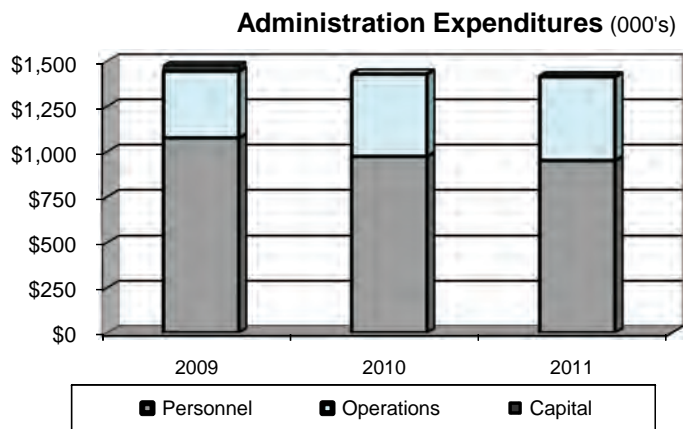
**ADMINISTRATION
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 1,075,174	\$ 897,250	\$ 972,730	\$ 949,565
Operations & maintenance	47,743	72,460	68,560	55,410
Services & other	321,078	407,190	386,640	408,005
Transfers to other funds	-	-	-	-
SUBTOTAL	1,443,995	1,376,900	1,427,930	1,412,980
Capital outlay	31,259	-	-	-
TOTAL	\$ 1,475,254	\$ 1,376,900	\$ 1,427,930	\$ 1,412,980

<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 1,396,245	\$ 1,235,815	\$ 1,293,445	\$ 1,304,720
Public Arts Programs	61,206	36,460	36,460	36,460
Community Services	12,885	67,825	64,675	71,800
Old Town Keller	4,918	36,800	33,350	-
TOTAL	\$ 1,475,254	\$ 1,376,900	\$ 1,427,930	\$ 1,412,980

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DIVISION / ACTIVITY	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	10.0	8.0	8.0
TOTAL	10.0	8.0	8.0



FUND:
General

DEPARTMENT:
Administration

DIVISION:
Administration

ACCOUNT:
100-100-01

DEPARTMENT DESCRIPTION:

The Administration Department consists of the City Manager, City Secretary, two Assistant City Managers, two Executive Secretaries, Records Technician, and Town Hall Receptionist. The purpose of the Department is to maintain and enhance the partnership among citizens, elected officials, and city employees through efficient and effective management and delivery of all public services.

DEPARTMENT/DIVISION GOALS:

1. **Administration Activities:**

- Support the City Council's priorities, goals, and objectives for fiscal year 2010-11.
- Ensure efficient and effective utilization of municipal resources in accordance with approved budget documents.
- Enhance community relations with citizens via surveys, citizen committees, and individual requests and respond in a timely manner through direct interaction, web site information, news releases, and Town Hall meetings.
- Provide timely assistance and accurate information to the City Council, Boards and Commissions, citizens, and staff members.
- Support and provide the general direction and tools necessary for the City's various Departments to achieve their goals and objectives and continue to meet or exceed the service level expectations of the community.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Coordinate, finalize and distribute: <ul style="list-style-type: none">• Agenda and/or information packets to City Council• City Manager staff agenda packets• Boards and Commissions Handbook and revisions	52	52	52
Citizen Newsletters published	3	4	4
Employee Newsletters published	–	12	12
Percent of solid waste concerns addressed within 24 hours	100%	100%	100%
City Council meetings and work sessions held	48	42	45
Birth/death certificates processed *	1,078	588*	833*
City Council general and run-off elections conducted	1	–	2
Special elections held	–	–	1
Process and respond to open records requests	159	162	165
Percent of open records requests responded to within 10 days	100%	100%	100%

* Decreases are a result of new Texas Electronic Register (TER) process.

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Administration

ACCOUNT:
100-100-01

**ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 1,070,289	\$ 880,550	\$ 955,180	\$ 929,965
Operations & maintenance	21,878	14,160	14,160	14,160
Services & other	304,078	341,105	324,105	360,595
SUBTOTAL	1,396,245	1,235,815	1,293,445	1,304,720
Capital outlay	-	-	-	-
TOTAL	\$ 1,396,245	\$ 1,235,815	\$ 1,293,445	\$ 1,304,720

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
City Manager	Exempt	1.0	1.0	1.0
City Secretary	Exempt	1.0	1.0	1.0
Assistant City Manager	Director	1.0	1.0	1.0
Assistant City Manager	Director	1.0	1.0	1.0
Economic Development Director (1)	Director	1.0	-	-
Executive Secretary	ATN-9	2.0	2.0	2.0
Administrative Assistant	ATN-9	-	-	-
Administration Secretary	ATN-8	1.0	-	-
Receptionist	A/TN-4	1.0	1.0	1.0
Records Technician	A/TN-4	1.0	1.0	1.0
TOTAL		10.0	8.0	8.0

(1) Position out-sourced in fiscal year 2009-2010.

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Public Arts Programs

ACCOUNT:
100-100-02

DEPARTMENT/DIVISION DESCRIPTION:

The Public Arts Board consists of seven citizen members appointed by the City Council. The Board includes a Chair and Vice Chair. The Assistant City Manager serves as staff liaison to the Board.

The mission of the Public Arts Program is to support and promote a process that will encourage visual and performing arts in public places; and to define the programs, policies, and guidelines for acquiring and commissioning of arts of the highest standards that shall enrich the quality of life for all residents and visitors of the City.

The goals of the Public Arts Program are to create a diverse artistic environment for the residents and visitors of the City and to integrate a variety of art into the development of eligible City projects, as expressed in this Public Arts Plan.

DEPARTMENT/DIVISION GOALS:

The following represent general goals and key policy issues as determined by the Public Arts Board.

1. Promote art and educate the public.
2. Explore alternate sources of income to fund public art programs.
3. Promote the development and implementation of art venues and art forms within the City.
4. Coordinate and partner with Economic Development.
5. Develop database of local artists.
6. Add a full-time staff member.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Outputs:			
Keller Public Arts Board meetings and work sessions	12	12	12
Monthly public shows	7	10	10
Public Art pieces obtained through purchase, sponsorships or donation	1	-	-
Gallery walks conducted	-	6	9
Public Art events held	5	6	6

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Public Arts Programs

ACCOUNT:
100-100-02

**PUBLIC ARTS PROGRAMS
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	25,865	31,050	30,400	29,750
Services & other	4,082	5,410	6,060	6,710
SUBTOTAL	29,947	36,460	36,460	36,460
Capital outlay	31,259	-	-	-
TOTAL	\$ 61,206	\$ 36,460	\$ 36,460	\$ 36,460

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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Protector of Freedom sculpture at Veteran's Memorial Park

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Community Services

ACCOUNT:
100-100-05

DEPARTMENT/DIVISION DESCRIPTION:

The City recognizes the value of community events and activities and seeks to work cooperatively with those local non-profit entities wishing to conduct such events and activities. The purpose of this program is to provide a methodology whereby actual City allocated supplies, services and resources in support of community events and activities can be reviewed, itemized, allocated at the discretion of City Council and more thoroughly monitored on an annual basis.

DEPARTMENT/DIVISION GOALS:

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Community Services

ACCOUNT:
100-100-05

**COMMUNITY SERVICES
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 4,885	\$ 16,700	\$ 17,550	\$ 19,600
Operations & maintenance	-	11,500	11,500	11,500
Services & other	8,000	39,625	35,625	40,700
SUBTOTAL	12,885	67,825	64,675	71,800
Capital outlay	-	-	-	-
TOTAL	\$ 12,885	\$ 67,825	\$ 64,675	\$ 71,800

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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FUND:
General

DEPARTMENT:
Administration

DIVISION:
Old Town Keller

ACCOUNT:
100-100-17

DEPARTMENT DESCRIPTION:

The Old Town Keller (OTK) division was created to account for expenditures relating to the preservation of Old Town and the improvements intended to enhance and promote business development in Old Town.

DEPARTMENT/DIVISION GOALS:

1. Preserve the Old Town Keller area.
2. Encourage additional retail and commercial activity in the Old Town area.
3. Improve the appearance of the original Old Town Keller area.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Partner with the Old Town Keller Merchants Association to promote and participate in various special events	*	10	
Meet with business prospects or existing businesses to discuss opportunities for new or expanded development	15	15	
Meet with existing business owners to seek partnership opportunities to improve the overall environment and viability of Old Town Keller	*	10	

* – Not available

Program transferred to Economic Development Department beginning in fiscal year 2010-11.

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Old Town Keller

ACCOUNT:
100-100-17

**OLD TOWN KELLER
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	-	15,750	12,500	-
Services & other	4,918	21,050	20,850	-
SUBTOTAL	4,918	36,800	33,350	-
Capital outlay	-	-	-	-
TOTAL	\$ 4,918	\$ 36,800	\$ 33,350	\$ -

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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Old Town Keller program transferred to Economic Development Department beginning in fiscal year 2010-11.

FUND:
General

DEPARTMENT:
Town Hall Operations

DIVISION:
Town Hall Operations

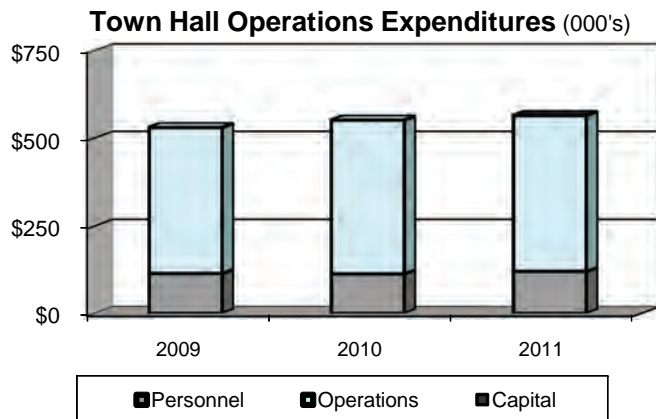
ACCOUNT:
100-110-92

**TOWN HALL OPERATIONS
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 114,221	\$ 115,285	\$ 112,870	\$ 119,875
Operations & maintenance	24,345	36,960	38,075	38,280
Services & other	391,442	411,095	400,250	406,095
SUBTOTAL	530,008	563,340	551,195	564,250
Capital outlay	-	-	-	-
TOTAL	\$ 530,008	\$ 563,340	\$ 551,195	\$ 564,250

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Facility Maintenance Supervisor	TN-9	1.0	1.0	1.0
Building Maintenance Technician II	TN-5	1.0	1.0	1.0
TOTAL		2.0	2.0	2.0



FUND:
General

DEPARTMENT:
Mayor & City Council

DIVISION:

ACCOUNT:
100-120-01

DEPARTMENT DESCRIPTION:

The mission of the City of Keller is to ensure a safe, comfortable environment for all citizens by realizing a vision that is well planned and sensitive to the community

The City of Keller is a Home Rule municipality, functioning as a Council-Manager form of government and operating under a Home Rule Charter adopted April 3, 1982, with the latest revision being adopted on April 5, 1995. The Mayor and Council function as the governing body of the City, and are comprised of five (5) City Council members and a Mayor, elected at-large on a non-partisan basis by the voters of the City. The Mayor and City Council members are elected for two-year terms on a rotating basis, with the Mayor and two Council members elected in odd-numbered years, and the remaining three Council members elected in even-numbered years. The City Manager, City Secretary, Municipal Court Clerk and Municipal Judge are appointed by the City Council.

CITY COUNCIL GOALS/ACCOMPLISHMENTS:

1. Enhance economic development opportunities within the City:
 - Increase tax base through sustainable residential, commercial and retail development
 - In conjunction with Administration, restructured Economic Development Department to include contracting with an economic development consultant
 - Conduct joint meetings as needed with the Keller Economic Development Board
 - Promote the City of Keller at various events, activities, meetings, and programs
2. Improve the transfer of information between the City and its citizens:
 - Efficiently communicate citizen concerns, complaints, and comments to the City Manager for resolution and follow-up
 - Authorized various citizen telephone and on-line surveys
 - Conducted community-wide public hearings regarding a variety of topics, to include, but not limited to, animal shelter, US Highway 377 Corridor Overlay and Charter Review
 - Appointed community members to serve on the Charter Review Committee
3. Strategically enhance the City's financial position to ensure continued viability and the capacity to implement priority capital improvement projects:
 - Revised the City's Financial Management Policy
 - Revised the City's Investment Policy
 - Maintained current bonds rating through sound fiscal management
 - Implemented City's Financial Contingency Plan
 - Conducted budget overview work sessions with the City Manager
4. Complete current and future Capital Improvement Projects to include, but not limited to:
 - Re-opened Keller Public Library following renovation and expansion
 - Drainage improvements
 - Street enhancements
 - New water line installation
 - Sanitary sewer replacement

FUND:
General

DEPARTMENT:
Mayor & City Council

DIVISION:

ACCOUNT:
100-120-01

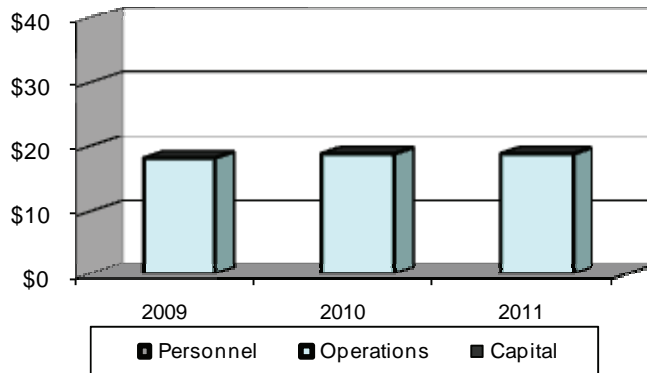
**MAYOR AND CITY COUNCIL
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	6,646	6,150	6,150	6,150
Services & other	11,510	12,655	12,655	12,655
SUBTOTAL	18,156	18,805	18,805	18,805
Capital outlay	-	-	-	-
TOTAL	\$ 18,156	\$ 18,805	\$ 18,805	\$ 18,805

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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Mayor & City Council Expenditures (000's)



**FINANCE & ACCOUNTING
DEPARTMENT SUMMARY**

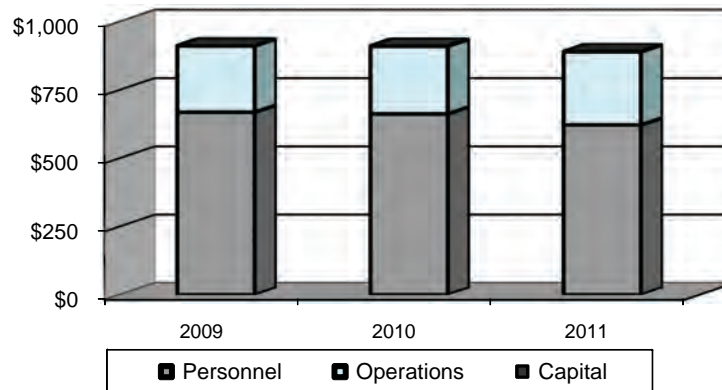
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 668,458	\$ 668,825	\$ 662,430	\$ 622,060
Operations & maintenance	4,451	8,150	7,890	6,095
Services & other	238,303	237,540	239,900	261,745
SUBTOTAL	911,212	914,515	910,220	889,900
Capital outlay	-	-	-	-
TOTAL	\$ 911,212	\$ 914,515	\$ 910,220	\$ 889,900

<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 805,491	\$ 800,405	\$ 795,710	\$ 769,165
Tax	105,721	114,110	114,510	120,735
TOTAL	\$ 911,212	\$ 914,515	\$ 910,220	\$ 889,900

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	7.5	6.5	6.5
TOTAL	7.5	6.5	6.5

Finance & Accounting Expenditures (000's)



FUND:
General

DEPARTMENT:
Finance & Accounting

DIVISION:
Administration

ACCOUNT:
100-130-01

(Continued)

<u>PERFORMANCE ANALYSIS</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Debt service ratios:			
Direct tax-supported debt per capita	\$880	\$1,261	\$1,150
Tax-supported debt service expenditures as a % of general operating expenditures	14.7%	16.3%	15.9%
Financial policy target	25.0%	25.0%	25.0%
Ratio of debt to net taxable valuation	1.0%	1.3%	1.2%
Financial policy target	15.0%	15.0%	15.0%
Investment activities:			
Average weighted average investment yield to maturity	1.70%	0.80%	1.00%
Average spread between City yield and 3-month T- bill	1.28%	0.50%	0.25%
Percent of funds invested in a daily basis	98%	98%	98%

FUND:
General

DEPARTMENT:
Finance & Accounting

DIVISION:
Administration

ACCOUNT:
100-130-01

**FINANCE & ACCOUNTING/ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 668,458	\$ 668,825	\$ 662,430	\$ 622,060
Operations & maintenance	4,153	7,850	7,590	5,795
Services & other	132,880	123,730	125,690	141,310
SUBTOTAL	805,491	800,405	795,710	769,165
Capital outlay	-	-	-	-
TOTAL	\$ 805,491	\$ 800,405	\$ 795,710	\$ 769,165

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Director of Finance	Director	1.0	1.0	1.0
Finance/Purchasing Manager	Division Mgr	1.0	1.0	1.0
Financial Analyst	PE-7	1.0	1.0	1.0
Senior Accounting Technician	A/TN-10	1.0	1.0	1.0
Purchasing Technician	A/TN-10	1.0	1.0	1.0
Accounting Technician	A/TN-7	1.0	-	-
Account Clerk/Finance Secretary	A/TN-6	1.0	1.0	1.0
Records Clerk	A/TN-1	0.5	0.5	0.5
TOTAL		7.5	6.5	6.5



FUND:
General

DEPARTMENT:
Finance & Accounting

DIVISION:
Tax

ACCOUNT:
100-130-09

DEPARTMENT DESCRIPTION:

The Tax Division of the Finance & Accounting Department is responsible for the assessment and collection of property and other special assessment taxes for the City. Property appraisal is the responsibility of the Tarrant Appraisal District. Effective October 1999, the Tarrant County Tax Assessor/Collector began assessing and collecting property taxes for the City of Keller. The Tarrant County Tax Assessor/Collector also assesses and collects property taxes for all other taxing units within the City of Keller.

DEPARTMENT/DIVISION GOALS:

1. Continue collection and assessing contract with Tarrant County.
2. Ensure timely assessment and collection of the City's property taxes by working closely with the Tarrant Appraisal District and generating timely and accurate tax statements.
3. Provide timely and efficient assistance and information to citizens and City staff as requested.
4. Support other City departments by providing property ownership information.
5. Ensure that all real and personal property located in the Keller Town Center Reinvestment Zone is properly recorded by the Tarrant Appraisal District.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Special assessment accounts maintained (In FY2008, all special assessment accounts transferred to the Utility Billing System for billing and collection)	13	8	2
Release of liens	11	11	2
Addition of liens	—	—	—
Total property tax accounts maintained by Tarrant Appraisal District	15,903	16,000	16,216
Total number of over-65 and disabled accounts	1,382	1,474	1,618
Total (appraised) value of over-65 and disabled accounts (millions)	\$304.0	\$335.8	\$368.8
Total number of tax ceiling accounts	1,273	1,399	1,528
Taxable value of tax ceiling accounts (millions)	\$220.8	\$257.6	\$278.8
Total number of new residential homesteads	343	355	306
Total (appraised) value of new residential homesteads (millions)	\$138.2	\$135.6	\$107.7
Total number of new over-65 accounts	75	58	72
Total (appraised) value of new over-65 accounts (millions)	\$20.4	\$13.7	\$18.7
Total (appraised) value of new construction (millions)	\$149.2	\$133.6	\$65.6
Total (appraised) value of new residential construction (millions)	\$121.8	\$110.2	\$61.7
Total (appraised) value of new commercial construction (millions)	\$27.4	\$23.3	\$3.9

(Continued)

FUND:
General

DEPARTMENT:
Finance & Accounting

DIVISION:
Tax

ACCOUNT:
100-130-09

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>PERFORMANCE ANALYSIS</u>	SERVICE ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Percentage of taxes collected (services to be provided by the Tarrant County Tax Assessor/Collector)	99.1%	99.3%	99.3%
Average appraised residential value	\$267,331	\$273,612	*
Percent change	6.1%	2.5%	*
Average taxable residential value	\$258,231	\$263,891	*
Percent change	6.2%	2.2%	*
Effective tax rate per \$100 of taxable value	\$0.41002	\$0.43050	\$0.45921
Actual tax rate per \$100 of taxable value	\$0.43219	\$0.44219	\$0.44219
Rollback tax rate per \$100 of taxable value	\$0.43389	\$0.45850	\$0.49206
Average City of Keller tax bill (actual rate)	\$1,116.05	\$1,169.90	*
Percent change	6.2%	4.6%	*
Average appraised value of new residential homesteads	\$402,933	\$382,044	\$351,823
Percent change	5.4%	(5.2%)	(7.9%)
Average appraised value of new over-65 residential homesteads	\$272,828	\$235,471	\$259,990
Percent change	16.7%	(13.5%)	10.4%
Average taxable value of tax ceiling accounts	\$173,444	\$184,134	\$182,468
Percent change	2.6%	6.3%	(0.9%)
Percentage of new construction by property category:			
Residential	81.6%	82.5%	94.3%
Commercial	18.4%	17.5%	5.7%

* – information not available.

FUND:
General

DEPARTMENT:
Finance & Accounting

DIVISION:
Tax

ACCOUNT:
100-130-09

**FINANCE & ACCOUNTING/TAX
DIVISION/ACTIVITY SUMMARY**

	<u>2008-2009 ACTUAL</u>	<u>2009-2010 BUDGET</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 BUDGET</u>
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	298	300	300	300
Services & other	105,423	113,810	114,210	120,435
SUBTOTAL	105,721	114,110	114,510	120,735
Capital outlay	-	-	-	-
TOTAL	\$ 105,721	\$ 114,110	\$ 114,510	\$ 120,735

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

<u>POSITION TITLE</u>	<u>PAY CLASS</u>	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 BUDGET</u>
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Services are provided under contract with the Tarrant Appraisal District and the Tarrant County Tax Assessor/Collector.

FUND:
General

DEPARTMENT:
Municipal Court

DIVISION:
Administration

ACCOUNT:
100-160-01

DEPARTMENT DESCRIPTION:

The Keller Municipal Court provides the City with enforcement of Class C misdemeanor criminal laws and ordinance offenses occurring within the City limits. The Municipal Court is also responsible for maintaining accurate records of all cases, including arrest records, bond records, formal complaints, citation dispositions, school attendance offenses, state reporting, court costs, docket records, trial proceedings, refunds, forfeitures and transfer of funds for arrests of higher charges. The Municipal Court processes and distributes all money collected in the jail for the City of Keller, Southlake and Westlake. The Municipal Court is responsible for staying current with the changes of procedures and court costs that are submitted to the state with each State Legislature revision.

DEPARTMENT/DIVISION GOALS:

1. Maintain Court of Record operations in accordance with State laws, Legislative updates and legal procedures.
2. Keep the department current with quality technology in order to provide the most efficient and accurate service.
3. Aggressively pursue the collection of outstanding warrants by implementing all available sources, such as the OMNI program, which prevents renewal of a driver's licenses for those having outstanding warrants; our recent agreement with a top collection service; participation in the State Wide Warrant Round-Up; as well as continue to create ideas and incentives that increase the collection of outstanding warrants.
4. Maintain the Nisi process of forfeiting appearance bonds to ensure court appearance obligations are met and to hold the bail bondsman financially accountable if appearances are not met.
5. Ensure that all personnel in the court have the most current and updated training available. All personnel are Certified Court Clerks in the state of Texas.
6. Continue to utilize and update the Teen Court program with all options available designed to increase public awareness. Continue the ongoing success this program offers the community.
7. Maintain and continually update the Municipal Court Policy and Procedures manual.
8. Manage the juvenile process of required conditions of certain offenses committed by juveniles and minors such as tobacco, drug and alcohol awareness courses, mandatory community service and mandatory court appearances before the Judge.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Number of citations processed	10,539	11,438	11,800
Number of cases requesting court dates	6,915	6,950	6,950
Number of cases with attorney representation	2,152	2,048	2,100
Number of court dockets held per year	189	189	189
Number of warrants processed/issued	1,967	2,000	2,000
Number of reports generated (open records requests)	301	304	315
Number of warrants outstanding	1,673	1,400	1,250
Number of defendants requesting jury trial	51	60	60

FUND:
General

DEPARTMENT:
Municipal Court

DIVISION:
Administration

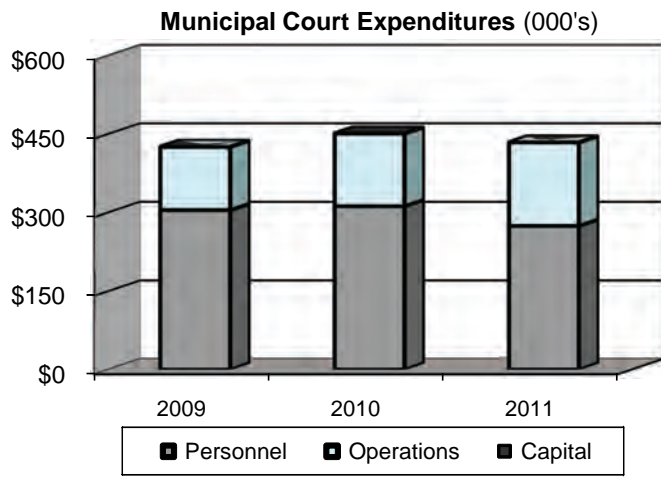
ACCOUNT:
100-160-01

**MUNICIPAL COURT
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 304,411	\$ 315,870	\$ 311,850	\$ 274,785
Operations & maintenance	9,458	16,275	14,475	20,690
Services & other	111,313	149,841	124,430	138,395
SUBTOTAL	425,182	481,986	450,755	433,870
Capital outlay	-	-	-	-
TOTAL	\$ 425,182	\$ 481,986	\$ 450,755	\$ 433,870

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Municipal Court Clerk	Division Mgr	1.0	1.0	1.0
Municipal Judge	Exempt	0.5	0.5	0.5
Senior Deputy Court Clerk	A/TN-9	1.0	1.0	1.0
Deputy Court Clerk	A/TN-4	2.0	1.0	1.0
TOTAL		4.5	3.5	3.5





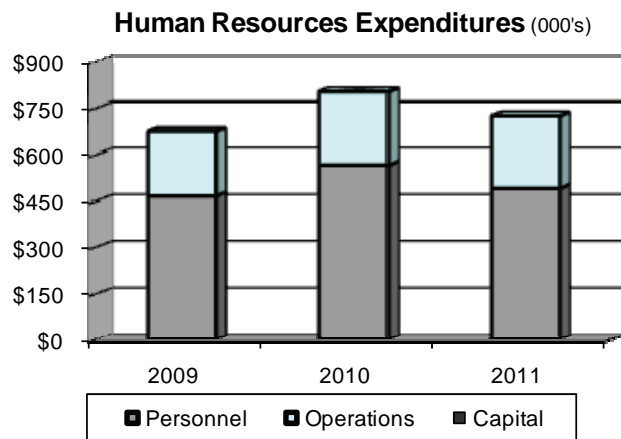
HUMAN RESOURCES DEPARTMENT SUMMARY

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 465,322	\$ 509,770	\$ 566,420	\$ 490,095
Operations & maintenance	8,544	8,750	8,750	8,750
Services & other	200,192	226,180	225,910	226,235
SUBTOTAL	674,058	744,700	801,080	725,080
Capital outlay	-	-	-	-
TOTAL	\$ 674,058	\$ 744,700	\$ 801,080	\$ 725,080

<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 390,678	\$ 378,345	\$ 369,395	\$ 335,370
City-wide Employee Activities	179,390	259,990	326,790	280,725
Risk Management	103,990	106,365	104,895	108,985
TOTAL	\$ 674,058	\$ 744,700	\$ 801,080	\$ 725,080

PERSONNEL SUMMARY BY DEPARTMENT (Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	5.0	4.0	4.0
Risk Management	1.0	1.0	1.0
TOTAL	6.0	5.0	5.0



FUND:
General

DEPARTMENT:
Human Resources

DIVISION:
Administration

ACCOUNT:
100-170-01

DEPARTMENT DESCRIPTION:

The Human Resources Department is responsible for the employment-related activities involving human resources that are intended to influence the productivity and effectiveness of the employees of the City. Specific activities that integrate human resources with the overall effectiveness of City operations include the following: administration of policy, recruiting and selection, employee training, development and organizational development, employment relations, compensation and benefits, risk management, and compliance with federal and state laws and regulations and those of the City.

DEPARTMENT/DIVISION GOALS:

1. Leverage the City's human capital to increase the efficiency and effectiveness of the organization as a whole.
 - Ensure that the City's compensation practices and benefits are competitive.
 - Develop a formal selection program with expert selection tools.
 - Ensure the hiring of high caliber employees through effective selection expertise.
 - Develop/train our employees for current and future positions within the City of Keller
 - Help the City become an employer of choice.
2. Be an effective strategic partner to our customers – other City departments
 - Provide expert consultation to departments in the areas of selection, compensation, benefits, employee relations/disciplinary, leaves, and risk management.
 - Develop HR staff expertise through effective training programs
 - Focus on continuous measurable quality improvement in consultative services.

STANDARD MEASURES OF ACTIVITY:

The following metrics, though not measures of performance strictly speaking, are valuable indices of the degree of activity in the Human Resources department. Such indices may prove useful in identifying trends, e.g. an increase in the size of the applicant pool, or an increase in employment actions.

<u>SERVICE ANALYSIS</u>	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
General employee turnover rate (excluding seasonal employees)	7.49%	9.30%*	5.00%
The Keller Pointe (TKP) employee turnover rate (excluding seasonal employees)	25%	5%	5%
General job vacancies filled	26	25	30
TKP job vacancies filled	128	100	100
General applications processed*	824	350	350
TKP applications processed*	366	380	400

* Reflects 19 positions eliminated (including 3 vacancies) due to the Reduction in Force in May, 2010. Excluding these positions, the turnover rate estimate is 3.6%.

FUND:
General

DEPARTMENT:
Human Resources

DIVISION:
Administration

ACCOUNT:
100-170-01

**HUMAN RESOURCES / ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 355,997	\$ 362,780	\$ 353,830	\$ 319,945
Operations & maintenance	3,630	2,595	2,595	2,595
Services & other	31,051	12,970	12,970	12,830
SUBTOTAL	390,678	378,345	369,395	335,370
Capital outlay	-	-	-	-
TOTAL	\$ 390,678	\$ 378,345	\$ 369,395	\$ 335,370

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Director of Human Resources	Director	1.0	1.0	1.0
Human Resources Analyst	PE-5	1.0	1.0	1.0
Employment Specialist	PE-4	1.0	1.0	1.0
Administrative Secretary	A/TN-8	1.0	1.0	1.0
Human Resources Assistant	A/TN-6	1.0	-	-
TOTAL		5.0	4.0	4.0

FUND:
General

DEPARTMENT:
Human Resources

DIVISION:
City-Wide Employee
Activities

ACCOUNT:
100-170-11

DEPARTMENT DESCRIPTION:

The Human Resources Department is responsible for the employment-related activities involving human resources that are intended to influence the productivity and effectiveness of the employees of the City. These non-departmental activities are provided to promote excellent customer service and retention of employees through recognition programs, support employees to prepare for career development, and to educate employees on city benefits thereby improving utilization of benefits resulting in cost savings to the City and happier, healthier employees. In order to better define the city-wide activity costs, the costs have been separated from the general expenditures of the Human Resources Department.

DEPARTMENT/DIVISION GOALS:

1. Promote the City as an employer of choice through recognition and promotion of employees.
 - a. Reward and encourage employees for excellent customer service through "Quality Achievement Awards".
 - b. Encourage and support employees in their career development through cost-effective, quality training programs and tuition reimbursement.
 - c. Educate employees in all city benefits to improve utilization of such benefits and manage benefit costs. Opportunities available through communication pieces, annual benefit fair, benefit meetings, and annual health fair with free health screenings and health issue information.

STANDARD MEASURES OF ACTIVITY:

The following metrics, though not measures of performance, are valuable indices of the degree of activities performed.

<u>SERVICE ANALYSIS</u>	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Employees requesting tuition reimbursement benefit	35	22	23
Employees utilizing tuition reimbursement benefit	16	15	16
General job vacancies filled	26	25	30
Number of in-house promotions	4	10	3
Number of new hires from outside	22	15	17
Average annual training hours per employee	5.26	3	4

FUND:
General

DEPARTMENT:
Human Resources

DIVISION:
City-Wide Employee
Activities

ACCOUNT:
100-170-11

**HUMAN RESOURCES / CITY-WIDE EMPLOYEE ACTIVITIES
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 7,841	\$ 44,600	\$ 111,400	\$ 65,000
Operations & maintenance	4,269	4,675	4,675	4,675
Services & other	167,280	210,715	210,715	211,050
SUBTOTAL	179,390	259,990	326,790	280,725
Capital outlay	-	-	-	-
TOTAL	\$ 179,390	\$ 259,990	\$ 326,790	\$ 280,725

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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This program was originally created in FY2008, by consolidating and transferring expenditures from other City funds and departments. Expenditures are primarily comprised of employee dues for The Keller Pointe, training programs, tuition reimbursement, unemployment compensation, and employee recognition programs for all City departments.

Highlights for 2009-10 and 2010-11: Personnel services include unemployment compensation costs related to the 2010 reduction in force of 19 positions, which also included 3 vacant positions.

FUND:
General

DEPARTMENT:
Human Resources

DIVISION:
Risk Management

ACCOUNT:
100-170-15

DEPARTMENT DESCRIPTION:

The underlying purpose of Risk Management is to reduce unnecessary losses: the less an organization spends on losses, the more resources it has to direct toward essential services and/or benefits.

DEPARTMENT/DIVISION GOALS:

1. Protect city assets by minimizing the city's internal and external exposures associated with risk.
2. Continue effective risk management program, including but not limited to, employee safety committee for review of all potential loss events.
3. Assist all levels of management and employees to maintain safety programs and practices that will ensure the safe and effective completion of city services and reduce accidents and injuries.
4. Investigate all workers' compensation claims, liability and property claims and report claims to appropriate service agencies in a timely manner.
5. Monitor and coordinate employees that need FMLA, short-term disability and/or long-term disability.

STANDARD MEASURES OF ACTIVITY:

The following metrics, though not measures of performance strictly speaking, are valuable indices of the degree of activity in the Risk Management Division. Such indices may prove useful in identifying trends, e.g. limiting the number of on-the-job injuries or the need to increase safety training classes.

<u>SERVICE ANALYSIS</u>	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
In-house safety training classes conducted	6	5	5
Worker compensation claims processed	49	55	40
Equipment and vehicle damage claims processed	27	25	25
Liability claims processed	32	25	30
Family Medical Leave Act (FMLA) requests processed	53	40	45

FUND:
General

DEPARTMENT:
Human Resources

DIVISION:
Risk Management

ACCOUNT:
100-170-15

**HUMAN RESOURCES / RISK MANAGEMENT
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 101,484	\$ 102,390	\$ 101,190	\$ 105,150
Operations & maintenance	645	1,480	1,480	1,480
Services & other	1,861	2,495	2,225	2,355
SUBTOTAL	103,990	106,365	104,895	108,985
Capital outlay	-	-	-	-
TOTAL	\$ 103,990	\$ 106,365	\$ 104,895	\$ 108,985

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions – Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Risk Manager	PE-10	1.0	1.0	1.0
TOTAL		1.0	1.0	1.0



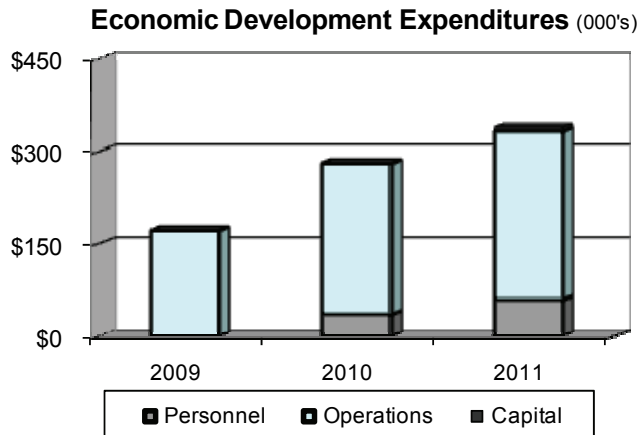
**ECONOMIC DEVELOPMENT
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ 63,020	\$ 36,790	\$ 60,340
Operations & maintenance	3,626	10,075	7,390	13,515
Services & other	167,558	227,120	236,225	258,175
SUBTOTAL	171,184	300,215	280,405	332,030
Capital outlay	-	-	-	7,000
TOTAL	\$ 171,184	\$ 300,215	\$ 280,405	\$ 339,030

Services and other – includes sales tax rebates for fiscal years 2008-09, 2009-10, and 2010-11 of \$105,850, \$100,000, and \$100,000 respectively, pursuant to a 2007 Chapter 380 Economic Development Incentive agreement.

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration		-	1.0	1.0
TOTAL		-	1.0	1.0



Economic development personnel were accounted for in the General Government/Administration division in FY2009 and prior years.

FUND:
General

DEPARTMENT:
Economic Development

DIVISION:
Administration

ACCOUNT:
100-190-01

DEPARTMENT DESCRIPTION:

The Economic Development Department fosters sustainable economic growth opportunities for job creation and revenue enhancement through comprehensive business expansion, attraction, and retention programs and services. The department will work with the Keller Economic Development Board to create strategic partnerships with public and private entities to enhance competitiveness and entrepreneurial development.

DEPARTMENT/DIVISION GOALS:

Attraction and Retention Activities:

1. Attract and retain quality commercial development that increase our resident's property value and improve their quality of life while ultimately increasing and/or expanding the retail, commercial and residential tax base.
2. Prepare and disseminate economic incentive packages to appropriate and interested business prospects.
3. Oversee the Keep it in Keller program to support local businesses. Launch and support a campaign as well as maintain the website that provides residents and visitors alike a way to easily find places to shop, eat and get other business services in Keller.
4. Oversee the Old Town Keller Façade Improvement Grant Program.
5. Attend at least four (4) trade shows to market the City of Keller to prospective developers, businesses, realtors, and investors.

Partnerships:

1. Work with developers, brokers and respective marketing groups to fully develop all land and buildings in Keller with emphasis in key areas.
2. Serve as a liaison between the City and Keller Economic Development Board.
3. Partner with the Old Town Keller Merchants Association to expand development, improve the overall environment and viability and promote various special events.

Easier Access to Quality Information:

1. Create and maintain relevant and effective marketing/demographic materials, website, and community profile data; prepare and update community statistics for economic development purposes.
2. Inform and educate citizens about economic development activities through various organizations and media.

Strategic Planning:

1. Work to develop a long-term branding, marketing and advertising strategy for economic development in the City of Keller.
2. Investigate alternative funding options to further support quality commercial development.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Economic development meetings with KEDB	12	15	12
Business prospect proposals distributed	189	170	200
New/expanded businesses announced and/or started	-	15	20
Marketing/demographic brochures distributed	500	200	500
Business prospect contacts made	12	40	150
Trade shows attended	*	2	4

**ECONOMIC DEVELOPMENT / ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ 63,020	\$ 36,790	\$ 60,340
Operations & maintenance	3,626	10,075	7,390	7,515
Services & other	167,558	227,120	236,225	237,125
SUBTOTAL	171,184	300,215	280,405	304,980
Capital outlay	-	-	-	-
TOTAL	\$ 171,184	\$ 300,215	\$ 280,405	\$ 304,980

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Economic Development Director (1)	Director	-	-	-
Economic Development Coordinator	PE-3	-	-	1.0
Economic Development Coordinator	ATN-10	-	1.0	-
TOTAL		-	1.0	1.0

(1) Position out-sourced beginning in fiscal year 2009-2010.

FUND:
General

DEPARTMENT:
Economic Development

DIVISION:
Old Town Keller

ACCOUNT:
100-190-17

DEPARTMENT DESCRIPTION:

The Old Town Keller (OTK) division was created to account for expenditures relating to the preservation of Old Town and the improvements intended to enhance and promote business development in Old Town.

DEPARTMENT/DIVISION GOALS:

1. Preserve the Old Town Keller area.
2. Encourage additional retail and commercial activity in the Old Town area.
3. Improve the appearance of the original Old Town Keller area.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Partner with the Old Town Keller Merchants Association to promote and participate in various special events			12
Meet with business prospects or existing businesses to discuss opportunities for new or expanded development			15
Meet with existing business owners to seek partnership opportunities to improve the overall environment and viability of Old Town Keller			12
Partner with the Old Town Keller Merchants Association to promote and participate in various special events			12

Program transferred from Administration Department beginning in fiscal year 2010-11.

**ECONOMIC DEVELOPMENT / OLD TOWN KELLER
DIVISION/ACTIVITY SUMMARY**

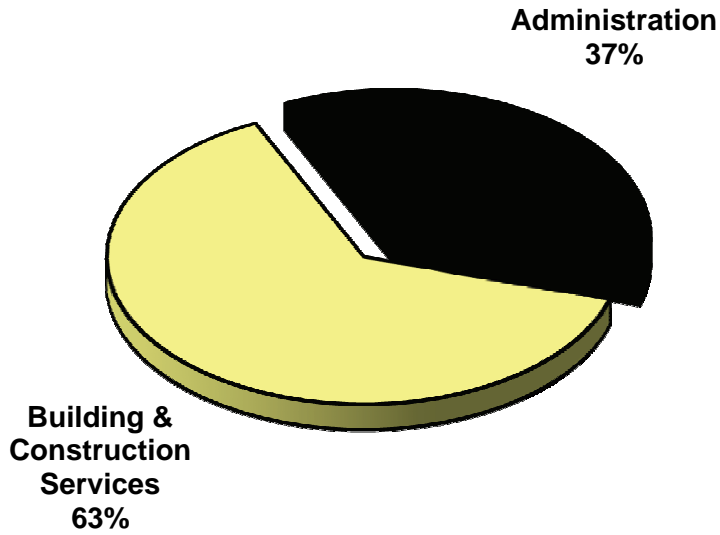
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	-	-	-	6,000
Services & other	-	-	-	21,050
SUBTOTAL	-	-	-	27,050
Capital outlay	-	-	-	7,000
TOTAL	\$ -	\$ -	\$ -	\$ 34,050

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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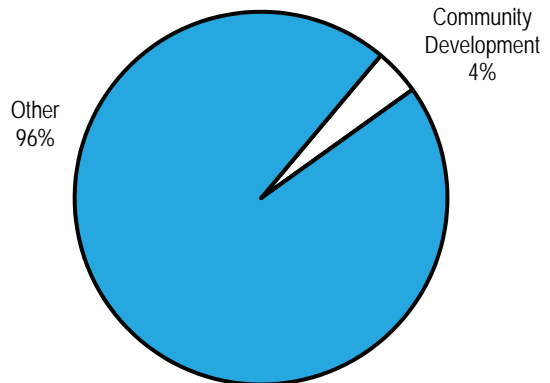
FY2011 highlights: capital outlay includes funding for Old Town Keller street signage and lighting.

Community Development



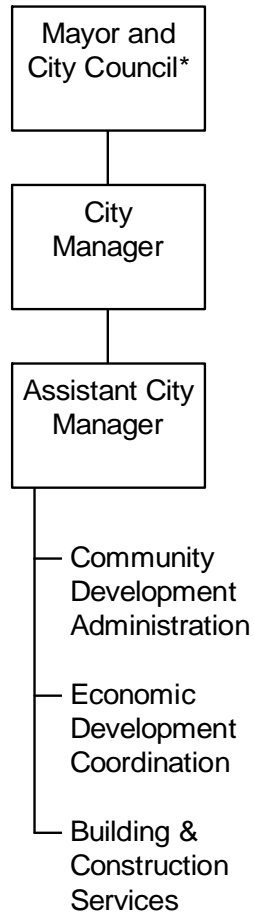
Department total: \$1,104,235

General Fund Expenditures



CITY OF KELLER, TEXAS ORGANIZATION CHART

COMMUNITY DEVELOPMENT



* – Denotes elected position.

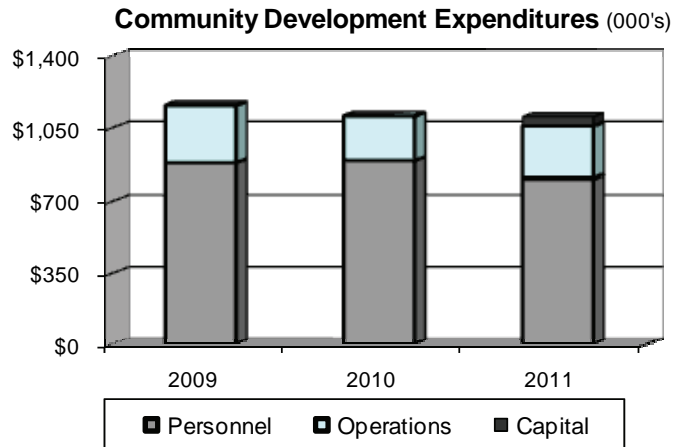
**COMMUNITY DEVELOPMENT
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 879,952	\$ 954,955	\$ 891,230	\$ 807,640
Operations & maintenance	15,802	36,670	30,290	34,820
Services & other	262,852	189,320	185,990	216,775
SUBTOTAL	1,158,606	1,180,945	1,107,510	1,059,235
Capital outlay	1,010	-	-	45,000
TOTAL	\$ 1,159,616	\$ 1,180,945	\$ 1,107,510	\$ 1,104,235

<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 429,265	\$ 446,910	\$ 415,985	\$ 404,005
Building & Construction Services	730,351	734,035	691,525	700,230
TOTAL	\$ 1,159,616	\$ 1,180,945	\$ 1,107,510	\$ 1,104,235

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	6.5	4.5	4.5
Building & Construction Services	7.5	6.5	6.5
TOTAL	14.0	11.0	11.0



FUND:
General

DEPARTMENT:
Community Development

DIVISION:
Administration

ACCOUNT:
100-200-01

DEPARTMENT DESCRIPTION:

The Community Development Department is responsible for facilitating, organizing and directing the City's growth and development. The department implements growth policies in accordance with the City Council directed goals and objectives. It is comprised of two divisions to include planning and development and construction services activities. The Planning and Development division is routinely involved in land use planning, thoroughfare planning, residential and commercial development plan review, zoning activities including determination of the highest and best use, and coordination and implementation of the Capital Improvements Plan and Impact Fee Ordinance. The Department provides coordination among other development related departments through management of the Development Review Committee in order to expedite and advance the development projects in the most efficient manner. The Department supports three city appointed boards: the Planning and Zoning Commission, the Capital Improvements Advisory Committee, and the Zoning Board of Adjustments.

DEPARTMENT/DIVISION GOALS:

1. Maintain and improve the level of service provided to the citizens, City Council, members of appointed boards and the development community.
2. Streamline and facilitate all development projects in a timely manner.
3. Strengthen the effectiveness of development boards through training of members.
4. Implement the City's Land Use Plan and other land development policies and expand programs to enhance development opportunities in the City.
5. Improve effectiveness of the Department by creating and maintaining a Unified Development Code.
6. Improve public relations efforts with the community through outreach programs, by providing and updating the Community Development summary brochure, development activity reports, annual meetings and workshops with the development community and regular presentations regarding the City's growth and progress at various community and civic organizations.
7. Provide useful information such as development applications, policies and regulations on the City's web page for customer/ public access.
8. Assist in the implementation of the City's GIS program.
9. Assist the City with implementation of ordinances and development plans for Special Projects (i.e. Gas Well Ordinance Update; Hwy 377 North Corridor Plan; Town Center Ordinance Update; Land Use Assumptions, Roadway Capital Improvements Plan & Impact Fee Ordinance Update; TxDOT FM 1709 Median Project; Zip Code Changes).
10. Update demographic materials and community profile data; prepare and update community statistics for economic development purposes.
11. Assist Economic Development Department in updating database necessary for business recruitment efforts, such as site and building inventories, and marketing information, as well as prepare and disseminate economic incentive packages to appropriate and interested business prospects.
12. Assist the Economic Development Department by providing data and information and promoting programs to attract new commercial development to Keller.

(Continued)

FUND:
General

DEPARTMENT:
Community Development

DIVISION:
Administration

ACCOUNT:
100-200-01

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Planning & Zoning Commission activities:			
regular P&Z meetings held	20	19	20
special meetings held for ordinance revisions and land use plan implementations, e.g., subdivision ordinance, impact fee ordinance and land use plan changes.	2	5	4
plat applications reviewed	56	35	30
zone change requests reviewed	9	10	5
site plans reviewed	26	15	15
specific use permit applications reviewed	24	10	20
Zoning Board of Adjustments activities:			
regular meetings held	11	7	7
variance applications reviewed	23	14	16
 <u>PERFORMANCE INDICATORS</u>			
Office Staff (FTE)	6.5	5	5
Average staff processing time for initial review of zoning and SUP applications	5	5	5
Average response from applicants regarding Initial review	10	10	10
Average case preparation time for public hearings (in days)	2	2	2
Average approval time for administrative site plans (in days)	14	14	14

FUND:
General

DEPARTMENT:
Community Development

DIVISION:
Administration

ACCOUNT:
100-200-01

**COMMUNITY DEVELOPMENT ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 355,949	\$ 420,015	\$ 389,230	\$ 353,360
Operations & maintenance	6,581	3,030	3,100	3,030
Services & other	66,735	23,865	23,655	47,615
SUBTOTAL	429,265	446,910	415,985	404,005
Capital outlay	-	-	-	-
TOTAL	\$ 429,265	\$ 446,910	\$ 415,985	\$ 404,005

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Assistant City Manager (1)	Director	1.0	-	-
Community Development Manager	Technical Mgr	-	1.0	1.0
Planning & Development Manager	Division Mgr	1.0	-	-
Senior Planner	PE-8	-	1.0	1.0
Planner II	PE-7	1.0	-	-
Planner I	PE-5	2.0	1.0	1.0
Administrative Secretary	A/TN-8	1.0	1.0	1.0
Planning Intern	NA	0.5	0.5	0.5
TOTAL		6.5	4.5	4.5

(1) Position transferred to General Government/Administration for fiscal year 2008-2009.

FUND: General	DEPARTMENT: Community Development	DIVISION: Building & Construction Services	ACCOUNT: 100-200-14
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DEPARTMENT DESCRIPTION:

Building and Construction Services is a division of the Community Development Department and is responsible for regulating and controlling the design, construction, quality of materials, building use and occupancy, location and maintenance of all buildings and structures within the City. The Building & Construction Services Division is also responsible for safeguarding property and the public welfare through the enforcement of the City's building and zoning codes. This activity includes enforcement of codes for building, plumbing, gas, electrical, mechanical inspections and the Unified Development Code. This division is supplemented with an out sourced agency for inspection services. This allows the division to maintain cost effectiveness and efficiency during high and low peaks without any need for additional staff.

DEPARTMENT/DIVISION GOALS:

1. Provide prompt, friendly and efficient customer service to all customers including citizens, developers, builders and contractors.
2. Conduct quality inspections through consistent interpretations of the building codes and zoning and other ordinances.
3. Increase community awareness of the department's purpose and responsibilities through public information activities and campaigns including interactive web based information.
4. Promote a higher quality of life through the continuing efforts of code compliance.
5. Provide division information regarding activities and code/ordinance updates and changes on the City's web page.
6. Improve building permit activities by further automating the permit process with on line access and web based software. The automation currently provides for phone and web inspection scheduling and checking on results.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Single-family building permits issued			
number of permits	183	248	250
value of residential permits (millions)	\$53	\$68	\$70
Value of non-residential permits (millions)	\$12	\$7	\$10
Number of miscellaneous permits issued	1,881	1,902	2,000
Number of inspections performed	5,142	5,586	6,000
Plans reviewed for new construction (residential & commercial)	256	346	350
Miscellaneous plans reviewed	1,991	1,278	1,300
Certificates of occupancy issued for existing structures	70	66	70
Code enforcement activities:			
on-site inspections	729	756	800
non-permitted sign removal	2,515	2,022	2,200

(Continued)

FUND: General **DEPARTMENT:** Community Development **DIVISION:** Building & Construction Services **ACCOUNT:** 100-200-14

(Continued)

		<u>2008-2009</u> <u>ACTUAL</u>	<u>2009-2010</u> <u>ESTIMATE</u>	<u>2010-2011</u> <u>PROJECTED</u>
<u>PERFORMANCE INDICATORS</u>				
Office Staff (5 FTE)	Phone calls	29,715	37,195	38,000
	Consultations/walk-ins	4,879	4,327	4,400
	Meetings	227	274	300
Inspectors (1 FTE)	Phone calls	1,313	1,212	1,300
	Consultations/walk-ins	101	312	350
	Meetings	56	60	60
Code Compliance (1.5 FTE)	Phone calls	3,230	3,170	3,200
	Consultations/walk-ins	244	562	600
	Meetings	23	44	50
Average number of days for staff to review plans and return comments to applicant:				
	Residential	10	10	10
	Signs	5	5	5
	Commercial alterations and finish-outs	15	15	15
	Percentage of code issues responded to in 24 hours	100%	100%	100%

FUND:
General

DEPARTMENT:
Community Development

DIVISION:
Building & Construction
Services

ACCOUNT:
100-200-14

**COMMUNITY DEVELOPMENT / BUILDING & CONSTRUCTION SERVICES
DIVISION/ACTIVITY SUMMARY**

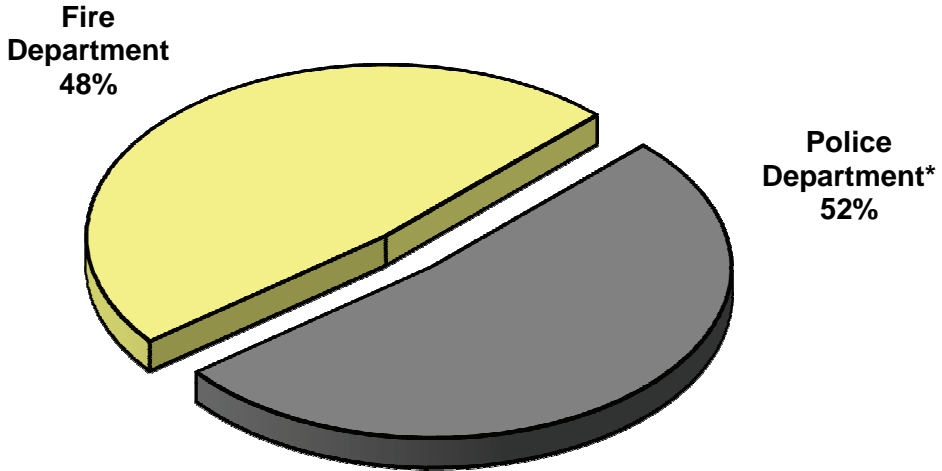
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 524,003	\$ 534,940	\$ 502,000	\$ 454,280
Operations & maintenance	9,221	33,640	27,190	31,790
Services & other	196,117	165,455	162,335	169,160
SUBTOTAL	729,341	734,035	691,525	655,230
Capital outlay	1,010	-	-	45,000
TOTAL	\$ 730,351	\$ 734,035	\$ 691,525	\$ 700,230

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

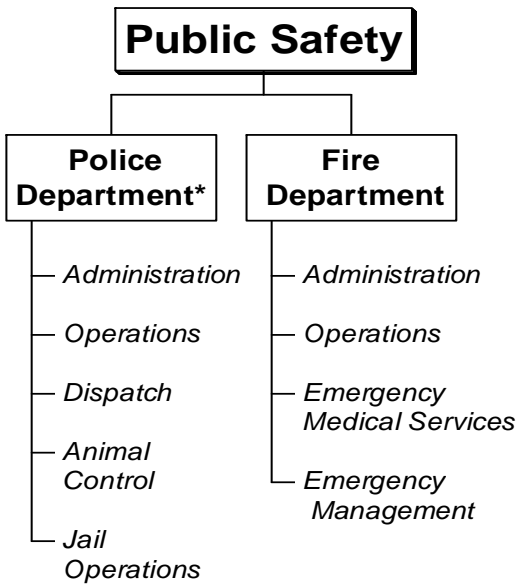
POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Building Official	Division Mgr	-	1.0	1.0
Construction Services Coordinator	PE-7	1.0	-	-
Building Official	PE-7	1.0	-	-
Plans Examiner	A/TN-11	-	1.0	1.0
Code Compliance Officer	A/TN-10	2.0	1.0	1.0
Administrative Secretary	A/TN-8	1.0	1.0	1.0
Permit Technician	A/TN-5	-	2.0	2.0
Customer Service Representative	A/TN-5	2.0	-	-
Community Development Field Worker	TN-1	0.5	0.5	0.5
TOTAL		7.5	6.5	6.5

FY2011 highlights: capital outlay provides funding to replace two 2001-model vehicles.

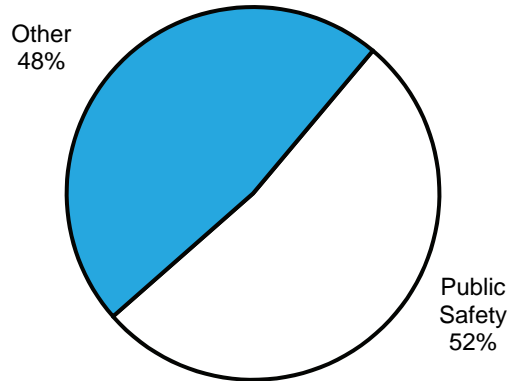
Public Safety



Department total: \$14,486,810



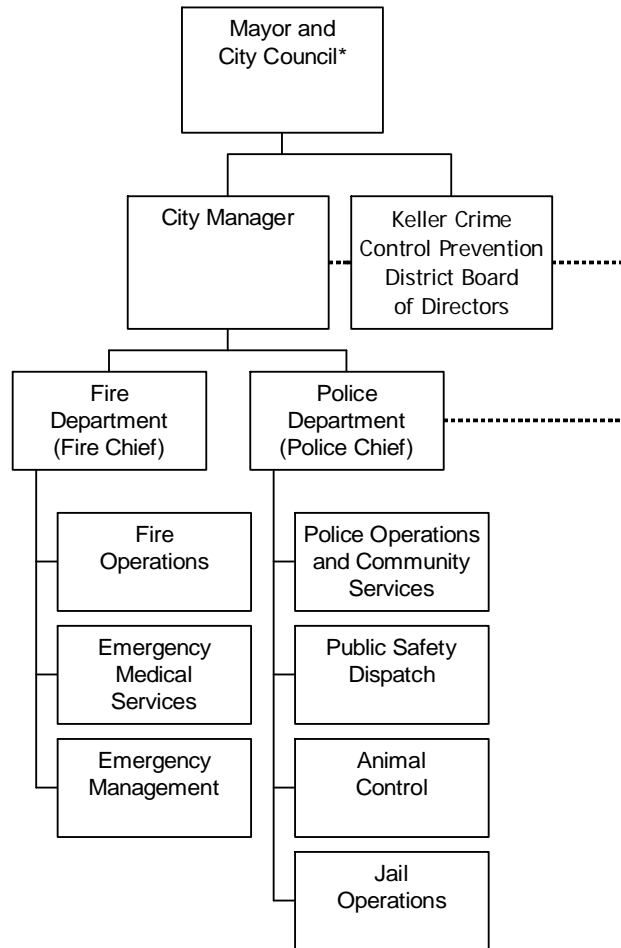
General Fund Expenditures



* Includes Town of Westlake and Keller/Southlake combined communications and jail operations.

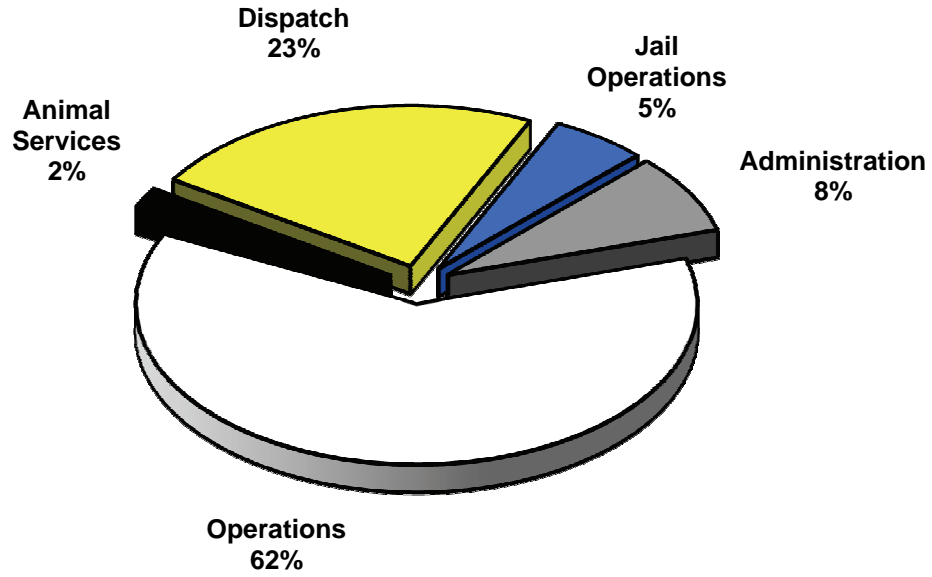
CITY OF KELLER, TEXAS ORGANIZATION CHART

PUBLIC SAFETY



* - Denotes elected positions.

Police Department

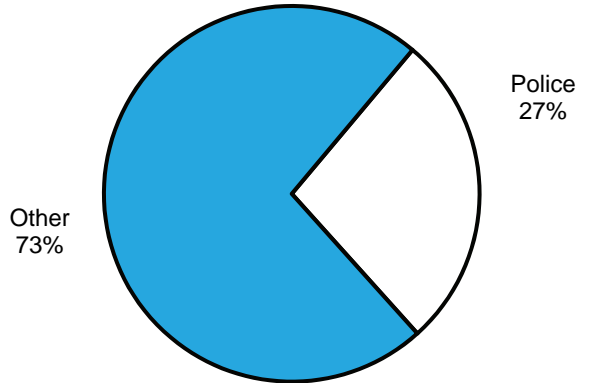


Department total: \$7,526,800

Police Department

- Administration
- Police Operations
- Public Safety Dispatch
- Animal Control
- Jail Operations

General Fund Expenditures





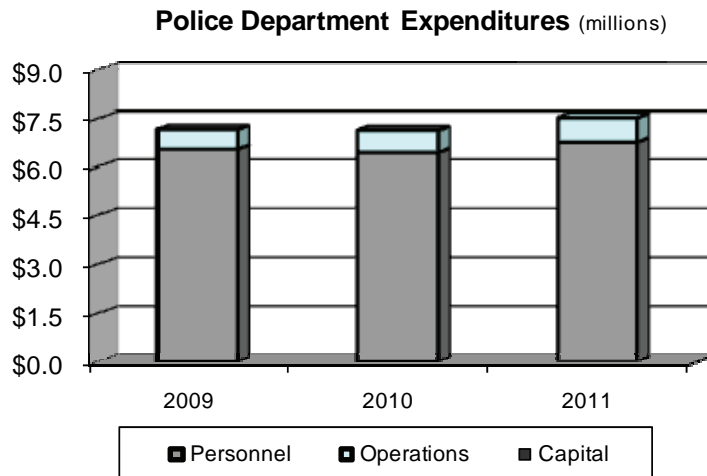
DEPARTMENT SUMMARY POLICE DEPARTMENT

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 6,542,642	\$ 6,563,710	\$ 6,435,790	\$ 6,761,450
Operations & maintenance	296,210	415,395	339,400	386,810
Services & other	327,560	401,749	358,210	378,540
SUBTOTAL	7,166,412	7,380,854	7,133,400	7,526,800
Capital outlay	-	-	-	-
TOTAL	\$ 7,166,412	\$ 7,380,854	\$ 7,133,400	\$ 7,526,800

<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 554,276	\$ 603,735	\$ 583,765	\$ 598,685
Police Operations	4,638,833	4,735,830	4,560,120	4,640,755
Public Safety Dispatch	1,494,995	1,557,233	1,516,290	1,727,825
Animal Control	141,749	144,320	142,270	146,485
Jail Operations	336,559	339,736	330,955	413,050
TOTAL	\$ 7,166,412	\$ 7,380,854	\$ 7,133,400	\$ 7,526,800

PERSONNEL SUMMARY BY DEPARTMENT (Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	3.90	3.90	3.90
Police Operations	49.00	48.00	48.00
Public Safety Dispatch	22.00	22.00	23.00
Animal Services & Adoption	2.00	2.00	2.00
Jail Operations	5.10	5.10	6.10
TOTAL	82.00	81.00	83.00



FUND:
General

DEPARTMENT:
Police

DIVISION:
Administration

ACCOUNT:
100-300-01

DEPARTMENT DESCRIPTION:

The Administration Division is responsible for the overall leadership, management, and supervision of all the activities of the police department under the direction of the Chief of Police.

The Division is also responsible for the successful attainment of goals and objectives throughout the department including, but not limited to, traffic safety and regulation, uniformed patrol, community services & education, crime control, animal control, public safety dispatch and communications, and facility & equipment maintenance.

DEPARTMENT/DIVISION GOALS:

1. Continue to meet the service needs of a growing community with value driven, customer focused style of policing designed to improve the quality of life in Keller.
2. Continue creative funding mechanisms with a regional approach to lessen the tax burden on our residents.
3. Provide quality leadership that fosters excellence, integrity, and continuous improvement designed to retain and reward valued team members.

DEPARTMENT/DIVISION OBJECTIVES:

1. Achieve a spot in the top five cities reporting the lowest Part 1 Crime Index compared to 15 cities we benchmark against in the Dallas/Fort Worth Metroplex.
2. Continue to emphasize crime prevention measures through our full-time community service officer using the CPTED (Crime Prevention Through Environmental Design) process working with the Community Development Department before homes and businesses are built.
3. Work with the Keller Crime Control and Prevention District to efficiently and effectively manage the sales tax funds to provide technology, vehicles, and a capital replacement fund.
4. Manage and monitor the long-term agreement to provide communications and jail services to the City of Southlake.
5. Implement communications and jail services to the City of Colleyville.
6. Manage and monitor the newly formed regional Special Weapons and Tactical Team with Southlake, Colleyville, Roanoke, and Watauga.
7. Manage, and monitor the police services Agreement with the Town of Westlake.
8. Plan for a regional solution to improve Animal Services.
9. Continue the planning for the jail and animal shelter capital improvements.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Total Part I major crimes	532	530	538
Total arrests	1,619	1,600	1,625
Total traffic accidents	327	320	325
Citizen initiated calls for service	31,484	32,500	33,000
Officer initiated calls for service	55,304	53,100	54,000
E-Safe E-mails	5,779	5,900	6,000

Excludes Town of Westlake activity.

FUND:
General

DEPARTMENT:
Police

DIVISION:
Administration

ACCOUNT:
100-300-01

**POLICE ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 388,831	\$ 382,110	\$ 383,870	\$ 398,220
Operations & maintenance	33,491	48,235	44,680	47,730
Services & other	131,954	173,390	155,215	152,735
SUBTOTAL	554,276	603,735	583,765	598,685
Capital outlay	-	-	-	-
TOTAL	\$ 554,276	\$ 603,735	\$ 583,765	\$ 598,685

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Police Chief	Director	1.0	1.0	1.0
Police Lieutenant	PSE-2P	0.9	0.9	0.9
Administrative Secretary	A/TN-8	1.0	1.0	1.0
Building Maintenance Tech I	TN-1	1.0	1.0	1.0
TOTAL		3.9	3.9	3.9

FUND:
General

DEPARTMENT:
Police

DIVISION:
Police Operations

ACCOUNT:
100-300-20

DEPARTMENT/DIVISION DESCRIPTION:

The Operations Division is responsible for continuously improving the quality of life for the communities of Keller and the Town of Westlake through a police services contract. The duties of the Operations Division are sector patrol and management, investigation and apprehension of criminals, case preparation, report processing, intervention and prevention of crime, traffic enforcement, motor vehicle collision investigation, bike patrol, mounted patrol, police canine, tactical operations and general community services and assistance. Operations management is responsible for the proper balance between accountability of the operations personnel and coordinating the department resources to effectively and efficiently accomplish our Mission and Values. This is how the department motivates its team members to enthusiastically and consistently drive our mission to make the City of Keller and the Town of Westlake a better place to live, visit, and conduct business.

DEPARTMENT/DIVISION GOALS AND OBJECTIVES:

1. Continue "KPYD" – (Keller Police for Youth Development). This program consists of one two-hour class held in the community room for ages 12 – 20. The objective is to instill leadership principles, while building relationships.
 - Make the class available to the Municipal Judge or court to assign as an alternative or addition to community service for court dispositions.
 - Offer the class free of charge to the parents experiencing difficulties with wayward teenagers during the officers' routine community interactions.
 - Continue to monitor the success rate and maintain the 80% rate of non-recidivism for non traffic violations.
2. Increase bicycle officer patrols in the parks and trails systems.
 - Deploy an officer to bike patrol for each shift when weather permits and minimum staffing has been satisfied.
 - Manage the 2nd Annual Keller Police Bike Race to benefit the Alliance for Children.
 - Conduct semi-annual training with an in-house instructor.
 - Deploy bike patrol officers during community events and parades.
 - Have the bike unit manage traffic at one large event.
3. Increase the use of the mounted patrol unit.
 - Deploy on average once a month in commercial and residential locations in Westlake and Keller.
 - Deploy regularly at large events in the parks and schools.
 - Conduct regular training with our in-house instructors.
4. Maintain officer-training levels through in-house training sources.
 - Average 30 hours of in-service training per officer.
 - Conduct a training update for 80% of patrol officers in DWI Investigations.
5. Reduce traffic accident rate by 5% through enforcement and education efforts.
 - Respond to the routine traffic analysis and enforce intersection violations on an on-going basis.
 - Continue to conduct a quarterly crash analysis and conduct traffic details at target locations.
6. Increase traffic enforcement/special watch patrols and visibility in neighborhoods and other locations of frequent traffic complaints.
 - Continue to place traffic complaints under the GEMINI traffic enforcement folder of complaints and schedule regular enforcement times at problem locations.
 - Conduct follow-up interviews with complainants to review results of the efforts.
 - Utilize portable L.E.D. speed signs for traffic calming with the assistance of the Volunteers in Policing Service (VIPS).

(Continued)

FUND:
General

DEPARTMENT:
Police

DIVISION:
Police Operations

ACCOUNT:
100-300-20

(Continued)

DEPARTMENT/DIVISION GOALS AND OBJECTIVES:

7. Maintain a narcotics investigator position.
 - Continue to fund our current narcotics position to reduce narcotics violations and sales.
 - Work in cooperation with our school resource officers to identify investigative leads to reduce the access of drugs to our students.
8. Continue efforts to curb underage alcohol and tobacco use.
 - Conduct two alcohol/tobacco stings.
 - Reinforce efforts by training local business employees.
9. Continue to utilize Citizens Academy alumni to volunteer for support services (warrants, property destruction, VIPS, and victim's assistance).
10. Update the City of Keller Web/Police Department's web site with regard to information about financial crimes and identity theft, including:
 - Information about identity theft
 - Making or filing reports
 - Placement of forms
 - Frequently asked questions
 - Credit/debit card abuse

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Case clearance rate	59%	60%	60%
Part 1 crime clearance rate	30%	31%	32%
Total arrests made	1,619	1,600	1,624
Total citations issued	10,583	11,438	11,800
Total cases investigated	1,666	1,600	1,630



FUND:
General

DEPARTMENT:
Police

DIVISION:
Police Operations

ACCOUNT:
100-300-20

**POLICE OPERATIONS
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 4,345,644	\$ 4,333,245	\$ 4,238,440	\$ 4,284,780
Operations & maintenance	203,022	298,970	224,640	262,335
Services & other	90,167	103,615	97,040	93,640
SUBTOTAL	4,638,833	4,735,830	4,560,120	4,640,755
Capital outlay	-	-	-	-
TOTAL	\$ 4,638,833	\$ 4,735,830	\$ 4,560,120	\$ 4,640,755

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Police Lieutenant	PSE-2P	2.0	2.0	2.0
Police Sergeant	PSN-11P	6.0	6.0	6.0
Criminal Investigator/Corporal	PSN-4P	6.0	6.0	6.0
Police Officer	PSN-2P	35.0	34.0	34.0
TOTAL		49.0	48.0	48.0

FUND: General	DEPARTMENT: Police	DIVISION: Public Safety Dispatch	ACCOUNT: 100-300-21
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DEPARTMENT DESCRIPTION:

The Keller-Southlake-Colleyville-Westlake Emergency Communications Center is one of the few truly consolidated enhanced 911 Public Safety answering points in the State. The center is civilian staffed and dispatches emergency and non-emergency calls for Fire, Police, and Emergency Medical Services. This Division serves more than 90,000 residents in an area covering 60.6 square miles. The center's staff of 23 full time employees, including 19 dispatchers, answers hundreds of daily calls, seven days a week, 365 days a year. The two civilian Records Technicians receive, process, index, and file all police reports for retrieval on an as-needed basis. In addition, they must provide accurate statistical data for administrative use, access to public records, manage Solicitor's Permits, fingerprinting services, and work closely with all personnel within the City, our citizens, as well as outside agencies. As of October 1 the City of Colleyville will become a partner in the Regional Communications Center.

DEPARTMENT/DIVISION GOALS:

1. Contribute to the prompt response of police units by collecting necessary information from callers and dispatching emergency calls for service within 2 minutes on average.
2. Contribute to the prompt response of fire/EMS units by collecting necessary information from callers and dispatching emergency calls in under 1 minute on average.
3. Answer incoming 911 phone calls within 10 seconds.
4. Receive, process, index, and file all police reports for retrieval on an as-needed basis.
5. Respond to all record requests under terms of the Texas Public Information Act.
6. Enhance the division employee's skills in providing excellent customer service.

DEPARTMENT/DIVISION OBJECTIVES:

1. Maintain the dispatch portion of the overall police response time for emergency calls to 2 minutes.
2. Maintain the dispatch portion of the overall fire/EMS response time for emergency calls within the Keller/Southlake/Colleyville/Westlake city limits to 1 minute.
3. Answer all incoming 911 calls within 10 seconds to enhance the feeling of safety for our citizens.
4. Continue to improve overall response times through employee training, improved vendor performance, and equipment upgrades.
5. Continue to respond to all open record requests within 10 days of receipt.
6. Maintain high levels of employee training in all communications/records related fields.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Inputs:			
Total number of authorized division personnel:	22	22	23
Manager	1	1	1
Supervisor	1	1	1
Dispatcher	18	18	19
Records Technician	2	2	2
Outputs:			
Activities processed by the KSECC:			
Number of police calls for service	174,669	155,124	185,500
Keller	84,167		
Southlake	73,550		
Westlake	16,992		

(Continued)

FUND:
General

DEPARTMENT:
Police

DIVISION:
Public Safety Dispatch

ACCOUNT:
100-300-21

(Continued)

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Outputs:			
Number of fire/EMS calls for service	4,701	4,800	5,550
Keller	2,665		
Southlake	1,737		
Westlake	299		
Number of 911 phone calls	30,029	31,388	36,400
Number of in-coming phone calls	184,466	190,000	220,000
Open record requests processed	2,632	2,600	2,650
Effectiveness:			
Average time from call dispatch to arrival:			
Police emergency response time (minutes)	4.16	4.47	4.20
Fire/EMS emergency response time (minutes)	6.29	6.15	5.85
Efficiency:			
Average time from call receipt to dispatch:			
Police emergency calls (minutes)	1.55	1.35	1.25
Fire/EMS emergency calls (minutes)	1.07	1.05	1.00
Percentage of 911 phone calls answered within 10 seconds	100%	100%	100%

FUND:
General

DEPARTMENT:
Police

DIVISION:
Public Safety Dispatch

ACCOUNT:
100-300-21

**POLICE / PUBLIC SAFETY DISPATCH
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 1,380,325	\$ 1,425,520	\$ 1,392,440	\$ 1,582,340
Operations & maintenance	36,497	43,355	48,355	53,005
Services & other	78,173	88,358	75,495	92,480
SUBTOTAL	1,494,995	1,557,233	1,516,290	1,727,825
Capital outlay	-	-	-	-
TOTAL	\$ 1,494,995	\$ 1,557,233	\$ 1,516,290	\$ 1,727,825

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Regional Communications Manager	Division Mgr	1.0	1.0	1.0
Regional Dispatch Supervisor	PN-8	1.0	1.0	1.0
Shift Supervisor	PN-4	-	-	2.0
Dispatcher	PN-3	18.0	18.0	17.0
Senior Records Technician	A/TN-5	1.0	1.0	1.0
Records Technician	A/TN-4	1.0	1.0	1.0
TOTAL		22.0	22.0	23.0

FUND:
General

DEPARTMENT:
Police

DIVISION:
Animal Services & Adoption

ACCOUNT:
100-300-23

DEPARTMENT/DIVISION DESCRIPTION:

The Animal Services & Adoption Division of the Keller Police Department provides enforcement of the animal ordinance within the City of Keller and the Town of Westlake. Services are generally limited to routine stray animal enforcement, bite investigations, wild animal and domestic livestock problems, and removal of dead animal carcasses from City roadways. Continual efforts to expand the adoption program have been successful.

DEPARTMENT/DIVISION GOALS AND OBJECTIVES:

1. Continue to strive for receiving no citizen dissatisfaction complaints regarding animal control efforts.
 - Answer incoming calls by the third ring.
 - Return voice mails within one hour while on duty. During off-duty hours, phones will be transferred to dispatch.
 - When two officers are on duty, staff the shelter with one officer to answer walk-ins, unless an emergency exists and it requires two officers to handle the call.
 - Continue to coordinate with Human Resources to provide light-duty job opportunities answering phones and walk-ins.
 - Conduct weekly inspection of the facilities to ensure cleanliness and proper care. Utilize appropriate form to capture the results.
2. Increase the percentage of animals adopted, redeemed, and/or rescued to 68% of total impounded animals.
 - Utilize rescue groups to adopt animals.
 - Utilize the city web-site to advertise animal adoptions.
 - Promote registration awareness.
 - Conduct proactive patrols.
 - Participate in community events where you may have an opportunity to adopt out an animal.
3. Continue volunteer staffing to assist with kennel care
 - Continue to allow volunteers to answer the telephones, greet walk-ins, interact, groom, bathe friendly animals and clean the kennels.
4. Increase the notification of ordinance violations
 - Determine and make notification to owners whose animals license has expired
 - Adoption obligations are in compliance
5. Continue to train Animal Control Officers with the less lethal munitions and State required certifications.
6. Actively promote and administer a spay-and-neuter voucher program.
 - Seek 90% compliance rate.
 - Provide educational resources concerning the program to citizens.
 - Consistently follow-up to verify compliance

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Stray animals impounded	1,511	1,178	1,293
Citations issued	103	24	34
Total calls for service	14,926	14,354	13,890
Animal bite reports taken	74	76	70
Reported rabies incidents	—	1	1
Animals adopted/redeemed	885	782	879

FUND:
General

DEPARTMENT:
Police

DIVISION:
Animal Services & Adoption

ACCOUNT:
100-300-23

POLICE / ANIMAL SERVICES & ADOPTION
DIVISION/ACTIVITY SUMMARY

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 124,295	\$ 120,720	\$ 121,910	\$ 125,365
Operations & maintenance	8,049	13,490	10,880	11,595
Services & other	9,405	10,110	9,480	9,525
SUBTOTAL	141,749	144,320	142,270	146,485
Capital outlay	-	-	-	-
TOTAL	\$ 141,749	\$ 144,320	\$ 142,270	\$ 146,485

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Animal Control Officer	TN-5	2.0	2.0	2.0
TOTAL		2.0	2.0	2.0

FUND:
General

DEPARTMENT:
Police

DIVISION:
Jail Operations

ACCOUNT:
100-300-25

DEPARTMENT/DIVISION DESCRIPTION:

The primary responsibility of the Jail Operations Division is to provide a safe, secure, and humane environment for detainees who are arrested by Keller, Southlake, Colleyville and Westlake. The detainees are temporarily held in the facility for up to 72 hours awaiting transfer to County Jail. They are monitored closely and are taken through an intake and screening process. As of October 1 the City of Colleyville will become a partner in the Jail Operations.

DEPARTMENT/DIVISION GOALS AND OBJECTIVES:

1. Continue to operate a safe, efficient, and humane temporary holding facility.
2. Decrease the errors in book-in and court paperwork.
 - Continuous training on frequent paperwork errors
 - Paperwork and print cards to verify process
 - Standardize book-in and book-out procedures
3. Continue to comply with accreditation standards
4. Conduct weekly inspection of the jail facility for safety purposes and cleanliness.
 - Daily task list
 - Weekly cell checks
5. Provide a positive atmosphere with other employees by following our 4 core values: empathy, edification, enthusiasm and excellence.
6. Continue yearly training of detention officers in defensive tactics, Crimes and Live Scan, and customer service techniques.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Keller prisoners detained	1,304	1,262	1,354
Southlake prisoners detained	894	950	940
Westlake prisoners detained	315	193	274
Colleyville prisoners detained	-	-	625

FUND:
General

DEPARTMENT:
Police

DIVISION:
Jail Operations

ACCOUNT:
100-300-25

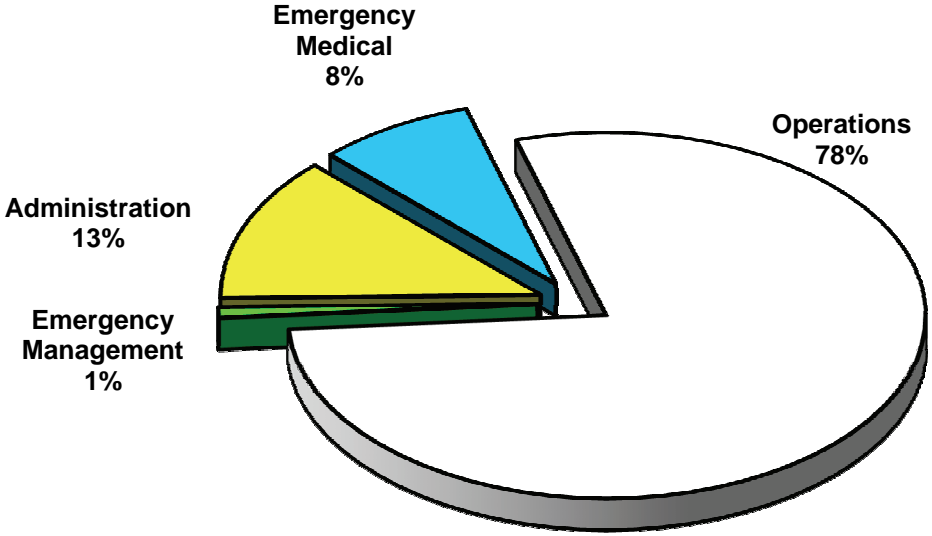
**POLICE / JAIL OPERATIONS
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 303,547	\$ 302,115	\$ 299,130	\$ 370,745
Operations & maintenance	15,151	11,345	10,845	12,145
Services & other	17,861	26,276	20,980	30,160
SUBTOTAL	336,559	339,736	330,955	413,050
Capital outlay	-	-	-	-
TOTAL	\$ 336,559	\$ 339,736	\$ 330,955	\$ 413,050

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Police Lieutenant	PSE-2P	0.1	0.1	0.1
Detention Officer	PN-2	5.0	5.0	6.0
TOTAL		5.1	5.1	6.1

Fire Department

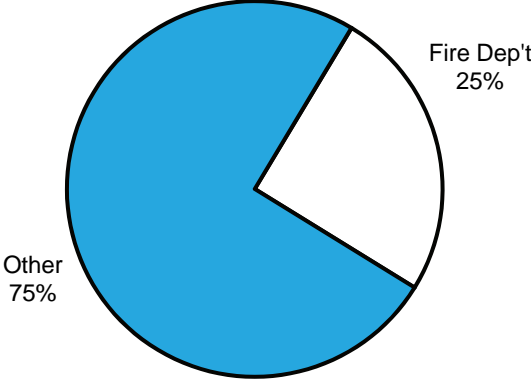


Department total: \$ 6,960,010

Fire Department

- Administration
- Fire Operations
- Emergency Medical Services
- Emergency Management

General Fund Expenditures



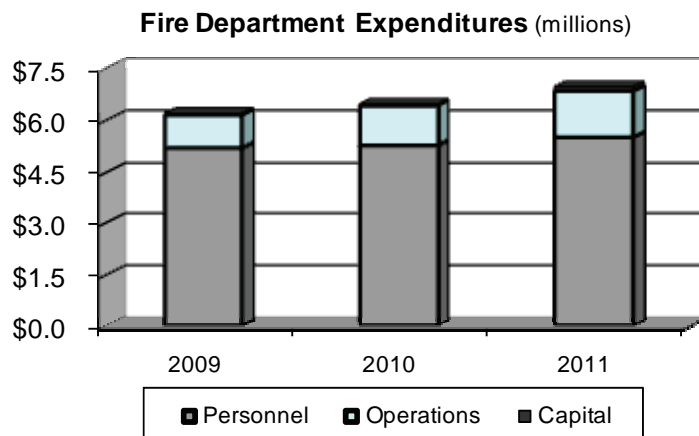
FIRE DEPARTMENT DEPARTMENT SUMMARY

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 5,199,900	\$ 5,656,870	\$ 5,267,760	\$ 5,512,265
Operations & maintenance	540,021	679,250	641,940	737,020
Services & other	410,694	605,030	503,820	590,775
SUBTOTAL	6,150,615	6,941,150	6,413,520	6,840,060
Capital outlay	44,422	14,950	50,000	119,950
TOTAL	\$ 6,195,037	\$ 6,956,100	\$ 6,463,520	\$ 6,960,010

<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 796,325	\$ 1,014,025	\$ 933,415	\$ 890,415
Fire Operations	4,972,196	5,441,460	5,081,055	5,454,575
Emergency Medical Services	381,305	439,110	389,920	552,425
Emergency Management	45,211	61,505	59,130	62,595
TOTAL	\$ 6,195,037	\$ 6,956,100	\$ 6,463,520	\$ 6,960,010

PERSONNEL SUMMARY BY DEPARTMENT (Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	8.0	7.0	7.0
Fire Operations	52.0	49.0	49.0
TOTAL	60.0	56.0	56.0





FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Administration

ACCOUNT:
100-350-01

DEPARTMENT DESCRIPTION:

The Keller Fire-Rescue Department's Administration Division consists of seven (7) employees. The Fire Chief/Emergency Management Coordinator who in addition to serving as the Fire Department's Director also coordinates all activities regarding Emergency Management and Homeland Security for all City departments regarding disaster planning, preparedness, response, and recovery operations. The Assistant Chief for Operations who oversees direct leadership of four Battalion Fire Chiefs (one for each shift and the Battalion Chief for EMS/Training and Safety), fire officers and fire fighters at three geographically separated fire stations and all facets of fire fighting, rescue, supplies and rescue training budgets. The Battalion Chief for EMS/Training and Safety reports directly to the Assistant Chief for Operations and oversees all aspects of the Emergency Medical Program including coordination with our Emergency Medical Director who is a contracted physician ensuring quality control over our paramedics as well managing the department's fire suppression and rescue training and safety program. The Assistant Chief for Fire Prevention/Fire Marshal directs the efforts of the Fire Prevention/Inspection and Fire Safety Education Division which consist of two additional fire inspectors who work intimately with the City's Code Development Review Committee to ensure compliance with all fire code issues. These individuals, as a team, are the linchpin in a system that keeps developers, builders and business owners apprised of code requirements during construction to ensure life safety systems and code mandated requirements are met. Lastly, The Administrative Secretary and the Accounting Technician are the primary focal point for citizen questions and our employees regarding a myriad of issues while coordinating the thousands of financial transaction necessary to maintain the fire protection system legally and ethically under City, State and Federal directives.

Fire Administrative duties include:

- Provide top-notch customer service to the citizens of Keller, the members of this department, and the employees and staff of the City of Keller.
- Ensure the proper efficient, ethical and effective utilization of City of Keller resources for the life safety and quality of life for citizens and visitors to Keller.
- Plan for the continued quality improvement of the department.
- Aggressively seek, apply for and administer grant funding from outside funding sources.
- Encourage private and public partnerships to ensure quality training opportunities, fire safety programs, and improved quality of life within the City of Keller.
- Maintain positive liaisons with neighboring communities, fire service organizations locally, regionally and nationally to keep abreast of developments affecting the City of Keller and its emergency services.
- Ensure that our staff both administratively and operationally is receiving high quality training to maintain a high state of readiness to meet the needs of our community and our commitment to our regional emergency services obligation.
 - North East Explosives Response Team
 - Technical and Heavy Rescue Teams
 - Hazardous Materials Response
 - Mass Decontamination Team
 - Mass Casualty Response Team
 - Swift water Rescue Team
 - Texas Task Force One (Urban Search and Rescue Team)
 - North Texas Type 3 Incident Management Team
- Analyze the current and future needs of the Department such as capital improvements (fire station needs and location, fire apparatus replacement and acquisition, and staffing) to ensure proper planning and financial support, through grants and budget is available to meet those needs.

(continued)

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Administration

ACCOUNT:
100-350-01

(Continued)

DEPARTMENT/DIVISION GOALS:

1. Aggressively seek grant funding in support of the Department to include; Assistance to Fire Fighters Grant funding for Fire Fighter Operations Safety, Fire Prevention Activities, Safe Fire Fighter Staffing and Economic Stimulus.
2. Continue the Commission on Fire Accreditation "Self- Assessment" process with the goal of acquiring international accreditation for the department.
3. Implement an action plan for the department and the community to lower the City's Insurance services Office (ISO) Property Protection Code (PPC) rating to save taxpayers money and provide the City an incentive lure for new business and commercial development.
4. Develop a fire prevention inspection program which would include an annual inspection of all commercial/business occupancies in the City of Keller
5. Continue fire safety education on a statewide basis with the Texas Educational Television Network and expand the fire prevention safety education program to encompass all elementary schools within the limits of Keller.
6. Develop an Officer Development Program within the department to provide a career progression template for current members to follow for career advancement and allow for better continuity within the department.
7. Continue to revise departmental policies and procedures to ensure they are current and meet the dynamic nature of the fire service.
8. Explore with IT a plan to develop video conferencing between all fire stations and fire administration.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Total Fire & EMS calls for service	2,706	2,844	2,980
Average overall response time (minutes)	5.3	5.3	5.3
Fire investigations conducted	42	40	40
Commercial construction plans/plats reviewed	166	150	150
Commercial fire inspections conducted	667	695	720
Public fire education programs conducted	142	150	150
Gas well site inspections	30	36	42

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Administration

ACCOUNT:
100-350-01

**FIRE DEPARTMENT ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 670,128	\$ 848,450	\$ 731,930	\$ 737,105
Operations & maintenance	49,346	48,480	52,500	53,320
Services & other	76,851	117,095	98,985	99,990
SUBTOTAL	796,325	1,014,025	883,415	890,415
Capital outlay	-	-	50,000	-
TOTAL	\$ 796,325	\$ 1,014,025	\$ 933,415	\$ 890,415

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Fire Chief	Director	1.0	1.0	1.0
Ass't Chief-Operations	Director	1.0	1.0	1.0
Ass't Chief-Fire Prevention	Director	1.0	1.0	1.0
Battalion Chief-EMS/Training	PSN-12F	1.0	1.0	1.0
Fire Inspector/Investigator	PSN-2FI	1.0	-	-
Fire Inspector	PSN-1F1	1.0	1.0	1.0
Administrative Secretary	A/TN-8	1.0	1.0	1.0
Accounting Technician	A/TN-7	1.0	1.0	1.0
TOTAL		8.0	7.0	7.0

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Fire Operations

ACCOUNT:
100-350-40

DEPARTMENT/DIVISION DESCRIPTION:

The Fire Operations Division provides emergency services to the public in areas of fire and emergency medical services, including rescue services, and supports fire administration, fire prevention, arson investigation and emergency management activities. The firefighter/paramedics are housed in three fire substations and work a three-platoon rotating 24-hour shift. The Fire Operations Division utilizes three major fire apparatus, three ambulances and two brush trucks. The Fire Operations Division provides specialty services such as hazardous materials, technical rescue, and explosives response by participating as a member of the Northeast Fire Department Association (NEFDA) regional response teams. Fire Operations works closely with surrounding departments with both automatic and mutual aid agreements developed by the Fire Administration Division to provide the shortest response time possible on each call. Fire Operations is dispatched by the Keller-Southlake Emergency Communications Center using an 800 MHz radio system in which Keller is a joint member with five other area cities.

DEPARTMENT/DIVISION GOALS:

1. Implement a process to insure all commercial property pre-plans are updated semi-annually.
2. Continue the fire hydrant inspection process on a semi-annual basis.
3. Test fire pumps and ladders.
4. Acquire an ISO rating improvement.
5. Explore expanded ICS training through the use of "FLAME-SIM™" (flame simulator) training pods.
6. Upgrade fire stations 2 and 3 with vehicle exhaust and sprinkler systems.
7. Improve efficiency in staff scheduling and payroll recordkeeping/calculating by changing from a manual system to a computerized employee management system.
8. Develop tactical medics to support the KPD special weapons and tactics (SWAT) team.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Calls for service (excludes EMS calls):			
Fire calls and other emergencies	721	766	812
Public service calls	193	252	327

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Fire Operations

ACCOUNT:
100-350-40

**FIRE DEPARTMENT / OPERATIONS
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 4,529,772	\$ 4,808,420	\$ 4,535,830	\$ 4,775,160
Operations & maintenance	317,684	456,620	429,615	491,815
Services & other	105,667	161,470	115,610	172,650
SUBTOTAL	4,953,123	5,426,510	5,081,055	5,439,625
Capital outlay	19,073	14,950	-	14,950
TOTAL	\$ 4,972,196	\$ 5,441,460	\$ 5,081,055	\$ 5,454,575

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Battalion Chief	PSN-12F	-	3.0	3.0
Fire Captain	PSN-10F	9.0	6.0	6.0
Fire Equipment Operator	PSN-2F	9.0	9.0	9.0
Firefighter/Paramedic Field Training Officer	PSN-2F	6.0	6.0	6.0
Firefighter/Paramedic	PSN-1F	28.0	28.0	28.0
TOTAL		52.0	52.0	52.0

FY2011 highlights: capital outlay funding provides for implementation of an automated departmental records management system.

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Emergency Medical
Services

ACCOUNT:
100-350-41

DEPARTMENT DESCRIPTION:

The Fire Department/Emergency Medical Services (EMS) division provides services necessary to preserve life, alleviate suffering, and return individuals to a functioning part of the community. This service ranges in scope from preventive safety education through the public school system, civic, church and community groups; a cross spectrum application of emergency medical care through pre-arrival instructions from emergency medical dispatchers; first responding police and fire units; and ultimate care by a paramedic staffed mobile intensive care unit. This service is also fulfilled through patient and provider advocacy at local, state, and national levels of regulatory agencies. Personnel services funding for Emergency Medical Technicians and Paramedics are included in the Fire Operations division.

DEPARTMENT/DIVISION GOALS:

1. Effectively and efficiently fulfill the obligations of delivering services at the highest levels of competency, including emergency medical care/transportation to the citizens and visitors of Keller.
2. Decrease or maintain average response time from time of dispatch to on scene at five (5) minutes.
3. Decrease and maintain average time in minutes for EMS down-time to forty (40) minutes.
4. Monitor cost recovery with the intent of increasing revenue to the City through ambulance billing.
5. Develop training protocol and classes for integration of the SimMan 3G™ trainer, an advanced patient assessment and treatment training manikin.
6. Seek grant funding for the replacement of all aging automated external defibrillators (AED) and heart monitors.
7. Update and revise medical protocols with the advice of the medical director and develop an improved training program to teach and implement those protocols.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
EMS/Rescue calls for service	1,792	1,826	1,858
EMS total patients not transported	463	437	445
EMS total patient transports	1,324	1,353	1,380
EMS mutual aid provided (included in above total)	59	50	55
EMS mutual aid received (included in above total)	52	72	80
<u>BENCHMARKS</u>			
EMS response time (from dispatch to on location, average minutes)	5.0	5.0	5.0
EMS down time (at hospital to available for call, average minutes)	47	52	52

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Emergency Medical
Services

ACCOUNT:
100-350-41

**FIRE DEPARTMENT / EMERGENCY MEDICAL SERVICES
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	159,793	163,400	150,075	177,135
Services & other	196,163	275,710	239,845	270,290
SUBTOTAL	355,956	439,110	389,920	447,425
Capital outlay	25,349	-	-	105,000
TOTAL	\$ 381,305	\$ 439,110	\$ 389,920	\$ 552,425

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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Funding for emergency medical positions is included in the Fire Department/Operations division.

FY2011 highlights: capital outlay includes funding to replace defibrillators and heart monitors.

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Emergency Management

ACCOUNT:
100-350-42

DEPARTMENT/DIVISION DESCRIPTION:

The Emergency Management Division (EM) provides planning, preparedness, response and recovery services to the City of Keller in addition to the coordination of the Keller Consolidated Emergency Operations Plan, an all-hazards approach to meet daily natural and man-made disaster threats. The dynamic nature of natural and man-made disasters requires communities to be well versed on Federal Emergency Management Agency (FEMA) requirements and programs to assist local communities. The Keller Emergency Management Division fulfills a statutory requirement of local government that designates the Mayor as the Emergency Management Director and permits the Mayor to designate an Emergency Management Coordinator. The City of Keller Fire Chief is assigned this function. The Fire Chief along with all City officials work seamlessly with Tarrant County, North Central Texas Council of Governments, as well as State and Federal agencies to facilitate stellar intergovernmental relationships that have proven worthwhile in times of disaster. As a public service the EM Division in conjunction with Keller fire fighters and the City of Fort Worth Environmental Services Department conduct bi-annual household hazardous waste collection events each year. These events are proactive "Green Initiatives" that keep toxic waste out of the environment and make homes safer.

DEPARTMENT/DIVISION GOALS:

1. Work to enhance the value of the Community Emergency Response Team (CERT) to the community by greater involvement and publicity.
2. Provide ICS training and continue to track compliance with National Incident Management System (NIMS) training requirements.
3. Update Emergency Management policies and procedures
4. Acquire advance training for staff and elected officials concerning disaster incident management
5. Hold at least one table-top and one Emergency Operation Center exercise per year.
6. Seek additional Emergency Management Institute (EMI) training for the Emergency Management Coordinator to facilitate better involvement in the program.
7. Seek grant funding to replace the outdoor emergency warning siren system.
8. Provide exciting training opportunities and events to maintain interest in CERT.
9. Explore feasibility of merging emergency management functions with City of Southlake.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Household hazardous waste collection events	2	2	2
Keller household hazardous waste program participants (Fort Worth Environmental Collection Center)	494	650	775

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Emergency Management

ACCOUNT:
100-350-42

**FIRE DEPARTMENT / EMERGENCY MANAGEMENT
DIVISION/ACTIVITY SUMMARY**

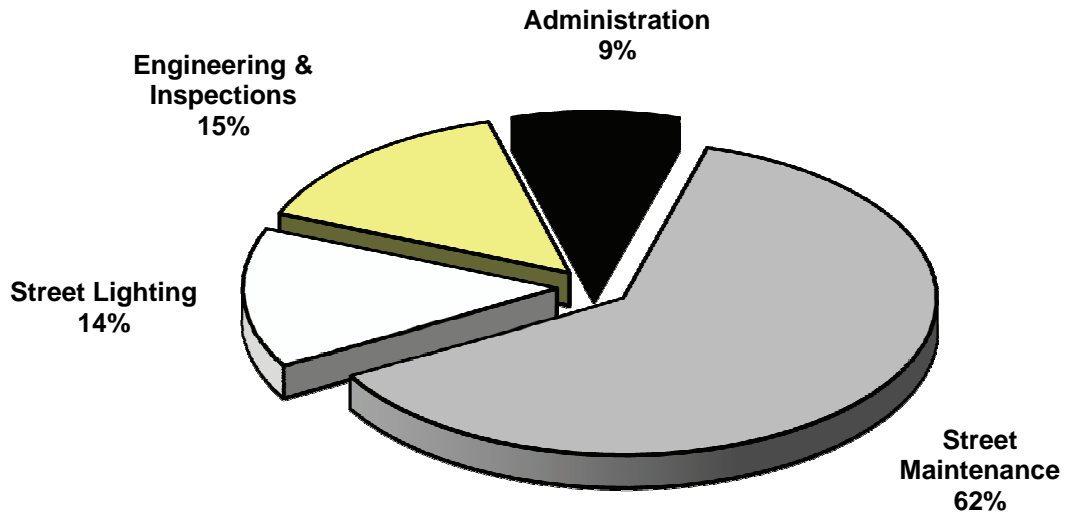
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	13,198	10,750	9,750	14,750
Services & other	32,013	50,755	49,380	47,845
SUBTOTAL	45,211	61,505	59,130	62,595
Capital outlay	-	-	-	-
TOTAL	\$ 45,211	\$ 61,505	\$ 59,130	\$ 62,595

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

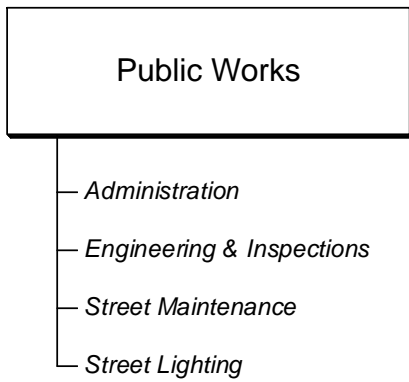
POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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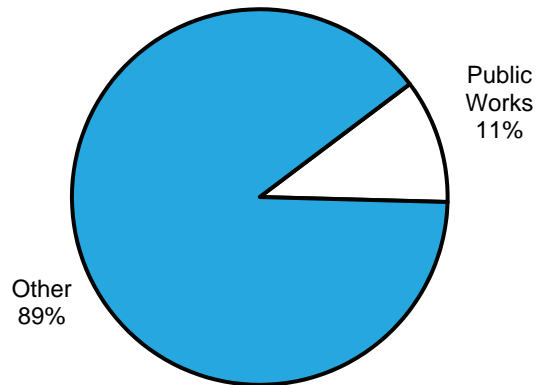
Public Works



Department total: \$2,957,780

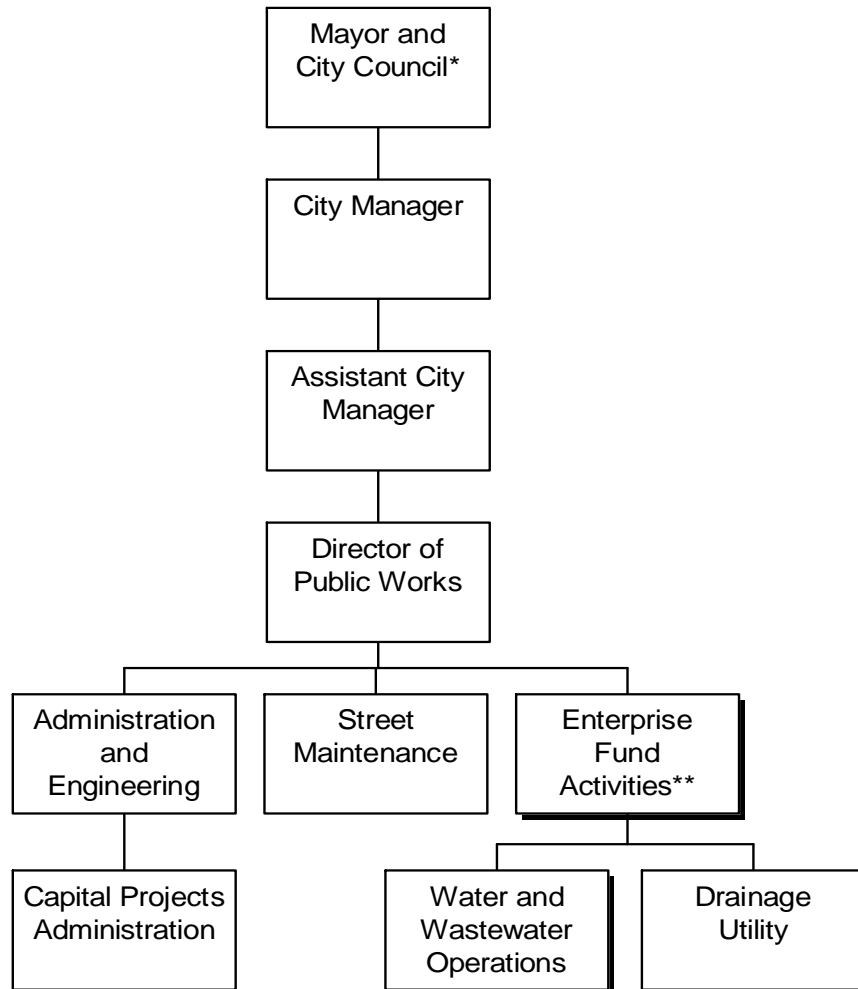


General Fund Expenditures



CITY OF KELLER, TEXAS ORGANIZATION CHART

PUBLIC WORKS



* – Denotes elected positions.

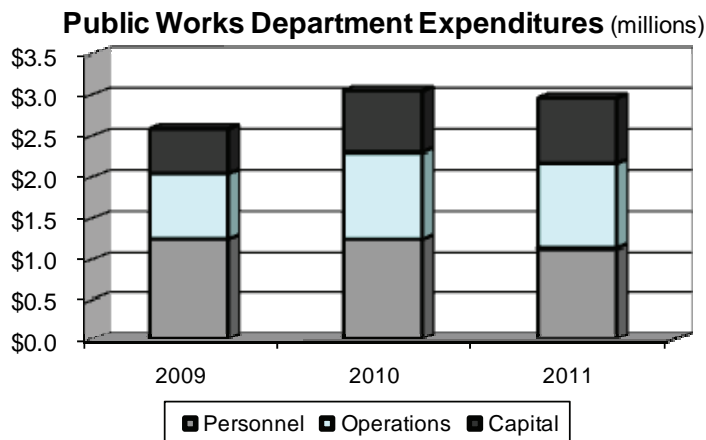
** – Enterprise fund activities are presented in the Water & Wastewater and Drainage Utility Funds.

**PUBLIC WORKS
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 1,235,265	\$ 1,263,395	\$ 1,235,100	\$ 1,125,075
Operations & maintenance	172,711	393,377	369,070	304,835
Services & other	637,635	745,977	694,615	742,285
SUBTOTAL	2,045,611	2,402,749	2,298,785	2,172,195
Capital outlay	541,678	751,620	751,420	785,585
TOTAL	\$ 2,587,289	\$ 3,154,369	\$ 3,050,205	\$ 2,957,780
<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 241,434	\$ 246,250	\$ 245,145	\$ 251,640
Engineering & Inspections	392,274	490,760	446,775	432,900
Street Maintenance	1,545,605	1,992,359	1,931,010	1,845,965
Street Lighting	407,976	425,000	427,275	427,275
TOTAL	\$ 2,587,289	\$ 3,154,369	\$ 3,050,205	\$ 2,957,780

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	2.00	2.00	2.00
Engineering & Inspections	3.50	3.50	3.50
Street Maintenance	11.83	8.83	8.83
TOTAL	17.33	14.33	14.33



FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Administration

ACCOUNT:
100-500-01

DEPARTMENT/DIVISION DESCRIPTION:

The Public Works Department is under the direction of the Director of Public Works. The Department is responsible for the direction and administration of all facets of engineering, inspection, street maintenance, flood plain management, and street lighting activities of the City.

DEPARTMENT/DIVISION GOALS:

1. Continuously review and evaluate work methods and processes to determine changes needed to improve efficiency and reduce operations and maintenance cost, throughout the fiscal year.
2. Continuously review and improve customer service for the citizens of Keller by holding quarterly sessions with Public Works staff on the customer service process.
3. Provide effective and efficient guidance and supervision of the engineering, inspection, street maintenance and drainage divisions.
4. Work with the Division Managers toward the improvement of their professional knowledge and skills through in house and external educational opportunities.
5. Review all budgets on a monthly basis to ensure cost containment and adherence to budget expenditure policies.
6. Respond to e-mail and citizen request within 24 hours of message or request receipt.
7. Attempt to minimize flooding of public and private property.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Scheduled customer service meetings	2	4	4
Scheduled coordination meetings with staff	49	52	52
Schedule staff to attend external quarterly training sessions	4	4	4
Review all budgets	10	12	12

FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Administration

ACCOUNT:
100-500-01

**PUBLIC WORKS ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 230,596	\$ 233,315	\$ 232,210	\$ 239,125
Operations & maintenance	2,020	3,200	2,900	3,270
Services & other	8,818	9,735	10,035	9,245
SUBTOTAL	241,434	246,250	245,145	251,640
Capital outlay	-	-	-	-
TOTAL	\$ 241,434	\$ 246,250	\$ 245,145	\$ 251,640

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Director of Public Works	Director	1.0	1.0	1.0
Administrative Secretary	A/TN-8	1.0	1.0	1.0
TOTAL		2.0	2.0	2.0

FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Engineering & Inspections

ACCOUNT:
100-500-50

DEPARTMENT/DIVISION DESCRIPTION:

The Engineering & Inspection Division of the Public Works Department is responsible for plan review, project management, and inspection of water, sewer, street and drainage projects that affect the safety, health and welfare of the public. This includes residential, commercial and capital improvement projects. This division also provides technical assistance to engineers, developers, and the citizens of Keller on a daily basis.

DEPARTMENT/DIVISION GOALS:

1. Provide plan review and construction management for cost-effective infrastructure improvements.
2. Review plats, site plans, and specific use permits for new development and City projects for compliance with the Unified Development Code and accepted engineering standards within 5 working days of receipt.
3. Review construction plans for new residential, commercial development and City capital improvement projects for compliance with the Unified Development Code, applicable City ordinances and accepted engineering standards within 10 working days of receipt.
4. Provide technical and investigative assistance to City Manager's office, citizens, developers, builders and their engineers and/or surveyors and other City departments within 48 hours of initial request.
5. Maintain reliable infrastructure mapping and geographical information system.
6. Evaluate, revise and update design and construction standards and specifications and provide updates to engineers and contractors as needed.
7. Obtain record drawings for all public improvements to assist the citizens, developers, builders and their engineers and/or surveyors and other City departments.
8. Inspectors will spend 80% of their work time in the field providing inspections of public water, sewer, street and drainage facility construction.
9. Educate citizens, builders, developers and city staff regarding drainage issues and inspection goals.
10. Continue to encourage staff to attend seminars for continuing education which will enhance their ability to perform the job duties.
11. In-house design of street reconstruction and maintenance projects, drainage projects, water and sanitary sewer projects.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
In-house public works construction projects designed	14	12	14
Review & approve capital improvement projects designed by others	14	10	12
Street, water and wastewater map updates prepared	12	10	12
Development Review Committee items reviewed	100	120	140
Paving and utility inspections conducted for residential, commercial and capital improvement projects	6,000	7,000	7,500
Residential inspections conducted	2,100	2,200	2,400
Customer service requests completed	3,800	3,000	3,200

FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Engineering & Inspections

ACCOUNT:
100-500-50

**PUBLIC WORKS / ENGINEERING & INSPECTIONS
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 297,881	\$ 317,560	\$ 316,000	\$ 325,795
Operations & maintenance	4,681	9,540	6,655	8,760
Services & other	89,712	163,660	124,120	98,345
SUBTOTAL	392,274	490,760	446,775	432,900
Capital outlay	-	-	-	-
TOTAL	\$ 392,274	\$ 490,760	\$ 446,775	\$ 432,900

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
City Engineer	Technical Mgr.	1.0	1.0	1.0
Engineering Technician	A/TN-11	1.0	1.0	1.0
Construction Inspector	A/TN-11	1.0	1.0	1.0
Engineering Intern	NA	0.5	0.5	0.5
TOTAL		3.5	3.5	3.5

FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Street Maintenance

ACCOUNT:
100-500-51

DEPARTMENT/DIVISION DESCRIPTION:

The Street Maintenance Division of the Public Works Department is responsible for providing a safe street and sidewalk transportation system for motorists and pedestrians in the City of Keller. To achieve this responsibility, the division maintains the transportation system through the installation and maintenance of guardrails, barricades, street signs, traffic signals, routine street maintenance, pothole patching, curb & gutter maintenance, asphalt overlay, street striping, maintenance of all dedicated street easements, and right-of-way mowing and maintenance.

DEPARTMENT/DIVISION GOALS:

1. Continually review and evaluate work methods and procedures to determine changes that will improve efficiency and reduce operational and maintenance costs throughout the year.
2. Conduct visual asphalt and concrete roadway condition surveys of 30% of the City's roadways in accordance with the annual street maintenance program.
3. Repair potholes and replace and/or repair damaged street regulatory signs within 24 hours of notification and street information signs within 48 hours of notification.
4. Continue the implementation of a sidewalk repair program, the ultimate goal of which is to identify and repair 100% of defective sidewalks annually.
5. Determine the priority of roadways to be repaired annually using different methods such as slurry seal/micro-surfacing, hot top overlays, or complete reconstruction.
6. Continue an on-going street sweeping program to clean all City streets a minimum of 3 times a year.
7. Implement a traffic sign database utilizing the GBA Master Series software system.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Lane miles of paved streets to be maintained	414	418	418
Tons of hot-mix asphalt used for major street repairs*	10,852	8,900	10,970
Tons of cold-mix asphalt used for street potholes	23	25	25
Linear feet of sidewalks repaired	806	850	850
Street signs repaired/replaced	684	700	725
Sidewalks repaired/replaced in-house (linear feet)	725	750	750
Miles of street striping completed	16	16	16
Acres of right-of-way & channels mowed	70	70	70
Miles of street sweeping completed	1,344	1,400	1,400
Lane miles of streets crack-sealed	12	12	14

* – Includes major street repairs funded from street maintenance sales tax.

FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Street Maintenance

ACCOUNT:
100-500-51

**PUBLIC WORKS / STREET MAINTENANCE
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 706,788	\$ 712,520	\$ 686,890	\$ 560,155
Operations & maintenance	166,010	380,637	359,515	292,805
Services & other	131,129	147,582	133,185	207,420
SUBTOTAL	1,003,927	1,240,739	1,179,590	1,060,380
Capital outlay	541,678	751,620	751,420	785,585
TOTAL	\$ 1,545,605	\$ 1,992,359	\$ 1,931,010	\$ 1,845,965

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Street/Drainage Superintendent	Division Mgr	0.50	0.50	0.50
Street/Drainage Foreman	TN-8	1.00	1.00	1.00
Street Crewleader	TN-6	2.00	2.00	2.00
Equipment Operator	TN-5	1.00	1.00	1.00
Sign Technician	TN-3	2.00	-	-
Street Maintenance Worker	TN-2	5.00	4.00	4.00
Administrative Secretary	A/TN-8	0.33	0.33	0.33
TOTAL		11.83	8.83	8.83

FY2011 highlights: capital outlay includes \$532,385 for street reconstruction and \$28,000 to acquire a sand spreader and additional street maintenance equipment.

FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Street Lighting

ACCOUNT:
100-500-52

DEPARTMENT/DIVISION DESCRIPTION:

The Street Lighting division of the Public Works Department provides for street lighting costs for City streets.

DEPARTMENT/DIVISION GOALS:

1. Provide safe and effective street lighting throughout the City.
2. Conduct a billing audit of street lights to ensure accurate billing.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Number of street lights maintained*	2,403	2,408	2,500

* – Number of street lights maintained based on estimates provided by TXU Energy and Tri-County Electric. Street lights are installed and maintained by either TXU Energy (Oncor), or Tri-County Electric while the City pays the monthly electrical costs for street lighting.

FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Street Lighting

ACCOUNT:
100-500-52

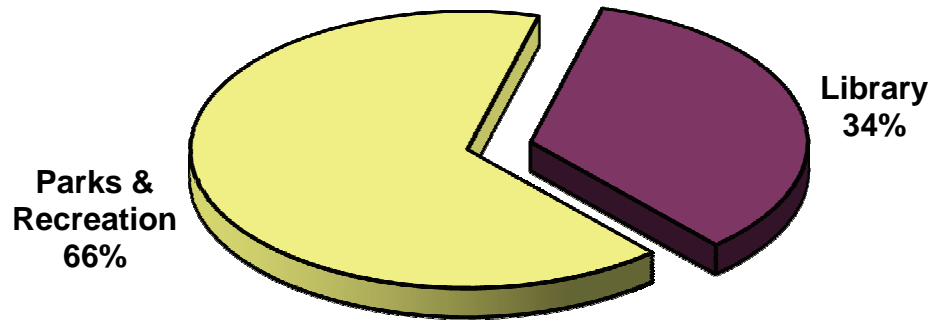
**PUBLIC WORKS / STREET LIGHTING
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	-	-	-	-
Services & other	407,976	425,000	427,275	427,275
SUBTOTAL	407,976	425,000	427,275	427,275
Capital outlay	-	-	-	-
TOTAL	\$ 407,976	\$ 425,000	\$ 427,275	\$ 427,275

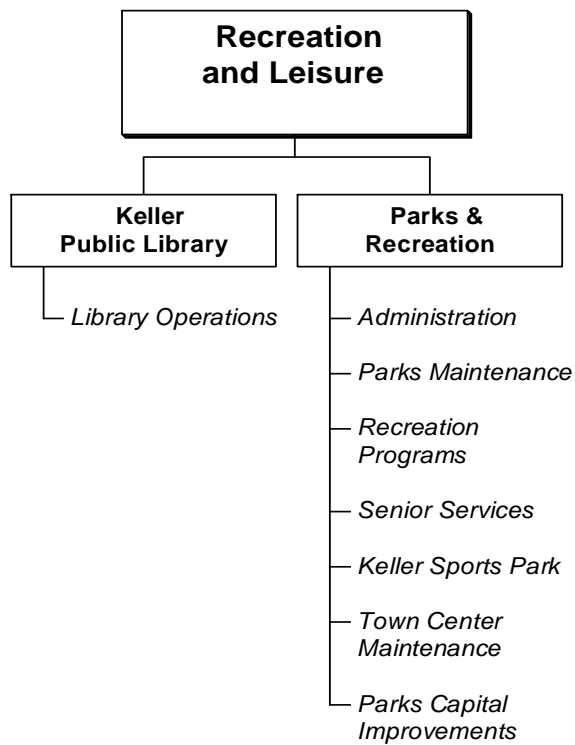
PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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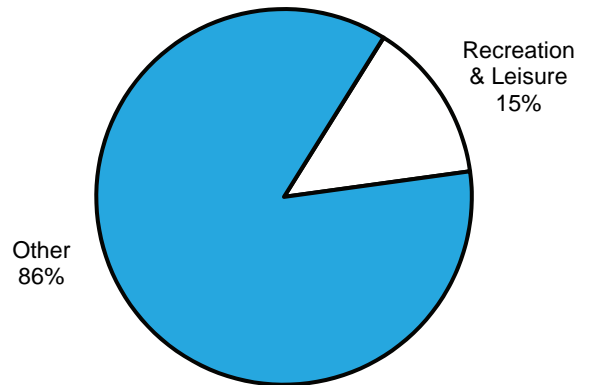
Recreation & Leisure



Department total: \$3,850,640

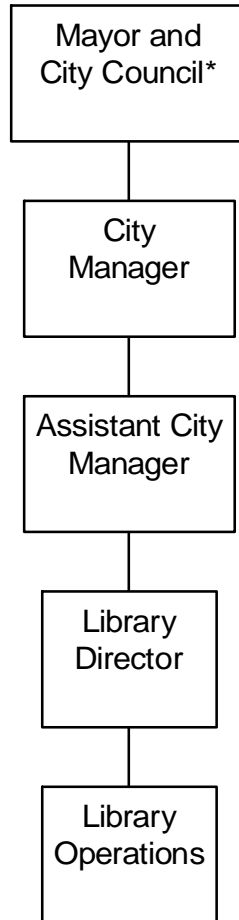


General Fund Expenditures



CITY OF KELLER, TEXAS ORGANIZATION CHART

KELLER PUBLIC LIBRARY



* – Denotes elected positions.

FUND:
General

DEPARTMENT:
Keller Public Library

DIVISION:
Administration

ACCOUNT:
100-600-01

DEPARTMENT/DIVISION DESCRIPTION:

The Keller Public Library supports life-long learning and fun through books, programs and media.

DEPARTMENT/DIVISION GOALS:

Goals:

1. Provide a welcoming sense of place in which all members of the public can interact, exchange ideas, learn and enhance community.
2. Provide resources that inform, educate, inspire, and bring enjoyment to both individuals and the community.
3. Develop, implement and maintain an information technology that accommodates the changing requirements of delivering library services in the 21st century.
4. Protect the community's investment in facilities.
5. Create a stable and sustainable economic model that honors the library's mission of providing the community with free and equal access of information.

Objectives:

1. Ensure the library environment welcomes and respects all members of our community.
2. Offer programming and cultural opportunities for children and adults that enhance quality of life in the community.
3. Conduct ongoing assessments of new library-related technologies and their implications for delivering emerging but proven technologies.
4. Utilize environmentally friendly methods, practices and technologies in the maintenance of facilities.
5. Leverage the library's resources through partnerships, resources sharing and other collaborative efforts.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Visits to Library	191,739	280,000	300,000
Number of checkouts	317,834	411,930	450,000
New items added	11,211	12,000	13,000
Library program participants	9,747	10,800	11,700
 <u>PERFORMANCE MEASURES</u>			
Checkouts per FTE employees as a measure of workload (Texas average of 15,031 checkouts per FTE)	12,370	18,064	19,354
Library visits per capita (Texas average 3.32)	4.79	7.00	7.50
Library checkouts per capita (Texas average 4.91)	7.94	10.50	11.25

FUND:
General

DEPARTMENT:
Keller Public Library

DIVISION:
Administration

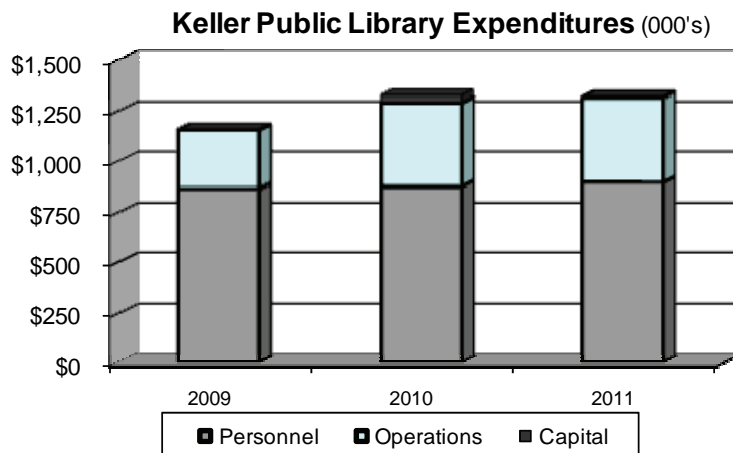
ACCOUNT:
100-600-01

**KELLER PUBLIC LIBRARY
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 866,131	\$ 917,780	\$ 876,560	\$ 897,010
Operations & maintenance	122,594	199,570	185,590	169,995
Services & other	168,127	243,240	228,160	249,805
SUBTOTAL	1,156,852	1,360,590	1,290,310	1,316,810
Capital outlay	–	21,000	37,940	–
TOTAL	\$ 1,156,852	\$ 1,381,590	\$ 1,328,250	\$ 1,316,810

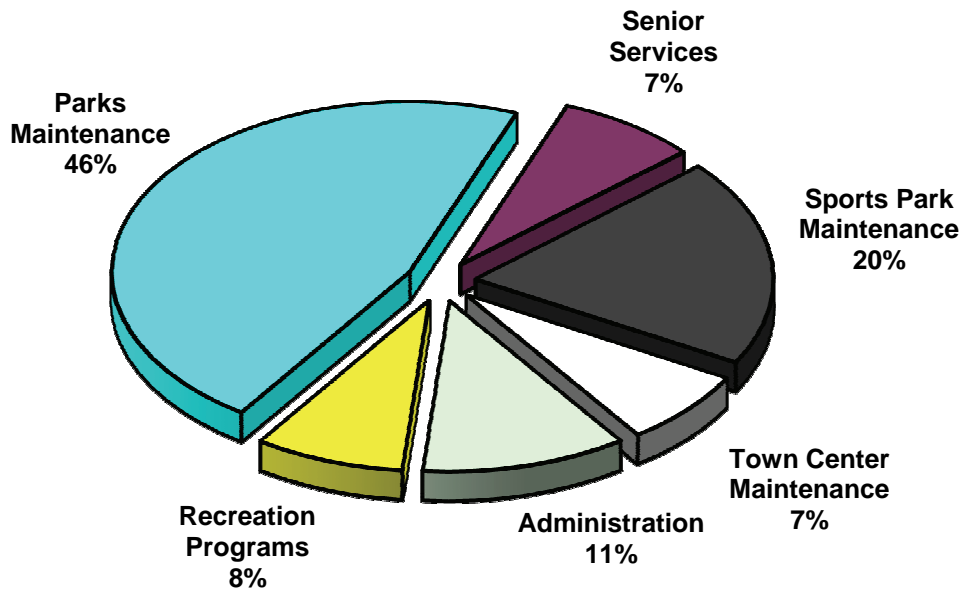
PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Library Director	Director	1.00	1.00	1.00
Public Services Manager	PE-5	1.00	1.00	1.00
Librarian	PE-3	3.00	3.00	3.00
Library Computer Technician	PE-3	1.00	–	–
Circulation Supervisor	A/TN-6	1.00	1.00	1.00
Administrative Secretary	A/TN-8	1.00	1.00	1.00
Library Clerk II	A/TN-5	1.00	1.00	1.00
Library Clerk	A/TN-3	6.83	7.28	7.28
Library Aide (part-time)	NA	0.14	0.14	0.14
TOTAL		15.97	15.42	15.42





General Fund Parks and Recreation

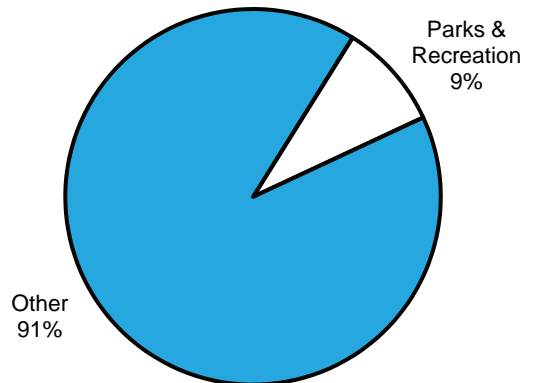


Department total: \$2,533,830

**General Fund
Parks & Recreation
(General Fund)**

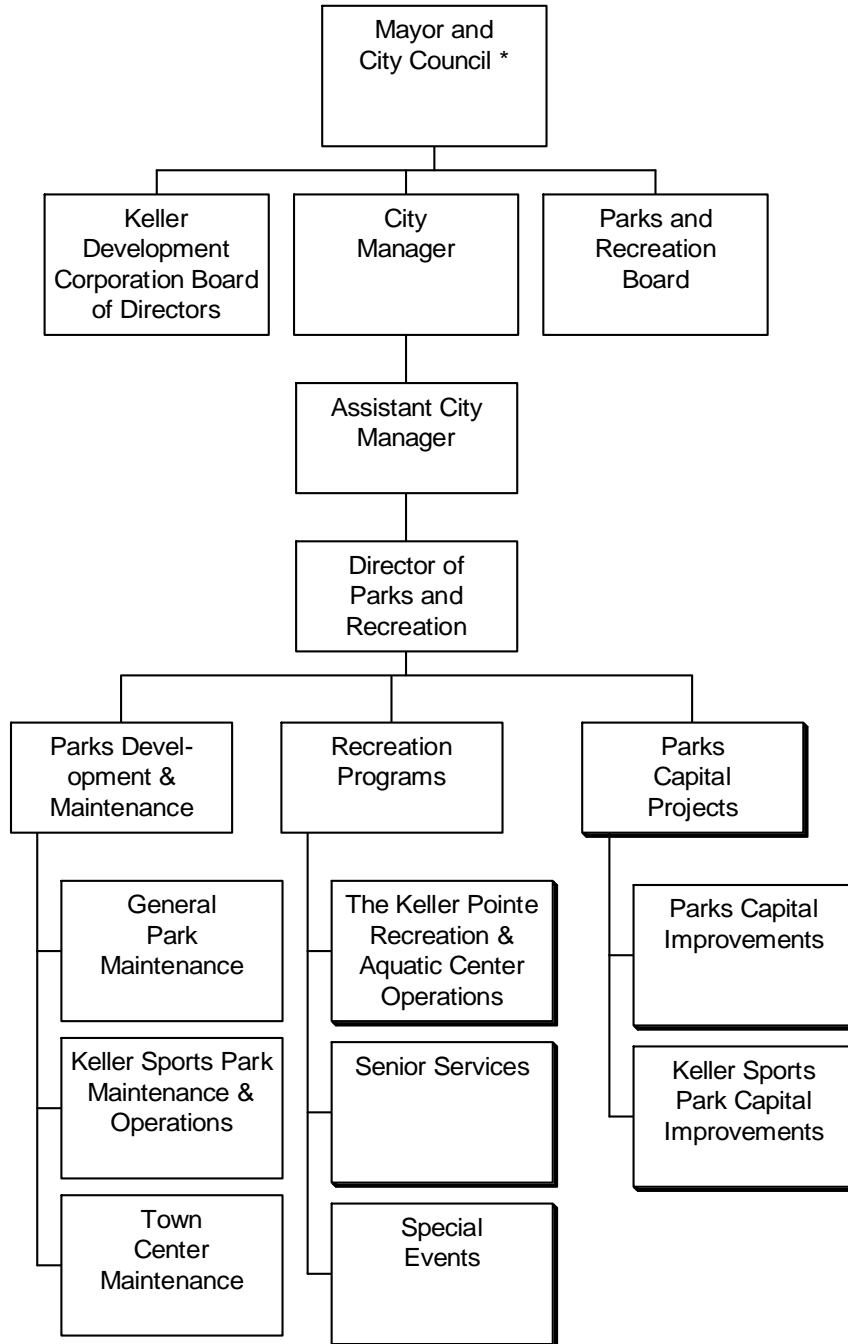
- Administration
- Parks Maintenance
- Recreation Programs
- Senior Services
- Sports Park Maintenance
- Town Center Maintenance

General Fund Expenditures



CITY OF KELLER, TEXAS ORGANIZATION CHART

PARKS AND RECREATION



* Denotes elected positions.

Shaded boxes represent activities provided for in other funds.

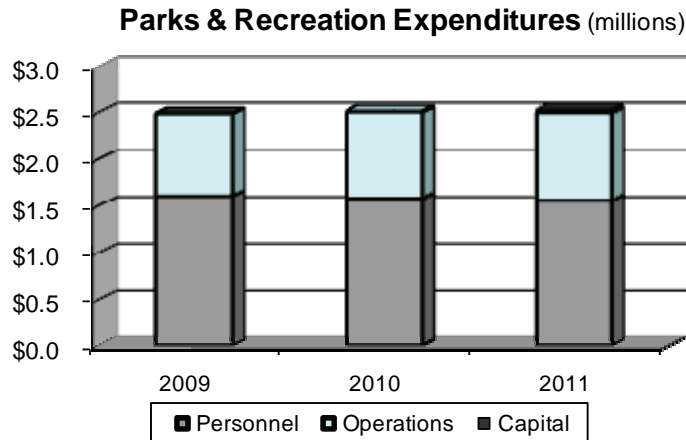
**PARKS AND RECREATION
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 1,607,581	\$ 1,644,620	\$ 1,582,320	\$ 1,560,745
Operations & maintenance	290,239	331,180	320,030	310,325
Services & other	587,296	616,580	604,040	624,820
SUBTOTAL	2,485,116	2,592,380	2,506,390	2,495,890
Capital outlay	-	-	-	37,940
TOTAL	\$ 2,485,116	\$ 2,592,380	\$ 2,506,390	\$ 2,533,830

<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 365,136	\$ 376,185	\$ 347,275	\$ 282,550
Parks Maintenance	1,099,741	1,180,470	1,128,060	1,172,625
Recreation Programs	185,160	193,615	186,835	206,045
Senior Services	194,449	190,190	188,075	193,150
Sports Park Maintenance	466,129	475,170	481,295	498,210
Town Center Maintenance	174,501	176,750	174,850	181,250
TOTAL	\$ 2,485,116	\$ 2,592,380	\$ 2,506,390	\$ 2,533,830

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	4.00	3.00	3.00
Parks Maintenance	13.54	12.54	12.54
Recreation Programs	2.00	2.00	2.00
Senior Services	2.00	2.50	2.50
Sports Park Maintenance	5.00	5.00	5.00
TOTAL	26.54	25.04	25.04



FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Administration

ACCOUNT:
100-630-01

DEPARTMENT/DIVISION DESCRIPTION:

The mission of the Parks & Recreation Department is to enrich our community through people, parks and programs. The Administration Division provides direction and administrative oversight for all parks maintenance, recreation programs and special events, Senior Center operations, The Keller Pointe, Keller Town Center maintenance, park capital improvements and development, and grant programs.

The Administration Division serves as liaison to the Parks and Recreation Board, Keller Development Corporation, City Council and special committees and task forces.

DEPARTMENT/DIVISION GOALS:

1. Create parks, trails and natural areas in accordance with the individual master plans where quality of life is protected and areas are carefully planned to provide children a safe place to play, healthy lifestyles are encouraged and economic development is fostered.
2. Protect natural areas for future generations through the acquisition of park land in accordance with the Parks and Open Space Master Plan.
3. Analyze and prioritize citizens' needs, ideas and feedback related to parks and recreation by coordinating citizen boards including the Parks and Recreation Board, Keller Development Corporation and special committees and task forces.
4. Strive to meet needs related to parks and recreation of both current and potential residents and businesses through proper implementation of the Park Dedication Ordinance.
5. Cultivate partnerships with civic groups, private businesses, foundations and neighboring cities that align with our core values to expand our resources and abilities to offer services that make the community more attractive to current and potential residents and businesses.
6. Acquire and administer grants for parks and facilities with priorities of land acquisition; expansion of the trail system, Senior Activities Center, Keller Sports Park; and a tennis facility as identified in the 2007 Parks, Recreation and Open Space Master Plan.
7. Provide recreational and event locations for individuals to gather, celebrate, practice and compete through the management of a park and facility reservation system.
8. Ensure sustainability of The Keller Pointe through management of a self-sufficient enterprise fund to continue to prevent any subsidization from the general fund.
9. Attract individuals and businesses to the area by providing quality customer care in the delivery of all programs and services that exceeds guest expectations.
10. Enhance communication to the public regarding parks and recreation operations through social, electronic and print media.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Board/Committee meetings organized	41	40	40
Total facility reservations	814	825	840
 <u>PERFORMANCE INDICATORS</u>			
Per capita annual investment in parks and recreation operations	\$62.99	\$61.75	\$58.75
Park development fees	\$18,000	\$31,000	\$5,000
The Keller Pointe annual operating surplus (deficit)	\$94,645	\$31,070	\$2,180

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Administration

ACCOUNT:
100-630-01

**PARKS & RECREATION ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 348,458	\$ 353,225	\$ 326,040	\$ 263,465
Operations & maintenance	1,939	6,805	6,425	6,550
Services & other	14,739	16,155	14,810	12,535
SUBTOTAL	365,136	376,185	347,275	282,550
Capital outlay	-	-	-	-
TOTAL	\$ 365,136	\$ 376,185	\$ 347,275	\$ 282,550

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Director of Parks and Recreation	Director	1.0	1.0	1.0
Park Planner/Landscape Architect	PE-7	1.0	-	-
Administrative Secretary	A/TN-8	1.0	1.0	1.0
Receptionist	A/TN-4	1.0	1.0	1.0
TOTAL		4.0	3.0	3.0



Keller-Smithfield Activity Node Playground – February 2010



FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Parks Maintenance

ACCOUNT:
100-630-60

DEPARTMENT/DIVISION DESCRIPTION:

The Parks Maintenance Division of the Parks and Recreation Department is responsible for enhancing the quality of life for Keller citizens and businesses by providing and maintaining the richness and diversity of a safe, available, accessible, and affordable park system. The division maintains all City parks, park amenities and facilities, trails, all City-owned facilities grounds, Park & Recreation facilities (with the exception of The Keller Pointe) and all landscaped street medians and landscaped right-of-ways. (Please note: Street medians and right-of-ways that only include grass are maintained by the Public Works Department.) This division is also responsible for the construction of small park projects. Finally, the division assists the Recreation Division with the implementation of City-wide special events.

DEPARTMENT/DIVISION GOALS:

1. Encourage healthy lifestyles and promote economic development through the provision of professionally managed quality grounds and facilities.
2. Foster tourism, showcase local businesses and organizations and provide citizens an economical means of recreation by assisting the Recreation Division with the implementation of City-wide special events.
3. Boost economic prosperity by enhancing/maintaining real estate values; stimulating recreational equipment sales; and attracting businesses and tourism through the daily inspection, cleaning and repairing of parks and park playground equipment.
4. Maintain the city's investment in vehicles and equipment and keep repair cost minimal through a quality in-house preventative maintenance program.
5. Provide a safe and healthy environment through daily in-house custodial services to Fire Administration, Senior Activities Center and park restroom/concession facilities.
6. Maintain low overhead expenses on the construction and installation of small park capital improvement projects by completing the projects with in-house staff.
7. Increase the overall economic value and aesthetics of the city through the provision of professionally managed landscaping in city parks, medians and city facilities.
8. Enhance recreational and competitive opportunities through professionally managed sport fields and facilities for use by the local sport associations.
9. Continue to attract individuals and businesses to the area through the provision of quality customer care in the delivery of services that exceeds guest expectations.

(Continued)

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Parks Maintenance

ACCOUNT:
100-630-60

(Continued)

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Total park acreage (including undeveloped land)	456	456	456
Total developed park acreage maintained by City	190.63	190.63	190.63
• Bear Creek Park acreage maintained	44	44	44
• Big Bear Creek Greenbelt acreage maintained	27	27	27
• Keller Sports Park acreage maintained	110	110	110
• Chase Oaks Activity Node acreage maintained	5	5	5
• Willis Cove open space acreage maintained	4	4	4
• Eastern Trail section acreage maintained	0.25	0.25	0.25
• Veterans Memorial Park	0.38	0.38	0.38
Total miles of hike/bike trails maintained	17.64	17.64	18
Contracted developed park acreage maintained	85	85	85
Contracted park areas include Johnson Road Park (15 ac); Meandering Trail (6.94ac); Bursey Ranch Park (1.3 ac); The Parks at Town Center (23 ac); Milestone Park (10 ac); Keller Sports Park (20 ac); Overton Ridge Park (7.88 ac)			
Undeveloped park land/open space maintained	180	180	180
The Parks at Town Center (86.73 ac); Northeast Park Property (43 ac); Cherry Grove Park (5.37 ac); Keller Sports Park (18 ac); Shady Grove Greenwalk (8.5 ac); Old Town Park (0.55 ac); Fall Creek Open Space (2 ac); Milestone Park (5 ac.); Overton Ridge Park (11.4 ac)			
Total playgrounds maintained	9	9	9
Total city grounds acreage maintained	11.58	14.55	14.55
Keller Parkway medians (0.17 ac); Rufe Snow Drive medians (6.27 ac); Bourland Road medians (1 ac); Other miscellaneous medians (0.11 ac); Fire Stations, Fire Administration, and Friends of Library Bldg (7 ac)			
Total City facilities square footage maintained	8,039	8,039	8,039
<u>PERFORMANCE INDICATORS</u>			
Total developed park acreage per 1,000 residents	7.1	7.0	6.9
* Parks investment per developed acre	\$6,462	\$6,579	\$6,507
* Parks investment per resident	\$24.94	\$24.34	\$23.47
* Developed park acres per full-time maintenance staff	15.33	15.33	16.23

* – Operating costs for Keller Sports Park is not included. These costs are shown separately in the Keller Sports Park budget.

**PARKS & RECREATION / PARKS MAINTENANCE
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<i>EXPENDITURES BY FUNCTION:</i>				
Personnel services	\$ 722,057	\$ 743,465	\$ 712,100	\$ 729,035
Operations & maintenance	146,612	162,935	148,825	146,055
Services & other	231,072	274,070	267,135	287,385
SUBTOTAL	1,099,741	1,180,470	1,128,060	1,162,475
Capital outlay	-	-	-	10,150
TOTAL	\$ 1,099,741	\$ 1,180,470	\$ 1,128,060	\$ 1,172,625

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Park Superintendent	Division Mgr	1.00	1.00	1.00
Park Foreman	TN-8	1.00	1.00	1.00
Park/Landscape Crewleader	TN-6	2.00	2.00	2.00
Parks/Landscape Maintenance Worker	TN-2	8.00	7.00	7.00
Building Maintenance Technician I	TN-1	1.00	1.00	1.00
Parks Maintenance Worker (seasonal)	NA	0.54	0.54	0.54
TOTAL		13.54	12.54	12.54

FY2011 highlights: capital outlay funding provides for the replacement of a utility cart.

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Recreation Programs

ACCOUNT:
100-630-61

DEPARTMENT/DIVISION DESCRIPTION:

The Recreation Programs division of the Parks and Recreation department provides the administration of the City's recreation programs and activities including special events, Senior Activities Center programs and The Keller Pointe operations. Special events administered by the department include the Wild Wild West Fest, Holly Days, Santa's Workshop, Haunted Trails, TREE-Mendous Spring Egg Scramble, Concerts in the Park, Spooky Kooky Keller Kastle, Fishing For Fun events, Daddy/Daughter Sweetheart Ball, Mother/Son "I Scream" Social, Family Fun Films, MasterWorks Music Series, Family Camp Out, and the Trash Bash events. All of the special events with the exception of the Trash Bash and MasterWorks Music Series and the personnel support services are funded through sponsorships, fees and donations accounted for in the Recreation Special Revenue Fund, but are administered by the Recreation Division staff.

DEPARTMENT/DIVISION GOALS:

1. Foster tourism, showcase local businesses and organizations and provide citizens an economical means of recreation through the creation and implementation of a variety of enriching programs and special events to appeal to guests of different ages and interest.
2. Inspire environmental stewardship and healthy lifestyles through the management of Keller Proud and Texas Amateur Athletic Federation Programs.
3. Ensure sustainability of citywide special events through the expansion of our resources and encouragement of community involvement by:
 - a. Fostering partnerships with civic groups, businesses, foundations and neighboring communities that align with our core values.
 - b. Maintaining and promoting an active and rewarding volunteer program.
 - c. Creating loyal sponsors and developing new opportunities for businesses to feature their products and services.
4. Attract individuals and businesses to the area by providing quality customer care in the delivery of all programs and services that exceeds guest expectations.
5. Enhance communication regarding recreational programs, events and facilities through social, electronic and print media.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Special events provided annually	35	26	26
Special events participants	574	461	465
Program volunteers	17	18	19
Program volunteer hours	8	8	8
 <u>PERFORMANCE INDICATORS</u>			
Special events guests	27,359	21,200	22,000
Program volunteer hours	2,021	1,600	1,625
Partnership dollars generated	\$95,488	\$20,000	\$95,000
Recreation league participants	183	160	160

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Recreation Programs

ACCOUNT:
100-630-61

**PARKS & RECREATION / RECREATION PROGRAMS
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 160,309	\$ 159,915	\$ 159,300	\$ 164,960
Operations & maintenance	5,305	12,665	9,070	10,325
Services & other	19,546	21,035	18,465	18,760
SUBTOTAL	185,160	193,615	186,835	194,045
Capital outlay	-	-	-	12,000
TOTAL	\$ 185,160	\$ 193,615	\$ 186,835	\$ 206,045

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Recreation Superintendent	Division Mgr	1.0	1.0	1.0
Special Events Coordinator	A/TN-10	1.0	1.0	1.0
TOTAL		2.0	2.0	2.0

FY2011 highlights: capital outlay funding is provided for demolition of Milestone Park facilities.

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Senior Services

ACCOUNT:
100-630-62

DEPARTMENT/DIVISION DESCRIPTION:

The Senior Services division of the Parks and Recreation Department is responsible for the programming and maintenance of the Senior Activities Center (SAC). The SAC is used for senior activities, events, and programs. Senior meals are provided five days a week through a contractual agreement with Senior Citizen Services of Greater Tarrant County.

DEPARTMENT/DIVISION GOALS:

1. Promote healthy lifestyles of senior adults through the provision of a professionally managed senior activities center.
2. Enrich the lives of senior adults by creating and offering quality economical recreational programs, activities and events.
3. Ensure sustainability of senior adult activities and programs through the expansion of our resources and encouragement of community involvement by:
 - a. Fostering partnerships with civic groups, businesses, foundations and neighboring communities that align with our core values.
 - b. Maintaining and promoting an active and rewarding volunteer program.
 - c. Creating loyal sponsors and developing new opportunities for businesses to feature their products and services.
 - d. Maintaining a program pricing structure for special interest activities.
4. Create an inviting atmosphere and a loyal participant base with quality customer care that exceeds expectations of guests.
5. Enhancing communication to the public regarding recreational programs, events and facilities through social, electronic and print media.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Annual Senior Center programs provided	960	975	1,050
Number of special events offered	118	142	154
Number of trips offered	34	36	40
Community outreach initiatives	103	120	137
<u>PERFORMANCE INDICATORS</u>			
Average regular (daily) Senior Center attendance	45	50	56
Annual Senior Center Program attendance	11,900	13,600	15,300
Special event participants	2,177	2,500	3,000
Trip participants	924	950	1,000

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Senior Services

ACCOUNT:
100-630-62

**PARKS & RECREATION / SENIOR SERVICES
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 133,838	\$ 142,845	\$ 142,500	\$ 147,350
Operations & maintenance	14,580	16,390	16,430	14,890
Services & other	46,031	30,955	29,145	30,910
SUBTOTAL	194,449	190,190	188,075	193,150
Capital outlay	-	-	-	-
TOTAL	\$ 194,449	\$ 190,190	\$ 188,075	\$ 193,150

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Senior Center Supervisor	PE-6	1.0	1.0	1.0
Recreation Specialist	A/TN-9	1.0	1.0	1.0
Office Assistant	RCS-2	-	0.5	0.5
TOTAL		2.0	2.5	2.5

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Sports Park Maintenance

ACCOUNT:
100-630-63

DEPARTMENT/DIVISION DESCRIPTION:

The Sports Park Maintenance division of the Parks and Recreation Department provides funding for the operations and maintenance costs of the Keller Sports Park. Funding for the construction and development of the Sports Park has been paid from the ½ cent sales tax (i.e. the Keller Development Corporation).

The management of the youth sports leagues and equestrian activities is provided by the Keller Youth Association, the Keller Soccer Association, Keller Horse Owner's Association and the Keller Saddle Club respectively. The associations prepare the fields for play and the division manages the general maintenance of the facilities. Adult sports including flag football and softball are coordinated through the Parks and Recreation Department staff. The Sports Park currently includes 4 youth baseball fields, 3 youth softball fields, 1 adult softball field, 2 football/t-ball fields, 6 soccer pads, a multi-use arena, a warm-up arena, trail, 2 playgrounds, pavilion, fishing pier and four concession/restroom buildings. Additionally, the city owns the property which is the location for three youth baseball fields on the south end of the park operated and maintained by the Keller Youth Association.

Additionally, Blue Sky Sports Center, a public/private indoor soccer complex, opened in November 2005 at Keller Sports Park. The City and Blue Sky Sports Center entered into a long term ground lease agreement to accommodate the indoor soccer enterprise. Blue Sky manages the indoor soccer facility operations.

DEPARTMENT/DIVISION GOALS:

1. Enhance recreational and competitive opportunities for both youth and adults through the provision of professionally managed quality sports turf, arena, park grounds and facilities.
2. Provide children a safe place to play and develop healthy lifestyles through the provision of properly maintained fields for sports leagues and camps.
3. Boost economic prosperity by enhancing/maintaining real estate values; stimulating recreational equipment sales; and attracting businesses and tourism through the daily inspection, cleaning and repairing of all Keller Sports Park areas.
4. Provide a safe and healthy environment through daily in-house custodial and maintenance services to grounds and facilities.
5. Provide individuals a safe place to engage in equestrian related activities through the provision of a properly maintained multi-use arena and warm-up arena.
6. Provide recreational and competitive facilities for individuals to engage in league and tournament play through the management of a field and facility reservation system.
7. Enhance recreational and competitive opportunities for both youth and adults while also generating additional revenues through the management of a successful ground lease agreement with Blue Sky Sports Center.
8. Protect the city's investment in vehicles and equipment and keep repair cost minimal through a quality in-house preventative maintenance program.
9. Continue to attract individuals and businesses to the area through the provision of quality customer care in the delivery of services.

(Continued)

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Sports Park Maintenance

ACCOUNT:
100-630-63

(Continued)

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Total Sports Park acreage	148	148	148
Total Sports Park acreage maintained by City	110	110	110
Total Sports Park acreage maintained privately	20	20	20
Total Sports Park acreage undeveloped	18	18	18
Total facility square footage maintained	13,277	13,277	13,277
 <u>PERFORMANCE INDICATORS</u>			
*Sports Park operating & maintenance cost per acre	\$6,386	\$6,759	\$6,648
*Sports Park operating & maintenance cost per capita	\$18.29	\$18.85	\$18.07
*Developed Sports Park acres per maintenance staff	15.72	15.72	15.72

* – Includes both General Fund and Keller Development Corporation Fund expenditures.

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Sports Park Maintenance

ACCOUNT:
100-630-63

**PARKS & RECREATION / SPORTS PARK MAINTENANCE
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 242,919	\$ 245,170	\$ 242,380	\$ 255,935
Operations & maintenance	107,868	109,085	115,980	109,205
Services & other	115,342	120,915	122,935	117,280
SUBTOTAL	466,129	475,170	481,295	482,420
Capital outlay	-	-	-	15,790
TOTAL	\$ 466,129	\$ 475,170	\$ 481,295	\$ 498,210

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Parks/Landscape Maintenance Worker	TN-2	5.0	5.0	5.0
TOTAL		5.0	5.0	5.0

FY2011 highlights: capital outlay funding is included for one-half the cost of a top-dresser and spreader (the Keller Development Corporation is funding the remaining portion).

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Town Center Maintenance

ACCOUNT:
100-630-64

DEPARTMENT/DIVISION DESCRIPTION:

The Town Center Maintenance division was created to account for the activities and maintenance of Keller Town Center public areas. It includes all public rights-of-way (ROW) from the South ROW of Bear Creek Parkway to the North ROW of Keller Parkway, and from the East ROW of Keller-Smithfield Road to the West ROW of Rufe Snow Drive. It does not include The Parks at Town Center, Keller Town Hall, The Keller Pointe or the Keller ISD Natatorium. The City of Keller receives revenues from the Keller Town Center Property Owner's Association to fund each individual's property owner's percentage of maintenance costs, based on each owner's respective amount of land owned in Keller Town Center.

DEPARTMENT/DIVISION GOALS:

1. Analyze and prioritize Keller Town Center property owners' and citizens' needs, ideas and feedback related to the operation of the Keller Town Center Property Owner's Association by coordinating regular meetings of the board.
2. Boost economic prosperity by enhancing/maintaining real estate values, attracting businesses and fostering tourism through the daily inspection, cleaning and repairing of the public rights-of-way including streets, medians and landscaping within Keller Town Center.
3. Ensure sustainability of the Keller Town Center Property Owners Association through management of the collection of pro rata fees from the property owners per the Keller Town Center Property Owners Association Developer's Agreement.
4. Promote tourism, showcase Town Center businesses and property owners and provide citizens an economical means of recreation through the financial support of the City of Keller special activities/events hosted in Keller Town Center.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009</u> <u>ACTUAL</u>	<u>2009-2010</u> <u>ESTIMATE</u>	<u>2010-2011</u> <u>PROJECTED</u>
Association fee revenue	\$78,035	\$72,000	\$72,000
Association meetings held	1	2	2
Total Town Center property acreage	161.6	161.6	161.6
Public property acreage	100.2	100.2	100.2
Private property acreage	61.4	61.4	61.4
Number of special events supported	1	1	1

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Town Center Maintenance

ACCOUNT:
100-630-64

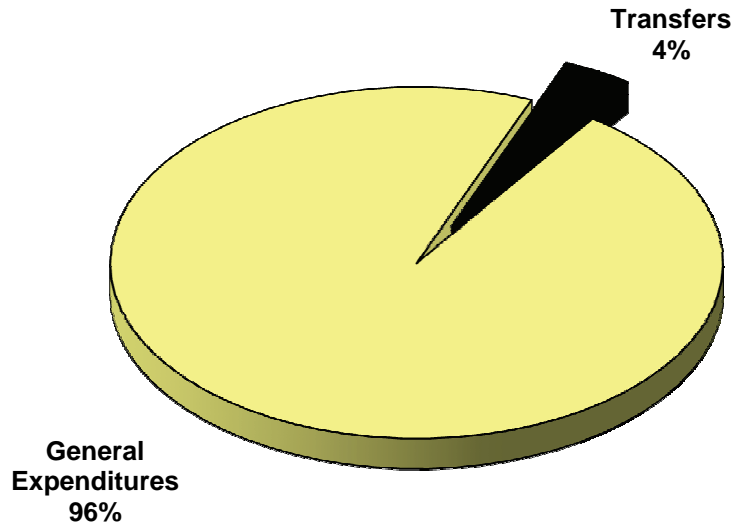
**PARKS & RECREATION / TOWN CENTER MAINTENANCE
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	13,935	23,300	23,300	23,300
Services & other	160,566	153,450	151,550	157,950
SUBTOTAL	174,501	176,750	174,850	181,250
Capital outlay	-	-	-	-
TOTAL	\$ 174,501	\$ 176,750	\$ 174,850	\$ 181,250

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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General Fund Non-Departmental

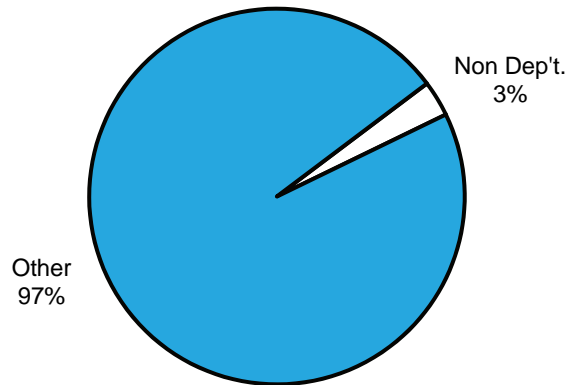


Department total: \$821,810

General Fund Non Departmental

- General Operations
- Interfund Transfers

General Fund Expenditures



FUND:
General

DEPARTMENT:
Non-Departmental

DIVISION:
All

ACCOUNT:
100-990-XX

DEPARTMENT DESCRIPTION:

The General Fund/Non-Departmental activity reflects expenditures of a general nature, which have not been allocated to specific departments. Included within this activity are budgeted costs for general insurance, salary contingencies, and transfers to other funds.

DEPARTMENT/DIVISION GOALS:

**GENERAL FUND / NON-DEPARTMENTAL
DEPARTMENT SUMMARY**

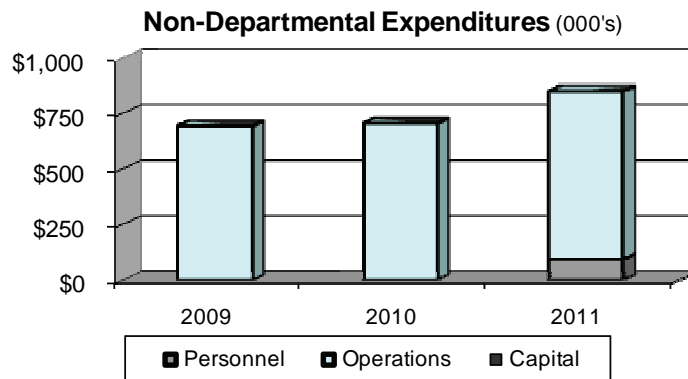
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ 88,500
Operations & maintenance	11,997	12,000	12,000	12,000
Services & other	646,300	677,410	677,410	721,310
Transfers to other funds	34,150	15,195	15,195	30,870
SUBTOTAL	692,447	704,605	704,605	852,680
Capital outlay	-	-	-	-
TOTAL	\$ 692,447	\$ 704,605	\$ 704,605	\$ 852,680

<u>EXPENDITURES BY DIVISION:</u>				
Transfers to other funds	\$ 34,150	\$ 15,195	\$ 15,195	\$ 30,870
Non-Departmental	658,297	689,410	689,410	821,810
TOTAL	\$ 692,447	\$ 704,605	\$ 704,605	\$ 852,680

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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Personnel services include contingencies for salary and market pay adjustments, as well as estimates for health insurance cost changes.





WATER & WASTEWATER FUND

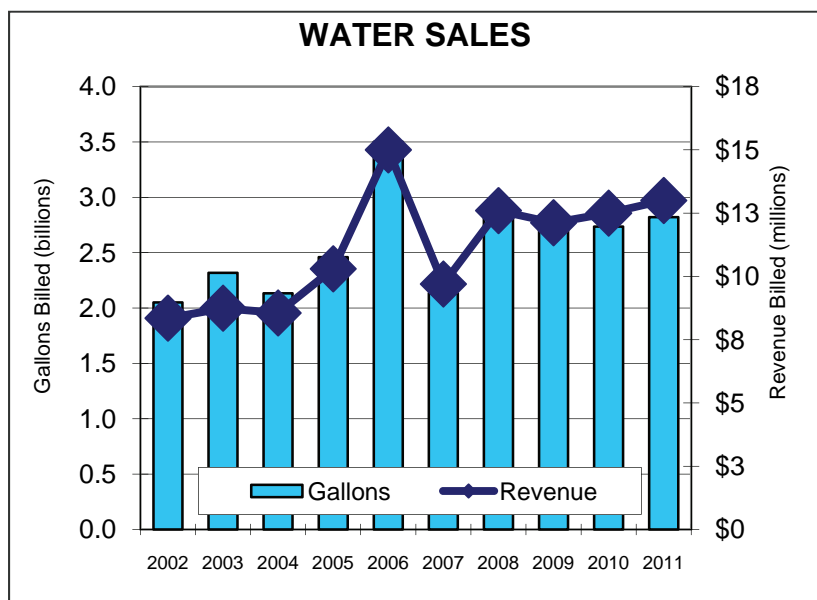
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WATER AND WASTEWATER FUND REVENUES

Water revenues comprise \$13 million, or 69% of total revenues of the fund, while wastewater (sewer) charges comprise \$5.36 million, or 28.4% of total revenues. Water and sewer charges combined comprise \$18.37 million or 97% of the revenues of the fund. The remaining resources are derived primarily from user fees and interest.

Revenue Projections and Analysis

Water revenues are primarily dependent upon the amount of rainfall received during the year and as a result are generally more volatile than General Fund revenues. FY2009 actual water usage billed to customers decreased slightly (1.7%). Based on current YTD usage through June 2010, the water consumption is anticipated to decrease slightly to 2.735 billion gallons in FY2010, compared to 2.77 billion gallons in FY2009. Customer water usage reached an all-time high of 3.54 billion gallons in FY2006. For FY2011, a conservative customer average water usage, with reasonable customer growth estimates,



is being used to determine the budget amounts. Therefore, if normal rainfall amounts are received during the year, revenues will not be adversely impacted.

As the accompanying chart above indicates, total water sales in gallons as well as revenues have gradually increased since 2002. In general, these increases have been driven both by growth in customers as well as dry weather conditions, especially in 2006. The increase in revenues is also partly due to water rate increases (9.5% in April 2005, and 8.5% in April 2006). These rate increases were adopted primarily to fund necessary capital improvements to meet customer growth demands.

Growth in the water and wastewater system continues, although the rate of growth is slowing. For FY2011, average monthly water customers are projected to increase to 14,221 customers from 13,969 in FY2010. Average monthly wastewater customers are projected to increase to 12,014 for FY2011, compared to a monthly average of 11,664 for FY2010.

Intergovernmental revenues (contributions) include revenues from the Lake Turner Municipal Utility District. These revenues result from reimbursements of debt service issued to fund the construction of joint water improvement projects.

In April 2010, the City Council adopted a wholesale rate pass-through ordinance, whereby future increases (or decreases) in wholesale water supply and wastewater treatment costs will be automatically passed through to Keller customers.

WATER AND WASTEWATER FUND EXPENDITURES

Expenditures include costs for personnel services; operations and maintenance of the water and wastewater system; services and other expenditures; wholesale purchases of water from Fort Worth; wastewater treatment and collection services with the Trinity River Authority; debt service interest and principal; transfers to other funds for general and administrative cost reimbursements and in lieu of taxes; and capital outlay. Depreciation expense is not budgeted, while debt service principal is budgeted as an expenditure.

A significant expenditure is wholesale water purchases. For FY2011, wholesale water purchases are projected to be \$5,340,000, or 28% of total expenditures of the fund, compared to \$5,090,000, or 26% of total expenditures for FY2010. This represents an increase of \$250,000, or 4.9%. The increase is because FY2011 estimates are based on a slight increase in customer usage. Wholesale water purchases are anticipated to be 2.822 billion gallons in FY2011 and 2.735 billion gallons in FY2010.

The average customer usage based on wholesale water purchased (including both residential and non-residential customers) is 16,453 gallons per month for FY2011 compared to 16,535 gallons per month for FY2010, an increase of 1.3%. Average customer usage for FY2009 was 16,700. The usage for FY2011 is based on estimates derived from anticipating normal rainfall during the year.

Operations, maintenance and services expenditures comprise 26.5% of the Fund's budget for FY2011 compared to 26% for FY2010. These expenditures include purchases of pipe, vehicle and equipment maintenance, water meters, pipe fittings, as well as maintenance of service mains and pumps. In addition, electrical costs for pump operations are also included in this category.

Personnel services (salaries and benefits) comprise the next significant expenditure, approximately 15% of total expenditures of the Fund. Total full-time equivalents are 43.17 FTEs, unchanged from FY2010. During FY2010 4.75 FTE positions (including one vacant position) were eliminated due to a City-wide reduction in force. Personnel detail by position is included with each individual department/division budget presentation on the following pages.

Debt service costs comprise 13% of the Fund's budget and are committed for the retirement of long-term debt. Long-term debt is used to finance improvements and/or expansions to the City's water and wastewater system.

Wastewater treatment and collection services, including contracted services provided by the Trinity River Authority (TRA) comprise approximately 11.4% of the Fund's budget. The City maintains a wastewater collection crew that provides maintenance and installation of wastewater collector mains that flow into the City's main collector lines and eventually to TRA's Central Regional Treatment Plant for treatment. Once again, due to customer growth, the amount of effluent treated by the TRA continues to increase, while the average treated per customer remains relatively constant.

Capital outlay expenditures include machinery, equipment and routine vehicle replacements, facility improvements, as well as general infrastructure improvements for new and/or major repairs to water mains and wastewater mains. Capital expenditures for FY2011 are \$612,450, and represent 3.2% of the Fund's budget and a decrease of \$1,280,075 from FY2010.

FUND BALANCE RESERVES

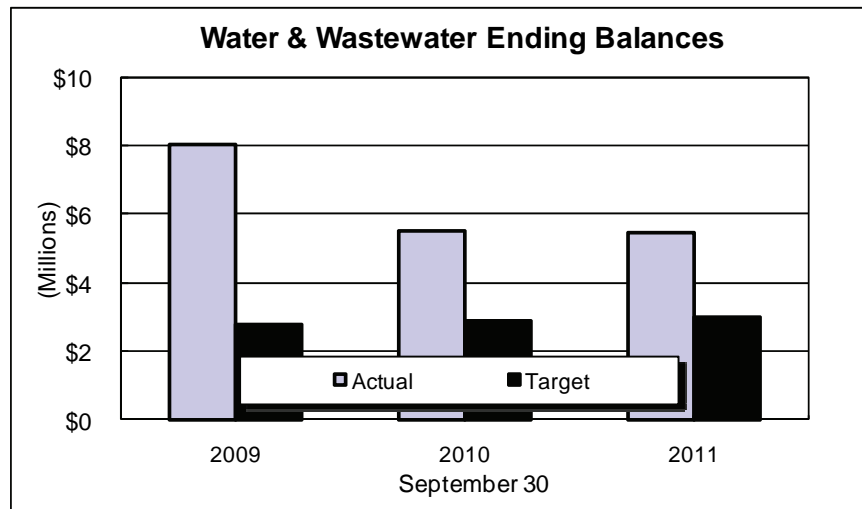
Net expenditures in excess of revenues for FY2011 are \$12,180. However, the projected beginning fund balance for FY2011 exceeds the targeted beginning fund balance by \$2.6 million, or about 55 days of operations. The total projected ending fund balance (working capital) at September 30, 2011 is \$6,478,637, of which \$1,000,000 is designated for a rate stabilization reserve. The purpose of the rate stabilization reserve is to provide funds for variations in weather conditions, specifically years having above-average rainfall (wet year) or below-average rainfall (dry year).

The undesignated ending fund balance is \$5,478,637, representing an operating reserve of 111 days, compared to the City's current target of 60 days.

WATER AND WASTEWATER FUND

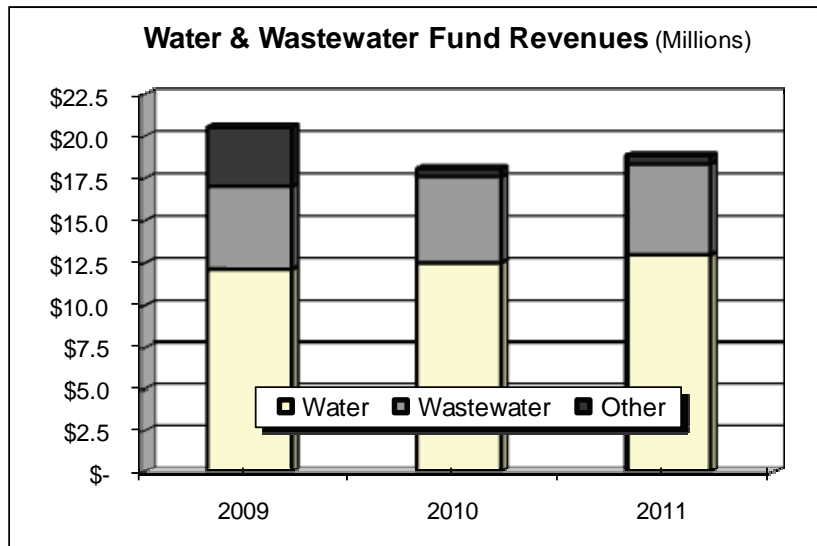
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 5,065,261	\$ 7,147,732	\$ 8,005,539	\$ 6,490,797
Revenues and transfers	20,534,806	17,808,350	18,073,893	18,884,505
TOTAL FUNDS AVAILABLE	25,600,067	24,956,082	26,079,432	25,375,302
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	17,594,528	19,828,015	19,588,635	18,896,665
<u>ENDING FUND BALANCE:</u>				
Total fund balance	8,005,539	5,128,067	6,490,797	6,478,637
Rate stabilization reserve	-	1,000,000	1,000,000	1,000,000
Unreserved fund balance	8,005,539	4,128,067	5,490,797	5,478,637
FUND TOTAL	\$ 25,600,067	\$ 24,956,082	\$ 26,079,432	\$ 25,375,302
Excess revenues (expenditures)	2,940,278	(2,019,665)	(1,514,742)	(12,160)
Unreserved ending fund balance:				
Percent of operating expenditures ⁽¹⁾	47.8%	23.6%	31.8%	30.7%
TARGET	16.7%	16.7%	16.7%	16.7%
Number of days operating expenditures	172.0	85.0	114.6	110.7
TARGET	60.0	60.0	60.0	60.0

⁽¹⁾ excluding capital outlay and interfund transfers.



WATER AND WASTEWATER FUND REVENUE SUMMARY

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
REVENUES:				
OPERATING REVENUES:				
Water sales	\$ 12,121,244	\$ 12,349,000	\$ 12,503,500	\$ 13,007,500
Wastewater sales	4,894,487	4,823,100	5,100,000	5,360,000
Subtotal	17,015,731	17,172,100	17,603,500	18,367,500
OTHER REVENUES:				
Taps and miscellaneous fees	352,433	454,150	320,500	370,000
Contributions	13,103	13,100	12,668	13,005
Interest revenue	127,556	110,000	75,225	65,000
Other revenues (expense)	46,534	59,000	62,000	69,000
Subtotal	539,626	636,250	470,393	517,005
TRANSFERS FROM OTHER FUNDS:				
Water & W/W I&S fund	544,345	-	-	-
Water Impact Fees fund	1,576,860	-	-	-
Wastewater Impact Fees fund	858,244	-	-	-
Subtotal	2,979,449	-	-	-
TOTAL REVENUES	\$ 20,534,806	\$ 17,808,350	\$ 18,073,893	\$ 18,884,505



Transfers from other funds in FY2009 include transfers from the Water & Wastewater Interest & Sinking Fund (\$544,345); Water Impact Fee Fund (\$1,576,860); and Wastewater Impact Fee Fund (\$858,244). These transfers were made to reimburse the Water and Wastewater Fund for debt service expenditures made in prior years from operations that were eligible for funding from the respective water and wastewater impact fees. Because there are no outstanding water or wastewater revenue bonds, the Interest & Sinking Fund is no longer required; therefore the remaining fund balance was transferred to the operating fund.

WATER AND WASTEWATER FUND

REVENUES

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>OPERATING REVENUES:</u>				
Water sales	\$ 12,119,104	\$ 12,334,000	\$ 12,500,000	\$ 13,000,000
Unclassified water sales	2,140	15,000	3,500	7,500
Wastewater sales	4,894,487	4,823,100	5,100,000	5,360,000
Subtotal	17,015,731	17,172,100	17,603,500	18,367,500
<u>MISCELLANEOUS FEES:</u>				
Water taps/connect fees	63,268	130,000	75,000	80,000
Fire hydrant meter rental fees	6,800	8,000	6,500	8,000
Wastewater tap fees	2,100	7,500	3,500	7,500
Industrial waste surcharge fees	-	1,000	1,000	1,000
Meter box/lid fees	-	500	500	500
Reconnect fees	17,010	12,000	15,000	12,000
Inspection fees	30,223	70,000	28,000	30,000
Penalty revenue	192,864	175,000	150,000	175,000
Other services	9,148	20,000	10,000	15,000
Keller drainage utility	30,000	30,000	30,000	40,000
<i>General and administrative services</i>				
Recycling bins/lids	1,020	150	1,000	1,000
Subtotal	352,433	454,150	320,500	370,000
<u>CONTRIBUTIONS:</u>				
Lake Turner Municipal Utility District	13,103	13,100	12,668	13,005
Subtotal	13,103	13,100	12,668	13,005
<u>OTHER REVENUE:</u>				
Interest earnings	127,556	110,000	75,225	65,000
Gain (loss) on disposal of assets	19,056	13,000	13,000	23,000
Southlake wastewater reimbursement	7,356	25,000	25,000	25,000
Grant revenue	-	-	-	-
Miscellaneous revenue (expense)	20,122	21,000	24,000	21,000
Subtotal	174,090	169,000	137,225	134,000
REVENUES BEFORE TRANSFERS	17,555,357	17,808,350	18,073,893	18,884,505
<u>TRANSFERS FROM OTHER FUNDS:</u>				
Water & W/W I&S fund	544,345	-	-	-
Water Impact Fees fund	1,576,860	-	-	-
Wastewater Impact Fees fund	858,244	-	-	-
TOTAL TRANSFERS	2,979,449	-	-	-
TOTAL REVENUES AND TRANSFERS	\$ 20,534,806	\$ 17,808,350	\$ 18,073,893	\$ 18,884,505

**WATER AND WASTEWATER FUND
EXPENDITURE SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION</u>				
Personnel services	\$ 3,021,511	\$ 3,077,105	\$ 3,013,190	\$ 2,860,685
Operations & maintenance	540,698	845,945	776,030	757,460
Services & other	3,510,754	4,004,500	3,860,640	4,246,715
Wholesale water purchases	5,321,387	5,025,000	5,090,000	5,340,000
Wastewater services-TRA	1,886,383	2,075,370	2,077,150	2,161,885
Debt service	2,479,001	2,451,630	2,431,480	2,451,630
Transfers to other funds	412,070	447,620	447,620	465,840
SUBTOTAL	17,171,804	17,927,170	17,696,110	18,284,215
Capital outlay	422,724	1,900,845	1,892,525	612,450
TOTAL	\$ 17,594,528	\$ 19,828,015	\$ 19,588,635	\$ 18,896,665

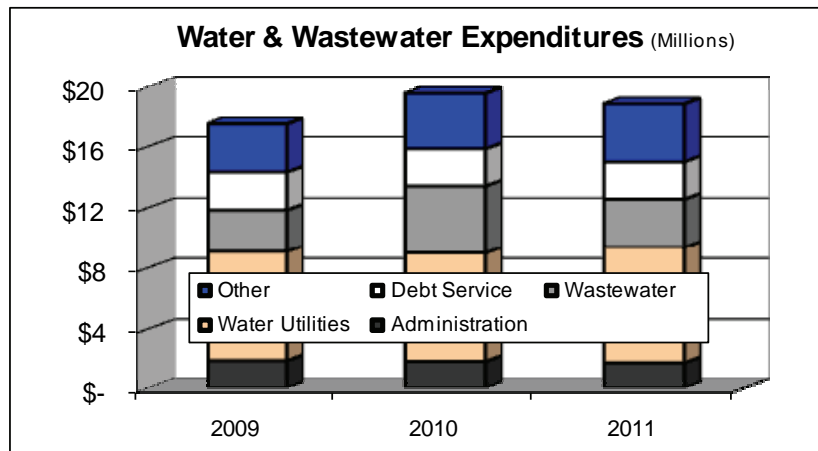
<u>EXPENDITURES BY ACTIVITY</u>				
Water & W/W Administration	\$ 771,456	\$ 835,735	\$ 778,885	\$ 684,990
Customer Services	1,156,598	1,134,200	1,104,170	1,111,020
Water Utilities	7,152,464	7,254,455	7,103,625	7,594,495
Wastewater Utilities	2,766,638	4,425,635	4,435,260	3,170,090
Municipal Service Center	145,997	363,765	372,620	288,725
Non-departmental / Other	5,601,375	5,814,225	5,794,075	6,047,345
TOTAL	\$ 17,594,528	\$ 19,828,015	\$ 19,588,635	\$ 18,896,665

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

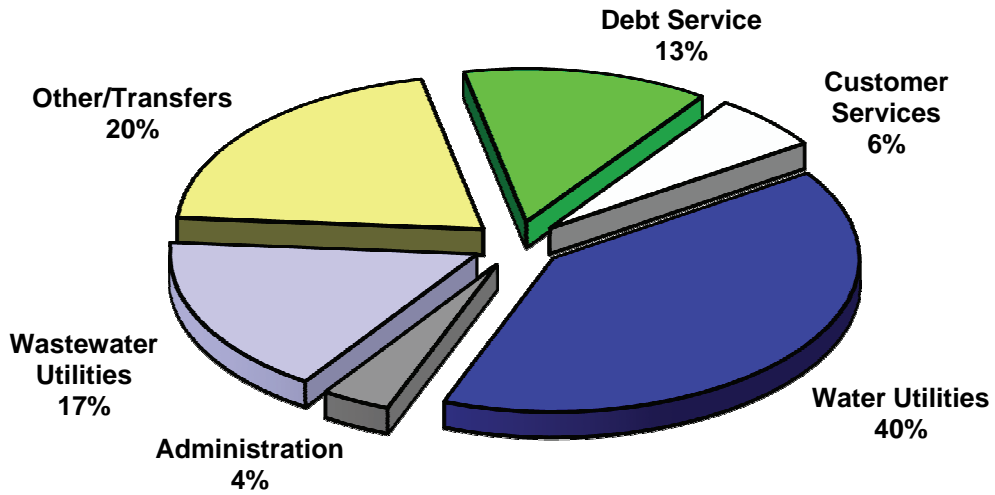
DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Water & W/W Administration	7.42	5.17	5.17
Customer Services	13.00	12.00	12.00
Water Utilities	15.50	15.50	15.50
Wastewater Utilities	9.50	9.50	9.50
Municipal Service Center	1.00	1.00	1.00
TOTAL	46.42	43.17	43.17

**WATER AND WASTEWATER FUND
EXPENDITURE SUMMARY
EXPENDITURES BY DEPARTMENT**

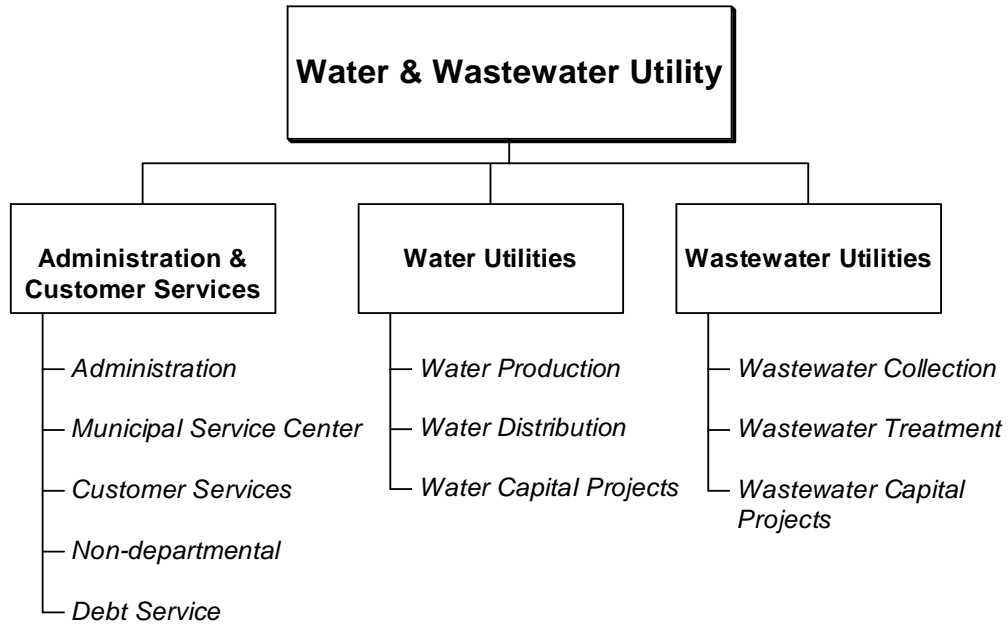
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
Water/Wastewater Administration	\$ 771,456	\$ 835,735	\$ 778,885	\$ 684,990
Customer Services:				
Administration	876,850	845,745	821,430	814,515
Field Services	279,748	288,455	282,740	296,505
Subtotal	1,156,598	1,134,200	1,104,170	1,111,020
Water Utilities:				
Water Production	5,733,527	5,549,100	5,497,960	5,864,610
Water Distribution	1,418,937	1,705,355	1,605,665	1,729,885
Subtotal	7,152,464	7,254,455	7,103,625	7,594,495
Wastewater Utilities:				
Wastewater Collection	1,438,200	2,485,235	2,493,080	1,103,165
Wastewater Treatment	1,328,438	1,940,400	1,942,180	2,066,925
Subtotal	2,766,638	4,425,635	4,435,260	3,170,090
Municipal Service Center Operations	145,997	363,765	372,620	288,725
Debt Service	2,479,001	2,451,630	2,431,480	2,451,630
Transfers to Other Funds	412,070	447,620	447,620	465,840
Non-Departmental	2,710,304	2,914,975	2,914,975	3,129,875
TOTAL	\$ 17,594,528	\$ 19,828,015	\$ 19,588,635	\$ 18,896,665



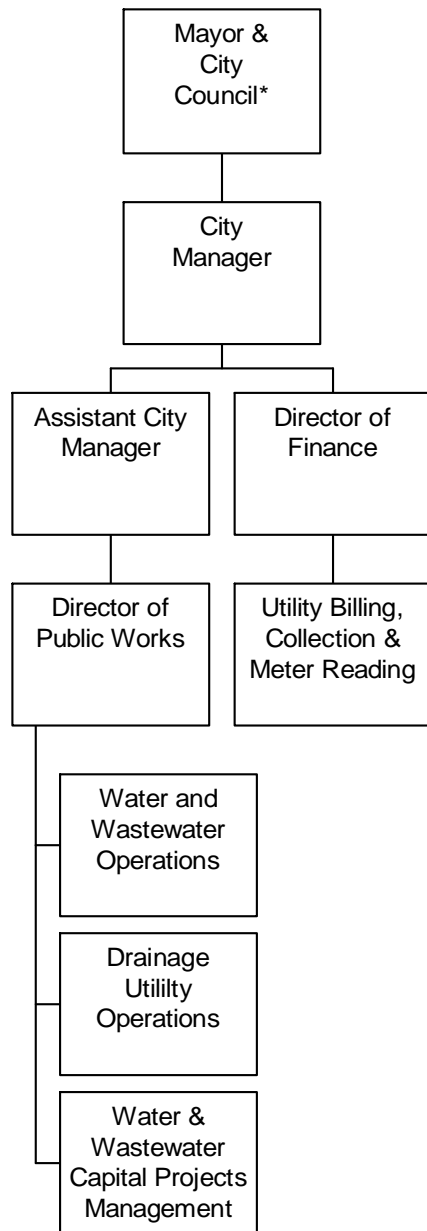
WATER & WASTEWATER



Fund total: \$18,896,665



CITY OF KELLER, TEXAS
ORGANIZATION CHART
WATER, WASTEWATER AND
DRAINAGE UTILITIES



* Denotes elected positions.

FUND:
Water & Wastewater

DEPARTMENT:
Administration

DIVISION:
Administration

ACCOUNT:
200-700-01

DEPARTMENT/DIVISION DESCRIPTION:

The functions of the Water & Wastewater Administration Department are under the direction of the Director of Public Works. This Division is responsible for the direction and administration of all facets of the utility operations including customer services, supply services, work order processing, water production, water distribution, and water/wastewater collection.

DEPARTMENT/DIVISION GOALS:

1. To continuously review and evaluate work methods and processes to determine changes that will result in improved efficiency and reduced operation and maintenance costs, throughout the fiscal year.
2. To continuously review and improve customer service for the citizens of Keller by holding quarterly sessions with Water and Wastewater staff on the customer service process.
3. To provide effective and efficient guidance and supervision of the water and wastewater divisions.
4. To work with division managers in improving their professional knowledge and skills through in-house and outside educational opportunities.
5. To review all budgets on a monthly basis to ensure cost containment and adherence to budget expenditure policies.
6. To respond to e-mail and citizen requests within 24 hours of message or request receipt.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Scheduled customer service meetings	2	4	4
Scheduled coordination meetings with staff	49	52	52
Review all budgets	10	12	12
Citizen/internal customer responses	430	500	500

FUND:
Water & Wastewater

DEPARTMENT:
Administration

DIVISION:
Administration

ACCOUNT:
200-700-01

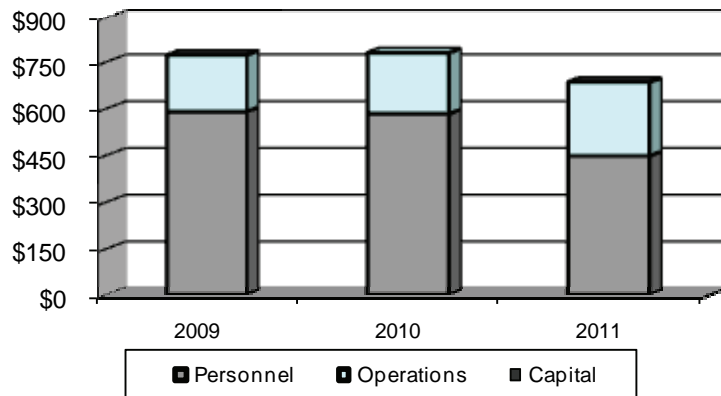
**WATER & WASTEWATER ADMINISTRATION
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<i>EXPENDITURES BY FUNCTION:</i>				
Personnel services	\$ 590,141	\$ 597,185	\$ 583,580	\$ 448,310
Operations & maintenance	8,380	6,650	5,740	6,275
Services & other	172,935	231,900	189,565	230,405
SUBTOTAL	771,456	835,735	778,885	684,990
Capital outlay	-	-	-	-
TOTAL	\$ 771,456	\$ 835,735	\$ 778,885	\$ 684,990

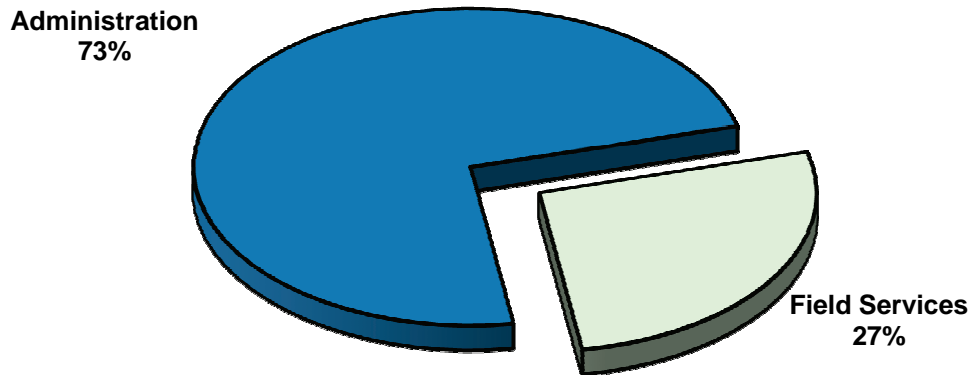
PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Water & Wastewater Superintendent	Division Mgr	1.00	1.00	1.00
Senior Project Engineer	PE-11	-	1.00	1.00
Project Engineer	PE-10	0.75	-	-
Public Works Logistics Coordinator	PE-7	1.00	1.00	1.00
Customer Service Supervisor	A/TN-10	1.00	1.00	1.00
GIS Technician	A/TN-9	1.00	-	-
Administrative Secretary	A/TN-8	0.67	0.67	0.67
Customer Service Representative	A/TN-5	2.00	-	-
GIS Intern	NA	-	0.50	0.50
TOTAL		7.42	5.17	5.17

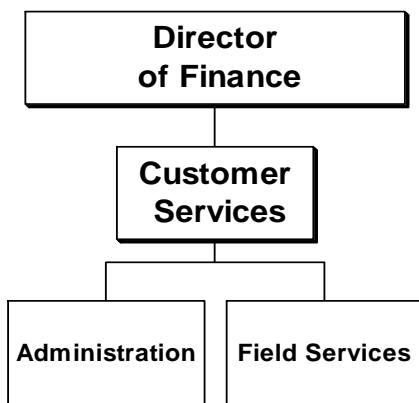
Water & W/W Administration Expenditures (000's)



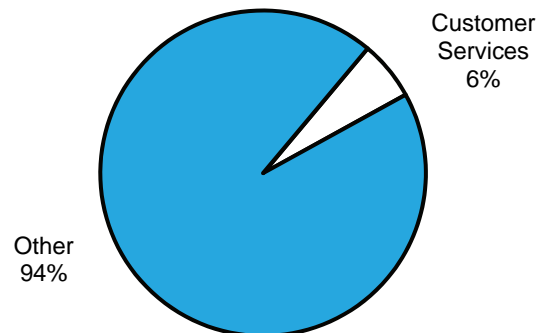
Customer Services



Department total: \$1,111,020



Water & Wastewater Fund Expenditures



**WATER & WASTEWATER
CUSTOMER SERVICES
DEPARTMENT SUMMARY**

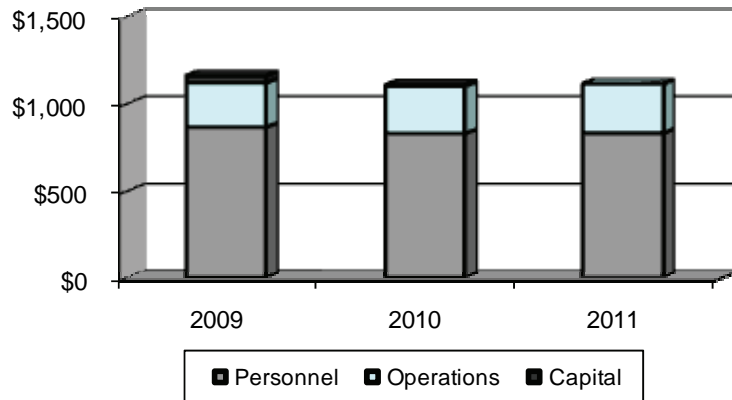
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<i>EXPENDITURES BY FUNCTION:</i>				
Personnel services	\$ 868,308	\$ 860,490	\$ 833,360	\$ 834,225
Operations & maintenance	101,671	119,260	110,410	112,730
Services & other	146,684	151,255	154,875	164,065
SUBTOTAL	1,116,663	1,131,005	1,098,645	1,111,020
Capital outlay	39,935	3,195	5,525	-
TOTAL	\$ 1,156,598	\$ 1,134,200	\$ 1,104,170	\$ 1,111,020

<i>EXPENDITURES BY DIVISION:</i>				
Administration	\$ 876,850	\$ 845,745	\$ 821,430	\$ 814,515
Field Services	279,748	288,455	282,740	296,505
TOTAL	\$ 1,156,598	\$ 1,134,200	\$ 1,104,170	\$ 1,111,020

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DIVISION / ACTIVITY	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	9.0	8.0	8.0
Field Services	4.0	4.0	4.0
TOTAL	13.0	12.0	12.0

Customer Services Expenditures (000's)



FUND:
Water & Wastewater

DEPARTMENT:
Customer Services

DIVISION:
Administration

ACCOUNT:
200-710-01

DEPARTMENT DESCRIPTION:

The Customer Services / Administration Division are responsible for administering the City's revenue generation for water, wastewater, residential solid waste and drainage utilities. These activities include administrative oversight of water meter reading, customer billings, customer collections, customer connects, and customer disconnects, customer inquiries and customer service duties.

DEPARTMENT/DIVISION GOALS:

1. Continue to provide timely and efficient customer service.
2. Provide timely and accurate utility billing statements.
3. Minimize water losses by identifying slow and stopped water meters, with timely investigation and/or meter replacement.
4. Maintain and improve the automated/on-line payment processing to better serve utility customers.
5. Assist and educate customers with respect to water conservation and efficient uses.
6. Maintain electronic (wireless) meter reading program.
7. Work with collection agency to recover outstanding delinquent utility bills.
8. Continue to monitor the Identity Theft Prevention Program, required by law.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Customer meter reading routes maintained	70	70	70
Number of billing cycles	2	2	2
Number of annual billings:			
• water customers billed	165,485	167,627	170,648
• sewer customers billed	135,890	139,967	144,166
• drainage customers billed	158,501	162,361	166,315
• garbage customers billed	150,206	153,338	156,536
Total water gallons billed (million gallons)	2,766.1	2,735.4	2,821.6
Annual delinquent statements processed	19,176	18,274	19,000
Customer security deposits processed	1,594	1,600	1,750
Services disconnected for non-payment	625	650	675
Customer transfers/final accounts processed	1,748	1,338	1,300
Number of on-line/automated payments	28,865	30,620	31,000
Total amount of on-line/automated payments (000's)	\$2,991	\$3,022	\$3,100

<u>PERFORMANCE ANALYSIS</u>			
Monthly average billings:			
• average monthly water customers billed	13,790	13,969	14,221
• average monthly water usage per customer	16,700	16,320	16,535
• average monthly water bill per customer	\$74.65	\$74.63	\$76.24
• average monthly sewer customers billed	11,324	11,664	12,014
• average monthly sewer bill per customer	\$35.82	\$36.50	\$37.20
• average monthly drainage customers billed	13,208	13,530	13,860
• average monthly drainage bill per customer	\$5.65	\$8.69	\$9.11
• average monthly garbage customers billed	12,517	12,778	13,040
• average monthly garbage bill per customer	\$8.50	\$8.90	\$10.20
Average water revenue per 1,000 gallons billed	\$4.47	\$4.63	\$4.56
Average daily water usage billed (million gallons)	7.578	7.494	7.730
Average daily phone inquiries	50	50	50
Average bill amount submitted to 3 rd -party collections	\$148	\$150	\$160

FUND:
Water & Wastewater

DEPARTMENT:
Customer Services

DIVISION:
Administration

ACCOUNT:
200-710-01

**WATER & WASTEWATER
CUSTOMER SERVICES ADMINISTRATION
DIVISION / ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<i>EXPENDITURES BY FUNCTION:</i>				
Personnel services	\$ 613,876	\$ 613,300	\$ 582,360	\$ 577,700
Operations & maintenance	88,218	90,135	90,325	88,690
Services & other	134,821	139,115	143,220	148,125
SUBTOTAL	836,915	842,550	815,905	814,515
Capital outlay	39,935	3,195	5,525	-
TOTAL	\$ 876,850	\$ 845,745	\$ 821,430	\$ 814,515

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Revenue Manager	Division Mgr	1.0	1.0	1.0
Chief Accountant	PE-10	1.0	1.0	1.0
Utility Billing Manager	A/TN-12	1.0	1.0	1.0
Utility Billing Technician	A/TN-7	1.0	1.0	1.0
Utility/Development Fee Clerk	A/TN-5	1.0	1.0	1.0
Customer Service Representative	A/TN-5	4.0	3.0	3.0
TOTAL		9.0	8.0	8.0

FUND:
Water & Wastewater

DEPARTMENT:
Customer Services

DIVISION:
Field Services

ACCOUNT:
200-710-70

DEPARTMENT DESCRIPTION:

The Customer Services / Field Services Division are responsible for field activities for utility billing duties. Included within these activities are meter reading, customer connects and disconnects, customer transfers, and investigation of billing inquiries.

The Field Services Division is also responsible for new meter installment and meter maintenance. Included within these activities are new meter sets, State mandated testing and replacement programs, electronic troubleshooting, meter box replacement and maintenance.

DEPARTMENT/DIVISION GOALS:

1. Continue to provide timely and efficient customer service.
2. Maintain meter reading accuracy rate of at least 99.5% of total meters read by ensuring that meters are in proper working order, and utilizing automated meter reading technology.
3. Minimize water losses by identifying slow and stopped water meters, with timely investigation and/or meter replacement.
4. Assist and educate customers with respect to water conservation.
5. Maintain radio (wireless) meter reading.
6. Continue water meter replacement program, replacing an average of 1,400 meters per year, per the water conservation ordinance.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Customer meter reading routes maintained	72	72	72
Service calls made to customers (including re-reads)	2,244	2,400	2,600
Total water meters read (monthly average)	14,084	14,153	14,353
Work orders completed	14,386	11,448	13,000
Annual meter change outs	1,950	1,584	1,400
Annual meter sets	227	276	325
<u>PERFORMANCE ANALYSIS</u>			
Billing cycles read on schedule	100%	100%	100%
Meter reading accuracy rate	99.5%	99.9%	99.9%
Average hours to read a billing cycle	8.5	8.5	8.5
Manual re-reads as a % of total meter reads	4.1%	2.0%	2.0%

FUND:
Water & Wastewater

DEPARTMENT:
Customer Services

DIVISION:
Field Services

ACCOUNT:
200-710-70

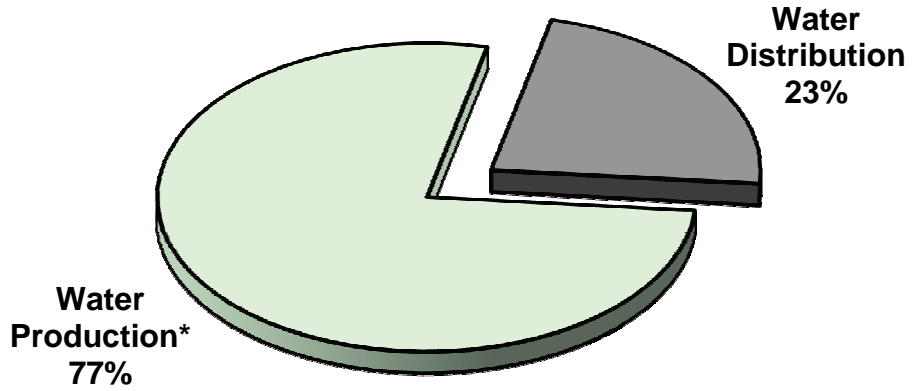
**WATER & WASTEWATER
CUSTOMER SERVICES - FIELD SERVICES
DIVISION / ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 254,432	\$ 247,190	\$ 251,000	\$ 256,525
Operations & maintenance	13,453	29,125	20,085	24,040
Services & other	11,863	12,140	11,655	15,940
SUBTOTAL	279,748	288,455	282,740	296,505
Capital outlay	-	-	-	-
TOTAL	\$ 279,748	\$ 288,455	\$ 282,740	\$ 296,505

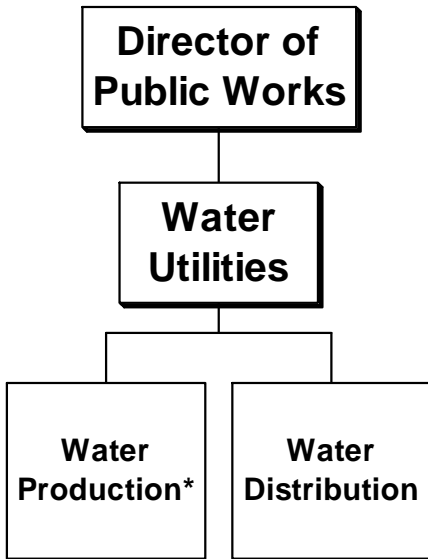
PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Field Services Crew Leader	TN-6	1.0	1.0	1.0
Meter Maintenance Technician	TN-5	1.0	1.0	1.0
Field Services Technician	TN-3	2.0	2.0	2.0
TOTAL		4.0	4.0	4.0

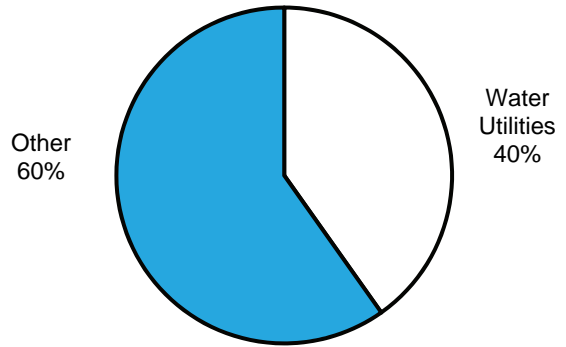
Water Utilities



Department total: \$7,594,495



Water & Wastewater Fund Expenditures



* - Includes wholesale water purchases

**WATER & WASTEWATER
WATER PRODUCTION AND WATER DISTRIBUTION
COMBINED DEPARTMENT SUMMARY**

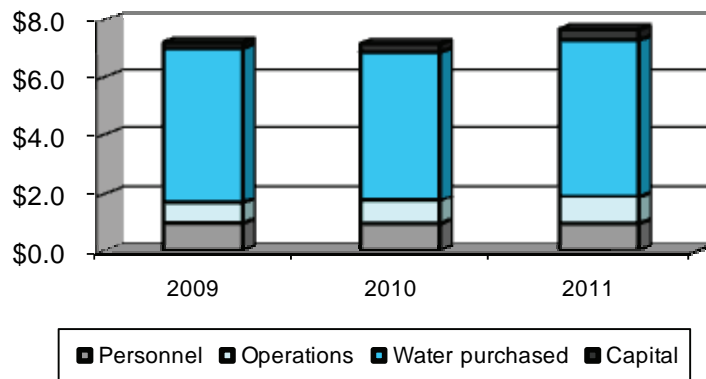
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<i>EXPENDITURES BY FUNCTION:</i>				
Personnel services	\$ 952,034	\$ 998,040	\$ 935,500	\$ 941,545
Operations & maintenance	374,932	475,725	434,780	468,415
Services & other	320,045	471,240	369,545	485,085
Wholesale water purchases	5,321,387	5,025,000	5,090,000	5,340,000
SUBTOTAL	6,968,398	6,970,005	6,829,825	7,235,045
Capital outlay	184,066	284,450	273,800	359,450
TOTAL	\$ 7,152,464	\$ 7,254,455	\$ 7,103,625	\$ 7,594,495

<i>EXPENDITURES BY DIVISION:</i>				
Water Production	\$ 5,733,527	\$ 5,549,100	\$ 5,497,960	\$ 5,864,610
Water Distribution	1,418,937	1,705,355	1,605,665	1,729,885
TOTAL	\$ 7,152,464	\$ 7,254,455	\$ 7,103,625	\$ 7,594,495

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Water Production	2.0	2.0	2.0
Water Distribution	13.5	13.5	13.5
TOTAL	15.5	15.5	15.5

Water Utilities Expenditures (millions)



FUND:
Water & Wastewater

DEPARTMENT:
Water Utilities

DIVISION:
Water Production

ACCOUNT:
200-730-74

DEPARTMENT/DIVISION DESCRIPTION:

The Water Production Division is responsible for providing a safe, adequate supply of potable water to meet the demands of the City's water users. The source of the City's water supply is the City of Fort Worth Water Department pursuant to a 10-year wholesale water supply contract approved in 2000. The City of Keller owns and operates three high service pump stations, a 50% portion of the operation/maintenance of the Keller/Southlake service pump station with the City of Southlake (which provides water to Pearson Pump Station and the new low pressure plane), one 1.5 million and two 1 million gallon elevated water towers (elevated storage tanks) and two 3 million gallon ground storage tanks.

DEPARTMENT/DIVISION GOALS:

1. To insure that the public and the citizens of Keller are provided with an adequate supply of potable water.
2. Encourage water conservation and achieve overall reduction in water consumption.
3. Constantly review and monitor the daily operations of the City's water system.
4. Continue design of all upgrades identified in the City's Water Master Plan to meet system growth demands and insure pumping efficiency in order to maintain adequate pressure in the system.
5. Maintain all pump stations and water tower sites in order to maintain a clean and orderly image for the City.
6. Complete improvements for the lower pressure plane, and begin operation.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Elevated storage capacity (million gallons)	3.0	4.0	4.0
Ground storage capacity (million gallons)	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
Total storage capacity (million gallons)	10.0	10.0	10.0
Total daily water supply (million gallons) (City of Fort Worth contract)	24.0	24.0	24.0
Total daily pumping capacity (million gallons)	28.0	28.0	28.0
Total wholesale gallons purchased (million gallons)	2,848.2	2,844.8	2,934.5
Peak day water demand (million gallons)	19.0	19.0	19.0
<u>PERFORMANCE ANALYSIS</u>			
Average daily water usage (million gallons)	7.6	7.8	7.9
Average cost per 1,000 gallons of wholesale water purchased	\$1.87	\$1.78	\$1.78
Base (winter) daily water demand (million gallons)	4.9	3.7	5.0
Base (winter) demand per capita (gallons)	111.3	85.5	126.7
Peak day water demand per capita (gallons)	491.1	481.6	469.4

FUND:
Water & Wastewater

DEPARTMENT:
Water Utilities

DIVISION:
Water Production

ACCOUNT:
200-730-74

**WATER & WASTEWATER
WATER UTILITIES - WATER PRODUCTION
DIVISION / ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 138,256	\$ 136,155	\$ 134,930	\$ 140,725
Operations & maintenance	38,289	60,060	57,990	58,495
Services & other	235,595	327,885	215,040	325,390
Wholesale water purchases	5,321,387	5,025,000	5,090,000	5,340,000
SUBTOTAL	5,733,527	5,549,100	5,497,960	5,864,610
Capital outlay	-	-	-	-
TOTAL	\$ 5,733,527	\$ 5,549,100	\$ 5,497,960	\$ 5,864,610

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Water Systems Supervisor	TN-7	-	1.0	1.0
Well Pump Operator II	TN-6	1.0	-	-
Well Pump Operator	TN-5	1.0	1.0	1.0
TOTAL		2.0	2.0	2.0

FUND:
Water & Wastewater

DEPARTMENT:
Water Utilities

DIVISION:
Water Distribution

ACCOUNT:
200-730-75

DEPARTMENT/DIVISION DESCRIPTION:

The Water Distribution Division is responsible for operating and maintaining the water distribution facilities necessary to serve the City's residential, commercial and industrial water customers. Included in the division's responsibilities are installing and maintaining water meters, repairing and replacing water mains and services, water sampling and testing, installing new water mains and water taps, and installing and maintaining fire hydrants.

DEPARTMENT/DIVISION GOALS:

1. To continuously review and evaluate work methods and processes to determine changes that will result in improved efficiency and reduced operation and maintenance costs throughout the fiscal year.
2. Continue to monitor and maintain a cross connection control program in order to protect the City's water supply from possible sources of contamination.
3. Develop and maintain a database for identifying properties in the City that have private water wells used for irrigation purposes.
4. Work with the Utility Billing office to establish and maintain a water usage database to include assessment of accounted and unaccounted water loss.
5. To continue the process of identifying and eliminating dead-end lines by looping to existing lines or providing an automatic flushing device which will flush on a monthly schedule.
6. Flush all dead-end lines in the City at least once a month in accordance with Texas Commission on Environmental Quality regulations. This will be accomplished by flushing 12 dead-end lines per day (3,120 flushes a year) to complete this mandatory task in order to maintain good water quality.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Total miles of distribution lines maintained	256	256	260
Water samples tested	875	900	900
Fire hydrants flushed and serviced	1,300	1,300	1,300
Fire hydrants inspected	2,050	4,100	4,130
New fire hydrants installed	4	15	15
Fire hydrants replaced	10	12	12
Work orders completed	1,027	1,200	1,200

FUND:
Water & Wastewater

DEPARTMENT:
Water Utilities

DIVISION:
Water Distribution

ACCOUNT:
200-730-75

**WATER & WASTEWATER
WATER UTILITIES - WATER DISTRIBUTION
DIVISION / ACTIVITY SUMMARY**

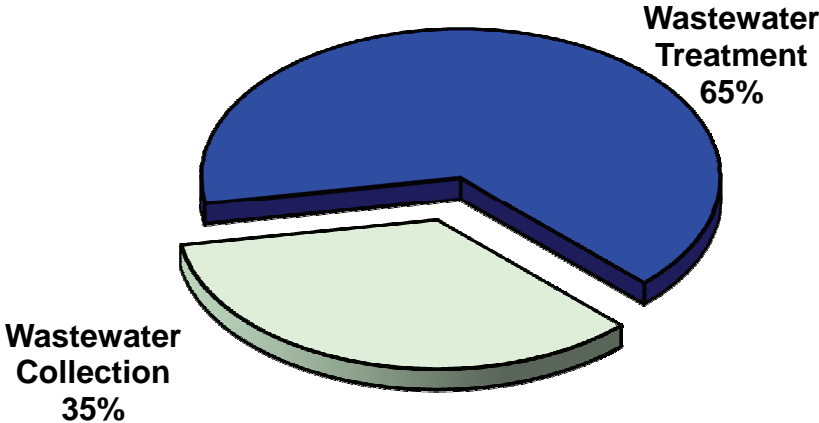
	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 813,778	\$ 861,885	\$ 800,570	\$ 800,820
Operations & maintenance	336,643	415,665	376,790	409,920
Services & other	84,450	143,355	154,505	159,695
SUBTOTAL	1,234,871	1,420,905	1,331,865	1,370,435
Capital outlay	184,066	284,450	273,800	359,450
TOTAL	\$ 1,418,937	\$ 1,705,355	\$ 1,605,665	\$ 1,729,885

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

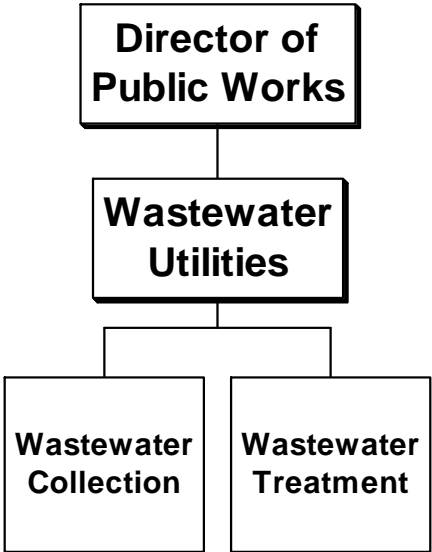
POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Construction Inspector	A/TN-11	1.0	1.0	1.0
Water/Sewer Foreman	TN-9	0.5	0.5	0.5
Water/Sewer Crewleader	TN-7	2.0	1.0	1.0
Environmental Services Coordinator	TN-7	1.0	1.0	1.0
SCADA Operator/Dispatcher	TN-4	2.0	3.0	3.0
Water/Sewer Maintenance Worker	TN-3	7.0	7.0	7.0
TOTAL		13.5	13.5	13.5

FY2011 highlights: capital outlay includes funding for water distribution infrastructure improvements, such as water mains, water meters, and fire hydrants.

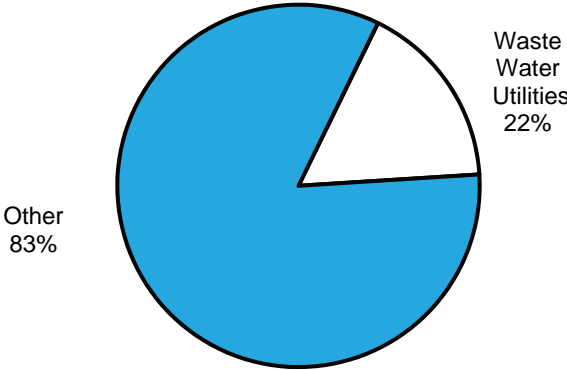
Wastewater Utilities



Department total: \$3,170,090



Water & Wastewater Fund Expenditures



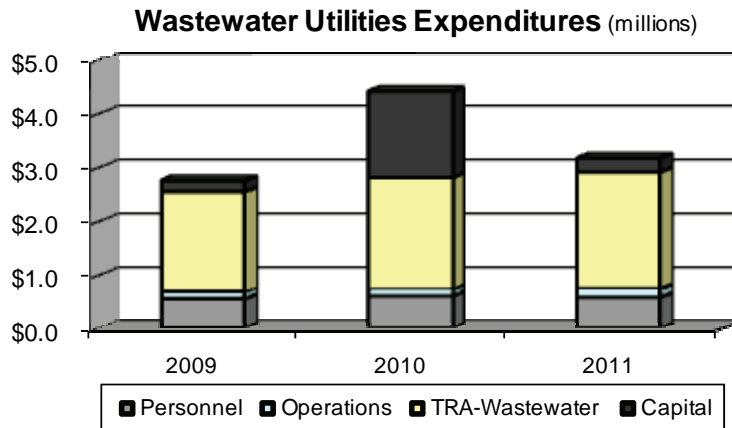
**WATER & WASTEWATER
WASTEWATER TREATMENT AND COLLECTION
COMBINED DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<i>EXPENDITURES BY FUNCTION:</i>				
Personnel services	\$ 547,524	\$ 558,285	\$ 596,400	\$ 571,540
Operations & maintenance	80,095	100,720	76,875	100,835
Services & other	53,913	78,060	71,635	82,830
Wastewater Services-TRA	1,886,383	2,075,370	2,077,150	2,161,885
SUBTOTAL	2,567,915	2,812,435	2,822,060	2,917,090
Capital outlay	198,723	1,613,200	1,613,200	253,000
TOTAL	\$ 2,766,638	\$ 4,425,635	\$ 4,435,260	\$ 3,170,090

<i>EXPENDITURES BY DIVISION:</i>				
Wastewater Collection	\$ 1,438,200	\$ 2,485,235	\$ 2,493,080	\$ 1,103,165
Wastewater Treatment	1,328,438	1,940,400	1,942,180	2,066,925
TOTAL	\$ 2,766,638	\$ 4,425,635	\$ 4,435,260	\$ 3,170,090

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Wastewater Collection	9.50	9.50	9.50
TOTAL	9.50	9.50	9.50



FUND:
Water & Wastewater

DEPARTMENT:
Wastewater Utilities

DIVISION:
Wastewater Collection

ACCOUNT:
200-750-80

DEPARTMENT/DIVISION DESCRIPTION:

The Wastewater Collection Division is responsible for the City's wastewater collection system. This includes facilities for collecting and transporting wastewater from point of origin to the main interceptor line (Trinity River Authority), while providing a safe and healthy environment. Duties of the Division also include maintenance of lift stations, wastewater manholes, mains and services, and installation of new wastewater mains, taps and services.

DEPARTMENT/DIVISION GOALS:

1. To continuously review and evaluate work methods and processes to determine changes that will result in improved efficiency and reduced operation and maintenance costs throughout the fiscal year.
2. Maintain a video records library of the physical condition of all sanitary sewer mains to be in compliance with state and federal regulatory requirements and mandates.
3. Locate segments of the collection system that are over burdened by excessive flows and identify those segments requiring rehabilitation or upsizing.
4. Review all video records of the physical condition of sanitary sewer mains to identify damaged or deteriorating sections for replacement/repair.
5. Ensure that regularly scheduled cleanings of sanitary sewer mains are preformed in order to prevent any blockage.
6. Inspect all of the manholes in the City of Keller, document their conditions and determine what repairs are needed to be performed in order to prevent infiltration.

DEPARTMENT/DIVISION SERVICE ANALYSIS

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Total miles of wastewater mains maintained	189	189	193
Total miles of wastewater mains cleaned	87	90	90
Total miles of wastewater mains inspected by a camera	19	20	20
Sewer manholes maintained	2,800	2,875	2,875
Sewer manholes inspected	1,100	1,200	1,200
Lift stations maintained	6	6	6
Number of active wastewater customers at Sept. 30 th	11,403	11,600	11,920
Work orders completed	1,095	1,625	1,625

FUND:
Water & Wastewater

DEPARTMENT:
Wastewater Utilities

DIVISION:
Wastewater Collection

ACCOUNT:
200-750-80

**WATER & WASTEWATER
WASTEWATER COLLECTION
DIVISION / ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 547,524	\$ 558,285	\$ 596,400	\$ 571,540
Operations & maintenance	80,095	100,720	76,875	100,835
Services & other	53,913	78,060	71,635	82,830
Wastewater services-TRA	557,945	134,970	134,970	94,960
SUBTOTAL	1,239,477	872,035	879,880	850,165
Capital outlay	198,723	1,613,200	1,613,200	253,000
TOTAL	\$ 1,438,200	\$ 2,485,235	\$ 2,493,080	\$ 1,103,165

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Water/Sewer Foreman	TN-9	0.50	0.50	0.50
Water/Sewer Crewleader	TN-7	3.00	3.00	3.00
SCADA Dispatcher	TN-4	2.00	2.00	2.00
Water/Sewer Maintenance Worker	TN-3	4.00	4.00	4.00
TOTAL		9.50	9.50	9.50

FY2011 highlights: capital outlay includes funding wastewater infrastructure improvements \$253,000. Funding is also provided in the Equipment Replacement Fund for replacement of a utility service vehicle (\$27,000)

FUND:
Water & Wastewater

DEPARTMENT:
Wastewater Utilities

DIVISION:
Wastewater Treatment

ACCOUNT:
200-750-81

DEPARTMENT/DIVISION DESCRIPTION:

The Wastewater Treatment Division is responsible for the management of the Trinity River Authority (TRA) wastewater treatment contract with the City. The City contracts with TRA to provide wastewater treatment services on behalf of the City's wastewater customers. The City's wastewater is collected in the collection system and then treated by the TRA, at their Central Regional Wastewater Treatment Plant, or the Denton Creek Wastewater Treatment Plant. Other duties of the division include accurate record keeping of wastewater flows and accurate data collection of industrial sampling, to ensure proper management of and conformance with the contract.

DEPARTMENT/DIVISION GOALS:

1. Review pretreatment sampling records to ensure compliance with State and Federal Rules and Regulations.
2. Review monthly wastewater flows from the collection system to facilitate decisions regarding capacity of the collection system and TRA treatment plants.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Total annual gallons treated (million gallons) (1)	1,022.2	1,148.7	1,216.3
Average daily gallons treated (million gallons) (1)	2.800	3.145	3.332
Average cost per 1,000 gallons of wastewater treated (1)	\$1.47	\$1.40	\$1.45
Average monthly wastewater gallons treated per customer	7,522	8,207	8,437

(1) Trinity River Authority audit report as of November 30, 2009. Remaining amounts are City estimates.

FUND:
Water & Wastewater

DEPARTMENT:
Wastewater Utilities

DIVISION:
Wastewater Treatment

ACCOUNT:
200-750-81

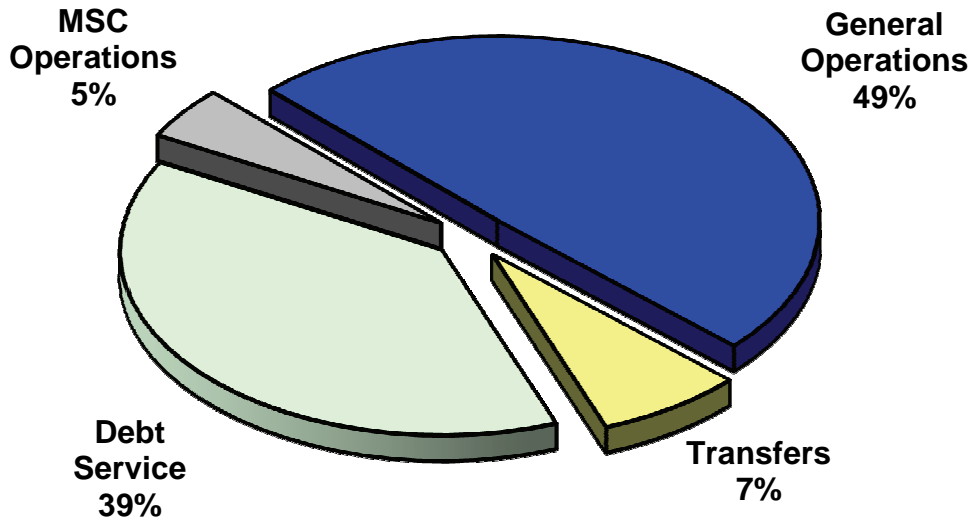
**WATER & WASTEWATER
WASTEWATER TREATMENT
DIVISION / ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	-	-	-	-
Services & other	-	-	-	-
Wastewater services-TRA	1,328,438	1,940,400	1,942,180	2,066,925
SUBTOTAL	1,328,438	1,940,400	1,942,180	2,066,925
Capital outlay	-	-	-	-
TOTAL	\$ 1,328,438	\$ 1,940,400	\$ 1,942,180	\$ 2,066,925

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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Water & Wastewater Fund Other / Non-Departmental

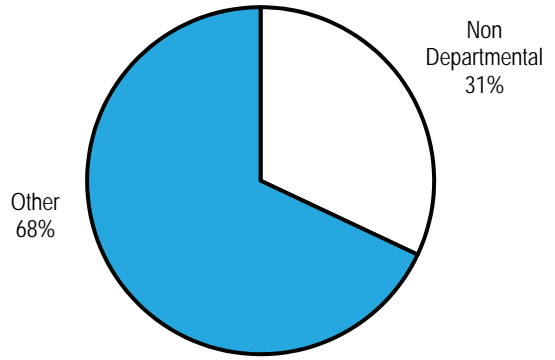


Department total: \$6,047,345

Non Departmental

- General Expenditures
- Municipal Service Center Operations
- Transfers to Other Funds
- Debt Service

Water & Wastewater Fund Expenditures



FUND:
Water & Wastewater

DEPARTMENT:
Non-Departmental

DIVISION:
MSC Operations

ACCOUNT:
200-770-93

DEPARTMENT/DIVISION DESCRIPTION:

The Municipal Service Center (MSC) Non-Departmental budget reflects expenditures of a general nature, which have not been allocated to specific departments. Included within this activity are budgeted costs for building maintenance, utility costs, grounds maintenance, and janitorial services.

DEPARTMENT/DIVISION GOALS:

1. To provide for the comprehensive and continuous operation and maintenance of the City's Municipal Service Center in an efficient, safe, accurate and professional manner.
2. To house/store the necessary inventory and equipment needed to complete daily operations throughout the City.
3. To develop a routine preventive maintenance schedule for all service vehicles and equipment stored at the Municipal Service Center.
4. To provide and store adequate amounts of fuel for the needs of all City's vehicles and equipment.
5. To maintain GBA Master Series work order database system.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Vehicles/Equipment maintained	70	70	70
Fuel purchased (gallons)	114,196	120,000	120,000
Fuel usage (gallons)**	123,223	121,000	121,000
Average price per gallon (diesel and unleaded)	\$1.99	\$2.45	\$ 2.75

** – Difference in fuel purchased and fuel used is the amount retained in the fuel storage tank inventory.

FUND:
Water & Wastewater

DEPARTMENT:
Non-Departmental

DIVISION:
MSC Operations

ACCOUNT:
200-770-93

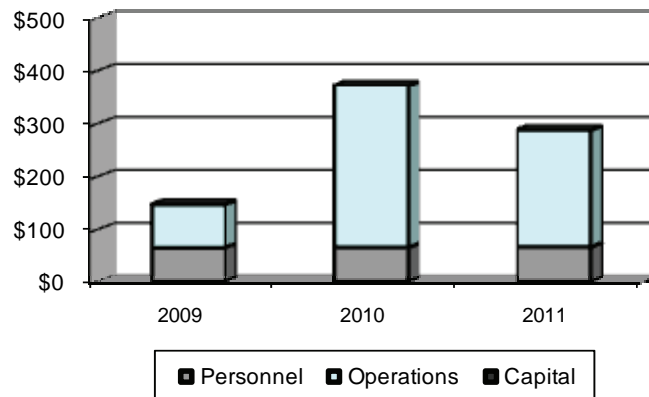
**WATER & WASTEWATER
MUNICIPAL SERVICE CENTER OPERATIONS
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 63,504	\$ 63,105	\$ 64,350	\$ 65,065
Operations & maintenance	(34,926)	131,590	136,225	57,205
Services & other	117,419	169,070	172,045	166,455
SUBTOTAL	145,997	363,765	372,620	288,725
Capital outlay	-	-	-	-
TOTAL	\$ 145,997	\$ 363,765	\$ 372,620	\$ 288,725

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Light Duty Mechanic	TN-7	1.0	1.0	1.0
TOTAL		1.0	1.0	1.0

Municipal Service Center Expenditures
(000's)



FUND:
Water & Wastewater

DEPARTMENT:
Non-Departmental

DIVISION:
General Expenditures

ACCOUNT:
200-790-XX

DEPARTMENT/DIVISION DESCRIPTION:

The Non-Departmental Department reflects expenditures of a general nature, which have not been allocated to specific departments. Included within this activity are budgeted costs for general insurance, debt service, and transfers to other funds.

DEPARTMENT/DIVISION GOALS:

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE LEVEL ANALYSIS		
	<u>2008-2009</u> <u>ACTUAL</u>	<u>2009-2010</u> <u>ESTIMATE</u>	<u>2010-2011</u> <u>PROJECTED</u>

FUND:
Water & Wastewater

DEPARTMENT:
Non-Departmental

DIVISION:
General Expenditures

ACCOUNT:
200-790-XX

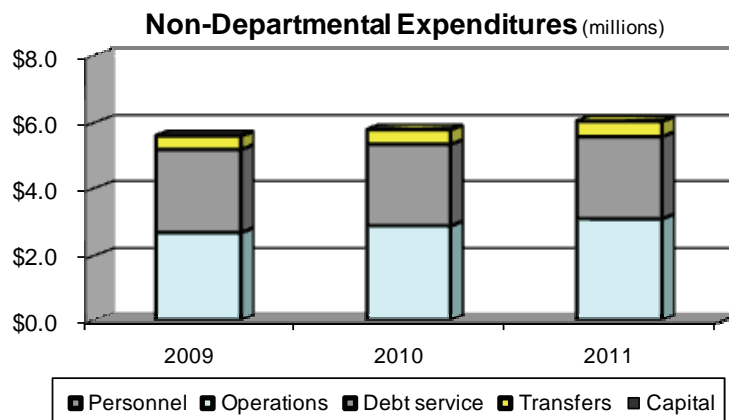
**WATER & WASTEWATER
NON-DEPARTMENTAL / GENERAL EXPENDITURES
DIVISION/ACTIVITY SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<i>EXPENDITURES BY FUNCTION:</i>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	10,546	12,000	12,000	12,000
Services & other	2,699,758	2,902,975	2,902,975	3,117,875
Debt service	2,479,001	2,451,630	2,431,480	2,451,630
Transfers to other funds	412,070	447,620	447,620	465,840
SUBTOTAL	5,601,375	5,814,225	5,794,075	6,047,345
Capital outlay	-	-	-	-
TOTAL	\$ 5,601,375	\$ 5,814,225	\$ 5,794,075	\$ 6,047,345

<i>EXPENDITURES BY DIVISION:</i>				
Debt Service	\$ 2,479,001	\$ 2,451,630	\$ 2,431,480	\$ 2,451,630
Transfers to other funds	412,070	447,620	447,620	465,840
Non-Departmental	2,710,304	2,914,975	2,914,975	3,129,875
TOTAL	\$ 5,601,375	\$ 5,814,225	\$ 5,794,075	\$ 6,047,345

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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WATER & WASTEWATER CAPITAL PROJECTS

The Water & Wastewater Capital Projects account provides project funding for water and wastewater capital improvements. Funding for the projects is provided by a combination of water and wastewater supported debt issuance, water and wastewater impact fees, and transfers from the Water & Wastewater operations fund. The project budget amounts are not included in the operating budget totals.

Projects are all primarily growth and development driven. The following projects include both new infrastructure and expansions to existing systems for both wastewater and water projects. The projects are proposed to be funded from a combination of long-term debt issuance and water and wastewater impact fees. The operating budget impact, if any, will be recorded as operations and maintenance expense in the Water and Wastewater Fund. The operating budget impact excludes annual debt service requirements for improvements that will be funded with proceeds of long term-debt.

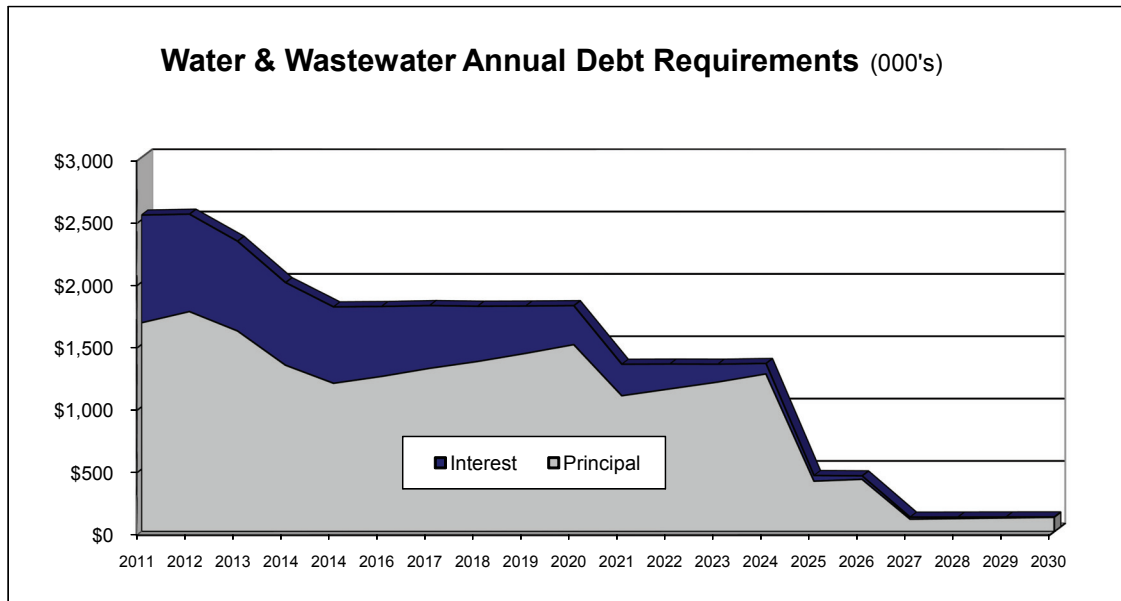
2009-10 Water & Wastewater Capital Projects (Currently Funded and In Process)

Project	Estimated Project Cost	Project Description	Operating Budget Impact
New Debt Obligations (from FY2009):			
Certificates of Obligation:			
Rufe Snow Drive improvements- Phase III, water improvements	\$ 500,000	Install a 12-inch water main along Rufe Snow Drive from Rapp Road to Bear Creek Parkway.	\$ -
Shady Grove Road water improvements	1,246,000	Install a 12-inch water main along Shady Grove Road as part of the improvements to the lower pressure plane.	-
Indian Knoll Trail water improvements	731,000	Install a 12-inch water main along Indian Knoll Trail as part of the improvements to the lower pressure plane.	-
North Tarrant Parkway water improvements	470,000	Install a 12-inch water main along North Tarrant Parkway, from Cat Mountain Trail, Eastward approximately 2,000 feet.	-
Total Certificates of Obligation	<u>2,947,000</u>		<u>-</u>
Water Impact Fee Projects:			
Northwest Keller water improvements	25,000	Construct a 12-inch water main along Mount Gilead Road northward along U.S. Highway 377 to the Marshall Ridge subdivision.	-
Total Water Impact Fees	<u>\$ 25,000</u>		<u>\$ -</u>

Capital project fund budgets are project-based, not fiscal-year based. Projects normally extend beyond fiscal years. Remaining funds on hand at September 30, 2010 will be re-appropriated into the appropriate project for the 2010-2011 fiscal year. Water and wastewater capital projects for fiscal years 2010-11 through 2014-15 are provided in the capital improvements section of the document.

SCHEDULE OF WATER & WASTEWATER FUND DEBT OUTSTANDING
October 1, 2010

	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Issued (000's)</u>	<u>Amount Outstanding (000's)</u>	<u>FY2011 Requirements</u>		
						<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General obligation refunding bonds:								
Series 2002	3.00 - 4.00	11/2002	02/2013	\$ 5,360	\$ 1,600	\$ 455,000	\$ 52,916	\$ 507,916
Series 2004	2.00 - 4.00	02/2004	02/2017	440	50	15,000	1,513	16,513
Series 2005	3.25 - 4.20	08/2005	02/2020	5,360	3,055	245,000	118,463	363,463
Series 2010A	2.00 - 3.50	04/2010	02/2020	1,290	1,290	305,000	28,625	333,625
Combination tax and revenue certificates of obligation:								
Series 2004	4.00 - 5.00	06/2004	02/2024	11,310	9,080	460,000	421,649	881,649
Series 2006	4.25 - 4.375	07/2006	02/2026	4,255	3,705	160,000	157,600	317,600
Series 2010	2.00 - 4.25	04/2010	04/2030	1,600	1,600	35,000	82,517	117,517
TOTAL				\$ 29,615	\$ 20,380	\$ 1,675,000	\$ 863,283	\$ 2,538,283



**SUMMARY SCHEDULE OF DEBT REQUIREMENTS
BY FISCAL YEAR
WATER AND WASTEWATER FUND DEBT**

Fiscal Year	Principal Due	Interest Due	Total Principal & Interest	Fiscal Year Total
2010-11	\$ 1,675,000	\$ 863,282	\$ 2,538,282	\$ 2,538,282
2011-12	1,765,000	780,844	2,545,844	2,545,844
2012-13	1,610,000	719,188	2,329,188	2,329,188
2013-14	1,335,000	662,153	1,997,153	1,997,153
2014-15	1,190,000	611,985	1,801,985	1,801,985
2015-16	1,245,000	560,208	1,805,208	1,805,208
2016-17	1,310,000	502,764	1,812,764	1,812,764
2017-18	1,365,000	442,289	1,807,289	1,807,289
2018-19	1,430,000	378,967	1,808,967	1,808,967
2019-20	1,500,000	312,279	1,812,279	1,812,279
2020-21	1,090,000	252,004	1,342,004	1,342,004
2021-22	1,145,000	198,579	1,343,579	1,343,579
2022-23	1,200,000	142,508	1,342,508	1,342,508
2023-24	1,265,000	83,554	1,348,554	1,348,554
2024-25	405,000	44,620	449,620	449,620
2025-26	420,000	26,939	446,939	446,939
2026-27	100,000	15,889	115,889	115,889
2027-28	105,000	11,673	116,673	116,673
2028-29	110,000	7,198	117,198	117,198
2029-30	115,000	2,444	117,444	117,444
TOTAL	\$ 20,380,000	\$ 6,619,365	\$ 26,999,365	\$ 26,999,365



OTHER FUNDS

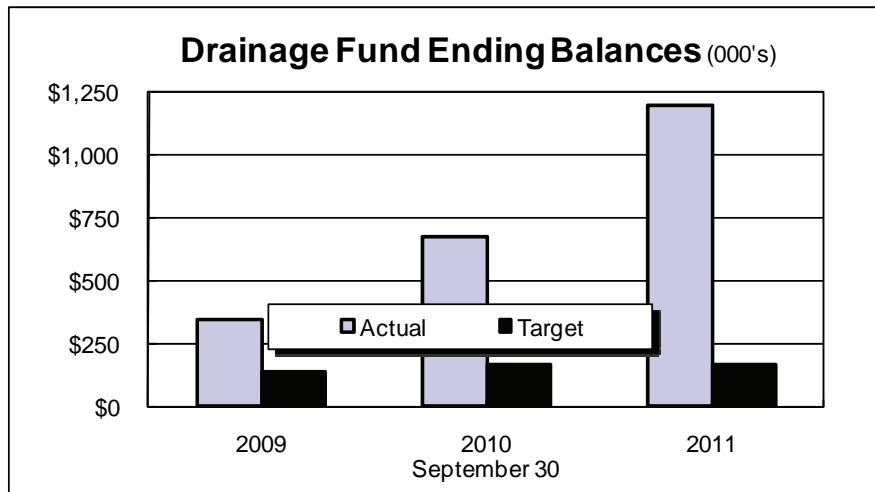
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DRAINAGE UTILITY FUND

The Drainage Utility Fund accounts for revenues and expenses of the City's drainage utility, and is financed primarily through drainage fees and charges.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
DRAINAGE UTILITY FUND SUMMARY				
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 272,660	\$ 332,816	\$ 339,316	\$ 671,051
Revenues and transfers	938,222	1,592,473	1,651,175	1,515,800
TOTAL FUNDS AVAILABLE	1,210,882	1,925,289	1,990,491	2,186,851
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	871,566	1,288,803	1,319,440	995,160
<u>ENDING FUND BALANCE:</u>				
Unreserved fund balance	339,316	636,486	671,051	1,191,691
FUND TOTAL	\$ 1,210,882	\$ 1,925,289	\$ 1,990,491	\$ 2,186,851
Excess revenues (expenditures)	66,656	303,670	331,735	520,640
Unreserved ending fund balance:				
Percent of operating expenditures ⁽¹⁾	41.0%	61.0%	68.2%	119.7%
TARGET	16.7%	16.7%	16.7%	16.7%
Number of days operating expenditures	147.7	219.6	245.4	431.1
TARGET	60.0	60.0	60.0	60.0

⁽¹⁾ excluding capital outlay and interfund transfers.



FUND:
Drainage Utility

DEPARTMENT:
Drainage Maintenance

DIVISION:
* All Divisions

ACCOUNT:
400-810-XX

DEPARTMENT DESCRIPTION:

The Drainage Maintenance Department is responsible for the collection and transporting of storm water in a manner that mitigates or eliminates flooding and property damage. Revenues for these services are derived primarily from drainage fees which were established by City Ordinance No. 638, adopted November 20, 1990.

DEPARTMENT/DIVISION GOALS:

1. To continuously review and evaluate work methods and processes to determine changes resulting in improved efficiency and reduced operation and maintenance cost, throughout the fiscal year.
2. Continue the process of meeting the permitting regulation requirements for Phase II of the National Pollutant Discharge Elimination System (NPDES) program.
3. Maintain bridges and box culverts in order to provide proper drainage of storm water.
4. Keep drainage ways clear of debris.
5. Mitigate or eliminate flooding and property damage in the City.
6. Implement channel preventative maintenance program, cleaning five miles of channel per year.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Miles of ditches maintained	118	118	118
Total linear feet of storm pipe maintained	16,000	16,000	16,000
Pipe culverts installed (linear feet)	105	500	500
Total linear feet of storm drainage cleaned	3,500	3,500	4,000
Storm inlets repaired and cleaned	75	75	75
Bridges/box culverts maintained	35	35	35
Linear feet of curb & gutter replaced	1,010	1,500	2,000
Miles of channel maintenance cleaned	5	5	5

FUND: Drainage Utility **DEPARTMENT:** Drainage Maintenance **DIVISION:** * All Divisions **ACCOUNT:** 400-810-XX

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
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DRAINAGE UTILITY FUND

OPERATING REVENUES:

Drainage fees	\$ 895,783	\$ 1,396,800	\$ 1,415,000	\$ 1,510,000
Subtotal	895,783	1,396,800	1,415,000	1,510,000

OTHER REVENUE:

Owner/developer contributions	-	-	40,000	-
Miscellaneous revenue (expense)	1,374	1,000	1,500	1,000
Intergovernmental-Fort Worth	32,745	-	-	-
Proceeds from debt issuance	-	189,873	189,875	-
Interest revenue	6,835	4,800	4,800	4,800
Gain (loss) on disposal of assets	1,485	-	-	-
TOTAL REVENUES	\$ 938,222	\$ 1,592,473	\$ 1,651,175	\$ 1,515,800

EXPENDITURES BY FUNCTION:

Personnel services	\$ 551,572	\$ 546,530	\$ 539,160	\$ 542,030
Operations & maintenance	65,857	126,530	79,730	122,365
Services & other	209,652	370,288	365,520	276,535
Debt service	-	-	-	54,230
SUBTOTAL	827,081	1,043,348	984,410	995,160
Capital outlay	44,485	245,455	335,030	-
TOTAL	\$ 871,566	\$ 1,288,803	\$ 1,319,440	\$ 995,160

EXPENDITURES BY DIVISION:

Drainage Maintenance	\$ 751,566	\$ 1,161,803	\$ 1,192,440	\$ 805,930
Debt Service	-	-	-	54,230
Non-Departmental	120,000	127,000	127,000	135,000
TOTAL	\$ 871,566	\$ 1,288,803	\$ 1,319,440	\$ 995,160

PERSONNEL SUMMARY BY DEPARTMENT

(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Street/Drainage Superintendent	Division Mgr	0.50	0.50	0.50
Project Engineer	PE-10	0.25	-	-
Construction Inspector	A/TN-11	1.00	1.00	1.00
Street/Drainage Crewleader	TN-6	1.00	1.00	1.00
Equipment Operator	TN-5	3.00	3.00	3.00
Street/Drainage Maint. Worker	TN-2	3.00	3.00	3.00
TOTAL		8.75	8.50	8.50

KELLER DEVELOPMENT CORPORATION

The Keller Development Corporation (KDC) Fund accounts for proceeds of the ½ cent local sales tax for park and recreation improvements. The KDC budget was unanimously approved by the KDC Board of Directors on July 12, 2010. State law requires a public hearing for development corporations at least 60 days prior to the expenditure of funds. The public hearing was held on July 21, 2010.

KELLER DEVELOPMENT CORPORATION SUMMARY

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 673,882	\$ 671,421	\$ 621,729	\$ 523,984
Revenues and transfers	2,039,760	2,110,000	2,012,000	2,009,500
TOTAL FUNDS AVAILABLE	2,713,642	2,781,421	2,633,729	2,533,484
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	2,091,913	2,507,505	2,109,745	2,269,175
<u>ENDING FUND BALANCE:</u>				
Total fund balance	621,729	273,916	523,984	264,309
Reserved for debt service (1)	89,000	89,000	89,000	89,000
Reserved for contingencies	169,300	175,130	166,996	166,789
Unreserved fund balance	363,429	9,786	267,988	8,520
FUND TOTAL	\$ 2,713,642	\$ 2,781,421	\$ 2,633,729	\$ 2,533,484
Excess revenues (expenditures)	(52,153)	(397,505)	(97,745)	(259,675)
(1) 2005 Sales Tax Revenue Refunding Bonds				
Unreserved, unrestricted fund balance:				
Number of days recurring revenues	94.0	31.6	77.8	31.4
TARGET	30.0	30.0	30.0	30.0

FUND:
Keller Development
Corporation

DEPARTMENT:
All Departments

DIVISION:
All Divisions

ACCOUNT:
110-XXX-XX

DEPARTMENT DESCRIPTION:

The Keller Development Corporation was established by Ordinance No. 670 in 1992 levying one-half of one percent sales and use tax to provide funding for park and recreation capital improvements as approved by voters. The Corporation is managed by a Board of Directors consisting of the mayor, three city council members and three citizens at-large. A majority of the budget is currently funding debt service for capital expenses for The Keller Pointe and the Keller Sports Park. In addition to the sales tax, revenues are also received from the ground lease agreement with Blue Sky Sports Center.

DEPARTMENT/DIVISION GOALS:

1. Manage the ground lease agreement for the use and operation of a public/private indoor soccer complex at Keller Sports Park.
2. Manage retirement of the debt for The Keller Pointe and The Keller Sports Park.
3. Reserve funds to be allocated for park land acquisition which was identified as the most urgent priority of the 2007 Parks, Recreation and Open Space Master Plan.
4. Continue to seek funding opportunities for the development of hike and bike trails which is listed as the number one facility need for outdoor and indoor recreation in accordance with the 2007 Parks, Recreation and Open Space Master Plan.

FUND: Keller Development Corporation
DEPARTMENT: All Departments
DIVISION:
ACCOUNT: 110-XXX-XX

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
REVENUES				
<u>SALES TAXES:</u>				
City sales taxes	\$ 2,018,742	\$ 2,088,000	\$ 1,994,500	\$ 1,994,500
Subtotal	2,018,742	2,088,000	1,994,500	1,994,500
<u>MISCELLANEOUS REVENUES:</u>				
Rental revenue	13,867	12,000	12,000	12,000
Gain/loss on disposal of assets	-	2,500	2,500	-
Interest revenue	7,151	7,500	3,000	3,000
Subtotal	21,018	22,000	17,500	15,000
TOTAL REVENUES	\$ 2,039,760	\$ 2,110,000	\$ 2,012,000	\$ 2,009,500

EXPENDITURE SUMMARY

<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 142,336	144,860	\$ 144,860	\$ 149,540
Operations & maintenance	9,652	54,970	37,260	25,780
Services & other	39,323	41,500	41,500	47,250
Debt service	1,645,730	1,648,135	1,648,020	1,643,000
Transfers to other funds	135,120	178,090	178,090	143,315
SUBTOTAL	1,972,161	2,067,555	2,049,730	2,008,885
Capital outlay	119,752	439,950	60,015	260,290
TOTAL	\$ 2,091,913	\$ 2,507,505	\$ 2,109,745	\$ 2,269,175
<u>EXPENDITURES BY DIVISION:</u>				
Keller Sports Park	\$ 311,063	\$ 281,280	\$ 263,845	\$ 252,860
Land Acquisition	-	400,000	19,790	230,000
Debt Service	1,645,730	1,648,135	1,648,020	1,643,000
Transfers to Other Funds	135,120	178,090	178,090	143,315
TOTAL	\$ 2,091,913	\$ 2,507,505	\$ 2,109,745	\$ 2,269,175

PERSONNEL SUMMARY BY DEPARTMENT

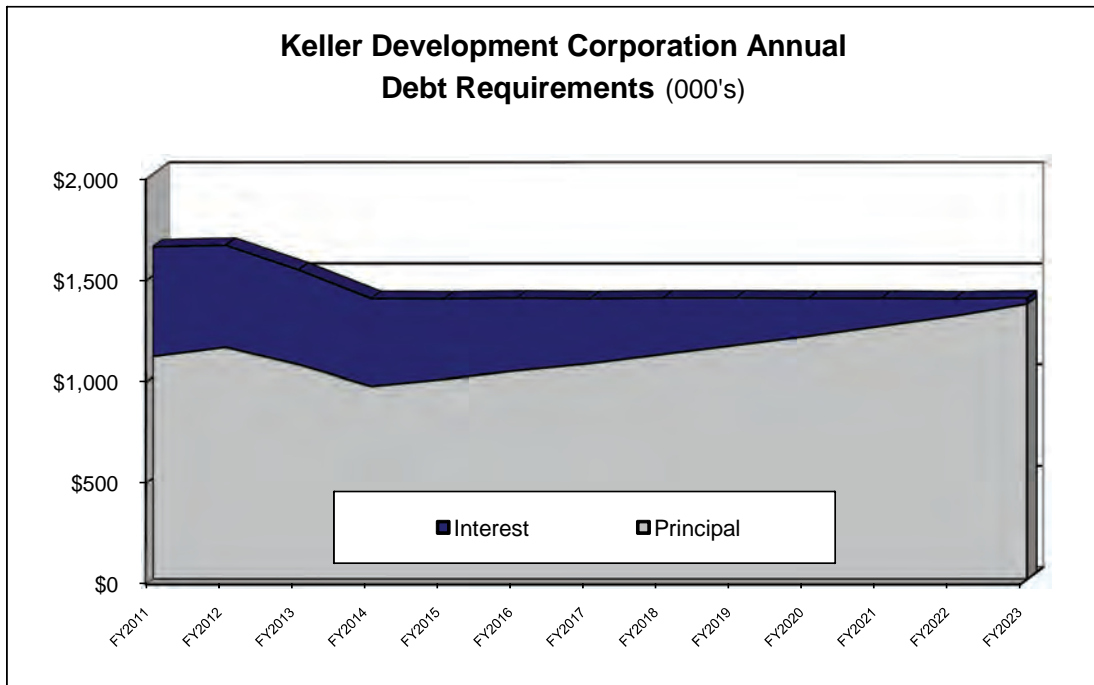
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Parks/Landscape Crewleader	TN-6	1.00	1.00	1.00
Parks/Landscape Maintenance Worker	TN-2	1.00	1.00	1.00
Parks/Landscape Maint Worker (Seasonal)	NA	0.78	0.78	0.78
TOTAL		2.78	2.78	2.78

FY2011 highlights: capital outlay includes funding for land acquisition/trail expansion (\$200,000), equipment replacement (\$15,790), and renovation of the softball complex alley at the Keller Sports Park (\$14,000).

**SUMMARY SCHEDULE OF DEBT REQUIREMENTS
KELLER DEVELOPMENT CORPORATION**

Fiscal Year	Principal Due	Interest Due	Total Principal & Interest	Fiscal Year Total
FY2011	\$ 1,100,000.00	\$ 542,182.76	\$ 1,642,182.76	\$ 1,642,182.76
FY2012	1,145,000.00	505,245.13	1,650,245.13	1,650,245.13
FY2013	1,060,000.00	468,222.00	1,528,222.00	1,528,222.00
FY2014	955,000.00	431,225.00	1,386,225.00	1,386,225.00
FY2015	990,000.00	394,800.00	1,384,800.00	1,384,800.00
FY2016	1,030,000.00	358,806.25	1,388,806.25	1,388,806.25
FY2017	1,065,000.00	320,168.75	1,385,168.75	1,385,168.75
FY2018	1,110,000.00	278,693.75	1,388,693.75	1,388,693.75
FY2019	1,155,000.00	234,087.50	1,389,087.50	1,389,087.50
FY2020	1,200,000.00	186,987.50	1,386,987.50	1,386,987.50
FY2021	1,250,000.00	137,206.25	1,387,206.25	1,387,206.25
FY2022	1,300,000.00	84,612.50	1,384,612.50	1,384,612.50
FY2023	1,360,000.00	28,900.00	1,388,900.00	1,388,900.00
Total	\$ 14,720,000.00	\$ 3,971,137.39	\$ 18,691,137.39	\$ 18,691,137.39



**SCHEDULE OF KELLER DEVELOPMENT CORPORATION DEBT REQUIREMENTS
October 1, 2010**

	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Issued (000's)</u>	<u>Amount Outstanding (000's)</u>	<u>FY2011 Requirements</u>		
						<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Combination tax and revenue certificates of obligation:								
Series 2003	3.00% - 4.25%	05/2003	08/2023	\$ 18,120	\$ 14,095	\$ 865,000	\$ 521,169	\$ 1,386,169
Series 2004	4.00 - 5.00	06/2004	02/2024	755	220	105,000	6,700	111,700
Sales tax revenue refunding bonds:								
Series 2005	4.21	01/2006	01/2013	890	405	130,000	14,314	144,314
TOTAL				\$ 19,765	\$ 14,720	\$ 1,100,000	\$ 542,183	\$ 1,642,183

**SUMMARY SCHEDULE OF DEBT REQUIREMENTS
KELLER DEVELOPMENT CORPORATION
SALES TAX REVENUE REFUNDING BONDS, SERIES 2005**

<u>Date</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Principal & Interest</u>	<u>Fiscal Year Total</u>
FY2011	\$ 130,000.00	\$ 14,314.00	\$ 144,314.00	\$ 144,314.00
FY2012	135,000.00	8,735.75	143,735.75	143,735.75
FY2013	140,000.00	2,947.00	142,947.00	142,947.00
Total	\$ 405,000.00	\$ 25,996.75	\$ 430,996.75	\$ 430,996.75

Amount issued: \$890,000
Purpose: Refund KDC 1992 Sales Tax Revenue Bonds

**SUMMARY SCHEDULE OF DEBT REQUIREMENTS
KELLER DEVELOPMENT CORPORATION
COMBINATION TAX & REVENUE CERTIFICATES
OF OBLIGATION, SERIES 2003**

Date	Principal Due	Interest Due	Total Principal & Interest	Fiscal Year Total
FY2011	\$ 865,000.00	\$ 521,168.76	\$ 1,386,168.76	\$ 1,386,168.76
FY2012	895,000.00	494,209.38	1,389,209.38	1,389,209.38
FY2013	920,000.00	465,275.00	1,385,275.00	1,385,275.00
FY2014	955,000.00	431,225.00	1,386,225.00	1,386,225.00
FY2015	990,000.00	394,800.00	1,384,800.00	1,384,800.00
FY2016	1,030,000.00	358,806.25	1,388,806.25	1,388,806.25
FY2017	1,065,000.00	320,168.75	1,385,168.75	1,385,168.75
FY2018	1,110,000.00	278,693.75	1,388,693.75	1,388,693.75
FY2019	1,155,000.00	234,087.50	1,389,087.50	1,389,087.50
FY2020	1,200,000.00	186,987.50	1,386,987.50	1,386,987.50
FY2021	1,250,000.00	137,206.25	1,387,206.25	1,387,206.25
FY2022	1,300,000.00	84,612.50	1,384,612.50	1,384,612.50
FY2023	1,360,000.00	28,900.00	1,388,900.00	1,388,900.00
Total	\$ 14,095,000.00	\$ 3,936,140.64	\$ 18,031,140.64	\$ 18,031,140.64

Amount issued: \$18,120,000

Purpose: Keller Sports Park improvements and design/construction of The Keller Pointe recreation and aquatic center.

**SUMMARY SCHEDULE OF DEBT REQUIREMENTS
KELLER DEVELOPMENT CORPORATION
COMBINATION TAX & REVENUE CERTIFICATES
OF OBLIGATION, SERIES 2004**

Date	Principal Due	Interest Due	Total Principal & Interest	Fiscal Year Total
FY2011	\$ 105,000.00	\$ 6,700.00	\$ 111,700.00	\$ 111,700.00
FY2012	115,000.00	2,300.00	117,300.00	117,300.00
Total	220,000.00	9,000.00	229,000.00	229,000.00

Amount issued: \$755,000

Purpose: Furniture, fixtures and equipment for The Keller Pointe.

**THE KELLER POINTE
RECREATION AND AQUATIC CENTER FUND**

The Recreation/Aquatic Center Fund was established for FY2003. The purpose of the fund is to account for operating revenues and costs of The Keller Pointe, which opened in May 2004. The operation of the facility is considered self-supporting, because the operating costs, excluding debt service, are funded with user fees and charges.

FUND SUMMARY

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Total beginning fund balance *	\$ 655,155	\$ 697,209	\$ 749,800	\$ 780,870
Revenues and transfers	2,994,271	3,333,425	2,954,425	3,021,475
TOTAL FUNDS AVAILABLE	3,649,426	4,030,634	3,704,225	3,802,345
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	2,899,626	3,310,565	2,923,355	3,019,295
<u>ENDING FUND BALANCE: *</u>				
Unreserved fund balance *	749,800	720,069	780,870	783,050
FUND TOTAL	\$ 3,649,426	\$ 4,030,634	\$ 3,704,225	\$ 3,802,345
Excess revenues (expenditures)	94,645	22,860	31,070	2,180

* – Fund balance is cash and investments, less accounts payable.

REVENUES

OPERATING REVENUES:

Daily pass revenue	\$ 195,791	\$ 226,640	\$ 197,475	\$ 207,350
Annual pass sales	1,752,589	1,931,600	1,696,270	1,755,000
Employee pass revenue	90,368	85,520	83,400	65,000
Employee dependent pass revenue	17,667	14,100	14,520	10,000
Private party revenues	95,629	108,550	105,810	105,810
Expired gift card revenues	7,915	–	–	–
Concessions	90,380	121,100	98,555	98,000
Vending sales	–	–	–	–
Merchandise sales-general	5,731	14,935	11,000	13,000
Merchandise sales-aquatics	9,782	9,100	12,220	12,200
Stay 'N Play revenue	24,930	25,300	17,300	20,000
Aquatics Program revenues	112,320	142,700	131,635	131,700
Fitness Program revenues	108,059	109,850	111,650	111,725
Group exercise revenue	10,388	11,000	7,480	7,000
Personal training revenues	125,255	125,100	119,920	120,000
Recreation Programs revenues	222,491	265,900	231,600	240,000
Massage therapy revenues	23,198	30,100	15,000	15,000
Facility rentals	69,545	45,000	50,585	52,000
Gymnasium rentals	6,545	8,000	3,035	3,000
Pool rentals	–	34,000	25,000	30,000
Subtotal	2,968,583	3,308,495	2,932,455	2,996,785

OTHER REVENUE:

Interest earnings	15,257	7,000	7,000	7,200
Miscellaneous grants & donations	2,225	7,950	6,000	7,950
Miscellaneous revenue (expense)	8,206	9,980	8,970	9,540
Subtotal	25,688	24,930	21,970	24,690

TOTAL REVENUES AND TRANSFERS **\$ 2,994,271** **\$ 3,333,425** **\$ 2,954,425** **\$ 3,021,475**

FUND:	DEPARTMENT:	DIVISION:	ACCOUNT:
The Keller Pointe (Recreation & Aquatic Center)	The Keller Pointe (Recreation & Aquatic Center)	All Divisions/Programs	125-650-XX

DEPARTMENT DESCRIPTION:

The Keller Pointe is an enterprise facility designed to be a self-supporting operation; therefore, the revenues generated by the facility should fully support the facility's direct operating costs without subsidization of the general fund. The primary source of revenue is generated through pass sales, with the second largest revenue source being program registrations. Additional revenue sources include facility rentals, concession and merchandise sales, party reservations and sponsorships. Facility programming includes a wide range of programs to appeal to a variety of age groups of recreation, aquatic and fitness patrons. The facility and its programs are available to members and non-members, residents and non-residents. The Keller Pointe's mission is to exceed community expectations and achieve fiscal success by providing unprecedented service and award-winning programs.

The Keller Pointe Budget is divided into the following six divisions: (a) The General Administration Division includes administrative staff, office supplies and maintenance, facility marketing, utilities and general insurance; (b) The Aquatics Division includes aquatic staff and contract instructors, pool equipment maintenance and supplies, aquatic merchandise sales and aquatic program supplies; (c) The Fitness Division includes fitness program staff and contract instructors, fitness equipment maintenance and fitness program supplies; (d) The Recreation Division includes recreation staff and contract instructors/referees, birthday party supplies, recreation program and league supplies and gymnasium equipment; (e) The Facility Maintenance Division includes building maintenance staff and contract janitorial services, janitorial supplies, and facility maintenance; and (f) The Customer Service Division includes customer service staff at the front desk/ticket booth, office supplies and concessions/merchandise sales.

The Keller Development Corporation provided financing for the original construction and capital costs of the facility in 2004 (and subsequent annual principal and interest payments).

DEPARTMENT/DIVISION GOALS:

Ensure sustainability of The Keller Pointe through management of a self-sufficient enterprise fund to continue to prevent subsidization from the general fund by:

- Marketing to potential members and focusing on decreasing attrition to 35% with a goal of increasing total membership to 3,400.
- Attracting 500 new members and 700 renewals by conducting a successful annual membership sale from April 15 – May 31, 2011 offering residents the group exercise upgrade for free and their choice of a personal training or stay and play passes and the resident rate to non-residents for paid in full memberships.
- Ensuring membership retention and growth by rewarding the membership with program discounts in accordance with our program pricing structure. This will secure financial success of both membership and programming.
- Boosting program registration to exceed the previous fiscal year.
- Creating loyal guests and attracting new individuals and businesses by providing quality customer service that exceeds expectations resulting in a customer satisfaction survey rating of 90%.
- Developing knowledgeable and helpful staff through the Pointes of Excellence Training.
- Inspiring healthy lifestyles, showcasing local businesses and organizations, providing citizens and members a quality recreation experience and spotlighting The Keller Pointe amenities by hosting a minimum of six special events annually.

(continued)

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** All Divisions/Programs **ACCOUNT:** 125-650-XX

(Continued)

DEPARTMENT/DIVISION GOALS:

- Creating a safe place for pre-teens to interact and socialize by providing a minimum of two pre-teen special events.
- Fostering partnerships with civic groups, businesses, and foundations that align with our core values.
- Creating loyal sponsors and developing new opportunities for businesses to feature their products and services.
- Enhancing communication regarding The Keller Pointe's facility, programs and services through social, electronic and print media.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Completed surveys	522	467	500
Recreation programs provided (class list)	1,500	1,330	1,393
Leagues provided	18	21	23
Special events provided	11	13	14
Facility rentals/birthday parties	676	752	824
Group exercise classes offered	3,072	2,592	2,592
Completed surveys	522	467	500
Recreation programs provided (class list)	1,500	1,330	1,393
 <u>PERFORMANCE INDICATORS</u>			
Number of annual members	3,362	3,100	3,490
Annual attendance (day pass & member visits)	279,289	285,344	295,000
Recreation program participants (attendance)	5,031	5,598	6,535
League participants:			
Teams	133	122	130
Participants	1,382	1,257	1,323
Special event attendance	1,994	2,856	3,308
Member attrition rate	38%	38%	35%
Facility rentals/birthday parties	676	752	824
Group exercise attendance	40,552	32,400	41,000

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** All Divisions/Programs **ACCOUNT:** 125-650-XX

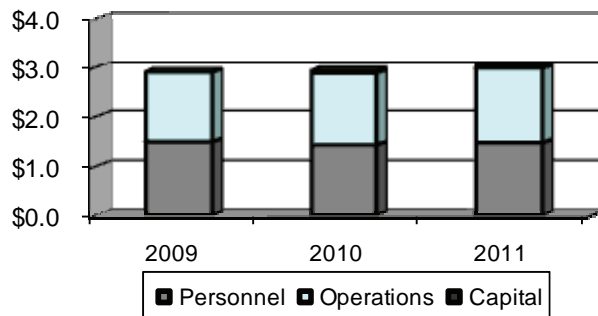
**THE KELLER POINTE
DEPARTMENT SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION</u>				
Personnel services	\$ 1,494,331	\$ 1,684,125	\$ 1,430,080	\$ 1,475,530
Operations & maintenance	355,680	362,055	367,040	368,395
Services & other	1,049,615	1,229,385	1,083,335	1,140,370
Debt service	-	-	-	-
SUBTOTAL	2,899,626	3,275,565	2,880,455	2,984,295
Capital outlay	-	35,000	42,900	35,000
TOTAL	\$ 2,899,626	\$ 3,310,565	\$ 2,923,355	\$ 3,019,295
<u>EXPENDITURES BY ACTIVITY</u>				
Administration	\$ 937,694	\$ 1,183,395	\$ 1,002,225	\$ 1,030,900
Aquatics	476,022	508,125	474,530	479,395
Fitness Programs	476,561	444,825	409,935	413,460
Recreation Programs	329,567	365,505	307,825	326,380
Facility Operations & Maintenance	358,831	440,030	395,815	437,410
Customer Service & Concessions	320,951	368,685	333,025	331,750
TOTAL	\$ 2,899,626	\$ 3,310,565	\$ 2,923,355	\$ 3,019,295

**PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)**

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	5.40	5.50	5.50
Aquatics	17.98	14.90	17.19
Fitness Programs	3.66	5.54	3.70
Recreation Programs	9.47	5.26	9.19
Facility Operations & Maintenance	2.00	2.00	2.00
Customer Service & Concessions	14.08	12.63	12.58
TOTAL	52.59	45.83	50.16

**The Keller Pointe Expenditures
(millions)**



FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Administration **ACCOUNT:** 125-650-01

ADMINISTRATION

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 352,902	\$ 390,330	\$ 310,655	\$ 324,690
Operations & maintenance	57,506	68,475	65,725	67,275
Services & other	527,286	699,590	582,945	603,935
SUBTOTAL	937,694	1,158,395	959,325	995,900
Capital outlay	-	25,000	42,900	35,000
TOTAL	\$ 937,694	\$ 1,183,395	\$ 1,002,225	\$ 1,030,900

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Recreation Manager	PE-9	1.0	1.0	1.0
Assistant Manager	PE-6	1.0	1.0	1.0
Accountant	PE-4	1.0	1.0	1.0
Administrative Secretary	A/TN-8	1.0	1.0	1.0
Sales/Marketing Coordinator	A/TN-6	1.0	1.0	1.0
Administrative Assistant	NA	0.4	0.5	0.5
TOTAL		5.4	5.5	5.5

FY2011 highlights: capital outlay provides funding for furniture, fixtures and equipment replacement.

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Aquatics **ACCOUNT:** 125-650-02

AQUATICS

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 376,020	\$ 430,220	\$ 399,285	\$ 407,090
Operations & maintenance	78,980	57,700	54,435	49,600
Services & other	21,022	20,205	20,810	22,705
SUBTOTAL	476,022	508,125	474,530	479,395
Capital outlay	-	-	-	-
TOTAL	\$ 476,022	\$ 508,125	\$ 474,530	\$ 479,395

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Aquatics Supervisor	PE-4	1.00	1.00	1.00
Assistant Aquatics Supervisor	A/TN-5	1.00	1.00	1.00
Head Lifeguard	RCS-3	4.20	3.03	3.98
Lifeguard	RCS-2	11.30	9.39	10.73
Water Safety Instructor	RCS-4	0.48	0.48	0.48
TOTAL		17.98	14.90	17.19

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Fitness Programs **ACCOUNT:** 125-650-03

FITNESS PROGRAMS

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 200,626	\$ 211,645	\$ 188,450	\$ 200,400
Operations & maintenance	101,028	60,000	60,710	49,040
Services & other	174,907	173,180	160,775	164,020
SUBTOTAL	476,561	444,825	409,935	413,460
Capital outlay	-	-	-	-
TOTAL	\$ 476,561	\$ 444,825	\$ 409,935	\$ 413,460

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Fitness Program Coordinator	A/TN-5	1.00	1.00	1.00
Personal Training Coordinator	A/TN-4	1.00	1.00	1.00
Personal Trainer (part-time)	RCS-3	1.66	1.12	1.70
Childcare Attendant	RCS-1	-	2.42	-
TOTAL		3.66	5.54	3.70

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Recreation Programs **ACCOUNT:** 125-650-04

RECREATION PROGRAMS

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 202,975	\$ 239,615	\$ 183,840	\$ 192,390
Operations & maintenance	1,534	6,000	3,000	4,000
Services & other	125,058	119,890	120,985	129,990
SUBTOTAL	329,567	365,505	307,825	326,380
Capital outlay	-	-	-	-
TOTAL	\$ 329,567	\$ 365,505	\$ 307,825	\$ 326,380

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Recreation Supervisor	PE-3	1.00	1.00	1.00
Assistant Recreation Supervisor	A/TN-5	1.00	1.00	1.00
Camp Counselor	RCS-2	2.37	1.78	2.18
Recreation Assistant (seasonal)	RCS-1	1.06	1.48	1.10
Childcare Attendant	RCS-1	4.04	-	3.91
TOTAL		9.47	5.26	9.19

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Facility Maintenance **ACCOUNT:** 125-650-05

FACILITY MAINTENANCE

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 97,689	\$ 117,210	\$ 78,075	\$ 79,970
Operations & maintenance	60,857	97,880	120,920	138,980
Services & other	200,285	214,940	196,820	218,460
SUBTOTAL	358,831	430,030	395,815	437,410
Capital outlay	-	10,000	-	-
TOTAL	\$ 358,831	\$ 440,030	\$ 395,815	\$ 437,410

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Building Operations Supervisor	TN-10	1.0	1.0	1.0
Building Maintenance Tech I	TN-1	1.0	1.0	1.0
TOTAL		2.0	2.0	2.0

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Customer Service & Concessions **ACCOUNT:** 125-650-06

CUSTOMER SERVICE & CONCESSIONS

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 264,119	\$ 295,105	\$ 269,775	\$ 270,990
Operations & maintenance	55,775	72,000	62,250	59,500
Services & other	1,057	1,580	1,000	1,260
SUBTOTAL	320,951	368,685	333,025	331,750
Capital outlay	-	-	-	-
TOTAL	\$ 320,951	\$ 368,685	\$ 333,025	\$ 331,750

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Customer Service Supervisor	PE-3	1.00	1.00	1.00
Senior Customer Service Representative	A/TN-1	2.00	2.00	2.00
Customer Service Representative (part-time)	RCS-2	7.05	7.33	6.31
Concession Stand Attendant	RCS-1	4.03	2.30	3.27
TOTAL		14.08	12.63	12.58

INFORMATION SERVICES FUND

The Information Services Fund was created by the City in FY2001 to account for City-wide information services/information technology operations. Sources of funding for the Information Services Fund are provided by user fees and transfers from various operating funds, tower rental revenues, and interest revenue. Expenditures provide for information technology support personnel and goods and services to be utilized on a City-wide basis. In October 2005, the Public Library support, Internet services, and Audio Visual services were transferred to Information Services.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
INFORMATION SERVICES FUND SUMMARY				
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 483,448	\$ 399,989	\$ 507,964	\$ 388,504
Revenues and transfers	1,326,348	1,399,770	1,395,850	1,503,800
TOTAL FUNDS AVAILABLE	1,809,796	1,799,759	1,903,814	1,892,304
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	1,301,832	1,546,060	1,515,310	1,606,235
<u>ENDING FUND BALANCE:</u>				
Unreserved fund balance	507,964	253,699	388,504	286,069
FUND TOTAL	\$ 1,809,796	\$ 1,799,759	\$ 1,903,814	\$ 1,892,304
Excess revenues (expenditures)	24,516	(146,290)	(119,460)	(102,435)
REVENUES				
<u>OPERATING REVENUES:</u>				
Information services fees-City	\$ 1,072,000	\$ 1,117,500	\$ 1,117,500	\$ 1,240,820
General Fund lease revenue	140,550	179,070	177,150	165,760
Water/Wastewater Fund lease revenue	17,600	24,140	24,140	20,470
Drainage Utility Fund lease revenue	495	1,635	1,635	1,485
The Keller Pointe lease revenue	14,045	16,445	16,445	15,835
Juvenile Case Manager lease revenue	-	-	-	460
Teen Court Fund lease revenue	-	480	480	470
Communication tower rental fees	71,357	52,500	52,500	52,500
Subtotal	1,316,047	1,391,770	1,389,850	1,497,800
<u>OTHER REVENUE:</u>				
Interest earnings	10,301	8,000	6,000	6,000
Subtotal	10,301	8,000	6,000	6,000
TOTAL REVENUES AND TRANSFERS	\$ 1,326,348	\$ 1,399,770	\$ 1,395,850	\$ 1,503,800

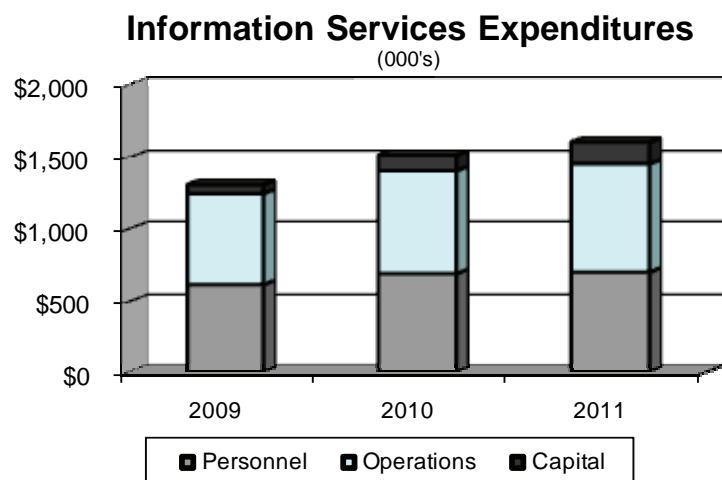
INFORMATION SERVICES FUND COMBINED EXPENDITURES

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 616,987	\$ 690,095	\$ 692,340	\$ 702,655
Operations & maintenance	408,727	455,250	453,100	511,250
Services & other	216,552	261,310	252,370	231,830
SUBTOTAL	1,242,266	1,406,655	1,397,810	1,445,735
Capital outlay	59,566	139,405	117,500	160,500
TOTAL	\$ 1,301,832	\$ 1,546,060	\$ 1,515,310	\$ 1,606,235

<u>EXPENDITURES BY DIVISION:</u>				
Administration	\$ 1,159,723	\$ 1,392,915	\$ 1,371,105	\$ 1,468,705
Geographic Information Services	142,109	153,145	144,205	137,530
TOTAL	\$ 1,301,832	\$ 1,546,060	\$ 1,515,310	\$ 1,606,235

PERSONNEL SUMMARY BY DEPARTMENT (Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Administration	6.0	6.0	6.0
Geographic Information Services	1.5	1.0	1.0
TOTAL	7.5	7.0	7.0



FUND:
Information Services

DEPARTMENT:
Information Services

DIVISION:
Administration

ACCOUNT:
119-180-15

DEPARTMENT/DIVISION DESCRIPTION:

The Information Services Administration division is under the general direction of the Assistant City Manager and is responsible for hardware and software support and maintenance of all computer systems for the City of Keller. Responsibilities include networking, network security, PC support, desktop applications, printer maintenance, departmental software application support, email, IP Telephony, Security Video Camera support, Web site development/maintenance, Audio Visual support, Public Library Patron/staff support, general City wide communication, and the procurement of all hardware and software requests. Activities also include establishment and implementation of appropriate policies and procedures related to information technology.

In November 2002, geographic information system (GIS) activities were transferred from the Public Works Department to Information Services. In October 2005, the Public Library, Internet services, and Audio Visual services were transferred to Information Services. In January of 2008, oversight of general City-wide communications were transferred to Information Services

DEPARTMENT/DIVISION GOALS:

1. Increase productivity and decrease cost of providing city services through the implementation and support of technology based services.
2. Provide timely and efficient technical support services to all departments.
3. Maintain the Keller Technology Plan (KTP) as a prioritization and management tool for Information Technology projects throughout the entire organization.
Key principles of KTP:
 - a. Core Principle: to consolidate the review and management of all City IT projects under one entity, Information Services, to ensure IT projects are implemented in accordance with organization wide goals and initiatives. Implement processes and procedures to ensure the effective and economical use of IT resources while improving staff efficiency and improving services to the citizens of Keller.
 - b. Replacement Principle: to ensure Information Technology (IT) equipment is utilized to its maximum useful life, but plan to have enough funds available to replace equipment when needed to ensure optimal employee efficiency. Maintain an accurate inventory and standardized replacement schedule for technology based products.
 - c. New Request Principle: to ensure there is an adequate return on investment (ROI) on all new IT budget requests to provide a significant new service, increase staff efficiency, and/or improve services to staff and citizens. Follow city mandated purchasing policies and procedures, utilize request for proposals (RFP) to ensure that new technology requests match city business requirements, and utilize state and local purchasing agreements to leverage volume pricing.
4. Maintain the City's network/data center to reduce cost, eliminate duplication, and improve performance of information technology services.
5. Maintain and update software / hardware standardization policies for all City Departments.
6. Ensure that all City software is properly licensed and documented.
7. Maintain comprehensive backups for all City servers including offsite storage of all backup media.
8. Maintain the City's communication infrastructure to ensure reliable voice and data service to all City facilities.
9. Maintain current anti-virus/anti-spam/anti-malware software to prevent damage to City operations.
10. Provide project management to all technology related projects within the City.
11. Maintain a Document Imaging system to reduce physical file storage requirements and improve access to critical information.

(continued)

FUND:
Information Services

DEPARTMENT:
Information Services

DIVISION:
Administration

ACCOUNT:
119-180-15

(Continued)

DEPARTMENT/DIVISION GOALS:

12. Constantly improve the City of Keller's web site by creating consistency in the appearance and functionality of all City and department specific web sites, and also enhance the economic development focus of the web site.
13. Provide clear and accurate communication related to key City services, programs, events, and news to foster an engaged and informed citizenry.
14. Continually review communication tools and advancements in technology and respond to the needs of our citizens by fostering open, responsive, and accessible communications.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Application/file/storage servers supported/maintained	28	28	26
Desktop/laptop computers supported/maintained	260	289	280
Public Safety Mobile Data Computers (MDC) supported	27	29	29
Network / local printers supported/maintained	98	114	88
Telephone handsets supported/maintained	272	285	280
Network equipment/devices supported/maintained	50	50	52
Multi-function copy machines supported	14	14	14
Scanners supported/maintained	20	23	25

FUND:
Information Services

DEPARTMENT:
Information Services

DIVISION:
Administration

ACCOUNT:
119-180-15

**INFORMATION SERVICES FUND
ADMINISTRATION EXPENDITURES**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 525,053	\$ 594,245	\$ 601,230	\$ 616,570
Operations & maintenance	378,851	432,850	431,900	489,950
Services & other	196,253	226,415	220,475	201,685
SUBTOTAL	1,100,157	1,253,510	1,253,605	1,308,205
Capital outlay	59,566	139,405	117,500	160,500
TOTAL	\$ 1,159,723	\$ 1,392,915	\$ 1,371,105	\$ 1,468,705

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Information Services Manager	Director	1.0	1.0	1.0
Information Services Analyst	PE-7	1.0	1.0	1.0
Information Services Network Analyst	PE-7	1.0	1.0	1.0
Information Services Systems Analyst	PE-7	1.0	1.0	1.0
Information Services Internet Analyst	PE-6	1.0	1.0	1.0
Information Services Technician	A/TN-9	1.0	1.0	1.0
TOTAL		6.0	6.0	6.0

FY2011 highlights: capital outlay includes funding for technology-related hardware replacements and/or upgrades for all City facilities, primarily in Keller Town Hall and the Municipal Service Center.

FUND:
Information Services

DEPARTMENT:
Information Services

DIVISION:
Geographic Information
Systems

ACCOUNT:
119-180-19

DEPARTMENT/DIVISION DESCRIPTION:

The Geographic Information Systems (GIS) division is under the general direction of the Assistant City Manager and Information Services Director. GIS provides geographic information and geographic data management services to City departments. Specific services include software and data needs analysis, software support, data analysis, data conversion, map production, interactive map web pages, and geographic database management.

Prior to November 2002, GIS activities were included in the Public Works Department.

DEPARTMENT/DIVISION GOALS:

1. Provide effective geographic solutions to streamline City processes.
2. Improve GIS applications and increase the accessibility of GIS data to more City staff.
3. Continue to maintain all primary GIS datasets.
4. Improve/enhance our existing North Central Texas Council of Government (NCTCOG) iCommunities GIS web site.
5. Continue to develop new GIS data layers for the Police, Fire, Community Development, and Parks and Recreation departments.
6. Work with Public Works to develop a Storm Drain GIS data layer.
7. Continue to integrate GIS utilities datasets with the Public Works GBA Master Series work order system.
8. Continue to improve the GIS Intranet site to better serve internal staff with GIS data.
9. Work with Public Safety Departments to improve access to critical infrastructure information in a timely manner.
10. Maintain and update the GIS implementation plan as conditions warrant.
11. Help support City operations by providing location based analysis of City information and operations.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Intranet GIS users	30	40	45
Advanced GIS users performing analysis and developing detailed maps	8	9	12

FUND:
Information Services

DEPARTMENT:
Information Services

DIVISION:
Geographic Information
Systems

ACCOUNT:
119-180-19

**INFORMATION SERVICES FUND
GEOGRAPHIC INFORMATION SYSTEM EXPENDITURES**

	<u>2008-2009 ACTUAL</u>	<u>2009-2010 BUDGET</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 BUDGET</u>
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 91,934	\$ 95,850	\$ 91,110	\$ 86,085
Operations & maintenance	29,876	22,400	21,200	21,300
Services & other	20,299	34,895	31,895	30,145
SUBTOTAL	142,109	153,145	144,205	137,530
Capital outlay	-	-	-	-
TOTAL	\$ 142,109	\$ 153,145	\$ 144,205	\$ 137,530

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

<u>POSITION TITLE</u>	<u>PAY CLASS</u>	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 BUDGET</u>
GIS Coordinator	PE-8	1.0	1.0	1.0
GIS Intern	NA	0.5	-	-
TOTAL		1.5	1.0	1.0

LIBRARY SPECIAL REVENUE FUND

The Library Special Revenue Fund accounts for special contributions, donations, and related expenditures for the Keller Public Library.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
LIBRARY SPECIAL REVENUE FUND SUMMARY				
<u>RESOURCES:</u>				
Total beginning fund balance (deficit)	\$ (1,238)	\$ 822	\$ 13,081	\$ 27,591
Revenues and transfers	47,765	44,510	68,335	44,510
TOTAL FUNDS AVAILABLE	46,527	45,332	81,416	72,101
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	33,446	42,500	53,825	41,500
<u>ENDING FUND BALANCE:</u>				
Unreserved fund balance	13,081	2,832	27,591	30,601
FUND TOTAL	\$ 46,527	\$ 45,332	\$ 81,416	\$ 72,101
Excess revenues (expenditures)	14,319	2,010	14,510	3,010

REVENUES

<u>MISCELLANEOUS REVENUES:</u>				
Utility Bill Donations	\$ 10,160	\$ 14,000	\$ 12,000	\$ 14,000
Library Donations	24,727	8,500	40,000	8,500
Non-resident fees	1,862	3,560	3,560	3,560
Interest earnings	558	450	450	450
Miscellaneous grant revenue	10,458	18,000	12,325	18,000
TOTAL REVENUES AND TRANSFERS	\$ 47,765	\$ 44,510	\$ 68,335	\$ 44,510

LIBRARY SPECIAL REVENUE FUND

EXPENDITURE SUMMARY

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	5,858	28,645	37,010	36,645
Services & other	723	4,855	4,490	4,855
SUBTOTAL	6,581	33,500	41,500	41,500
Capital outlay	26,865	9,000	12,325	-
TOTAL	\$ 33,446	\$ 42,500	\$ 53,825	\$ 41,500
<u>EXPENDITURES BY ACTIVITY:</u>				
Library Services	\$ 23,748	\$ 24,500	\$ 32,500	\$ 32,500
Library Grant Expenditures	9,698	18,000	21,325	9,000
TOTAL	\$ 33,446	\$ 42,500	\$ 53,825	\$ 41,500

PERSONNEL SUMMARY BY DEPARTMENT (Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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RECREATION SPECIAL REVENUE FUND

The Recreation Special Revenue Fund accounts for specific revenues and fees resulting from the operations of the City recreation program, and their related costs.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
RECREATION SPECIAL REVENUE FUND SUMMARY				
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 182,338	\$ 26,050	\$ 68,218	\$ 79,063
Revenues and transfers	203,768	154,920	138,970	118,300
TOTAL FUNDS AVAILABLE	386,106	180,970	207,188	197,363
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	317,888	159,050	128,125	138,630
<u>ENDING FUND BALANCE:</u>				
Total fund balance	68,218	21,920	79,063	58,733
Designated for Wild West Fest	11,194	13,175	12,194	13,194
Designated for tree preservation	18,279	8,279	13,409	13,409
Unreserved fund balance	38,745	466	53,460	32,130
FUND TOTAL	\$ 386,106	\$ 180,970	\$ 207,188	\$ 197,363
Excess revenues (expenditures)	(114,120)	(4,130)	10,845	(20,330)

REVENUES

<u>RECREATION PROGRAMS REVENUE:</u>				
Texas Amateur Athletic Foundation (TAAF):				
Swimming revenue	\$ 26,211	\$ 20,150	\$ 32,000	\$ 24,800
Daddy/daughter sweetheart ball	5,714	5,400	6,150	6,000
Halloween haunted trail revenue	4,320	3,000	6,935	5,000
Holly Days in the Park revenue	1,225	2,000	2,400	3,000
Wild West Fest revenue	29,165	29,000	29,000	29,000
Mother/son ice cream social revenue	935	1,000	1,000	1,300
Keller family campout revenue	1,570	2,000	2,500	2,550
Easter event revenue	355	500	1,540	1,300
Spooky-Kooky-Keller-Kastle revenue	376	100	325	1,000
Family fun films revenue	523	500	1,600	1,100
Fishing event revenue	20	500	760	500
Recreation program revenue	23,498	6,000	6,500	6,000
Senior Services program revenues	11,082	9,250	11,350	10,750
TOTAL RECREATION REVENUES	\$ 104,994	\$ 79,400	\$ 102,060	\$ 92,300

(continued)

**RECREATION SPECIAL REVENUE FUND
REVENUES**

(Continued)

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>MISCELLANEOUS REVENUES:</u>				
Interest earnings	\$ 2,241	\$ 2,500	\$ 700	\$ 1,000
Miscellaneous park donations	42,654	2,250	2,000	2,250
Miscellaneous revenue (expense)	17	-	-	-
Charter Community grant revenue	11,353	-	-	-
Get Up/Get Out Kids Fest grant revenue	5,395	39,600	-	-
Ticket sales revenue	1,969	6,570	2,000	2,000
Concerts in the Park revenue	3,000	5,100	3,000	5,100
Utility bill donation revenue	10,166	9,000	12,000	9,000
Recreation donations	-	-	1,400	-
Right-of-way easements	-	-	11,160	-
Senior Services donations	8,403	2,000	2,000	2,000
Veteran's Memorial donations	1,621	500	650	650
Tree preservation fines/fees	8,000	8,000	2,000	4,000
TOTAL MISCELLANEOUS REVENUES	94,819	75,520	36,910	26,000
REVENUES BEFORE TRANSFERS	199,813	154,920	138,970	118,300
<u>TRANSFERS FROM OTHER FUNDS:</u>				
Transfer from general fund	3,955	-	-	-
TOTAL TRANSFERS	3,955	-	-	-
TOTAL REVENUES AND TRANSFERS	\$ 203,768	\$ 154,920	\$ 138,970	\$ 118,300

FUND:
Recreation Special
Revenue

DEPARTMENT:
All Activities

DIVISION:
All Activities

ACCOUNT:
112-XXX-XX

DEPARTMENT DESCRIPTIONS:

Recreation Programs Division:

The Recreation Programs division is responsible for administering the activities of the programs and youth sport teams offered outside of The Keller Pointe. Administrative functions of the recreation program are included in the General Fund Parks and Recreation budget. The special revenue fund accounts for program supplies and services that are direct costs of the recreation programs and teams.

Special Events Division:

The Special Events budget accounts for special event activities administered by the Department, including Wild Wild West Fest, Holly Days, Haunted Trails, TREE-Mendous Egg Scramble, Family Fun Films, Daddy/Daughter Sweetheart Ball, Family Camp Out, Outdoor Holiday Yard Decorating Contest, Mother/Son I Scream Social, Spooky Kooky Keller Kastle and Fishing for Fun. These events are funded by the 50-cent water bill donations, sponsorships, grants, donations and booth fees with the exception of the administrative staffing of the special events which is included in the General Fund Parks and Recreation budget.

Concerts in the Park Division:

The Concerts in the Park account provides funding for activities associated with musical entertainment and activities for three concerts held during the summer months at Bear Creek Park. Administrative staffing of the event is included in the General Fund Parks and Recreation budget.

Senior Services Programs and Trips

The Senior Services Division accounts for senior recreation programs and trips. These activities are funded by class/trip fees, sponsorships, grants and donations. Administrative staffing for these activities is included in the General Fund Parks and Recreation Budget.

DEPARTMENT/ACTIVITY GOALS:

1. Plan, administer and coordinate a variety of quality recreation programs, special events/activities and foster tourism, showcase local businesses and organizations and provide citizens an economical means of recreation through the creation and implementation of a variety of enriching programs and special events to appeal to guests of different ages and interest.
2. Inspire environmental stewardship and healthy lifestyles through the management of Keller Proud and Texas Amateur Athletic Federation Programs.
3. Ensure sustainability of citywide special events through the expansion of our resources and encouragement of community involvement by:
 - a. Fostering partnerships with civic groups, businesses, foundations and neighboring communities that align with our core values.
 - b. Maintaining and promoting an active and rewarding volunteer program.
 - c. Creating loyal sponsors and developing new opportunities for businesses to feature their products and services.
4. Attract individuals and businesses to the area by providing quality customer care in the delivery of all programs and services that exceeds guest expectations.
5. Enhance communication regarding recreational programs, events and facilities through social, electronic and print media.

(Continued)

FUND:
Recreation Special
Revenue

DEPARTMENT:
All Activities

DIVISION:
All Activities

ACCOUNT:
112-XXX-XX

(Continued)

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 PROJECTED
Special events provided annually	35	26	26
Recreation program volunteers	574	461	465
Recreation leagues provided	8	8	8
Recreation leagues provided at KISD facilities	1	1	1
Number of special event partnerships developed	17	18	19
Senior Center trips offered	34	40	44
Senior Center birthday breakfasts offered	12	12	12
Senior Center Thursday night activities	48	48	48
 <u>PERFORMANCE INDICATORS</u>			
Special events guests	27,359	21,200	22,000
Recreation program volunteer hours	2,021	1,600	1,625
Recreation league participants	183	160	160
Recreation partnership dollars generated	\$95,488	\$20,000	\$95,000
Senior Center trip participants	924	950	1,000
Senior Center birthday breakfast participants	237	248	270
Senior Center Thursday night participants	1,013	1,150	1,250

FUND:
Recreation Special
Revenue

DEPARTMENT:
All Activities

DIVISION:
All Activities

ACCOUNT:
112-XXX-XX

**RECREATION SPECIAL REVENUE FUND
EXPENDITURE SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	92,527	46,095	52,005	47,300
Services & other	156,685	112,955	76,120	80,170
SUBTOTAL	249,212	159,050	128,125	127,470
Capital outlay	68,676	-	-	11,160
TOTAL	\$ 317,888	\$ 159,050	\$ 128,125	\$ 138,630
<u>EXPENDITURES BY PROGRAM:</u>				
Senior Services Programs	\$ 42,678	\$ 16,970	\$ 18,030	\$ 18,030
Recreation Programs	101,571	29,680	32,865	31,385
Special Events	118,027	83,450	48,210	51,655
Designated Expenditures	46,344	21,250	19,870	28,410
Memorial Park Expenditures	-	-	650	650
Concerts in the Park	9,268	7,700	8,500	8,500
TOTAL	\$ 317,888	\$ 159,050	\$ 128,125	\$ 138,630

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

DEPARTMENT / DIVISION	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
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FY2011 highlights: capital outlay funding is provided for improvements to Keller Sports Park.

MUNICIPAL COURT SPECIAL REVENUE FUND

The Municipal Court Special Revenue Fund accounts for technology and building security fees collected from Municipal Court citations. Expenditures from these fees are specifically designated by state law.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
MUNICIPAL COURT SPECIAL REVENUE FUND SUMMARY				
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 260,424	\$ 251,320	\$ 250,554	\$ 196,069
Revenues and transfers	104,086	109,000	109,000	109,000
TOTAL FUNDS AVAILABLE	364,510	360,320	359,554	305,069
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	113,956	160,987	163,485	152,430
<u>ENDING FUND BALANCE:</u>				
Unreserved fund balance	250,554	199,333	196,069	152,639
FUND TOTAL	\$ 364,510	\$ 360,320	\$ 359,554	\$ 305,069
Excess revenues (expenditures)	(9,870)	(51,987)	(54,485)	(43,430)

REVENUES

<u>MISCELLANEOUS REVENUES:</u>				
Technology fees	\$ 28,992	\$ 30,000	\$ 30,000	\$ 30,000
Building security fees	21,743	25,000	25,000	25,000
School crossing fees	10,770	10,000	10,000	10,000
Juvenile Case Manager fees	35,892	39,000	39,000	39,000
Interest earnings	6,689	5,000	5,000	5,000
TOTAL REVENUES AND TRANSFERS	\$ 104,086	\$ 109,000	\$ 109,000	\$ 109,000

The Keller Municipal Court collects a special court (building) security fee of \$3.00 per violation from each defendant convicted of a misdemeanor offense as allowed in Article 102.017 of the Texas Code of Criminal Procedures and approved by the Keller City Council effective September 1, 1995, in Ordinance 18-131.

Allowable expenses for this fee include:

1. purchase or repair of X-ray machines and conveying systems;
2. hand-held metal detectors;
3. walk-through metal detectors;
4. identification cards and systems;
5. electronic locking and surveillance equipment;
6. Bailiffs, Deputy Sheriffs, Deputy Constables, or contract security personnel during times when they are providing security services for the Keller Municipal Court;
7. signage;
8. confiscated weapon, inventory and tracking systems;
9. locks, chains, or other security hardware;
10. purchase or repair of bullet proof glass; or
11. continuing education on security issues.

FUND:
Municipal Court Special
Revenue

DEPARTMENT:
All Activities

DIVISION:
All Activities

ACCOUNT:
114-XXX-XX

The Keller Municipal Court collects a special technology fee of \$4.00 per violation from each defendant convicted of a misdemeanor offense as allowed in Article 102.017 of the Texas Code of Criminal Procedures and approved by the Keller City Council effective September 1, 1999, in Ordinance 18-132.

Allowable expenses for this fee include:

1. computer systems;
2. computer networks;
3. computer hardware;
4. computer software;
5. imaging systems;
6. electronic kiosks;
7. electronic ticket writers; and
8. docket management systems.

The Keller Municipal Court also collects a special Juvenile Case Manager fee of \$5.00 per violation from each defendant convicted of a misdemeanor offense as allowed in Texas Code of Criminal Procedure Article 45.056(c), which would provide authority for Municipal Courts to employ a juvenile case manager to provide services in cases before the Court dealing with juvenile offenders, consistent with the Court's statutory powers as approved by the Keller City Council.

Allowable expenses for this fee include:

Salary, benefits, and related costs associated with the juvenile case manager position.

**MUNICIPAL COURT SPECIAL REVENUE FUND
EXPENDITURE SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 44,952	\$ 50,745	\$ 54,580	\$ 68,045
Operations & maintenance	38,470	79,862	79,865	70,925
Services & other	30,534	11,880	10,540	13,460
SUBTOTAL	113,956	142,487	144,985	152,430
Capital outlay	-	18,500	18,500	-
TOTAL	\$ 113,956	\$ 160,987	\$ 163,485	\$ 152,430

<u>EXPENDITURES BY DIVISION:</u>				
Building Security Account	\$ 2,479	\$ 26,865	\$ 29,850	\$ 21,430
Technology Account	61,873	76,162	76,165	67,225
Juvenile Case Manager Account	45,050	47,960	47,470	53,775
School Crossing Guard Account	4,554	10,000	10,000	10,000
TOTAL	\$ 113,956	\$ 160,987	\$ 163,485	\$ 152,430

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Juvenile Case Manager	ATN/4	1.0	1.0	1.0
TOTAL		1.0	1.0	1.0

TEEN COURT SPECIAL REVENUE FUND

The Teen Court Special Revenue Fund accounts for the operations of the regional joint team court operations with the cities of Keller, Haltom City and Watauga, and the surrounding school districts. The Teen Court Activity is funded by contributions from the participating entities.

2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
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TEEN COURT SPECIAL REVENUE FUND SUMMARY

RESOURCES:

Total beginning fund balance	\$ 45,983	\$ 56,293	\$ 53,772	\$ 21,832
Revenues and transfers	87,941	49,125	49,125	89,730

TOTAL FUNDS AVAILABLE	133,924	105,418	102,897	111,562
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USES/DEDUCTIONS:

Expenditures and transfers out	80,152	81,835	81,065	83,835
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ENDING FUND BALANCE:

Unreserved fund balance	53,772	23,583	21,832	27,727
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FUND TOTAL	\$ 133,924	\$ 105,418	\$ 102,897	\$ 111,562
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Excess revenues (expenditures)	7,789	(32,710)	(31,940)	5,895
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REVENUES

MISCELLANEOUS REVENUES:

City of Haltom City contribution	\$ 32,449	\$ 15,795	\$ 15,795	\$ 31,840
City of Watauga contribution	20,263	10,135	10,135	19,020
Teen Court fines & donations	3,734	5,000	5,000	5,000
Interest revenue	1,300	3,000	3,000	3,000

REVENUES BEFORE TRANSFERS	57,746	33,930	33,930	58,860
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TRANSFERS FROM OTHER FUNDS:

Transfer from general fund	30,195	15,195	15,195	30,870
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TOTAL TRANSFERS	30,195	15,195	15,195	30,870
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TOTAL REVENUES	\$ 87,941	\$ 49,125	\$ 49,125	\$ 89,730
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FUND:
Teen Court Special
Revenue

DEPARTMENT:
Teen Court

DIVISION:
Administration

ACCOUNT:
116-160-10

DEPARTMENT/DIVISION DESCRIPTION:

The teen court program was created in 1996 by an interlocal agreement among the cities of Keller, Watauga, and Haltom City. Teen court is a volunteer program that provides juvenile Class C misdemeanor offenders an alternative to the criminal justice system. The teen court program encourages juveniles to assume responsibility for their own actions, which is accomplished by their involvement in the judicial process and community services so that offenses will not be reported to the state and become a part of their permanent juvenile record.

DEPARTMENT/DIVISION GOALS:

1. Continue to provide a diversionary program to hold juvenile offenders responsible for their actions with logical and consistent consequences.
2. Continue to promote healthy attitudes toward authority.
3. Continue to provide an effective forum for juveniles to become familiar with the court system.
4. Continue to reduce the involvement of juvenile offenders with the criminal justice system.
5. Continue to assist juvenile offenders to recognize the effects of their behavior on the entire community.
6. Continue to involve the communities to promote understanding and deter juvenile offenders.
7. Continue the attendance in the "Skill Builders Program" for teens, to encourage better communication and problem solving skills. (Parents must attend the first and last class).
8. Continue to promote adult volunteers to actively participate in court sessions; whereby, juvenile offenders can experience positive adult role models.
9. Continue to increase the number of teen volunteers to help them better understand how the legal system works and to promote community service in our community.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

<u>SERVICES PROVIDED</u>	SERVICE ANALYSIS		
	<u>2008-2009 ACTUAL</u>	<u>2009-2010 ESTIMATE</u>	<u>2010-2011 PROJECTED</u>
Number of cases referred to Teen Court	439	456	500
Number of community service hours completed by defendants	14,159	16,724	17,000
Number of teen volunteers serving in Teen Court	12	22	30
Number of teens attending Options Program (ages 12 – 14) to be put in anger management	129	88	100
Number of adult volunteers serving in Teen Court	6	6	5

FUND:
Teen Court Special
Revenue

DEPARTMENT:
Teen Court

DIVISION:
Administration

ACCOUNT:
116-160-10

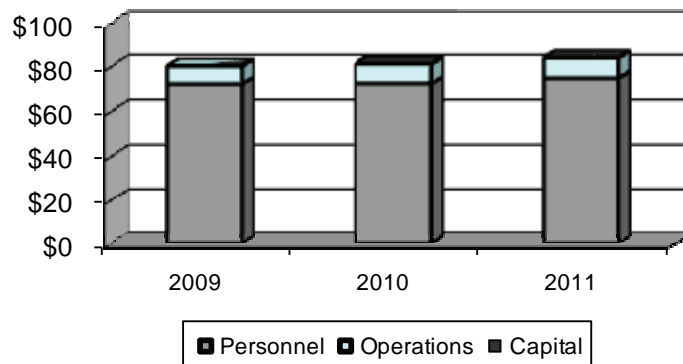
TEEN COURT SPECIAL REVENUE FUND

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ 72,113	\$ 72,340	\$ 72,320	\$ 74,785
Operations & maintenance	969	1,300	1,325	1,300
Services & other	7,070	8,195	7,420	7,750
SUBTOTAL	80,152	81,835	81,065	83,835
Capital outlay	-	-	-	-
TOTAL	\$ 80,152	\$ 81,835	\$ 81,065	\$ 83,835

PERSONNEL SUMMARY BY DEPARTMENT
(Full-time Equivalent Positions - Includes Vacant Positions)

POSITION TITLE	PAY CLASS	2008-2009 ACTUAL	2009-2010 ESTIMATE	2010-2011 BUDGET
Teen Court Coordinator	PE-1	1.0	1.0	1.0
TOTAL		1.0	1.0	1.0

Teen Court Expenditures (000's)



KELLER CRIME CONTROL PREVENTION DISTRICT

The Keller Crime Control Prevention District Fund was created in FY2002 to account for the resources and revenues derived from the crime control district sales tax, authorized by an election in November 2001. In May 2006, voters authorized to extend the tax by an additional 15 years. In November 2007, voters authorized a reduction in the rate from three-eighths of one percent (0.375%) to one-quarter of one percent (0.25%). This reallocation became effective April 1, 2008.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 1,549,518	\$ 2,300,959	\$ 2,243,116	\$ 2,907,526
<u>REVENUES:</u>				
City sales taxes	979,874	990,000	945,000	945,000
Interest revenue	15,087	12,000	12,000	12,000
Miscellaneous revenue	8,933	8,000	10,000	12,500
Intergovernmental revenue - Southlake	49,700	-	-	-
TOTAL REVENUES	1,053,594	1,010,000	967,000	969,500
TOTAL FUNDS AVAILABLE	2,603,112	3,310,959	3,210,116	3,877,026
<u>EXPENDITURES:</u>				
Administration/Accreditation	\$ 8,534	\$ 5,425	\$ 5,425	\$ 5,425
Facility Improvements-CIP (1)	-	1,750,000	-	250,000
Furniture/Fixtures/Equipment Replacement-CIP (1)	80,854	386,660	-	8,900
Technology Improvements	66,586	65,100	64,400	61,500
Police Operations	204,022	234,450	232,765	232,750
TOTAL EXPENDITURES	359,996	2,441,635	302,590	558,575
<u>ENDING FUND BALANCE:</u>				
Total fund balance	2,243,116	869,324	2,907,526	3,318,451
Reserved for capital improvements:				
Jail expansion (1)	1,250,000	-	1,749,500	1,999,500
Furniture, fixtures & equipment (1)	313,729	-	476,874	647,075
Unreserved fund balance	679,387	869,324	681,152	671,876
FUND TOTAL	\$ 2,603,112	\$ 3,310,959	\$ 3,210,116	\$ 3,877,026
Excess revenues (expenditures)	693,598	(1,431,635)	664,410	410,925

(1) CIP - cumulative funds reserved for future capital improvements.

FY2011 highlights: funding is provided for routine replacement of departmental vehicles and related vehicle accessories (\$156,800); architectural and/or preliminary design fees for future facility (jail) improvements (\$250,000); technology equipment (\$15,500); and furniture, fixtures and equipment replacements (\$8,900).

COMMUNITY CLEAN-UP FUND

The purpose of this program is to provide public services that assist in keeping the City of Keller free and clear of any debris, waste, refuse or other items that may cause a public safety issue, be a public nuisance or be a detriment to the aesthetics of the community. Funded through a monthly fee assessed to residential customers, this program provides for clean-up programs within the community to include, but not limited to, storm debris pick-up, city-wide clean-ups, and educational and promotional activities.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Total beginning fund balance	\$ -	\$ -	\$ -	\$ -
<u>REVENUES:</u>				
Solid waste/garbage fees	-	-	-	30,000
TOTAL REVENUES AND TRANSFERS	-	-	-	30,000
TOTAL FUNDS AVAILABLE	30,000	30,000	30,000	30,000
<u>EXPENDITURES:</u>				
Personnel services	-	-	-	-
Operations & maintenance	-	-	-	2,000
Services & other	-	-	-	28,000
SUBTOTAL	-	-	-	30,000
Capital outlay	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS	-	-	-	30,000
ENDING BALANCE	\$ -	\$ -	\$ -	\$ -
Excess revenues (expenditures)	-	-	-	-



DEBT SERVICE

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DEBT SERVICE SUMMARY

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Except for interfund transfers, this fund does not account for obligations backed by self-supporting activities, such as the Water and Wastewater Fund.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 1,023,062	\$ 806,382	\$ 841,095	\$ 536,445
Revenues and transfers	5,207,665	5,938,710	5,956,865	5,740,155
TOTAL FUNDS AVAILABLE	6,230,727	6,745,092	6,797,960	6,276,600
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	5,389,632	6,108,100	6,261,515	5,839,955
<u>ENDING FUND BALANCE:</u>				
Unreserved fund balance	841,095	636,992	536,445	436,645
FUND TOTAL	\$ 6,230,727	\$ 6,745,092	\$ 6,797,960	\$ 6,276,600
Excess revenues (expenditures)	(181,967)	(169,390)	(304,650)	(99,800)
General obligation debt outstanding, October 1	\$ 33,796,218	\$ 49,744,540	\$ 49,744,540	\$ 46,526,608
Estimated population, October 1	38,402	39,450	39,450	40,474
Direct tax-supported debt per capita	\$ 880	\$ 1,261	\$ 1,261	\$ 1,150
Ratio of debt to net taxable valuation	1.0%	1.3%	1.3%	1.2%
Financial policy target	15.0%	15.0%	15.0%	15.0%
Debt service expenditures as a percentage of total expenditures	14.7%	15.9%	16.3%	15.9%
Financial policy target	25.0%	25.0%	25.0%	25.0%

DEBT LIMITATION

The City Charter does not provide or mandate a specific debt limitation. Under provisions of state law, the maximum tax rate is limited to \$2.50 per \$100 of assessed value. Using the \$2.50 maximum tax rate, the following chart provides the City's available tax rate and levy.

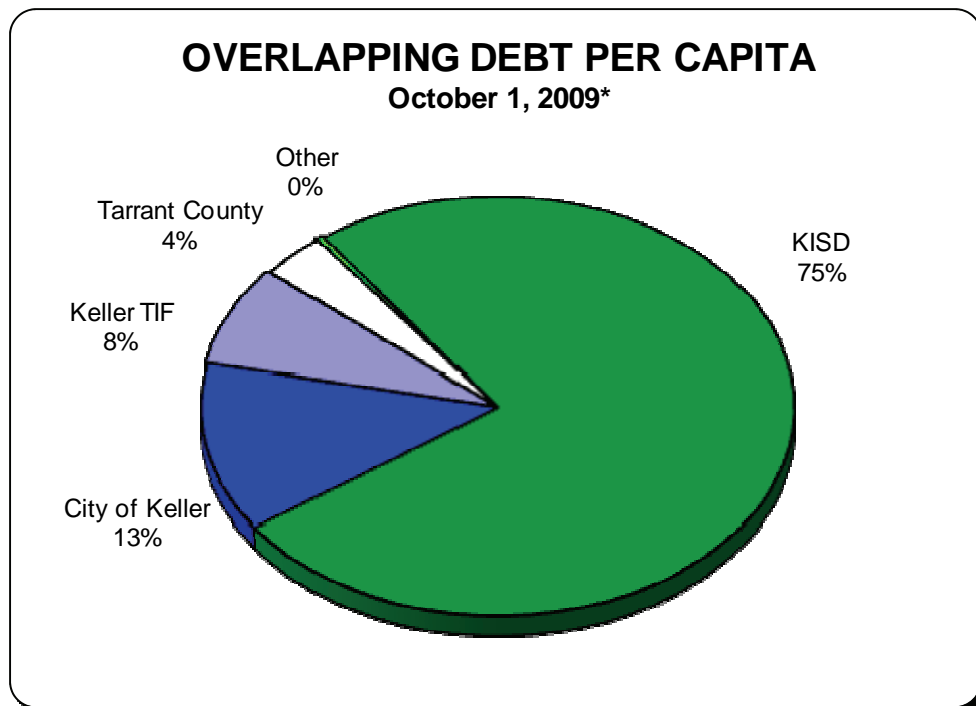
Tax rate limitation	\$ 2.50000	\$ 2.50000	\$ 2.50000	\$ 2.50000
Actual tax rate	0.43219	0.44219	0.44219	0.44219
Available rate available	<u>\$ 2.06781</u>	<u>\$ 2.05781</u>	<u>\$ 2.05781</u>	<u>\$ 2.05781</u>
Additional tax levy available	\$ 79,453,621	\$ 81,850,630	\$ 81,850,630	\$ 80,640,222

DEBT RATIOS

Important financial ratios are the debt per capita ratio, and the overlapping debt per capita ratio. Debt per capita is determined by dividing the City's outstanding general obligation debt by the City's population. Overlapping debt includes not only the City's direct debt, but also includes Keller's applicable portion of the debt of all other "overlapping" taxing entities located within the City limits, such as the school district, Tarrant County, Tarrant County Hospital, etc. By including all of the overlapping entities, the total tax impact on a Keller property owner can then be calculated.

Both the City's and the overlapping entity's debt per capita continue to be above-average, when compared to nation-wide or state-wide averages. As of October 1, 2009, using the estimated population of 38,402, the total overlapping debt per capita was \$8,333, of which the City's portion (excluding TIF debt) was \$1,187, or 14% of the total. Including the TIF portion of the overlapping tax rate, the City's combined debt per capita is \$1,890 or 22% of the total overlapping debt per capita. Total overlapping debt per capita increased from the previous year by \$1,317 (17%). The City's total portion of overlapping debt increased by \$231, or 13.9%.

As the following chart indicates most (75%) of the overlapping debt per capita results from the Keller Independent School District.



* 2010 debt per capita ratios are not yet available.

Tarrant County entities include Tarrant County, Tarrant County College District, and Tarrant County Hospital District. Other entities include Carroll Independent School District and Northwest Independent School District.

"TIF" debt represents self-supporting debt obligations of the City's Tax Increment Reinvestment Zone, No. 1.

The overlapping debt ratios per capita differ from the overlapping tax rate, in that the overlapping tax rate does not consider any of the debt obligations owed by the respective taxing entities.

DEBT SERVICE FUND

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
REVENUES				
<u>TAXES:</u>				
Current taxes	\$ 4,559,783	\$ 5,230,000	\$ 5,217,580	\$ 5,055,000
Delinquent taxes	11,225	20,000	28,000	20,000
Accrued property taxes	448	-	-	-
Penalty & interest	34,443	25,000	30,000	25,000
Agricultural roll-back taxes	10,607	5,000	500	1,000
Subtotal	4,616,506	5,280,000	5,276,080	5,101,000
<u>MISCELLANEOUS REVENUES:</u>				
Interest earnings	37,969	30,000	52,075	30,000
TOTAL MISCELLANEOUS REVENUES	37,969	30,000	52,075	30,000
REVENUES BEFORE TRANSFERS	4,654,475	5,310,000	5,328,155	5,131,000
<u>TRANSFERS FROM OTHER FUNDS:</u>				
Transfer from Keller Development Corp.	135,120	178,090	178,090	143,315
Land Acquisition:				
<i>2009 Certificates of Obligation</i>				
Keller Sports Park improvements:				
<i>2004 General obligation refunding</i>				
<i>2005 General obligation refunding</i>				
Transfer from Street/Drainage Improvements fund (<i>street assessments</i>)	6,000	3,000	3,000	-
Transfer from water & w/w fund	412,070	447,620	447,620	465,840
TOTAL TRANSFERS	553,190	628,710	628,710	609,155
TOTAL REVENUES AND TRANSFERS	\$ 5,207,665	\$ 5,938,710	\$ 5,956,865	\$ 5,740,155

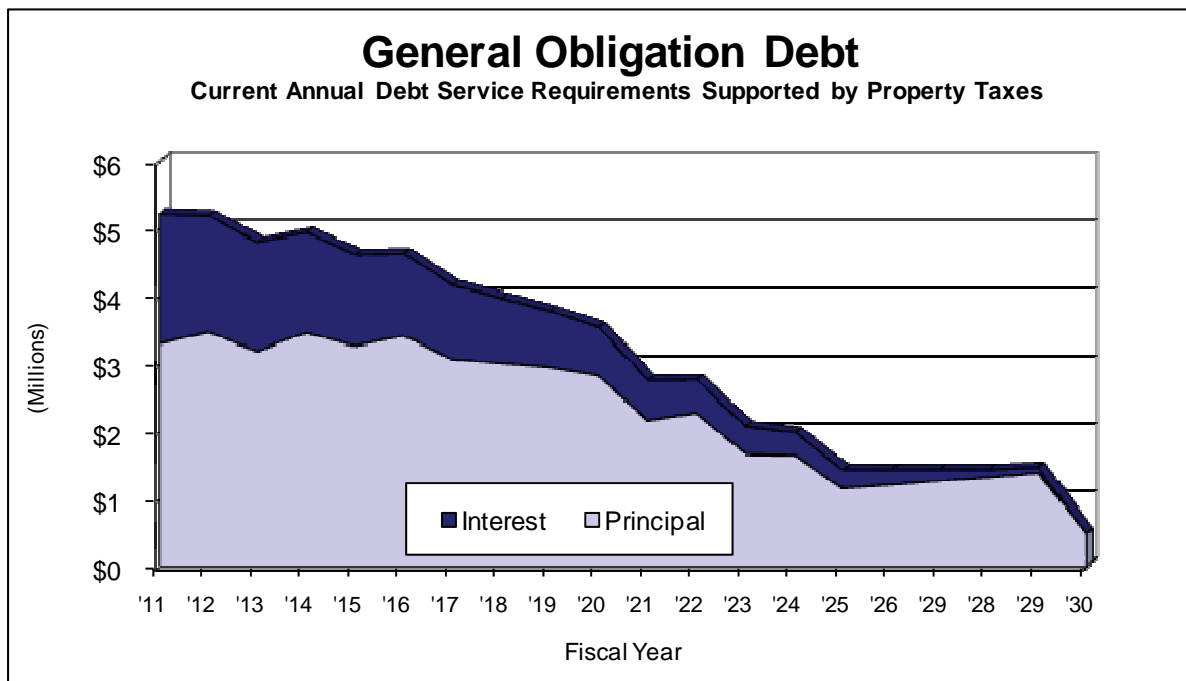
Transfers from other funds are provided for self-supporting activities for debt obligations issued on behalf of the respective fund.

DEBT SERVICE FUND

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>EXPENDITURES:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	-	-	-	-
Services & other	-	-	-	-
Debt service	4,429,632	5,191,590	5,195,005	5,224,155
Transfers to other funds	960,000	916,510	1,066,510	615,800
SUBTOTAL	5,389,632	6,108,100	6,261,515	5,839,955
Capital outlay	-	-	-	-
TOTAL	\$ 5,389,632	\$ 6,108,100	\$ 6,261,515	\$ 5,839,955

<u>EXPENDITURES BY DIVISION:</u>				
Administration/Finance	\$ 4,429,632	\$ 5,191,590	\$ 5,195,005	\$ 5,224,155
Transfers to other funds	960,000	916,510	1,066,510	615,800
TOTAL	\$ 5,389,632	\$ 6,108,100	\$ 6,261,515	\$ 5,839,955

Transfers to other funds include Keller's portion of the annual required assessment/subsidy for the Tax Increment Reinvestment Zone.



SCHEDULE OF GENERAL OBLIGATION DEBT OUTSTANDING
October 1, 2010
(Excludes Self-Supporting Debt)

	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Issued (000's)</u>	<u>Amount Outstanding (000's)</u>	<u>FY2011 Requirements</u>		
						<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General obligation bonds:								
Series 1981 (1)	5.00%	05/1981	01/2020	\$ 1,150	\$ 45	\$ 45,000	\$ 2,250	\$ 47,250
Series 2009	4.00 - 4.65	03/2009	02/2029	4,000	3,960	130,000	165,958	295,958
General obligation refunding bonds:								
Series 2002	3.00 - 4.00	11/2002	02/2013	700	215	70,000	6,902	76,902
Series 2004	2.00 - 4.00	02/2004	02/2017	11,125	3,510	655,000	118,888	773,888
Series 2005	3.25 - 4.20	08/2005	02/2020	9,980	8,755	675,000	339,336	1,014,336
Series 2010A	2.00 - 3.50	04/2010	02/2020	2,000	2,000	395,000	44,813	439,813
Certificates of obligation:								
Series 2002	4.00 - 5.00	07/2002	02/2022	8,615	6,215	380,000	269,948	649,948
Series 2003	3.00 - 4.25	05/2003	08/2023	1,690	955	60,000	35,275	95,275
Series 2004	4.00 - 5.00	06/2004	02/2024	6,540	5,565	280,000	258,541	538,541
Series 2006	4.25	07/2006	02/2011	270	60	60,000	1,275	61,275
Series 2009	3.00 - 4.70	03/2009	02/2029	8,310	8,195	300,000	324,665	624,665
Series 2010	2.00 - 4.25	04/2010	02/2030	6,710	6,710	150,000	346,254	496,254
Subtotal-bonds and certificates of obligation				66,394	46,185	3,200,000	1,914,105	5,114,105
Lease-purchase obligations:								
Ladder truck for Fire Department	4.653	10/2003	10/2013	825	380	89,153	15,895	105,048
TOTAL				\$ 67,219	\$ 46,565	\$ 3,289,153	\$ 1,930,000	\$ 5,219,153

(1) - post refunding

The above schedule excludes self-supporting debt obligations of the Keller Development Corporation, Water and Wastewater Fund, and the Tax Increment Reinvestment Zone No. 1. Summaries of general obligation debt by fiscal year are shown on the following pages.

**SUMMARY SCHEDULE OF DEBT REQUIREMENTS
GENERAL OBLIGATION DEBT
(INCLUDES COMBINATION TAX AND REVENUE CERTIFICATES OF
OBLIGATION TO BE PAID WITH PROPERTY TAXES)**

Fiscal Year	Principal Due	Interest Due	Total Principal & Interest	Fiscal Year Total
2010-11	\$ 3,200,000	\$ 1,914,104	\$ 5,114,104	\$ 5,114,104
2011-12	3,375,000	1,710,671	5,085,671	5,085,671
2012-13	3,090,000	1,601,146	4,691,146	4,691,146
2013-14	3,395,000	1,482,478	4,877,478	4,877,478
2014-15	3,265,000	1,355,011	4,620,011	4,620,011
2015-16	3,410,000	1,222,646	4,632,646	4,632,646
2016-17	3,075,000	1,089,061	4,164,061	4,164,061
2017-18	3,010,000	960,861	3,970,861	3,970,861
2018-19	2,950,000	833,842	3,783,842	3,783,842
2019-20	2,830,000	709,239	3,539,239	3,539,239
2020-21	2,160,000	599,406	2,759,406	2,759,406
2021-22	2,270,000	499,575	2,769,575	2,769,575
2022-23	1,665,000	411,369	2,076,369	2,076,369
2023-24	1,650,000	337,651	1,987,651	1,987,651
2024-25	1,160,000	275,940	1,435,940	1,435,940
2025-26	1,210,000	224,946	1,434,946	1,434,946
2026-27	1,270,000	170,669	1,440,669	1,440,669
2027-28	1,325,000	113,027	1,438,027	1,438,027
2028-29	1,390,000	80,091	1,470,091	1,470,091
2029-30	485,000	10,306	495,306	495,306
TOTAL	\$ 46,185,000	\$ 15,602,040	\$ 61,787,040	\$ 61,787,040

The following municipal lease-purchase agreement obligation amounts are excluded from the above totals.

**SCHEDULE OF TAX-SUPPORTED DEBT REQUIREMENTS
MUNICIPAL LEASE-PURCHASE AGREEMENT**

Due Date	Payment	Interest	Principal	Principal Balance
10/01/2010	\$ 105,048.32	\$ 15,895.02	\$ 89,153.30	\$ 252,454.68
10/01/2011	105,048.32	11,746.72	93,301.60	159,153.08
10/01/2012	105,048.32	7,405.39	97,642.93	61,510.15
10/01/2013	64,372.23	2,862.08	61,510.15	-
TOTAL	\$ 379,517.19	\$ 37,909.21	\$ 341,607.98	

Amount issued: \$ 825,000
 Interest rate: 4.653%
 Purpose: Fire truck and equipment acquisition
 Payment source: Property taxes

DATED: October 7, 2003

**SCHEDULE OF DEBT REQUIREMENTS
MUNICIPAL LEASE-PURCHASE AGREEMENT**

Due Date	Payment	Interest	Principal	Principal Balance
11/15/2010	\$ 54,227.04	\$ 10,581.64	\$ 43,645.40	\$ 146,227.56
11/15/2011	54,227.04	8,081.93	46,145.11	100,082.45
11/15/2012	54,227.04	5,531.51	48,695.53	51,386.92
11/15/2013	54,227.04	2,840.12	51,386.92	-
TOTAL	\$ 216,908.16	\$ 27,035.20	\$ 189,872.96	

Amount issued: \$ 244,100
 Interest rate: 5.546%
 Purpose: 2009 Gradall Excavator
 Payment source: Drainage Utility fee revenues

DATED: November 17, 2009

TAX INCREMENT REINVESTMENT ZONE (TIF)

The Tax Increment Reinvestment Zone Interest and Sinking Fund accounts for the accumulation of resources for, and the payment of long-term debt principal and interest issued by the Keller Town Center TIF. TIF assessments are paid (assessed) into the I&S fund from each of the participating entities. The TIF debt is considered self-supporting debt of the Tax Increment Reinvestment Zone.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
INTEREST & SINKING FUND SUMMARY				
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 216,281	\$ 33,569	\$ 84,734	\$ 38,274
Revenues and transfers	3,483,101	3,659,470	3,627,295	3,176,195
TOTAL FUNDS AVAILABLE	3,699,382	3,693,039	3,712,029	3,214,469
<u>USES/DEDUCTIONS:</u>				
Expenditures and transfers out	3,614,648	3,647,135	3,673,755	3,178,820
<u>ENDING FUND BALANCE:</u>				
Unreserved fund balance	84,734	45,904	38,274	35,649
FUND TOTAL	\$ 3,699,382	\$ 3,693,039	\$ 3,712,029	\$ 3,214,469
Excess revenues (expenditures)	(131,547)	12,335	(46,460)	(2,625)

REVENUES

<u>TIF TAXES:</u>				
City of Keller	\$ 47,140	\$ -	\$ -	\$ -
Tarrant County	224,455	257,480	223,370	237,595
Tarrant County College District	176,512	196,540	185,190	185,190
Tarrant County Hospital District	192,976	236,930	188,740	205,445
Keller Independent School District	1,831,416	2,039,510	1,925,665	1,925,665
SUBTOTAL	2,472,499	2,730,460	2,522,965	2,553,895
<u>OTHER REVENUE:</u>				
Interest revenue-investments	22,161	12,500	37,820	6,500
Transfer from debt service fund	960,000	916,510	1,066,510	615,800
SUBTOTAL	1,010,602	929,010	1,104,330	622,300
TOTAL REVENUES	\$ 3,483,101	\$ 3,659,470	\$ 3,627,295	\$ 3,176,195

TAX INCREMENT REINVESTMENT ZONE (TIF)

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
EXPENDITURES				
<u>EXPENDITURES BY FUNCTION:</u>				
Personnel services	\$ -	\$ -	\$ -	\$ -
Operations & maintenance	-	-	-	-
Services & other	-	-	-	-
Debt service	3,614,648	3,647,135	3,673,755	3,178,820
SUBTOTAL	3,614,648	3,647,135	3,673,755	3,178,820
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	\$ 3,614,648	\$ 3,647,135	\$ 3,673,755	\$ 3,178,820

SCHEDULE OF TAX INCREMENT REINVESTMENT ZONE DEBT OUTSTANDING October 1, 2010

	Interest Rates	Date of Issue	Date of Maturity	Amount Issued (000's)	Amount Outstanding (000's)	FY2011 Requirements		
						Principal	Interest	Total
Combination tax and tax increment reinvestment zone certificates of obligation:								
Series 2000 (1)	5.00% - 5.75%	12/2001	08/2011	\$ 17,095	\$ 685	\$ 685,000	\$ 34,250	\$ 719,250
Series 2001 (1)	4.25 - 5.25	04/2001	08/2018	8,735	630	630,000	33,075	663,075
General obligation refunding bonds:								
Series 2005	3.50 - 5.000	08/2005	08/2018	17,400	16,980	690,000	754,263	1,444,263
Series 2010 (2)	1.00 - 4.125	04/2010	08/2028	6,300	6,300	51,450	299,925	351,375
TOTAL				\$ 56,355	\$ 24,595	\$ 2,056,450	\$ 1,121,513	\$ 3,177,963

(1) - post refunding

(2) - callable on or after August 15, 2018.

**SUMMARY SCHEDULE OF DEBT REQUIREMENTS
KELLER TAX INCREMENT REINVESTMENT ZONE #1
Post Refunding
October 1, 2010**

Fiscal Year	Principal Due	Interest Due	Total Principal & Interest	Fiscal Year Total
09/30/2011	\$ 2,056,450.30	\$ 1,121,515.96	\$ 3,177,966.26	\$ 3,177,966.26
09/30/2012	2,078,526.80	1,096,239.46	3,174,766.26	3,174,766.26
09/30/2013	2,143,126.40	1,035,327.36	3,178,453.76	3,178,453.76
09/30/2014	2,226,893.15	951,760.61	3,178,653.76	3,178,653.76
09/30/2015	2,460,000.00	720,053.76	3,180,053.76	3,180,053.76
09/30/2016	2,555,000.00	618,128.76	3,173,128.76	3,173,128.76
09/30/2017	2,680,000.00	493,278.76	3,173,278.76	3,173,278.76
09/30/2018	2,815,000.00	361,816.26	3,176,816.26	3,176,816.26
09/30/2019	-	223,691.26	223,691.26	223,691.26
09/30/2020	240,000.00	223,691.26	463,691.26	463,691.26
09/30/2021	580,000.00	215,291.26	795,291.26	795,291.26
09/30/2022	600,000.00	192,091.26	792,091.26	792,091.26
09/30/2023	625,000.00	168,091.26	793,091.26	793,091.26
09/30/2024	650,000.00	143,091.26	793,091.26	793,091.26
09/30/2025	680,000.00	117,091.26	797,091.26	797,091.26
09/30/2026	705,000.00	89,891.26	794,891.26	794,891.26
09/30/2027	735,000.00	61,691.26	796,691.26	796,691.26
09/30/2028	765,000.00	31,556.26	796,556.26	796,556.26
Total	\$ 24,594,996.65	\$ 7,864,298.53	\$ 32,459,295.18	\$ 32,459,295.18

TIRZ-supported Obligations:

2011-2018	\$ 19,014,996.65	\$ 6,398,120.93	\$ 25,413,117.58	\$ 25,413,117.58
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Property-tax Supported Obligations:

2019-2027	\$ 5,580,000.00	\$ 1,466,177.60	\$ 7,046,177.60	\$ 7,046,177.60
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2010 Refunding Obligations of \$6.3 million are callable on or after August 15, 2018. The TIRZ will terminate on September 30, 2018. Obligations after September 30, 2018 (including interest) will be paid with remaining TIRZ funds, if available. In the event that insufficient TIRZ funds remain, the obligations will be paid with the annual interest and sinking fund ad valorem (property) tax levy.

CAPITAL IMPROVEMENTS

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CAPITAL IMPROVEMENTS

Budgets for Capital Projects Funds are generally capital project based, and not fiscal year based. Except for the Park Development Fee Fund, the Equipment Replacement Fund, and the Street/Drainage Improvements Fund, revenues and expenditures of capital project funds are not included in the City's budget totals. The Park Development Fee Fund, Equipment Replacement Fund, and the Street/Drainage Improvements Fund are the only capital project funds having recurring revenues, and therefore, are included in budget totals.

Unless otherwise stated, all capital projects funds are project based and not fiscal year based and projects normally extend beyond fiscal years. Therefore, any remaining project funds at September 30, 2010 will automatically be re-appropriated into the appropriate project for the 2010-2011 fiscal year.

CAPITAL IMPROVEMENTS Operating Budget Impact

Capital improvements primarily consist of two types: (1) routine capital outlay expenditures included in departmental operating budgets, e.g., Police Department vehicle replacement; and (2) capital improvements funded from capital projects funds with the issuance of debt, e.g., new City facilities, and street and drainage improvements, etc. Capital improvements in the latter category include only general governmental improvements, and not water and wastewater improvements. As an enterprise fund, capital improvements are financed with user charges, or from enterprise capital projects funds, and are therefore included as expenditures within the respective enterprise fund or enterprise capital projects fund.

The operating budget impact, if any, of these improvements has been included in the FY2011 operating budget within the respective departmental expenditures. Generally, capital outlay expenditures primarily consist of routine capital expenditures each year and have no significant impact on operating budgets. As a result, recurring operating and maintenance costs that are associated with routine capital expenditures are frequently re-allocated or re-directed to other maintenance areas of the department, and overall operating costs are usually not reduced. There are numerous improvement projects undertaken by the City where the maintenance has been deferred due to a lack of funding or available resources. Although an actual deferred maintenance amount has not been specifically calculated or budgeted, most of the deferred maintenance is associated with street and drainage projects. As a result, when a street project is improved or constructed, in most cases, maintenance costs previously spent for maintaining the improvement area (if any) are re-allocated to other street maintenance areas for which maintenance has been previously deferred.

CAPITAL IMPROVEMENTS

Operating Budget Impact (continued)

CAPITAL OUTLAY IN OPERATING BUDGETS

Generally, capital outlay expenditures included in the departmental operating budgets provide for the replacement of existing assets, or for upgrade of existing assets, e.g., replacement of police cars, replacements of machinery and other equipment, etc. Funding for new personnel in operating budgets includes all identifiable annual recurring costs, as well as capital costs associated with the new position, such as office furniture and equipment, vehicles and equipment, etc.; therefore, the operating budget impact of these new positions is reflected in the department's respective operating budget. Otherwise, for the routine replacement of existing assets, or upgrade of existing assets, there is no additional material impact on the City's operating budget.

Where a vehicle or piece of equipment is being replaced or upgraded, maintenance costs in the department will not always decrease. Since a very small percentage of each department's fleet or equipment is replaced annually, maintenance costs for the department are not usually reduced because the age and operating condition of the department's remaining fleet or equipment will continue to require funding for operating and maintenance costs. Generally, capital outlay items funded from departmental operating budgets have no material impact on the City's operating budget. Adequate operating and maintenance funding must continue to be provided at an appropriate level in order to maintain the existing fleet, which continues to age, thus increasing maintenance costs.

Capital outlay included in operating budgets are provided on the following pages.

CAPITAL OUTLAY IN OPERATING BUDGETS

General Fund			Annual Operating Budget Impact
<u>Department</u>	<u>Description</u>	<u>FY2011</u>	
General Government/Economic Development	Signage improvements for Old Town Keller	\$ 7,000	\$ -
	Department Total	<u>7,000</u>	<u>-</u>
Building & Construction Services	Replacement vehicles	45,000	(3,500)
	Department Total	<u>45,000</u>	<u>(3,500)</u>
Fire Operations	Document imaging for department	14,950	-
Fire EMS	Replace AED & heart monitors	105,000	-
	Department Total	<u>119,950</u>	<u>-</u>
Public Works - Streets	V-box Spreader	16,000	500
	Bobcat attachment	12,000	500
	Annual Street/Road/Bridge Improvements	<u>757,585</u>	<u>-</u>
	Department Total	<u>785,585</u>	<u>1,000</u>
Parks & Recreation	Top dresser w/conveyor & spinner	15,790	(3,000)
	Electric utility cart	10,150	-
	Demolition of Milestone Park Facilities	12,000	(2,420)
	Department Total	<u>37,940</u>	<u>(5,420)</u>
	Fund Total	<u>\$ 995,475</u>	<u>\$ (7,920)</u>
	Annual operating budget impacts:		
	Personnel services		\$ -
	Operations & maintenance		(7,920)
	Services & other		-
	Capital outlay		-
	Total		<u><u>\$ (7,920)</u></u>

The operating budget impact associated with these items is minimal.

(Continued)

CAPITAL OUTLAY IN OPERATING BUDGETS

(Continued)

Water & Wastewater Fund

<u>Department</u>	<u>Description</u>	<u>FY2011</u>	<u>Annual Operating Budget Impact</u>
Water Distribution	Replace unit #433 (Ford F-450)	\$ 75,000	\$ (2,000)
	Funds for new and/or replacement water meters, fire hydrants and mains and services. This is an annual appropriation.	284,450	-
	Department Total	<u>359,450</u>	<u>(2,000)</u>
Wastewater Collection	Funds for new/replacement wastewater mains, manholes, and services. This is an annual appropriation	253,000	-
	Replace unit #426 (Equipment Replacement Fund)	<u>-</u>	<u>(2,000)</u>
	Department Total	<u>253,000</u>	<u>(2,000)</u>
	<i>Fund Total</i>	<u><u>\$ 612,450</u></u>	<u><u>\$ (4,000)</u></u>
	<i>Annual operating budget impacts:</i>		
	Personnel services		\$ -
	Operations & maintenance		(4,000)
	Services & other		-
	Capital outlay		-
	Total		<u><u>\$ (4,000)</u></u>

Keller Development Corporation

Park Maintenance/Keller Sports Park	Top dresser w/conveyor & spinner	\$ 15,790	\$ -
Keller Sports Park	Softball Complex alley renovation	14,500	-
General park improvements	Land acquisition/trail extensions	<u>230,000</u>	<u>-</u>
	Department Total	<u>260,290</u>	<u>-</u>
	<i>Fund Total</i>	<u><u>\$ 260,290</u></u>	<u><u>\$ -</u></u>
	<i>Annual operating budget impacts:</i>		
	Personnel services		\$ -
	Operations & maintenance		-
	Services & other		-
	Capital outlay		-
	Total		<u><u>\$ -</u></u>

The annual operating budget impacts are minimal.

(Continued)

CAPITAL OUTLAY IN OPERATING BUDGETS

(Continued)

Recreation Special Revenue Fund			Annual Operating Budget Impact
<u>Department</u>	<u>Description</u>	<u>FY2011</u>	
Designated Expenditures- Sports Park Improvements	Sports Park improvements	\$ 11,160	\$ -
	<i>Fund Total</i>	<u>\$ 11,160</u>	<u>\$ -</u>
	<i>Annual operating budget impacts:</i>		
	Personnel services		\$ -
	Operations & maintenance		-
	Services & other		-
	Capital outlay		-
	Total		<u>\$ -</u>
 The Keller Pointe			
Administration	Furniture, fixtures and equipment replacement fund	\$ 35,000	\$ -
	<i>Fund Total</i>	<u>\$ 35,000</u>	<u>\$ -</u>
	<i>Annual operating budget impacts:</i>		
	Personnel services		\$ -
	Operations & maintenance		-
	Services & other		-
	Capital outlay		-
	Total		<u>\$ -</u>
 Information Services Fund			
Information Services	Council Chamber and Pre-Council meeting room audio/visual and lighting upgrades	\$ 60,000	\$ -
	City Council voting, display, and monitor upgrade	50,000	-
	Town Hall Video security improvements	20,000	-
	Replace Municipal Service Center network switch	23,000	-
	Replace projector in Town Hall	7,500	-
	<i>Fund Total</i>	<u>\$ 160,500</u>	<u>\$ -</u>
	<i>Annual operating budget impacts:</i>		
	Personnel services		\$ -
	Operations & maintenance		-
	Services & other		-
	Capital outlay		-
	Total		<u>\$ -</u>

The operating budget impact associated with these items is nominal.

(Continued)

CAPITAL OUTLAY IN OPERATING BUDGETS

(Continued)

Keller Crime Control Prevention District Fund			Annual Operating Budget Impact
Department	Description	FY2011	
Facility Improvements	Future facility (jail) improvements	\$ 250,000	\$ -
	Future furniture, fixtures, and equipment replacement	8,900	-
	Department Total	<u>258,900</u>	<u>-</u>
Police Operations	Annual vehicle and equipment replacement	156,800	-
	Technology equipment	15,500	-
	Department Total	<u>172,300</u>	<u>-</u>
Fund Total		<u>\$ 431,200</u>	<u>\$ -</u>
Annual operating budget impacts:			
	Personnel services		\$ -
	Operations & maintenance		-
	Services & other		-
	Capital outlay		-
	Total		<u>\$ -</u>

Operating budget impacts are minimal, and include annually recurring costs for hardware and software support for computer-related equipment; and increases in, or reduction of vehicle and equipment maintenance costs for replacement vehicles.

CAPITAL PROJECTS FUNDS

As previously mentioned, except for the Park Development Fee, Equipment Replacement, and Street/Drainage Improvement Funds, capital projects funds do not have recurring funding sources. Funding sources for other capital project funds and accounts are typically provided by proceeds of bond issues and interest income earned on invested funds. Upon completion of the project(s) for which the bond proceeds were issued, the corresponding capital project is then closed. Any excess funds remaining in the capital project budget are then transferred to the debt service fund for the retirement of debt issued to fund the project. However, for the Park Development Fee Fund, recurring revenues are received each year from the \$1,000 park development fee assessed on new construction. Annual appropriations are then made for this capital project fund. Resources for the Equipment Replacement Fund are provided from intragovernmental transfers, grants, and/or debt issuance. Since this fund also has recurring resources, budget amounts are included in the City's budget totals, and the operating budget impact, if any, is also provided in the operating budget of the respective department. Resources for the Street/Drainage Improvements fund include the street maintenance sales tax (effective April 2004), developer sidewalk fees, street assessments, and intragovernmental transfers.

The following information on each of the City's capital projects funds is provided. Along with a project description, the operating budget impact, if any, is also provided.

PARK DEVELOPMENT FEE FUND

This fund is used to account for resources received from park development fees and expenditures that are restricted for park improvements. The Park Development Fee Fund is an annually recurring capital project fund, funded primarily from a \$1,000 park development fee on each building permit. Fund revenues and expenditures are included in operating budget totals. Projects normally extend beyond fiscal years. Remaining funds on hand at September 30, 2010 will be re-appropriated into the appropriate project for the 2010-2011 fiscal year.

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Total beginning fund balance	\$ 74,991	\$ 21,861	\$ 19,710	\$ 28,650
<u>REVENUES:</u>				
Park development fees	18,000	20,000	31,000	5,000
Insurance proceeds reimbursement	20,196	-	-	-
Interest earnings	845	1,000	100	100
TOTAL REVENUES	39,041	21,000	31,100	5,100
TOTAL FUNDS AVAILABLE	\$ 114,032	\$ 42,861	\$ 50,810	\$ 33,750
<u>EXPENDITURES:</u>				
Park improvements/land acquisition	\$ 4,210	\$ 23,715	\$ 20,195	\$ 10,000
Trail development/extensions	52,077	-	-	-
Overton Ridge Park development	38,035	1,965	1,965	-
TOTAL EXPENDITURES	94,322	25,680	22,160	10,000
ENDING FUND BALANCE	\$ 19,710	\$ 17,181	\$ 28,650	\$ 23,750
Excess revenues (expenditures)	(55,281)	(4,680)	8,940	(4,900)

Annual operating budget impacts:

Personnel services	\$ -
Operations & maintenance	-
Services & other	-
Capital outlay	-
Total	<u>\$ -</u>

Operating budget impacts are minimal, and include annually recurring estimated costs for grounds and equipment maintenance for park improvements.

**STREET / SIDEWALK / DRAINAGE
IMPROVEMENTS FUND**

The Street/Sidewalk/Drainage Improvements fund is a recurring capital project fund, funded from the street maintenance sales tax effective April 2004, developer sidewalk fees, street assessments, and transfers from other funds. Street assessments are generally transferred to the Debt Service Fund for retirement of debt issued to fund the related street improvement. Expenditures are designated for street, sidewalk, and drainage improvements. Remaining funds on hand at September 30, 2010 will be re-appropriated into the appropriate project for the 2010-2011 fiscal year.

**STREET / SIDEWALK / DRAINAGE
IMPROVEMENTS FUND SUMMARY**

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Beginning fund balance	\$ 1,232,433	\$ 1,333,614	\$ 1,283,168	\$ 482,908
<u>Revenues:</u>				
Street assessment revenue	5,924	3,000	500	500
Sales taxes	1,009,371	1,044,000	997,200	997,200
Sidewalk fees	8,766	10,000	4,000	8,500
Interest earnings	18,631	8,000	8,000	8,000
Miscellaneous revenue (expense)	959	-	-	-
Street assessment interest	371	400	400	400
Total Revenues	<u>1,044,022</u>	<u>1,065,400</u>	<u>1,010,100</u>	<u>1,014,600</u>
TOTAL RESOURCES	<u>\$ 2,276,455</u>	<u>\$ 2,399,014</u>	<u>\$ 2,293,268</u>	<u>\$ 1,497,508</u>
<u>Expenditures:</u>				
Street improvements	926,561	1,954,560	1,400,465	1,380,000
Curb & gutter improvements	42,664	109,405	106,835	80,000
Sidewalk improvements	4,103	173,196	173,195	30,000
Street/drainage improvements	13,959	135,120	126,865	-
Transfers to other funds	6,000	3,000	3,000	-
Total Expenditures	<u>993,287</u>	<u>2,375,281</u>	<u>1,810,360</u>	<u>1,490,000</u>
ENDING FUND BALANCE	<u>\$ 1,283,168</u>	<u>\$ 23,733</u>	<u>\$ 482,908</u>	<u>\$ 7,508</u>
Excess revenues (expenditures)	50,735	(1,309,881)	(800,260)	(475,400)

Operating budget impact. The operating budget impact is minimal, as street and sidewalk improvements continue to be supplemented with funds from the General Fund Street Maintenance Division.

Annual Operating Budget Impact	
Personnel services	\$ -
Operations & maintenance	-
Services & other	-
Capital outlay	-
Total	<u><u>\$ -</u></u>

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is a recurring capital project fund, funded by a combination of debt obligations, grant revenues, transfers from other funds, interest revenue, and other inter- or intra-governmental revenues. Expenditures provide for the acquisition and/or replacement of vehicles and equipment. Remaining funds on hand at September 30, 2010 will be re-appropriated into the appropriate project for the 2010-2011 fiscal year.

EQUIPMENT REPLACEMENT FUND SUMMARY

	2008-2009 ACTUAL	2009-2010 BUDGET	2009-2010 ESTIMATE	2010-2011 BUDGET
<u>RESOURCES:</u>				
Beginning fund balance	\$ 743,731	\$ 697,944	\$ 683,292	\$ 713,072
<u>REVENUES:</u>				
Proceeds from debt Issuance	340,000	-	-	-
Vehicle/Equipment lease revenue-Water & Wastewater Fund	34,550	58,680	58,680	64,370
Vehicle/Equipment lease revenue- Drainage Utility Fund	15,570	15,570	15,570	15,570
Gain (loss) on disposal of assets	-	35,000	35,000	-
Interest earnings	11,686	30,000	9,000	10,000
TOTAL REVENUES	401,806	139,250	118,250	89,940
<u>MISCELLANEOUS REVENUES:</u>				
Miscellaneous revenue (expense)	4,486	-	-	-
TOTAL MISCELLANEOUS REVENUES	4,486	-	-	-
TOTAL REVENUES & TRANSFERS	406,292	139,250	118,250	89,940
TOTAL FUNDS AVAILABLE	1,150,023	837,194	801,542	803,012
<u>EXPENDITURE SUMMARY:</u>				
PUBLIC SAFETY:				
Fire Department	323,521	39,899	14,090	-
TOTAL PUBLIC SAFETY	323,641	39,899	14,090	-
PUBLIC WORKS:				
Customer Services/Utility Billing	19,218	-	-	-
Water Utilities	123,872	76,000	74,380	-
Wastewater Utilities	-	-	-	27,000
TOTAL PUBLIC WORKS	143,090	76,000	74,380	27,000
TOTAL EXPENDITURES	466,731	115,899	88,470	27,000
ENDING BALANCE	\$ 683,292	\$ 721,295	\$ 713,072	\$ 776,012

Capital outlay. FY2011 capital outlay for Wastewater Utilities includes funds to replace a utility service vehicle.

(continued)

Equipment Replacement Fund:
(continued)

Operating budget impact. Capital expenditures are primarily routine capital replacements, with minimal operating budget impact.

Annual operating budget impacts:

Personnel services	\$ -
Operations & maintenance	(2,000)
Services & other	-
Capital outlay	-
Total	<u><u>\$ (2,000)</u></u>

CAPITAL PROJECTS FUND

This fund is used to account for resources from the issuance of debt for the purpose of general capital improvements. Except for intragovernmental transfers, revenues and expenditures are not included in operating budget totals. Capital project fund budgets are project based, not fiscal year based. Projects normally extend beyond fiscal years. Remaining funds on hand at September 30, 2010 will be re-appropriated into the appropriate project for the 2010-2011 fiscal year.

2009-2010 Capital Projects
(Currently Funded and In Process or Complete)

No debt-financed capital projects are proposed for fiscal 2010-2011.

Project	Estimated Project Cost	Project Description	Operating Budget Impact
New Debt Obligations:			
General Obligation Bonds:			
North Tarrant Parkway Improvements- Phase III	\$ 3,889,470	Design and construct approximately 3.5 miles of a 6-lane divided concrete roadway from Whitley Road to Davis Boulevard (FM 1938). Construction costs include signalization of the major intersections, minimum landscaping, and lighting improvements.	\$ -
F.M. 1938 Extension-David Boulevard to State Highway 114	300,000	Extend FM 1938 as a concrete street along Randol Mill Road and Precinct Line Road. The roadway will be a 6-lane divided section on each end and a 4-lane divided section between Johnson Road and Dove Road. The total length is approximately 3.6 miles.	-
Rufe Snow Drive improvements- Phase III	2,620,200	Construct a 4-lane divided concrete roadway, including bridges from Bear Creek Parkway at Town Center to Barbara Lane.	-
Bourland Road extension and Mt. Gilead Road intersection improvements	264,000	Extend Bourland Road, north of Mt. Gilead Road to the south boundary of the Marshall Ridge subdivision. The City will acquire the right-of-way and the developer will construct the road extension.	-
F.M. 1709 (Keller Parkway) improvements at U.S. Highway 377	200,000	Widen FM 1709 (Keller Parkway) between the Elm Street and the Union Pacific Railroad intersection to provide two left turn lanes onto U.S. Highway 377.	-
Total Capital Projects Fund	<u><u>\$ 7,273,670</u></u>		<u><u>\$ -</u></u>

(continued)

Capital Projects Fund
(Continued)

2009-2010 Capital Projects
(Currently Funded and In Process or Complete)

Project	Estimated Project Cost	Project Description	Operating Budget Impact
Roadway Impact Fee Projects:			
North Tarrant Parkway Improvements- Phase III	\$ 1,000,000	Design and construct approximately 3.5 miles of a 6-lane divided concrete roadway from Whitley Road to Davis Boulevard (FM 1938). Construction costs include signalization of the major intersections, minimum landscaping, and lighting improvements.	\$ -
F.M. 1938 Exension-David Boulevard to State Highway 114	200,000	Extend FM 1938 as a concrete street along Randol Mill Road and Precinct Line Road. The roadway will be a 6-lane divided section on each end and a 4-lane divided section between Johnson Road and Dove Road. The total length is approximately 3.6 miles.	-
Rufe Snow Drive improvements- Phase III	400,000	Construct a 4-lane divided concrete roadway, including bridges from Bear Creek Parkway at Town Center to Barbara Lane.	-
Bourland Road extension and Mt. Gilead Road intersection improvements	411,000	Extend Bourland Road, north of Mt. Gilead Road to the south boundary of the Marshall Ridge subdivison. The City will acquire the right-of-way and the developer will construct the road extension.	-
Total Roadway Impact Fees	<u>\$ 2,011,000</u>		<u>\$ -</u>

Operating budget impact.

All capital improvements involve construction of new streets or improvements to existing streets; therefore, there is no significant operating budget impact.

Annual Operating Budget Impact

Personnel services	\$ -
Operations	-
Capital outlay	-
Total	<u>\$ -</u>

PARKS CAPITAL IMPROVEMENTS FUND

This fund is used to account for resources from the issuance of debt, grants or other revenues that are restricted for the purpose of parks capital improvements. Except for intragovernmental transfers, revenues and expenditures are not included in operating budget totals. Capital project fund budgets are project based, not fiscal year based. Projects normally extend beyond fiscal years. Remaining funds on hand at September 30, 2010 will be re-appropriated into the appropriate project for the 2010-2011 fiscal year.

There is no funding anticipated for FY2011; therefore, no budget for this fund has been prepared.

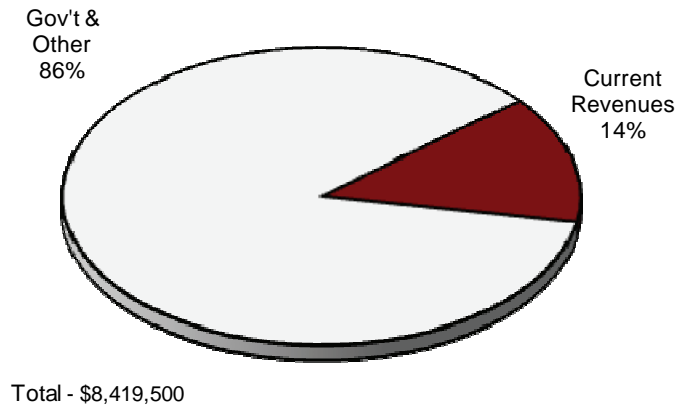
FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP) SUMMARY

Each year the City prepares a five-year CIP. The information provided in the CIP is used as a guide for preparing future operating budgets, as well as a general planning document for capital improvements financing. Each year, the CIP is updated to address current growth patterns, timing changes in the demands for City services, etc.

The CIP is used exclusively as a financial management and planning tool, and does not commit the City to any project or funding authorization. Capital projects are authorized by the City Council as a part of the annual operating budget process, or when the related debt for the project is issued.

A summary of the 2010-11 through 2014-15 CIP is provided below. The CIP project summary provides project information by fund and department, with a general description of each project. The project expenditure summary also includes unfunded (future) projects; however, funding source information is not provided for unfunded (future) projects.

ANTICIPATED FUNDING SOURCES



Fiscal Year	General Obligation Bonds	Revenue Bonds	Other Debt	Current Revenues (Operations)	Inter- and Intra- governmental	Other Sources	Total
SOURCES OF FUNDS:							
2010-2011	\$ -	\$ -	\$ -	\$ 190,000	\$ 1,240,000	\$ -	\$ 1,430,000
2011-2012	-	-	-	215,000	3,159,500	-	3,374,500
2012-2013	-	-	-	235,000	950,000	-	1,185,000
2013-2014	-	-	-	265,000	950,000	-	1,215,000
2014-2015	-	-	-	265,000	950,000	-	1,215,000
Total	\$ -	\$ -	\$ -	\$ 1,170,000	\$ 7,249,500	\$ -	\$ 8,419,500
<i>Percent</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>13.9%</i>	<i>86.1%</i>	<i>0.0%</i>	<i>100.0%</i>

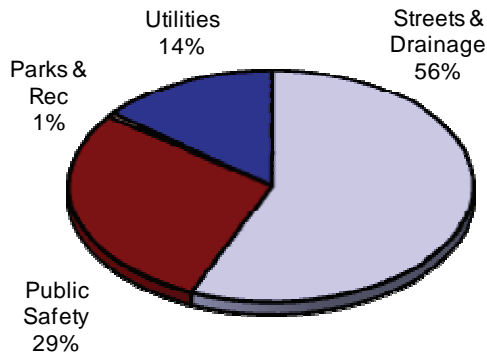
Inter- and intragovernmental sources include street maintenance sales taxes, Keller Crime Control Prevention District sales taxes, and development fees.

Five-Year Capital Improvements Program (CIP)
(Continued)

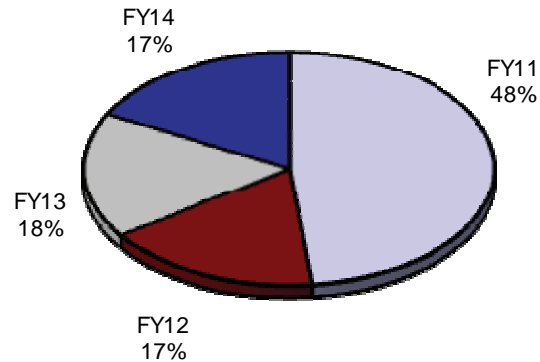
FUNDING SOURCES	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Crime Control District	\$ 250,000	\$ 2,160,000	\$ -	\$ -	\$ -	\$ 2,410,000
Park Development Fees	-	49,500	-	-	-	49,500
Street Maint. Sales Tax	950,000	950,000	950,000	950,000	950,000	4,750,000
Water & W/W Fund	190,000	215,000	235,000	265,000	265,000	1,170,000
Water Impact Fees	40,000	-	-	-	-	40,000
GRAND TOTAL	\$ 1,430,000	\$ 3,374,500	\$ 1,185,000	\$ 1,215,000	\$ 1,215,000	\$ 8,419,500

USES OF FUNDS

Expenditures by Department



Expenditures by Fiscal Year



Total - \$8,419,500

USES OF FUNDS:

	Police	Fire/EMS	Streets & Drainage	Parks and Recreation	Municipal Facilities/ Other	Water & Sewer	Total
2010-2011	\$ 250,000	\$ -	\$ 950,000	\$ -	\$ -	\$ 230,000	\$ 1,430,000
2011-2012	2,160,000	-	950,000	49,500	-	215,000	3,374,500
2012-2013	-	-	950,000	-	-	235,000	1,185,000
2013-2014	-	-	950,000	-	-	265,000	1,215,000
2014-2015	-	-	950,000	-	-	265,000	1,215,000
Total	\$ 2,410,000	\$ -	\$ 4,750,000	\$ 49,500	\$ -	\$ 1,210,000	\$ 8,419,500
<i>Percent</i>	28.6%	0.0%	56.4%	0.6%	0.0%	14.4%	100.0%

Five-Year Capital Improvements Program (CIP)
(Continued)

Capital Improvements by Fund/Department

<u>PROJECT DESCRIPTION</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>	<u>Future (Unfunded)</u>
DRAINAGE IMPROVEMENTS							
Robin Court Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 410,000
Unassigned	-	-	-	-	-	-	10,249,000
Department Total	-	-	-	-	-	-	10,659,000
FIRE/EMS							
<u>Buildings/Facilities</u>							
Central Fire Station Design & Construction	-	-	-	-	-	-	9,750,000
Construct New Fire Station 2/Add Bay to Station 3	-	-	-	-	-	-	7,500,000
Subtotal	-	-	-	-	-	-	17,250,000
<u>Vehicles</u>							
Purchase/replace Department Vehicles	-	-	-	-	-	-	126,000
Purchase Additional Fire Apparatus (Quint)	-	-	-	-	-	-	950,000
Subtotal	-	-	-	-	-	-	1,076,000
Department Total	-	-	-	-	-	-	18,326,000
KELLER TOWN CENTER							
<u>Park Improvements</u>							
The Parks at Town Center Amphitheater	-	-	-	-	-	-	466,000
Parks at Town Center Park Trail	-	-	-	-	-	-	679,250
Department Total	-	-	-	-	-	-	1,145,250
MUNICIPAL FACILITIES							
<u>Buildings/Facilities</u>							
Information Services Relocation	-	-	-	-	-	-	133,600
Department Total	-	-	-	-	-	-	133,600
PARKS & RECREATION							
<u>Buildings/Facilities</u>							
Senior Activity Center Expansion	-	-	-	-	-	-	1,707,495
Subtotal	-	-	-	-	-	-	1,707,495
<u>Park Improvements</u>							
Big Bear Creek Greenbelt & Trail	-	-	-	-	-	-	497,823
Keller Tennis Center	-	-	-	-	-	-	3,546,345
Park Land acquisition	-	-	-	-	-	-	24,350,000
Keller Sports Park Phase VI	-	-	-	-	-	-	3,652,726
Old Town Keller Park	-	-	-	-	-	-	176,108
Northeast Park Master Plan	-	49,500	-	-	-	49,500	-
Hike and Bike Trail Improvements	-	-	-	-	-	-	4,058,583
Johnson Road Park Facility	-	-	-	-	-	-	262,000
Landscape Improvements	-	-	-	-	-	-	240,000
Johnson Road Park Landscape Renovation Phase II	-	-	-	-	-	-	240,000
Citywide Park enhancements	-	-	-	-	-	-	2,150,000
Big Bear Creek West Repair & Restoration	-	-	-	-	-	-	254,850
Subtotal	-	49,500	-	-	-	49,500	39,188,435
Department Total	-	49,500	-	-	-	49,500	40,895,930

(Continued)

Five-Year Capital Improvements Program (CIP)
(Continued)

Capital Improvements by Fund/Department
(Continued)

<u>PROJECT DESCRIPTION</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>	<u>Future (Unfunded)</u>
POLICE							
<u>Buildings/Facilities</u>							
Animal Shelter enhancements	-	-	-	-	-	-	2,200,000
Jail Facility Renovation	250,000	2,160,000	-	-	-	2,410,000	-
Department Total	250,000	2,160,000	-	-	-	2,410,000	2,200,000
STREET IMPROVEMENTS							
<u>New Street Construction</u>							
U.S. Highway 377 & Elm Street One-Way Couplet	-	-	-	-	-	-	12,000,000
Keller-Smithfield Road - Phase III	-	-	-	-	-	-	1,296,000
Subtotal	-	-	-	-	-	-	13,296,000
<u>Street Reconstruction</u>							
FM 1709 Median enhancements	-	-	-	-	-	-	1,500,000
FY2010-2014 Residential Street Reconstruction	950,000	950,000	950,000	950,000	950,000	4,750,000	-
Railroad Crossing Quiet Zones	-	-	-	-	-	-	500,000
Subtotal	950,000	950,000	950,000	950,000	950,000	4,750,000	2,000,000
Department Total	950,000	950,000	950,000	950,000	950,000	4,750,000	15,296,000
SIDEWALK IMPROVEMENTS							
<u>Sidewalk Improvements</u>							
Safe routes to schools	-	-	-	-	-	-	2,250,000
Subtotal	-	-	-	-	-	-	2,250,000
Department Total	-	-	-	-	-	-	2,250,000
TOTAL GENERAL GOVERNMENT	1,200,000	3,159,500	950,000	950,000	950,000	7,209,500	90,905,780

Five-Year Capital Improvements Program (CIP)
(Continued)

Capital Improvements by Fund/Department
(Continued)

<u>PROJECT DESCRIPTION</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>	<u>Future (Unfunded)</u>
WATER UTILITIES							
<u>Water System Improvements:</u>							
Creek Road & Helen Street	40,000	-	-	-	-	40,000	360,000
Johnson Road Improvements	-	-	-	-	-	-	1,130,000
Mt. Gilead & Keller-Smithfield Road	-	-	-	-	-	-	2,825,000
Wall-Price Keller Road Improvements	-	-	-	-	-	-	3,149,000
Florence Road/Randol Mill Road Improvements	-	-	-	-	-	-	1,601,600
Alta Vista Pump Station Rehabilitation	-	-	-	-	-	-	4,158,000
Upper Pressure Plane Improvements	-	-	-	-	-	-	914,100
Clay Hibbins Road Improvements	-	-	-	-	-	-	327,000
Bursey Road Improvements	-	-	-	-	-	-	2,720,500
Department Total	40,000	-	-	-	-	40,000	17,185,200
WASTEWATER UTILITIES							
<u>Wastewater System Improvements:</u>							
Katy Road Improvements	-	-	-	-	-	-	1,733,000
Marshall Branch East Collectors (ME-1)	-	-	-	-	-	-	1,890,000
Marshall Branch East Collectors (ME-2)	-	-	-	-	-	-	1,420,000
Big Bear East Collectors (BE-1)	-	-	-	-	-	-	1,925,000
Big Bear East Collectors (BE-2)	-	-	-	-	-	-	1,610,000
Marshall Branch West Collectors	-	-	-	-	-	-	1,139,000
Big Bear Central Branch Interceptors Cade, Kirkwood, Florence Branch Interceptors	-	-	-	-	-	-	3,555,000
Big Bear South Interceptors	-	-	-	-	-	-	853,000
Big Bear Central Collectors	-	-	-	-	-	-	1,294,000
Big Bear East Collectors (BE-3)	-	-	-	-	-	-	1,265,000
Big Bear East Collectors (BE-4)	-	-	-	-	-	-	1,064,000
Kirkwood and Florence Collectors	-	-	-	-	-	-	2,783,000
Cade Branch Collectors (C-1)	-	-	-	-	-	-	1,064,000
Cade Branch Collectors (C-2)	-	-	-	-	-	-	995,000
Outlier Collectors	-	-	-	-	-	-	1,604,000
FY 2011-2015 Improvement projects	190,000	215,000	235,000	265,000	265,000	1,170,000	-
Department Total	190,000	215,000	235,000	265,000	265,000	1,170,000	27,091,000
TOTAL WATER & WASTEWATER	230,000	215,000	235,000	265,000	265,000	1,210,000	44,276,200
GRAND TOTAL	\$ 1,430,000	\$ 3,374,500	\$ 1,185,000	\$ 1,215,000	\$ 1,215,000	\$ 8,419,500	\$ 135,181,980

SUPPLEMENTAL DATA

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BUDGET POLICIES

In accordance with Articles V and VIII of the Keller Charter and other related ordinances and policies, the following budget policies are followed throughout the budgetary process.

Section 5.01(c). Powers and duties of the City Manager.

- (2) Prepare the budget annually and submit to the City Council, and be responsible for its administration after adoption.
- (3) Prepare and submit to the City Council as of the end of the fiscal year a complete report on the finances and administrative activities of the City for the preceding year.
- (4) Keep the City Council advised of the financial condition and future needs of the city and make such recommendations as may seem desirable.

Section 8.02. Submission of budget and budget message.

The fiscal year of the city shall begin on the first day of October and end on the last day of the following September.

On or before August 15 of each year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year and an accompanying message in the form and with the content as prescribed by the [City] Council.

Code reference - Fiscal year established, § 2-110.

Section 8.03. Budget as a public record.

The budget and budget message and all supporting schedules shall be a public record in the office of the City Secretary open to public inspection by anyone. The City Manager shall cause sufficient copies of the budget and budget message to be prepared for distribution to the [City] Council and to the public library.

Section 8.04. Publication of notice of public hearing.

At the meeting of the [City] Council at which the budget and budget message are submitted, the [City] Council shall determine the place and time of the public hearing on the budget, and shall cause to be published a notice of the place and time of such hearing which shall be not less than seven (7) days after date of publication, at which the [City] Council will hold a public hearing.

Section 8.05. Public hearing on budget.

At the time and place so advertised, or at any time and place to which such public hearing shall from time to time be adjourned, the [City] Council shall hold a public hearing on the budget as submitted, at which all interested persons shall be given an opportunity to be heard, for or against the estimates or any item thereof.

Section 8.06. Further consideration of budget.

After the conclusion of such public hearing, the [City] Council may make such changes as it shall deem proper, except that such proposed expenditures as are fixed by law cannot be changed. Before making any change which could cause an increase in the total proposed budget, the [City] Council shall hold an additional public hearing in the same manner and with the same notice as set forth for original budget hearings.

BUDGET POLICIES

Section 8.07. Addition to budget.

After such further hearing, the [City] Council may insert the additional item or items, and make the increase or increases, to the amount in each case indicated by the published notice, or to a lesser amount, but where it shall increase the total proposed expenditures, it shall also increase the total anticipated revenue to at least equal such total proposed expenditures.

Section 8.08. Majority of full [City] Council required.

The budget shall be adopted by the favorable votes of at least a majority of all the members of the [City] Council.

Section 8.09. Date of final adoption; failure to adopt.

The budget shall be finally adopted not later than the twenty-seventh day of the last month of the fiscal year. Should the [City] Council take no final action on or prior to such date, the budget, as submitted, shall be deemed to have been finally adopted by the [City] Council.

Section 8.10. Effective date of budget certification; copies made available.

Upon final adoption, the budget shall be in effect for the budget year. A copy of the budget, as finally adopted, shall be certified by the Mayor and the City Secretary and filed in the office of the City Secretary. The budget so certified shall be printed, mimeographed or otherwise reproduced and sufficient copies thereof shall be made available for the use of all offices, departments and agencies and for the use of interested persons and civic organizations.

Section 8.11. Budget establishes appropriations.

From the effective date of the budget the several amounts stated therein as proposed expenditures shall be and become appropriated to the several objects and purposes therein named.

Section 8.12. Amendment.

The City Council may during the fiscal year amend the budget by ordinance if such amendment will not increase the total of all budget expenditures. If such expenditures are necessary to protect public property or the health, safety or general welfare of the citizens of Keller, the total budget may be increased after notice and public hearing as prescribed for adoption of the original budget.

Section 8.13. Appropriation of excess revenue.

If at any time the total accruing revenue of the City shall be in excess of the total estimated income thereof, as projected in the budget, the City Council may by ordinance amend the budget so as to appropriate such excess revenue to such purposes as they may deem appropriate after notice and public hearing as required for adoption of the original budget.

BUDGET POLICIES

Section 8.14. Accounting procedures.

Accounting procedures shall be maintained by the City adequate to record in detail all transactions affecting the acquisition, custodianship and disposition of anything of value; and the recorded facts shall be presented annually to the City Council and to the public and such summaries and analytical schedules in detailed support thereof as shall be necessary to show the full effect of such transaction for each fiscal year upon the finances of the City and the relation to each department thereof including distinct summaries for each required by law to be segregated.

Section 8.15. Independent audit.

The [City] Council shall cause an independent audit to be made of the books of account, records and transactions of all the administrative departments of the City at least once yearly. Such audit shall be made by a certified public accountant selected by and responsible to the [City] Council. The duties of the auditors so appointed shall include the certification of all statements. Such statements shall include a balance sheet, exhibiting the assets and liabilities of the City, supported by departmental schedules, and schedules for each publicly owned or operated utility, summaries of income and expenditures, supported by detailed schedules, and also comparison, in proper classification, with the last previous year. The report of such auditor or auditors for the fiscal year shall be printed and a copy thereof shall be furnished to each member of the [City] Council and the City Manager, and a copy shall be made available to each citizen who may request such. The original shall be kept among the permanent records of the City.

Section 8.16. Power to tax.

The City Council shall have the power under the provisions of state law to levy, assess and collect an annual tax upon taxable property within the City, the tax not to exceed the rate as provided for by state law governing cities with a population in excess of five thousand (5,000) inhabitants.

If for any cause the City Council shall fail to pass a tax ordinance for any one (1) year, levying taxes for that year, then and in the event the tax levying ordinance and rate established therein last passed shall and will be considered in force and effect.

Section 8.17. Defect shall not invalidate tax levy.

Defects in the form of preparation of the budget or the failure to perform any procedural requirement shall not invalidate any tax levy or the tax roll.

CITY OF KELLER
Financial Management Policies

1. Purpose of Policies.

1.1 The City of Keller (the City) is committed to sound financial management through integrity, prudent stewardship, financial planning and accountability, full disclosure, and communication. Financial Management Policies will enable the City to achieve and maintain a stable, positive financial condition, while also providing guidelines for the day-to-day planning and operations of the City's financial affairs.

1.2 The City will establish and maintain a high standard of accounting practices. The City's accounting system shall conform to generally accepted accounting principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB) for governmental entities.

1.3 The City will prepare and maintain in a current status written administrative procedures relating to each financial management area. The City Manager, department directors, and managers are responsible for ensuring that good internal controls are maintained and followed throughout their respective City departments, that all management directives or internal control recommendations are implemented in a timely manner, and that all independent auditor recommendations are addressed.

1.4 These financial management policies shall remain in effect until amended by the City Council. The City Council shall review the policies annually, and amend as necessary.

2. Operating Budgets.

2.1 Annual estimates of revenue in both the general fund and enterprise funds shall be based on historical trends and a reasonable expectation of growth. A conservative approach shall be observed in estimating revenues, so that revenue estimates will not be overstated. Annual Water and Wastewater Enterprise Fund revenues shall be budgeted on the basis of a normalized year, with reasonable estimates of customer growth, not on the basis of forecasted above-average rainfall (wet year) or below-than-average rainfall (dry year).

2.2 The adoption of a balanced budget, where current resources (current revenues plus undesignated fund balances) shall be required. Current resources will equal or exceed current expenditures for each individual fund.

2.3 At the end of each fiscal year, the City shall establish a goal that the undesignated fund balances or reserves of the General Fund shall be at least sixteen and two-thirds percent (16.67%) of fund operating expenditures (excluding non-recurring expenditures), or sixty (60) days of total fund operating expenditures for the same fiscal year.

2.4 The City should endeavor to maintain a diversified and stable revenue base in order to prevent overall revenue shortfalls as a result of periodic fluctuations in any one revenue source. Each existing and potential revenue source will be re-examined annually.

2.5 The City shall use non-recurring resources and fund balances to fund non-recurring expenditures. Recurring revenues only shall be used to fund recurring expenditures.

2. Operating Budgets.
(Continued)

2.6 User charges, rates and fees shall be established at a level related to the cost of providing the services. These charges, rates and fees shall be reviewed not less than annually in order to determine the appropriate level of funding anticipated to support the various related activities. In order to mitigate the magnitude of rate increases necessary for the Water and Wastewater Enterprise Fund, an independent cost of service study will be conducted at least every three (3) years to review rate methodology and ensure revenues will meet future obligations. The cost of service study shall include operating costs, anticipated capital improvements and use of associated impact fees, provision for an adequate level of working capital, and requirements necessary to meet all current and future revenue bond covenants,

2.7 Rates for water and wastewater enterprise activities shall be maintained at levels sufficient to ensure that annual revenues will be available to pay all direct and indirect costs of the enterprise activities, including costs of operation, capital improvements, maintenance, and principal and interest requirements on outstanding debt, and interest and sinking fund and reserve fund requirements. The City recognizes an obligation to provide water and sewer services to customers as economically as possible, while also maintaining the fiscal integrity of the Water and Wastewater Enterprise Fund; therefore, the City will seek to pass through (recover) increases in water supply costs and wastewater treatment services from customers of the City of Keller.

2.8 Net earnings of enterprise funds for any fiscal period should be adequate to meet all bond covenants, especially the debt coverage ratio. Net earnings shall be defined to include non-operating revenues available for debt service, excluding depreciation and transfers to other funds.

2.9 For enterprise funds, a working capital goal of at least sixty (60) days will be maintained at the end of each fiscal year. In order to mitigate the potential impact of extreme weather conditions each year, in addition to the aforementioned working capital reserve requirement, the Water and Wastewater Enterprise Fund shall maintain a rate stabilization reserve goal equal to five percent (5%) of annual water and wastewater revenues, with a minimum reserve goal of seven hundred fifty thousand dollars (\$750,000). Any use of or reduction in the rate stabilization reserve balance shall be authorized only by official action of the City Council.

2.10 Enterprise funds shall adequately compensate the General Fund (and other applicable funds) for administrative and/or management services provided to the enterprise funds. Transfers from enterprise activities to the general fund for administrative services shall not exceed the estimated costs incurred by the General Fund in providing such services. Payments in-lieu-of-taxes and franchise fee payments shall be paid by enterprise funds to other appropriate funds. The basis for each transfer shall be fully identified each year in the proposed budget.

2.11 A contingency reserve, to be used in the case of unforeseen items of expenditures, shall be established annually as a goal for the General Fund. Provision shall be made in the annual budget and in the appropriation ordinance for a contingency reserve of at least three percent (3%) of operating fund expenditures (excluding non-recurring expenditures). Expenditures from this reserve shall be made only in case of established emergencies, as authorized by official action of the City Council. This contingency reserve will be in addition to the reserve requirements specified in Section 2.3.

2.12 A proposed budget for all funds shall be submitted to the City Council by the City Manager on or before August 15 of each year, for the ensuing fiscal year. [*Keller Charter, Section 8.02*]. The City Manager's proposed budget shall be filed in the Office of the City Secretary and the Keller Public Library, and posted on the City website for review and inspection by interested citizens.

2. Operating Budgets.
(Continued)

2.13 Unless otherwise noted in the annual budget document, annual fixed-dollar budgets will be adopted for all funds except capital project and trust funds for the period beginning October 1 and ending September 30 of the following year. Project budgets for capital projects are adopted on a project basis, and not a fiscal year basis.

2.14 All budget appropriations (except for capital projects funds) lapse at fiscal year-end (September 30). Any encumbered appropriations at year-end may be re-appropriated by the City Manager in the ensuing fiscal year. Such re-appropriations shall be subsequently reported to City Council.

2.15 All budgets shall be adopted on a basis of accounting consistent with GAAP, as applied to governmental entities, with the exception of Enterprise and Internal Service Funds. Revenues are budgeted as they become measurable and available. Expenditures are charged against the budget when they become measurable, or when a liability has been incurred and the liability is expected to be liquidated with available current resources. Outstanding encumbrances at year-end are re-appropriated in the budget of the ensuing fiscal year. For Enterprise and Internal Service Funds, depreciation is not budgeted, and capital improvements and debt service principal payments are budgeted as expenditures/expenses.

2.16 The budget shall be maintained at the legal level of control which is the department within the individual fund. Expenditures may not exceed the legal level of control at the department level within an individual fund without approval of the City Council. The City Manager is authorized to transfer appropriations within a department or between departments in an individual fund in accordance with these policy guidelines.

2.17 Authority to transfer appropriations within a fund or department. The City Manager may approve transfers of available appropriations between general classifications of expenditures within the same fund, provided the transfer amounts do not result in a net increase in total appropriations for the fund. The City Manager shall report to the City Council any transfer at the next regular Council meeting.

2.18 Authority to transfer appropriations between a fund. Transfers of available appropriations in general classifications of expenditures between funds, shall be approved only by the City Council:

2.19 Increase in total appropriations and use of contingency funds. The City Council shall also approve any budget modification(s) resulting in a net increase in appropriations, or any proposed use of contingency funds [*Keller Charter, Section 8.12*].

2.20 The City will strive to receive and retain the Distinguished Budget Presentation Award presented annually by the Government Finance Officers Association (GFOA).

2.21 Budgets of Enterprise and Internal Service Funds shall be self-supporting, i.e., current revenues plus working capital reserves will equal or exceed current expenditures (excluding depreciation).

2.22 Budgets of Enterprise and Internal Service Funds are prepared on a working capital basis, whereby depreciation expenses are not budgeted and capital outlay and debt service principal payments are budgeted as expenses. Reserves of Enterprise and Internal Service Funds will be disclosed using working capital, rather than retained earnings.

2. Operating Budgets.
(Continued)

2.23 Budgets shall integrate performance measures, goals and objectives, service levels and productivity measures where appropriate, and provide a means of measuring and monitoring performance, goals and productivity.

2.24 New positions and programs funded in annual budgets will be disclosed at their full annual cost in the initial and subsequent years of funding, or at the respective full-time equivalent costs for new positions. Even if the positions and/or programs are anticipated to begin mid-year, the full annual costs, or the full-time equivalent costs for new positions, will be disclosed in the budget. Positions temporarily vacant will also be disclosed at their full annual cost in the annual budget.

2.25 Replacement of worn-out existing capital equipment that is costly to maintain will not be deferred in the annual budget process.

3. Capital Improvements.

3.1 The City will develop and maintain a comprehensive five-year plan for capital improvements. This plan shall be presented to and reviewed by the City Council annually. Capital improvements for planning purposes shall be considered as all land, land improvements, building projects, infrastructure (i.e., streets, water and wastewater improvements) and equipment exceeding one hundred thousand dollars (\$100,000) in cost.

3.2 All capital improvements should be made in accordance with the five-year plan as adopted or reviewed by the City Council.

3.3 The City Council shall adopt an annual capital budget that is based on the five-year capital improvement plan. This capital budget shall identify the sources of funding for each capital project authorized for the ensuing fiscal year. Assessments and pro-rata charges may be applied where applicable to fund capital projects.

3.4 The City's capital improvement program shall be coordinated with the operating budgets. Operating costs associated with each capital improvement project will be identified in the capital budget and included in the appropriate operating budget if the project is authorized.

3.5 Capital project status reports shall be prepared monthly, on a timely basis.

3.6 Interest earnings on bond proceeds shall be credited to the appropriate capital project fund(s) or debt service fund(s).

3.7 For capital budgeting purposes, capital improvement projects for facilities (fire stations, libraries, City Halls, etc.) will not only include cost of acquisition or construction of the facility, but shall also include the annual operating costs of staffing, equipping, operating and insuring of the facility. The City shall not finance annual operating costs with the issuance of debt, per Section 4.1.

3.8 The City will strive to adequately measure the condition of our infrastructure, and the degree to which the City is meeting infrastructure replacement needs.

3. Capital Improvements.
(Continued)

3.9 The City Council may establish, by resolution, policies and procedures for prioritizing capital project improvements, establishing a reserve therefore, and the funding thereof in accordance with the provisions of the City's Financial Management Policies.

4. Debt Management.

4.1 Long-term debt shall not be incurred to finance current operations. Long-term debt shall be defined as debt requiring more than five years to retire. Short-term or interim debt shall be defined as debt requiring five years or less to retire, and may be used to fund purchases of machinery, equipment (including office equipment) and vehicles.

4.2 When any debt is issued to finance capital improvements, the City shall retire the debt within a period not to exceed the expected useful life of the projects or improvements being financed.

4.3 Total debt service requirements (principal and interest) in any fiscal year should generally not exceed twenty-five percent (25%) of the City's total expenditures/expenses (excluding capital projects funds).

4.4 Total direct general obligation debt service requirements shall not exceed fifteen percent (15%) of the assessed value of taxable property.

4.5 The City shall maintain good communications with the major bond rating agencies concerning the City's financial condition, and shall follow a policy of full disclosure in every financial report and official bond statement. The City will maintain sound fiscal management practices to maintain and improve current bond ratings.

4.6 Interest and sinking fund and/or debt reserve balances shall be maintained in accordance with the City's most restrictive bond ordinances and/or covenants.

4.7 Use of impact fee revenue for debt will be evaluated during each budget year. The amount of impact fees being used for debt service shall be fully disclosed in the annual budget.

4.8 Debt issuance is costly, time-consuming and should be done no more than once a year if possible.

4.9 The percentage of the tax rate designated for debt service purposes should not exceed forty percent (40%) of the total tax rate.

5. Financial Reporting.

5.1 The City will strive to receive and retain the Certificate of Achievement for Excellence in Financial Reporting awarded annually by the Government Finance Officers Association of the United States and Canada (GFOA).

5.2 An annual independent financial audit shall be performed by a properly licensed independent public accounting firm, and results of this audit will be presented to the City Council by March 31 of the following year in the form of a Comprehensive Annual Financial Report (CAFR), in accordance with generally accepted accounting principles (GAAP) and GFOA requirements.

5.3 Timely interim financial reports will be produced for department managers for internal purposes. Departmental reports comparing budget to actual amounts shall be prepared by the Finance Department in a timely manner.

5.4 Financial statements shall be prepared on at least a quarterly basis and made available to the City Council in a condensed format. After presentation of the report to the City Council, the report shall be made available for public inspection.

5.5 Every three to five years, the City will issue requests for proposal to choose an auditor for a period not to exceed five years.

6. Purchasing.

6.1 The City Manager shall be responsible for maintaining a written purchasing policy in accordance with State statutes and City Ordinances.

6.2 The Director of Finance shall be responsible for maintaining written administrative purchasing procedures in accordance with the City's Purchasing Policy. These administrative procedures must be approved by the City Manager.

6.3 Generally, purchases are authorized as follows:

6.3.1 The Director of Finance and the Department Head may approve purchases for fifteen thousand dollars (\$15,000) or less.

6.3.2 Purchases greater than fifteen thousand dollars (\$15,000) but less than fifty thousand dollars (\$50,000) will require detailed specifications, and must be approved by the Department Head, the Director of Finance and the City Manager.

6.3.3 Purchases exceeding fifty thousand dollars (\$50,000) will be subject to competitive bidding requirements and may be approved only by the City Council. Formal competitive bids shall be required for all purchases in excess of those limits established by State statutes. Purchases below State statute limitations may be approved by the Department Director and Finance Director, and/or the City Manager in accordance with City statutes and written purchasing policies and procedures.

6.4 Lease purchase or installment purchase agreements may be used to finance capital items with a purchase price exceeding fifty thousand dollars (\$50,000) and having a useful life in excess of one (1) year. All lease purchase agreements in excess of limits established by State statutes will be awarded by City Council.

6. Purchasing.
(Continued)

6.5 In accordance with the City's Purchasing Policy, the City may consider one or more competitive sealed bids from a bidder whose principal place of business is within the city limits, in accordance with provisions of Chapter 271, Subchapter 271.9051 of the Local Government Code.

6.6 The administrative purchasing procedures shall contain an ethics section, in accordance with State of Texas statutes and the City's Ethics Policy.

6.7 Chapter 791 of the Texas Government Code (the Interlocal Cooperation Act) authorizes government entities within the State of Texas to contract with one another for the provision of various governmental functions and the delivery of various governmental services, including those in the areas of purchasing goods, supplies and services. Therefore, in an effort to utilize resources wisely, the City will enter into interlocal agreements, when advantageous to the City, with other governmental entities such as the State of Texas, North Central Texas Council of Governments, Houston-Galveston Area Council of Governments, the City of Fort Worth, Tarrant County, or Keller Independent School District, in order to take advantage of purchasing contracts with favorable pricing arrangements.

6.8 Authorization and Approval of Change Orders. The City Council hereby grants authority to the City Manager to execute any and all change orders which involve a decrease or an increase of twenty-five thousand dollars (\$25,000) or less, provided the total contract expenditures do not exceed the budgeted amount. Any change order involving a decrease or an increase in excess of twenty-five thousand dollars (\$25,000) requires approval of the City Council, in accordance with Local Government Code, Section 252.048.

7. Cash and Investments.

7.1 The Director of Finance shall be responsible for maintaining written administrative procedures for all areas of cash and investments, in accordance with State statutes, City ordinances and these policies.

7.2 The City will enter into a depository agreement with one or more banks for a specified period of time and specified fees for banking services. The term of each depository agreement shall not exceed three (3) years unless otherwise approved by the City Council.

7.3 Collection, deposit and disbursement of all funds will be scheduled to ensure maximum cash availability and investment earnings.

7.4 The City's first and foremost investment objective shall be safety of principal. To meet this objective, the City will seek to obtain a competitive, or market rate-of-return on investments, consistent with the City's investment policy.

8. General Policies.

8.1 The City Manager is authorized to write off bad debt accounts less than one thousand dollars (\$1,000) which have been delinquent for more than one hundred twenty (120) days. These accounts will be aggressively pursued for collection by any lawful and available means. Accounts which are in bankruptcy status, involving a claim of one thousand dollars (\$1,000) or less, which require the City to make an election to the bankruptcy court, will be referred to the City Manager, with a recommendation by the City Attorney. The City Manager shall report all bad debt write-offs to City Council. All accounts involving write-offs greater than one thousand dollars (\$1,000) shall be referred directly to City Council for write off, or further recommended action.

8.2 The City shall follow a policy of aggressively pursuing the collection of current and delinquent ad valorem taxes, and shall strive to maintain a current ad valorem tax collection rate equal to or exceeding ninety-seven percent (97%) of the current levy. In addition, the City will aggressively pursue collection of other debts owed to the City, e.g., water bills, ambulance billings, etc.

8.3 Sound appraisal procedures and practices will be monitored by the City in order to keep property values current. The City will annually review the various levels of property tax exemptions and abatements which may be optionally granted by the City.

8.4 The City may impose impact fees upon new development. The purposes of these fees are to pay a portion of the cost of constructing capital improvements or facility expansions necessary to serve new development.

8.5 Expenditures of impact fees are limited to paying the cost of construction or capital improvements or facility expansions and to payment of principal and interest on bonds, notes, or other obligations issued to finance eligible capital improvements.

8.6 Plans and costs of enforcement related to the passage of ordinances and/or other legislation (if any) should be disclosed to the City Council by the City Manager, prior to the passage of ordinances and/or other legislation.

8.7 Consistent efforts shall be made to reconcile the total water volume sold to the total water volume purchased or pumped. Acceptable water losses for fire-fighting, fire hydrant testing and broken lines should not exceed seven percent (7%). To achieve this goal, it is the policy of the City that all water service, including City-owned facilities, be metered appropriately.

8.8 Efforts shall be made to reconcile wastewater contributed from customers to those volumes flowing through treatment facilities. Acceptable amounts of inflow and infiltration should not exceed ten percent (10%).

8.9 Utility billing collection cycles should be as short as practical and utility security deposits should reflect those cycles in order to minimize losses to the City. Meter readings should occur in relatively uniform monthly time frames, and utility bills should be generated in a timely manner thereafter. Utility bills should be due no more than fifteen (15) days after the customer receives the bill. Delinquent notices should be mailed one day after the due date. Termination of utility service should occur no more than sixty (60) days after the meter reading date.

8. General Policies.
(Continued)

8.10 The City will evaluate privatization of services which will either maintain or improve the existing quality of services, while at the same time minimizing the cost of the service to the public. Examples of services to be evaluated for privatization are solid waste collection, engineering, and data processing services.

8.11 The City will provide adequate staffing and training to our fiscal functions in order to maintain effective internal controls, timely financial transactions and meaningful financial management information.

8.12 Utility cost subsidies should be minimized. Cost subsidies can occur between funds, i.e., General Fund and Water and Wastewater Enterprise Fund; between utilities, water utility and sewer utility; between customers, residential customers and commercial customers; and between generations, current and future generations.

8.13 The City will cautiously evaluate the granting of tax exemptions and/or abatements, which shift tax burdens, and may also eventually raise the overall tax rate.

8.14 The City will thoroughly review state and federal legislation that will impact City services, and the potential or resulting costs to citizens.

Fiscal Management Contingency Plan

The contingency plan is a planning document that will be used in the event there is a downturn in economic conditions that will negatively impact the City of Keller budget. The City is dependent on a stable, growing economy so that budgeted revenues will be realized. It is essential that the City of Keller constantly monitor economic conditions and any possible negative impacts on the City's revenues.

The fiscal management plan will assist City management in guiding future planning efforts. The Plan is a guide only, and is intended to assist in budget balancing strategies. Depending upon management's response to economic and financial conditions, some parts of the plan may be implemented sooner or later, in accordance with direction from the City Council. Economic and budget conditions will be evaluated monthly, and any budget impacts resulting from economic conditions or trends will be identified.

Throughout the contingency plan process, the goal is to protect current service levels, while continuing to provide competitive pay and benefits to all employees.

Budgetary Revenue Shortfall Contingency Plan

- A. The City will establish a plan to address economic situations that cause revenue to be significantly less than the adopted budget revenue. The plan is comprised of the following components:

Indicators – Serve as warnings that potential budgetary revenue shortfalls are increasing in probability. Staff will monitor state and national economic indicators to identify recessionary or inflationary trends that could negatively impact consumer spending or property values.

Levels – Serve to classify and communicate the severity of the estimated budgetary revenue shortfalls and identify the actions to be taken at the given phase.

Actions – Preplanned steps to be taken in order to prudently address and counteract the estimated budgetary revenue shortfall.

- B. The actions listed in Levels I through IV are intended to be short-term in nature. In the event the underlying economic situation is expected to last for consecutive years, more permanent actions will be taken.

- C. The City Manager or designee will apprise City Council at the regular City Council meeting immediately following any action taken through this plan. Information such as underlying economic condition, economic indicators, estimated budgetary revenue shortfalls, actions taken and expected duration will be presented to City Council.

- D. The City Council may appropriate available fund balance as needed to cover any estimated revenue shortfall. Appropriation of fund balance must be carefully weighed and long-term budgetary impacts must be considered in conjunction with the projected length of the economic downturn.

- E. Actions taken through this plan must always consider the impact on revenue generation. Actions taken should reduce expenses well in excess of resulting revenue losses.

- F. The following is a summary of classifications and the corresponding actions to be taken.

1. Level I: The estimated annual revenue is below budget projections for 3 consecutive months. Current economic conditions and indicators may continue.
 - a. Expenditures:
 - i. Freeze newly created positions.
 - ii. Implement a time delay for hiring vacant positions.
 - b. Revenues:
 - i. Identify any potential new revenue sources.
 - c. Service Level Impacts:
 - i. Minor service level disruptions and/or delays.
 - ii. New projects may be postponed or deferred.

- iii. Begin planning for Levels II through IV.
 - iv. Implement Community Communication Plan in order to communicate to citizens any service levels that may be impacted.
 - d. Improvement in Economic Conditions. When the estimated annual revenue equals or exceeds the budget projections for 3 consecutive months, *and economic indicators are anticipated to continue to improve*, initiate normal operating procedures.
- 2. Level II: The estimated annual revenue is below budget projections for 6 consecutive months. Current economic conditions and indicators are anticipated to continue.
 - a. Expenditures:
 - i. Implement a managed-hiring program for vacant positions.
 - ii. Reduce the hours/number of part-time and seasonal employees as per Reduction In Force Policy.
 - iii. Reduce travel and training expenses.
 - iv. Review and prioritize reductions of operating and capital expenditures.
 - v. Eliminate or defer capital outlay expenses.
 - vi. Review and prioritize expenses for professional and contracted services.
 - b. Revenues:
 - i. Evaluate user fees in order to remain competitive.
 - ii. Identify and/or implement new revenue sources.
 - iii. Evaluate property tax rate increase.
 - iv. Evaluate water and wastewater rate increases.
 - v. Evaluate use of available fund balance.
 - c. Service Levels Impacts:
 - i. Cutbacks or reductions in non-essential day-to-day operations (number of times parks are mowed, hours of operations of facilities).
 - ii. Defer general (non essential) maintenance.
 - iii. Prioritize and defer or freeze vehicle replacements, computer upgrades and new computer purchases. Replacements for essential non-working equipment are allowed, subject to approval by the City Manager.
 - iv. Reduce or defer non-essential repair and maintenance expenses. Examples – vehicles, communications, office equipment, machinery and buildings. Repair and maintenance of essential non-working equipment is permitted, subject to approval by the City Manager.
 - d. Improvement in Economic Conditions. When the estimated annual revenue equals or exceeds the budget projections for 3 consecutive months, *and economic indicators are anticipated to continue to improve*, initiate Level I.
- 3. Level III: The estimated annual revenue is below budget projections for 9 consecutive months, or is below budget projections by more than 6% for 6 consecutive months. Current economic conditions and indicators are anticipated to continue or possibly worsen.
 - a. Expenditures:
 - i. Prepare for implementation of a Reduction in Force Plan.
 - ii. Implement a compensation freeze.
 - iii. Identify overtime expenses that may likely be reduced.
 - iv. Reduce external program funding.
 - v. Eliminate or defer pending capital improvement projects.
 - vi. Consider deferring payments to City-owned utilities – water and wastewater services.
 - b. Revenues:
 - i. Recommend property tax increase.
 - ii. Recommend water and/or wastewater rate increase.
 - iii. Recommend new revenues, or increases in current fees.
 - iv. Recommend use of available fund balance.
 - c. Service Level Impacts:
 - i. Significant reductions in service levels.
 - ii. Evaluate and/or recommend a reduction in hours of operation at all facilities.
 - iii. Essential programs and services will be evaluated for reductions.
 - iv. Reduce energy costs through reduction in hours of operations.

- d. Improvement in Economic Conditions. When the estimated annual revenue equals or exceeds the budget projections for 3 consecutive months, *and economic indicators are anticipated to continue to improve*, initiate Level II.
4. Level IV: The estimated annual revenue is below budget projections for 12 consecutive months, or is below budget projections by more than 6% for 9 consecutive months. Current economic conditions and indicators are anticipated to continue and are likely to worsen.
- a. Expenditures:
 - i. Implement Reduction in Force Plan (reduce employee personnel costs, including an employee furlough plan for time off without pay and/or four-day work weeks, laying off of personnel, etc).
 - ii. Consider other cost reduction strategies.
 - iii. Reduce departmental budgets by a fixed percentage or dollar amount.
 - iv. Eliminate external program funding.
 - v. Reduce and/or eliminate overtime expenses throughout departments.
 - b. Revenues:
 - i. Implement property tax rate increase.
 - ii. Implement water and wastewater rate increase.
 - iii. Increase user fees.
 - iv. Implement use of available fund balance.
 - c. Service Level Impacts:
 - i. Reduce hours of operations of all facilities.
 - ii. Implement service level reductions throughout all departments and/or eliminate specific programs.
 - iii. Departments will prioritize service levels and programs according to City Council goals and objectives.
 - iv. Defer infrastructure and street overlay maintenance.
 - d. Improvement in Economic Conditions. When the estimated annual revenue equals or exceeds the budget projections for 3 consecutive months, *and economic indicators are anticipated to continue to improve*, initiate Level III.

2010 (FY2011) Property Tax Rates in the City of Keller

This notice concerns 2010 property tax rates for the City of Keller (the City). It presents information about three tax rates. Last year's tax rate is the actual rate the City used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the City can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$ 11,649,019
Last year's debt taxes	\$ 4,935,802
Last year's total taxes	\$ 16,584,821
Last year's tax base	\$ 3,750,609,693
Last year's total tax rate	\$ 0.44219/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$ 15,942,395
÷ This year's adjusted tax base (after subtracting value of new property)	\$ 3,471,679,638
= This year's effective tax rate <i>(Maximum rate unless the City publishes notices and holds hearings.)</i>	\$ 0.45921/\$100

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent health care expenditures)	\$ 11,014,518
÷ This year's adjusted tax base	\$ 3,471,679,638
= This year's effective operating rate	\$ 0.31727/\$100
x 1.08 = this year's maximum operating rate	\$ 0.34265/\$100
+ This year's debt rate	\$ 0.14941/\$100
= This year's rollback rate	\$ 0.49206/\$100

Statement of Increase/Decrease

If the City adopts a 2010 tax rate equal to the effective tax rate of \$0.45921 per \$100 of value, taxes would **decrease** compared to 2009 taxes by \$345,578.

Schedule A

Unencumbered Fund Balances

The following estimated balances will be left in the City's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund (Maintenance & Operating)	\$8,682,589
Debt Service Fund	536,445

Schedule B
2010 (FY2011) Debt Service

The City plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
1981 General obligation bonds	\$ 45,000	\$ 2,250	\$ -	\$ 47,250
2000 TIRZ Certificates of obligation	210,295	10,515	-	220,810
2001 TIRZ Certificates of obligation	193,410	10,154	-	203,564
2002 Certificates of obligation	380,000	269,948	-	649,948
2002 General obligation refunding bonds	70,000	6,902	-	76,902
2003 Certificates of obligation	60,000	35,275	-	95,275
2004 General obligation refunding bonds	655,000	118,888	-	773,888
2004 Certificates of obligation	280,000	258,541	-	538,541
Fire truck lease-purchase obligation	89,153	15,895	-	105,048
2005 General obligation refunding bonds	675,000	339,338	-	1,014,338
2005 TIRZ Certificates of obligation-refunding	211,830	231,559	-	443,389
2006 Certificates of obligation	60,000	1,275	-	61,275
2009 General obligation bonds	130,000	165,957	-	295,957
2009 Certificates of obligation	300,000	324,665	-	624,665
2010 Certificates of obligation	150,000	346,254	-	496,254
2010A General obligation refunding bonds	395,000	44,813	-	439,813
Paying agent fees/other	-	-	6,000	6,000
Total required for 2010 debt service	\$ 3,904,688	\$ 2,182,229	\$ 6,000	\$ 6,092,917
- Amount (if any) paid from funds listed in Schedule A				50,000
- Amount (if any) paid from other sources				(759,150)
- Excess collections last year				-
= Total to be paid from taxes in 2010				5,283,767
+ Amount added in anticipation that the unit will collect 100% of its taxes in 2010				-
= Total debt levy				<u><u>\$ 5,283,767</u></u>

This notice contains a summary of actual effective and rollback tax rates calculations. You can inspect a copy of the full calculations at the Keller Town Hall, 1100 Bear Creek Parkway, Keller, Texas.

Name of person preparing this notice Donna L. Benham, RTA

Title Revenue Manager

Date prepared July 26, 2010

**CITY OF KELLER, TEXAS
COMPENSATION PAY PLAN**

October 1, 2010 through September 30, 2011

The City maintains a compensation plan for all employees, except the City Manager, City Secretary, and Municipal Judge, whose compensation is determined by the City Council. The compensation pay plan is a merit/step plan that encourages excellent performance by associating step increases to job performance, while also maintaining competitive with other area cities with regard to compensation and benefits. All positions, except for manager and director positions, participate in the merit/step pay plan. Manager and director positions are based on a broad band pay plan, with only minimum and maximum salaries.

All forms of compensation and pay increases, including (but not limited to) cost of living adjustments (COLA), merit/step pay, and position reclassifications are subject to available funding and appropriation of the City Council. For FY2011, no COLA increase is provided.

Performance evaluations for all employees who have completed six months of service are performed annually in September. Upon satisfactory evaluation, employees are eligible for a step increase. Step increases generally range from 6% to 4%. In general, employees can reach the maximum salary range for their position within 8 years. In previous years, step increases have become effective mid-year; for FY2010 and FY2011, no step increases are included in the budget.

Non-Exempt Positions. All non-exempt (hourly) positions are eligible for overtime compensation. Bi-weekly wages are based on a 40-hour work week, or 2,080 hours per year, equaling one full-time equivalent (FTE) position. This work schedule applies to all hourly regular, year-round employees, except for those employees on the Fire Pay Plan.

Non-Exempt Positions (Fire Pay Plan). Fire Department non-exempt (hourly) positions are eligible for overtime pay. Bi-weekly wages are based on 24-hour shifts averaging 56 hours per week, or 2,912 annual hours. In accordance with the provisions of Section 207(k) of the Fair Labor Standards Act, hours worked in excess of 204 hours in each 27-day work period are paid at the appropriate overtime rate.

Exempt Positions. Exempt (salaried) positions are not eligible for overtime compensation. Salary is not calculated on the number of hours worked. Exempt positions include managers and directors.

The summary compensation pay plan is provided on the following page.

**CITY OF KELLER, TEXAS
COMPENSATION PAY PLAN**

October 1, 2010 through September 30, 2011

COMPENSATION PLAN

Pay Class	Minimum Annual	Mid-Point Annual	Maximum Annual
ADMINISTRATIVE/TECHNICAL NON-EXEMPT PAY PLAN			
A/TN-1	\$ 24,274	\$ 29,214	\$ 34,154
A/TN-2	25,730	30,972	36,213
A/TN-3	27,269	32,812	38,355
A/TN-4	28,912	34,778	40,643
A/TN-5	30,638	36,878	43,118
A/TN-6	32,469	39,073	45,677
A/TN-7	34,424	41,434	48,443
A/TN-8	36,483	43,919	51,355
A/TN-9	38,667	46,540	54,413
A/TN-10	40,997	49,338	57,678
A/TN-11	43,451	52,281	61,110
A/TN-12	46,051	55,422	64,792
TRADES NON-EXEMPT PAY PLAN			
TN-1	25,626	30,836	36,046
TN-2	27,165	32,688	38,210
TN-3	28,787	34,653	40,518
TN-4	30,514	36,712	42,910
TN-5	32,344	38,917	45,490
TN-6	34,278	41,257	48,235
TN-7	36,338	43,732	51,126
TN-8	38,522	46,353	54,184
TN-9	40,830	49,140	57,450
TN-10	43,285	52,094	60,902
POLICE NON-EXEMPT PAY PLAN			
PSN-R (Recruit)	43,368	N/A	N/A
PSN-1P	45,968	53,196	60,424
PSN-2P	47,112	54,527	61,942
PSN-3P	48,526	56,150	63,773
PSN-4P	49,733	57,544	65,354
PSN-5P	51,230	59,301	67,371
PSN-6P	52,770	61,059	69,347
PSN-7P	54,350	62,889	71,427
PSN-8P	55,973	64,772	73,570
PSN-9P	57,658	66,727	75,795
PSN-10P	59,384	68,713	78,042
PSN-11P	60,861	70,440	80,018
PSN-12P	62,691	72,551	82,410
PN-1	30,992	36,671	42,349
PN-2	32,843	38,875	44,907
PN-3	34,819	41,195	47,570
PN-4	36,899	43,670	50,440
PN-5	39,104	46,291	53,477
PN-6	42,390	50,170	57,949
PN-7	44,928	53,175	61,422
PN-8	47,632	56,368	65,104
PN-9	50,482	59,748	69,014
PN-10	53,518	63,336	73,154
PN-11	56,722	67,132	77,542
PN-12	60,133	71,168	82,202
PN-13	\$ 63,731	\$ 75,431	\$ 87,131

Pay Class	Minimum Annual	Mid-Point Annual	Maximum Annual
POLICE EXEMPT PAY PLAN			
PSE-1P	\$ 68,170	\$ 76,787	\$ 85,403
PSE-2P	75,172	84,674	94,176
FIRE NON-EXEMPT PAY PLAN			
PSN-RF (Recruit)	42,282	N/A	N/A
PSN-1F	44,816	51,863	58,910
PSN-2F	48,863	56,551	64,239
PSN-3F	50,319	58,240	66,161
PSN-4F	51,834	59,988	68,141
PSN-5F	53,377	61,778	70,179
PSN-6F	54,979	63,613	72,247
PSN-7F	56,638	65,549	74,460
PSN-8F	58,327	67,486	76,644
PSN-9F	60,075	69,510	78,944
PSN-10F	61,880	71,606	81,332
PSN-11F	63,744	73,747	83,749
PSN-12F	65,666	75,975	86,283
FIRE INSPECTOR NON-EXEMPT PAY PLAN			
PSN-1FI	55,952	65,447	74,942
PSN-2FI	59,301	69,368	79,435
PSN-3FI	62,858	73,539	84,219
PSN-4FI	66,622	77,948	89,274
PSN-5FI	70,616	82,618	94,619
FIRE EXEMPT PAY PLAN			
PSE-1F	68,170	79,750	91,329
PSE-2F	72,982	82,208	91,433
PROFESSIONAL EXEMPT PAY PLAN			
PE-1	36,512	43,939	51,366
PE-2	38,703	46,576	54,448
PE-3	41,025	49,370	57,715
PE-4	43,486	52,332	61,178
PE-5	46,095	55,472	64,849
PE-6	48,861	58,801	68,740
PE-7	51,793	62,329	72,864
PE-8	54,900	66,068	77,236
PE-9	58,194	70,032	81,870
PE-10	61,686	74,235	86,783
PE-11	65,387	78,689	91,990
DIRECTOR AND MANAGER PAY PLAN			
Division Manager	56,151	72,366	88,580
Technical Manager	71,593	89,850	108,106
Director	86,413	108,449	130,484
SEASONAL/PART-TIME NON-EXEMPT (HOURLY)			
RCS-1	7.50	8.22	8.94
RCS-2	8.00	8.77	9.53
RCS-3	8.85	9.70	10.54
RCS-4	\$ 12.00	\$ 13.15	\$ 14.29
EXEMPT (NON-CLASSIFIED) POSITIONS			
City Manager			
City Secretary			
Municipal Judge			

GLOSSARY OF TERMS

The annual budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader in understanding these terms, this glossary has been included in the budget document.

ACCRUAL BASIS OF ACCOUNTING. A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred. For example, water revenues which are billed in September are recorded as revenues in September, even though payment in cash is actually received in October. Similarly, services or supplies that have been received in September, but actually paid for by the City in October, are recorded as obligations of the City (expenses) in September. Accrual accounting is used for the City's enterprise funds for financial reporting purposes.

ADOPTED BUDGET. The budget as modified and finally approved by the City Council. The adopted budget is authorized by ordinance that sets the legal spending limits for the fiscal year.

AD VALOREM TAX. A tax levied on the assessed valuation of land and improvements.

APPRAISED VALUE. The estimated value of property for the purpose of taxation, as established by the Tarrant Appraisal District.

APPROPRIATION. An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of resources. Appropriations normally are made for fixed amounts at the department level and cover, in the operating budget, a one-year period.

APPROPRIATION (BUDGET) ORDINANCE. The official enactment by the City Council establishing the legal authority for City officials to obligate and expend resources.

ASSESSED VALUATION. A value that is established for real or personal property for use as a basis for levying property taxes. Property values in Keller are established by the Tarrant Appraisal District.

ASSETS. Resources owned or held by the City that have monetary value.

AUTHORIZED POSITION(S). See *Full-time Equivalent Position*.

BALANCED BUDGET. A budget adopted by the City Council and authorized by ordinance where the proposed expenditures are equal to or less than the proposed revenues plus fund balances.

BASIS OF ACCOUNTING. A term used referring as to when revenues, expenditures, expenses, and transfers –and related assets and liabilities – are recognized in the accounts and reported in the City's financial statements.

BUDGET. The City's financial plan that contains both the estimated revenues to be received during the year and the proposed expenditures to be incurred to achieve stated objectives.

BUDGET ADJUSTMENT (AMENDMENT). A formal legal procedure utilized by the City to revise a budget during a fiscal year.

BUDGET CALENDAR. The schedule of dates used as a guide to complete the various steps of the budget preparation and adoption processes.

BUDGET ENHANCEMENT. A request for additional funding for a program, service, or the expansion of current services. Budget enhancements are used during the budget preparation process in order to identify specific departmental requests in the proposed budget. Budget enhancements are ranked in their order of priority by the department manager making the request. Budget enhancements are distinguished in the proposed budget separately from the "base line" or "current services" funding levels. Also see: *Decision Package* and *Supplemental Decision Package*.

BUDGET MESSAGE. The opening section of the budget document from the City Manager that provides the City Council and the public with a general summary of the most important aspects of the budget. Sometimes referred to as a "transmittal letter."

BUDGETARY CONTROL. The control of management of the organization in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and revenues.

GLOSSARY OF TERMS

CAPITAL OUTLAY. An expenditure which results in the acquisition of or addition to fixed assets, and meets these criteria: having an anticipated useful life of more than one year; can be permanently identified as an individual unit of property; belonging to one of the following categories – land, buildings, machinery and equipment, vehicles, or furniture and fixtures; constitutes a tangible, permanent addition to the value of City assets; cost generally exceeds \$5,000; does not constitute repair or maintenance; and is not readily susceptible to loss. In the budget, capital outlay is budgeted as expenditures in all fund types.

CAPITAL PROJECT FUND. A fund used to account for the financial resources to be used for the acquisition or construction of major capital facilities or equipment, usually financed by the issuance of debt.

CERTIFICATES OF OBLIGATION. Tax-supported bonds that are similar to general obligation bonds and can be issued after meeting strict publication requirements and with final approval of the City Council.

CERTIFIED APPRAISAL ROLL. The final property appraisals roll, as calculated by the Tarrant Appraisal District. The certified roll is required to be prepared by TAD by July 25 of each year.

CITY CHARTER. The document of a home rule City similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

CITY COUNCIL. The elected governing body of the City, consisting of the Mayor and five (5) Council members, collectively acting as the legislative and policy-making body of the City.

CRIME CONTROL PREVENTION DISTRICT SALES TAX. (See *Keller Crime Control Prevention District.*)

CURRENT TAXES. Taxes levied and due within one year.

DEBT SERVICE. The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a predetermined payment schedule.

DEBT SERVICE FUND. A fund used to account for resources and expenditures related to retirement of the City's general obligation debt service, sometimes referred to as a "sinking fund."

DECISION PACKAGE. A request for additional funding for a program, service, or the expansion of current services. A decision package is also required for any new personnel and capital requests. Decision packages are used during the budget preparation process in order to identify specific departmental requests in the proposed budget. Decision packages are ranked in their order of priority by the department manager making the request. Decision packages are distinguished in the proposed budget separately from the "base line" or "current services" funding levels. (See *Budget Enhancement*)

DEFERRED REVENUE. Cash received from customers in advance of services received. Recorded as a liability under general accepted accounting principles. Used primarily for operations of The Keller Pointe Recreation/Aquatic Center, where annual memberships are recorded as deferred revenue in 12 monthly installments. Also referred to as *Unearned Revenue*.

DELINQUENT TAXES. Taxes that remain unpaid after the date on which a penalty for nonpayment is attached. Property taxes are delinquent if not paid by January 31.

DEPARTMENT. A major administrative organizational unit of the City containing one or more divisions or activities.

ENCUMBRANCE. An obligation, usually in the form of a purchase order, contract, or salary commitment, related to uncompleted contracts for goods or services. Used in budgeting, encumbrances are not classified as expenditures or liabilities, but are shown as a reservation of fund balance. Upon payment, encumbrances are recorded as an expenditure and liquidated, thereby releasing the reservation of fund balance. Outstanding or unliquidated encumbrances at year-end are re-appropriated into the budget of the subsequent year.

GLOSSARY OF TERMS

ENTERPRISE FUND. A fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

ESTIMATED BUDGET. The City's estimated financial plan, using mid-year estimates, containing both the estimated revenues to be received during the year and the proposed expenditures to be incurred to achieve stated objectives. The City uses the current year estimate during the budget process in order to determine the estimated beginning fund balances for the next year. (Sometimes called *Revised Budget*.)

EXPENDITURE. The outflow of funds paid or to be paid for assets obtained or goods and services obtained regardless of when the expense is actually paid. An expenditure decreases fund balance.

FISCAL YEAR. The time period designated by the City signifying the beginning and ending period for the recording of financial transactions. The City's fiscal year is October 1 through September 30.

FRANCHISE FEES (TAXES). A fee (tax) paid by a public utility for the use of public property in providing their services to the citizens of Keller. The fee is typically calculated as a percentage of the utility's gross receipts.

FULL-TIME EQUIVALENT (FTE) POSITION. A position for an employee working a 40-hour work week for 52 weeks a year, i.e., 2,080 annual hours (2,912 annual hours for firefighters).

FUND. A fiscal and accounting entity established to record receipt and disbursement of income from sources set aside to support specific activities or to attain certain objectives. Each fund is treated as a distinct fiscal entity where assets equal liabilities plus fund balances.

FUND BALANCE. Unless stated otherwise, the excess of a fund's current assets over its current liabilities; sometimes called working capital in enterprise funds. Negative fund balances are referred to as a deficit.

GENERAL FUND. The fund used to account for financial resources except those funds required to be accounted for in another fund; the general fund is tax supported and includes the operations of most City services, i.e., police, fire, streets, parks and recreation, and administration.

GENERAL OBLIGATION DEBT. Money owed on interest and principal to holders of the City's general obligation bonds. The debt is supported by revenues provided from real property that is assessed through the taxation power of the City.

GOAL. A broad, general statement of each department's or divisions desired social or organizational outcomes.

IMPACT FEE. A fee imposed by the City on new development. Impact fees are collected for roadway, water and sewer improvements. Impact fees may only be used for capital improvements and/or expansion to the systems for which the impact fee originally was collected.

INFRASTRUCTURE. That portion of a City's assets located at or below ground level, including streets, water, and sewer systems.

INTERFUND (INTRA GOVERNMENTAL) TRANSFERS. Transfers made from one City fund to another City fund for the purposes such as reimbursement of expenditures, general and administrative services, payments-in-lieu of taxes, or debt service.

INTERGOVERNMENTAL REVENUES. Revenues from other governments in the form of grants, entitlements, shared revenues or payments-in-lieu of taxes.

KELLER CRIME CONTROL PREVENTION DISTRICT (KCCPD). A special taxing district authorized by an election in the City of Keller in November 2001, levying an additional 3/8-cent (0.375%) sales tax, designated for Police/Public Safety programs or capital improvements. In May 2006, voters authorized the tax for an additional 15 years. In November 2007, voters authorized a reduction in the rate to 0.25%. Sometimes referred to as "*Crime Tax*."

GLOSSARY OF TERMS

KELLER DEVELOPMENT CORPORATION (KDC). A non-profit corporation authorized by Section 4B, Article 5190.6 of the Industrial Corporation Act of 1979. The Corporation is governed by a seven-member board, consisting of four members of the City Council and three other members, which are also appointed by the City Council. The Corporation receives the ½ cent sales tax, which is dedicated for park improvements. The Corporation also has the power to issue long-term debt which is payable from the ½ cent sales tax.

KELLER INDEPENDENT SCHOOL DISTRICT (KISD). The local independent school district, where an elected board of directors (trustees) provide for the administration and operation of schools within the KISD. The City of Keller is included within the boundaries of KISD, but the KISD is a separate legal entity.

LIABILITY. Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. The term does not include encumbrances.

M&O. Acronym for "*maintenance and operations*." (1) The recurring costs associated with a department or activity; (2) the portion of the tax rate that is applied to the General Fund (see *Tax Rate*.)

MIXED BEVERAGE TAX. A tax imposed on the gross receipts of a licensee for the sale, preparation or serving of mixed beverages.

MODIFIED ACCRUAL BASIS OF ACCOUNTING. A basis of accounting in which expenditures are accrued but revenues are recorded when "measurable" or are available for expenditure.

MSC. Acronym for the City's *Municipal Service Center* facility and related operations.

NON-RECURRING EXPENSES/REVENUES. Resources/expenses recognized by the City that are unique and occur only one time without pattern in one fiscal year.

OBJECTIVE. A specific statement of desired end which can be measured.

OPERATING BUDGET. Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of the City are controlled. The use of annual operating budgets is required by the City's Charter and State law.

OPERATIONS AND MAINTENANCE EXPENDITURES. Expenditures for routine supplies and maintenance costs necessary for the operation of a department of the City.

ORDINANCE. A formal legislative enactment of the City Council.

PAYMENT-IN-LIEU OF TAXES. A payment made to the City in lieu of taxes. These payments are generally made by tax exempt entities for which the City provides specific services. The City's water and wastewater utility fund provides these payments to the City's general fund because of the fund's exemption from property taxation.

PERSONNEL SERVICES. Expenditures for salaries, wages and related fringe benefits of City employees.

POSITION. See *Full-Time Equivalent*.

PROPOSED BUDGET. The financial plan initially developed by departments and presented by the City Manager to the City Council for approval.

REDUCION IN FORCE (RIF). Dismissal and/or layoff of an employee or employees, usually by elimination of the position(s).

REIMBURSEMENT. Repayment to a specific fund for expenditures incurred or services performed by that fund to or for the benefit of another fund.

RESERVE. An account used to indicate that a portion of fund resources is restricted for a specific purpose, or is not available for appropriation and subsequent spending.

RETAINED EARNINGS. The excess of total assets over total liabilities for an enterprise fund. Retained earnings include both short-term and long-term assets and liabilities for an enterprise fund. (See *Working Capital*.)

GLOSSARY OF TERMS

REVENUE. Funds that the City receives as income. Revenues increase fund balance.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund, in addition to a pledge of revenues.

SALES TAX. A general tax on certain retail sales levied on persons and businesses selling taxable items in the city limits. The City's current sales tax rate is 8.25%, consisting of 6.25% for the State of Texas; 1% for the City; 0.5% for the Keller Development Corporation, 0.25% for the Keller Crime Control Prevention District, and 0.25% for maintenance and repair of City streets.

SCADA. Acronym for *Supervisory Control and Data Acquisition*. An automated system that electronically monitors and controls water storage tanks, pumping stations, and water supply levels. The system monitors and coordinates water supply throughout the City in order to meet customer water demands, by allowing remote facilities to be operated from a central location.

SERVICES & OTHER EXPENDITURES. Costs related to services performed by the City by individuals, businesses, or utilities, and other expenditures not classified in any other category.

SPECIAL REVENUE FUND. A fund used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes, or have been segregated by financial policy to be maintained separately.

STREET MAINTENANCE SALES TAX. Local sales tax authorized by voters in November 2003, pursuant to Chapter 327 of the Texas Tax Code, as amended. A tax of 1/8 of one percent (0.125%) became effective on April 1, 2004, to be used for maintenance and repair of City streets. In November 2007, voters authorized an increase in the rate to 1/4 of one percent (0.25%).

SUPPLEMENTAL DECISION PACKAGE. See *Decision Package and Budget Enhancement*.

TARRANT APPRAISAL DISTRICT. The Tarrant Appraisal District is a separate legal entity that has been established in each Texas County by the State legislature for the purpose of appraising all property within the county or district. All taxing units within Tarrant County use the property values certified by the TAD. The TAD is governed by a board of directors, whose members are appointed by the individual taxing units within the district.

TAX BASE. The total value of all real and personal property in the City as of January 1st of each year, as certified by the Tarrant Appraisal District's Appraisal Review Board. The tax base represents the net taxable value after exemptions. (Also sometimes referred to as "assessed taxable value.")

TAX INCREMENT REINVESTMENT ZONE (TIRZ). A special financing and development method authorized by Section 311 of the Texas Property Tax Code. Tax increment financing involves pledging future real property tax revenues generated within the specified reinvestment zone (district). TIRZ revenues are calculated based on the cumulative increase in taxable values over the district's "base" year values. (Base year values are established upon the creation of the reinvestment zone.) Property taxes generated from the increase in the taxable values is pledged to fund improvements and development within the reinvestment zone (district). **NOTE:** The terms TIRZ and TIF are used interchangeably throughout the document.

TAX LEVY. The result of multiplying the ad valorem property tax rate per one hundred dollars times the tax base.

TAX RATE. The rate applied to all taxable property to generate revenue. The tax rate is comprised of two components: the debt service rate, and the maintenance and operations (M&O) rate.

TAX ROLL. See *Tax Base*.

TAXES. Compulsory charges levied by the City for the purpose of financing services performed for the common benefit.

TIF. Acronym for *Tax Increment Financing* (see *Tax Increment Reinvestment Zone-TIRZ*).

GLOSSARY OF TERMS

TRINITY RIVER AUTHORITY (TRA). A separate governmental entity responsible for providing water and wastewater services in the Trinity River basin. The City contracts with TRA for treatment of wastewater as well as a portion of its wastewater collection system for the Big Bear Creek and Cade Branch interceptor sewer collection mains.

WORKING CAPITAL. The current assets less the current liabilities of a fund. Working capital does not include long-term assets or liabilities. For budgetary purposes, working capital, rather than retained earnings, is generally used to reflect the available resources of enterprise funds. (See *Retained Earnings*.)

UNEARNED REVENUE. See *Deferred Revenue*.

