



Proposed Budget Fiscal Year 2008-2009

Mayor and City Council

Pat McGrail, Mayor

Ray Brown, City Council - Place 1

John Baker, City Council - Place 2

Tom Cawthra, City Council - Place 3

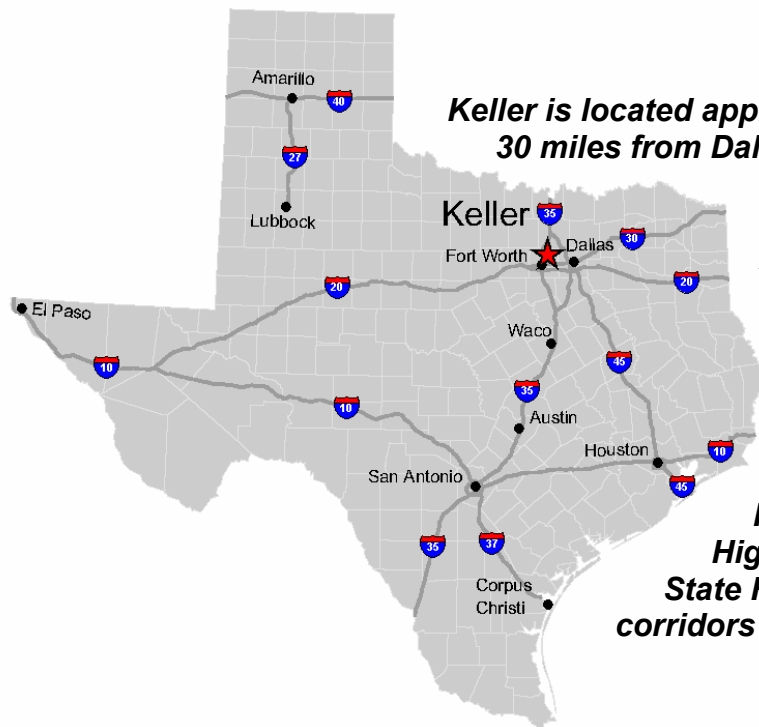
Jim Thompson - Place 4

Mitch Holmes, City Council - Place 5 and Mayor Pro Tem

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, 2008 to September 30, 2009

**PAT MCGRAIL
MAYOR**

**RAY BROWN
COUNCIL MEMBER**

**JOHN BAKER
COUNCIL MEMBER**

**TOM CAWTHRA
COUNCIL MEMBER**

**JIM THOMPSON
COUNCIL MEMBER**

**MITCH HOLMES
COUNCIL MEMBER, MAYOR PRO TEM**

**DAN O'LEARY
CITY MANAGER**

**JOHNNY PHIFER
DIRECTOR OF FINANCE**

The following statement is provided in accordance with State law:

This budget will raise more total property taxes than last year's budget by \$1,467,110, or 9.7%, and of that amount \$644,945 is to be raised from new property added to the roll this year.

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, 2007. The City has received this award for twelve consecutive years (fiscal years 1997 – 2008). 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, 2007

Charles S. Cox

President

Jeffrey R. Egan

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.

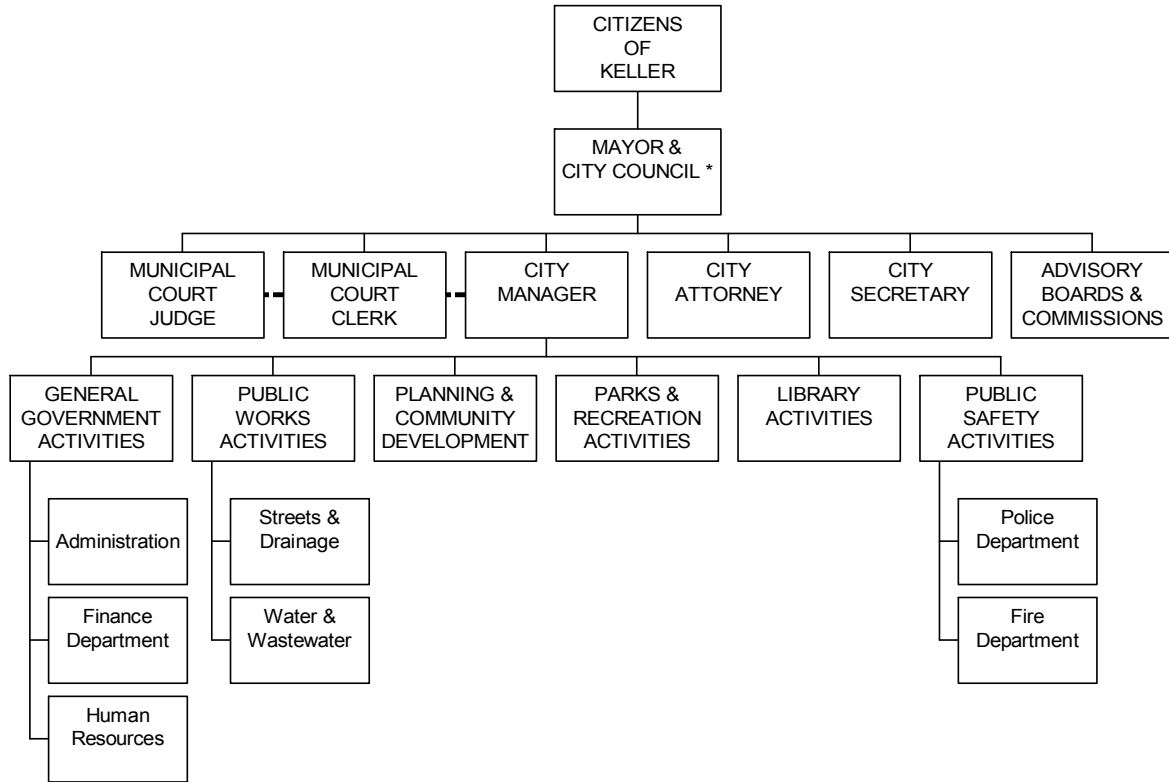
PRINCIPAL OFFICIALS

| Name | Title |
|--|---|
| <u>ELECTED OFFICIALS:</u> | |
| Pat McGrail | Mayor |
| Ray Brown | Council Member, Place 1 |
| John Baker | Council Member, Place 2 |
| Tom Cawthra | Council Member, Place 3 |
| Jim Thompson | Council Member, Place 4 |
| Mitch Holmes | Council Member, Place 5 and Mayor Pro Tem |
| <u>APPOINTED OFFICIALS</u> | |
| Dan O'Leary | City Manager |
| Charles Blankenship | Interim Fire Chief |
| Greg Dickens | Director of Public Works |
| Chris Fuller | Assistant City Manager |
| 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 |
| Steve Polasek | Assistant City Manager |
| Johnny L. Phifer | Director of Finance |
| 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 |

BUDGET CALENDAR

| Description of Task/Event | Date(s) |
|---|----------------------------|
| Meetings with Finance Department and departmental budget staffs to distribute budget materials and instructions | March 2008 |
| Departmental budget input training | March – April 2008 |
| FY2008 revised estimates and FY2009 budget requests due in Finance Office | April 4 – May 16, 2008 |
| Departmental budget compilation by Finance Department staff resulting from initial departmental budget requests | April 25 – May 23, 2008 |
| Review of budget requests by City Manager and meetings with departments and Finance Director to review initial budget proposals | April 30 – May 30, 2008 |
| Council/staff budget priority workshop | June 28, 2008 |
| Final (certified) tax values due from Tarrant Appraisal District | July 25, 2008 |
| Final budget revisions prepared for distribution of proposed budget to City Council | July 9 – August 1, 2008 |
| File proposed budget with City Secretary, distribute to City Council, and place copy of proposed budget in the Keller Public Library | August 15, 2008 |
| Hold proposed budget review workshop(s) for Council/staff and citizen input | August/September 2008 |
| Hold public hearings on the FY2009 budget and tax rates (if required), ordinance to adopt both the FY2009 budget and FY2008 estimate, and ordinance to adopt tax rate | September 2008 |
| Fiscal year 2008-2009 begins | October 1, 2008 |

CITY OF KELLER, TEXAS ORGANIZATION CHART



* Denotes elected positions.

General Budget Information and Statistics
Fiscal Year 2008-09

| | |
|---|--|
| Property tax rate for FY2009 | \$0.43219, per \$100 of assessed taxable valuation of property, unchanged from 2007-08. |
| Total overlapping tax rate for all taxing units | \$2.425867 overlapping tax rate, including the City, KISD, and Tarrant County taxing entities |
| Total value of properties within Keller | \$4,216,636,564 (appraised market value) \$3,872,878,035 (net taxable value) |
| Total budget (all funds) | \$67,247,423 |
| Total employees (all funds) | 374.85 full time equivalents |
| General Fund employees per 1,000 population | 6.47 |
| Police Department | 82 FTEs |
| Fire Department | 62.5 FTEs |
| Estimated population | 37,685 at January 1, 2007 38,402 at January 1, 2008 |
| 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 | 325 residential permits (\$97 million value) Non-residential permit value – \$15 million |
| Total park acreage | 508 |
| Special events participants | 44,585 |
| Annual library materials circulation | 420,000 (materials checked out) |
| Library program participants | 11,500 |
| Lane miles of paved streets maintained | 401 |
| Total fire and EMS calls for service | 3,409 |
| Total calls received/dispatched (Police dispatch) | 165,532 (Keller and Southlake) |
| Total billed water sales (million gallons) | 2,661.7 |
| average daily usage (million gallons) | 7.6 |
| base (winter) average usage (million gallons) | 5.6 |
| peak day water demand(million gallons) | 18.5 |
| average monthly usage billed per customer | 16,100 gallons |
| Total daily water capacity (million gallons) | 24.0 |
| Average wholesale cost of water | \$1.75 per 1,000 gallons |



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INTRODUCTION

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August 8, 2008

To the Honorable Mayor McGrail and Members of the City Council

Re: The Proposed Annual Budget for Fiscal Year 2008/2009

It is my pleasure to submit the proposed Fiscal Year 2008/2009 budget of \$67,247,423 for your review and consideration.

The budget offers a sound financial plan that provides the requested level of service and needed infrastructure for our growing community.

Revenue and Population Growth

The North Texas Council of Government estimates that the population in Keller grew by 2% since last year. The official population in Keller is now 38,402. This increase is one of the smallest Keller has experienced in a number of years. The slow down in the growth rate is most likely due to slowing economy, particularly in the financial sector affecting new housing and commercial construction.

Despite the slowdown in the growth rate, total revenues increased 10% between 2007 and 2008. This increase is indicative of the relative economic health of Keller. Property values continue to increase, bucking national trends.

Property Tax Rate and Sales Taxes

We are pleased to report that the taxable property base increased by 9.7% to \$3.87 billion. The increased taxable property base generates new property tax revenues that will finance payments for new debt for various projects in the coming year. The projects include the Library expansion/renovation, the new Fire Station #4 and equipment, and several storm water drainage projects. Without the increase in taxable assessed values, these projects could not be implemented without a tax rate increase.

Sales tax revenues continue to increase at a healthy rate. Staff estimates that Keller will enjoy at least a 6% increase in sales tax revenues by the end of the current year.

Other General Fund Revenues

A slowdown in building activity is projected to continue next year. The revenues generated from development activity is expected to continue to decline. Unlike the property and sales tax, other General Fund revenues are expected to be less next year due to this decline.

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 2006/2007, Budget FY 2007/2008, Estimate FY 2007/2008, and Budget FY 2008/2009 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 FY 2008/2009 pay plan, and a Glossary of Terms.

The Reader's Guide (pages 1-8), the Keller Profile (pages 9-15), and budget Summaries (pages 17-69) 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 FY 2008/2009. This information can provide a quick reference concerning the city's budget process, operations and budgeted expenditures and revenues.

FY 2008/2009 Budget Overview

The budget attempts to address the city council's goals and the rising demands for services. The following is a summary of major initiatives or actions included in the proposed budget:

- o Maintains property tax rate
- o General Fund *decrease* of 12.7% for non-personnel related expenditures
- o Includes funding to open and operate the new Fire Station No. 4
- o Funds increased costs for personnel medical and retirement costs
- o Increases non-Pointe new personnel by only 1.5 employees
- o Funds a 3 percent cost of living increase effective October 1
- o Funds increased costs in fuel, asphalt, concrete, steel and other building materials
- o Funds new debt service requirements for large capital projects
- o General Fund and Debt Service Fund subsidizes Tax Increment Finance Zone #1 shortfall

The 2008 (FY2009) net assessed taxable valuation, after adjustments, is \$3.87 billion, an increase of \$341.7 million, or 9.7 percent over the 2007 (FY2008) net value. Residential property values comprise approximately 81 percent of total property values for 2009; however, commercial/industrial values have increased for 2009 to 10.1 percent, up from 9.9 percent in 2008. A total tax rate of \$ 0.43219 per \$100 of assessed taxable valuation funds FY 2008/2009 operations, the same rate as proposed last year. The tax rate distribution for FY 2008/2009 compared to FY 2007/2008 is as follows:

| | <u>FY 2007/2008</u> | <u>FY 2008/2009</u> |
|-------------------|---------------------|---------------------|
| General Fund | \$ 0.31247 | \$ 0.31362 |
| Debt Service Fund | <u>0.11972</u> | <u>0.11857</u> |
| Total Tax Rate | \$ 0.43219 | \$ 0.43219 |

The total operating budget for FY 2008/2009 is \$67,247,423, an increase of \$1,596,261, or 2.6 percent, over 2007/2008.

GENERAL FUND

Quick Facts:

| | <u>FY 2008/2009</u> <u>(Budget)</u> | <u>FY 2007/2008</u> <u>(Estimate)</u> | <u>Percentage</u> <u>Increase (Decrease)</u> |
|----------------------|--|--|---|
| Expenditures: | \$27.5 Million | \$26.7 Million | 2.9% |
| Revenues: | \$27.6 Million | \$26.6 Million | 3.6% |

Summary:

The projected beginning fund balance for FY2009 of \$6,971,667 exceeds the targeted beginning fund balance by \$3,708,555, or about 53 days of operations. The total ending fund balance at September 30, 2009 is projected to be \$7,038,755. The financial policies require a contingency reserve of 3 percent of operating expenditures, or \$800,261. The City's financial management policies also establish a benchmark (target) of 10 percent of operating, non-recurring expenditures as an unreserved fund balance. The actual unreserved fund balance is projected at \$6,213,494, which is 23 percent of operating, non-recurring expenditures, thereby exceeding the established benchmark. The anticipated revenue in FY 2008/2009 allows for keeping the tax rate unchanged, funding increased personnel costs and debt service. **In summary, a fiscally-sound General Fund Budget for FY 2008/2009 that maintains the current level of services and does not increase the tax rate.**

The following is a summary of the significant operating cost increases associated with the increase of \$776,489 (2.9 percent) over FY2008 estimated expenditures.

General Fund major changes (FY2009):

| Description | Amount |
|--|-------------------|
| Pay plan adjustments-all departments (3% COLA) | \$ 477,030 |
| Increase in personnel costs that are attributable to prior year (FY2008) savings from vacancies and attrition-all departments. | 496,819 |
| Full year increases related to implementation of merit/step raises in mid-year (FY2008)-all departments | 513,860 |
| Increase in health insurance costs-all departments | 192,666 |
| Increase in fuel costs-all departments | 132,500 |
| Increase in overtime for Fire Department (Fire Station No. 4) | 79,000 |
| Increase in operating costs for Fire Station No. 4 | 72,925 |
| Increase in natural gas and electrical costs-all departments | 66,885 |
| Increase related to partial year (FY2008) funding of Economic Development Director for 6 months | 58,600 |
| Increase related to TMRS rate adjustment | 57,110 |
| Part-time Office Assistant for Senior Activities | 14,935 |
| Reduction in street improvement expenditures (transferred to street maintenance sales tax fund) | (211,515) |
| Reduction in capital outlay expenditures-all departments | (290,605) |
| Reduction in transfer to TIF Debt Service Fund | (382,860) |
| Reduction in transfer to Debt Service Fund | (450,000) |
| Other miscellaneous increases (reductions) | (50,861) |
| TOTAL | \$ 776,489 |

Personnel costs are obviously the major driver of increases in the FY 2008/2009 General Fund budget. A 3 percent increase in our cost-of-living comprise more than \$477,000 of the proposed increases. Personnel services (salaries, wages and benefits) account for \$19.87 million, or 72 percent of the total expenditures of the General Fund for FY2009.

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

WATER AND WASTEWATER FUND

Quick Facts:

| | <u>FY 2008/2009</u> <u>(Budget)</u> | <u>FY 2007/2008</u> <u>(Estimate)</u> | <u>Percentage</u> <u>Increase (Decrease)</u> |
|----------------------|--|--|---|
| Expenditures: | \$18.65 Million | \$18.4 Million | 1.3% |
| Revenues: | \$17.85 Million | \$17.6 Million | 1.3% |

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.

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. For FY2007, actual usage decreased significantly due to the area receiving above normal rainfall, especially during the summer months of 2007. Through June 2008, the area has received significantly less rainfall than in the prior year; therefore, the water consumption is anticipated to increase to 2.84 billion gallons, compared to 2.13 billion gallons in FY2007. Customer consumption reached an all-time high of 3.5 billion gallons in FY2006. For FY2009, 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 District 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 affect on the city's budgeted water revenues.

Water rates were increased 8.5 percent in April 2006, to provide sufficient revenues to fund capital improvements paid through the issuance of \$4.25 million in Certificates of Obligation, that included the Keller-Smithfield Road South 12-inch and 16-inch water main improvement, 16-inch Keller Parkway water main improvement and the Pearson Lane pump station improvements. **The budget proposes a 6% increase in both water and wastewater rates, effective January 2009 in order to fund capital improvements, as well as increases in operating costs, contracted TRA costs, and wholesale water costs.**

Expenditures

The most significant expenditure is wholesale water purchases. Wholesale water purchases are projected to be \$4,845,000 or 26 percent of total expenditures, compared to \$5,020,000 or 27 percent of total expenditures for FY2008. This represents a decrease of \$175,000, or 3.5 percent from the FY2008 estimate. The decrease is because FY2008 estimates are based on increased customer usage, while FY2009 estimates were based on average customer usage. Wholesale water purchases are anticipated to be 2.775 billion gallons in FY2009 and 2.964 billion gallons in FY2008.

Other major expenditures for FY2009 are debt service on long-term debt (14.7 percent); wastewater treatment and collection services provided by the Trinity River Authority (12.5 percent); operating expenses and transfers (24.8 percent); and personnel services (salaries and benefits), 16.8 percent. Personnel services include the addition of 1 FTE for FY2009, a Senior Projects Engineer in the Water & Wastewater Administration division.

OTHER FUNDS

Drainage Utility Fund

Quick Facts:

| | <u>FY 2008/2009 (Budget)</u> | <u>FY 2007/2008 (Estimate)</u> | <u>Percentage Increase (Decrease)</u> |
|----------------------|----------------------------------|------------------------------------|---|
| Expenditures: | \$934,090 | \$1,051,200 | (11.1%) |
| Revenues: | \$927,850 | \$901,825 | 2.9% |

The Drainage Utility Fund is an enterprise fund that operates from revenues received from drainage fees of \$5.00 per month per household. Commercial properties are charged a minimum of \$4.13 per month to a maximum of \$41.40 per month.

If the council will be considering large drainage improvement projects, it is likely that the majority of the projects will be funded using a combination of debt and general fund revenues.

The FY 2008/2009 budget depicts an 11 percent decrease in expenditures or \$117,110 over FY 2007/2008. The decrease occurred in order to ensure that we complied with the fund balance requirements of our budget policy. Major expenditures for FY2009 are provided for personnel services (60 percent) for 8.75 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.

Keller Development Corporation Fund (KDC)

Quick Facts:

| | <u>FY 2008/2009 (Budget)</u> | <u>FY 2007/2008 (Estimate)</u> | <u>Percentage Increase (Decrease)</u> |
|----------------------|----------------------------------|------------------------------------|---|
| Expenditures: | \$2.57 Million | \$2.16 Million | 19.1% |
| Revenues: | \$2.29 Million | \$2.23 Million | 2.7% |

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. In July, the Board of Directors of the KDC reviewed and approved the proposed budget. As required by the Development Corporation Act of 1979, the City Council conducted a public hearing on the budget on July 15, 2008 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.

Recreation and Aquatics Center (The Keller Pointe) Fund

Quick Facts:

| | <u>FY 2008/2009 (Budget)</u> | <u>FY 2007/2008 (Estimate)</u> | <u>Percentage Increase (Decrease)</u> |
|----------------------|----------------------------------|------------------------------------|---|
| Expenditures: | \$3.5 Million | \$3.21 Million | 9.2% |
| Revenues: | \$3.51 Million | \$3.11 Million | 12.9% |

The Recreation and Aquatics Center Fund was established in FY 2002/03. 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 (53 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 to initiate 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 significantly, primarily due to increased program staffing and utility costs (electricity, water and gas). Pass sales and program revenue increased 13 percent, due partially to an increase in user fees, which went into effect on October 1, 2006.

Information Services Fund

Quick Facts:

| | <u>FY 2008/2009 (Budget)</u> | <u>FY 2007/2008 (Estimate)</u> | <u>Percentage Increase (Decrease)</u> |
|----------------------|----------------------------------|------------------------------------|---|
| Expenditures: | \$1.40 Million | \$1.23 Million | 14.3% |
| Revenues: | \$1.34 Million | \$1.25 Million | 7% |

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.

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

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, mobile computer system, Fire/Police CAD/RMS system, digital finger print system, and bi-directional amplifier system. As required by state law, the City Council, at the regular meeting of August 5, 2008, approved the KCCPD FY 2008/2009 Budget of \$1.03 million.

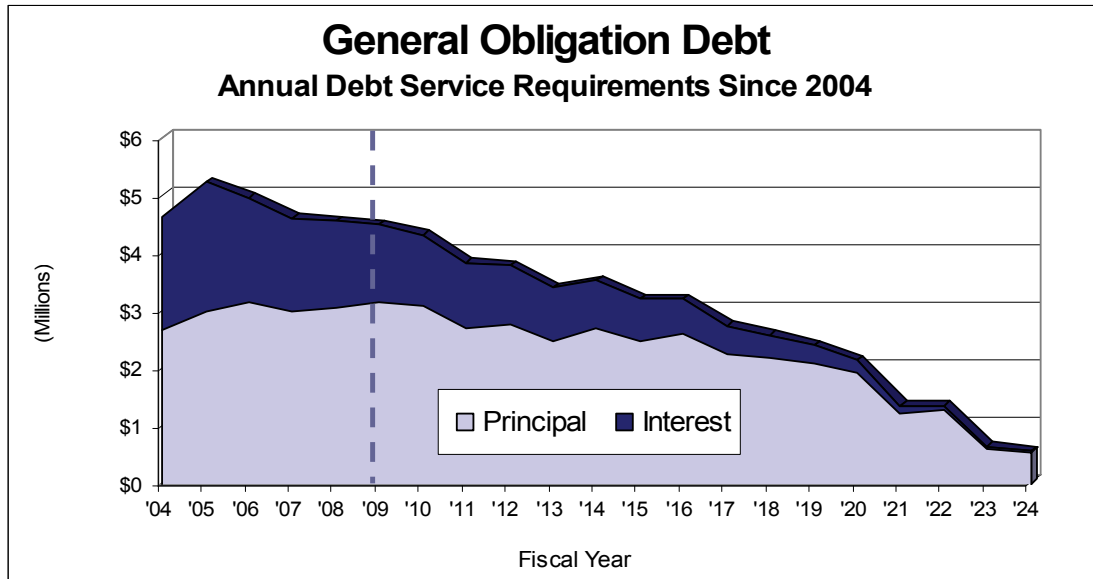
DEBT SERVICE FUND

Quick Facts:

| | <u>FY 2008/2009 (Budget)</u> | <u>FY 2007/2008 (Estimate)</u> | <u>Percentage Increase (Decrease)</u> |
|----------------------|----------------------------------|------------------------------------|---|
| Expenditures: | \$5.4 Million | \$5.1 Million | 5.9% |
| Revenues: | \$5.26 Million | \$5.46 Million | (3.7%) |

This Fund is used to account for revenues and expenditures related to the retirement of the city's tax-supported general obligation debt. FY 2008/2009 direct debt per capita is \$880, down from Estimate FY 2007/2008 of \$978, which represents a consecutive 5-year reduction in direct debt per capita. Attempts

have been made to manage capital expenditures by planning or timing issues and leveraging other funds such as impact fees, park development fees, KDC funds, etc., to reduce the impact on the tax rate.



The city's current bond ratings are "A1" from Moody's Investors Services (upgraded July 2006) and "A+" from Standard & Poor's Rating Group (upgraded June 2004). 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.

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 FY 2008/2009 reflects participating taxing entities' tax contributions.

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 is the captured assessed property value of the district on December 31, 2007. Therefore, the true assessed value of projects which are completed early in the calendar year are often not fully realized until the subsequent year's budget cycle. Pertinent facts on TIRZ No. 1 are:

- For FY 2008/2009 the TIRZ No. 1 district is approximately \$538,368 below its debt requirements, due to only one completed project being added to the Town Center District prior to the end of the calendar year. The Arthouse at Keller Town Center's construction schedule was completed in 2008 and its value will be captured in full for the 2008/2009 budget year.
- The delayed private development in the TIRZ district will more than likely create a need for the General Fund to subsidize the TIRZ debt for the next few years.

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 1999, issued for construction of Bear Creek Parkway, Town Center Lane and Bridge, and landscaping; 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.

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, 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

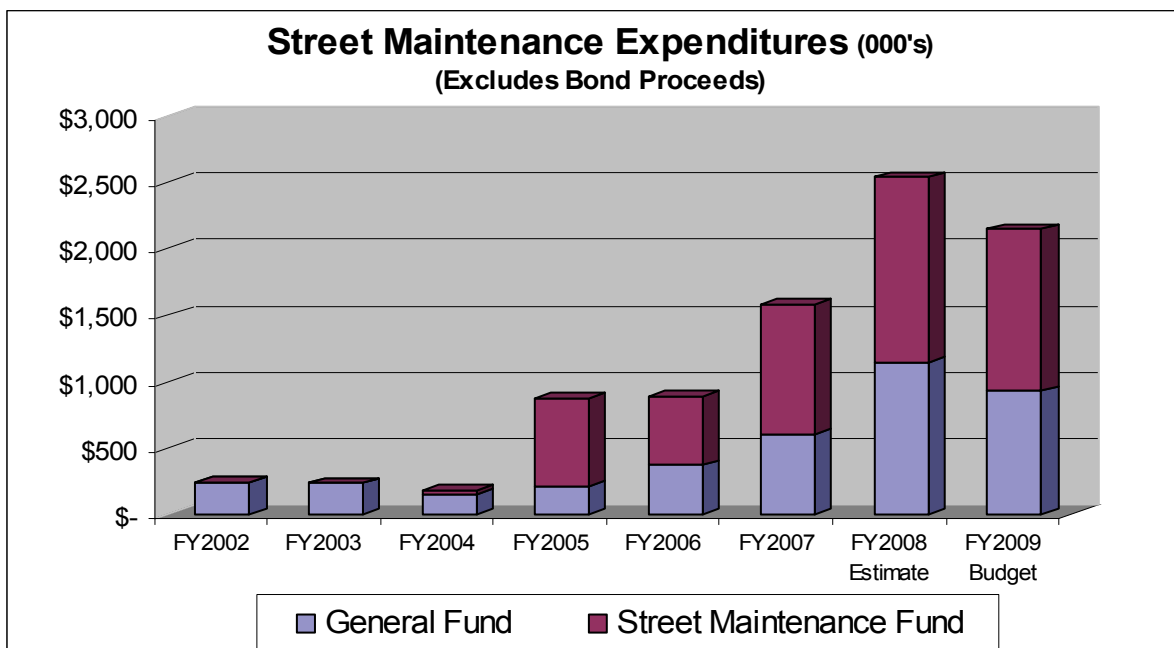
Park Development Fees are from fees paid by new development in lieu of parkland dedication. The Park Development Fee, per residential lot of \$1,000, is used for parkland acquisition and development. Expenditures from the Fund are usually recommended by the Parks and Recreation Board and approved by the City Council through the annual budget process. It is estimated that \$100,000 in fees will be collected in FY 2008/2009.

The budget includes \$205,000 in park development and trail improvements and land acquisition to be made in FY 2008/2009 compared to an estimated expenditure in FY 2007/2008 of \$808,350. Anticipated FY 2008/2009 expenditures will include Master Planning for the Northeast Park, trail projects on Little Bear Creek and funds for parkland acquisition. 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 FY 2008/2009 expenditures include street re-construction payable from the street maintenance sales tax revenue and miscellaneous sidewalk replacements and extensions. It is estimated that \$1.267 million will be expended in FY 2008/2009 for street re-construction/rehabilitation projects as identified in the CIP.

The following chart depicts the city's increase in general street maintenance (General Fund) and street re-construction/rehabilitation (Street Maintenance Sales Tax).



Equipment Replacement Fund

This Fund is used to 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 FY 2008/2009 Budget includes the replacement of three light-duty trucks (\$69,500) and 2 heavy-duty trucks (\$92,000) for the Water and Wastewater Fund. Funding is also anticipated to purchase 2 new ambulances for the Fire Department (\$337,720) with debt issue proceeds.

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. No debt has been issued since the Certificates of Obligation, Series 2004; however we are planning on issuing \$11.65 million in debt for the construction of Fire Station No. 4 and additional required fire apparatus, the library expansion/renovation project and, the Daryl Lane Drainage project in early 2009.

Calculations and Projections

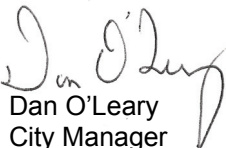
Property tax appraisal information is provided by the Tarrant Appraisal District. Sales tax information is provided by the State Comptroller. Franchise, municipal consent agreement and licensing fees are projected pursuant to contractual provisions with each franchisee, municipal consent or licensing 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 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

This proposed budget would not be possible without the tremendous effort of our department directors and their staffs. 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.

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 – Development, 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 they need to live an enriching and productive life. 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) |
| Early – mid May | 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 FY2009. In March 2008, the budget process for fiscal year 2008-2009 (FY2009) 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 FY2009. Departments were instructed to prepare budget requests in accordance with the Council's goals and objectives, which were established at a City Council goal-setting workshop held in June, 2008. (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 for budget.

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 FY2009 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 various activities and programs (departments) of the City, 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 budget prepared by the City was 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. Budgeting from such a conservative perspective, revenues are often anticipated either at or only slightly above prior year levels, unless there are other known factors that may significantly affect anticipated revenues. By estimating revenues conservatively, decreases in any one revenue source due to fluctuations in the economy and variations in weather should not adversely affect the City's bottom line.

Likewise, expenditures are also estimated conservatively, i.e., allowances are made for unanticipated expenditures, and personal services for vacant positions are funded for the entire fiscal year, except where noted otherwise. This method of conservative budgeting generally results in increases in the actual fund balance, when compared to the original budgeted fund balance, since actual revenues exceed budgeted revenues and/or actual expenditures are less than budgeted expenditures.

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 uses primarily 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 all revenues and expenditures except those accounted for in other funds. 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 proceeds of specific revenue sources, other than 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 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 leasing communication towers on property owned by the City. These resources are used to fund the operation of a City-wide information systems and information technology program.

Public Arts Special Revenue Fund – a fund created in FY2005 to account for public donations or other designated revenues used for acquisition and promotion of public art. The activities of this fund were incorporated into the General Fund in FY2008.

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's of one cent (0.375%) sales and use tax. The tax was authorized for an initial period of 5 years, with the intent of the City to utilize the proceeds to fund an expansion of the police station facility. In May 2003, \$5,245,000 in certificates of obligation were issued to fund the construction of facility improvements. The annual debt service associated with this issuance was retired in February 2007, using the proceeds of the sales and use taxes. 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's of one cent (0.375%) to 1/4 of one cent (0.25%).

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

Debt Service Funds – used to account for the accumulation of resources for, and the payment of, general long-term debt 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 financial resources that will be used to acquire or construct major 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 4 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 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 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)* 2006-2007 <u>Actual</u> (FY2007) | (2) 2007-2008 <u>Budget</u> (FY2008) | (3) 2007-2008 <u>Estimate</u> (FY2008) | (4) 2008-2009 <u>Proposed</u> (FY2009) |
|--|---|---|---|
|--|---|---|---|

* FY2007 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 analyses.

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.

The update of the 2008-2009 through 2012-2013 CIP is currently in process and not yet available.

CONCLUSION AND ACKNOWLEDGMENTS

The preparation of the FY2009 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.

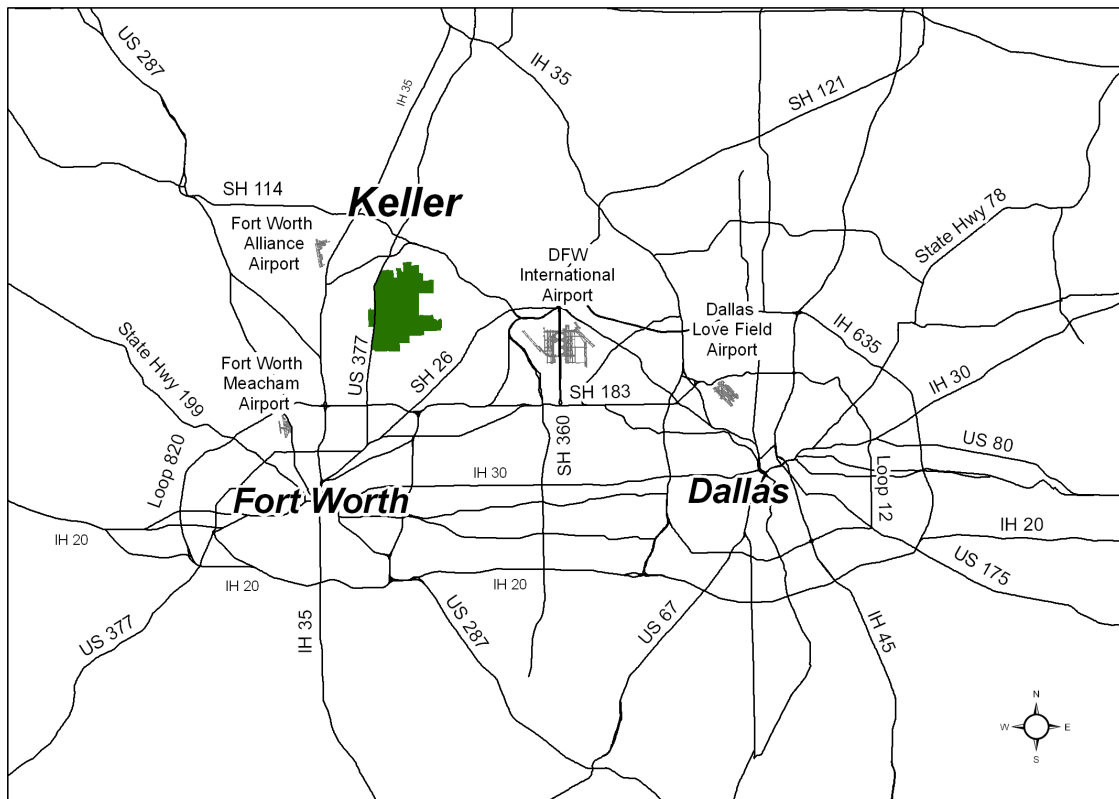
KELLER PROFILE

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KELLER PROFILE

GENERAL INFORMATION

The City of Keller was recently rated as one of the “Top 100 Places to Live” in 2007 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, access to an excellent park and trail system, and diverse housing opportunities. 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 FY2009 annual budget of \$67,247,423 includes a budgeted staffing level of approximately 375 full-time equivalent employees, including 82 in the police department and 62.5 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% |
| 2008 Estimate | 38,701 | 11,356 | 41.5% |

The City's estimated population by 2010 is 40,127 with the expected build out population between 45,000 and 50,000.

The City is approximately 82% 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 2.6 million square-feet of commercial space, valued at over \$183 million, was constructed between 2003 and 2007.** The City expects to have steady residential and commercial growth in the coming years. New residential construction values and home sizes continue to increase. The average new home is 5,296 square feet compared to 5,128 square feet last year. The average construction value of \$349,137 compares to 2007's value of \$352,322.

KELLER PROFILE

POPULATION AND ECONOMICS

(Continued)

The Keller Pointe, an 87,940 square foot recreation and aquatic center financed by the Keller Development Corporation half-cent sales tax, opened in May 2004. As of July 2008 the Pointe has more than 3,800 paid memberships, the highest total since opening the facility.

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 70 employees of the administration, finance, utility billing and collections, parks and recreation administration, community development, public works administration, engineering, 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 1.6-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 either the fall or winter of 2009, with an expected completion date in 2010. Major commercial and residential projects along Rufe Snow Drive include: Cobblestone Parks, a 29-lot residential development; an 8,161 sq. ft. Family Video; and Fall Creek Estates, a 131 lot residential development nearing completion. Similarly, North Tarrant Parkway is scheduled to become a 6-lane divided artery, with construction beginning in 2009. 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 is anticipated to be complete in January of 2009. Completion of this highway segment will provide 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 and SH 114. 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: 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; and Marshall Ridge, Phase 1, a 258-lot residential development. The city is now in the planning process for constructing a one-way couplet through the Old Town business district, which will ultimately create three lanes of traffic moving south 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. Last, the Square at Keller Town Center is 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 | 3,032 |
| Fidelity Investments | 6,000 | City of Keller (FTEs) | 370 |
| Bell Helicopter/Textron | 4,873 | Southstar Logistics | 330 |
| BNSF Railway | 3,700 | Kroger | 190 |
| Sabre Holdings | 2,800 | Home Depot | 139 |
| Gaylord Texan Resort | 2,000 | Kohl's Department Store | 120 |
| Dallas/Fort Worth Airport | 1,900 | Lowe's | 110 |
| Healthmarkets | 1,600 | Tom Thumb Grocery | 101 |

CENSUS AND DEMOGRAPHICS

The following information for Keller is taken from the 2000 Census, the North Central Texas Council of Governments and *America's Top Rated Smaller Cities* (Grey House Publishing, 2006) reference guide.

Population Characteristics (2000):

| | <u>Population</u> | <u>Percent of Total</u> |
|--------|-------------------|-------------------------|
| Male | 13,597 | 49.7 % |
| Female | 13,748 | 50.3 % |

Age Distribution (2000):

| <u>Age</u> | <u>Percent of Total</u> |
|--------------|-------------------------|
| 0 – 19 years | 35.8 % |
| 20 – 64 | 59.9 % |
| 65+ | 4.3 % |

Race (2000):

| | | |
|----------------------------|--------|--------|
| White | 25,634 | 93.7 % |
| Black | 392 | 1.4 % |
| Am. Indian | 106 | 0.4 % |
| Asian | 483 | 1.8 % |
| Pacific Islander | 10 | - |
| Other race | 324 | 1.2 % |
| 2 or more races | 396 | 1.4 % |
| Hispanic origin (any race) | 1,234 | 4.5 % |

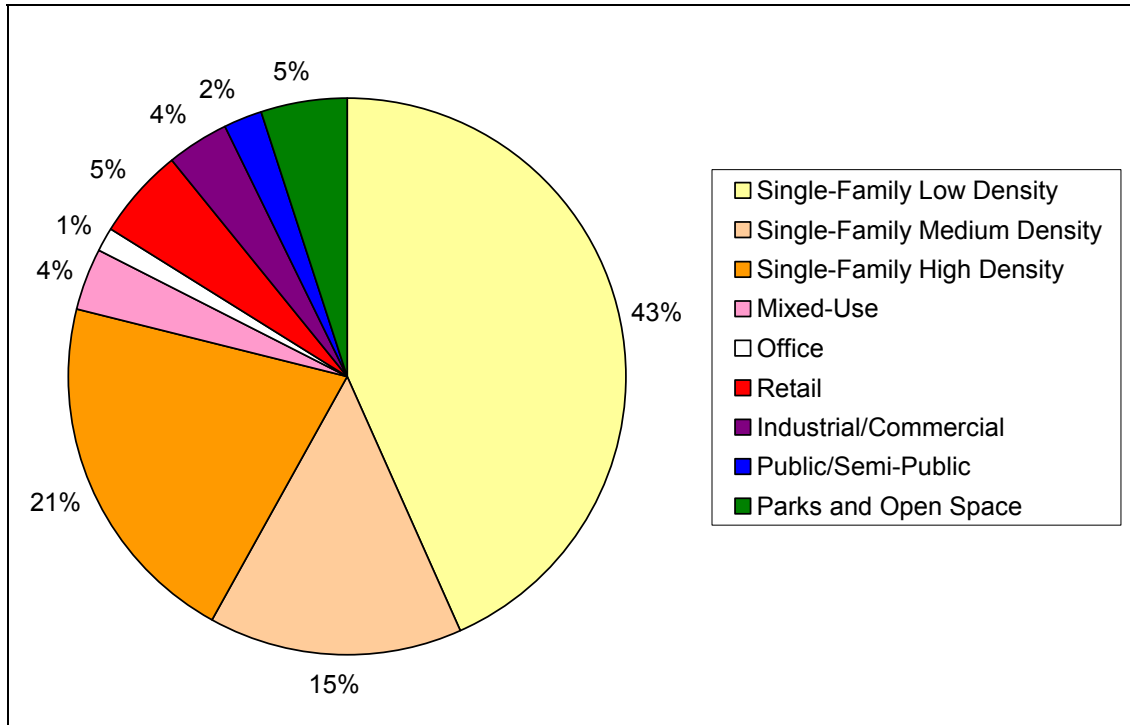
Income (2005):

| | |
|--------------------------|------------|
| Median age: | 35.0 years |
| Median household income | \$101,498 |
| Per capita income | \$37,460 |
| Average household income | \$118,154 |

2008 Estimate 38,402

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 K-12, and employs approximately 1,550 teachers in addition to administrative personnel and support staff. KISD has 32 school campuses, with an approximate enrollment of 29,400 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, 20 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 five developed parks: Johnson Road Park (15 acres); Bear Creek Park (30 acres); The Parks at Town Center (102 acres); Bursey Ranch Park (1.34 acres); and Overton Ridge Park (8 acres, opening Summer 2008); and a linear park, Big Bear Creek Greenbelt, which includes a 3.5 mile concrete hiking and biking trail. These parks provide fishing areas, hike and bike trails, basketball and volleyball courts, playground areas, picnic tables, and pavilions. In addition, the City operates a multi-use arena, the Keller Sports Park, opened in 1998, that provides soccer and multi-use fields, and two 4-plex fields (baseball and softball), 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 Recreation and Aquatics Center, currently serving over 3,800 annual passholders. 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 Citizen Center, coordinating activities of the City's senior citizens. There are both private and public tennis courts available in Keller.

Keller Public Library. The Keller Public Library provides programs to citizens of all ages within the community. Special programs conducted by the library include story time, school-age programs, adult programs, and a summer reading club program. The library currently has 12,500 square feet, but will be expanded to 22,500 square feet. Construction is scheduled to begin in 2009.

Area Recreation and Leisure. There are several 18-hole championship golf courses located within minutes of the City. The Sky Creek Ranch 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 Sidekicks, Dallas Mavericks, and FC Dallas professional clubs. 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.

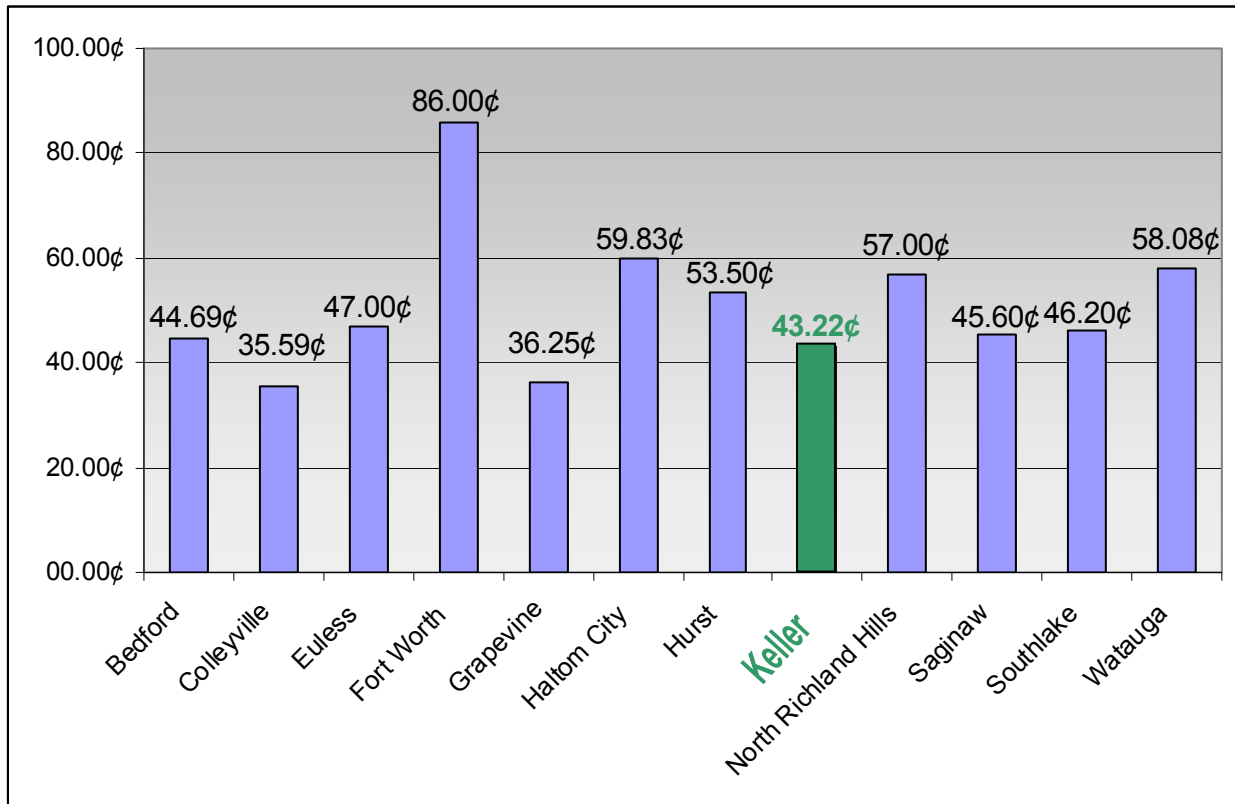
TRANSPORTATION

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 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.

KELLER PROFILE

2007 (FY2008) Tax Rates of Neighboring Northeast Tarrant County Cities (Rates per \$100 of Taxable Value)



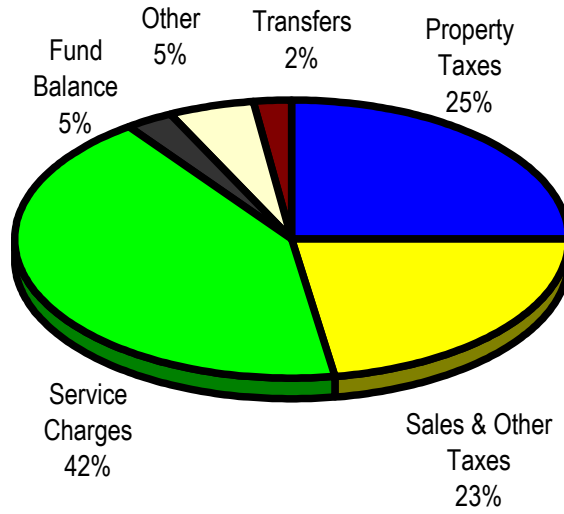


BUDGET SUMMARY

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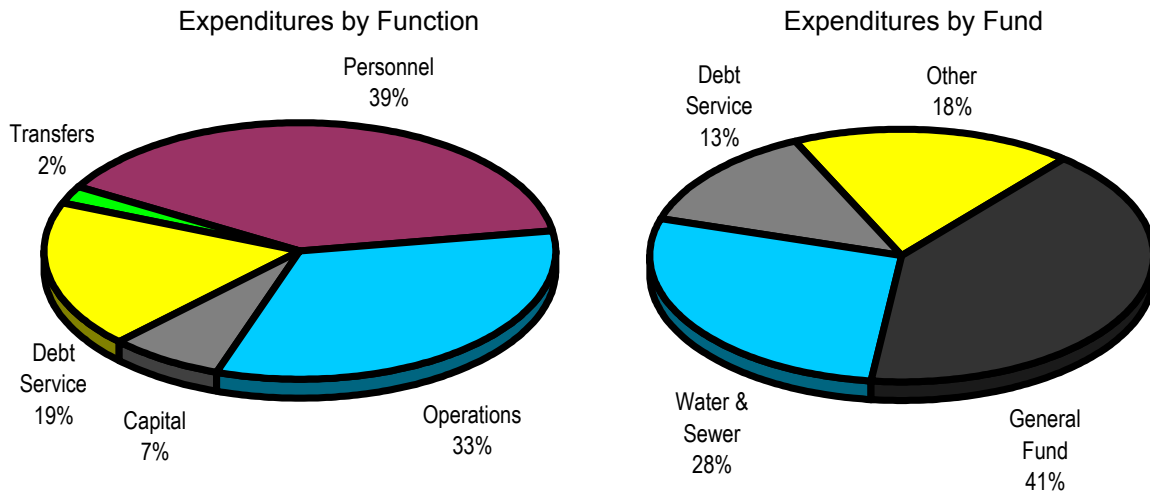
**CITY OF KELLER, TEXAS
2008-2009 BUDGET**

**SOURCES OF REVENUE
\$67,247,423**



Resources include use of fund balance.

**EXPENDITURES (USES)
\$67,247,423**



BUDGET SUMMARY BY FUND TYPE

| Fund Type / Fund Name | Estimated Beginning Balance 10/01/2008 | Revenues & Transfers In | Expenditures & Transfers Out | Other Reservations of Fund Balance | Estimated Ending Balance 09/30/2009 |
|--------------------------------------|---|----------------------------|------------------------------------|---|--|
| GOVERNMENTAL FUND TYPES: | | | | | |
| Property-Tax Supported Funds: | | | | | |
| General Fund | \$ 6,971,667 | \$ 27,583,535 | \$ 27,516,447 | \$ 825,261 | \$ 6,213,494 |
| Debt Service Fund | 1,026,975 | 5,260,120 | 5,396,735 | - | 890,360 |
| * Subtotal * | 7,998,642 | 32,843,655 | 32,913,182 | 825,261 | 7,103,854 |
| Special Revenue/Other Funds: | | | | | |
| Keller Development Corporation | 668,264 | 2,289,500 | 2,571,370 | 89,000 | 297,394 |
| The Keller Pointe (1) | 396,213 | 3,510,430 | 3,499,355 | - | 407,288 |
| Information Services Fund | 465,318 | 1,339,535 | 1,404,750 | - | 400,103 |
| Library Special Revenue Fund | 3,759 | 37,560 | 38,000 | - | 3,319 |
| Recreation Special Revenue Fund | 180,935 | 245,338 | 388,848 | 21,066 | 16,359 |
| Court Special Revenue Fund | 226,815 | 116,790 | 133,165 | - | 210,440 |
| Teen Court Special Revenue Fund | 45,264 | 90,050 | 80,480 | - | 54,834 |
| Crime Control Prevention District | 535,812 | 1,000,000 | 1,030,160 | - | 505,652 |
| * Subtotal * | 2,522,380 | 8,629,203 | 9,146,128 | 110,066 | 1,895,389 |
| Other Debt Service Funds: | | | | | |
| Interest & Sinking Fund - TIF | 222,454 | 3,470,885 | 3,615,050 | - | 78,289 |
| Capital Projects Funds: | | | | | |
| Park Development Fee Fund | 141,901 | 120,000 | 205,000 | - | 56,901 |
| Street/Drainage Improvements Fund | 32,756 | 1,268,400 | 1,266,650 | - | 34,506 |
| Equipment Replacement Fund | 764,344 | 417,840 | 514,170 | - | 668,014 |
| * Subtotal * | 939,001 | 1,806,240 | 1,985,820 | - | 759,421 |
| TOTAL GOVERNMENTAL FUNDS | 11,682,477 | 46,749,983 | 47,660,180 | 935,327 | 9,836,953 |
| ENTERPRISE FUNDS: | | | | | |
| User Fee-Supported Funds: | | | | | |
| Water & Wastewater Fund | 3,987,255 | 17,850,250 | 18,653,153 | - | 3,184,352 |
| Drainage Utility Fund | 180,601 | 927,850 | 934,090 | - | 174,361 |
| TOTAL ENTERPRISE FUNDS | 4,167,856 | 18,778,100 | 19,587,243 | - | 3,358,713 |
| TOTAL - ALL FUNDS | \$ 15,850,333 | \$ 65,528,083 | \$ 67,247,423 | \$ 935,327 | \$ 13,195,666 |

| | |
|--------------------------------|----------------------|
| Total revenues | \$ 65,528,083 |
| Use of available fund balances | 1,719,340 |
| Total available | <u>\$ 67,247,423</u> |
| Total appropriations | <u>\$ 67,247,423</u> |

(1) – Fund balance is cash and investments. Fund is totally 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 (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 FY2009 are \$67,247,423, an increase of \$1,596,261, or 2.4 percent, over 2007-2008 (FY2008) estimated expenditures. 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 | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|--------------------------------|----------------------|-----------------------|----------------------|---------------------------------------|-------------|
| | | | | Amount | Percent |
| General fund | \$ 24,346,357 | \$ 26,739,958 | \$ 27,516,447 | \$ 776,489 | 2.9% |
| Water & wastewater fund | 16,384,989 | 18,412,156 | 18,653,153 | 240,997 | 1.3 |
| Drainage utility fund | 841,599 | 1,051,200 | 934,090 | (117,110) | (11.1) |
| Other funds | 3,497,349 | 3,287,863 | 3,075,403 | (212,460) | (6.5) |
| Keller Development Corporation | 2,050,093 | 2,159,710 | 2,571,370 | 411,660 | 19.1 |
| The Keller Pointe | 2,704,189 | 3,205,775 | 3,499,355 | 293,580 | 9.2 |
| Debt service funds | 7,452,357 | 8,190,270 | 9,011,785 | 821,515 | 10.0 |
| Capital projects funds (1) | 1,539,046 | 2,604,230 | 1,985,820 | (618,410) | (23.7) |
| TOTAL | \$ 58,815,979 | \$ 65,651,162 | \$ 67,247,423 | \$ 1,596,261 | 2.4% |

(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 | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|--------------------------|----------------------|-----------------------|----------------------|---------------------------------------|-------------|
| | | | | Amount | Percent |
| Personnel services | \$ 21,368,587 | \$ 23,651,120 | \$ 26,313,180 | \$ 2,662,060 | 11.3% |
| Operations & maintenance | 3,091,409 | 4,009,005 | 4,161,387 | 152,382 | 3.8 |
| Services & other | 15,909,437 | 17,539,096 | 17,821,586 | 282,490 | 1.6 |
| Capital outlay | 3,266,977 | 6,462,390 | 4,864,225 | (1,598,165) | (24.7) |
| Debt service | 13,379,539 | 12,133,790 | 12,528,695 | 394,905 | 3.3 |
| Interfund transfers | 1,800,030 | 1,855,761 | 1,558,350 | (297,411) | (16.0) |
| TOTAL | \$ 58,815,979 | \$ 65,651,162 | \$ 67,247,423 | \$ 1,596,261 | 2.4% |

REVENUES

Total revenues and transfers for all funds are \$65,528,083 for FY2009, an increase of \$2,038,344, or 3.2 percent over FY2008 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 | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|--------------------------------|----------------------|-----------------------|----------------------|---------------------------------------|-------------|
| | | | | Amount | Percent |
| General fund | \$ 24,359,443 | \$ 26,621,673 | \$ 27,583,535 | \$ 961,862 | 3.6% |
| Water & wastewater fund | 15,110,986 | 17,618,330 | 17,850,250 | 231,920 | 1.3 |
| Drainage utility fund | 867,393 | 901,825 | 927,850 | 26,025 | 2.9 |
| Other funds | 3,328,702 | 3,000,441 | 2,829,273 | (171,168) | (5.7) |
| Keller Development Corporation | 2,089,658 | 2,230,035 | 2,289,500 | 59,465 | 2.7 |
| The Keller Pointe | 2,866,350 | 3,109,125 | 3,510,430 | 401,305 | 12.9 |
| Debt service funds | 7,136,908 | 8,528,280 | 8,731,005 | 202,725 | 2.4 |
| Capital projects funds (1) | 2,639,574 | 1,180,030 | 1,806,240 | 626,210 | 53.1 |
| TOTAL | \$ 58,399,014 | \$ 63,189,739 | \$ 65,528,083 | \$ 2,338,344 | 3.7% |

(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 | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|-----------------------------|----------------------|-----------------------|----------------------|---------------------------------------|-------------|
| | | | | Amount | Percent |
| Total property taxes | \$ 13,912,089 | \$ 15,579,320 | \$ 16,765,930 | \$ 1,186,610 | 7.6% |
| Sales and other taxes | 13,831,776 | 14,790,840 | 15,179,570 | 388,730 | 2.6 |
| Licenses & permits | 1,201,071 | 1,105,000 | 1,210,000 | 105,000 | 9.5 |
| Charges for services | 22,174,475 | 24,747,135 | 25,685,575 | 938,440 | 3.8 |
| Fines & fees | 2,481,246 | 1,717,190 | 1,769,490 | 52,300 | 3.0 |
| Interest revenue | 1,122,746 | 840,320 | 692,670 | (147,650) | (17.6) |
| Intergovernmental | 1,602,266 | 2,070,160 | 2,050,290 | (19,870) | (1.0) |
| Miscellaneous revenues | 273,316 | 484,013 | 278,488 | (205,525) | (42.5) |
| Proceeds from debt issuance | - | - | 337,720 | 337,720 | 0.0 |
| Interfund transfers | 1,800,030 | 1,855,761 | 1,558,350 | (297,411) | (16.0) |
| TOTAL | \$ 58,399,015 | \$ 63,189,739 | \$ 65,528,083 | \$ 2,338,344 | 3.7% |

ANALYSIS OF CHANGES IN FUND BALANCES

The following table indicates the reasons for projected changes in fund balances for the year, a decrease of \$1,719,340:

| Fund | Beginning Fund Balance | Ending Fund Balance | Difference | Comments |
|--|------------------------|---------------------|------------|---|
| General Fund | \$ 6,971,667 | \$7,038,755 | \$67,088 | Ending balance exceeds financial policy target. |
| Water & Wastewater Fund | 3,987,255 | 3,184,352 | (802,903) | Ending balance exceeds financial policy target. |
| Drainage Utility Fund | 180,601 | 174,361 | (6,240) | Ending balance exceeds financial policy target. |
| Keller Development Corporation | 668,264 | 386,394 | (281,870) | Planned capital and debt service expenditures. Financial policies do not specify a targeted fund balance for this fund. |
| The Keller Pointe Recreation & Aquatic Center (fund balance is cash and investments) | 396,213 | 407,288 | 11,075 | 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 | 465,318 | 400,103 | (65,215) | 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 | 535,812 | 505,652 | (30,160) | Planned capital expenditures. Financial policies do not specify a targeted fund balance for this fund. |
| Non-major special revenue funds | 456,773 | 306,018 | (150,755) | 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. |
| Debt Service | 1,249,429 | 968,649 | (280,780) | Planned use of available balances, which can only be used for debt retirement. |
| Total capital projects funds | 939,001 | 759,421 | (179,580) | 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 \$26.31 million, or 39.1% of total expenditures, compared to \$23.65 million or 36% of total expenditures for FY2008. Total personnel services will increase by \$2.66 million (11.3%) in FY2009 over FY2008. Major reasons for this increase are the addition of personnel for the Keller Fire Department in the General Fund for staffing new Fire Station No. 4, and 1 FTE in the Water and Wastewater Fund. Other reasons for the increase include pay plan adjustments and cost of living increases. Total full-time equivalent positions (FTEs) increased from 370.35 to 374.85, an increase of 4.5 FTEs (1.2%). The increase includes the addition of 2.5 FTEs for 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 payroll deductions from employees. 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 | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|---------------------------|---------------------|-----------------------|---------------------|---------------------------------------|-------------|
| | | | | Amount | Percent |
| General Fund | 228.38 | 247.34 | 248.34 | 1.00 | 0.4% |
| Information Services Fund | 7.50 | 7.50 | 7.50 | - | - |
| Water & Wastewater Fund | 45.42 | 46.42 | 47.42 | 1.00 | 2.2 |
| Drainage Utility Fund | 8.75 | 8.75 | 8.75 | - | - |
| Keller Development Corp. | 2.58 | 2.78 | 2.78 | - | - |
| The Keller Pointe | 48.33 | 55.56 | 58.06 | 2.50 | 4.5 |
| Court Special Revenue | 1.00 | 1.00 | 1.00 | - | - |
| Teen Court Fund | 1.00 | 1.00 | 1.00 | - | - |
| Total | 342.96 | 370.35 | 374.85 | 4.50 | 1.2% |

For the General Fund, employees per 1,000 residents decreased from 6.56 in FY2008 to 6.47 in FY2009 (1.4%).

The FY2007 Actual, FY2008 Estimate, and FY2009 Proposed 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 FY2009 are \$4,161,387, or 6.2% of total expenditures. The FY2009 budget reflects an increase of \$152,382, or 3.8% over FY2008 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 FY2009 are \$17,821,586, or 26.5% of total expenditures. This reflects an increase of \$282,490, or 1.6% over FY2008 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 FY2009 are \$4,864,225, representing 7.2% of total expenditures, compared to FY2008 expenditures of \$6,462,390, representing 9.8% 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), and equipment replacements funded in the Equipment Replacement Capital Projects Fund. Capital outlay expenditures for FY2009 decreased \$1,598,165, or 24.7% from FY2008. The primary reason for the decrease is because of street maintenance and park improvement projects that are anticipated to be completed in FY2008.

DEBT SERVICE

Total general obligation (property-tax supported) debt service requirements (excluding water and wastewater, Keller Development Corporation, and Tax Increment Financing district debt service) for FY2009 are \$4,477,368 and comprise 6.6% of total expenditures. Expenditures decreased by \$58,860, or 1.3% over FY2008.

There was no new debt or refunding bonds issued during FY2008. Approximately \$12.1 million is anticipated to be issued during FY2009 for design, construction, and related fire apparatus for new Fire Station No. 4 (\$5.5 million), renovation and expansion of the Keller Library (\$4 million), park land acquisition (\$600,000), and drainage improvements (\$2 million).

The City's current bond ratings are as follows:

| | <u>Moody's</u> | <u>Standard & Poor's</u> |
|----------------------|----------------|----------------------------------|
| Tax-supported debt * | A1 | A+ |
| Revenue bonds ** | Baa | BBB |

* In September 2000, Standard & Poor's upgraded the City's tax-supported debt from A- to A. In March 2001, Moody's upgraded the City's tax-supported debt from Baa1 to A3. In November 2002, Moody's upgraded the City's debt to A2. In June 2004, Standard and Poor's upgraded the City's tax-supported debt from A to A+. In July 2006, Moody's upgraded the City's debt to A1. Since 2000, the City's debt has been upgraded a total of 5 times.

** As of October 1, 2008, the only remaining revenue bond debt outstanding is \$660,000 Keller Development Corporation Sales Tax Revenue Refunding Bonds, Series 2005.

MAJOR EXPENDITURES
DEBT SERVICE (continued)

The City also has issues outstanding (insured by various commercial companies) which are rated "Aaa" by Moody's and "AAA" by S&P.

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.

| | <u>FY2008</u> | <u>FY2009</u> |
|---|---------------|---------------|
| General obligation debt outstanding at October 1 (000's) | \$ 36,848 | \$ 33,796 |
| Estimated population, October 1 | 37,685 | 38,402 |
| Direct debt per capita | \$ 978 | \$ 880 |
| Net taxable valuation (000's) | \$ 3,531,084 | \$ 3,872,878 |
| <i>Ratio of debt to taxable valuation</i> | <i>1.0%</i> | <i>0.9%</i> |
| <i>Financial policy target</i> | <i>15.0%</i> | <i>15.0%</i> |
| Total general government expenditures (000's) (General Fund and Debt Service Fund) | \$ 31,338 | \$ 32,062 |
| Debt service expenditures (000's) | \$ 4,598 | \$ 4,479 |
| <i>Debt service expenditures as a percentage of total general government expenditures</i> | <i>14.7%</i> | <i>14.0%</i> |
| <i>Financial policy target</i> | <i>25.0%</i> | <i>25.0%</i> |

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

INTERFUND TRANSFERS

Transfers to other funds for FY2009 are \$1,558,350, representing 2.3% 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 \$297,411, or 16% from FY2008 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 FY2008 and FY2009:

MAJOR EXPENDITURES
INTERFUND TRANSFERS (continued)

| | <u>FY2008</u> | <u>FY2009</u> |
|--|---------------------|---------------------|
| Debt Service Transfers from other Funds: | | |
| Keller Development Corporation | \$ 130,170 | \$ 183,120 |
| Street/Drainage Improvements Fund | 15,000 | 15,000 |
| Water & Wastewater Fund | 462,410 | 412,070 |
| General Fund | 450,000 | - |
| TIF Interest & Sinking Fund | 500,000 | 917,965 |
| Subtotal | <u>1,557,580</u> | <u>1,528,155</u> |
| Operational Transfers from other Funds: | | |
| Teen Court Fund | 27,045 | 30,195 |
| Capital Projects Fund (for CIP-related capital projects) | 45,000 | - |
| Recreation Special Revenue Fund | 11,353 | - |
| General Fund | 183,673 | - |
| Equipment Replacement Fund | 31,110 | - |
| Subtotal | <u>298,181</u> | <u>30,195</u> |
| Total Transfers | <u>\$ 1,855,761</u> | <u>\$ 1,558,350</u> |

In addition to debt service transfers, transfers are also made to assist in funding for certain operational activities, 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. These transfers are summarized on the following page as follows:

MAJOR EXPENDITURES
INTERFUND TRANSFERS (continued)

| | <u>FY2008</u> | <u>FY2009</u> |
|---|-------------------------|-------------------------|
| TRANSFERS TO GENERAL FUND | | |
| Payments In-lieu of Taxes Transfers from: | | |
| Water & Wastewater Fund | \$ 994,000 | \$ 855,000 |
| Drainage Utility Fund | <u>89,400</u> | <u>90,000</u> |
| Subtotal | <u>1,083,400</u> | <u>945,000</u> |
| Administrative Services Transfers from: | | |
| Water & Wastewater Fund | 1,025,000 | 1,230,000 |
| Keller Development Corporation | <u>38,500</u> | <u>38,500</u> |
| Subtotal | <u>1,063,500</u> | <u>1,268,500</u> |
| Total Transfers to General Fund | <u><u>2,146,900</u></u> | <u><u>2,213,500</u></u> |
| TRANSFERS TO WATER & WASTEWATER FUND | | |
| Administrative Services Reimbursement Transfers from: | | |
| Drainage Utility Fund | <u>20,000</u> | <u>30,000</u> |
| Total Transfers to Water & Wastewater Fund | <u><u>20,000</u></u> | <u><u>30,000</u></u> |
| TRANSFERS TO INFORMATION SERVICES FUND | | |
| Operating Transfers from: | | |
| General Fund | 468,200 | 513,730 |
| Water & Wastewater Fund | <u>468,200</u> | <u>513,730</u> |
| Subtotal | <u>936,400</u> | <u>1,027,460</u> |
| Cost of Services Transfers from: | | |
| General Fund | 194,625 | 194,625 |
| Water & Wastewater Fund | 28,190 | 28,190 |
| Drainage Utility Fund | 1,035 | 1,035 |
| The Keller Pointe Fund | 15,675 | 15,675 |
| Teen Court Fund | <u>50</u> | <u>50</u> |
| Subtotal | <u>239,575</u> | <u>239,575</u> |
| Total Transfers to Information Services Fund | <u><u>1,175,975</u></u> | <u><u>1,267,035</u></u> |
| TRANSFERS TO EQUIPMENT REPLACEMENT FUND | | |
| Internal Vehicle/Equipment Lease Payments from: | | |
| Water & Wastewater Fund | 51,040 | 34,550 |
| Drainage Utility Fund | <u>22,280</u> | <u>15,570</u> |
| Total Transfers to Equipment Replacement Fund | <u><u>\$ 73,320</u></u> | <u><u>\$ 50,120</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 FY2009 are \$16,765,930, and represent 25.6% of total revenues, compared to \$15,579,320, or 25% of total revenues for FY2008. Total property tax revenues for FY2009 increased by \$1,186,610, or 7.6% over FY2008 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 FY2009 is \$0.43219, while the effective tax rate as calculated using the *Truth-in-Tax* calculations pursuant to the Texas Property Tax Code is \$0.41002. The FY2009 tax rate is unchanged from the FY2008 tax rate. The tax rate is comprised of a "maintenance and operations" (M&O) component (\$0.31641, or 73.2% of the total rate), which is allocated to the general fund, and a "debt service" component (\$0.11578, or 26.8% of the total rate), which is allocated to the debt service fund.

Since 1993, the tax rate has been reduced a total of \$0.11195 per \$100 (11.195¢), or 20.6%. 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 1999 are presented in the accompanying chart (per \$100 of appraised values).

| <u>Year</u> | <u>Total Tax Rate</u> | <u>Percent Change</u> |
|---------------|-----------------------|-----------------------|
| 1999 (FY2000) | \$ 0.45300 | (1.1%) |
| 2000 (FY2001) | 0.44300 | (2.2%) |
| 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 | -% |

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 |

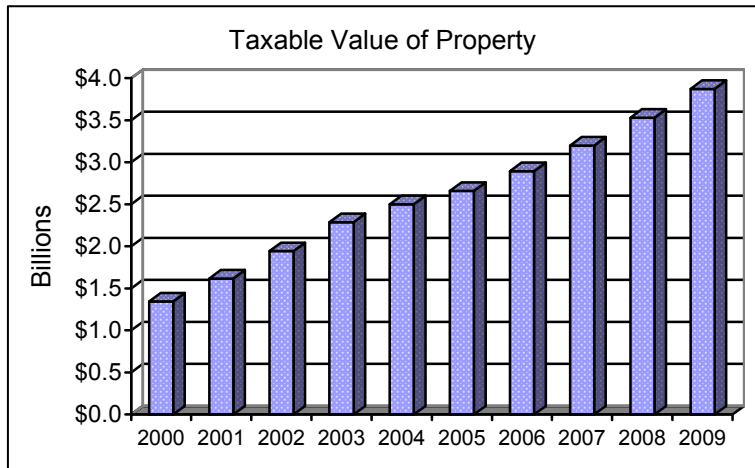
In August 2004, the City Council approved Ordinance No. 1209 establishing an ad valorem tax limitation on residential homesteads of the disabled and persons 65 years of age or older, and their spouses (tax ceiling) as authorized and defined by the Texas Constitution, Article VIII, Section 1-b, and the 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)

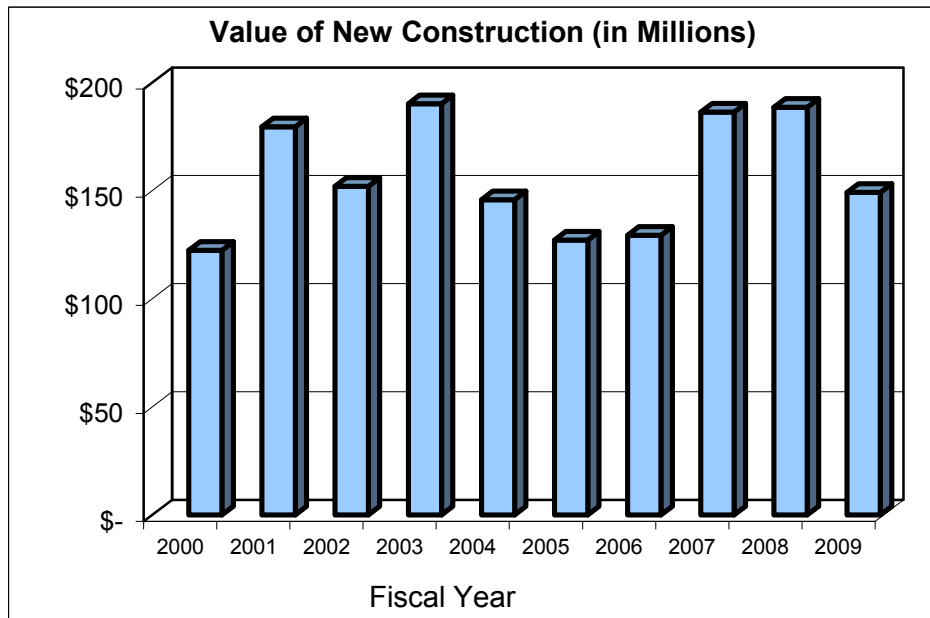
Taxes:

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 2000.

The net taxable value after exemptions and adjustments for FY2009 is \$3.91 billion, and continues to increase, with a total increase of \$341.8 million, or approximately 9.6% over the previous year, compared to an increase of \$331.7 million (10.4%) in FY2008.



Approximately 43% of the value growth for FY2009 resulted from \$149.2 million in new construction during calendar year 2007, compared to \$188.5 million in new construction added to the tax rolls last year (for calendar year 2006). The chart below provides a history of new construction values, as determined by the Tarrant Appraisal District.



For FY2009, the appraised value of new residential construction in calendar year 2007 was \$121.8 million (82%) and new commercial construction was \$27.4 million (18%). For last year (calendar year 2006), the appraised value of new residential construction was \$154 million (82%) and new commercial construction was \$34.5 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 FY2009 is \$15,179,570, representing 23.2% of total revenues, compared to \$14,790,840, representing 23.3% of total revenues in FY2008. Sales and other taxes increased by \$388,730, or 2.6% over FY2008 amounts.

All sales taxes are collected by the State of Texas from the sale of taxable goods and services. The City receives the following portions of these taxes from the State: sales taxes – 1% of each dollar taxed within the City, 0.5% for the Keller Development Corporation, 0.25% for the Keller Crime Control Prevention District, 0.25% street maintenance sales tax, and mixed beverage taxes – 15% of state collections 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% |

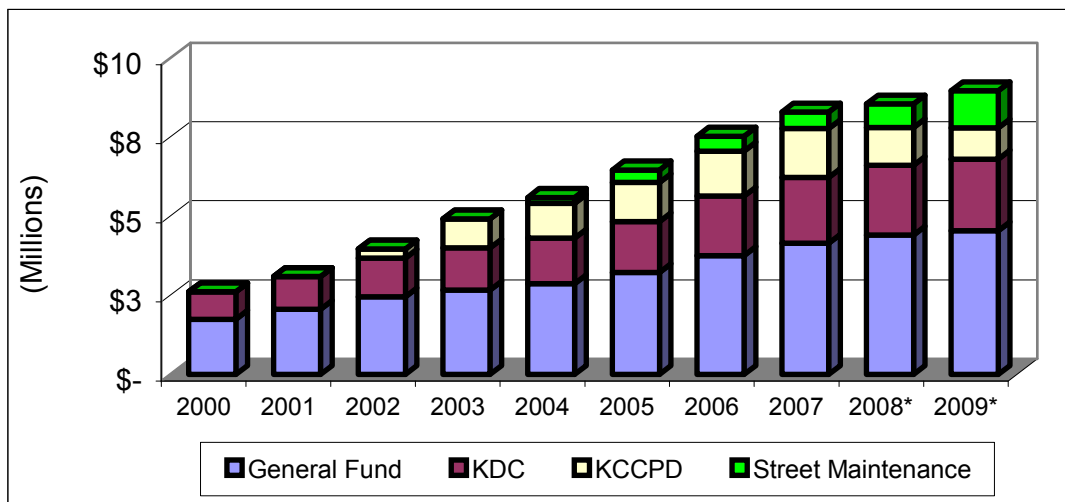
The accompanying table on the next page presents total sales tax collections for the City's general fund, the Keller Development Corporation, the Keller Crime Control & Prevention District, and street maintenance sales tax (a capital projects fund). As the table indicates, sales tax revenue has shown 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%. Total sales taxes are anticipated to increase \$420,100 (5%) over FY2008. 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:

Total Sales Tax Revenue
 2000 through 2008

| Fiscal Year | General Fund | KDC | KCCPD | Street Maintenance | Total | Pct Change |
|-------------|--------------|------------|-----------|--------------------|--------------|------------|
| 2000 | \$ 1,741,426 | \$ 870,713 | \$ - | \$ - | \$ 2,612,139 | 44.0% |
| 2001 | 2,059,749 | 1,029,874 | - | - | 3,089,623 | 18.3% |
| 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* | 4,406,000 | 2,203,000 | 1,200,000 | 740,000 | 8,549,000 | 3.1% |
| 2009* | 4,538,500 | 2,269,000 | 990,000 | 1,172,500 | 8,970,000 | 4.9% |

* - 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 \$31.9 million, or 48.7% of total revenues for FY2009, compared to \$30.7 million, or 48.3% of total revenues for FY2008. These revenues are projected to increase by \$1.28 million (4.2%) over FY2008.

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 FY2009 are \$25,685,575, comprising 39.2% of total revenues, compared to \$24,747,135, or 39% of total revenues in FY2008.

Major charges for service revenues are comprised of water revenue (\$11,970,000); wastewater revenue (\$5,230,000); drainage utility fees (\$917,000); and operating revenues for The Keller Pointe (\$3,473,960). These revenues comprise \$21,590,960, or 32.9% of total revenues in FY2009, compared to \$21,268,960, or 33.5% of total revenues in FY2008.

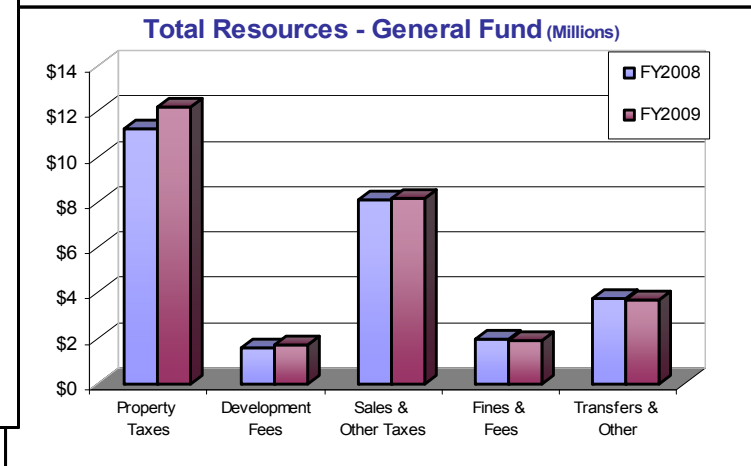
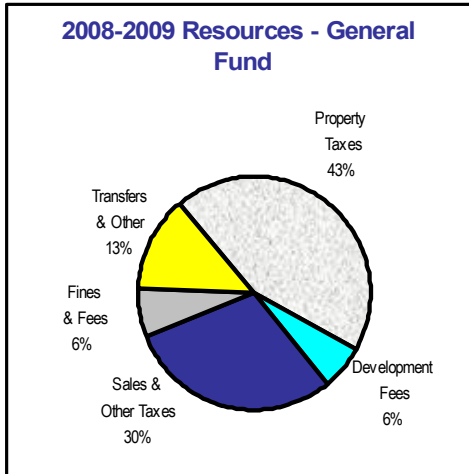
Building permits and development fees are included in the service charges category as well. These fees are projected to be \$1,724,200, for FY2009, an increase of \$134,000 (8.4%) from FY2008. Building permits and development fees comprise 2.6% of total revenues in FY2009, compared to 2.5% in FY2008.

SUMMARY

Total revenues from taxes and service charges comprise \$57.63 million, or 87.9% of total revenues, compared to \$55.4 million, or 87.3% of total revenues in FY2008. The remaining revenues for FY2009 include fine and fees revenue (\$1,769,490), licenses and permits (\$1,210,000), interest revenue (\$692,670), proceeds from debt issuance (\$337,720), miscellaneous revenue (\$278,488), intergovernmental (\$2,050,290), and interfund (intra governmental) transfers (\$1,558,350). Combined, the remaining revenues comprise \$7.9 million, or 12.1% of total revenues.

**2008-2009 BUDGET
OVERVIEW OF GENERAL FUND**

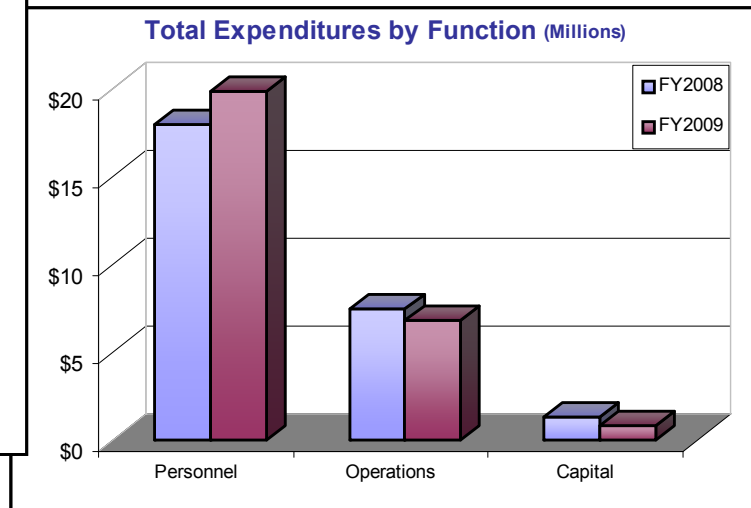
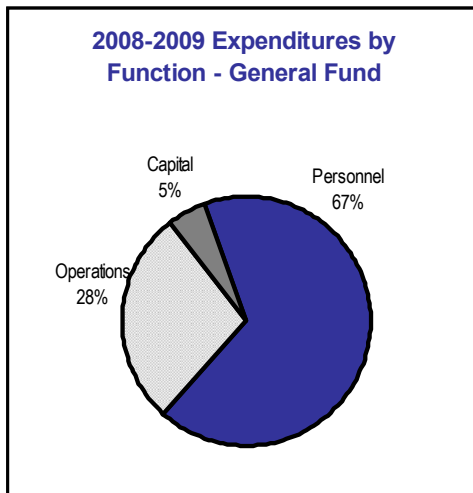
**2008-2009 RESOURCES – WHERE THE MONEY COMES FROM
\$27,583,535**



Resources include use of fund balance.

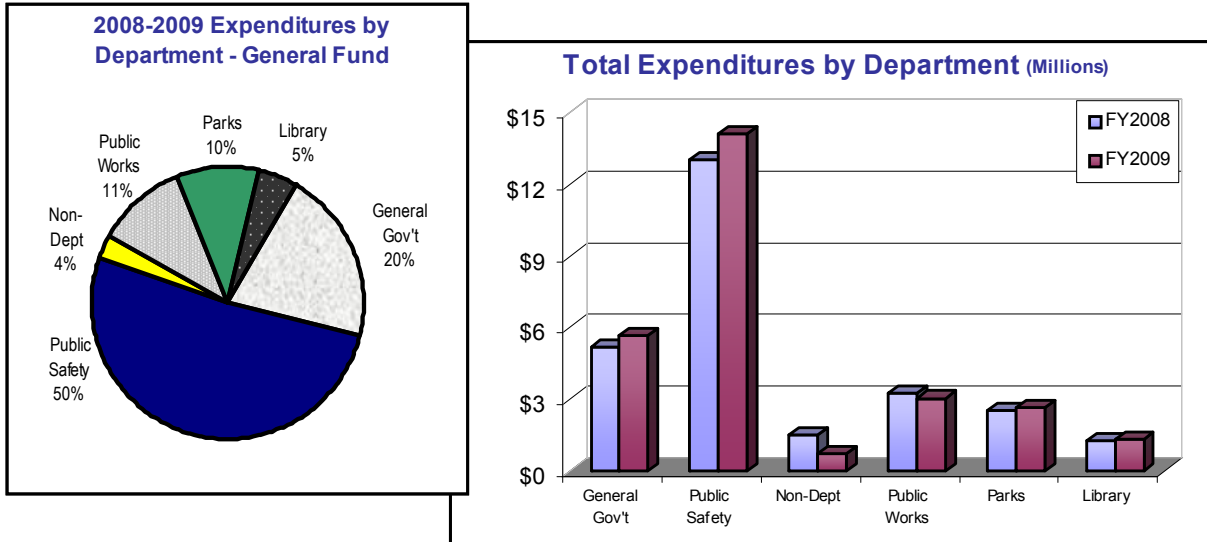
**2008-2009 EXPENDITURES – WHERE THE MONEY GOES
\$27,516,447**

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 | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|------------------------------|---------------------|-----------------------|---------------------|---------------------------------------|-------------|
| | | | | Amount | Percent |
| Beginning Balance | \$ 7,076,866 | \$ 7,089,952 | \$ 6,971,667 | \$ (118,285) | (1.7%) |
| REVENUES: | | | | | |
| Total property taxes | 9,807,898 | 11,241,000 | 12,156,000 | 915,000 | 8.1 |
| Sales taxes | 4,148,974 | 4,406,000 | 4,538,500 | 132,500 | 3.0 |
| Other taxes | 3,236,163 | 3,670,560 | 3,644,150 | (26,410) | (0.7) |
| Fines & fees | 2,036,648 | 1,967,450 | 1,870,000 | (97,450) | (5.0) |
| Building permits/fees | 1,201,072 | 1,105,000 | 1,210,000 | 105,000 | 9.5 |
| Development fees | 658,730 | 485,200 | 514,200 | 29,000 | 6.0 |
| Intergovernmental revenue | 1,452,871 | 1,950,940 | 1,917,335 | (33,605) | (1.7) |
| Miscellaneous revenues | 1,817,087 | 1,611,850 | 1,733,350 | 121,500 | 7.5 |
| Interfund transfers | — | 183,673 | — | (183,673) | (100.0) |
| TOTAL REVENUES | 24,359,443 | 26,621,673 | 27,583,535 | 961,862 | 3.6 |
| TOTAL FUNDS AVAILABLE | 31,436,309 | 33,711,625 | 34,555,202 | 843,577 | 2.5 |
| EXPENDITURES: | | | | | |
| Personnel services | 16,214,456 | 17,975,895 | 19,865,915 | 1,890,020 | 10.5 |
| Operations & maintenance | 1,579,807 | 2,015,390 | 2,064,205 | 48,815 | 2.4 |
| Services & other | 4,590,757 | 4,917,270 | 4,745,247 | (172,023) | (3.5) |
| Capital outlay | 851,337 | 1,313,005 | 810,885 | (502,120) | (38.2) |
| Transfers to other funds | 1,110,000 | 518,398 | 30,195 | (488,203) | (94.2) |
| TOTAL EXPENDITURES | 24,346,357 | 26,739,958 | 27,516,447 | 776,489 | 2.9 |
| TOTAL ENDING BALANCE | \$ 7,089,952 | \$ 6,971,667 | \$ 7,038,755 | \$ 67,088 | 1.0% |

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 (72.2%) for FY2009, compared to 67.2% in FY2008. Operations & maintenance and services comprise 24.7% of the total FY2009 budget. Capital outlay (2.9%) and transfers to other funds (0.1%) comprise the remainder of the FY2009 budget.

Full-time equivalent positions increased from 247.34 to 248.34, an increase of 1 FTE (0.4%). Only one new position was included: 1 part-time Customer Service Representative (0.50 FTE) in the Parks and Recreation Department at the Senior Center. A new Economic Development Director position was approved for six months in FY2008 (0.50 FTE); therefore, the full-year funding in FY2009 reflects the increase of the additional 0.50 FTE.

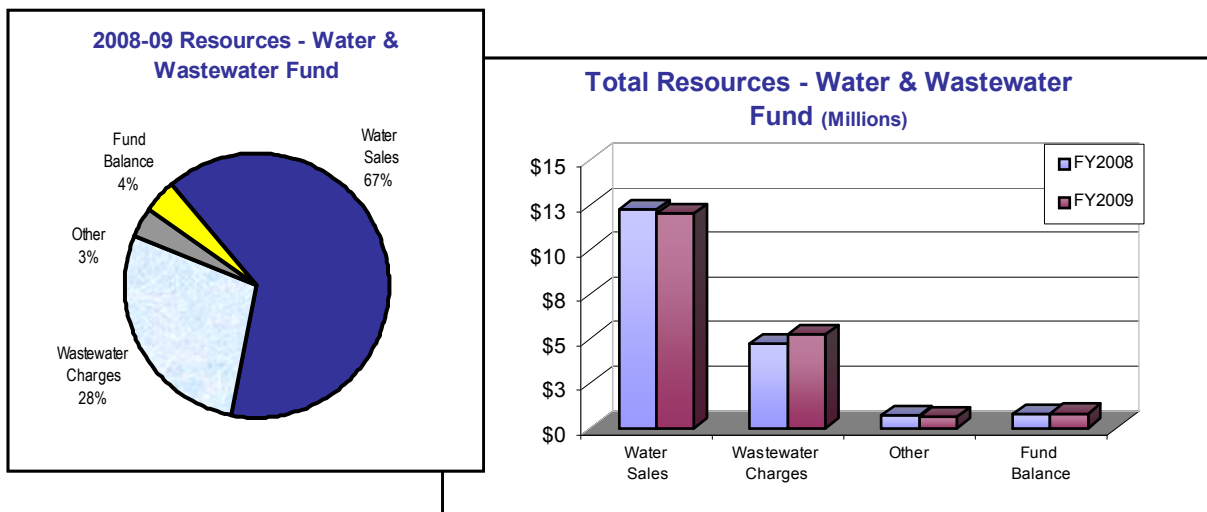
Capital outlay includes expenditures for new or replacement City assets, or improvements to existing assets. The City's personal property capitalization limit for FY2009 is \$5,000. Total capital outlay expenditures for FY2009 are \$810,885, or 2.9% of total General Fund expenditures. A discussion of specific major capital outlay items is included in the City Manager's Transmittal Letter and the Capital Improvements section of this document. Capital outlay expenditures for FY2009 decreased \$502,120 (38.2%) from FY2008. Major capital items include: street improvements (\$757,385); funds for furniture and fixtures for the new Library expansion project (\$21,000); and public arts purchases (\$32,500).

General Fund Summary (continued)

Public Safety expenditures (Police and Fire) comprise over \$14.1 million of General Fund expenditures, or 51% of total expenditures. General Government expenditures comprise 15.9% of total expenditures; Community Development, 4.7%; Parks & Recreation, 9.6%; Library, 4.8%; Public Works, 11%; and Non-Departmental, 2.6%, respectively.

**2008-2009 BUDGET
OVERVIEW OF WATER AND WASTEWATER FUND**

**2008-2009 RESOURCES – WHERE THE MONEY COMES FROM
\$18,653,153**

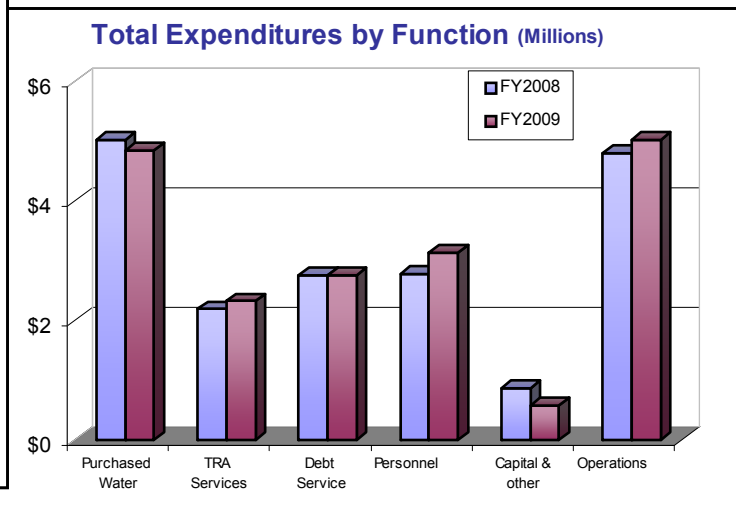
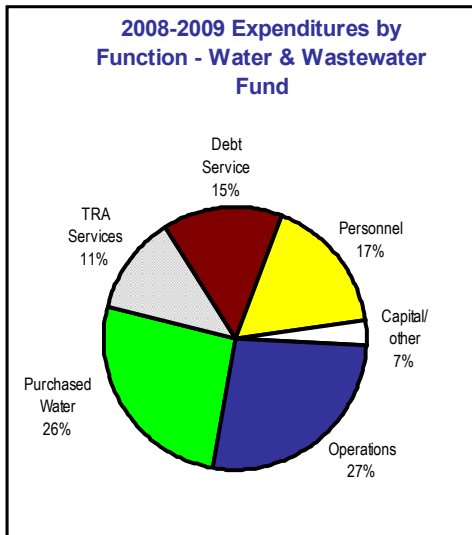


Resources include use of fund balances.

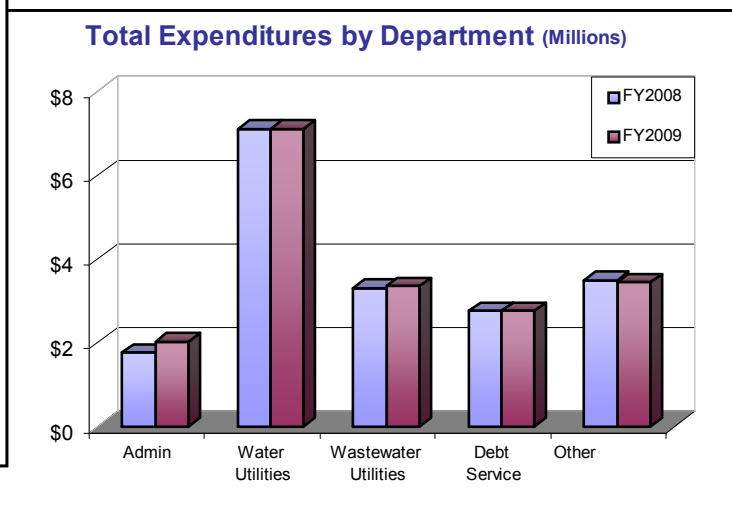
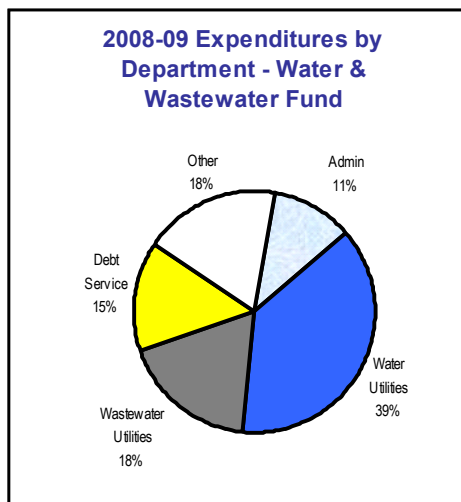
Water and Wastewater Fund Summary (continued)

2008-2009 EXPENDITURES – WHERE THE MONEY GOES
\$18,653,153

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

Monthly water rates:

(Effective April 1, 2006)

| | <u>Residential</u> | <u>Non-Residential</u> |
|--|--------------------|------------------------|
| 0 to 2,000 gallons | \$20.26 minimum* | \$20.26 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 |

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

Monthly wastewater rates:

(Effective April 1, 2006)

| | |
|---------------------------|--|
| 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. |

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

Water and Wastewater Fund Summary (continued)

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

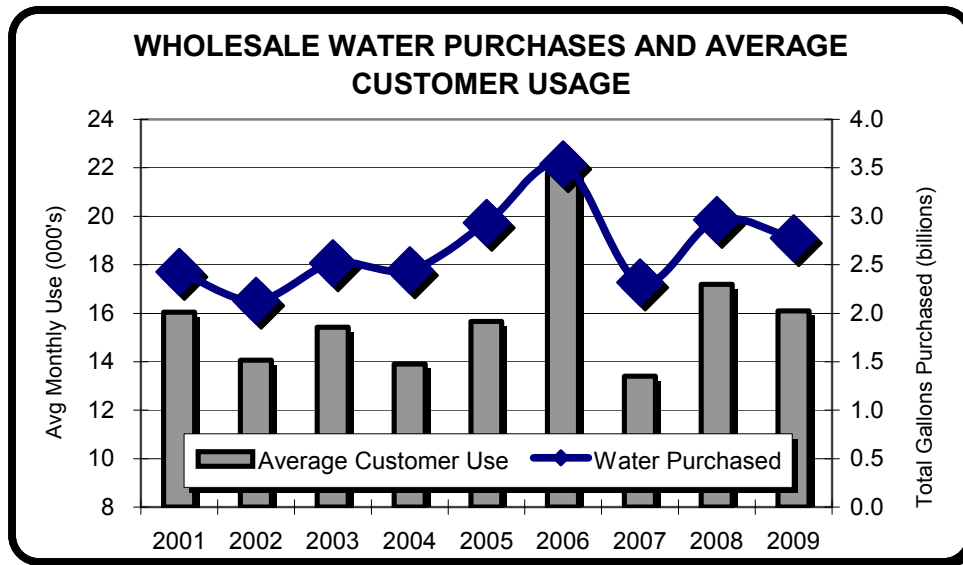
| Description | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2008-2009 | |
|------------------------------|---------------------|-----------------------|---------------------|---------------------------------------|----------------|
| | | | | Amount | Percent |
| Beginning Balance | \$ 6,055,084 | \$ 4,781,081 | \$ 3,987,255 | \$ (793,826) | (16.6%) |
| REVENUES: | | | | | |
| Water sales | 9,920,748 | 12,210,000 | 11,985,000 | (225,000) | (1.8) |
| Wastewater charges | 4,434,928 | 4,710,000 | 5,230,000 | 520,000 | 11.0 |
| Taps and miscellaneous fees | 552,017 | 559,440 | 512,150 | (47,290) | (8.5) |
| Contributions | 18,827 | 18,890 | 13,100 | (5,790) | (30.7) |
| Interest revenue | 184,466 | 120,000 | 110,000 | (10,000) | (8.3) |
| TOTAL REVENUES | 15,110,986 | 17,618,330 | 17,850,250 | 231,920 | 1.3 |
| TOTAL FUNDS AVAILABLE | 21,166,070 | 22,399,411 | 21,837,505 | (561,906) | (2.5) |
| EXPENDITURES: | | | | | |
| Personnel services | 2,575,699 | 2,778,140 | 3,133,890 | 355,750 | 12.8 |
| Operations & maintenance | 570,558 | 718,835 | 799,998 | 81,163 | 11.3 |
| Services & other | 3,360,313 | 3,625,546 | 3,817,275 | 191,729 | 5.3 |
| Wholesale water purchased | 4,147,890 | 5,020,000 | 4,845,000 | (175,000) | (3.5) |
| Wastewater services-TRA | 2,057,758 | 2,188,225 | 2,322,810 | 134,585 | 6.2 |
| Capital outlay | 474,977 | 868,460 | 570,570 | (297,890) | (34.3) |
| Debt service | 2,742,584 | 2,750,540 | 2,751,540 | 1,000 | 0.0 |
| Transfers to other funds | 455,210 | 462,410 | 412,070 | (50,340) | (10.9) |
| TOTAL EXPENDITURES | 16,384,989 | 18,412,156 | 18,653,153 | 240,997 | 1.3 |
| TOTAL ENDING BALANCE | \$ 4,781,081 | \$ 3,987,255 | \$ 3,184,352 | \$ (802,903) | (20.1%) |

Major revenues for FY2009 are derived from water service charges (68.1%) and wastewater charges (29.3%), compared to 69% and 26.7% in FY2008, respectively. These combined revenue sources account for over 96.4% of fund revenues for FY2009, compared to 96.1% for FY2008. A rate increase of 6%, beginning in January 2009, is proposed for both water and wastewater customers.

Major expenditures for FY2009 are comprised of wholesale water purchases (26%); debt service on long-term debt (14.7%); wastewater treatment and collection services provided by the Trinity River Authority (12.5%); operating expenses and transfers (26.9%); and personnel services (salaries and benefits), 16.8%. Personnel services include the addition of 1 FTE for FY2009, a Senior Project Engineer in the Water & Wastewater Administration division.

Water purchases are projected to be 2.775 billion gallons in FY2009, compared to 2.964 billion in FY2008, a decrease of 189 million gallons, or 6.4%. For FY2007, actual usage decreased significantly due to the area receiving above normal rainfall, especially during the summer months of 2007. Through June 2008, the area has received significantly less rainfall than the prior year; therefore, the water consumption is anticipated to increase to 2.84 billion gallons for FY2009, compared to 2.13 billion gallons in FY2007. Customer consumption reached an all-time high of 3.5 billion gallons in FY2006. For FY2009, 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.

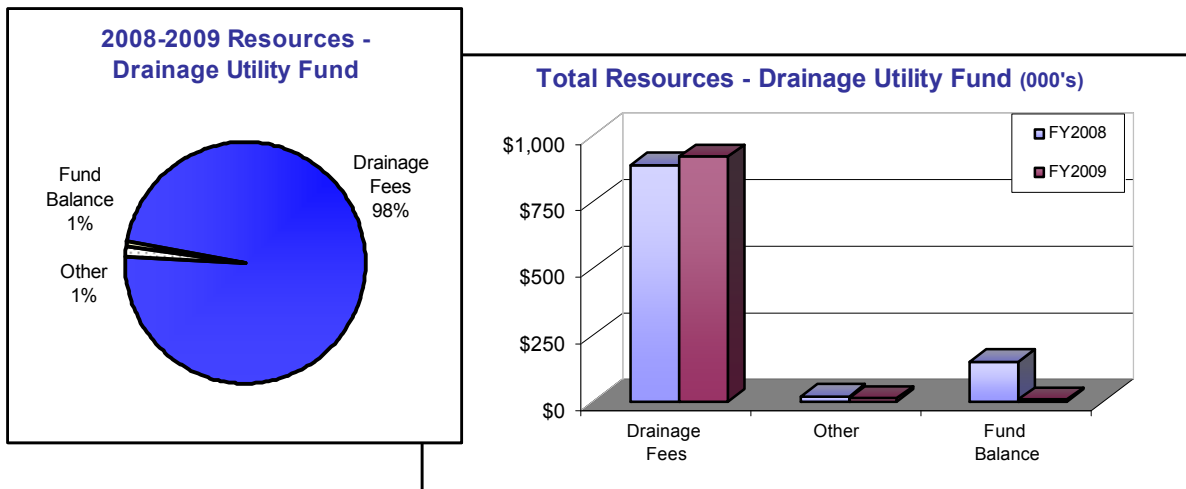
Water and Wastewater Fund Summary (continued)



As the above graph indicates, the total number of gallons of wholesale water purchased has generally shown an increasing trend, from as high as 3.5 billion gallons in FY2007 to as low as 2.05 billion gallons in FY2002. Total usage to date through June 2008 has exceeded prior year usage, and is anticipated at 2.84 billion gallons for the year. The water usage forecast of 2.66 billion gallons for the FY2009 budget is prepared using estimates based on normal, or average rainfall. Using this average, the annualized monthly average usage per customer is 16,094 gallons for FY2009, compared to 17,191 gallons projected for FY2008, and the actual amount of 13,397 gallons in FY2007.

**2008-2009 BUDGET
OVERVIEW OF DRAINAGE UTILITY FUND**

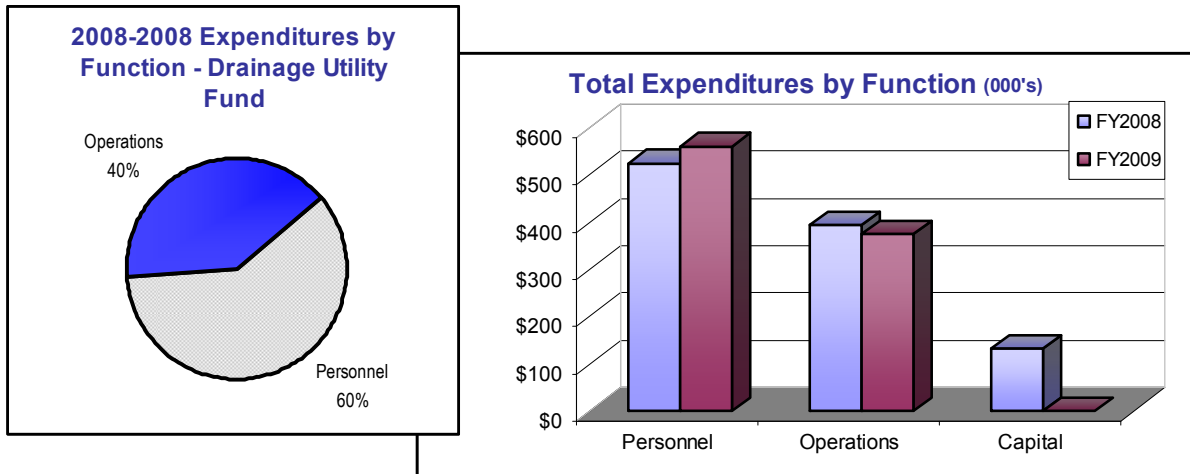
**2008-2009 RESOURCES – WHERE THE MONEY COMES FROM
\$934,090**



Resources include use of fund balances.

Drainage Utility Fund Summary (continued)

2008-2009 EXPENDITURES – WHERE THE MONEY GOES
\$934,090



The Drainage Utility Fund is an enterprise fund of the City. The Fund is used to account for user fees charged per equivalent residential unit (ERU) to maintain and enhance drainage of properties within the City. 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.

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 of the City. Monthly drainage charges are based on the ERU of each property.

Drainage Utility Fund Summary (continued)

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

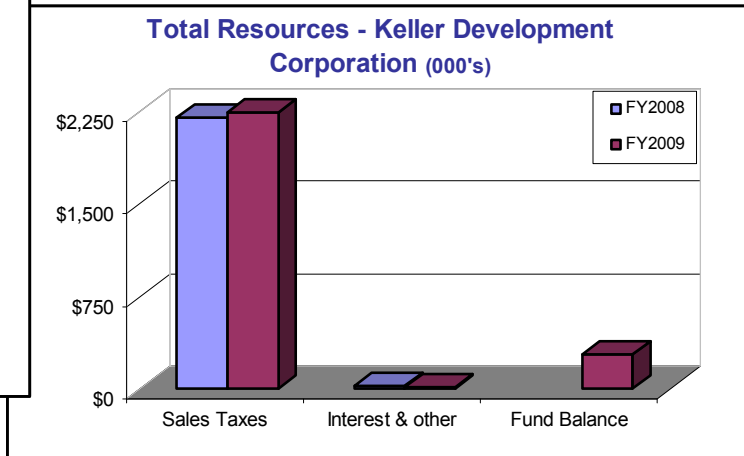
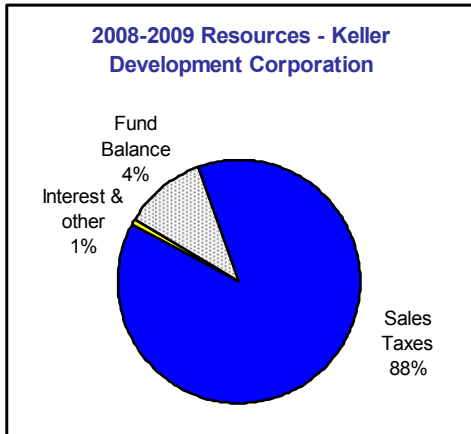
| Description | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|-------------------------------|---------------------|-----------------------|---------------------|---------------------------------------|---------------|
| | | | | Amount | Percent |
| Beginning Balance | \$ 304,182 | \$ 329,976 | \$ 180,601 | \$ (149,375) | (45.3%) |
| REVENUES: | | | | | |
| Drainage fees | 855,069 | 885,000 | 917,000 | 32,000 | 3.6 |
| Miscellaneous revenues | 850 | 1,325 | 1,000 | (325) | (24.5) |
| Owner/developer contributions | - | - | - | - | - |
| Gain (loss) on asset disposal | (7,650) | 3,000 | - | (3,000) | (100.0) |
| Interest revenue | 19,124 | 12,500 | 9,850 | (2,650) | (21.2) |
| TOTAL REVENUES | 867,393 | 901,825 | 927,850 | 26,025 | 2.9 |
| TOTAL FUNDS AVAILABLE | 1,171,575 | 1,231,801 | 1,108,451 | (123,350) | (10.0) |
| EXPENDITURES: | | | | | |
| Personnel services | 495,448 | 523,900 | 560,045 | 36,145 | 6.9 |
| Operations & maintenance | 84,910 | 123,010 | 105,405 | (17,605) | (14.3) |
| Services & other | 163,131 | 240,060 | 268,640 | 28,580 | 11.9 |
| Capital outlay | 67,000 | 133,120 | - | (133,120) | (100.0) |
| Transfers to other funds | 31,110 | 31,110 | - | (31,110) | (100.0) |
| TOTAL EXPENDITURES | 841,599 | 1,051,200 | 934,090 | (117,110) | (11.1) |
| TOTAL ENDING BALANCE | \$ 329,976 | \$ 180,601 | \$ 174,361 | \$ (6,240) | (3.5%) |

Major revenues for FY2009 are derived from drainage user fees (98.8%). The monthly drainage charge per ERU is currently \$5.00 per month, last updated in October 2003.

Major expenditures for FY2009 are provided for personnel services (60%) for 8.75 full-time equivalent positions. Operations and maintenance and services and other expenditures (40% of the total budget) provide for both equipment maintenance and drainage channel maintenance, and includes equipment rental as needed.

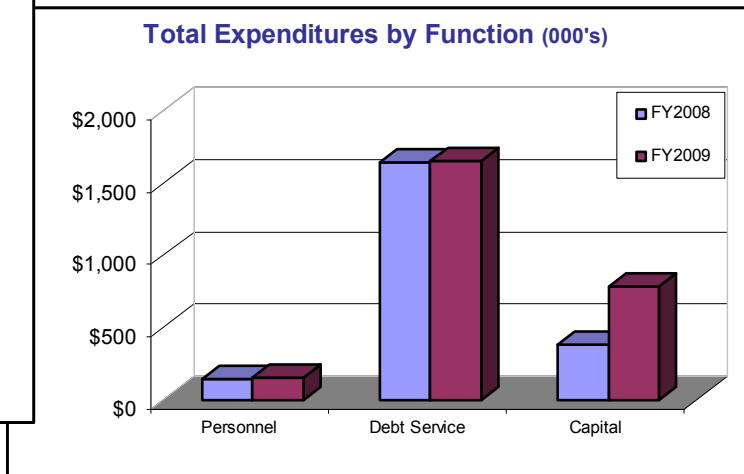
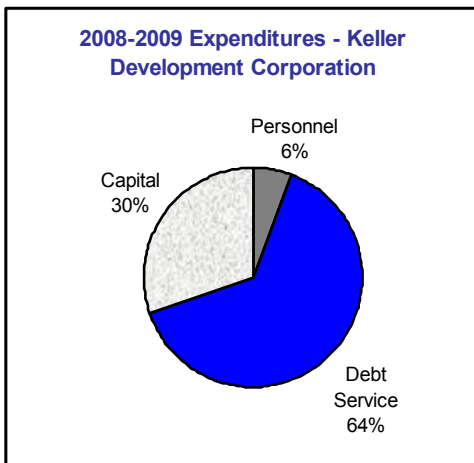
**2008-2009 BUDGET
OVERVIEW OF KELLER DEVELOPMENT CORPORATION**

**2008-2009 RESOURCES – WHERE THE MONEY COMES FROM
\$2,571,370**



Resources include use of fund balances.

**2008-2009 EXPENDITURES – WHERE THE MONEY GOES
\$2,571,370**



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 in 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 10, 2008. A public hearing as required by Article 5190.6, Texas Revised Civil Statutes, was held on July 15, 2008.

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

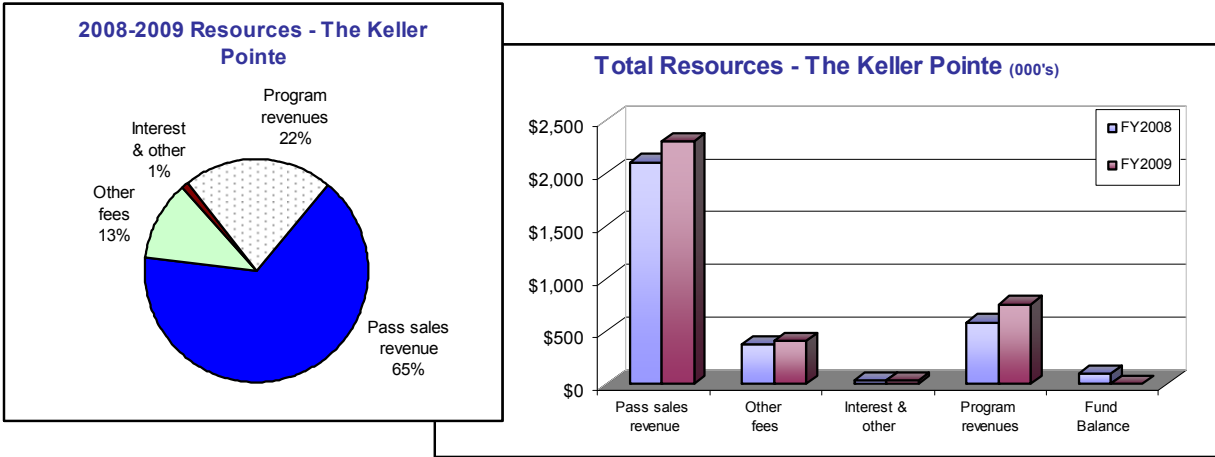
| Description | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|------------------------------|---------------------|-----------------------|---------------------|---------------------------------------|----------------|
| | | | | Amount | Percent |
| Beginning Balance | \$ 558,374 | \$ 597,939 | \$ 668,264 | \$ 70,325 | 11.8% |
| REVENUES: | | | | | |
| Sales taxes | 2,073,910 | 2,203,000 | 2,269,000 | 66,000 | 3.0 |
| Interest revenue | 9,015 | 8,500 | 8,500 | — | — |
| Rental & other revenue | 6,733 | 18,535 | 12,000 | (6,535) | (35.3) |
| TOTAL REVENUES | 2,089,658 | 2,230,035 | 2,289,500 | 59,465 | 2.7 |
| TOTAL FUNDS AVAILABLE | 2,648,032 | 2,827,974 | 2,957,764 | 129,790 | 4.6 |
| EXPENDITURES: | | | | | |
| Personnel services | 117,854 | 137,090 | 148,655 | 11,565 | 8.4 |
| Operations & maintenance | 12,918 | 21,260 | 29,430 | 8,170 | 38.4 |
| Services & other | 38,937 | 42,510 | 42,510 | — | — |
| Capital outlay/improvements | 66,033 | 187,275 | 521,450 | 334,175 | 178.4 |
| Debt service | 1,650,591 | 1,641,405 | 1,646,205 | 4,800 | 0.3 |
| Transfers to other funds | 163,760 | 130,170 | 183,120 | 52,950 | 40.7 |
| TOTAL EXPENDITURES | 2,050,093 | 2,159,710 | 2,571,370 | 411,660 | 19.1 |
| TOTAL ENDING BALANCE | \$ 597,939 | \$ 668,264 | \$ 386,394 | \$ (281,870) | (42.2%) |

Major revenues for FY2009 are comprised of sales taxes, representing 99% of the total budget. Rental revenue includes revenues resulting 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 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.

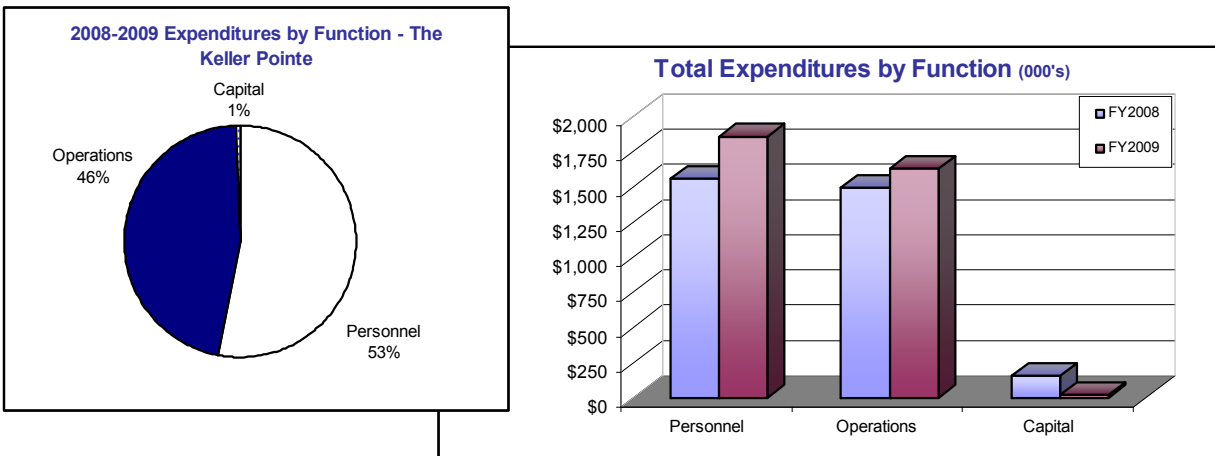
**2008-2009 BUDGET
OVERVIEW OF THE KELLER POINTE RECREATION
AND AQUATIC CENTER FUND**

**2008-2009 RESOURCES – WHERE THE MONEY COMES FROM
\$3,510,430**



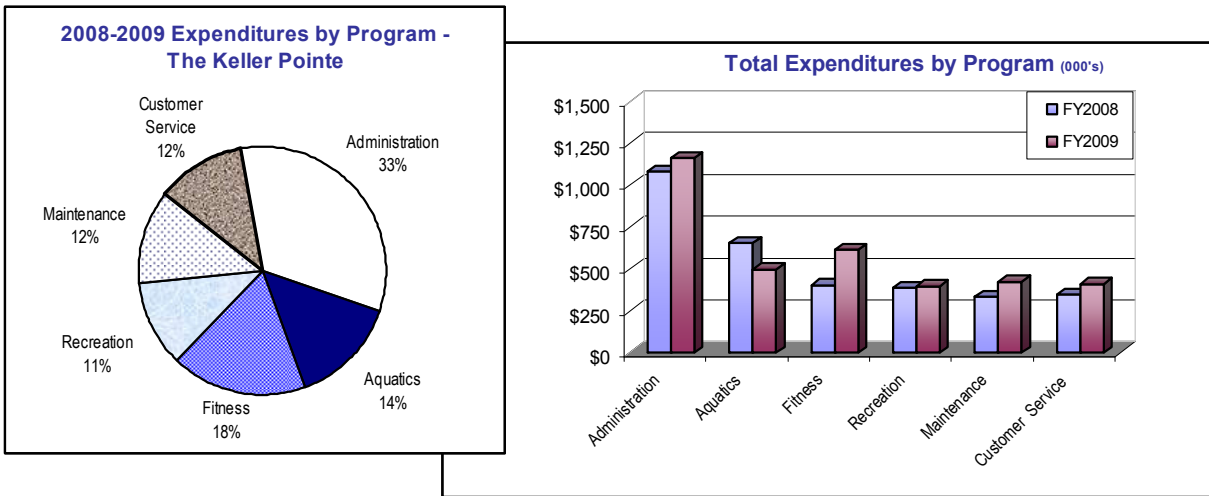
**2008-2009 EXPENDITURES – WHERE THE MONEY GOES
\$3,499,355**

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.

The construction of the facility was authorized after the results of an enterprise plan study recommendation, whereby the facility is 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 | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|------------------------------|---------------------|-----------------------|---------------------|---------------------------------------|-------------|
| | | | | Amount | Percent |
| Beginning Balance* | \$ 330,702 | \$ 492,863 | \$ 396,213 | \$ (96,650) | (19.6%) |
| REVENUES: | | | | | |
| Pass sales/program revenues | 2,820,063 | 3,073,105 | 3,473,960 | 400,855 | 13.0 |
| Miscellaneous revenue | 19,086 | 18,200 | 18,650 | 450 | 2.5 |
| Interest revenue | 27,201 | 17,820 | 17,820 | — | — |
| TOTAL REVENUES | 2,866,350 | 3,109,125 | 3,510,430 | 401,305 | 12.9 |
| TOTAL FUNDS AVAILABLE | 3,197,052 | 3,601,988 | 3,906,643 | 304,655 | 8.5 |
| EXPENDITURES: | | | | | |
| Personnel services | 1,367,755 | 1,553,335 | 1,856,360 | 303,025 | 19.5 |
| Operations & maintenance | 250,777 | 290,950 | 368,760 | 77,810 | 26.7 |
| Services & other | 1,085,657 | 1,203,645 | 1,256,235 | 52,590 | 4.4 |
| Capital outlay | — | 157,845 | 18,000 | (139,845) | (88.6) |
| TOTAL EXPENDITURES | 2,704,189 | 3,205,775 | 3,499,355 | 293,580 | 9.2 |
| TOTAL ENDING BALANCE* | \$ 492,863 | \$ 396,213 | \$ 407,288 | \$ 11,075 | 2.8% |

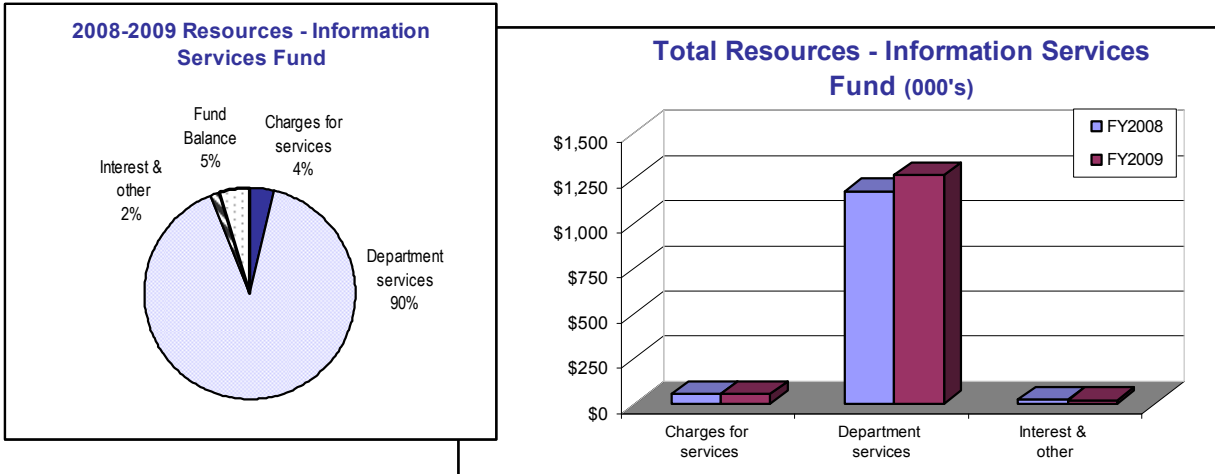
* Fund balance is cash and investments.

Major revenues for FY2009 are comprised of annual and daily passes, facility rentals, merchandise sales, and program revenues. Program revenues include aquatics, fitness (personal training), and recreation programs.

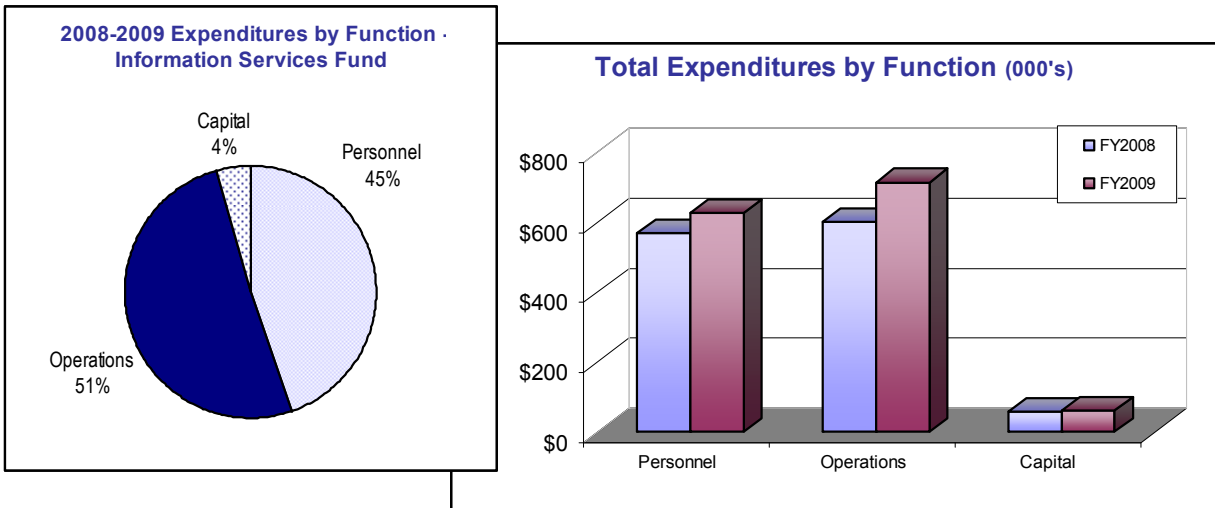
Major expenditures include personnel services for staffing the facility and for recreation programs (53%), and facility operations and supplies. Services & other expenditures include utilities (electricity, water, natural gas) and payments to recreation program instructors and trainers.

**2008-2009 BUDGET
OVERVIEW OF THE INFORMATION SERVICES FUND**

**2008-2009 RESOURCES – WHERE THE MONEY COMES FROM
\$1,404,750**



**2008-2009 EXPENDITURES – WHERE THE MONEY GOES
\$1,404,750**



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 rentals 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.

FINANCIAL SUMMARY

SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

| Description | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|-------------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------|---------|
| | | | | Amount | Percent |
| Beginning Balance | \$ 320,792 | \$ 442,973 | \$ 465,318 | \$ 22,345 | 5.0% |
| REVENUES: | | | | | |
| Departmental charge-back fees | 1,228,555 | 1,175,975 | 1,267,035 | 91,060 | 7.7 |
| Miscellaneous revenue | — | — | — | — | — |
| Communication tower rentals | 75,670 | 52,500 | 52,500 | — | — |
| Interest revenue | 27,043 | 23,000 | 20,000 | (3,000) | (13.0) |
| TOTAL REVENUES | <u>1,331,268</u> | <u>1,251,475</u> | <u>1,339,535</u> | <u>88,060</u> | 7.0 |
| TOTAL FUNDS AVAILABLE | <u>1,652,060</u> | <u>1,694,448</u> | <u>1,804,853</u> | <u>110,405</u> | 6.5 |
| EXPENDITURES: | | | | | |
| Personnel services | 502,975 | 569,550 | 627,530 | 57,980 | 10.2 |
| Operations & maintenance | 352,052 | 373,890 | 458,750 | 84,860 | 22.7 |
| Services & other | 201,099 | 227,690 | 256,470 | 28,780 | 12.6 |
| Capital outlay | 152,961 | 58,000 | 62,000 | 4,000 | 6.9 |
| TOTAL EXPENDITURES | <u>1,209,087</u> | <u>1,229,130</u> | <u>1,404,750</u> | <u>175,620</u> | 14.3 |
| TOTAL ENDING BALANCE | <u>\$ 442,973</u> | <u>\$ 465,318</u> | <u>\$ 400,103</u> | <u>\$ (65,215)</u> | (14.0%) |

Major revenues are derived from charge-back fees to respective user departments (94.6%). Major expenditures include personnel services (44.7%) for a staff of 7.5 FTEs, operating, maintenance, and services costs for items such as hardware replacements, consulting services, and hardware/software maintenance (50.9%). Capital outlay provides funding for replacements of critical technology equipment.

SUMMARY OF OTHER FUNDS

The City utilizes six 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. FY2009 highlights include total revenues of \$37,560; total expenditures of \$38,000; and a \$3,319 ending fund balance.

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, which are designated for the acquisition and maintenance of trees in City parks. Total FY2009 revenues are \$245,338 and total expenditures are \$388,848, and an ending fund balance of \$37,425. This Fund provides recreation programs, including the Wild West Fest and Concerts in the Park. For FY2006 and subsequent years, 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 FY2009 revenues are \$116,790, and total expenditures of \$133,165, with an estimated ending fund balance of \$210,440.

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 FY2009 revenues are \$90,050, with total expenditures of \$80,480, for the operations of the Teen Court, with an estimated ending fund balance of \$54,834.

Public Arts Special Revenue Fund was established in FY2004 to account for revenues and expenditures associated with public arts. The revenues and expenditures of this fund were transferred and incorporated into the General Fund beginning with fiscal year 2007-08.

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's of one cent (0.375%) sales and use tax. The tax was authorized for an initial period of 5 years, with the intent of the City to utilize the proceeds to fund an expansion of the police station facility. In May 2003, \$5,245,000 in certificates of obligation were issued to fund the construction of facility improvements. The annual debt service associated with this issuance was retired in February 2007, using sales and use tax revenue. 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. FY2009 sales tax revenues are \$990,000. Expenditures total \$1,030,160 and include:

| | |
|---|------------|
| Vehicles and equipment replacements | \$ 238,960 |
| Technology improvements | 80,200 |
| Facility furniture, fixtures, and equipment replacement | 200,000 |
| Establish capital fund for jail improvements | 500,000 |
| Accreditation fees | 11,000 |

The projected ending fund balance at September 30, 2008 is \$505,652.

**2008-2009 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 | 2006-2007 Actual | 2007-2008 Estimate | 2008-2009 Budget | Increase (Decrease) Over 2007-2008 | |
|------------------------------|---------------------|-----------------------|---------------------|---------------------------------------|----------------|
| | | | | Amount | Percent |
| Beginning Balance | \$ 670,971 | \$ 664,065 | \$ 1,026,975 | \$ 362,910 | 54.6% |
| REVENUES: | | | | | |
| Property taxes | 4,104,199 | 4,338,320 | 4,609,930 | 271,610 | 6.3 |
| Transfers from other funds | 648,970 | 1,057,580 | 610,190 | (447,390) | (42.3) |
| Interest revenue | 67,999 | 65,000 | 40,000 | (25,000) | (38.5) |
| TOTAL REVENUES | 4,821,168 | 5,460,900 | 5,260,120 | (200,780) | (3.7) |
| TOTAL FUNDS AVAILABLE | 5,492,139 | 6,124,965 | 6,287,095 | 162,130 | 2.6 |
| EXPENDITURES: | | | | | |
| Debt service | 4,718,708 | 4,597,990 | 4,478,770 | (119,220) | (2.6) |
| Transfers to other funds | 109,366 | 500,000 | 917,965 | 417,965 | 83.6 |
| TOTAL EXPENDITURES | 4,828,074 | 5,097,990 | 5,396,735 | 298,745 | 5.9 |
| TOTAL ENDING BALANCE | \$ 664,065 | \$ 1,026,975 | \$ 890,360 | \$ (136,615) | (13.3%) |

Major revenues for FY2009 are derived from property taxes (87.6%) and transfers from other funds (11.6%). Transfers from other funds are comprised of the following:

| | |
|--|-------------------|
| Transfer from Keller Development Corporation | \$ 183,120 |
| Transfer from Water & Wastewater Fund | 412,070 |
| Transfer from Street Improvements Fund | <u>15,000</u> |
| Total | <u>\$ 610,190</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.

Debt Service Fund Summary (continued)

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.

CITY OF KELLER, TEXAS
SUMMARY OF REVENUES – ALL FUNDS
2008-2009 BUDGET

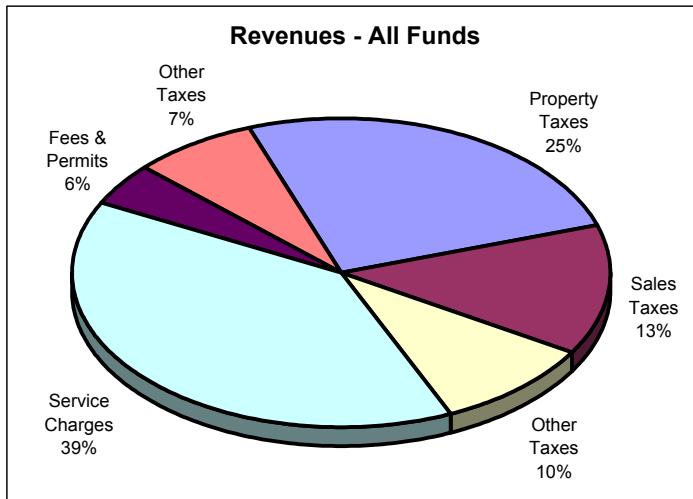
| GOVERNMENTAL FUNDS | | | | | |
|---------------------------------|----------------------|---------------------------|------------------------|--|--------------------------|
| Description | General Fund | Special Revenue Funds (1) | Debt Service Funds (2) | Annually Budgeted Capital Projects Funds (3) | Total Governmental Funds |
| TOTAL BEGINNING BALANCE | \$ 6,971,667 | \$ 2,522,380 | \$ 1,249,429 | \$ 939,001 | \$ 11,682,477 |
| REVENUES: | | | | | |
| Total property taxes | 12,156,000 | – | 4,609,930 | – | 16,765,930 |
| Sales taxes | 4,538,500 | 3,259,000 | – | 1,172,500 | 8,970,000 |
| Other taxes | 3,644,150 | – | 2,550,420 | 15,000 | 6,209,570 |
| Licenses & permits | 1,210,000 | – | – | – | 1,210,000 |
| Charges for services | 2,150,000 | 4,892,305 | – | 50,120 | 7,092,425 |
| Fines & fees | 1,502,700 | 116,790 | – | 150,000 | 1,769,490 |
| Interest revenue | 375,000 | 75,320 | 42,500 | 80,000 | 572,820 |
| Proceeds from debt | – | – | – | 337,720 | 337,720 |
| Intergovernmental | 1,917,335 | 119,855 | – | – | 2,037,190 |
| Miscellaneous revenue (expense) | 89,850 | 72,258 | – | 900 | 163,008 |
| Contributions & donations | – | 63,480 | – | – | 63,480 |
| TOTAL REVENUES | 27,583,535 | 8,599,008 | 7,202,850 | 1,806,240 | 45,191,633 |
| OTHER FINANCING SOURCES: | | | | | |
| Transfers in | – | 30,195 | 1,528,155 | – | 1,558,350 |
| TOTAL OTHER SOURCES | – | 30,195 | 1,528,155 | – | 1,558,350 |
| TOTAL RESOURCES | 27,583,535 | 8,629,203 | 8,731,005 | 1,806,240 | 46,749,983 |
| TOTAL FUNDS AVAILABLE | \$ 34,555,202 | \$ 11,151,583 | \$ 9,980,434 | \$ 2,745,241 | \$ 58,432,460 |

(continued)

- (1) Includes Keller Development Corporation, The Keller Pointe, Library, Recreation, Municipal Court, Teen Court, Information Services, and Keller Crime Control Prevention District Special Revenue 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 |
| \$ 3,987,255 | \$ 180,601 | \$ 4,348,457 | \$ 16,030,934 |
| - | - | - | 16,765,930 |
| - | - | - | 8,970,000 |
| - | - | - | 6,209,570 |
| - | - | - | 1,210,000 |
| 17,675,150 | 918,000 | 18,593,150 | 25,685,575 |
| - | - | - | 1,769,490 |
| 110,000 | 9,850 | 119,850 | 692,670 |
| - | - | - | 337,720 |
| 13,100 | - | 13,100 | 2,050,290 |
| 52,000 | - | 52,000 | 215,008 |
| - | - | - | 63,480 |
| 17,850,250 | 927,850 | 18,778,100 | 63,969,733 |
| - | - | - | 1,558,350 |
| - | - | - | 1,558,350 |
| 17,850,250 | 927,850 | 18,778,100 | 65,528,083 |
| \$ 21,837,505 | \$ 1,108,451 | \$ 23,126,557 | \$ 81,559,017 |



CITY OF KELLER, TEXAS
SUMMARY OF EXPENDITURES – ALL FUNDS
2008-2009 BUDGET

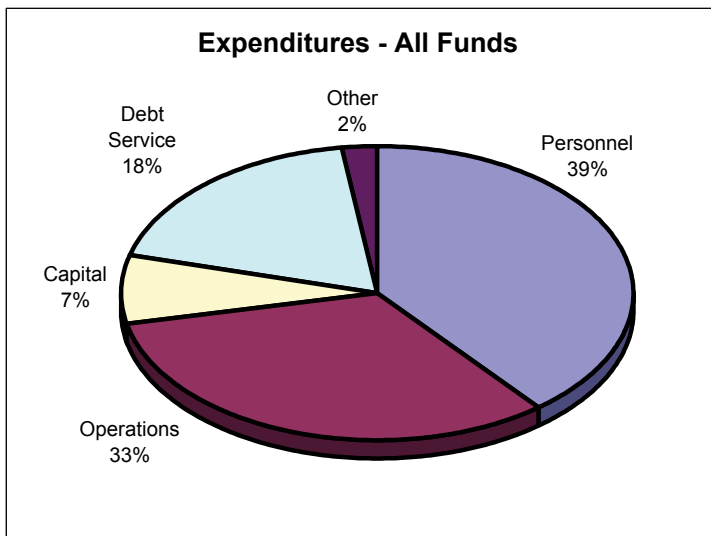
| GOVERNMENTAL FUNDS | | | | | |
|---|----------------------------|------------------------------|---------------------------|---|---------------------------------|
| Description | General Fund | Special Revenue Funds | Debt Service Funds | Annually Budgeted Capital Projects Funds | Total Governmental Funds |
| <u>OPERATING EXPENSES:</u> | | | | | |
| Personnel services | \$ 19,805,815 | \$ 2,753,330 | \$ – | \$ – | \$ 22,559,145 |
| Operations & maintenance | 2,064,205 | 1,111,779 | – | 80,000 | 3,255,984 |
| Services & other | 4,745,247 | 1,819,744 | – | 40,000 | 6,604,991 |
| Capital outlay | 810,885 | 1,631,950 | – | 1,850,820 | 4,293,655 |
| Debt service | – | 1,646,205 | 8,093,820 | – | 9,740,025 |
| TOTAL EXPENDITURES | 27,426,152 | 8,963,008 | 8,093,820 | 1,970,820 | 46,453,800 |
| <u>OTHER FINANCING USES:</u> | | | | | |
| Transfers to other funds | 30,195 | 183,120 | 917,965 | 15,000 | 1,146,280 |
| TOTAL OTHER USES | 30,195 | 183,120 | 917,965 | 15,000 | 1,146,280 |
| <u>TOTAL EXPENDITURES & OTHER USES</u> | <u>27,456,347</u> | <u>9,146,128</u> | <u>9,011,785</u> | <u>1,985,820</u> | <u>47,600,080</u> |
| <u>TOTAL ENDING BALANCE</u> | | | | | |
| Reserve for contingencies | 7,098,855 | 2,005,455 | 968,649 | 759,421 | 10,832,380 |
| Other reservations of fund balance | 800,261 | 21,066 | – | – | 821,327 |
| | 25,000 | 89,000 | – | – | 114,000 |
| <u>ENDING BALANCE</u> | <u>\$ 6,273,594</u> | <u>\$ 1,895,389</u> | <u>\$ 968,649</u> | <u>\$ 759,421</u> | <u>\$ 9,897,053</u> |

(continued)

- (1) Includes Keller Development Corporation, The Keller Pointe, Library, Recreation, Municipal Court, Teen Court, Information Services, and Keller Crime Control Prevention District Special Revenue 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 |
| \$ 3,133,890 | \$ 560,045 | \$ 3,693,935 | \$ 26,253,080 |
| 799,998 | 105,405 | 905,403 | 4,161,387 |
| 10,985,085 | 231,510 | 11,216,595 | 17,821,586 |
| 570,570 | – | 570,570 | 4,864,225 |
| 2,751,540 | 37,130 | 2,788,670 | 12,528,695 |
| 18,241,083 | 934,090 | 19,175,173 | 65,628,973 |
| 412,070 | – | 412,070 | 1,558,350 |
| 412,070 | – | 412,070 | 1,558,350 |
| 18,653,153 | 934,090 | 19,587,243 | 67,187,323 |
| 3,184,352 | 174,361 | 3,358,713 | 14,191,093 |
| – | – | – | 821,327 |
| – | – | – | 114,000 |
| \$ 3,184,352 | \$ 174,361 | \$ 3,358,713 | \$ 13,255,766 |



CITY OF KELLER, TEXAS
SUMMARY OF EXPENDITURES BY DEPARTMENT/ACTIVITY – ALL FUNDS
2008-2009 BUDGET

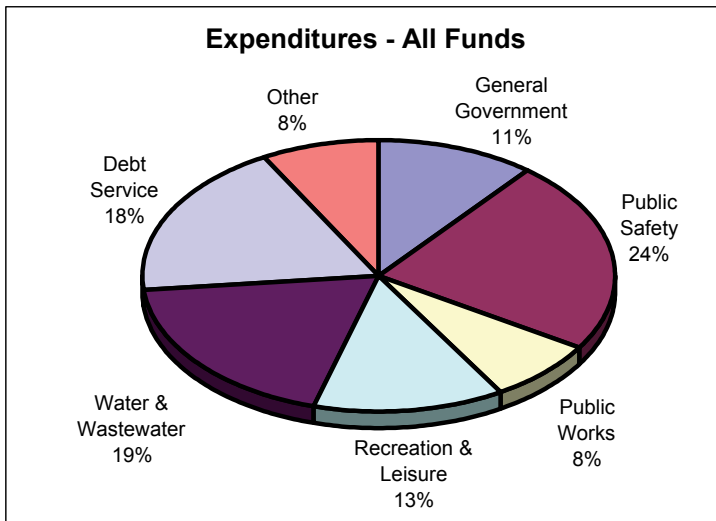
| GOVERNMENTAL FUNDS | | | | | |
|-----------------------------------|-----------------------------|------------------------------|----------------------------|---|---------------------------------|
| Description | General Fund | Special Revenue Funds | Debt Service Funds | Annually Budgeted Capital Projects Funds | Total Governmental Funds |
| GENERAL GOVERNMENT: | | | | | |
| Administration/General Government | \$ 4,315,967 | \$ 1,618,395 | \$ – | \$ – | \$ 5,934,362 |
| Community Development | 1,294,200 | – | – | – | 1,294,200 |
| Police Department | 7,463,110 | 1,030,160 | – | – | 8,493,270 |
| Fire Department | 6,678,045 | – | – | 352,670 | 7,030,715 |
| Public Works | 3,027,520 | – | – | 1,251,650 | 4,279,170 |
| Keller Public Library | 1,319,210 | 38,000 | – | – | 1,357,210 |
| Parks & Recreation | 2,646,580 | 4,630,248 | – | 205,000 | 7,481,828 |
| WATER & WASTEWATER: | | | | | |
| Administration/Customer Services | – | – | – | 23,000 | 23,000 |
| Water Utilities | – | – | – | 138,500 | 138,500 |
| Wastewater Utilities | – | – | – | – | – |
| OTHER/NON-DEPARTMENTAL: | | | | | |
| Debt service | – | 1,646,205 | 8,093,820 | – | 9,740,025 |
| Transfers | 30,195 | 183,120 | 917,965 | 15,000 | 1,146,280 |
| Non-departmental / other | 681,520 | – | – | – | 681,520 |
| Subtotal | <u>27,456,347</u> | <u>9,146,128</u> | <u>9,011,785</u> | <u>1,985,820</u> | <u>47,600,080</u> |
| TOTAL | <u>\$ 27,456,347</u> | <u>\$ 9,146,128</u> | <u>\$ 9,011,785</u> | <u>\$ 1,985,820</u> | <u>\$ 47,600,080</u> |

(continued)

- (1) Includes Keller Development Corporation, The Keller Pointe, Library, Recreation, Municipal Court, Teen Court, Information Services, and Keller Crime Control Prevention District Special Revenue 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 |
| \$ - | \$ - | \$ - | \$ 5,934,362 |
| - | - | - | 1,294,200 |
| - | - | - | 8,493,270 |
| - | - | - | 7,030,715 |
| - | 776,960 | 776,960 | 5,056,130 |
| - | - | - | 1,357,210 |
| - | - | - | 7,481,828 |
| 2,017,613 | - | 2,017,613 | 2,040,613 |
| 7,105,750 | - | 7,105,750 | 7,244,250 |
| 3,344,935 | - | 3,344,935 | 3,344,935 |
| 2,751,540 | 37,130 | 2,788,670 | 12,528,695 |
| 412,070 | - | 412,070 | 1,558,350 |
| 3,021,245 | 120,000 | 3,141,245 | 3,822,765 |
| 18,653,153 | 934,090 | 19,587,243 | 67,187,323 |
| \$ 18,653,153 | \$ 934,090 | \$ 19,587,243 | \$ 67,187,323 |



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 means that the position is funded for 1,040 hours per year (2,080 x 0.50). The personnel counts include vacant positions.

The total personnel staffing levels for the City in FY2009 is 374.35 FTE positions, and represents an increase of 4.5 FTE positions or a 1.1% increase over the FY2008 Estimate. Excluding the increase of 2.5 FTE positions added for The Keller Pointe, the net increase in FTE positions is 2.0, an increase of 0.6%.

Total FTE positions included in the General Fund for FY2009 are 248.34, an increase of 1 FTE, or 0.4% over FY2008. Only one new position was included: 1 part-time Customer Service Representative (0.50 FTE) in the Parks and Recreation Department at the Senior Center. A new Economic Development Director position was approved for six months in FY2008 (0.50 FTE); therefore, the full-year funding in FY2009 reflects the increase of the additional 0.50 FTE. The Water & Wastewater Fund totals 47.42 positions, an increase of 1 FTE (2.2%) over FY2008. The new position is a Senior Project Engineer for the Water and Wastewater Administration Division. Department summaries of authorized positions are presented below and with each individual fund summary schedule. In addition, personnel positions in detail are presented with each departmental budget.

Although the total number of positions increased by 1.2%, when compared to the growth in the City's population, the number of General Fund employees per 1,000 residents actually decreased. 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 6.56 in FY2008 to 6.47 in FY2009, a decrease of 0.09 FTEs, or 1.4%.

| FUND/ DEPARTMENT | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| GENERAL FUND: | | | |
| Administration | 7.00 | 8.50 | 10.00 |
| Town Hall Operations | 1.00 | 2.00 | 2.00 |
| Finance & Accounting | 7.00 | 7.50 | 7.50 |
| Municipal Court | 4.50 | 4.50 | 4.50 |
| Human Resources | 6.79 | 6.00 | 6.00 |
| Community Development | 14.50 | 14.50 | 13.50 |
| Police Department | 77.50 | 82.00 | 82.00 |
| Fire Department | 50.25 | 62.50 | 62.50 |
| Public Works | 17.33 | 17.33 | 17.33 |
| Keller Public Library | 15.97 | 15.97 | 15.97 |
| Parks & Recreation | 26.54 | 26.54 | 27.04 |
| TOTAL GENERAL FUND | 228.38 | 247.34 | 248.34 |

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

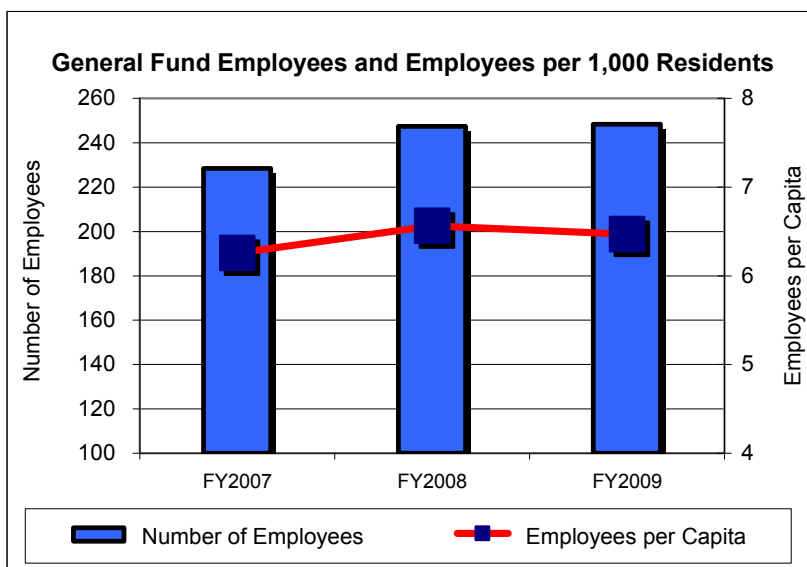
(Continued)

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

| FUND/ DEPARTMENT | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|---------------------|-----------------------|-----------------------|
| OTHER FUNDS: | | | |
| The Keller Pointe Recreation/Aquatic Center | 48.33 | 55.56 | 58.06 |
| Information Services Fund | 7.50 | 7.50 | 7.50 |
| Municipal Court Special Revenue | 1.00 | 1.00 | 1.00 |
| TOTAL OTHER FUNDS | 56.83 | 64.06 | 66.56 |
| WATER & WASTEWATER FUND: | | | |
| Water & Wastewater Administration | 6.42 | 7.42 | 8.42 |
| Customer Services | 13.00 | 13.00 | 13.00 |
| 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 | 45.42 | 46.42 | 47.42 |
| DRAINAGE UTILITY FUND: | | | |
| Drainage Maintenance | 8.75 | 8.75 | 8.75 |
| TOTAL DRAINAGE UTILITY | 8.75 | 8.75 | 8.75 |
| TOTAL CITY OF KELLER | 339.38 | 366.57 | 371.07 |
| Keller Development Corporation | 2.58 | 2.78 | 2.78 |
| Teen Court** | 1.00 | 1.00 | 1.00 |
| GRAND TOTAL | 342.96 | 370.35 | 374.85 |

| | | | |
|---|-------------|-------------|-------------|
| Total full-time equivalent employees per 1,000 residents | 9.39 | 9.83 | 9.76 |
| General Fund only employees per 1,000 residents | 6.26 | 6.56 | 6.47 |

- * - 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.



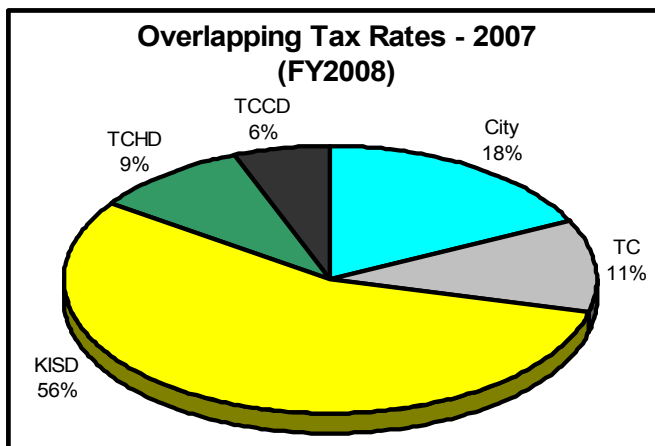
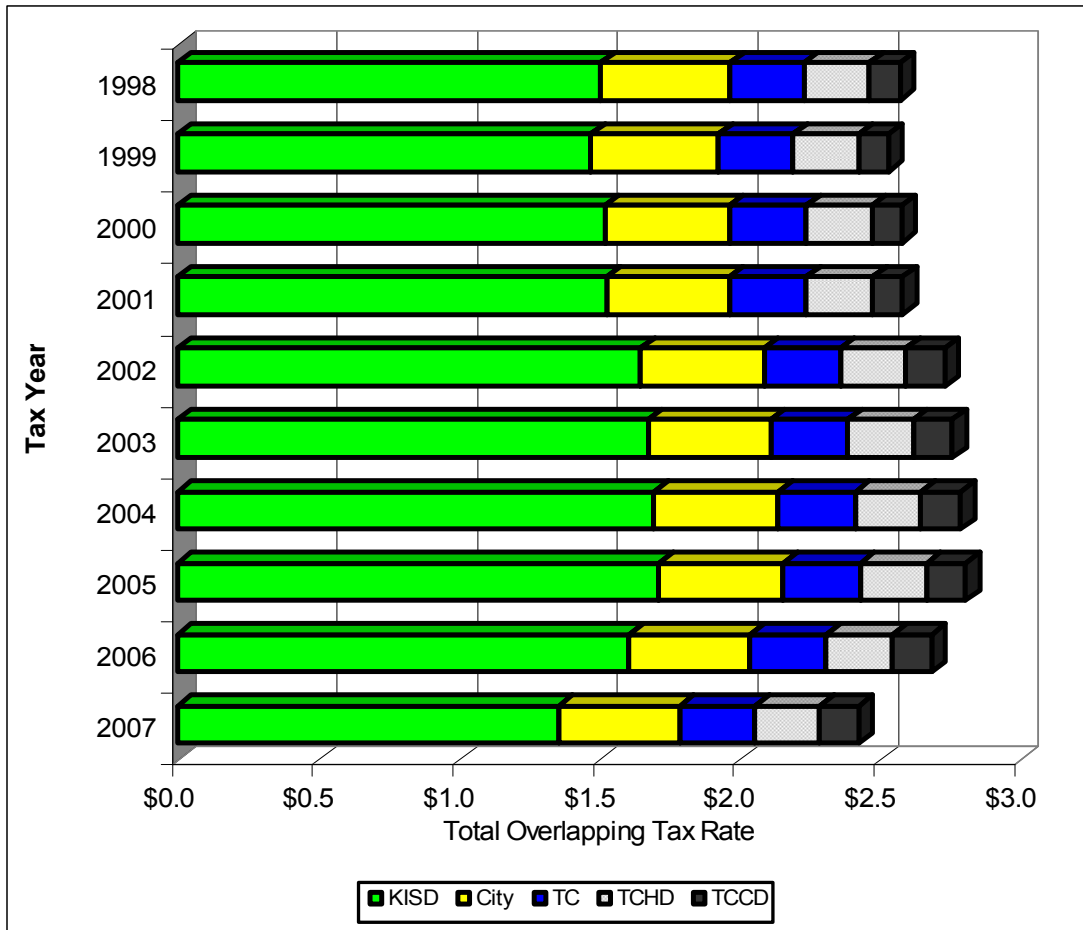
General Fund employees per 1,000 residents decreased from 6.56 in FY2008 to 6.47 employees per 1,000 residents in FY2009, a decrease of 0.09 employees per 1,000 residents, or 1.4%.

Ad Valorem Tax Analysis

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|----------------------|----------------------|-----------------------|-----------------------|
| Total appraised value (market) | \$ 3,499,020,033 | \$ 3,865,714,027 | \$ 3,863,534,812 | \$ 4,216,636,564 |
| <i>Percentage change</i> | 10.01% | 10.45% | 10.42% | 9.14% |
| Less: Exemptions | 289,881,845 | 311,931,903 | 314,542,471 | 311,514,663 |
| Net taxable value | 3,209,138,188 | 3,553,782,124 | 3,548,992,341 | 3,905,121,901 |
| <i>Percentage change from prior year</i> | 10.60% | 10.98% | 10.59% | 10.03% |
| Tax rate per \$100 | 0.43219 | 0.43219 | 0.43219 | 0.43219 |
| Gross tax revenue | 13,869,574 | 15,359,091 | 15,338,390 | 16,877,546 |
| Estimated valuation adjustments | 0.00% | 0.24% | (0.03)% | (0.25)% |
| Over-65 and disabled taxes limitation adjustment | 9,783,802 | 15,277,875 | 17,021,449 | 22,481,061 |
| Net taxable value after adjustments | 3,199,354,386 | 3,546,955,818 | 3,531,083,644 | 3,872,878,035 |
| <i>Percentage change from prior year</i> | 10.52% | 11.14% | 10.37% | 9.68% |
| Tax rate per \$100 of assessed valuation | 0.43219 | 0.43219 | 0.43219 | 0.43219 |
| Tax levy | 13,827,290 | 15,329,588 | 15,260,990 | 16,738,192 |
| Collection percentage - M&O (100% for debt service) | 99.1% | 99.3% | 99.3% | 99.3% |
| Current tax collections | \$ 13,707,407 | \$ 15,222,281 | \$ 15,154,163 | \$ 16,621,025 |
| <i>Percentage change from prior year</i> | 7.55% | 11.14% | 10.55% | 9.68% |
| Tax Rate Distribution: | | | | |
| General Fund (M&O) | \$ 0.30447 | \$ 0.31247 | \$ 0.31247 | \$ 0.31362 |
| Debt Service Fund | 0.12772 | 0.11972 | 0.11972 | 0.11857 |
| TOTAL | 0.43219 | 0.43219 | 0.43219 | 0.43219 |
| <i>Percentage change from prior year</i> | (2.69)% | 0.00% | 0.00% | 0.00% |
| Percentage Distribution: | | | | |
| General Fund (M&O) | 70.4% | 72.3% | 72.3% | 72.6% |
| Debt Service Fund | 29.6% | 27.7% | 27.7% | 27.4% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% |
| Dollar Distribution: | | | | |
| General Fund (M&O) | 9,656,617 | 11,005,591 | 10,956,343 | 12,061,095 |
| Debt Service Fund | 4,050,790 | 4,216,690 | 4,197,820 | 4,559,930 |
| TOTAL | \$ 13,707,407 | \$ 15,222,281 | \$ 15,154,163 | \$ 16,621,025 |

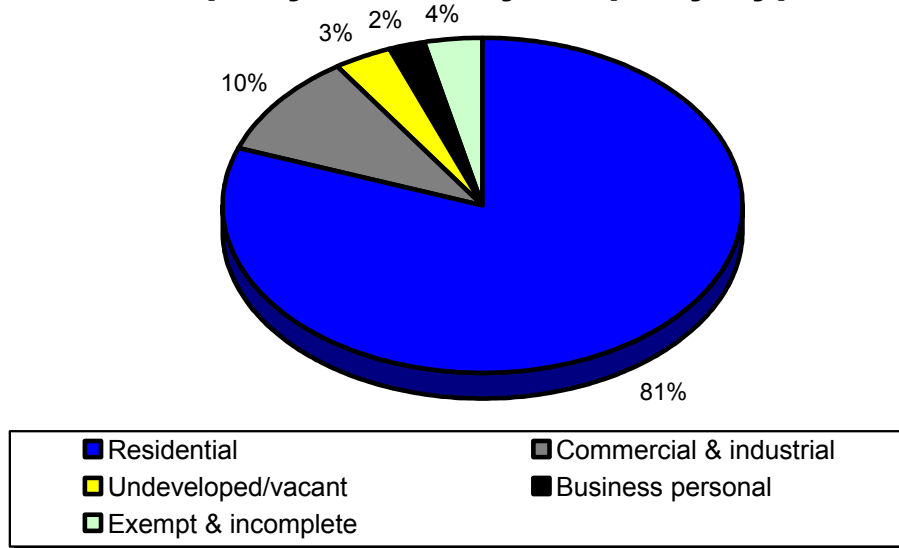
CITY OF KELLER, TEXAS OVERLAPPING TAX RATES

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 2007 (FY2008) tax rates. The total 2007 (FY2008) overlapping tax rate for Keller is \$2.425867 per \$100 of taxable value, a decrease of \$0.2606, or 9.7% from the prior year. The fiscal year 2009 overlapping tax rate is not yet available.



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

2008 (FY2009) Distribution of Total Property Values by Property Type



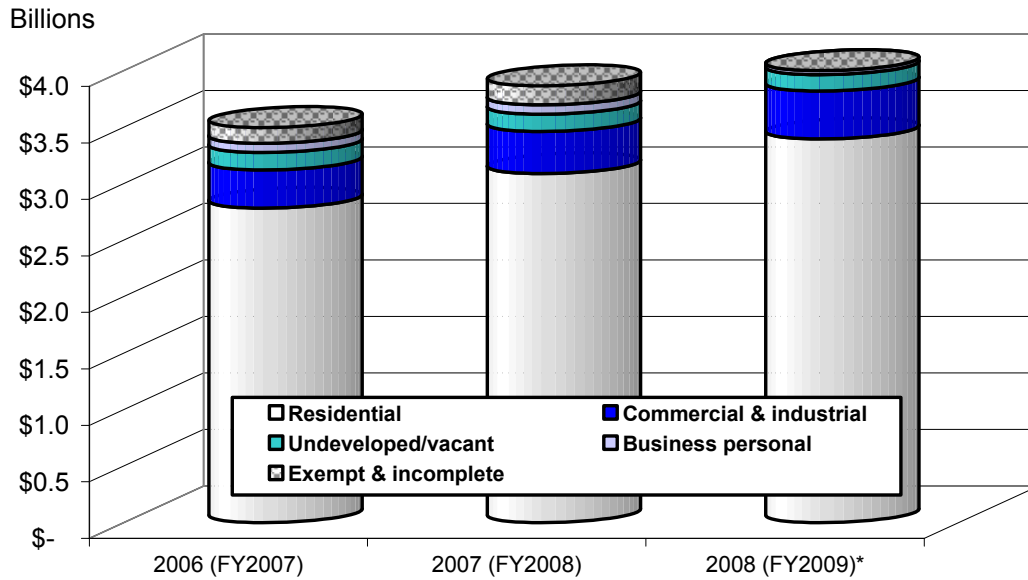
| <u>Property Type</u> | <u># of Accounts</u> | <u>Total Market Value (000's)*</u> | <u>Percent of Total</u> |
|-------------------------|--------------------------|--|-----------------------------|
| Residential | 13,185 | \$ 3,396,154.3 | 80.5% |
| Commercial & industrial | 393 | 424,419.5 | 10.1% |
| Undeveloped/vacant | 1,212 | 144,780.5 | 3.4% |
| Business personal | 1,027 | 97,905.6 | 2.3% |
| Exempt & incomplete | 72 | 153,376.6 | 3.6% |
| TOTAL | 15,889 | \$ 4,216,636.6 | 100.0% |

* - Certified values as of July 25, 2008. Includes all property types and exempt property.

Residential property includes unoccupied residential property in inventory held by builders and/or developers.

2008 Top Ten Taxpayers are not yet available.

Market Values of Property



| Property Category | FY2007 (000's) | FY2008 (000's) | Pct Change | FY2009* (000's) | Pct Change |
|---------------------------|-----------------------|-----------------------|---------------|-----------------------|---------------|
| Commercial & industrial | \$ 337,183.0 | \$ 372,417.3 | 10.4% | \$ 424,419.5 | 14.0% |
| Business personal | 80,788.8 | 83,658.8 | 3.6% | 97,905.6 | 17.0% |
| Undeveloped/vacant | 155,510.1 | 152,168.5 | (2.1%) | 144,780.5 | (4.9%) |
| Exempt & incomplete | 138,963.9 | 168,408.5 | 21.2% | 153,376.6 | (8.9%) |
| Residential | 2,783,619.2 | 3,089,060.9 | 11.0% | 3,396,154.3 | 9.9% |
| TOTAL | \$ 3,496,065.1 | \$ 3,865,714.0 | 10.6% | \$ 4,216,636.6 | 9.1% |
| New construction included | 186,372.0 | 188,485.9 | 1.1% | 149,227.2 | (20.8%) |

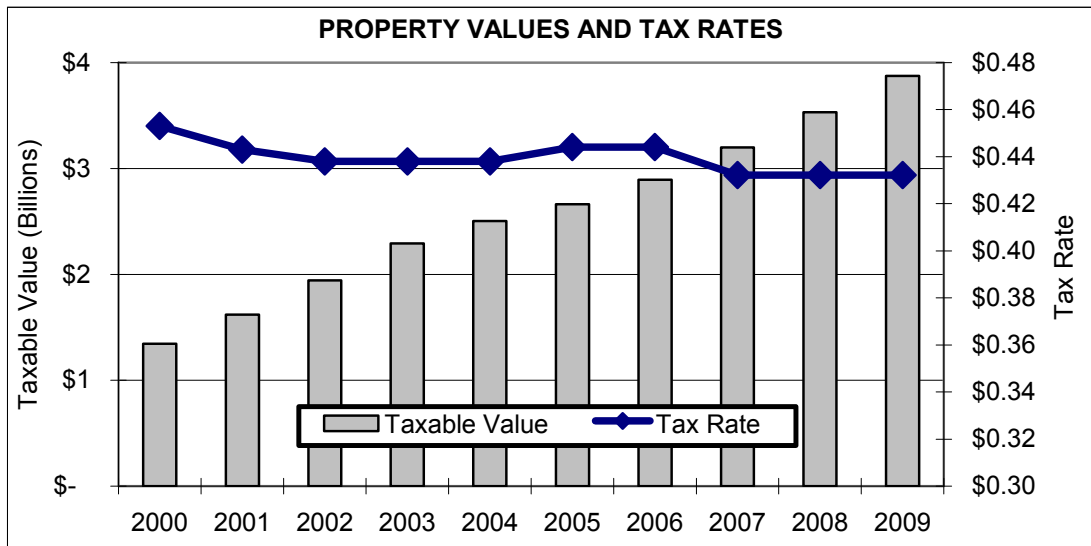
* Tarrant Appraisal District certified appraised values as of July 25, 2008. Values include \$272,315,502 in market value of 1,096 properties under protest (ARB), and \$21,575,873 market value of 310 incomplete accounts.

Total property (market) values increased in FY2009 by 9.1%. While residential property values continue to comprise about 80% of the total value, commercial and industrial values have risen by 32.6%, 10.4%, and 14% in 2006, 2007, and 2008 respectively. Although commercial and industrial values now comprise only 10.1% of total values, the percentage change in this property category has shown a significant increase in the last five years, reflecting the City's emphasis on expanding commercial and retail development within the City.

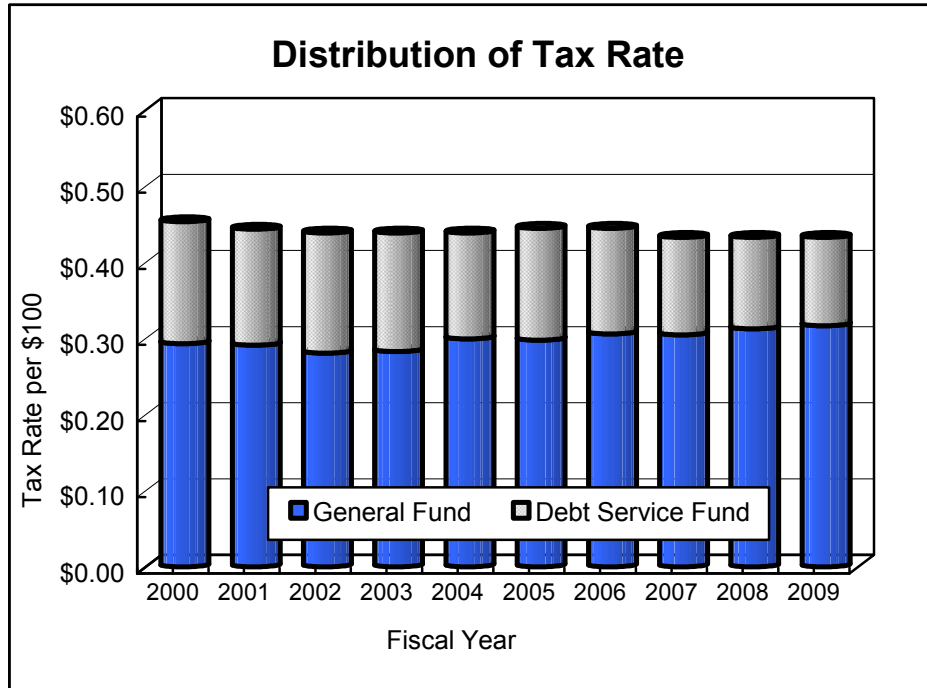
The appraised (market) value of new construction increased \$39,258,708 (20.8%) from FY2008. However, the total amount of new construction for the last 3 years exceeds \$524 million.

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 |
|-------------|---------------------------|-----------------------------|----------------|-----------------------------------|
| 1999-2000 | \$ 1,344,414 | \$ 0.45300 | \$ 6,090,196 | 99.0% |
| 2000-2001 | 1,618,784 | 0.44300 | 7,171,211 | 99.0 |
| 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 | 3,531,084 | 0.43219 | 15,260,990 | 99.3 |
| 2008-2009 | 3,872,878 | 0.43219 | 16,738,192 | 99.3 |

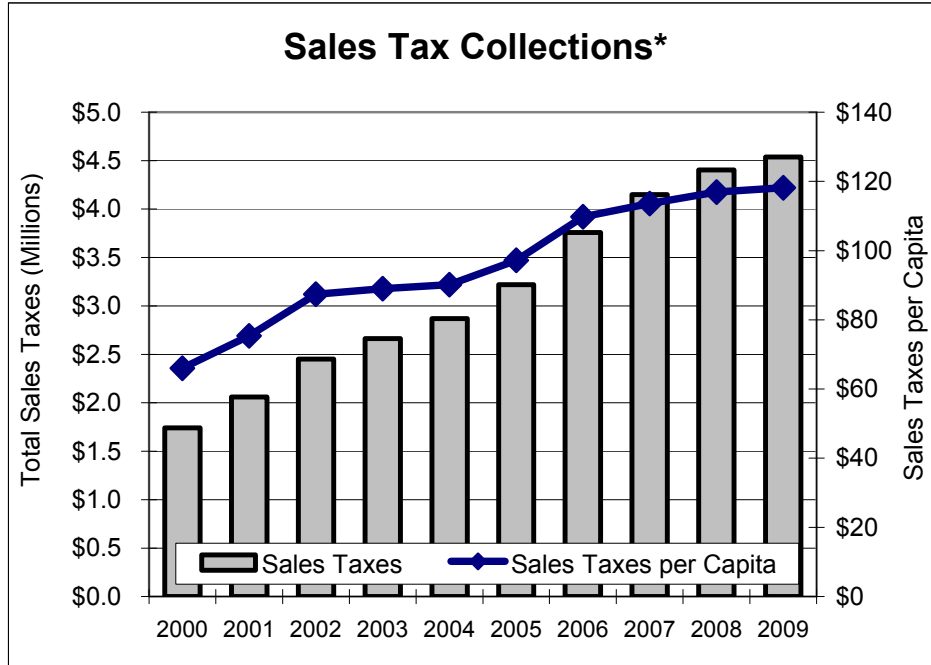


During the last ten years, taxable values have increased over \$2.53 billion, while the tax rate per \$100 of value has decreased from \$0.54414 in FY1994 to the current rate of \$0.43219, a decrease of \$0.11195, or 20.6%.



| Fiscal Year Ending September 30 | Tax Rate | Tax Rate Distribution | |
|---------------------------------------|-----------|-----------------------|-----------------|
| | | General Fund | Debt Service |
| 2000 | \$0.45300 | \$0.29282 | \$0.16018 |
| 2001 | 0.44300 | 0.29095 | 0.15205 |
| 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 | 0.31641 | 0.11578 |

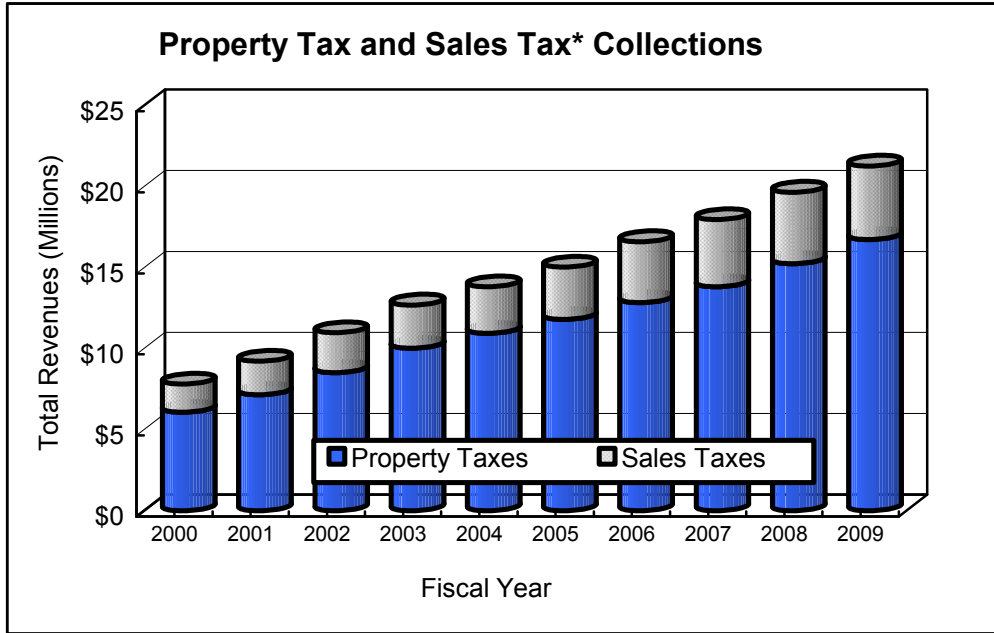
The 2008 (FY2009) property tax rate is \$0.43219, unchanged from FY2008. Due to growth in assessed taxable values, the tax rate has decreased from \$0.54414 in 1994 to \$0.43219. The debt service portion of the tax rate is legally designated for debt retirement, and changes each year because of: 1) new 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 |
|---------------------------------------|---------------------------------|-----------------------------------|--------------------------------------|------------------------------|
| 2000 | \$1,741,426 | 28.6% | \$0.1295 | \$ 65.96 |
| 2001 | 2,059,749 | 28.7% | 0.1272 | 75.32 |
| 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 | 4,406,000 | 28.9% | 0.1248 | 116.92 |
| 2009 | 4,538,500 | 27.1% | 0.1172 | 118.18 |

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

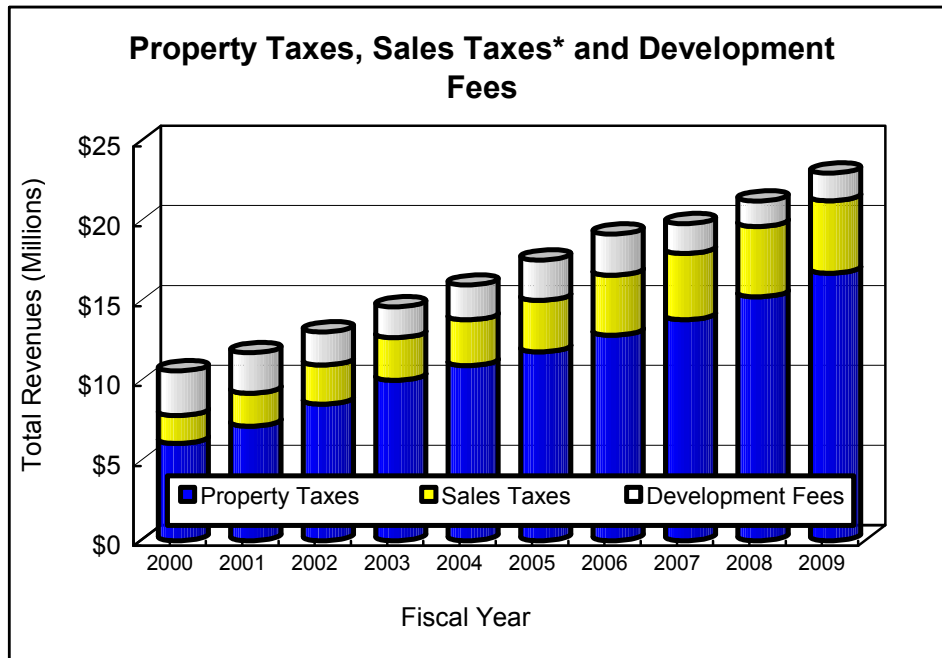
Sales tax revenues have improved significantly in the last 10 years because of the expansion of the retail base. The City will continue to pursue quality commercial and retail development in order to expand the sales tax base. The sales tax now equates to approximately 27.1% of the property tax levy, or approximately \$0.1172 (11.72¢) of the property tax rate.



| Fiscal Year Ending September 30 | Sales Tax Collections* | Total Ad Valorem Tax Levy |
|---------------------------------------|---------------------------|------------------------------------|
| 2000 | \$1,741,426 | \$6,090,196 |
| 2001 | 2,059,749 | 7,171,211 |
| 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 | 4,406,000 | 15,260,990 |
| 2009 | 4,538,500 | 16,738,192 |

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

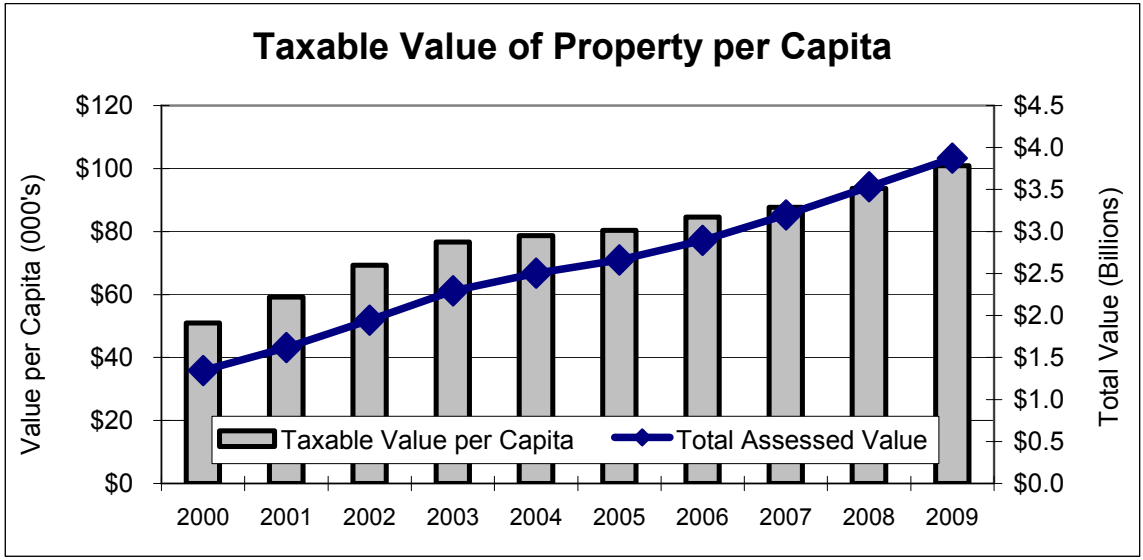
Total sales and property tax collections have increased significantly over the last ten years. This trend is anticipated to continue, and sales taxes should increase as more commercial and retail development occurs in the City.



| Fiscal Year Ending September 30 | Sales Tax Collections* | Total Ad Valorem Tax Levy | Development Fees |
|---------------------------------------|---------------------------|------------------------------------|---------------------|
| 2000 | \$ 1,741,426 | \$ 6,090,196 | \$ 2,788,032 |
| 2001 | 2,059,749 | 7,171,211 | 2,526,474 |
| 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 | 4,406,000 | 15,260,990 | 1,590,200 |
| 2009 | 4,538,500 | 16,738,192 | 1,724,200 |

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

Total sales and property tax collections have increased significantly over the last ten years. When combined with development fees, these revenues comprise over 67% of the revenues of the General Fund in FY2009. Development fees peaked in 1999, and decreases have been anticipated in future years, as residential development activity levels off, due to the City becoming closer to build out.



| Fiscal Year Ending September 30 | Population as of 10/01 | Taxable Assessed Valuation (000's) | Taxable Valuation Per Capita |
|---------------------------------------|---------------------------|---|------------------------------------|
| 2000 | 26,400 | \$ 1,344,414 | \$ 50,925 |
| 2001 | 27,345 | 1,618,784 | 59,199 |
| 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 | 3,531,084 | 93,700 |
| 2009 | 38,402 | 3,872,878 | 100,851 |

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 80% of total property values.



GENERAL FUND

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GENERAL FUND

SOURCES AND ESTIMATES OF MAJOR REVENUES

Total General Fund revenues for FY2008 are \$26,374,325; an increase of \$2,133,750 (8.8%) over FY2007 estimated revenues. Major increases are projected for property taxes (13.3%); sales taxes (4%); and other local taxes, such as franchise fees, in-lieu of taxes, etc. (10.3%). Intergovernmental revenues increased by \$414,170 (31.7%) over FY2007. Intergovernmental revenues are received from the Town of Westlake for the police services contract. Intergovernmental revenues are also received from the City of Southlake for combined dispatch and jail services. A complete year of revenues is included in the FY2008 budget for these services. FY2007 revenues from the City of Southlake provided for only six months of revenues, as the interlocal agreement became effective on April 1, 2007.

PROPERTY & OTHER LOCAL TAXES

As previously mentioned in the Budget Summary section (Budget in Brief), the net assessed taxable value for FY2009 is \$3.91 billion. Property taxes comprise 44.1% 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 16.5% of Fund revenues.

Other local taxes are comprised primarily of franchise taxes. 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 \$3,585,110 for FY2009, representing 13% of General Fund revenues, compared to \$3,618,210, representing 13.6% of total General Fund revenues in FY2008. The increase is also directly related to residential growth in Keller, which results in increased gross revenues to the respective utilities. The following table presents a comparison of FY2008 and FY2009 franchise taxes by type of franchise.

| <u>Franchise Type</u> | <u>FY2008</u> | <u>FY2009</u> | <u>Pct Change</u> |
|-----------------------|---------------------|---------------------|-----------------------|
| Electric | \$ 1,380,470 | \$ 1,490,410 | 8.0% |
| Telephone (1) | 367,970 | 371,900 | 1.1% |
| Cable television (1) | 149,590 | 157,070 | 5.0% |
| Keller utilities | 1,083,400 | 945,000 | (12.8%) |
| Gas utilities | 394,140 | 421,730 | 7.0% |
| Solid waste utilities | 200,000 | 180,000 | (10.0%) |
| Other utilities | 42,640 | 19,000 | (55.4%) |
| Total | <u>\$ 3,618,210</u> | <u>\$ 3,585,110</u> | (0.9%) |

(1) Beginning in fiscal year 2005-2006, telephone franchise taxes include Verizon FIOS® telephone, cable television, and Internet Service Provider franchise revenues.

As a combined group, property taxes, sales taxes and franchise taxes account for 73.7% of the General Fund revenues for FY2009, compared to 72.6% of General Fund revenues for FY2008.

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 \$1,870,000 for FY2009, representing 6.8% of General Fund revenues, and a decrease of \$97,450 (5%) over FY2008.

BUILDING PERMITS/FEES

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. The major revenue item in this category is building permits, which are projected to be \$875,000 for FY2009, which represents 3.2% of total General Fund revenues. Total revenues in this category for FY2009 are projected to be \$1,210,000, representing an increase of \$105,000 (9.5%) over FY2008.

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 fees, construction plan review fees, zoning and platting fees, street lighting and street sign fees. The most significant revenue in this category is construction plan review fees (\$360,000). Total development fee revenue for FY2009 is \$514,200, and represents 1.9% of total General Fund revenue. Total development fees are projected to increase by \$29,000 (6%) over FY2008.

Other significant revenues include administrative services fees from the water and wastewater fund (\$1,230,000) 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 (\$765,000); City of Southlake for combined jail and dispatch services (\$1,040,335), resulting from the contract between the cities of Keller and Southlake executed in April 2007; and interest revenue (\$375,000) for FY2009.

INTERFUND (INTRA GOVERNMENTAL) TRANSFERS

There are no interfund transfers to the general fund from other funds in FY2009. Interfund transfers to the general fund from other funds for FY2008 include a transfer from the public arts special revenue fund of \$183,673. Public arts activities were transferred from the public arts special revenue fund to the general fund beginning with the FY2008 budget.

MAJOR EXPENDITURES

Total General Fund expenditures for FY2009 are \$27,526,447; an increase of \$776,489 (2.9%) over FY2008 estimated expenditures.

PERSONNEL SERVICES

The General Fund is service-oriented and is primarily focused on providing a variety of services to the citizens of Keller. As a result, personnel services (salaries, wages and benefits) account for \$19.87 million, or 72.2% of the total expenditures of the General Fund for FY2009, compared to \$17.98 million or 67.2% of total expenditures for FY2008. Total full-time equivalent positions increased from 247.34 to 248.34, an increase of 1 FTE (0.4%). Personnel services also include costs and expenditures for employee benefits.

Increases in, or new positions include one new position: a part-time customer service representative (0.5 FTE) in the Parks and Recreation Department at the Senior Center. A new economic development director position was approved for six months in FY2008 (0.5 FTE); therefore the full-year funding for FY2009 reflects the increase of the additional 0.5 FTE.

OPERATIONS AND MAINTENANCE

Operations and maintenance expenditures include major categories of supplies, equipment, street, grounds, and building maintenance costs. These costs for FY2009 are \$2.06 million, or 7.5% of total General Fund expenditures. The FY2009 budget is an increase of \$48,815, or 2.4% over FY2008 expenditures.

SERVICES AND OTHER

Services and other expenditures include expenditures for professional services, legal services, utilities, liability insurance premiums and other general expenditures. Budgeted amounts for FY2009 are \$4.75 million, or 17.2% of total General Fund expenditures. This reflects a decrease of \$172,023, or 3.5% from FY2008 expenditures.

INTERFUND (INTRA GOVERNMENTAL) TRANSFERS

Interfund (intra governmental) transfers include transfers from one fund to another fund. Total transfers to other funds for FY2009 are \$30,195, and comprise 0.1% of total General Fund expenditures. Transfers for FY2009 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 for FY2009. All general (non self-supporting) debt service expenditures are now shown in the Debt Service Fund.

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 FY2009 is \$5,000. Total capital outlay expenditures for FY2009 are \$810,885, or 2.9% 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 FY2009 decreased \$502,120 (38.2%) from FY2008. Major capital items include: street improvements (\$757,385); funds for furniture and fixtures for the new Library expansion project (\$21,000); and public arts purchases (\$32,500).

FUND BALANCE RESERVES

Revenues exceed expenditures by \$67,088 for FY2009. The projected beginning fund balance for FY2009 of \$6,971,667 exceeds the targeted beginning fund balance by \$3,708,555, or about 53 days of operations. The total ending fund balance at September 30, 2009 is projected to be \$7,038,755. The financial policies require a contingency reserve of 3% of operating expenditures, or \$800,261. The City's financial management policies also establish a benchmark (target) of 10% of operating, non-recurring expenditures as an unreserved fund balance. The actual unreserved fund balance is projected at \$6,213,494, which is 23.3% of operating, non-recurring expenditures, thereby exceeding the established benchmark.

GENERAL FUND

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|---------------------|---------------------|-----------------------|-----------------------|
|--|---------------------|---------------------|-----------------------|-----------------------|

GENERAL FUND SUMMARY

RESOURCES:

| | | | | |
|------------------------------|--------------|--------------|--------------|--------------|
| Total beginning fund balance | \$ 7,076,866 | \$ 6,261,567 | \$ 7,089,952 | \$ 6,971,667 |
| Revenues and transfers | 24,359,443 | 26,374,325 | 26,621,673 | 27,583,535 |

| | | | | |
|------------------------------|------------|------------|------------|------------|
| TOTAL FUNDS AVAILABLE | 31,436,309 | 32,635,892 | 33,711,625 | 34,555,202 |
|------------------------------|------------|------------|------------|------------|

USES/DEDUCTIONS:

| | | | | |
|--------------------------------|------------|------------|------------|------------|
| Expenditures and transfers out | 24,346,357 | 26,866,487 | 26,739,958 | 27,516,447 |
|--------------------------------|------------|------------|------------|------------|

ENDING FUND BALANCE:

| | | | | |
|-------------------------------|-----------|-----------|-----------|-----------|
| Total fund balance | 7,089,952 | 5,769,405 | 6,971,667 | 7,038,755 |
| Reserved for special accounts | 25,000 | 25,000 | 25,000 | 25,000 |
| Reserved for contingencies | 671,551 | 767,582 | 747,257 | 800,261 |
| Unreserved fund balance | 6,393,401 | 4,976,823 | 6,199,410 | 6,213,494 |

| | | | | |
|-------------------|----------------------|----------------------|----------------------|----------------------|
| FUND TOTAL | \$ 31,436,309 | \$ 32,635,892 | \$ 33,711,625 | \$ 34,555,202 |
|-------------------|----------------------|----------------------|----------------------|----------------------|

| | | | | |
|--------------------------------|--------|-----------|-----------|--------|
| Excess revenues (expenditures) | 13,086 | (492,162) | (118,285) | 67,088 |
|--------------------------------|--------|-----------|-----------|--------|

Unreserved ending fund balance:

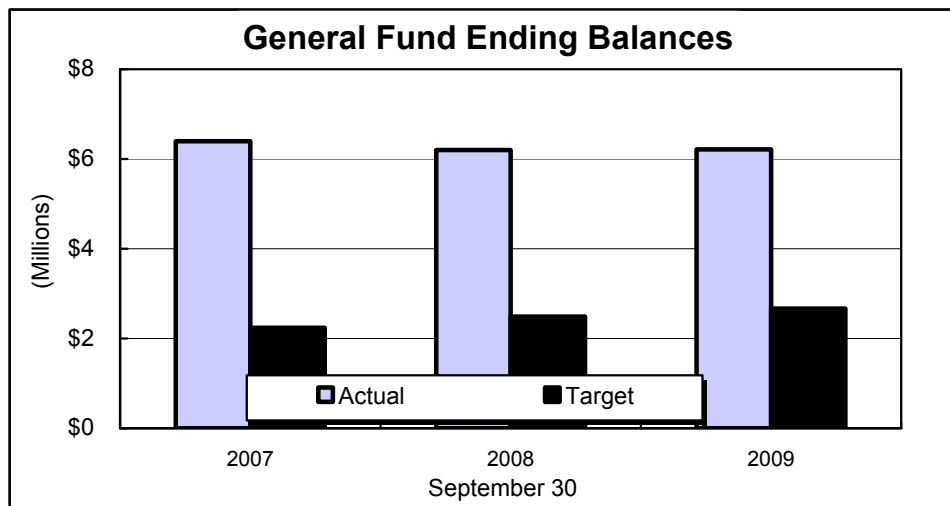
| | | | | |
|--|-------|-------|-------|-------|
| Percent of operating expenditures ⁽¹⁾ | 28.6% | 19.5% | 24.9% | 23.3% |
|--|-------|-------|-------|-------|

| | | | | |
|---------------|--------------|--------------|--------------|--------------|
| TARGET | 10.0% | 10.0% | 10.0% | 10.0% |
|---------------|--------------|--------------|--------------|--------------|

| | | | | |
|---------------------------------------|-------|------|------|------|
| Number of days operating expenditures | 102.8 | 70.0 | 89.6 | 83.9 |
|---------------------------------------|-------|------|------|------|

| | | | | |
|---------------|-------------|-------------|-------------|-------------|
| TARGET | 36.0 | 36.0 | 36.0 | 36.0 |
|---------------|-------------|-------------|-------------|-------------|

⁽¹⁾ excluding capital outlay and interfund transfers.



GENERAL FUND

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|---------------------|---------------------|-----------------------|-----------------------|
|--|---------------------|---------------------|-----------------------|-----------------------|

SUMMARY OF GENERAL FUND REVENUES

REVENUES:

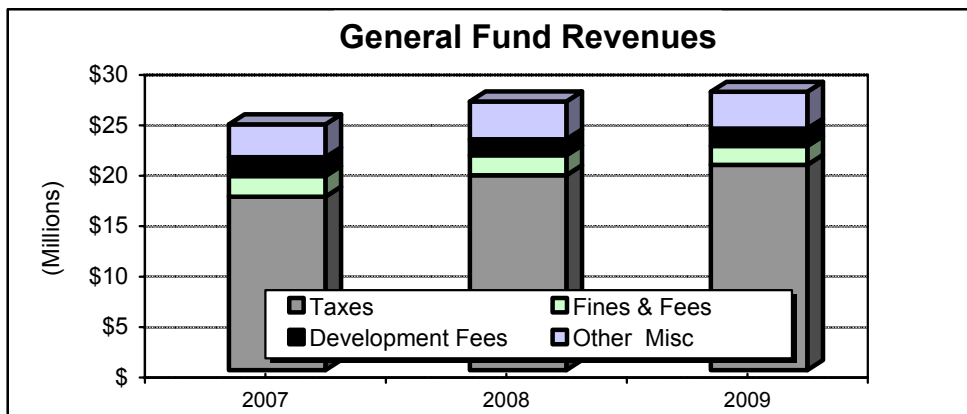
TAXES:

| | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| Total property taxes | \$ 9,807,898 | \$ 11,100,000 | \$ 11,241,000 | \$ 12,156,000 |
| Sales taxes | 4,148,974 | 4,060,730 | 4,406,000 | 4,538,500 |
| Other taxes | 3,236,163 | 3,786,980 | 3,670,560 | 3,644,150 |
| Subtotal | 17,193,035 | 18,947,710 | 19,317,560 | 20,338,650 |
| FINES & FEES | 2,036,648 | 1,702,000 | 1,967,450 | 1,870,000 |
| BUILDING PERMITS/FEES | 1,201,072 | 1,615,000 | 1,105,000 | 1,210,000 |
| DEVELOPMENT FEES | 658,730 | 613,200 | 485,200 | 514,200 |
| INTER-INTRAGOVERNMENTAL | 2,641,371 | 2,903,060 | 3,014,440 | 3,185,835 |
| OTHER REVENUE | 628,587 | 447,500 | 548,350 | 464,850 |
| REVENUES BEFORE TRANSFERS | 24,359,443 | 26,228,470 | 26,438,000 | 27,583,535 |

TRANSFERS FROM OTHER FUNDS:

| | | | | |
|----------------------------------|-------|-------------|-------------|-------|
| Public Arts Special Revenue Fund | - | 145,855 | 183,673 | - |
| TOTAL TRANSFERS | - | 145,855 | 183,673 | - |

TOTAL REVENUES & TRANSFERS **\$ 24,359,443** **\$ 26,374,325** **\$ 26,621,673** **\$ 27,583,535**



GENERAL FUND

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| REVENUES | | | | |
| <u>PROPERTY TAXES:</u> | | | | |
| Current taxes | \$ 9,657,818 | \$ 11,005,000 | \$ 10,956,000 | \$ 12,061,000 |
| Delinquent taxes | 95,515 | 35,000 | 50,000 | 35,000 |
| Accrued property tax revenue | (30,404) | - | - | - |
| Penalty & interest | 73,792 | 45,000 | 85,000 | 45,000 |
| Agricultural rollback taxes | 11,177 | 15,000 | 150,000 | 15,000 |
| Subtotal | 9,807,898 | 11,100,000 | 11,241,000 | 12,156,000 |
| <u>OTHER LOCAL TAXES:</u> | | | | |
| City sales taxes | 4,148,974 | 4,060,730 | 4,406,000 | 4,538,500 |
| Mixed beverage taxes | 53,482 | 69,760 | 52,350 | 59,040 |
| Franchise & In-Lieu of taxes: | | | | |
| Franchise taxes-TXU Electric | 514,831 | 607,240 | 562,440 | 590,570 |
| Franchise taxes-Tri County Electric | 684,731 | 904,300 | 818,030 | 899,840 |
| Franchise taxes-Verizon | 210,243 | 293,250 | 262,630 | 283,650 |
| <i>FY2006 and future years include FIOS[®] franchise revenues</i> | | | | |
| Franchise taxes-TXU/Atmos | 329,248 | 369,480 | 394,140 | 421,730 |
| Franchise taxes-TV cable | 164,557 | 173,670 | 149,590 | 157,070 |
| Franchise taxes-SBC/AT&T | 42,908 | 45,480 | 45,340 | 46,250 |
| Franchise taxes-Solid Waste | 199,851 | 180,000 | 200,000 | 180,000 |
| Franchise taxes-Water and W/W | 815,000 | 994,000 | 994,000 | 855,000 |
| Franchise taxes-Drainage | 86,850 | 89,400 | 89,400 | 90,000 |
| Franchise taxes-One Source | 66,076 | 42,000 | 60,000 | 42,000 |
| Franchise taxes-litigation | 55,771 | - | 27,440 | - |
| Franchise taxes-other | 12,615 | 18,400 | 15,200 | 19,000 |
| Subtotal | 7,385,137 | 7,847,710 | 8,076,560 | 8,182,650 |
| TOTAL TAX REVENUE | 17,193,035 | 18,947,710 | 19,317,560 | 20,338,650 |
| <u>FINES & FEES:</u> | | | | |
| Fire inspection fees/permits | 30,790 | 35,000 | 25,000 | 35,000 |
| Court fines collection fees | 46,000 | 30,500 | 38,000 | 30,500 |
| Finger printing fees | 4,530 | 6,500 | 4,000 | 6,500 |
| Animal control fees | 18,859 | 16,000 | 16,000 | 16,000 |
| Ambulance service fees | 734,579 | 540,000 | 750,000 | 700,000 |
| Municipal Court fines/fees | 986,013 | 870,000 | 860,000 | 870,000 |
| Library fines | 44,519 | 30,000 | 43,000 | 30,000 |
| KISD FTA Fines | 656 | 500 | 500 | 500 |
| Facilities/park rental fees | 8,575 | 8,500 | 10,500 | 8,500 |
| Park rental fees-Keller Sports Park | 5,986 | 12,500 | 18,000 | 12,500 |
| Communication tower rentals | - | 69,000 | 85,000 | 69,000 |
| Public art sales commissions | - | - | 8,850 | 8,000 |
| Right-of-way easements | 40,579 | 350 | 900 | 350 |
| Library lost book revenue | 3,567 | 2,500 | 3,000 | 2,500 |
| Oil & gas royalty revenue | 157 | - | 200 | - |
| Other services | 32,108 | 20,000 | 32,000 | 20,000 |
| Keller Town Center Property Owner Ass'n | 79,730 | 60,650 | 72,500 | 60,650 |
| TOTAL FINES & FEES | \$ 2,036,648 | \$ 1,702,000 | \$ 1,967,450 | \$ 1,870,000 |

(continued)

GENERAL FUND

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| REVENUES | | | | |
| (continued) | | | | |
| <u>BUILDING PERMITS/FEEES:</u> | | | | |
| Plumbing permits | \$ 85,477 | \$ 105,000 | \$ 75,000 | \$ 80,000 |
| Mechanical permits | 62,454 | 85,000 | 50,000 | 63,000 |
| Building permits/C.O.'s | 880,754 | 1,200,000 | 800,000 | 875,000 |
| Fence, sign & miscellaneous permits | 35,321 | 45,000 | 35,000 | 37,000 |
| Energy inspections permits | 66,502 | 90,000 | 80,000 | 85,000 |
| Electrical permits | 70,564 | 90,000 | 65,000 | 70,000 |
| TOTAL BUILDING PERMITS/FEEES | 1,201,072 | 1,615,000 | 1,105,000 | 1,210,000 |
| <u>DEVELOPMENT FEES:</u> | | | | |
| Paving/drainage Inspection fees | 257,395 | 100,000 | 65,000 | 80,000 |
| Construction plan review fees | 310,918 | 450,000 | 350,000 | 360,000 |
| Zoning & subdivision fees | 52,070 | 50,000 | 54,000 | 58,000 |
| Street lighting fees | 28,224 | 12,000 | 12,000 | 15,000 |
| Street sign fees | 5,123 | 1,200 | 2,100 | 1,200 |
| Opticom system fees | 5,000 | - | 2,100 | - |
| TOTAL DEVELOPMENT FEES | 658,730 | 613,200 | 485,200 | 514,200 |
| <u>INTERGOVERNMENTAL REVENUE:</u> | | | | |
| North Cenral Texas Council of Government | - | 8,600 | - | - |
| Town of Westlake | 729,932 | 729,900 | 729,900 | 765,000 |
| KISD-School resource officer | 132,208 | 112,000 | 112,000 | 112,000 |
| State of Texas | 15,848 | - | 41,000 | - |
| Intergovernmental-disaster recovery | - | - | 55,000 | - |
| City of Southlake | 574,883 | 989,060 | 989,060 | 1,040,335 |
| Intergovernmental-Local | - | - | 23,980 | - |
| TOTAL INTERGOVERNMENT REVENUE | 1,452,871 | 1,839,560 | 1,950,940 | 1,917,335 |
| <u>INTRAGOVERNMENTAL REVENUE:</u> | | | | |
| Keller Water & Wastewater Utility | 1,150,000 | 1,025,000 | 1,025,000 | 1,230,000 |
| Keller Development Corporation | 38,500 | 38,500 | 38,500 | 38,500 |
| <i>General and administrative services</i> | | | | |
| TOTAL INTRAGOVERNMENT REVENUE | 1,188,500 | 1,063,500 | 1,063,500 | 1,268,500 |
| <u>OTHER REVENUE:</u> | | | | |
| Interest earnings | 564,451 | 375,000 | 425,000 | 375,000 |
| Gain (loss) on disposal of assets | 49,172 | 22,500 | 29,500 | 3,500 |
| Write-off recovery | 537 | - | 4,500 | - |
| Old Town Keller sign revenue | 200 | - | - | - |
| Miscellaneous revenue | 2,374 | 25,000 | 15,000 | 25,000 |
| Grant proceeds-non governmental | 11,353 | - | 11,350 | 11,350 |
| Public Arts miscellaneous revenue | - | - | 8,000 | - |
| Sculpture show sales/donations | - | 25,000 | 30,000 | 25,000 |
| Public Arts donations | - | - | 25,000 | 25,000 |
| Miscellaneous grants/donations | 500 | - | - | - |
| TOTAL OTHER REVENUE | 628,587 | 447,500 | 548,350 | 464,850 |
| REVENUES BEFORE TRANSFERS | 24,359,443 | 26,228,470 | 26,438,000 | 27,583,535 |
| <u>TRANSFERS FROM OTHER FUNDS:</u> | | | | |
| Transfer from Public Arts Fund | - | 145,855 | 183,673 | - |
| TOTAL TRANSFERS | - | 145,855 | 183,673 | - |
| TOTAL REVENUES AND TRANSFERS | \$ 24,359,443 | \$ 26,374,325 | \$ 26,621,673 | \$ 27,583,535 |

GENERAL FUND EXPENDITURES

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION</u> | | | | |
| Personnel services | \$ 16,214,456 | \$ 18,857,190 | \$ 17,975,895 | \$ 19,865,915 |
| Operations & maintenance | 1,579,807 | 2,018,991 | 2,015,390 | 2,064,205 |
| Services & other | 4,590,757 | 4,709,887 | 4,917,270 | 4,745,247 |
| Transfers to other funds | 1,110,000 | 27,045 | 518,398 | 30,195 |
| SUBTOTAL | 23,495,020 | 25,613,113 | 25,426,953 | 26,705,562 |
| Capital outlay | 851,337 | 1,253,374 | 1,313,005 | 810,885 |
| TOTAL | \$ 24,346,357 | \$ 26,866,487 | \$ 26,739,958 | \$ 27,516,447 |

| | | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| <u>EXPENDITURES BY ACTIVITY</u> | | | | |
| Administration/General Government | \$ 3,520,897 | \$ 3,935,195 | \$ 3,825,095 | \$ 4,376,067 |
| Community Development | 1,220,240 | 1,466,059 | 1,372,490 | 1,294,200 |
| Public Safety | 11,378,341 | 13,677,755 | 13,042,255 | 14,141,155 |
| Public Works | 2,407,811 | 3,156,470 | 3,246,920 | 3,027,520 |
| Keller Public Library | 1,188,777 | 1,301,951 | 1,234,430 | 1,319,210 |
| Parks & Recreation | 2,329,834 | 2,574,000 | 2,514,180 | 2,646,580 |
| Non-departmental / Other | 2,300,457 | 755,057 | 1,504,588 | 711,715 |
| TOTAL | \$ 24,346,357 | \$ 26,866,487 | \$ 26,739,958 | \$ 27,516,447 |

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

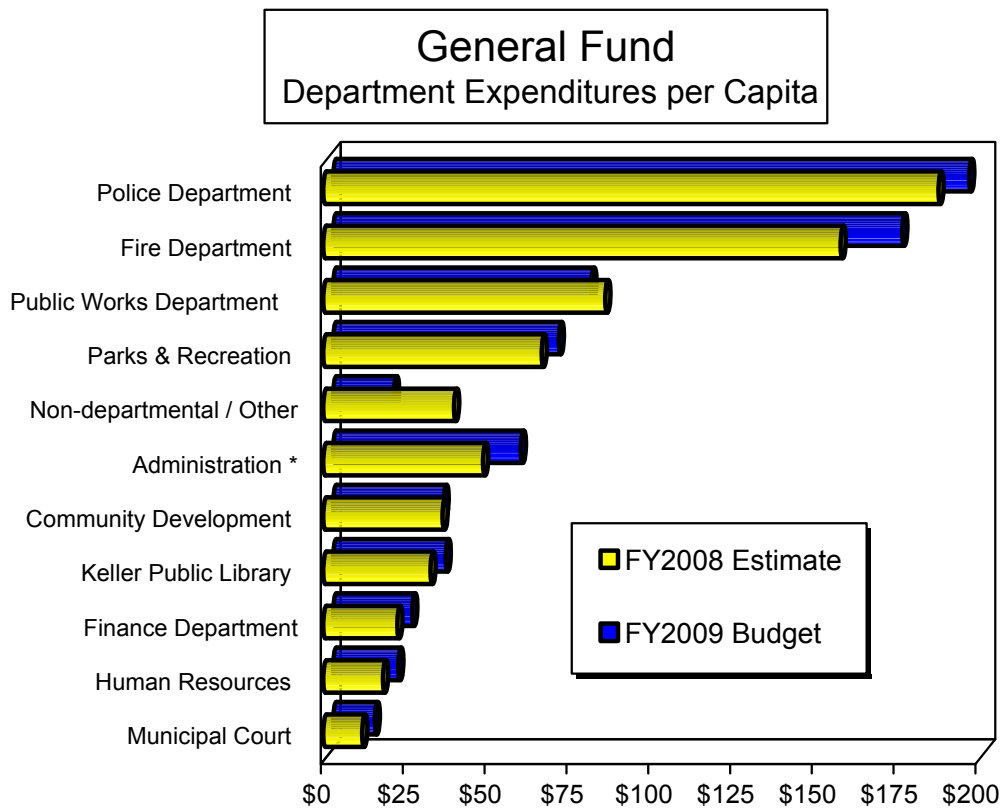
| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 7.00 | 8.50 | 10.00 |
| Town Hall Operations | 1.00 | 2.00 | 2.00 |
| Finance & Accounting | 7.00 | 7.50 | 7.50 |
| Municipal Court | 4.50 | 4.50 | 4.50 |
| Human Resources | 6.79 | 6.00 | 6.00 |
| Community Development | 14.50 | 14.50 | 13.50 |
| Police Department | 77.50 | 82.00 | 82.00 |
| Fire Department | 50.25 | 62.50 | 62.50 |
| Public Works | 17.33 | 17.33 | 17.33 |
| Keller Public Library | 15.97 | 15.97 | 15.97 |
| Parks & Recreation | 26.54 | 26.54 | 27.04 |
| TOTAL | 228.38 | 247.34 | 248.34 |

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| GENERAL GOVERNMENT: | | | | |
| Administration | \$ 1,195,204 | \$ 1,317,620 | \$ 1,238,120 | \$ 1,602,755 |
| Town Hall Operations | 487,721 | 589,360 | 570,150 | 575,950 |
| Mayor & Council | 28,700 | 24,240 | 30,900 | 21,440 |
| Finance & Accounting | 761,543 | 862,130 | 851,535 | 926,287 |
| Municipal Court | 411,759 | 466,575 | 447,145 | 486,870 |
| Human Resources | 635,970 | 675,270 | 687,245 | 762,765 |
| Subtotal | 3,520,897 | 3,935,195 | 3,825,095 | 4,376,067 |
| COMMUNITY DEVELOPMENT: | | | | |
| Administration | 545,229 | 661,649 | 582,485 | 476,755 |
| Building and Construction Services | 675,011 | 804,410 | 790,005 | 817,445 |
| Subtotal | 1,220,240 | 1,466,059 | 1,372,490 | 1,294,200 |
| PUBLIC SAFETY: | | | | |
| Police Department | 6,218,435 | 7,181,805 | 7,084,450 | 7,463,110 |
| Fire Department | 5,159,906 | 6,495,950 | 5,957,805 | 6,678,045 |
| Subtotal | 11,378,341 | 13,677,755 | 13,042,255 | 14,141,155 |
| PUBLIC WORKS: | | | | |
| Administration | 232,540 | 237,265 | 237,880 | 249,640 |
| Engineering & Inspections | 389,135 | 408,380 | 411,530 | 431,970 |
| Street Maintenance | 1,399,457 | 2,070,325 | 2,127,010 | 1,920,910 |
| Street Lighting | 386,679 | 440,500 | 470,500 | 425,000 |
| Subtotal | 2,407,811 | 3,156,470 | 3,246,920 | 3,027,520 |
| RECREATION & LEISURE: | | | | |
| Keller Public Library | 1,188,777 | 1,301,951 | 1,234,430 | 1,319,210 |
| Parks & Recreation: | | | | |
| Parks & Recreation-Administration | 332,029 | 354,820 | 357,670 | 376,620 |
| Parks Maintenance | 1,082,619 | 1,238,275 | 1,195,500 | 1,196,030 |
| Recreation Programs | 166,617 | 184,325 | 171,275 | 194,785 |
| Senior Services | 191,389 | 218,200 | 200,530 | 224,260 |
| Keller Sports Park Maintenance | 379,844 | 410,560 | 428,355 | 482,325 |
| Town Center Maintenance | 177,336 | 167,820 | 160,850 | 172,560 |
| Subtotal | 2,329,834 | 2,574,000 | 2,514,180 | 2,646,580 |
| Total Recreation & Leisure | 3,518,611 | 3,875,951 | 3,748,610 | 3,965,790 |
| OTHER/NON-DEPARTMENTAL: | | | | |
| Non-departmental | 2,300,457 | 755,057 | 1,504,588 | 711,715 |
| Subtotal | 2,300,457 | 755,057 | 1,504,588 | 711,715 |
| TOTAL | \$ 24,346,357 | \$ 26,866,487 | \$ 26,739,958 | \$ 27,516,447 |

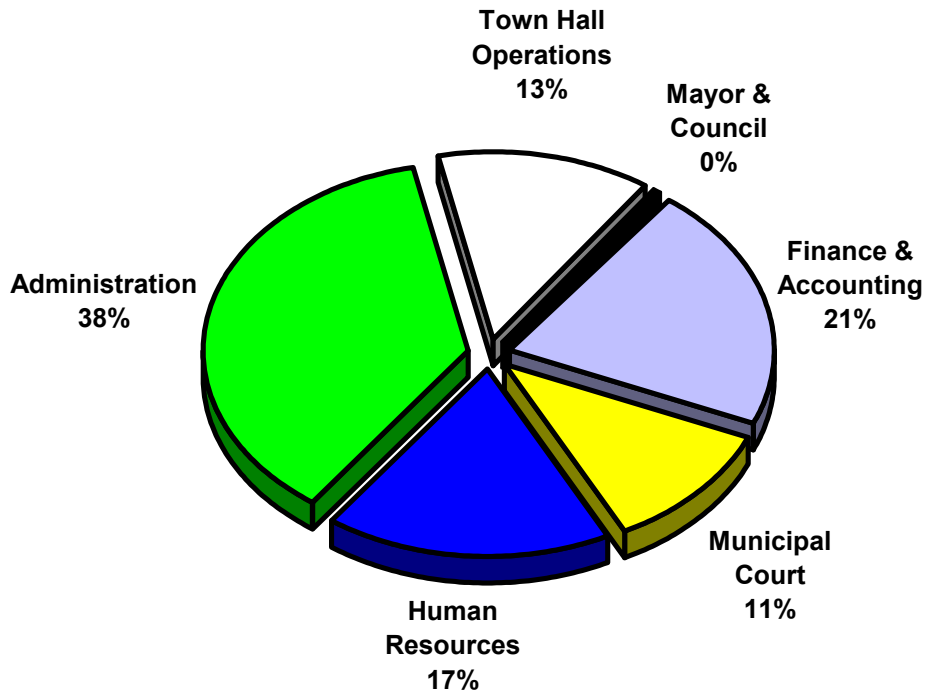
GENERAL FUND EXPENDITURES PER CAPITA

| <u>DEPARTMENT</u> | <u>2007-2008 Budget</u> | <u>2007-2008 Estimate</u> | <u>2008-2009 Budget</u> |
|--------------------------|-----------------------------|-------------------------------|-----------------------------|
| Police Department | \$ 190.57 | \$ 187.99 | \$ 194.34 |
| Fire Department | 172.37 | 158.09 | 173.90 |
| Public Works Department | 83.76 | 86.16 | 78.84 |
| Parks & Recreation | 68.30 | 66.72 | 68.92 |
| Non-departmental / Other | 20.04 | 39.93 | 18.53 |
| Administration * | 51.25 | 48.80 | 57.29 |
| Community Development | 38.90 | 36.42 | 33.70 |
| Keller Public Library | 34.55 | 32.76 | 34.35 |
| Finance Department | 22.88 | 22.60 | 24.12 |
| Human Resources | 17.92 | 18.24 | 19.86 |
| Municipal Court | 12.38 | 11.87 | 12.68 |
| TOTAL | \$ 712.92 | \$ 709.57 | \$ 716.54 |

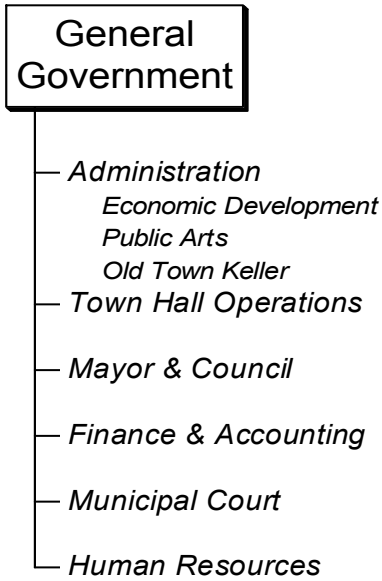


* Includes Administration, Town Hall Operations, and Mayor/Council.

General Government

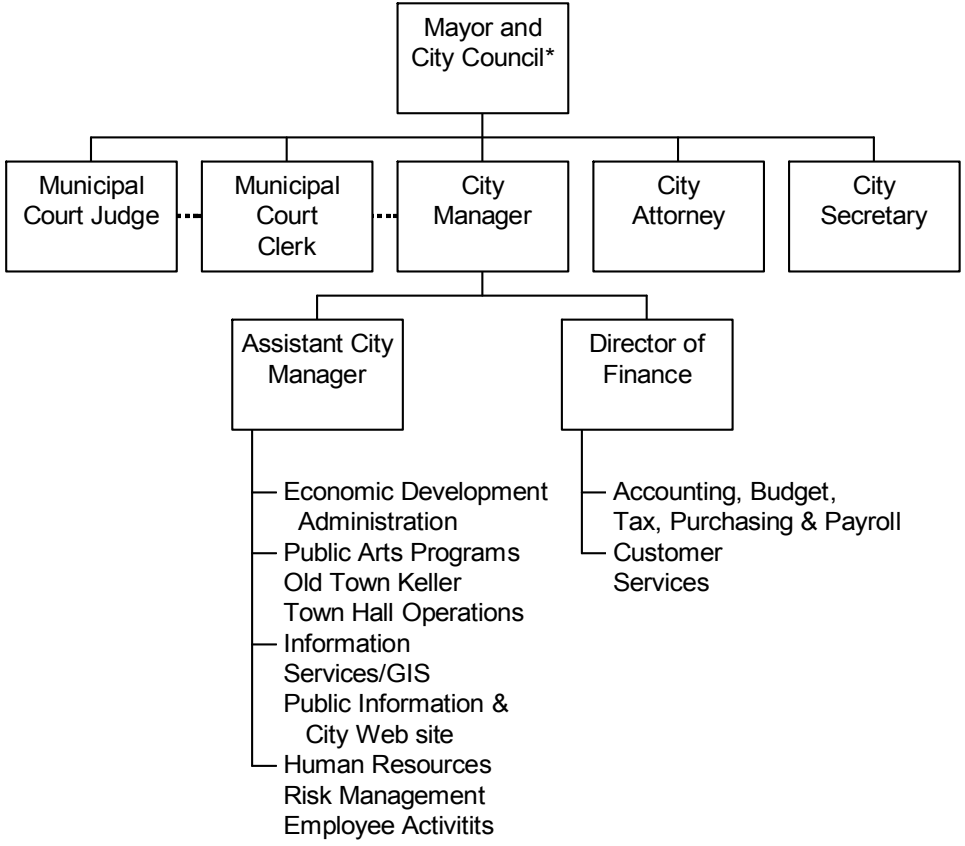


Department total: \$4,376,067



**CITY OF KELLER, TEXAS
ORGANIZATION CHART**

GENERAL GOVERNMENT



* Denotes elected position.

**GENERAL GOVERNMENT
DEPARTMENT SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 2,136,787 | \$ 2,314,460 | \$ 2,186,640 | \$ 2,733,205 |
| Operations & maintenance | 84,078 | 135,675 | 154,875 | 147,875 |
| Services & other | 1,287,218 | 1,430,060 | 1,398,580 | 1,462,487 |
| Transfers to other funds | - | - | 30,000 | - |
| SUBTOTAL | 3,508,083 | 3,880,195 | 3,770,095 | 4,343,567 |
| Capital outlay | 12,814 | 55,000 | 55,000 | 32,500 |
| TOTAL | \$ 3,520,897 | \$ 3,935,195 | \$ 3,825,095 | \$ 4,376,067 |

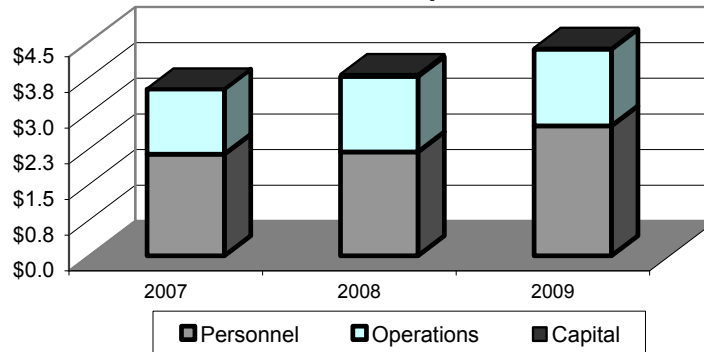
| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <i>EXPENDITURES BY DIVISION:</i> | | | | |
| Administration | \$ 1,195,204 | \$ 1,317,620 | \$ 1,238,120 | \$ 1,602,755 |
| Town Hall Operations | 487,721 | 589,360 | 570,150 | 575,950 |
| Mayor & City Council | 28,700 | 24,240 | 30,900 | 21,440 |
| Finance & Accounting | 761,543 | 862,130 | 851,535 | 926,287 |
| Municipal Court | 411,759 | 466,575 | 447,145 | 486,870 |
| Human Resources | 635,970 | 675,270 | 687,245 | 762,765 |
| TOTAL | \$ 3,520,897 | \$ 3,935,195 | \$ 3,825,095 | \$ 4,376,067 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 7.00 | 8.50 | 10.00 |
| Town Hall Operations | 1.00 | 2.00 | 2.00 |
| Finance & Accounting | 7.00 | 7.50 | 7.50 |
| Municipal Court | 4.50 | 4.50 | 4.50 |
| Human Resources | 6.79 | 6.00 | 6.00 |
| TOTAL | 26.29 | 28.50 | 30.00 |

General Government Expenditures (millions)





**ADMINISTRATION
DEPARTMENT SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 741,495 | \$ 787,220 | \$ 680,010 | \$ 1,102,290 |
| Operations & maintenance | 13,412 | 47,060 | 56,520 | 66,460 |
| Services & other | 435,297 | 428,340 | 416,590 | 401,505 |
| Transfers to other funds | - | - | 30,000 | - |
| SUBTOTAL | 1,190,204 | 1,262,620 | 1,183,120 | 1,570,255 |
| Capital outlay | 5,000 | 55,000 | 55,000 | 32,500 |
| TOTAL | \$ 1,195,204 | \$ 1,317,620 | \$ 1,238,120 | \$ 1,602,755 |

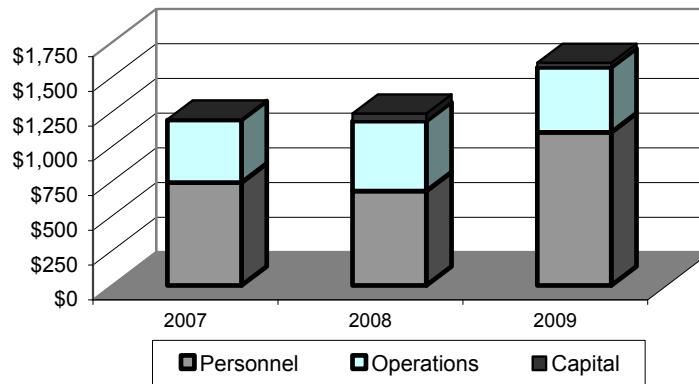
| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Administration | \$ 1,178,218 | \$ 1,161,640 | \$ 1,055,035 | \$ 1,497,005 |
| Public Arts Programs | - | 108,580 | 135,235 | 73,950 |
| Old Town Keller | 16,986 | 47,400 | 47,850 | 31,800 |
| TOTAL | \$ 1,195,204 | \$ 1,317,620 | \$ 1,238,120 | \$ 1,602,755 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DIVISION/ACTIVITY | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 7.0 | 8.5 | 10.0 |
| TOTAL | 7.0 | 8.5 | 10.0 |

Administration Expenditures (000's)



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, Administrative Assistant, 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 2008-2009.
- 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.
- Improve economic development conditions by increasing the retail and commercial tax base of the City through the on-going improvement of marketing strategies and incentive programs.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Coordinate, finalize and distribute: | | | |
| • Agenda and/or information packets to City Council | 52 | 52 | 52 |
| • City Manager staff agenda packets | 50 | 50 | 50 |
| • Boards and Commissions Handbook and revisions | 1 | 1 | 1 |
| Employee newsletters published | – | 2 | 12 |
| Percent of solid waste concerns addressed within 24 hours | * | 100 | 100 |
| City Council meetings and work sessions held | 47 | 45 | 46 |
| Birth/death certificates processed | 1,218 | 1,495 | 1,340 |
| City Council general and run-off elections conducted | 1 | 1 | 2 |
| Special elections held | 2 | 1 | 1 |
| Process and respond to open records requests | 145 | 179 | 150 |
| Percent of open records requests responded to within 10 days | 100% | 100% | 100% |

* - Not Available

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Administration

ACCOUNT:
100-100-01

**ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 741,495 | \$ 787,220 | \$ 680,010 | \$ 1,102,290 |
| Operations & maintenance | 9,612 | 14,310 | 14,310 | 16,660 |
| Services & other | 427,111 | 360,110 | 360,715 | 378,055 |
| SUBTOTAL | 1,178,218 | 1,161,640 | 1,055,035 | 1,497,005 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 1,178,218 | \$ 1,161,640 | \$ 1,055,035 | \$ 1,497,005 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 (1) | Director | - | - | 1.0 |
| Economic Development Director (2) | Director | - | 0.5 | 1.0 |
| Executive Secretary | ATN-9 | 2.0 | 2.0 | 2.0 |
| Administrative Assistant | ATN-9 | - | - | 1.0 |
| Administration Secretary | ATN-8 | 1.0 | 1.0 | - |
| Receptionist | A/TN-4 | - | 1.0 | 1.0 |
| Records Technician | A/TN-4 | 1.0 | 1.0 | 1.0 |
| TOTAL | | 7.0 | 8.5 | 10.0 |

(1) Position transferred from Community Development for fiscal year 2008-2009.

(2) Position funded for six months for fiscal year 2007-2008.

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Public Arts Programs

ACCOUNT:
100-100-02

DEPARTMENT/DIVISION DESCRIPTION:

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

DEPARTMENT/DIVISION GOALS:

1. Promote community education, appreciation and the importance of public art.
2. Conduct a minimum of eight public art shows, programs, and/or activities during fiscal year 2009.
3. Partner with other organizations and special events to further promote and showcase various artistic formats.
4. Develop a Public Art Master Plan document.
5. Further refine the operating procedures for programs and activities.
6. Seek alternative sources of income to help fund public art works, programs, and activities within the City.
7. Develop an annual programming schedule that is inclusive of various forms of art.
8. Review and make recommendation for modifications and enhancements to the City's Public Art Policy.
9. Purchase a minimum of one major piece of art every other year.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| SERVICES PROVIDED | SERVICE LEVEL ANALYSIS | | |
|---|-----------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Outputs: | | | |
| Number of Keller Public Arts Board meetings and work sessions | 12 | 12 | 15 |
| Number of public arts events | 2 | 10 | 12 |
| Number of public art pieces obtained through purchase, sponsorships or donation | 2 | 1 | 1 |

For fiscal years 2006-2007 and prior, the activities of the Public Arts Activities program were accounted for in the Public Arts Special Revenue Fund.

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Public Arts Programs

ACCOUNT:
100-100-02

**PUBLIC ARTS PROGRAMS
DIVISION/ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | - | 20,000 | 29,460 | 34,050 |
| Services & other | - | 33,580 | 50,775 | 7,400 |
| SUBTOTAL | - | 53,580 | 80,235 | 41,450 |
| Capital outlay | - | 55,000 | 55,000 | 32,500 |
| TOTAL | \$ - | \$ 108,580 | \$ 135,235 | \$ 73,950 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|

FY2009 highlights: capital outlay includes funding for public art purchases.

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Old Town Keller

ACCOUNT:
100-100-17

DEPARTMENT DESCRIPTION:

The Administration/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.
4. Acquire property for public improvements in the Old Town area.
5. Maintain and expand train display along Lamar Street.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| <u>Outputs:</u> | | | |
| Number of meetings with OTK Merchants Association and other promotional activities | 20 | 25 | 30 |
| Number of meetings with prospects or existing businesses to discuss new or expanding OTK businesses | 15 | 30 | 35 |
| <u>Efficiency:</u> | | | |
| % of Old Town Keller special events promoted through City media | * | * | 100% |
| <u>Effectiveness:</u> | | | |
| % of façade redevelopment pilot program projects completed | * | * | 90% |
| <u>Outcomes:</u> | | | |
| % increase in commercial construction value in Old Town Keller | * | * | 8% |

* - Not available

FUND:
General

DEPARTMENT:
Administration

DIVISION:
Old Town Keller

ACCOUNT:
100-100-17

**OLD TOWN KELLER
DIVISION/ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 3,800 | 12,750 | 12,750 | 15,750 |
| Services & other | 8,186 | 34,650 | 5,100 | 16,050 |
| Transfers to other funds | - | - | 30,000 | - |
| SUBTOTAL | 11,986 | 47,400 | 47,850 | 31,800 |
| Capital outlay | 5,000 | - | - | - |
| TOTAL | \$ 16,986 | \$ 47,400 | \$ 47,850 | \$ 31,800 |

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

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|

FUND:
General

DEPARTMENT:
Town Hall Operations

DIVISION:
Town Hall Operations

ACCOUNT:
100-110-92

DEPARTMENT DESCRIPTION:

The purpose of the Department is to maintain the Keller Town Hall, Police and Courts Building, and Keller Public Library, and provide common operational services such as expenditures resulting from utilities, copier supplies, and equipment for facility operations.

DEPARTMENT/DIVISION GOALS:

1. Monitor the implementation of an Energy Management Plan for Keller Town Hall and reduce electricity consumption by 10% over the previous fiscal year.
2. Manage and provide for daily facility maintenance of Keller Town Hall, Keller Police and Courts Building, and Keller Public Library.
3. Establish and maintain routine preventive maintenance of HVAC, including contract maintenance, electrical, plumbing, roof, and bell tower systems.
4. Weekly inspect and perform minor painting, carpentry, electrical, and plumbing repairs within each building.
5. Daily monitor Town Hall's computerized building automation equipment.
6. Review and recommend annual service and warranty contracts for facility maintenance of Town Hall, Police and Courts Building and Keller Public Library.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| <u>Outputs:</u> | | | |
| Total facility square footage maintained | 55,000 | 94,176 | 94,176 |
| Preventive maintenance inspections performed per facility: | | | |
| • HVAC systems | 4 | 4 | 4 |
| • Electrical system | 52 | 52 | 52 |
| • Plumbing system | 52 | 52 | 52 |
| • Elevator (Town Hall only) | 12 | 12 | 12 |
| • Fire and sprinkler system | 3 | 3 | 3 |
| • Generator system | 4 | 4 | 4 |
| • Cosmetic inspections | 52 | 52 | 52 |
| Service calls received and handled | 3,000 | 3,400 | 3,600 |
| <u>Effectiveness:</u> | | | |
| % decrease in electricity consumption at Keller Town Hall | * | * | 10% |
| % of service calls completed in less than 24 hours | * | * | 95% |

* Not available.

FUND:
General

DEPARTMENT:
Town Hall Operations

DIVISION:
Town Hall Operations

ACCOUNT:
100-110-92

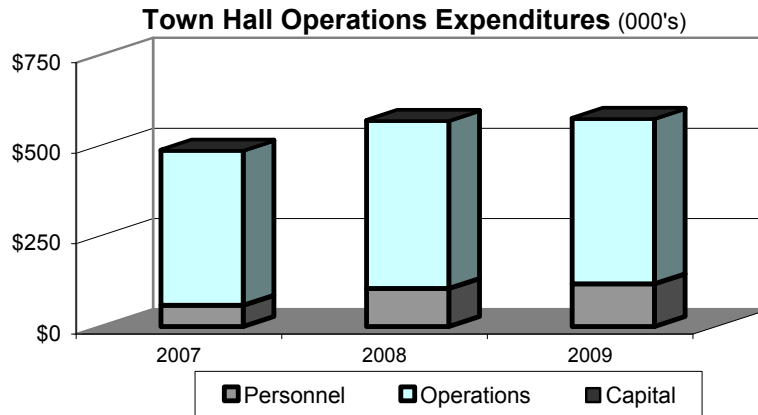
**TOWN HALL OPERATIONS
DEPARTMENT SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 58,727 | \$ 110,210 | \$ 105,260 | \$ 118,185 |
| Operations & maintenance | 36,643 | 43,280 | 44,180 | 41,880 |
| Services & other | 392,351 | 435,870 | 420,710 | 415,885 |
| SUBTOTAL | 487,721 | 589,360 | 570,150 | 575,950 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 487,721 | \$ 589,360 | \$ 570,150 | \$ 575,950 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------------|------------------|-----------------------------|-------------------------------|-------------------------------|
| Facility Maintenance Supervisor | TN-9 | 1.0 | 1.0 | 1.0 |
| Building Maintenance Technician II | TN-5 | - | 1.0 | 1.0 |
| TOTAL | | 1.0 | 2.0 | 2.0 |



FUND:
General

DEPARTMENT:
Mayor & City Council

DIVISION:

ACCOUNT:
100-120-01

DEPARTMENT DESCRIPTION:

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
 - Conduct joint meetings as needed with the Keller Economic Development Board
 - Continue involvement with the Greater Keller Chamber of Commerce
 - 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
 - Implemented new City web site providing more timely and enhanced public information
 - Developed Mayor's Update utilizing the Keller Connect program

3. Strategically enhance the City's financial position to ensure continued viability and the capacity to implement priority capital improvement projects:
 - Review City-wide capital improvements program and corresponding funding considerations
 - Conducted budget overview work session with City Manager
 - Appointed City Council representative to serve on the City's Investment Committee

4. Complete current and future Capital Improvement Projects to include, but not limited to:
 - Fire Station No. 4
 - Library renovation and expansion
 - Fire Truck
 - Ambulance
 - Drainage improvements
 - Park land acquisition
 - Street enhancements

FUND:
General

DEPARTMENT:
Mayor & City Council

DIVISION:

ACCOUNT:
100-120-01

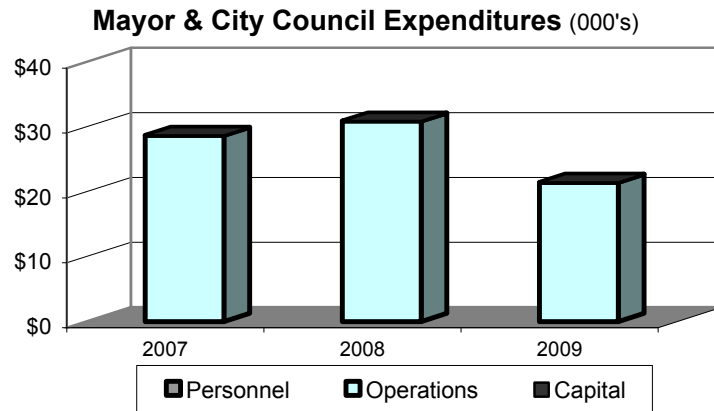
**MAYOR AND CITY COUNCIL
DEPARTMENT SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 3,807 | 3,650 | 7,400 | 6,150 |
| Services & other | 24,893 | 20,590 | 23,500 | 15,290 |
| SUBTOTAL | 28,700 | 24,240 | 30,900 | 21,440 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 28,700 | \$ 24,240 | \$ 30,900 | \$ 21,440 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|



FY2008 Estimate includes funds used for the City Manager executive search firm services.

**FINANCE & ACCOUNTING
DEPARTMENT SUMMARY**

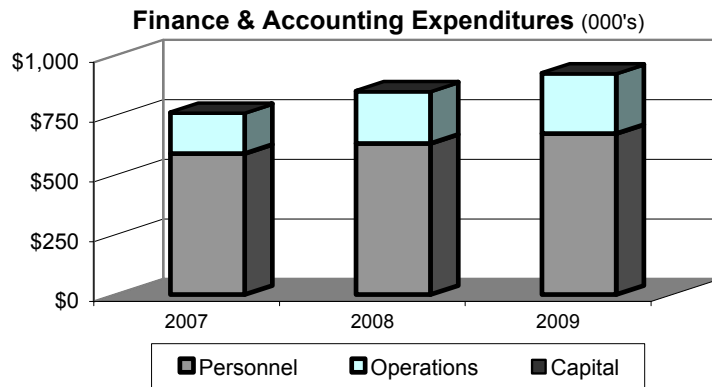
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 590,412 | \$ 634,690 | \$ 632,600 | \$ 673,970 |
| Operations & maintenance | 4,601 | 9,185 | 11,095 | 4,210 |
| Services & other | 166,530 | 218,255 | 207,840 | 248,107 |
| SUBTOTAL | 761,543 | 862,130 | 851,535 | 926,287 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 761,543 | \$ 862,130 | \$ 851,535 | \$ 926,287 |

| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| <i>EXPENDITURES BY DIVISION:</i> | | | | |
| Administration | \$ 678,463 | \$ 762,305 | \$ 756,920 | \$ 805,575 |
| Tax | 83,080 | 99,825 | 94,615 | 120,712 |
| TOTAL | \$ 761,543 | \$ 862,130 | \$ 851,535 | \$ 926,287 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 7.0 | 7.5 | 7.5 |
| TOTAL | 7.0 | 7.5 | 7.5 |



FUND:
General

DEPARTMENT:
Finance & Accounting

DIVISION:
Administration

ACCOUNT:
100-130-01

| <u>PERFORMANCE ANALYSIS</u> | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
|---|-----------------------------|-------------------------------|--------------------------------|
| Debt service ratios: | | | |
| Direct tax-supported debt per capita | \$1,092 | \$978 | \$880 |
| Tax-supported debt service expenditures as a % of general operating expenditures | 16.2% | 14.7% | 14.0% |
| Financial policy target | 25.0% | 25.0% | 25.0% |
| Ratio of debt to net taxable valuation | 1.2% | 1.0% | 0.9% |
| Financial policy target | 15.0% | 15.0% | 15.0% |
| Investment activities: | | | |
| Weighted average investment yield to maturity | 5.25% | 4.20% | 4.50% |
| Average spread between City yield and 3-month T-bill | 0.40% | 1.25% | 0.50% |
| 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**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 590,412 | \$ 634,690 | \$ 632,600 | \$ 673,970 |
| Operations & maintenance | 4,362 | 8,945 | 10,795 | 3,910 |
| Services & other | 83,689 | 118,670 | 113,525 | 127,695 |
| SUBTOTAL | 678,463 | 762,305 | 756,920 | 805,575 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 678,463 | \$ 762,305 | \$ 756,920 | \$ 805,575 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 | 1.0 | 1.0 |
| Account Clerk/Finance Secretary | A/TN-6 | 1.0 | 1.0 | 1.0 |
| Records Clerk | A/TN-1 | - | 0.5 | 0.5 |
| TOTAL | | 7.0 | 7.5 | 7.5 |



FUND:
General

DEPARTMENT:
Finance & Accounting

DIVISION:
Tax

ACCOUNT:
100-130-09

| <u>PERFORMANCE ANALYSIS</u> | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
|--|-----------------------------|-------------------------------|--------------------------------|
| 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 | \$237,289 | \$251,881 | \$266,858 |
| Percent change | 5.3% | 6.1% | 6.1% |
| Effective tax rate per \$100 of taxable value | \$0.42319 | \$0.41194 | \$0.41002 |
| Actual tax rate per \$100 of taxable value | \$0.43219 | \$0.43219 | \$0.43219 |
| Rollback tax rate per \$100 of taxable value | \$0.44897 | \$0.43321 | \$0.43389 |
| Average City of Keller tax bill (actual rate) | \$1,003.93 | \$1,066.99 | \$1,131.72 |
| Percent change | 2.6% | 6.3% | 6.1% |
| Average appraised value of new residential homesteads | \$345,681 | \$382,183 | \$402,990 |
| Percent change | 8.6% | 10.6% | 5.4% |
| Average appraised value of new over-65 residential homesteads | \$229,935 | \$233,264 | \$272,168 |
| Percent change | (2.7%) | 1.4% | 16.7% |
| Average appraised value of tax ceiling accounts | \$193,585 | * | * |
| Percent change | 6.1% | * | * |
| Average taxable value of tax ceiling accounts | * | \$168,678 | \$173,118 |
| Percent change | * | * | 2.6% |
| Percentage of new construction by property category: | | | |
| Residential | * | 81.7% | 81.6% |
| Commercial | * | 18.3% | 18.4% |

* – information not available.

FUND:
General

DEPARTMENT:
Finance & Accounting

DIVISION:
Tax

ACCOUNT:
100-130-09

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 239 | 240 | 300 | 300 |
| Services & other | 82,841 | 99,585 | 94,315 | 120,412 |
| SUBTOTAL | 83,080 | 99,825 | 94,615 | 120,712 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 83,080 | \$ 99,825 | \$ 94,615 | \$ 120,712 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|

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 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. Maintain the warrant collection program and 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. Encourage all personnel to obtain their Court Clerk Certification.
6. Continue to utilize and update the Teen Court program with all options to increase awareness and 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 Municipal Judge.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Number of citations processed | 12,755 | 10,500 | 11,800 |
| Number of cases requesting court dates | 4,915 | 3,981 | 4,000 |
| Number of cases with attorney representation | 2,272 | 2,479 | 2,500 |
| Number of court dockets held per year | 212 | 212 | 212 |
| Number of warrants processed/issued | 2,938 | 2,400 | 2,400 |
| Number of reports generated (open records requests) | 332 | 340 | 340 |
| Number of warrants outstanding | 2,279 | 2,000 | 2,100 |
| Number of defendants requesting jury trial | 65 | 81 | 81 |

FUND:
General

DEPARTMENT:
Municipal Court

DIVISION:
Administration

ACCOUNT:
100-160-01

**MUNICIPAL COURT
DEPARTMENT SUMMARY**

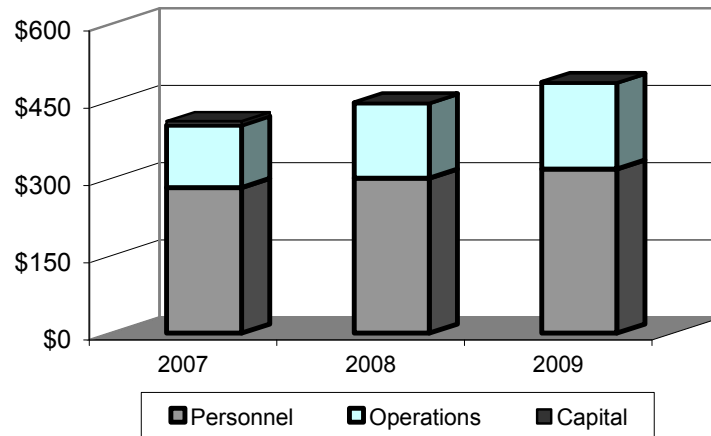
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|----------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| EXPENDITURES BY FUNCTION: | | | | |
| Personnel services | \$ 282,869 | \$ 297,910 | \$ 300,850 | \$ 318,710 |
| Operations & maintenance | 15,829 | 19,470 | 21,755 | 17,720 |
| Services & other | 105,247 | 149,195 | 124,540 | 150,440 |
| SUBTOTAL | 403,945 | 466,575 | 447,145 | 486,870 |
| Capital outlay | 7,814 | - | - | - |
| TOTAL | \$ 411,759 | \$ 466,575 | \$ 447,145 | \$ 486,870 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------------|------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 |
| Deputy Court Clerk | A/TN-4 | 3.0 | 2.0 | 2.0 |
| TOTAL | | 4.5 | 4.5 | 4.5 |

Municipal Court Expenditures (000's)





HUMAN RESOURCES DEPARTMENT SUMMARY

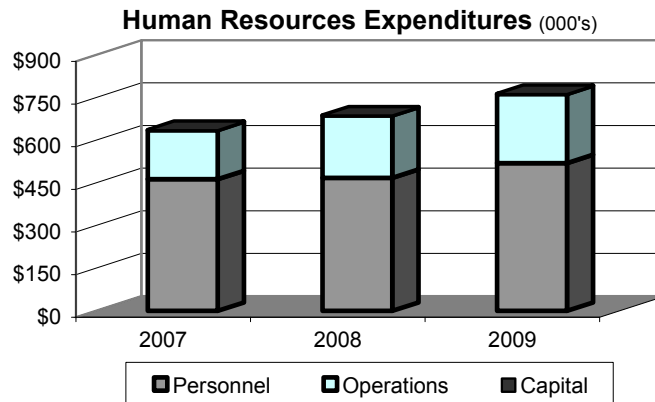
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|---------------------|---------------------|-----------------------|-----------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 463,284 | \$ 484,430 | \$ 467,920 | \$ 520,050 |
| Operations & maintenance | 9,786 | 13,030 | 13,925 | 11,455 |
| Services & other | 162,900 | 177,810 | 205,400 | 231,260 |
| SUBTOTAL | 635,970 | 675,270 | 687,245 | 762,765 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 635,970 | \$ 675,270 | \$ 687,245 | \$ 762,765 |

| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Administration | \$ 462,229 | \$ 391,100 | \$ 390,820 | \$ 442,750 |
| City-wide Employee Activities | 173,741 | 180,710 | 197,155 | 212,450 |
| Risk Management | - | 103,460 | 99,270 | 107,565 |
| TOTAL | \$ 635,970 | \$ 675,270 | \$ 687,245 | \$ 762,765 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|---------------------|-----------------------|-----------------------|
| Administration | 6.79 | 5.00 | 5.00 |
| Risk Management | - | 1.00 | 1.00 |
| TOTAL | 6.79 | 6.00 | 6.00 |



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 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.
 - 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, 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, 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>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
|---|-----------------------------|-------------------------------|--------------------------------|
| General employee turnover rate (excluding seasonal employees) | 12.62% | 11.17% | 11.00% |
| The Keller Pointe (TKP) employee turnover rate (excluding seasonal employees) | 44.0% | 42.0% | 40.0% |
| General job vacancies filled | 30 | 32 | 30 |
| TKP job vacancies filled | 103 | 114 | 105 |
| General applications processed | 1,033 | 950 | 925 |
| TKP applications processed* | 680 | 450 | 475 |

The 2006-2007 amount is significantly reduced from the previous year. During the year, a new procedure was implemented where only applications for open positions were accepted. In addition, a job fair was not held in the summer of 2007. TKP rehires are not included in these amounts because those employees do not have to reapply by application.

FUND:
General

DEPARTMENT:
Human Resources

DIVISION:
Administration

ACCOUNT:
100-170-01

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 446,277 | \$ 370,590 | \$ 359,280 | \$ 404,025 |
| Operations & maintenance | 3,760 | 8,440 | 8,615 | 4,950 |
| Services & other | 12,192 | 12,070 | 22,925 | 33,775 |
| SUBTOTAL | 462,229 | 391,100 | 390,820 | 442,750 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 462,229 | \$ 391,100 | \$ 390,820 | \$ 442,750 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|----------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Director of Human Resources | Director | 1.00 | 1.00 | 1.00 |
| Risk Manager (1) | PE-8 | 1.00 | - | - |
| Human Resources Analyst | PE-5 | - | 1.00 | 1.00 |
| Compensation/Benefits Specialist | PE-5 | 1.00 | - | - |
| Employment Specialist | PE-4 | 1.00 | 1.00 | 1.00 |
| Administrative Secretary | A/TN-8 | 1.00 | 1.00 | 1.00 |
| Human Resources Assistant | A/TN-6 | 1.00 | 1.00 | 1.00 |
| Receptionist (2) | A/TN-3 | 0.79 | - | - |
| TOTAL | | 6.79 | 5.00 | 5.00 |

(1) Position transferred to Human Resources/Risk Management division for fiscal year 2007-2008.

(2) Position transferred to General Government/Administration division for fiscal year 2007-2008.

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 effective 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 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>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
|--|-----------------------------|-------------------------------|--------------------------------|
| Employees requesting tuition reimbursement benefit | 20 | 24 | 35 |
| Employees utilizing tuition reimbursement benefit | 18 | 16 | 26 |
| General job vacancies filled | 30 | 32 | 30 |
| Number of in-house promotions | 3 | 4 | 4 |
| Number of new hires from outside | 27 | 28 | 26 |

FUND:
General

DEPARTMENT:
Human Resources

DIVISION:
City-Wide Employee
Activities

ACCOUNT:
100-170-11

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 17,007 | \$ 13,000 | \$ 13,000 | \$ 13,000 |
| Operations & maintenance | 6,026 | 3,425 | 4,135 | 4,675 |
| Services & other | 150,708 | 164,285 | 180,020 | 194,775 |
| SUBTOTAL | 173,741 | 180,710 | 197,155 | 212,450 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 173,741 | \$ 180,710 | \$ 197,155 | \$ 212,450 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|

This program was originally created in FY2007, by consolidating and transferring expenditures from other funds and departments of the City. Expenditures are primarily comprised of employee dues for The Keller Pointe, training programs, tuition reimbursement, unemployment compensation, and employee recognition programs for all departments of the City.

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:

Protect City Assets

- Minimize the City's internal and external exposures associated with risks.
- Continue effective risk management program, including but not limited to, employee safety committee for review of all potential loss events.

STANDARD MEASURES OF ACTIVITY:

The following metrics, though not measures of performance 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>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
|--|-----------------------------|-------------------------------|--------------------------------|
| In-house safety training classes conducted | 15 | 9 | 9 |
| Worker compensation claims processed | 38 | 42 | 46 |
| Equipment and vehicle damage claims processed | 22 | 22 | 22 |
| Liability claims processed | 55 | 36 | 40 |
| Family Medical Leave Act (FMLA)requests processed | 56 | 60 | 64 |

Risk Management activities were accounted for in the Human Resources/Administration division in FY2007 and prior years.

FUND:
General

DEPARTMENT:
Human Resources

DIVISION:
Risk Management

ACCOUNT:
100-170-15

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ - | \$ 100,840 | \$ 95,640 | \$ 103,025 |
| Operations & maintenance | - | 1,165 | 1,175 | 1,830 |
| Services & other | - | 1,455 | 2,455 | 2,710 |
| SUBTOTAL | - | 103,460 | 99,270 | 107,565 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ - | \$ 103,460 | \$ 99,270 | \$ 107,565 |

PERSONNEL SUMMARY

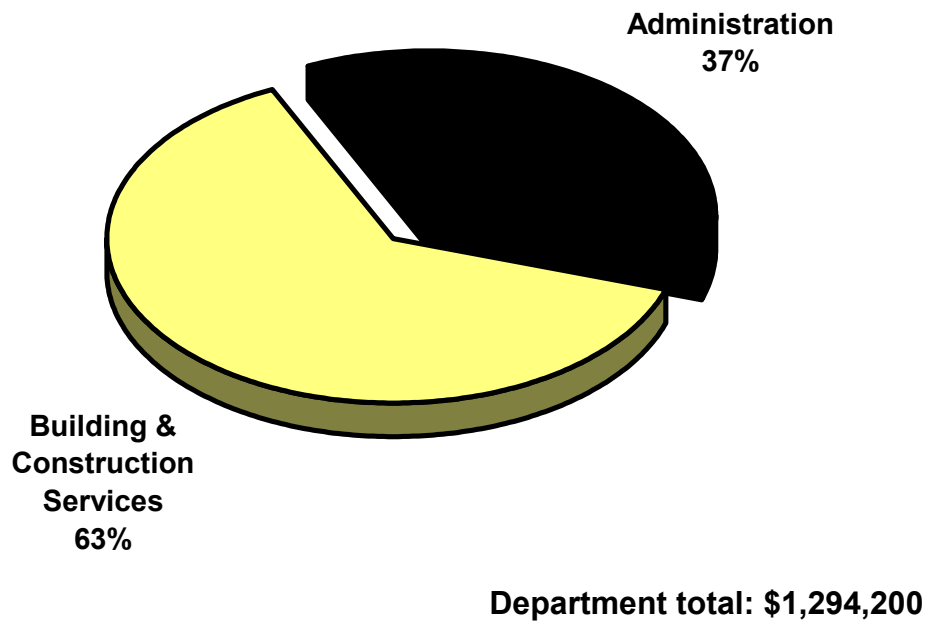
(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Risk Manager (1) | PE-10 | - | 1.0 | 1.0 |
| TOTAL | | - | 1.0 | 1.0 |

(1) Position transferred from Human Resources/Administration division for fiscal year 2007-2008.

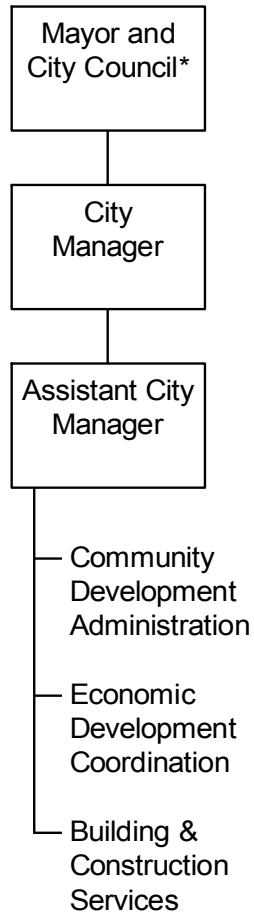
Risk Management activities were accounted for in the Human Resources/Administration division in FY2007 and prior years.

Community Development



CITY OF KELLER, TEXAS ORGANIZATION CHART

COMMUNITY DEVELOPMENT



* – Denotes elected position.

**COMMUNITY DEVELOPMENT
DEPARTMENT SUMMARY**

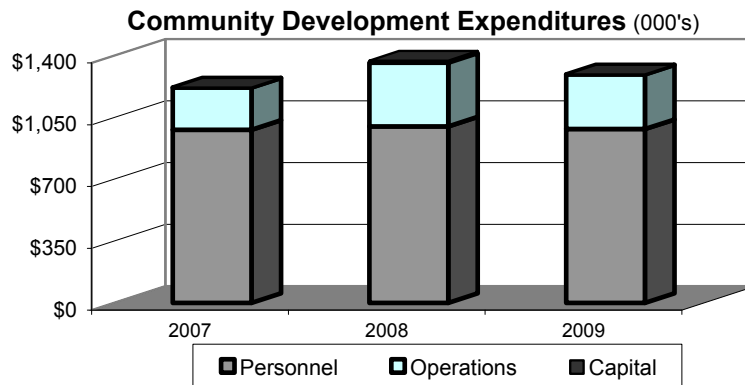
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 981,372 | \$ 1,082,120 | \$ 1,000,010 | \$ 984,855 |
| Operations & maintenance | 13,280 | 21,095 | 16,275 | 24,925 |
| Services & other | 225,588 | 350,844 | 344,205 | 284,420 |
| SUBTOTAL | 1,220,240 | 1,454,059 | 1,360,490 | 1,294,200 |
| Capital outlay | - | 12,000 | 12,000 | - |
| TOTAL | \$ 1,220,240 | \$ 1,466,059 | \$ 1,372,490 | \$ 1,294,200 |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <i>EXPENDITURES BY DIVISION:</i> | | | | |
| Administration | \$ 545,229 | \$ 661,649 | \$ 582,485 | \$ 476,755 |
| Building & Construction Services | 675,011 | 804,410 | 790,005 | 817,445 |
| TOTAL | \$ 1,220,240 | \$ 1,466,059 | \$ 1,372,490 | \$ 1,294,200 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|----------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 7.00 | 7.00 | 6.00 |
| Building & Construction Services | 7.50 | 7.50 | 7.50 |
| TOTAL | 14.50 | 14.50 | 13.50 |



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. In the past year the department has assumed primary responsibility for Economic Development efforts in the City including attendance at Economic Development Board meetings and providing information to support their activities.

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 and maintenance of the City's GIS program.
9. Update demographic materials and community profile data; prepare and update community statistics for economic development purposes.
10. Update 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.
11. Assist with the Economic Development Board activities 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 LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Planning & Zoning Commission activities: | | | |
| regular P&Z meetings held | 19 | 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. | 3 | 3 | 4 |
| plat applications reviewed | 50 | 65 | 65 |
| zone change requests reviewed | 20 | 15 | 18 |
| site plans reviewed | 33 | 35 | 40 |
| specific use permit applications reviewed | 16 | 20 | 20 |
| Zoning Board of Adjustments activities: | | | |
| regular meetings held | 10 | 10 | 10 |
| variance applications reviewed | 18 | 20 | 20 |
| <u>PERFORMANCE INDICATORS</u> | | | |
| Office Staff (FTE) | 6.5 | 5.5 | 5.5 |
| Number of meetings | 734 | 950 | 900 |
| Number of walk-ins | 2,763 | 2,500 | 2,300 |
| Number of phone calls | 12,369 | 12,200 | 11,800 |
| 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**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 521,636 | \$ 573,600 | \$ 499,760 | \$ 444,805 |
| Operations & maintenance | 2,920 | 5,400 | 3,800 | 7,630 |
| Services & other | 20,673 | 82,649 | 78,925 | 24,320 |
| SUBTOTAL | 545,229 | 661,649 | 582,485 | 476,755 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 545,229 | \$ 661,649 | \$ 582,485 | \$ 476,755 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Assistant City Manager (1) | Director | - | 1.00 | - |
| Director of Community Development | Director | 1.00 | - | - |
| Planning & Development Manager | Division Mgr | 1.00 | 1.00 | 1.00 |
| Planner II | PE-7 | 1.00 | 1.00 | 1.00 |
| Planner I | PE-5 | 2.00 | 2.00 | 2.00 |
| Administrative Secretary | A/TN-8 | 1.00 | 1.00 | 1.00 |
| Planning Intern | NA | 1.00 | 1.00 | 1.00 |
| TOTAL | | 7.00 | 7.00 | 6.00 |

(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

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 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 enforcement.
5. Provide more information regarding activities on the City's web page such as the code enforcement page currently up and running.
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 LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Single-family building permits issued | | | |
| number of permits | 255 | 310 | 325 |
| dollar amount of residential permits (millions) | \$91 | \$93 | \$97 |
| Value of non-residential permits (millions) | \$21 | \$13 | \$15 |
| Number of miscellaneous permits issued | 1,959 | 1,819 | 1,900 |
| Number of inspections performed | 7,743 | 7,861 | 8,100 |
| Plans reviewed for new construction (residential & commercial) | 338 | 360 | 375 |
| Miscellaneous plans reviewed | 1,516 | 1,323 | 1,400 |
| Certificates of occupancy issued for existing structures | 98 | 78 | 83 |
| Code enforcement activities: | | | |
| on-site inspections | 740 | 750 | 770 |

(Continued)

FUND:
General

DEPARTMENT:
Community Development

DIVISION:
Building & Construction
Services

ACCOUNT:
100-200-14

(Continued)

| | | <u>2006-2007</u> | <u>2007-2008</u> | <u>2008-2009</u> |
|--|--------------------------------------|------------------|------------------|------------------|
| | | <u>ACTUAL</u> | <u>ESTIMATE</u> | <u>PROJECTED</u> |
| <u>PERFORMANCE INDICATORS</u> | | | | |
| Office Staff (5 FTE) | Phone calls | 28,800 | 27,500 | 31,000 |
| | Consultations/walk-ins | 6,649 | 7,166 | 7,300 |
| | Meetings | 361 | 310 | 340 |
| Inspectors (1 FTE) | Phone calls | 2,588 | 2,400 | 2,600 |
| | Consultations/walk-ins | 180 | 180 | 180 |
| | Meetings | 21 | 26 | 28 |
| Code Compliance (1.5 FTE) | Phone calls | 4,738 | 4,800 | 4,800 |
| | Consultations/walk-ins | 236 | 250 | 260 |
| | Meetings | 27 | 34 | 34 |
| Average number of days for staff to review plans and return comments to applicant: | | | | |
| | Residential | 10 | 10 | 10 |
| | Signs | 15 | 15 | 15 |
| | Commercial alterations & finish-outs | 10 | 10 | 10 |
| Percentage of code issues responded to within 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**

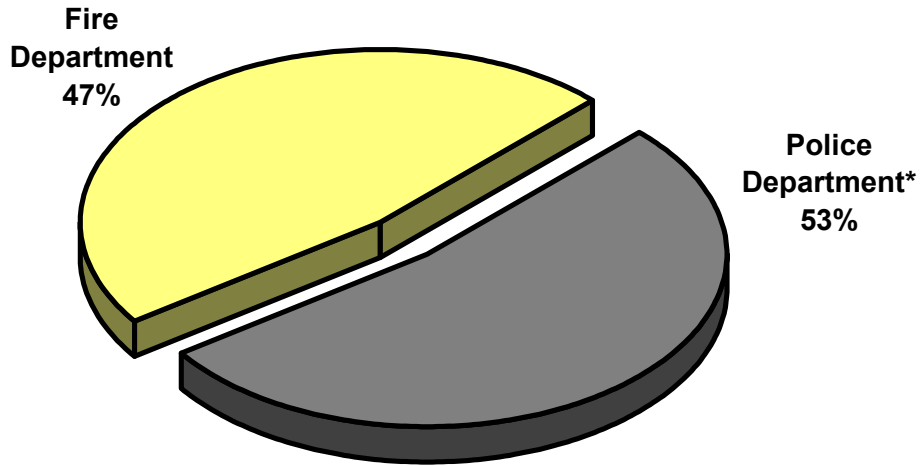
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 459,736 | \$ 508,520 | \$ 500,250 | \$ 540,050 |
| Operations & maintenance | 10,360 | 15,695 | 12,475 | 17,295 |
| Services & other | 204,915 | 268,195 | 265,280 | 260,100 |
| SUBTOTAL | 675,011 | 792,410 | 778,005 | 817,445 |
| Capital outlay | - | 12,000 | 12,000 | - |
| TOTAL | \$ 675,011 | \$ 804,410 | \$ 790,005 | \$ 817,445 |

PERSONNEL SUMMARY

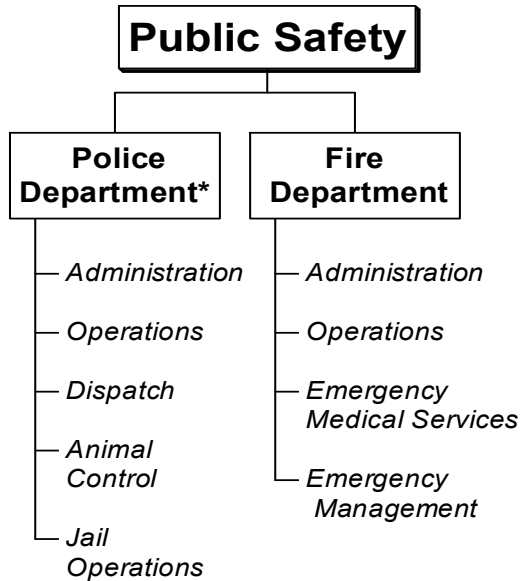
(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Building Official | Division Mgr | - | 1.0 | 1.0 |
| Construction Services Coordinator | PE-7 | 1.0 | 1.0 | 1.0 |
| Building Official | PE-7 | 1.0 | - | - |
| Plans Examiner | A/TN-11 | - | - | 1.0 |
| Code Compliance Inspector | A/TN-10 | 2.0 | 2.0 | 1.0 |
| Administrative Secretary | A/TN-8 | 1.0 | 1.0 | 1.0 |
| Customer Service Representative | A/TN-5 | - | 2.0 | 2.0 |
| Customer Service Representative | A/TN-4 | 2.0 | - | - |
| Community Development Field Worker | TN-1 | 0.5 | 0.5 | 0.5 |
| TOTAL | | 7.5 | 7.5 | 7.5 |

Public Safety



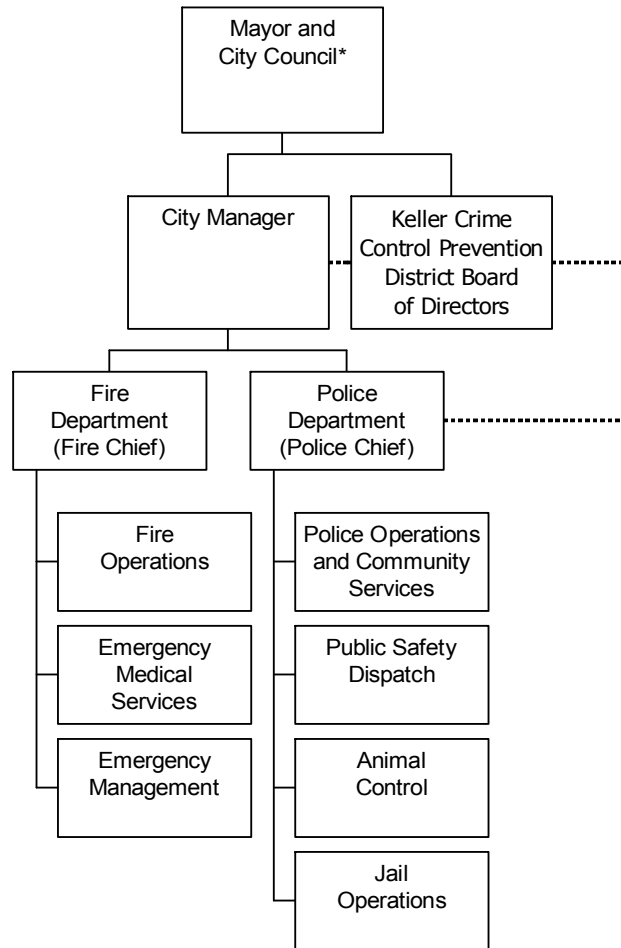
Department total: \$14,141,155



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

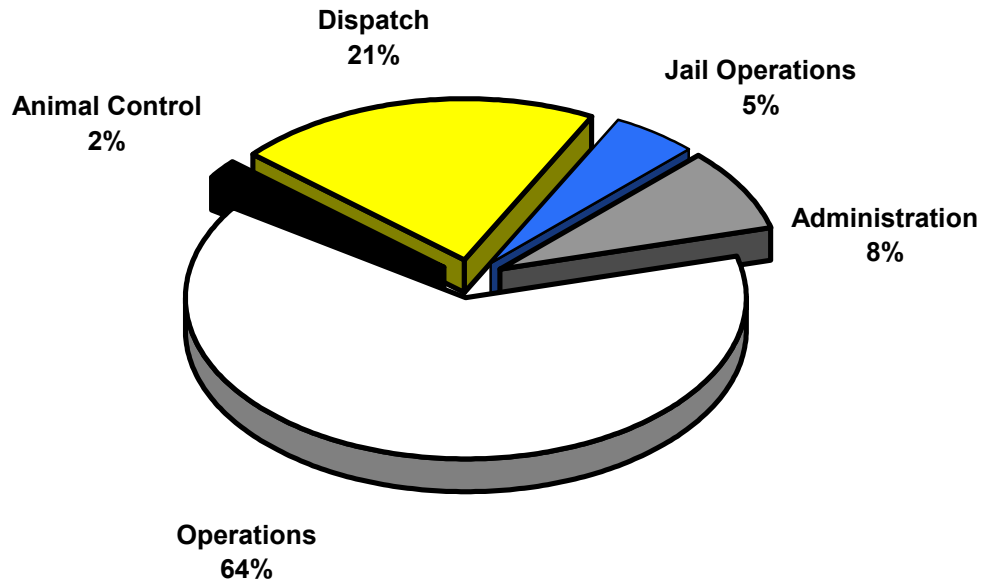
CITY OF KELLER, TEXAS ORGANIZATION CHART

PUBLIC SAFETY

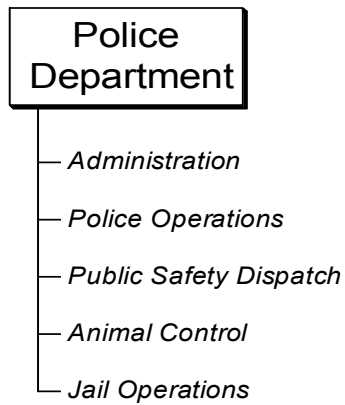


* - Denotes elected positions.

Police Department



Department total: \$7,463,110



**DEPARTMENT SUMMARY
POLICE DEPARTMENT**

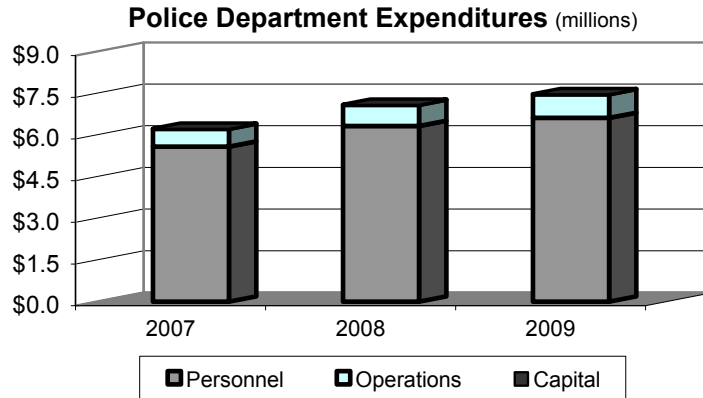
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 5,580,772 | \$ 6,334,910 | \$ 6,322,655 | \$ 6,614,955 |
| Operations & maintenance | 314,647 | 380,505 | 367,675 | 419,050 |
| Services & other | 323,016 | 466,390 | 394,120 | 429,105 |
| SUBTOTAL | 6,218,435 | 7,181,805 | 7,084,450 | 7,463,110 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 6,218,435 | \$ 7,181,805 | \$ 7,084,450 | \$ 7,463,110 |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Administration | \$ 687,210 | \$ 620,920 | \$ 583,185 | \$ 624,570 |
| Police Operations | 4,414,942 | 4,527,710 | 4,552,850 | 4,746,010 |
| Public Safety Dispatch | 988,993 | 1,545,980 | 1,467,745 | 1,575,940 |
| Animal Control | 127,290 | 147,790 | 133,565 | 151,655 |
| Jail Operations | - | 339,405 | 347,105 | 364,935 |
| TOTAL | \$ 6,218,435 | \$ 7,181,805 | \$ 7,084,450 | \$ 7,463,110 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 5.00 | 3.90 | 3.90 |
| Police Operations | 54.00 | 49.00 | 49.00 |
| Public Safety Dispatch | 16.50 | 22.00 | 22.00 |
| Animal Control | 2.00 | 2.00 | 2.00 |
| Jail Operations | - | 5.10 | 5.10 |
| TOTAL | 77.50 | 82.00 | 82.00 |



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 facility & equipment maintenance.

DEPARTMENT/DIVISION GOALS:

1. Continue to meet the service needs of a fast 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. Renew, manage, and monitor the Police Services Agreement with the Town of Westlake.
6. Successfully pass the on-site assessment and achieve re-accreditation by the Commission on Accreditation for Law Enforcement Agencies.
7. Implement priorities based on feedback achieved from the citizen's survey.

DEPARTMENT/DIVISION SERVICE ANALYSIS*:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|-------------------------------------|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Total Part I major crimes | 514 | 555 | 595 |
| Total arrests | 1,631 | 1,750 | 1,800 |
| Total traffic accidents | 404 | 425 | 435 |
| Citizen Initiated calls for service | 27,008 | 27,500 | 28,000 |
| Officer Initiated calls for service | 48,402 | 50,800 | 51,800 |
| E-Safe E-Mails | 4,072 | 4,600 | 5,000 |

*Excludes Town of Westlake activity.

FUND:
General

DEPARTMENT:
Police

DIVISION:
Administration

ACCOUNT:
100-300-01

**POLICE ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 472,137 | \$ 380,200 | \$ 383,365 | \$ 399,360 |
| Operations & maintenance | 49,691 | 52,825 | 48,425 | 49,065 |
| Services & other | 165,382 | 187,895 | 151,395 | 176,145 |
| SUBTOTAL | 687,210 | 620,920 | 583,185 | 624,570 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 687,210 | \$ 620,920 | \$ 583,185 | \$ 624,570 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Police Chief | Director | 1.0 | 1.0 | 1.0 |
| Police Lieutenant (1) | PSE-2P | 1.0 | 0.9 | 0.9 |
| Information/Records Manager (2) | PE-7 | 1.0 | - | - |
| Administrative Secretary | A/TN-8 | 1.0 | 1.0 | 1.0 |
| Building Maintenance Tech I | TN-1 | 1.0 | 1.0 | 1.0 |
| TOTAL | | 5.0 | 3.9 | 3.9 |

(1) 0.1 FTE transferred to the Police/Jail Operations division for 2007-2008.

(2) Position transferred to the Police/Public Safety Dispatch & Records division for 2007-2008.

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.
 - Deploy bike patrol officers during community events and parades.
 - Assign directive bike patrols to areas experiencing criminal activity.
 - Have the bike unit manage traffic at the annual Lions Club Parade
3. Maintain officer-training levels through in-house training sources.
 - Average 30 hours of in-service training per officer.
4. 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.
 - Send Quarterly driving tips via the E-Safe email system.
5. Increase traffic enforcement visibility in neighborhoods and other locations of frequent traffic complaints.
 - Continue to place traffic complaints under the 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.
6. Continue efforts to curb underage alcohol and tobacco use.
 - Conduct two alcohol/tobacco sting operations.
 - Reinforce efforts by training local business employees.
7. Develop and Implement the COPS Police Training Officer program (PTO)
 - Develop the initial training and PTO selection.
 - Revise and update our FTO program into a PTO program.
8. Continue to utilize Citizens Academy alumni to volunteer for support services (warrants, property destruction, and victim's assistance).

(Continued)

FUND:
General

DEPARTMENT:
Police

DIVISION:
Police Operations

ACCOUNT:
100-300-20

(Continued)

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|-----------------------------|-------------------------------|-------------------------------|--------------------------------|
| | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROJECTED |
| Case clearance rate | 66.8% | 66.5% | 6.5% |
| Part 1 crime clearance rate | 29.6% | 30.0% | 30.0% |
| Total arrests made | 1,354 | 1,570 | 1,610 |
| Total citations issued | 12,755 | 10,500 | 11,800 |
| Total cases investigated | 1,923 | 2,100 | 2,200 |

FUND:
General

DEPARTMENT:
Police

DIVISION:
Police Operations

ACCOUNT:
100-300-20

**POLICE OPERATIONS
DIVISION/ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 4,089,468 | \$ 4,146,320 | \$ 4,182,180 | \$ 4,332,025 |
| Operations & maintenance | 223,906 | 257,235 | 253,145 | 301,085 |
| Services & other | 101,568 | 124,155 | 117,525 | 112,900 |
| SUBTOTAL | 4,414,942 | 4,527,710 | 4,552,850 | 4,746,010 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 4,414,942 | \$ 4,527,710 | \$ 4,552,850 | \$ 4,746,010 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Police Lieutenant | PSE-2P | 2.00 | 2.00 | 2.00 |
| Police Sergeant | PSN-11P | 6.00 | 6.00 | 6.00 |
| Criminal Investigator/Corporal | PSN-4P | 6.00 | 6.00 | 6.00 |
| Police Officer | PSN-2P | 35.00 | 35.00 | 35.00 |
| Detention Officer (1) | PN-1 | 5.00 | - | - |
| TOTAL | | 54.00 | 49.00 | 49.00 |

(1) Positions transferred to the Police/Jail Operations division 2007-2008.

FUND:
General

DEPARTMENT:
Police

DIVISION:
Public Safety Dispatch

ACCOUNT:
100-300-21

(Continued)

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Effectiveness: | | | |
| Average time from call dispatch to arrival: | | | |
| Police emergency response time (minutes) | 3.25 | 4.25 | 4.25 |
| Fire/EMS emergency response time (minutes) | 5.16 | 4.85 | 4.85 |
| Efficiency: | | | |
| Average time from call receipt to dispatch: | | | |
| Police emergency calls (minutes) | N/A | 3.15 | 2.00 |
| Fire/EMS emergency calls (minutes) | N/A | 2.25 | 1.00 |
| Percentage of 911 phone calls answered within 10 seconds | N/A | 100% | 100% |

FUND:
General

DEPARTMENT:
Police

DIVISION:
Public Safety Dispatch

ACCOUNT:
100-300-21

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 906,504 | \$ 1,391,070 | \$ 1,342,480 | \$ 1,437,895 |
| Operations & maintenance | 32,443 | 45,515 | 43,065 | 44,145 |
| Services & other | 50,046 | 109,395 | 82,200 | 93,900 |
| SUBTOTAL | 988,993 | 1,545,980 | 1,467,745 | 1,575,940 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 988,993 | \$ 1,545,980 | \$ 1,467,745 | \$ 1,575,940 |

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

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Managing Director (1) | Division Mgr | - | 1.0 | 1.0 |
| Regional Dispatch Supervisor | PN-8 | - | 1.0 | 1.0 |
| Dispatch Supervisor | PN-6 | 1.0 | - | - |
| Dispatcher (2) | PN-3 | - | 18.0 | 18.0 |
| Dispatcher (2) | PN-2 | 13.5 | - | - |
| Senior Records Technician | A/TN-5 | 1.0 | 1.0 | 1.0 |
| Records Technician | A/TN-4 | 1.0 | 1.0 | 1.0 |
| TOTAL | | 16.5 | 22.0 | 22.0 |

(1) Position transferred from Police Administration division in 2007-2008.

(2) Nine positions added April 2007 (Keller/Southlake jail/dispatch merger).

FUND:
General

DEPARTMENT:
Police

DIVISION:
Animal Control

ACCOUNT:
100-300-23

DEPARTMENT/DIVISION DESCRIPTION:

The Animal Control 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.
 - Expand weekend and nights staffing coverage.
 - Answer incoming calls by the third ring.
 - Return voice mails within one hour while on duty.
 - Conduct at least three daily inspections of the facilities to ensure cleanliness and proper care.
2. Increase the number of impounds and adoptions by 7%.
 - Be extremely responsive to citizen complaints or calls for service.
 - Conduct proactive patrols.
 - Work with citizens to trap wild animals that become problematic.
 - Participate in community events where citizens may have an opportunity to adopt an animal.
3. Continue volunteer staffing to assist with kennel care and adoptions.
 - Continue to allow volunteers to answer the telephones, walk, interact, groom, and bathe friendly animals
4. Continue to ensure safe animal population.
 - Euthanize those animals that require such actions within the legal guidelines, for example vicious animals or wild animals not suitable for relocation.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---------------------------|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Stray animals impounded | 1,152 | 1,292 | 1,432 |
| Citations issued | 103 | 60 | 85 |
| Total calls for service | 9,935 | 12,750 | 14,815 |
| Animal bite reports taken | 65 | 54 | 86 |
| Reported rabies incidents | – | 1 | 1 |
| Animals adopted/redeemed | 619 | 724 | 1,205 |

FUND:
General

DEPARTMENT:
Police

DIVISION:
Animal Control

ACCOUNT:
100-300-23

**POLICE – ANIMAL CONTROL
DIVISION/ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 112,663 | \$ 120,450 | \$ 107,910 | \$ 123,055 |
| Operations & maintenance | 8,607 | 12,730 | 11,120 | 13,410 |
| Services & other | 6,020 | 14,610 | 14,535 | 15,190 |
| SUBTOTAL | 127,290 | 147,790 | 133,565 | 151,655 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 127,290 | \$ 147,790 | \$ 133,565 | \$ 151,655 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 and Westlake. The detainees are temporarily held in the facility for up to 72 hours awaiting transfer to the Tarrant County Jail. They are monitored closely and are taken through an intake and screening process.

DEPARTMENT/DIVISION GOALS:

1. Operate a safe, efficient, and humane temporary holding facility.
2. Fulfill the obligations under the Southlake Jail Services agreement.
3. Provide a positive atmosphere with other employees by following our 4 core values, (empathy, edification, enthusiasm and excellence).

DEPARTMENT/DIVISION OBJECTIVES:

1. Follow the inspection schedule under accreditation standards.
2. Create a more efficient way to assist in the flow of paperwork and cash brought into the Detention Facility.
3. Provide jailers with in house training for prisoner restraints and personal safety techniques.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Keller prisoners detained | 1,266 | 1,594 | 1,758 |
| Southlake prisoners detained | 897 | 976 | 1,055 |
| Westlake prisoners detained | 266 | 346 | 426 |

FUND:
General

DEPARTMENT:
Police

DIVISION:
Jail Operations

ACCOUNT:
100-300-25

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

| | <u>2006-2007</u> <u>ACTUAL</u> | <u>2007-2008</u> <u>BUDGET</u> | <u>2007-2008</u> <u>ESTIMATE</u> | <u>2008-2009</u> <u>PROPOSED</u> |
|---|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ – | \$ 296,870 | \$ 306,720 | \$ 322,620 |
| Operations & maintenance | – | 12,200 | 11,920 | 11,345 |
| Services & other | – | 30,335 | 28,465 | 30,970 |
| SUBTOTAL | – | 339,405 | 347,105 | 364,935 |
| Capital outlay | – | – | – | – |
| TOTAL | \$ – | \$ 339,405 | \$ 347,105 | \$ 364,935 |

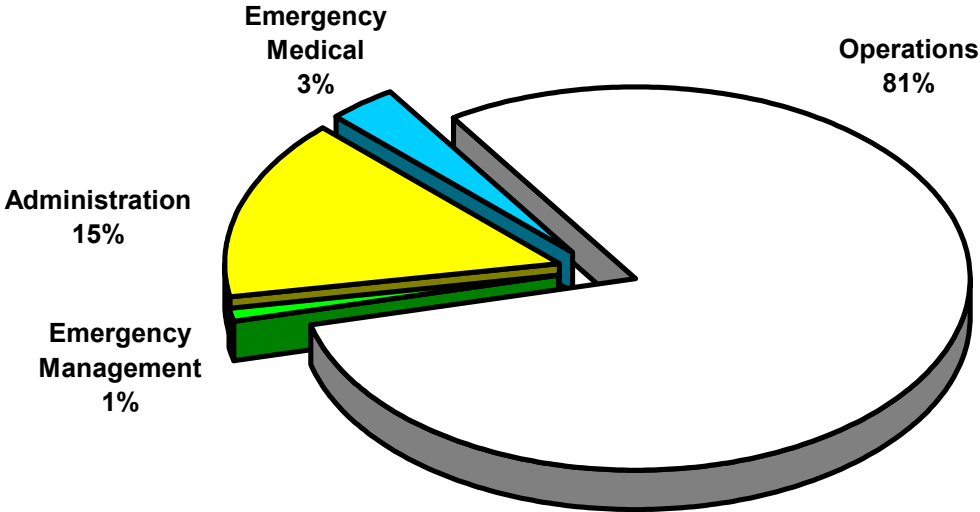
PERSONNEL SUMMARY
(Full-time Equivalent Positions - Includes Vacant Positions)

| <u>POSITION TITLE</u> | <u>PAY</u> <u>CLASS</u> | <u>2006-2007</u> <u>ACTUAL</u> | <u>2007-2008</u> <u>ESTIMATE</u> | <u>2008-2009</u> <u>PROPOSED</u> |
|-----------------------|----------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Police Lieutenant (1) | PSE-2P | – | 0.1 | 0.1 |
| Detention Officer | PN-2 | – | 5.0 | 5.0 |
| TOTAL | | – | 5.1 | 5.1 |

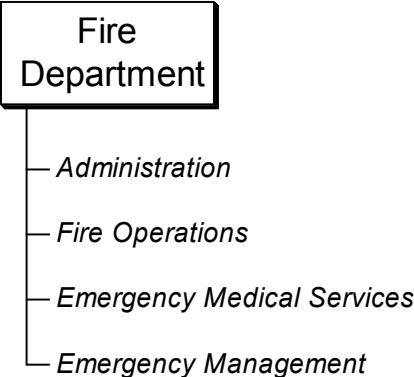
(1) Position transferred from the Police Administration division 2007-2008.

All costs, activities, and positions transferred from other Police Department divisions for fiscal year 2007-2008.

Fire Department



Department total: \$ 6,678,045



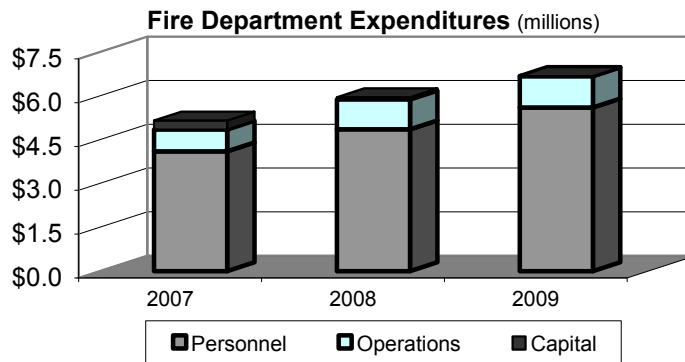
FIRE DEPARTMENT DEPARTMENT SUMMARY

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|---------------------|---------------------|-----------------------|-----------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 4,104,988 | \$ 5,384,690 | \$ 4,857,500 | \$ 5,605,370 |
| Operations & maintenance | 456,767 | 666,426 | 656,525 | 680,630 |
| Services & other | 287,806 | 357,360 | 361,675 | 392,045 |
| SUBTOTAL | 4,849,561 | 6,408,476 | 5,875,700 | 6,678,045 |
| Capital outlay | 310,345 | 87,474 | 82,105 | - |
| TOTAL | \$ 5,159,906 | \$ 6,495,950 | \$ 5,957,805 | \$ 6,678,045 |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <i>EXPENDITURES BY DIVISION:</i> | | | | |
| Administration | \$ 847,593 | \$ 1,017,854 | \$ 992,655 | \$ 1,023,535 |
| Fire Operations | 3,952,553 | 5,181,250 | 4,610,000 | 5,365,450 |
| Emergency Medical Services | 318,452 | 232,796 | 276,770 | 217,040 |
| Emergency Management | 41,308 | 64,050 | 78,380 | 72,020 |
| TOTAL | \$ 5,159,906 | \$ 6,495,950 | \$ 5,957,805 | \$ 6,678,045 |

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

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|---------------------|-----------------------|-----------------------|
| Administration | 8.25 | 8.50 | 8.50 |
| Fire Operations | 42.00 | 54.00 | 54.00 |
| TOTAL | 50.25 | 62.50 | 62.50 |



FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Administration

ACCOUNT:
100-350-01

DEPARTMENT DESCRIPTION:

The Keller Fire Department Administration division consists of 8 employees: the Fire Chief (Fire Department Manager) serving also as Emergency Management Coordinator for all City departments regarding Homeland Security and disaster planning, preparedness, response and recovery operations. The Fire Operations Chief, who oversees the firefighters at the fire substations and all aspects of fire fighting, supplies and rescue training budgets. The Emergency Medical Services (EMS) Chief oversees all emergency medical aspects of the department and coordinates with the Emergency Medical Director, a contract physician who assures quality control of all our paramedics and the Fire Marshal or Fire Prevention Division Chief. The Fire Marshal and two fire inspectors work closely with the City's Development Review Committee reviewing all plans for fire code compliance. Fire Administrative staff keeps developers, builders and business owners apprised of code requirements during construction to assure life safety systems are adequate for the occupancy type for the life of the business and building. The Administrative Secretary and a Records Technician answer the many questions from our citizens as well as our employees while coordinating the thousands of financial transactions necessary to maintain this complex fire protection system. The remaining fire department employees are shift firefighters in the Fire Operations division.

Fire Administrative duties include:

- Planning for fire and life-safety protection for the City
- Administering compliance with unfunded state and federal mandates (many relating to Homeland Security compliance issues)
- Applying for and administering grant funding
- Partnering with the KISD for joint training and fire safety programs
- Maintaining a legislative liaison with the North Central Texas Council of Governments, state and national fire service organizations as well as neighboring fire departments
- Staffing the department with qualified personnel through cooperative efforts with the Northeast Combined Testing (NFACT) assures citizens of a continued level of emergency services.
- Organizing fire department services including emergency response for fire and EMS, fire cause investigation and prosecution, code enforcement, developer consultation, permits, public fire safety education and emergency management services or "homeland security" duties. Budgeting for daily operating expenses, future capital improvements such as fire stations, fire and EMS apparatus and staff vehicles, tools, and equipment are a major part of administrative duties.

Coordinating our membership activities in the North East Fire Department Association (NEFDA) that jointly staffs and trains with the following Regional Response Assets (though none are housed in Keller) as well as supporting State Emergency Response with local assets through membership in:

- North East Explosives Response Team (Bomb Squad)
- Technical Rescue Team and Heavy Rescue
- Hazardous Materials Response Team
- Mass DECON 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

(continued)

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Administration

ACCOUNT:
100-350-01

(Continued)

DEPARTMENT/DIVISION GOALS:

1. Add staffing incrementally to meet scheduled opening of Fire Station 4 by early in 2009.
2. Continue support of city-wide joint-operational programs to improve efficiency and effectiveness of service delivery.
3. Continue city-wide fire protection system improvements to attain an ISO "2" Public Protection Classification (PPC) rating before projected build-out in 2025. (The Insurance Services Office (ISO) grades cities based on their overall ability to provide fire protection on a scale of "1 to 10" with "10" being the highest rating. Keller currently a "PPC 4").
4. Increase City Emergency Operating Center/Emergency Management exercises to at least 2 annually and seek local E-Team software applications and regular familiarization training with E-Team software.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Total Fire & EMS calls for service | 2,595 | 2,960 | 3,409 |
| Average overall response time (minutes) | 5.2 | 5.4 | 5.4 |
| Fire investigations conducted | 41 | 55 | 60 |
| Commercial construction plans/plats reviewed | 224 | 260 | 290 |
| Commercial fire inspections conducted | 584 | 600 | 620 |
| Public fire education programs conducted | 118 | 130 | 145 |

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Administration

ACCOUNT:
100-350-01

**FIRE DEPARTMENT ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 732,228 | \$ 826,900 | \$ 823,480 | \$ 877,725 |
| Operations & maintenance | 40,230 | 37,560 | 38,680 | 40,760 |
| Services & other | 68,543 | 84,995 | 78,545 | 105,050 |
| SUBTOTAL | 841,001 | 949,455 | 940,705 | 1,023,535 |
| Capital outlay | 6,592 | 68,399 | 51,950 | - |
| TOTAL | \$ 847,593 | \$ 1,017,854 | \$ 992,655 | \$ 1,023,535 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|----------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Fire Chief | Director | 1.00 | 1.00 | 1.00 |
| Operations Division Chief | PSE-2F | 1.00 | 1.00 | 1.00 |
| EMS Division Chief | PSE-2F | 1.00 | 1.00 | 1.00 |
| Fire Prevention Division Chief | PSE-2F | 1.00 | 1.00 | 1.00 |
| Fire Inspector/Investigator | PSN-2FI | - | 1.00 | 1.00 |
| Fire Inspector | PSN-1F1 | 1.75 | 1.00 | 1.00 |
| Administrative Secretary | A/TN-8 | 1.00 | 1.00 | 1.00 |
| Accounting Technician | A/TN-7 | - | 1.00 | 1.00 |
| Records Technician | A/TN-4 | 1.00 | - | - |
| Fire/Emergency Management Intern | NA | 0.50 | 0.50 | 0.50 |
| TOTAL | | 8.25 | 8.50 | 8.50 |

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 two fire substations and work a three-platoon rotating 24-hour shift. The Fire Operations Division utilizes two major fire apparatus, two 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 Police 9-1-1 Communications Center using an 800 MHz radio system in which Keller is a joint member with five other area cities.

DEPARTMENT/DIVISION GOALS:

1. Open Fire Station 4 for operation in early 2009.
2. Conduct promotional exam for the Captain and Fire Equipment Operators for Station 4.
3. Improve efficiency in staff scheduling and payroll recordkeeping/calculating by changing from a manual system to a computerized employee management system.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Calls for service (excludes EMS calls): | | | |
| Fire calls | 232 | 336 | 483 |
| False alarm responses | 478 | 528 | 580 |
| Public service calls | 142 | 200 | 280 |
| Mutual aid calls provided to other cities (included in above total) | 90 | 115 | 135 |
| Mutual aid received from other cities (included in above total) | 131 | 185 | 220 |

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Fire Operations

ACCOUNT:
100-350-40

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 3,372,760 | \$ 4,557,790 | \$ 4,034,020 | \$ 4,727,645 |
| Operations & maintenance | 309,297 | 457,975 | 431,715 | 484,995 |
| Services & other | 120,007 | 146,410 | 144,265 | 152,810 |
| SUBTOTAL | 3,802,064 | 5,162,175 | 4,610,000 | 5,365,450 |
| Capital outlay | 150,489 | 19,075 | - | - |
| TOTAL | \$ 3,952,553 | \$ 5,181,250 | \$ 4,610,000 | \$ 5,365,450 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Fire Captain | PSN-10F | 6.0 | 6.0 | 6.0 |
| Fire Equipment Operator | PSN-2F | 6.0 | 6.0 | 6.0 |
| Firefighter/Paramedic Field Training Officer | PSN-2F | 6.0 | 6.0 | 6.0 |
| Firefighter/Paramedic | PSN-1F | 24.0 | 36.0 | 36.0 |
| TOTAL | | 42.0 | 54.0 | 54.0 |

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. Maintain or decrease average response time from time of dispatch to on scene at five (5) minutes.
3. Maintain or decrease average time in minutes for EMS down-time to thirty (30) minutes.
4. Add two ambulances to fleet, with one placed in service at Station 4 when completed, and one ambulance as a reserve ambulance in order to maintain a service response standard of three full time ambulances.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| EMS calls for service | 1,743 | 1,896 | 2,066 |
| EMS total patients cared for | 1,761 | 1,860 | 1,971 |
| EMS total patient transports | 1,221 | 1,344 | 1,452 |
| EMS mutual aid provided (included in above total) | 69 | 79 | 96 |
| EMS mutual aid received (included in above total) | 17 | 94 | 10 |
| <u>BENCHMARKS</u> | | | |
| EMS response time (from dispatch to on location, average minutes) | 5 | 5 | 5.45 |
| EMS down time (at hospital to available for call, average minutes) | 47 | 44 | 30 |

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Emergency Medical
Services

ACCOUNT:
100-350-41

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 103,210 | 152,291 | 164,530 | 133,675 |
| Services & other | 61,978 | 80,505 | 82,085 | 83,365 |
| SUBTOTAL | 165,188 | 232,796 | 246,615 | 217,040 |
| Capital outlay | 153,264 | - | 30,155 | - |
| TOTAL | \$ 318,452 | \$ 232,796 | \$ 276,770 | \$ 217,040 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|

Funding for emergency medical positions is included in the Fire Department/Operations division.

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Emergency Management

ACCOUNT:
100-350-42

DEPARTMENT/DIVISION DESCRIPTION:

The Emergency Management Division (EM) provides planning and coordination of the Keller Emergency Operations Plan. This is an all-hazards approach meeting the daily threats to the City including both natural and man-made disaster. The Homeland Security Administration is increasing its impact on local government preparedness and response criteria through unfunded federal mandates such as compliance with the National Incident Management System (NIMS). Non-compliance results in ineligibility for Federal grant dollars and possibly being ineligible for certain Federal Emergency Management Administration (FEMA) disaster reparations.

Keller Emergency Management fulfills a statutory requirement of local government that designates the Mayor and the Emergency Management Director, and as Director, is responsible for all disaster preparedness efforts. The Mayor may designate an Emergency Management "Coordinator" who, on a day-to-day basis, oversees the coordination of all City resources in the event of a disaster. In Keller it has historically been the Fire Chief who fills this position. Effective "Emergency Management" occurs when all City departments work together under the direction of the City Manager from the Emergency Operations Center in an effort to return the community to "normal" after a disaster strikes. Emergency **Preparedness, Mitigation, Response and Recovery** are the four phases of Emergency Management. The Emergency Management Coordinator and other City officials work with Tarrant County, North Central Texas Council of Governments, and State and Federal agencies in order to facilitate intergovernmental working relationships that may be required in a disaster. As a public service to the community, the Emergency Management Division and Keller Firefighters, in cooperation with the City of Fort Worth Environmental Services Department, conduct two household hazardous waste collection events each year. This "Green Initiative" keeps toxic chemicals out of the environment and reduces home hazards.

DEPARTMENT/DIVISION GOALS:

1. Coordinate regular classes for a Community Emergency Response Team (CERT) to reach 75-100 active volunteer members able to assist Keller emergency services independently in a disaster.
2. Enhance CERT/Fire Corps Response Vehicle operations for emergencies as Rehabilitation (REHAB) Division and Customer Service Division operations through active participation in emergencies.
3. Sign a Memorandum of Understanding with the State of Texas to support regional efforts for a Type 3 Incident Management Team, with fully authorized and supportive local team participation.
4. Maintain full compliance with National Incident Management System (NIMS) / Incident Command System (ICS) to remain eligible for State and Federal Grants and reimbursement in case of disaster.
5. Implement E-Team software usage for the City and incorporate daily usage to maintain proficiency.
6. Hold at least two Emergency Operations Center (EOC) / Emergency Management (EM) exercises per year and include a full-scale exercise every other year.
7. Increase public homeland security educational efforts through departmental outreach with CERT.
8. Market the low power Keller Information Station Amplitude Modulation (AM) 1650 as a good local source of information for daily planning and in emergencies. Purchase the recording software to improve ease of programming and use of station for all City departments.
9. Upgrade Outdoor Warning System triggering criteria to meet county-wide consensus standards.
10. Coordinate Household Hazardous Waste billing corrections for out-of-city participants with Keller Finance Department and Fort Worth Environmental Collection Center to lower costs for Keller.
11. Continue NIMS/ICS/EOC/EM training of city staff to meet Homeland Security Presidential Directive #5 and #8, Governor Rick Perry Order #40, and Keller Ordinance 2523.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Household hazardous waste events | 2 | 2 | 2 |
| Keller household hazardous waste program participants (Fort Worth Environmental Collection Center) | 527 | 570 | 620 |

FUND:
General

DEPARTMENT:
Fire Department

DIVISION:
Emergency Management

ACCOUNT:
100-350-42

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 4,030 | 18,600 | 21,600 | 21,200 |
| Services & other | 37,278 | 45,450 | 56,780 | 50,820 |
| SUBTOTAL | 41,308 | 64,050 | 78,380 | 72,020 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 41,308 | \$ 64,050 | \$ 78,380 | \$ 72,020 |

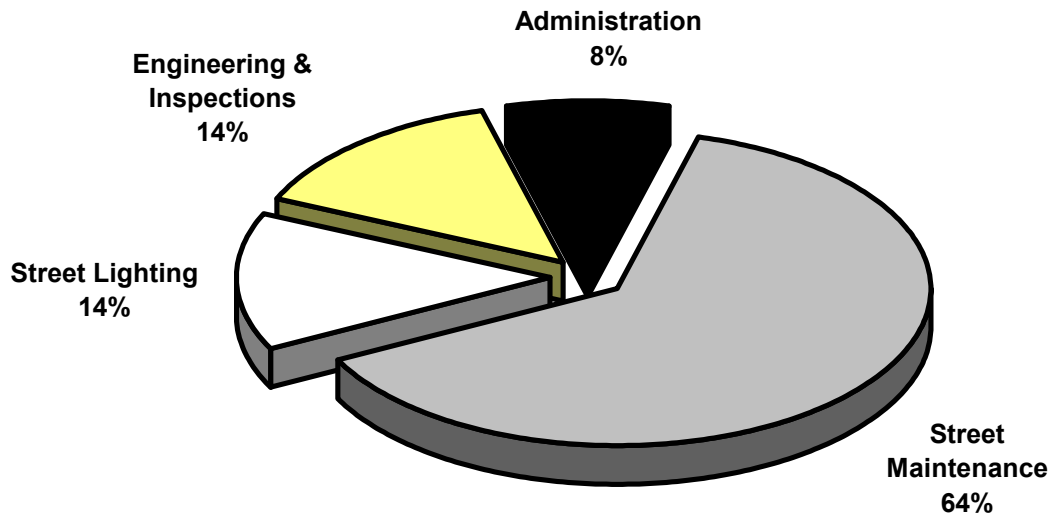
PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

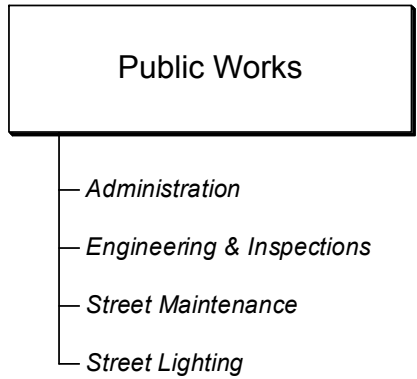
| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|



Public Works

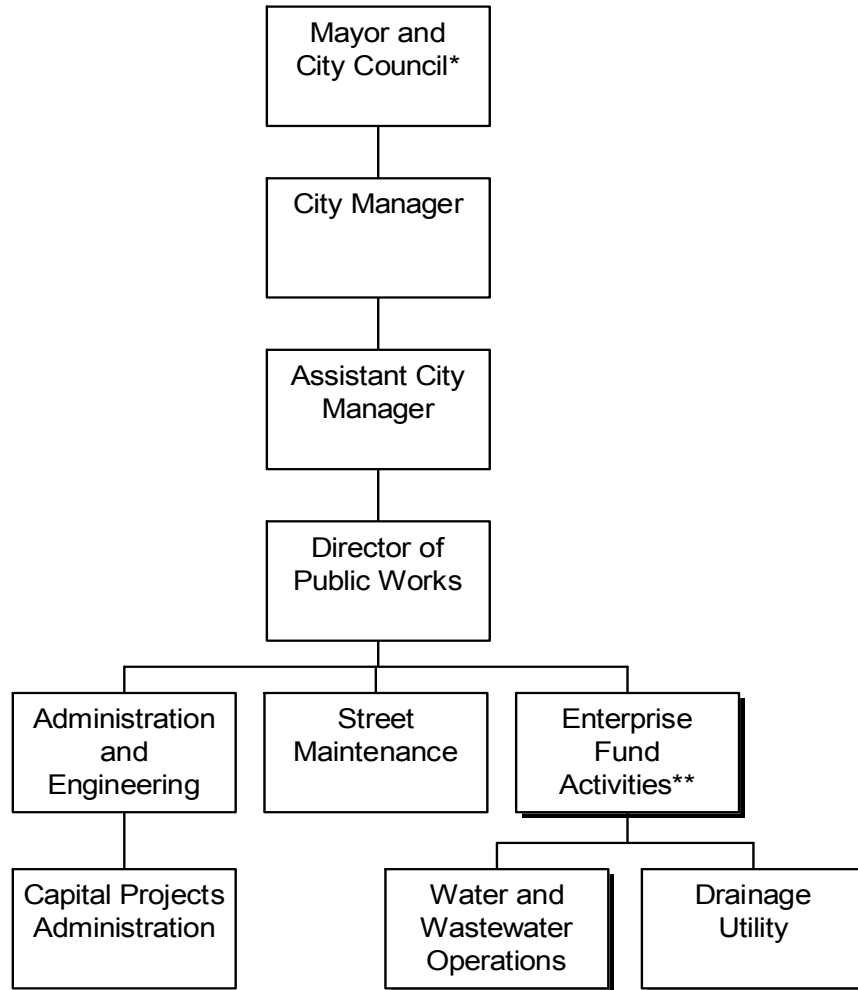


Department total: \$3,027,520



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**

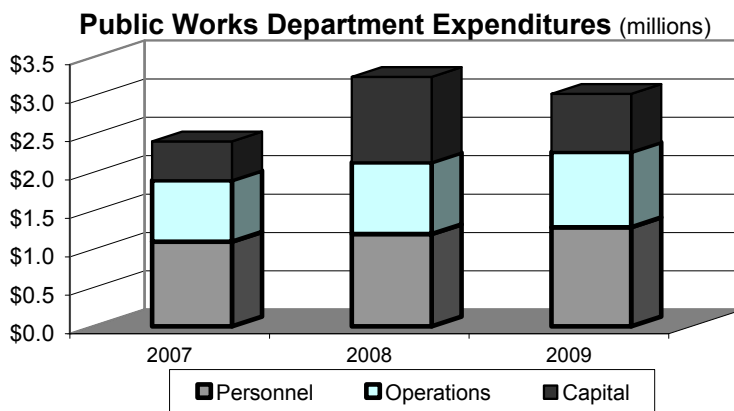
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 1,102,814 | \$ 1,211,390 | \$ 1,202,090 | \$ 1,290,835 |
| Operations & maintenance | 214,482 | 297,530 | 307,255 | 290,165 |
| Services & other | 583,523 | 601,650 | 625,175 | 689,135 |
| SUBTOTAL | 1,900,819 | 2,110,570 | 2,134,520 | 2,270,135 |
| Capital outlay | 506,992 | 1,045,900 | 1,112,400 | 757,385 |
| TOTAL | \$ 2,407,811 | \$ 3,156,470 | \$ 3,246,920 | \$ 3,027,520 |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <i>EXPENDITURES BY DIVISION:</i> | | | | |
| Administration | \$ 232,540 | \$ 237,265 | \$ 237,880 | \$ 249,640 |
| Engineering & Inspections | 389,135 | 408,380 | 411,530 | 431,970 |
| Street Maintenance | 1,399,457 | 2,070,325 | 2,127,010 | 1,920,910 |
| Street Lighting | 386,679 | 440,500 | 470,500 | 425,000 |
| TOTAL | \$ 2,407,811 | \$ 3,156,470 | \$ 3,246,920 | \$ 3,027,520 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 2.00 | 2.00 | 2.00 |
| Engineering & Inspections | 3.50 | 3.50 | 3.50 |
| Street Maintenance | 11.83 | 11.83 | 11.83 |
| TOTAL | 17.33 | 17.33 | 17.33 |



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, 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.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Scheduled work methods/processes reviewed | 10 | 10 | 10 |
| Scheduled customer service meetings | 4 | 4 | 4 |
| Scheduled coordination meetings with staff | 52 | 52 | 52 |
| Schedule staff to attend external quarterly training sessions | 4 | 4 | 4 |
| Review all budgets | 12 | 12 | 12 |

FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Administration

ACCOUNT:
100-500-01

**PUBLIC WORKS ADMINISTRATION
DIVISION/ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 206,406 | \$ 220,090 | \$ 220,200 | \$ 235,095 |
| Operations & maintenance | 1,683 | 5,800 | 6,420 | 4,000 |
| Services & other | 9,898 | 11,375 | 11,260 | 10,545 |
| SUBTOTAL | 217,987 | 237,265 | 237,880 | 249,640 |
| Capital outlay | 14,553 | - | - | - |
| TOTAL | \$ 232,540 | \$ 237,265 | \$ 237,880 | \$ 249,640 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 & Inspections 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.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROJECTED |
| In-house public works construction projects designed | 2 | 4 | 4 |
| Review & approve capital improvement projects designed by others | 14 | 6 | 12 |
| Street, water and wastewater map updates prepared | 4 | 4 | 4 |
| Development Review Committee items reviewed | 250 | 170 | 150 |
| Paving and utility inspections conducted for residential, commercial and capital improvement projects | 7,800 | 7,600 | 7,000 |
| Residential inspections conducted | 1,400 | 1,500 | 1,700 |
| Customer service requests completed | 2,600 | 2,600 | 3,000 |

FUND:
General

DEPARTMENT:
Public Works

DIVISION:
Engineering & Inspections

ACCOUNT:
100-500-50

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 274,988 | \$ 293,410 | \$ 300,460 | \$ 319,105 |
| Operations & maintenance | 6,345 | 9,575 | 10,555 | 10,685 |
| Services & other | 107,802 | 105,395 | 100,515 | 102,180 |
| SUBTOTAL | 389,135 | 408,380 | 411,530 | 431,970 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 389,135 | \$ 408,380 | \$ 411,530 | \$ 431,970 |

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

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 for conformation of 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 LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Lane miles of paved streets maintained | 393 | 397 | 401 |
| Tons of hot-mix asphalt used for major street repairs* | 7,520 | 8,650 | 8,650 |
| Tons of cold-mix asphalt used for street potholes | 45 | 55 | 55 |
| Linear feet of sidewalks repaired | 570 | 450 | 500 |
| Street signs repaired/replaced | 702 | 720 | 750 |
| Sidewalks repaired/replaced in-house (linear feet) | 330 | 100 | 100 |
| Miles of street striping completed | 11 | 20 | 23 |
| Acres of right-of-way mowed | 37 | 72 | 72 |
| Miles of street sweeping completed | 924 | 1,300 | 1,300 |
| Lane miles of streets crack-sealed | 2 | 10 | 15 |

* 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**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 621,420 | \$ 697,890 | \$ 681,430 | \$ 736,635 |
| Operations & maintenance | 206,454 | 281,655 | 289,780 | 275,480 |
| Services & other | 79,144 | 114,880 | 113,400 | 151,410 |
| SUBTOTAL | 907,018 | 1,094,425 | 1,084,610 | 1,163,525 |
| Capital outlay | 492,439 | 975,900 | 1,042,400 | 757,385 |
| TOTAL | \$ 1,399,457 | \$ 2,070,325 | \$ 2,127,010 | \$ 1,920,910 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 | 2.00 | 2.00 |
| Street Maintenance Worker | TN-2 | - | 5.00 | 5.00 |
| Street Maintenance Worker | TN-1 | 5.00 | - | - |
| Administrative Secretary | A/TN-8 | 0.33 | 0.33 | 0.33 |
| TOTAL | | 11.83 | 11.83 | 11.83 |

FY2009 highlights: capital outlay includes \$757,385 for street reconstruction.

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 the City is being billed accurately.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|-------------------------------------|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Number of street lights maintained* | 2,075 | 2,225 | 2,375 |

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 and 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**

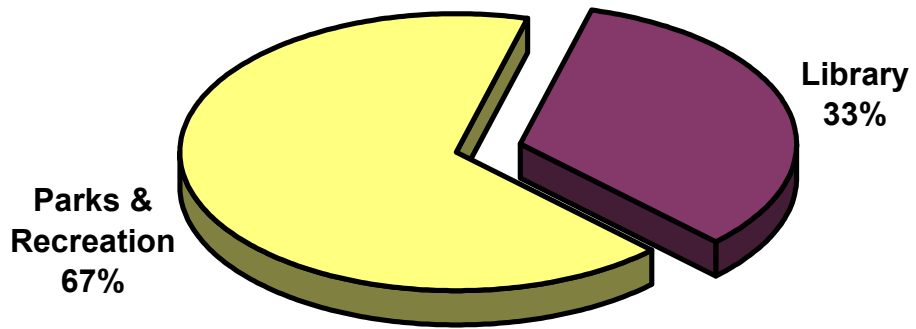
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | - | 500 | 500 | - |
| Services & other | 386,679 | 370,000 | 400,000 | 425,000 |
| SUBTOTAL | 386,679 | 370,500 | 400,500 | 425,000 |
| Capital outlay | - | 70,000 | 70,000 | - |
| TOTAL | \$ 386,679 | \$ 440,500 | \$ 470,500 | \$ 425,000 |

PERSONNEL SUMMARY

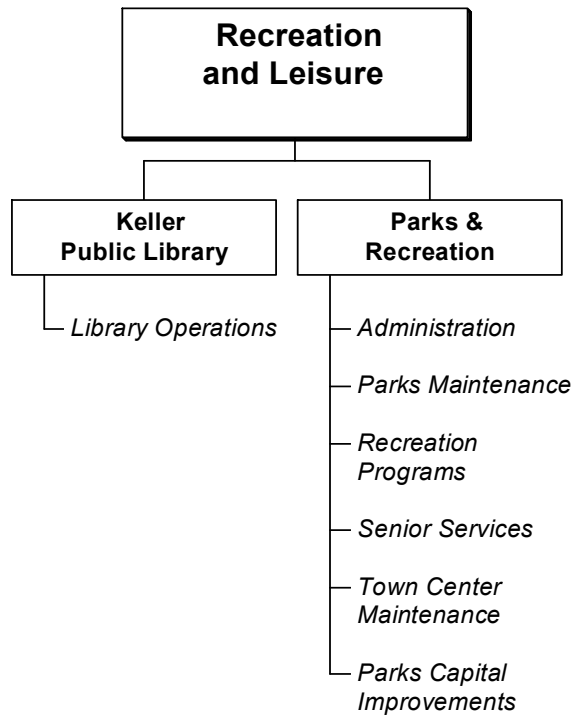
(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|

Recreation & Leisure

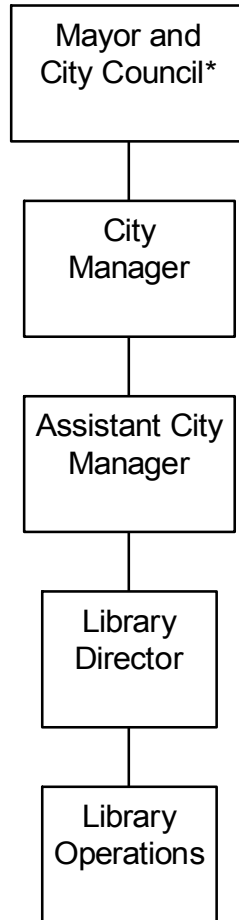


Department total: \$3,965,790



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. Improve customer convenience by targeting and addressing their desires/needs.
2. Identify and pursue expenditure savings while enhancing service.
3. Make more efficient use of space to allow for the increase in library service.
4. Develop the library collection to promote education, stimulate communication of ideas and enrich the lives of those served.
5. Obtain grants to supplement and enhance the library budget.
6. Ensure the staff has the knowledge, skills, and abilities to provide quality customer service.
7. Respond to the findings of the Library Focus Groups and Town Hall Meetings.

Objectives:

1. Continue to receive input from the community on library service and programs via the "Patron Comments Box."
2. Continue to evaluate on-line services and how they can be used to identify and save staff time and supplies by working in a paperless environment.
3. Evaluate circulation records to determine the high-interest, high-circulation materials and summarize the scope of the library collection.
4. Continue to seek and apply for grants that will enhance library service.
5. Send library staff to local workshops to improve and advance their library service skills.
6. Encourage librarians to participate in the Texas Library Association by serving on committees and attending the annual conference.
7. Have library materials shelved within 24 hours of check-in to give patrons the greatest number of materials available.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Visits to Library | 251,327 | 253,000 | 256,000 |
| Number of checkouts | 380,258 | 400,000 | 420,000 |
| New items added | 9,232 | 9,400 | 9,600 |
| Library program participants | 10,932 | 11,000 | 11,500 |
| <u>PERFORMANCE MEASURES</u> | | | |
| Checkouts per FTE employees as a measure of workload (Texas average of 12,697 checkouts per FTE) | 23,840 | 25,000 | 26,000 |
| Library visits per capita (Texas average 2.84) | 6.99 | 7.2 | 7.5 |
| Library checkouts per capita (Texas average 4.12) | 9.98 | 11.00 | 12.00 |

FUND:
General

DEPARTMENT:
Keller Public Library

DIVISION:
Administration

ACCOUNT:
100-600-01

**KELLER PUBLIC LIBRARY
DEPARTMENT SUMMARY**

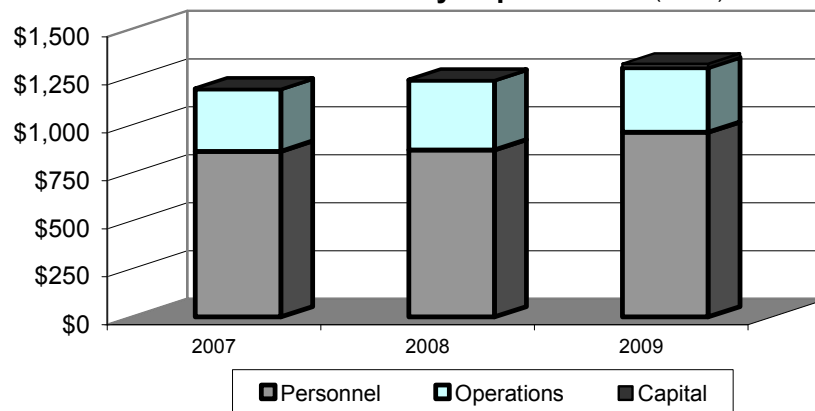
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 862,942 | \$ 930,820 | \$ 869,730 | \$ 961,980 |
| Operations & maintenance | 137,958 | 169,915 | 168,465 | 146,645 |
| Services & other | 187,877 | 201,216 | 196,235 | 189,585 |
| SUBTOTAL | 1,188,777 | 1,301,951 | 1,234,430 | 1,298,210 |
| Capital outlay | - | - | - | 21,000 |
| TOTAL | \$ 1,188,777 | \$ 1,301,951 | \$ 1,234,430 | \$ 1,319,210 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 | 4.00 |
| Library Computer Technician | PE-3 | 1.00 | 1.00 | - |
| Library Assistant | A/TN-6 | 1.00 | 1.00 | 2.00 |
| 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 | 6.83 | 5.83 |
| Library Aide (part-time) | NA | 0.14 | 0.14 | 0.14 |
| TOTAL | | 15.97 | 15.97 | 15.97 |

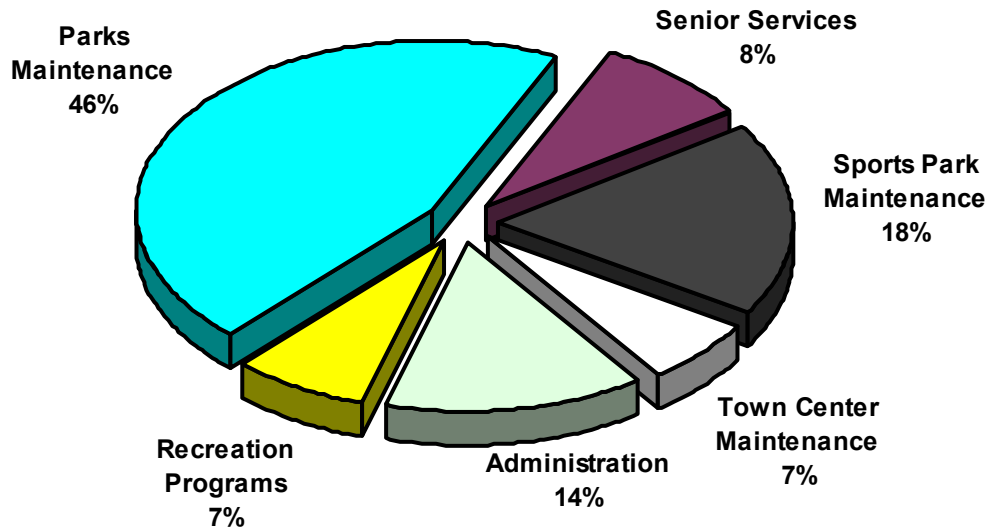
Keller Public Library Expenditures (000's)



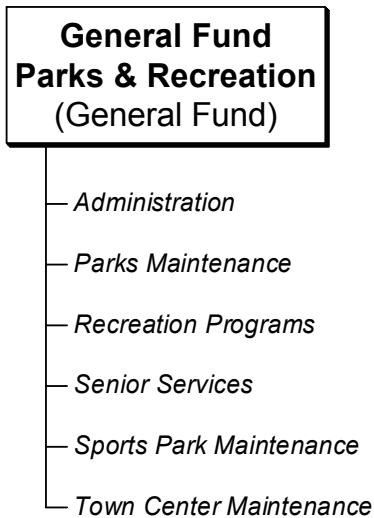
FY2009 highlights: capital outlay includes \$21,000 for furniture and fixtures for the Library renovation and expansion project.



General Fund Parks and Recreation

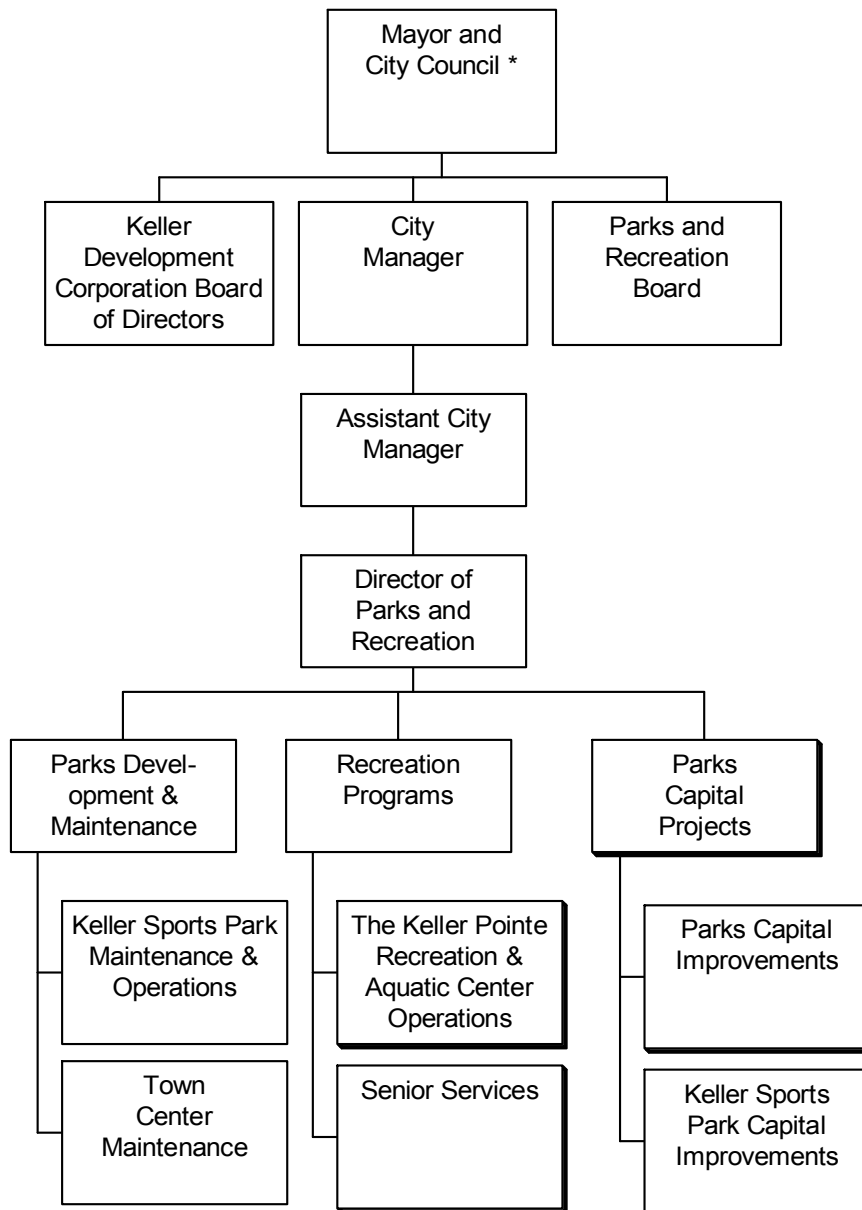


Department total: \$2,646,580



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**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 1,444,781 | \$ 1,598,800 | \$ 1,537,270 | \$ 1,674,715 |
| Operations & maintenance | 345,519 | 335,845 | 332,320 | 342,915 |
| Services & other | 518,348 | 586,355 | 593,090 | 628,950 |
| SUBTOTAL | 2,308,648 | 2,521,000 | 2,462,680 | 2,646,580 |
| Capital outlay | 21,186 | 53,000 | 51,500 | - |
| TOTAL | \$ 2,329,834 | \$ 2,574,000 | \$ 2,514,180 | \$ 2,646,580 |

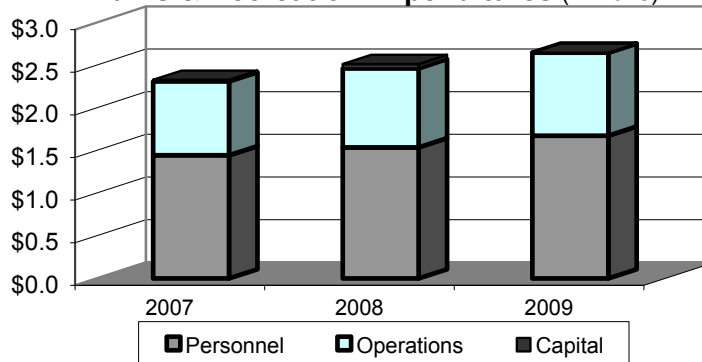
| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Administration | \$ 332,029 | \$ 354,820 | \$ 357,670 | \$ 376,620 |
| Parks Maintenance | 1,082,619 | 1,238,275 | 1,195,500 | 1,196,030 |
| Recreation Programs | 166,617 | 184,325 | 171,275 | 194,785 |
| Senior Services | 191,389 | 218,200 | 200,530 | 224,260 |
| Sports Park Maintenance | 379,844 | 410,560 | 428,355 | 482,325 |
| Town Center Maintenance | 177,336 | 167,820 | 160,850 | 172,560 |
| TOTAL | \$ 2,329,834 | \$ 2,574,000 | \$ 2,514,180 | \$ 2,646,580 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 4.00 | 4.00 | 4.00 |
| Parks Maintenance | 14.54 | 14.54 | 13.54 |
| Recreation Programs | 2.00 | 2.00 | 2.00 |
| Senior Services | 2.00 | 2.00 | 2.50 |
| Sports Park Maintenance | 4.00 | 4.00 | 5.00 |
| TOTAL | 26.54 | 26.54 | 27.04 |

Parks & Recreation Expenditures (millions)



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. Acquire and administer grants for parks and facilities development targeting land acquisition; expansion of the trail system, Senior Activities Center, Keller Sports Park; and a tennis facility.
2. Foster partnerships with the Keller Independent School District, civic groups, private businesses and neighboring cities to expand our resources.
3. Coordinate citizen boards including the Parks and Recreation Board, Keller Development Corporation and special committees and task forces.
4. Obtain land dedication and/or acquisition for park and trail development in accordance with the Parks and Open Space Master Plan.
5. Manage park and facility reservations.
6. Coordinate the park and trail system master plans with other developments within the City focusing on development of neighborhood parks.
7. Enforce the Park Dedication Ordinance and coordinate with developers for new park property and improvements.
8. Operate The Keller Pointe as an enterprise operation that is self-sufficient.
9. Provide quality customer service in the delivery of all programs and services that exceeds guest expectations.
10. To enhance communication to the public through improved maintenance of the web page.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---|-----------------------------------|-------------------------------------|--------------------------------------|
| | <u>2006-2007</u> <u>ACTUAL</u> | <u>2007-2008</u> <u>ESTIMATE</u> | <u>2008-2009</u> <u>PROJECTED</u> |
| Board/Committee meetings organized | 45 | 44 | 40 |
| Total facility reservations | 492 | 600 | 725 |
| Total in-house park projects designed | 1 | 3 | 1 |
| Total consultant-designed park projects | 1 | 2 | 2 |
| Total projects under construction | 2 | 3 | 3 |
| Total projects completed | 2 | 2 | 3 |

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Administration

ACCOUNT:
100-630-01

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 313,187 | \$ 336,050 | \$ 340,090 | \$ 355,410 |
| Operations & maintenance | 3,088 | 3,145 | 3,100 | 3,145 |
| Services & other | 15,754 | 15,625 | 14,480 | 18,065 |
| SUBTOTAL | 332,029 | 354,820 | 357,670 | 376,620 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 332,029 | \$ 354,820 | \$ 357,670 | \$ 376,620 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|----------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Director of Parks and Recreation | Director | 1.0 | 1.0 | 1.0 |
| Park Planner | PE-7 | 1.0 | 1.0 | 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 | 4.0 | 4.0 |



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 in Keller 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. (Street medians and right-of-ways that only include grass are maintained by the Public Works Department.) Additionally, the division is responsible for construction of small park amenities. Finally, the division assists the Recreation Division with the implementation of City-wide special events.

DEPARTMENT/DIVISION GOALS:

1. Professionally manage quality grounds and facilities.
2. Assist with the implementation of City-wide special events.
3. Daily inspect, clean and repair parks and park playground equipment.
4. Daily maintain and service park maintenance vehicles and equipment.
5. Provide daily custodial services to Fire Administration, Senior Activities Center and park restroom/concession facilities.
6. Construct and install new park amenities and/or complete park capital improvements.
7. Maintain landscaping in city parks, medians and city facilities.
8. Support youth sport associations to enhance recreational opportunities.
9. To provide quality customer service 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 LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Total park acreage (including undeveloped land) | 442 | 456 | 508 |
| 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 | 14 | 17 | 18 |
| Contracted developed park acreage maintained | 79 | 85 | 88 |
| Contracted park areas include Johnson Road Park (15 ac); Meandering Trail (6.94ac); Burse Ranch Park (1.3 ac); The Parks at Town Center (23 ac); Milestone Park (12 ac); Keller Sports Park (20 ac); Overton Ridge Park (7.88 ac) | | | |
| Undeveloped park land/open space maintained | 172 | 180 | 230 |
| The Parks at Town Center (86.73 ac); Northeast Park Property (43 ac); Cherry Grove Park (5.37 ac); Keller Sports Park (68 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 | 8 | 9 | 9 |
| Total city grounds maintained | 14 | 11.58 | 15 |
| 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 | 7,843 | 8,039 | 8,039 |
| <u>PERFORMANCE INDICATORS</u> | | | |
| • Developed park acreage per 1,000 residents | 7.16 | 7.13 | 7.05 |
| • *Operating & maintenance cost per developed acre | \$6,455 | \$6,772 | \$7,031 |
| • *Operating & maintenance cost per capita | \$23.98 | \$25.55 | \$26.40 |

*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**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 692,216 | \$ 779,540 | \$ 739,230 | \$ 759,735 |
| Operations & maintenance | 154,161 | 162,925 | 159,825 | 170,655 |
| Services & other | 215,056 | 242,810 | 244,945 | 265,640 |
| SUBTOTAL | 1,061,433 | 1,185,275 | 1,144,000 | 1,196,030 |
| Capital outlay | 21,186 | 53,000 | 51,500 | – |
| TOTAL | \$ 1,082,619 | \$ 1,238,275 | \$ 1,195,500 | \$ 1,196,030 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 (1) | TN-2 | – | 9.00 | 8.00 |
| Parks/Landscape Maintenance Worker | TN-1 | 9.00 | – | – |
| Building Maintenance Technician I | TN-1 | 1.00 | 1.00 | 1.00 |
| Parks Maintenance Worker (seasonal) | NA | 0.54 | 0.54 | 0.54 |
| TOTAL | | 14.54 | 14.54 | 13.54 |

(1) Position transferred to Sports Park Maintenance in fiscal year 2008-2009.

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 Services programs and The Keller Pointe operations. Special events administered by the department include the Wild Wild West Fest, Holly Days, TREE-Mendous Arbor Day Celebration, Haunted Trails, Spring Egg Scramble, Concerts in the Park, Spooky Kooky Keller Kastle, Fishing For Fun, Daddy Daughter Sweetheart Ball, Mother and Son "I Scream" Social, Family Fun Films, MasterWorks Music Series, Keller Family Canoe Trip, Family Camp Out, Get Up and Get Out series and the Community Trash-Off events. New for 2009 is KIDSFest, a two day festival dedicated to kids. Most of the special events (except for personnel support services) are funded in the Recreation Special Revenue Fund, but are administered by the Recreation Division staff.

DEPARTMENT/DIVISION GOALS:

1. Plan, administer and coordinate a variety of quality programs and special events to appeal to guests of all ages and interest.
2. Administer Keller Proud and Texas Amateur Athletic Programs.
3. To expand our resources and encourage community involvement in special events by:
 - a. Continuing to foster partnerships with Keller Independent School District, civic groups, businesses and neighboring communities.
 - b. Maintaining and promoting an active volunteer program.
 - c. Maintaining and expanding sponsorship opportunities.
4. To provide quality customer service that exceeds expectations of guests.
5. To enhance communication to the public through improved maintenance of the department's web page.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|----------------------------------|-----------------------------------|-------------------------------------|--------------------------------------|
| | <u>2006-2007</u> <u>ACTUAL</u> | <u>2007-2008</u> <u>ESTIMATE</u> | <u>2008-2009</u> <u>PROJECTED</u> |
| Special events provided annually | 31 | 35 | 41 |
| Special events participants | 21,801 | 24,213 | 44,582 |
| Program volunteers | 1,251 | 1,500 | 2,000 |
| Program volunteer hours | 2,178 | 2,846 | 4,215 |

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Recreation Programs

ACCOUNT:
100-630-61

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ 149,835 | \$ 164,420 | \$ 151,010 | \$ 162,565 |
| Operations & maintenance | 5,652 | 8,325 | 8,770 | 9,155 |
| Services & other | 11,130 | 11,580 | 11,495 | 23,065 |
| SUBTOTAL | 166,617 | 184,325 | 171,275 | 194,785 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 166,617 | \$ 184,325 | \$ 171,275 | \$ 194,785 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|----------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Recreation Superintendent | Division Mgr | 1.0 | 1.0 | 1.0 |
| Special Events Coordinator | A/TN-10 | - | - | 1.0 |
| Special Events Coordinator | A/TN-9 | 1.0 | 1.0 | - |
| TOTAL | | 2.0 | 2.0 | 2.0 |

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. A contractual agreement with Northeast Transportation Services Urban Transit District (NETSUTD) provides services to the elderly and also to those who are physically unable to drive.

DEPARTMENT/DIVISION GOALS:

1. To professionally maintain and operate a quality senior center with senior programming.
2. To provide a quality recreation program for Keller senior citizens that meets the needs of all senior ages and cultures.
3. To provide quality transportation services for individual basic needs to Keller citizens who are elderly or physically unable to drive to medical appointments; senior programs & shopping for necessities by:
 - Increasing awareness and usage of transportation services;
 - Participate with the NETSUTD to provide transportation services to the elderly and those with disabilities.
 - Seeking local, state and federal funding through the NETSUTD.
4. To provide quality customer service that exceeds expectations of guests.
5. To enhance communication to the public through improved maintenance of the web page.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Annual Senior Services program attendance | 6,100 | 9,000 | 9,600 |
| Annual Senior Services programs provided | 900 | 950 | 1,050 |
| Individuals served by transportation service | 240 | 245 | 250 |
| <u>PERFORMANCE INDICATORS</u> | | | |
| Number of annual trips provided through NETSUTD | 1,007 | 2,014 | 2,215 |
| Average regular (daily) senior services attendance | 34 | 42 | 47 |

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Senior Services

ACCOUNT:
100-630-62

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 116,930 | \$ 127,940 | \$ 120,170 | \$ 145,430 |
| Operations & maintenance | 26,652 | 28,520 | 28,450 | 18,625 |
| Services & other | 47,807 | 61,740 | 51,910 | 60,205 |
| SUBTOTAL | 191,389 | 218,200 | 200,530 | 224,260 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 191,389 | \$ 218,200 | \$ 200,530 | \$ 224,260 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Senior Center Supervisor | PE-6 | 1.0 | 1.0 | 1.0 |
| Recreation Specialist | A/TN-9 | 1.0 | 1.0 | 1.0 |
| Office Assistant | A/TN-1 | - | - | 0.5 |
| TOTAL | | 2.0 | 2.0 | 2.5 |

| | | | |
|--------------|--------------------|-------------------------|-----------------|
| FUND: | DEPARTMENT: | DIVISION: | ACCOUNT: |
| General | Parks & Recreation | Sports Park Maintenance | 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); however, most operations and maintenance costs are funded in the General Fund.

The management of the youth sports leagues and equestrian activities is provided by the Keller Youth Association, the Keller Soccer Association, and the Keller Horse Owner's Association respectively. The associations prepare the fields for play and the division manages the general maintenance of the facilities. 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. To professionally manage quality sports turf, arenas, park grounds and facilities.
2. To properly maintain fields for sports leagues and camps.
3. To weekly inspect and repair general park and playground areas.
4. To provide daily custodial and maintenance services to grounds and facilities.
5. To maintain multi-use arena and warm-up arena for activities and events.
6. To coordinate the facility needs for Sports Park activities.
7. To operate a successful ground lease agreement for the use and operation of an indoor soccer facility.
8. To acquire additional land for the expansion of the Keller Sports Park.
9. To provide quality customer service in the delivery of services that exceeds guest expectations.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Total Sports Park acreage | 148 | 148 | 198 |
| Total Sports Park acreage maintained by City | 110 | 110 | 160 |
| 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 | \$5,833 | \$6,492 | \$6,627 |
| *Sports Park operating & maintenance cost per capita | \$17.03 | \$18.45 | \$18.50 |

* 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**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 172,613 | \$ 190,850 | \$ 186,770 | \$ 251,575 |
| Operations & maintenance | 114,843 | 108,225 | 110,175 | 113,285 |
| Services & other | 92,388 | 111,485 | 131,410 | 117,465 |
| SUBTOTAL | 379,844 | 410,560 | 428,355 | 482,325 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 379,844 | \$ 410,560 | \$ 428,355 | \$ 482,325 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Parks/Landscape Maintenance Worker (1) | TN-2 | - | - | 5.0 |
| Parks/Landscape Maintenance Worker | TN-1 | 4.0 | 4.0 | - |
| TOTAL | | 4.0 | 4.0 | 5.0 |

(1) Position transferred from Park Maintenance in fiscal year 2008-2009.

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. Conduct regular meetings of the Keller Town Center Property Owner's Association.
2. Maintain the public rights-of-way including streets, medians and landscaping in Keller Town Center.
3. Collect fees from the property owners per the Keller Town Center Property Owners Association Developer's Agreement.
4. Support activities/events showcasing Keller Town Center.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|------------------------------------|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Association fees collected | \$79,730 | \$72,500 | \$60,650 |
| Association meetings held | 1 | 1 | 1 |
| 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 |

FUND:
General

DEPARTMENT:
Parks & Recreation

DIVISION:
Town Center Maintenance

ACCOUNT:
100-630-64

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>EXPENDITURES BY FUNCTION:</i> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 41,123 | 24,705 | 22,000 | 28,050 |
| Services & other | 136,213 | 143,115 | 138,850 | 144,510 |
| SUBTOTAL | 177,336 | 167,820 | 160,850 | 172,560 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 177,336 | \$ 167,820 | \$ 160,850 | \$ 172,560 |

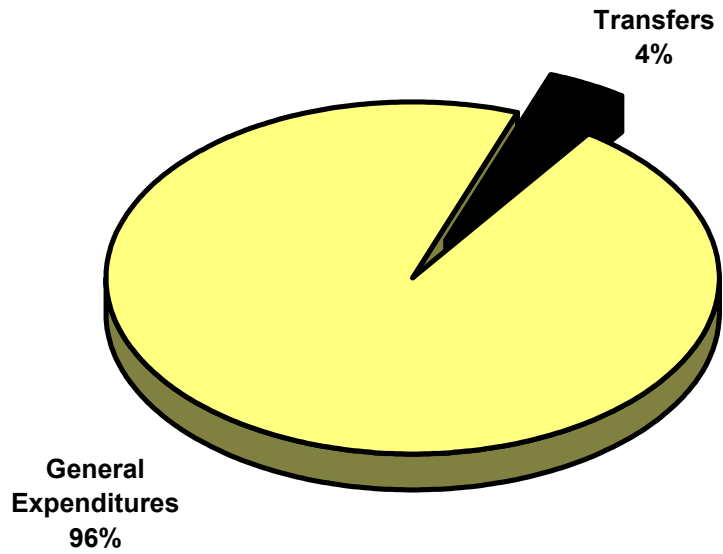
PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

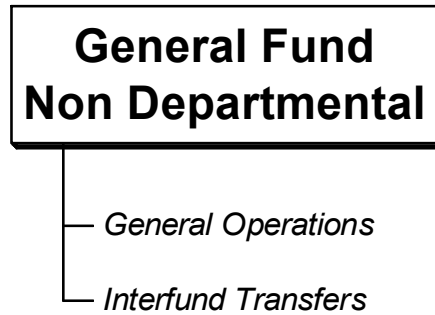
| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|



General Fund Non-Departmental



Department total: \$711,715



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**

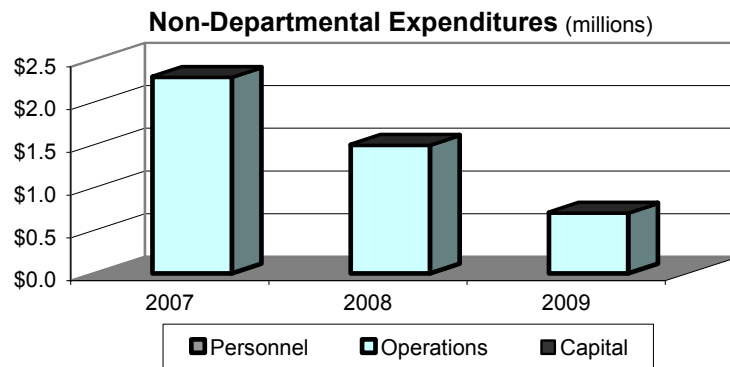
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 13,076 | 12,000 | 12,000 | 12,000 |
| Services & other | 1,177,381 | 716,012 | 1,004,190 | 669,520 |
| Transfers to other funds | 1,110,000 | 27,045 | 488,398 | 30,195 |
| SUBTOTAL | 2,300,457 | 755,057 | 1,504,588 | 711,715 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 2,300,457 | \$ 755,057 | \$ 1,504,588 | \$ 711,715 |

| | | | | |
|---|---------------------|-------------------|---------------------|-------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Transfers to other funds | \$ 1,110,000 | \$ 27,045 | \$ 488,398 | \$ 30,195 |
| Non-Departmental | 1,190,457 | 728,012 | 1,016,190 | 681,520 |
| TOTAL | \$ 2,300,457 | \$ 755,057 | \$ 1,504,588 | \$ 711,715 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
|------------------------------|-----------------------------|-------------------------------|-------------------------------|





WATER & WASTEWATER FUND

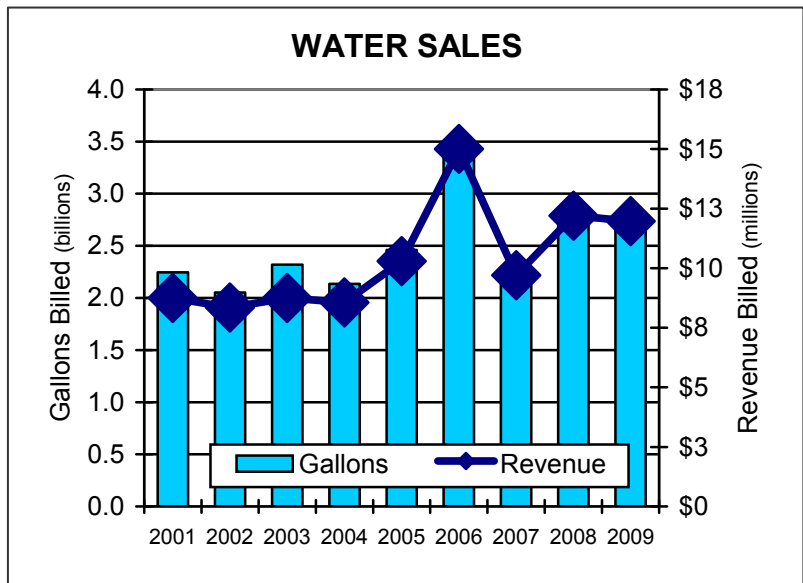
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WATER AND WASTEWATER FUND REVENUES

Water revenues comprise \$11.99 million, or 68% of total revenues of the fund, while wastewater (sewer) charges comprise \$5.23 million, or 29% of total revenues. Water and sewer charges combined comprise \$17.22 million or 96.4% 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. As previously mentioned in the Budget Summary section (Budget in Brief), FY2007 actual usage decreased significantly due to the area receiving above normal rainfall, especially during the summer months of 2007. Through June 2008, the area has received significantly less rainfall than in the prior year; therefore, the water consumption is anticipated to increase to 2.84 billion gallons in FY2009, compared to 2.13 billion gallons in FY2007. Customer consumption reached an all-time high of 3.5 billion gallons in FY2006. For FY2009, 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 2001. 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. For FY2009, average monthly water customers are projected to increase to 14,029 customers from 13,781 in FY2008. Approximately 800 water customers were transferred to the City of Fort Worth during the FY2006 year. These customers were located outside Keller's city limits, and as a result were transferred to the City of Fort Worth, after Fort Worth had completed the water improvements necessary to serve the customers in the area. Average monthly wastewater customers are projected to increase to 11,296 for FY2009, compared to a monthly average of 11,046 for FY2008.

Growth in the water and wastewater system continues. For FY2009, average monthly water customers are projected to increase to 14,029 customers from 13,781 in FY2008. Approximately 800 water customers were transferred to the City of Fort Worth during the FY2006 year. These customers were located outside Keller's city limits, and as a result were transferred to the City of Fort Worth, after Fort Worth had completed the water improvements necessary to serve the customers in the area. Average monthly wastewater customers are projected to increase to 11,296 for FY2009, compared to a monthly average of 11,046 for FY2008.

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.

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 FY2009, wholesale water purchases are projected to be \$4,845,000, or 26% of total expenditures of the fund, compared to \$5,020,000, or 27.3% of total expenditures for FY2008. This represents a decrease of \$175,000, or 3.5%. The decrease is because FY2008 estimates were based on increased customer usage, while FY2009 estimates were based on average customer usage. Wholesale water purchases are anticipated to be 2.775 billion gallons in FY2009 and 2.964 billion gallons in FY2008.

The average customer usage based on wholesale water purchased (including both residential and non-residential customers) is 16,094 gallons per month for FY2009 and 17,191 gallons per month for FY2008, a decrease of 6.4%. Average customer usage for FY2007 was 13,397 due to greater than normal rainfall during the year. The usage for FY2009 is based on estimates derived from anticipating normal rainfall during the year.

Operations and maintenance expenditures comprise 24.8% of the Fund's budget for FY2009 compared to 23.6% for FY2008. 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 16.8% of total expenditures of the Fund. Total full-time equivalents are 47.42 FTEs. Personnel detail by position is included with each individual department/division budget presentation on the following pages.

Debt service costs comprise 14.7% 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 12.5% 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 FY2009 are \$570,570, and represent 3.1% of the Fund's budget and a decrease of \$50,340 from FY2008.

FUND BALANCE RESERVES

Net expenditures in excess of revenues for FY2009 are \$802,903. However, the projected beginning fund balance for FY2009 exceeds the targeted beginning fund balance by \$1,140,374, or about 14 days of operations. The projected ending fund balance (working capital) at September 30, 2009 is \$3,184,352 an operating reserve of 64.9 days, compared to the City's current target of 60 days.

WATER AND WASTEWATER FUND

| 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------|---------------------|-----------------------|-----------------------|
|---------------------|---------------------|-----------------------|-----------------------|

WATER & WASTEWATER FUND SUMMARY

RESOURCES:

| | | | | |
|------------------------------|--------------|--------------|--------------|--------------|
| Total beginning fund balance | \$ 6,055,084 | \$ 4,114,689 | \$ 4,781,081 | \$ 3,987,255 |
| Revenues and transfers | 15,110,986 | 17,604,040 | 17,618,330 | 17,850,250 |

| | | | | |
|------------------------------|------------|------------|------------|------------|
| TOTAL FUNDS AVAILABLE | 21,166,070 | 21,718,729 | 22,399,411 | 21,837,505 |
|------------------------------|------------|------------|------------|------------|

USES/DEDUCTIONS:

| | | | | |
|--------------------------------|------------|------------|------------|------------|
| Expenditures and transfers out | 16,384,989 | 18,591,010 | 18,412,156 | 18,653,153 |
|--------------------------------|------------|------------|------------|------------|

ENDING FUND BALANCE:

| | | | | |
|--------------------|-----------|-----------|-----------|-----------|
| Total fund balance | 4,781,081 | 3,127,719 | 3,987,255 | 3,184,352 |
|--------------------|-----------|-----------|-----------|-----------|

| | | | | |
|-------------------|----------------------|----------------------|----------------------|----------------------|
| FUND TOTAL | \$ 21,166,070 | \$ 21,718,729 | \$ 22,399,411 | \$ 21,837,505 |
|-------------------|----------------------|----------------------|----------------------|----------------------|

| | | | | |
|--------------------------------|-------------|-----------|-----------|-----------|
| Excess revenues (expenditures) | (1,274,003) | (986,970) | (793,826) | (802,903) |
|--------------------------------|-------------|-----------|-----------|-----------|

Unreserved ending fund balance:

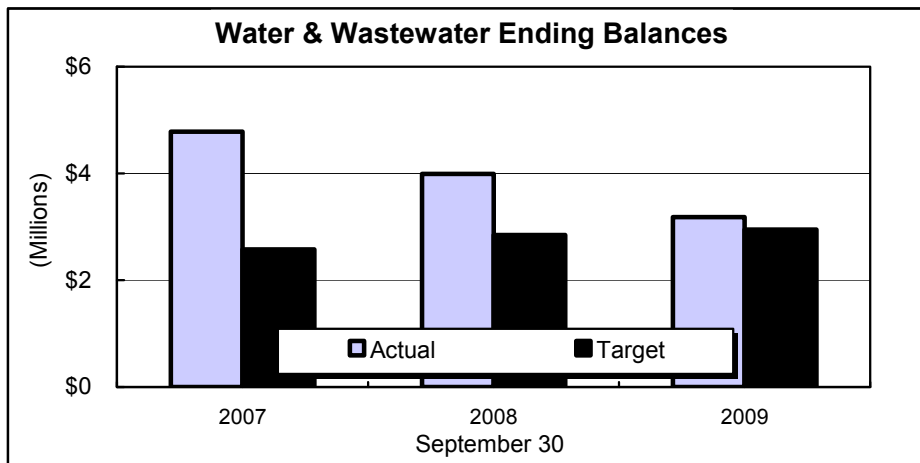
| | | | | |
|--|-------|-------|-------|-------|
| Percent of operating expenditures ⁽¹⁾ | 30.9% | 18.1% | 23.3% | 18.0% |
|--|-------|-------|-------|-------|

| | | | | |
|---------------|--------------|--------------|--------------|--------------|
| TARGET | 16.7% | 16.7% | 16.7% | 16.7% |
|---------------|--------------|--------------|--------------|--------------|

| | | | | |
|---------------------------------------|-------|------|------|------|
| Number of days operating expenditures | 111.4 | 65.1 | 84.0 | 64.9 |
|---------------------------------------|-------|------|------|------|

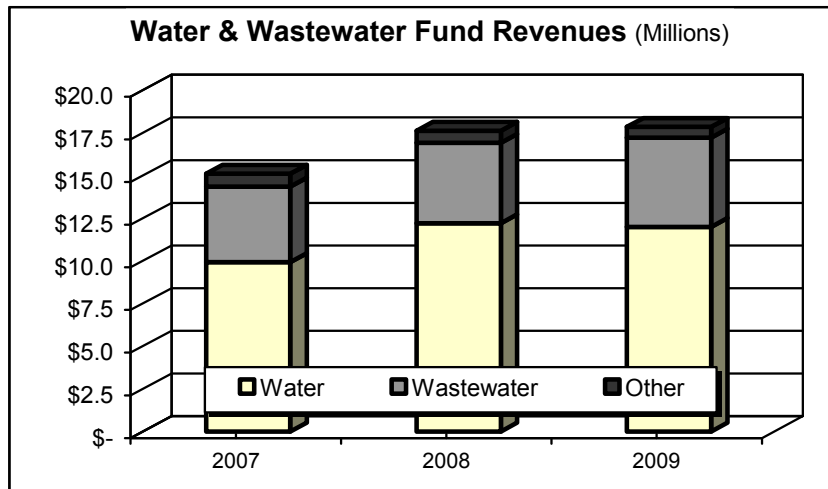
| | | | | |
|---------------|-------------|-------------|-------------|-------------|
| TARGET | 60.0 | 60.0 | 60.0 | 60.0 |
|---------------|-------------|-------------|-------------|-------------|

⁽¹⁾ excluding capital outlay and interfund transfers.



WATER AND WASTEWATER FUND REVENUE SUMMARY

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------------|----------------------|----------------------|-----------------------|-----------------------|
| REVENUES: | | | | |
| OPERATING REVENUES: | | | | |
| Water sales | \$ 9,920,748 | \$ 12,325,000 | \$ 12,210,000 | \$ 11,985,000 |
| Wastewater sales | 4,434,928 | 4,553,000 | 4,710,000 | 5,230,000 |
| Subtotal | 14,355,676 | 16,878,000 | 16,920,000 | 17,215,000 |
| OTHER REVENUES: | | | | |
| Taps and miscellaneous fees | 477,179 | 463,150 | 413,910 | 454,150 |
| Contributions | 18,827 | 18,890 | 18,890 | 13,100 |
| Interest revenue | 184,466 | 150,000 | 120,000 | 110,000 |
| Other revenues (expense) | 74,838 | 94,000 | 145,530 | 58,000 |
| Subtotal | 755,310 | 726,040 | 698,330 | 635,250 |
| TOTAL REVENUES | \$ 15,110,986 | \$ 17,604,040 | \$ 17,618,330 | \$ 17,850,250 |



WATER AND WASTEWATER FUND

REVENUES

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>OPERATING REVENUES:</u> | | | | |
| Water sales | \$ 9,818,879 | \$ 12,310,000 | \$ 12,200,000 | \$ 11,970,000 |
| Unclassified water sales | 101,869 | 15,000 | 10,000 | 15,000 |
| Wastewater sales | 4,434,928 | 4,553,000 | 4,710,000 | 5,230,000 |
| Subtotal | 14,355,676 | 16,878,000 | 16,920,000 | 17,215,000 |
| <u>MISCELLANEOUS FEES:</u> | | | | |
| Water taps/connect fees | 97,739 | 140,000 | 140,000 | 130,000 |
| Fire hydrant meter rental fees | 9,025 | 15,000 | 7,500 | 8,000 |
| Wastewater tap fees | 6,178 | 7,500 | 4,500 | 7,500 |
| Industrial waste surcharge fees | - | 3,000 | 3,000 | 1,000 |
| Meter box/lid fees | - | 500 | 500 | 500 |
| Reconnect fees | 13,875 | 12,000 | 8,000 | 12,000 |
| Inspection fees | 164,840 | 70,000 | 30,000 | 70,000 |
| Penalty revenue | 144,826 | 175,000 | 190,000 | 175,000 |
| Other services | 16,492 | 20,000 | 10,000 | 20,000 |
| Keller drainage utility | 24,000 | 20,000 | 20,000 | 30,000 |
| <i>General and administrative services</i> | | | | |
| Recycling bins/lids | 204 | 150 | 410 | 150 |
| Subtotal | 477,179 | 463,150 | 413,910 | 454,150 |
| <u>CONTRIBUTIONS:</u> | | | | |
| Lake Turner Municipal Utility District | 18,827 | 18,890 | 18,890 | 13,100 |
| Subtotal | 18,827 | 18,890 | 18,890 | 13,100 |
| <u>OTHER REVENUE:</u> | | | | |
| Interest earnings | 184,466 | 150,000 | 120,000 | 110,000 |
| Gain (loss) on disposal of assets | 7,650 | 48,000 | 72,400 | 12,000 |
| Southlake wastewater reimbursement | 5,160 | - | 25,000 | 25,000 |
| Grant revenue | - | - | 2,130 | - |
| Miscellaneous revenue (expense) | 62,028 | 46,000 | 46,000 | 21,000 |
| Subtotal | 259,304 | 244,000 | 265,530 | 168,000 |
| TOTAL REVENUES AND TRANSFERS | \$ 15,110,986 | \$ 17,604,040 | \$ 17,618,330 | \$ 17,850,250 |

**WATER AND WASTEWATER FUND
EXPENDITURE SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION</u> | | | | |
| Personnel services | \$ 2,575,699 | \$ 2,854,270 | \$ 2,778,140 | \$ 3,133,890 |
| Operations & maintenance | 570,558 | 731,627 | 718,835 | 799,998 |
| Services & other | 3,360,313 | 3,685,508 | 3,625,546 | 3,817,275 |
| Wholesale water purchases | 4,147,890 | 5,227,905 | 5,020,000 | 4,845,000 |
| Wastewater services-TRA | 2,057,758 | 2,046,480 | 2,188,225 | 2,322,810 |
| Debt service | 2,742,584 | 2,751,540 | 2,750,540 | 2,751,540 |
| Transfers to other funds | 455,210 | 462,410 | 462,410 | 412,070 |
| SUBTOTAL | 15,910,012 | 17,759,740 | 17,543,696 | 18,082,583 |
| Capital outlay | 474,977 | 831,270 | 868,460 | 570,570 |
| TOTAL | \$ 16,384,989 | \$ 18,591,010 | \$ 18,412,156 | \$ 18,653,153 |

| | | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| <u>EXPENDITURES BY ACTIVITY</u> | | | | |
| Water & W/W Administration | \$ 584,703 | \$ 725,690 | \$ 696,635 | \$ 864,115 |
| Customer Services | 1,025,881 | 1,060,691 | 1,064,141 | 1,153,498 |
| Water Utilities | 5,930,846 | 7,392,924 | 7,104,725 | 7,105,750 |
| Wastewater Utilities | 2,895,275 | 3,179,805 | 3,305,750 | 3,344,935 |
| Municipal Service Center | 235,999 | 410,580 | 397,795 | 277,245 |
| Non-departmental / Other | 5,712,285 | 5,821,320 | 5,843,110 | 5,907,610 |
| TOTAL | \$ 16,384,989 | \$ 18,591,010 | \$ 18,412,156 | \$ 18,653,153 |

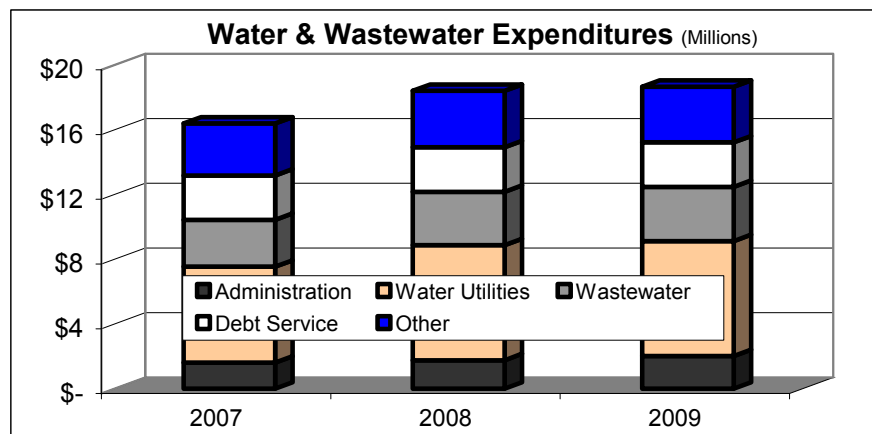
PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

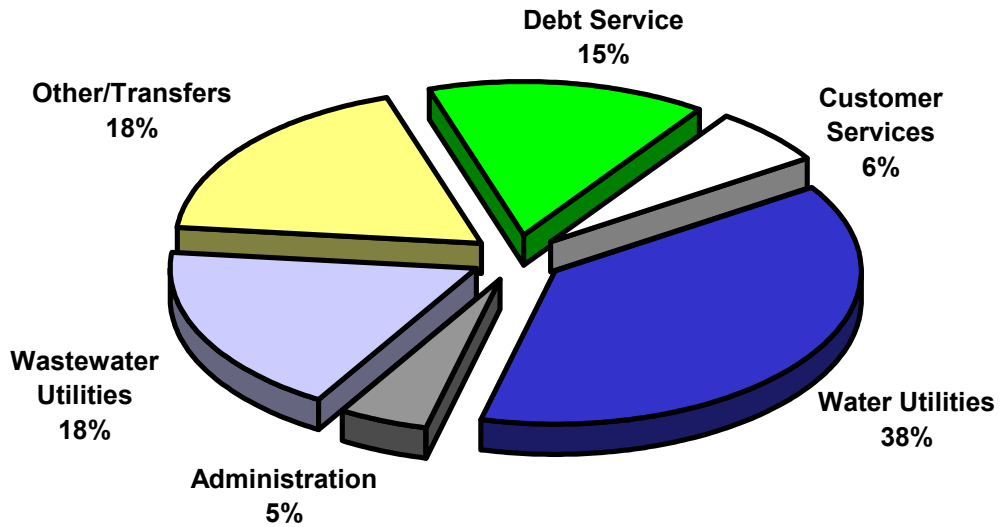
| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Water & W/W Administration | 6.42 | 7.42 | 8.42 |
| Customer Services | 13.00 | 13.00 | 13.00 |
| 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 | 45.42 | 46.42 | 47.42 |

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

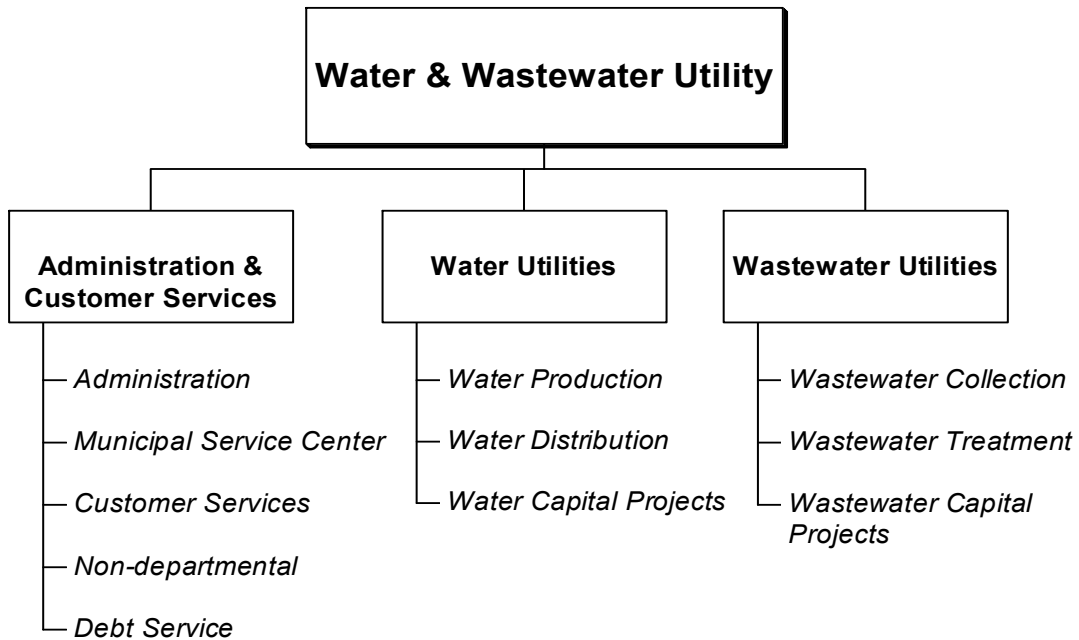
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-------------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| Water/Wastewater Administration | \$ 584,703 | \$ 725,690 | \$ 696,635 | \$ 864,115 |
| Customer Services: | | | | |
| Administration | 739,359 | 788,813 | 797,698 | 871,273 |
| Field Services | 286,522 | 271,878 | 266,443 | 282,225 |
| Subtotal | 1,025,881 | 1,060,691 | 1,064,141 | 1,153,498 |
| Water Utilities: | | | | |
| Water Production | 4,557,176 | 5,756,459 | 5,481,135 | 5,423,240 |
| Water Distribution | 1,373,670 | 1,636,465 | 1,623,590 | 1,682,510 |
| Subtotal | 5,930,846 | 7,392,924 | 7,104,725 | 7,105,750 |
| Wastewater Utilities: | | | | |
| Wastewater Collection | 1,333,612 | 1,656,675 | 1,697,525 | 1,581,250 |
| Wastewater Treatment | 1,561,663 | 1,523,130 | 1,608,225 | 1,763,685 |
| Subtotal | 2,895,275 | 3,179,805 | 3,305,750 | 3,344,935 |
| Municipal Service Center Operations | 235,999 | 410,580 | 397,795 | 277,245 |
| Debt Service | 2,742,584 | 2,751,540 | 2,750,540 | 2,751,540 |
| Transfers to Other Funds | 455,210 | 462,410 | 462,410 | 412,070 |
| Non-Departmental | 2,514,491 | 2,607,370 | 2,630,160 | 2,744,000 |
| TOTAL | \$ 16,384,989 | \$ 18,591,010 | \$ 18,412,156 | \$ 18,653,153 |



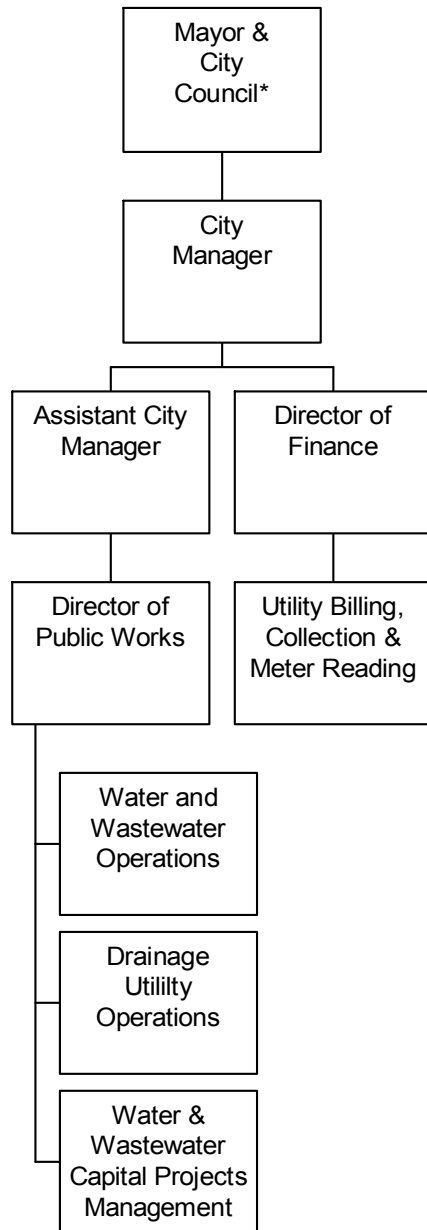
WATER & WASTEWATER



Fund total: \$18,653,153



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>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Scheduled work methods/processes reviewed | 10 | 10 | 10 |
| Scheduled customer service meetings | 4 | 4 | 4 |
| Scheduled coordination meetings with staff | 52 | 52 | 52 |
| Schedule staff to attend outside training sessions | 4 | 4 | 4 |
| Review all budgets | 12 | 12 | 12 |
| Citizen/internal customer responses | 700 | 700 | 700 |

FUND:
Water & Wastewater

DEPARTMENT:
Administration

DIVISION:
Administration

ACCOUNT:
200-700-01

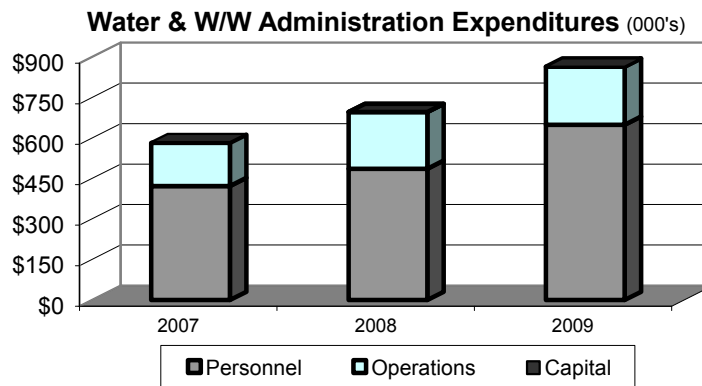
**WATER & WASTEWATER ADMINISTRATION
DEPARTMENT SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 422,467 | \$ 506,450 | \$ 486,490 | \$ 649,260 |
| Operations & maintenance | 4,252 | 6,380 | 5,760 | 7,345 |
| Services & other | 154,784 | 212,860 | 204,385 | 207,510 |
| SUBTOTAL | 581,503 | 725,690 | 696,635 | 864,115 |
| Capital outlay | 3,200 | - | - | - |
| TOTAL | \$ 584,703 | \$ 725,690 | \$ 696,635 | \$ 864,115 |

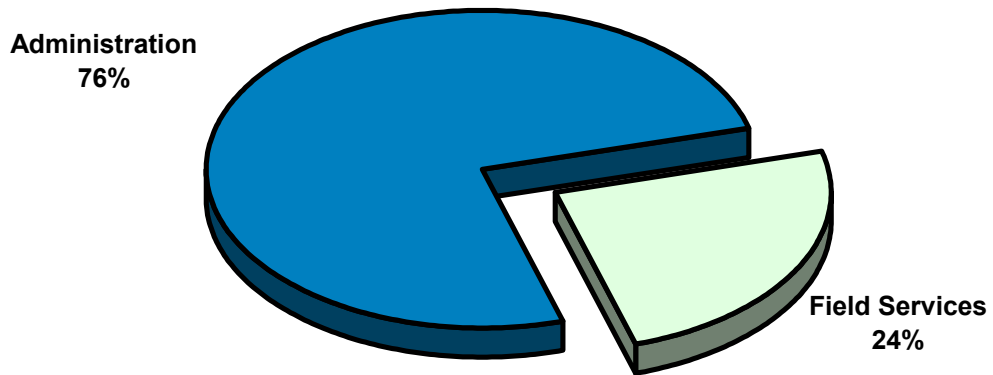
PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

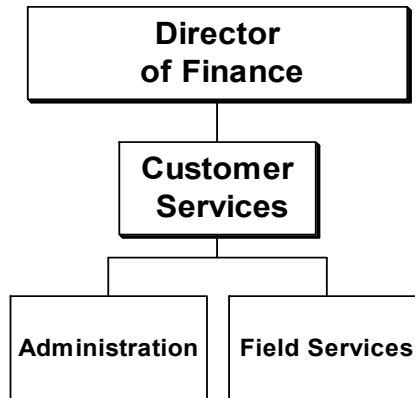
| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------------|------------------|-----------------------------|-------------------------------|-------------------------------|
| Water & Wastewater Superintendent | Division Mgr | 1.00 | 1.00 | 1.00 |
| Senior Project Engineer | PE-11 | - | - | 1.00 |
| Project Engineer | PE-10 | 0.75 | 0.75 | 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 | 1.00 |
| Administrative Secretary | A/TN-8 | 0.67 | 0.67 | 0.67 |
| Customer Service Representative | A/TN-5 | 2.00 | 2.00 | 2.00 |
| TOTAL | | 6.42 | 7.42 | 8.42 |



Customer Services



Department total: \$1,153,498



**WATER & WASTEWATER
CUSTOMER SERVICES
DEPARTMENT SUMMARY**

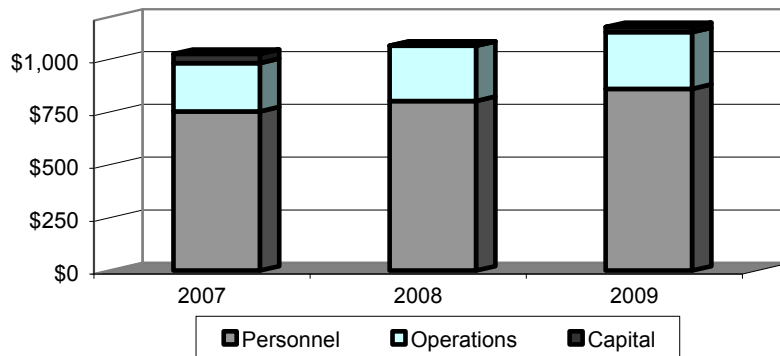
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 753,929 | \$ 814,340 | \$ 802,580 | \$ 860,650 |
| Operations & maintenance | 107,853 | 115,028 | 111,490 | 111,118 |
| Services & other | 120,542 | 131,323 | 150,071 | 156,780 |
| SUBTOTAL | 982,324 | 1,060,691 | 1,064,141 | 1,128,548 |
| Capital outlay | 43,557 | - | - | 24,950 |
| TOTAL | \$ 1,025,881 | \$ 1,060,691 | \$ 1,064,141 | \$ 1,153,498 |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Administration | \$ 739,359 | \$ 788,813 | \$ 797,698 | \$ 871,273 |
| Field Services | 286,522 | 271,878 | 266,443 | 282,225 |
| TOTAL | \$ 1,025,881 | \$ 1,060,691 | \$ 1,064,141 | \$ 1,153,498 |

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

| DIVISION/ACTIVITY | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 9.0 | 9.0 | 9.0 |
| Field Services | 4.0 | 4.0 | 4.0 |
| TOTAL | 13.0 | 13.0 | 13.0 |

Customer Services Expenditures (000's)



FUND:
Water & Wastewater

DEPARTMENT:
Customer Services

DIVISION:
Administration

ACCOUNT:
200-710-01

DEPARTMENT DESCRIPTION:

The Customer Service/Administration Division is 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, 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.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROJECTED |
| Customer meter reading routes maintained | 74 | 72 | 70 |
| Number of billing cycles | 2 | 2 | 2 |
| Number of annual billings: | | | |
| • water customers billed | 159,282 | 165,380 | 168,340 |
| • sewer customers billed | 129,631 | 132,550 | 135,550 |
| • drainage customers billed | 152,553 | 155,825 | 161,190 |
| • garbage customers billed | 144,611 | 147,200 | 149,830 |
| Monthly average billings: | | | |
| • average monthly water customers billed | 13,275 | 13,782 | 14,028 |
| • average monthly water usage per customer | 13,400 | 17,190 | 16,100 |
| • average monthly water bill per customer | \$61.09 | \$73.95 | \$71.07 |
| • average monthly sewer customers billed | 10,803 | 11,046 | 11,296 |
| • average monthly sewer bill per customer | \$33.91 | \$35.55 | \$38.95 |
| • average monthly drainage customers billed | 12,713 | 12,985 | 13,432 |
| • average monthly drainage bill per customer | \$5.60 | \$5.68 | \$5.70 |
| • average monthly garbage customers billed | 12,051 | 12,267 | 12,487 |
| • average monthly garbage bill per customer | \$8.00 | \$8.00 | \$8.00 |
| Average water revenue per 1,000 gallons billed | \$4.56 | \$4.30 | \$4.50 |
| Total water gallons billed (million gallons) | 2,133.9 | 2,843.0 | 2,661.7 |
| Average daily water usage billed (million gallons) | 5.846 | 7.789 | 7.292 |
| Annual delinquent statements processed | 21,180 | 21,408 | 20,000 |
| Customer security deposits processed | 1,604 | 1,720 | 1,800 |
| Services disconnected for non-payment | 612 | 660 | 650 |
| Customer transfers/final accounts processed | 740 | 785 | 805 |
| Average daily phone inquiries | 36 | 40 | 45 |
| Average bill amount submitted to 3 rd -party collections | \$171 | \$154 | \$146 |
| Number of on-line/automated payments | 24,768 | 25,000 | 25,000 |
| Total amount of on-line/automated payments (000's) | \$2,214 | \$2,500 | \$2,800 |

FUND:
Water & Wastewater

DEPARTMENT:
Customer Services

DIVISION:
Administration

ACCOUNT:
200-710-01

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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 532,924 | \$ 582,240 | \$ 577,200 | \$ 620,020 |
| Operations & maintenance | 91,714 | 90,995 | 88,200 | 82,668 |
| Services & other | 114,721 | 115,578 | 132,298 | 143,635 |
| SUBTOTAL | 739,359 | 788,813 | 797,698 | 846,323 |
| Capital outlay | - | - | - | 24,950 |
| TOTAL | \$ 739,359 | \$ 788,813 | \$ 797,698 | \$ 871,273 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 | 4.0 | 4.0 |
| TOTAL | | 9.0 | 9.0 | 9.0 |

FY2009 highlights: capital outlay includes funding to replace/upgrade the water meter reading utility billing interface system (hardware and software) that was originally installed in 2001.

FUND:
Water & Wastewater

DEPARTMENT:
Customer Services

DIVISION:
Field Services

ACCOUNT:
200-710-70

DEPARTMENT DESCRIPTION:

The Customer Service/Field Services Division is 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.

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.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Customer meter reading routes maintained | 74 | 72 | 70 |
| Service calls made to customers (including re-reads) | 1,956 | 2,016 | 2,100 |
| Total water meters read (monthly average) | 13,667 | 13,700 | 4,200 |
| Work orders completed | 3,132 | 3,000 | 3,000 |
| Annual meter change outs | 1,032 | 1,300 | 1,300 |
| Annual meter sets | 588 | 500 | 500 |
| <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 | 9 | 9 | 9 |
| Manual re-reads as a % of total meter reads | 3.0% | 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**

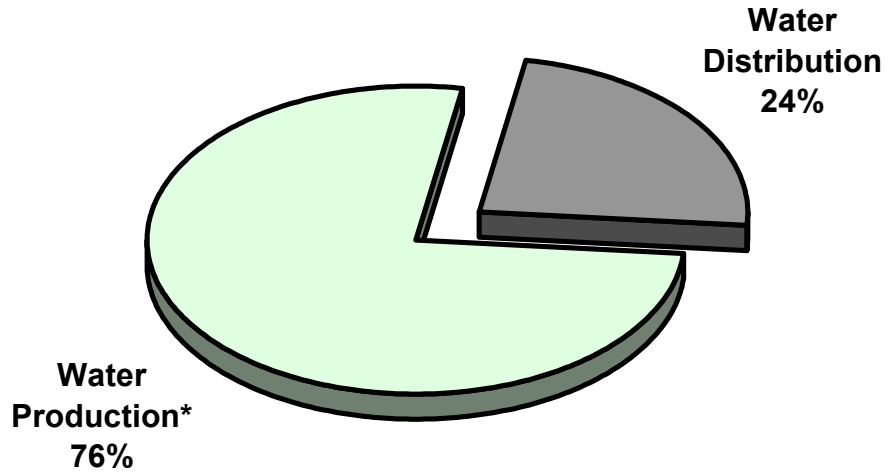
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 221,005 | \$ 232,100 | \$ 225,380 | \$ 240,630 |
| Operations & maintenance | 16,139 | 24,033 | 23,290 | 28,450 |
| Services & other | 5,821 | 15,745 | 17,773 | 13,145 |
| SUBTOTAL | 242,965 | 271,878 | 266,443 | 282,225 |
| Capital outlay | 43,557 | - | - | - |
| TOTAL | \$ 286,522 | \$ 271,878 | \$ 266,443 | \$ 282,225 |

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

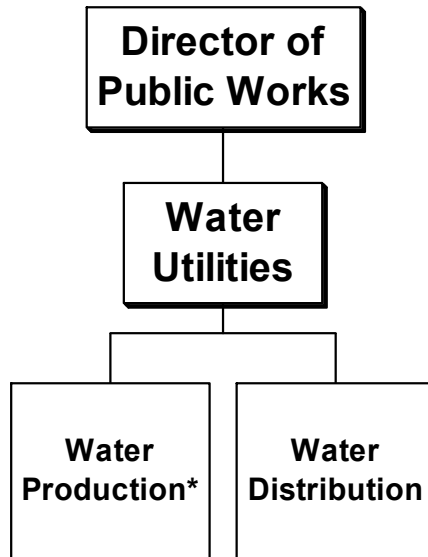
| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Field Services Crew Leader | TN-6 | 1.0 | 1.0 | 1.0 |
| Meter 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 |

FY2009 highlights: funds are provided in the Equipment Replacement Fund to replace a utility service vehicle (\$23,000).

Water Utilities



Department total: \$7,105,750



* - Includes wholesale water purchases

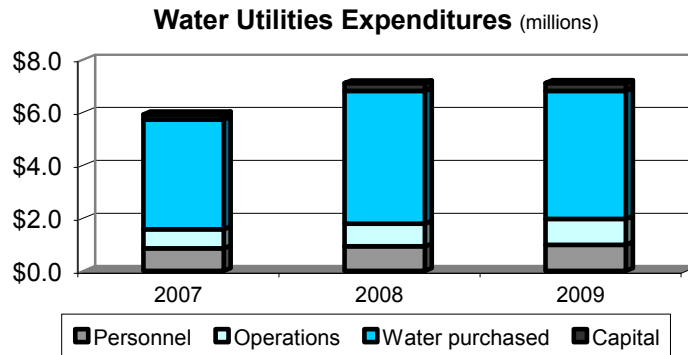
**WATER & WASTEWATER
WATER PRODUCTION AND WATER DISTRIBUTION
COMBINED DEPARTMENT SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 861,060 | \$ 921,000 | \$ 929,130 | \$ 987,285 |
| Operations & maintenance | 341,414 | 472,304 | 451,130 | 513,370 |
| Services & other | 377,589 | 479,095 | 410,695 | 467,475 |
| Wholesale water purchases | 4,147,890 | 5,227,905 | 5,020,000 | 4,845,000 |
| SUBTOTAL | 5,727,953 | 7,100,304 | 6,810,955 | 6,813,130 |
| Capital outlay | 202,893 | 292,620 | 293,770 | 292,620 |
| TOTAL | \$ 5,930,846 | \$ 7,392,924 | \$ 7,104,725 | \$ 7,105,750 |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Water Production | \$ 4,557,176 | \$ 5,756,459 | \$ 5,481,135 | \$ 5,423,240 |
| Water Distribution | 1,373,670 | 1,636,465 | 1,623,590 | 1,682,510 |
| TOTAL | \$ 5,930,846 | \$ 7,392,924 | \$ 7,104,725 | \$ 7,105,750 |

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

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Water Production | 2.0 | 2.0 | 2.0 |
| Water Distribution | 13.5 | 13.5 | 13.5 |
| TOTAL | 15.5 | 15.5 | 15.5 |



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 | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROJECTED |
| Elevated storage capacity (million gallons) | 3.0 | 4.0 | 4.0 |
| Ground storage capacity (million gallons) | <u>3.0</u> | <u>6.0</u> | <u>6.0</u> |
| Total storage capacity (million gallons) | 6.0 | 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) | 25.0 | 28.0 | 28.0 |
| Total wholesale gallons purchased (million gallons) | 2,318.9 | 2,963.9 | 2,774.8 |
| Average daily water usage (million gallons) | 6.4 | 8.1 | 7.6 |
| Peak day water demand (million gallons) | 16.2 | 18.5 | 18.5 |
| Base (winter) daily water demand (million gallons) | 4.6 | 5.0 | 5.6 |
| Average base demand per capita (gallons) | 126.0 | 132.7 | 145.8 |
| Peak day water demand per capita (gallons) | 443.7 | 490.9 | 481.7 |
| Average cost per 1,000 gallons of wholesale water purchased | \$1.77 | \$1.70 | \$1.75 |

FUND:
Water & Wastewater

DEPARTMENT:
Water Utilities

DIVISION:
Water Production

ACCOUNT:
200-730-74

**WATER & WASTEWATER
WATER UTILITIES - WATER PRODUCTION
DIVISION / ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 119,347 | \$ 128,780 | \$ 123,960 | \$ 139,850 |
| Operations & maintenance | 54,945 | 72,279 | 68,280 | 109,310 |
| Services & other | 234,994 | 327,495 | 268,895 | 329,080 |
| Wholesale water purchases | 4,147,890 | 5,227,905 | 5,020,000 | 4,845,000 |
| SUBTOTAL | 4,557,176 | 5,756,459 | 5,481,135 | 5,423,240 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 4,557,176 | \$ 5,756,459 | \$ 5,481,135 | \$ 5,423,240 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Water Systems Supervisor | TN-7 | - | - | 1.0 |
| Well Pump Operator II | TN-6 | 1.0 | 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 | | |
|--|-----------------------------------|-------------------------------------|--------------------------------------|
| | 2006-2007 <u>ACTUAL</u> | 2007-2008 <u>ESTIMATE</u> | 2008-2009 <u>PROJECTED</u> |
| Total miles of distribution lines to be maintained | 489 | 492 | 496 |
| Water samples tested | 589 | 580 | 595 |
| Fire hydrants flushed and serviced | 1,300 | 1,300 | 1,300 |
| Fire hydrants inspected | 1,300 | 1,300 | 1,300 |
| New fire hydrants installed | 42 | 75 | 75 |
| Fire hydrants replaced | 8 | 10 | 10 |
| Work orders completed | 1,425 | 1,400 | 1,500 |

FUND:
Water & Wastewater

DEPARTMENT:
Water Utilities

DIVISION:
Water Distribution

ACCOUNT:
200-730-75

**WATER & WASTEWATER
WATER UTILITIES - WATER DISTRIBUTION
DIVISION / ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 741,713 | \$ 792,220 | \$ 805,170 | \$ 847,435 |
| Operations & maintenance | 286,469 | 400,025 | 382,850 | 404,060 |
| Services & other | 142,595 | 151,600 | 141,800 | 138,395 |
| SUBTOTAL | 1,170,777 | 1,343,845 | 1,329,820 | 1,389,890 |
| Capital outlay | 202,893 | 292,620 | 293,770 | 292,620 |
| TOTAL | \$ 1,373,670 | \$ 1,636,465 | \$ 1,623,590 | \$ 1,682,510 |

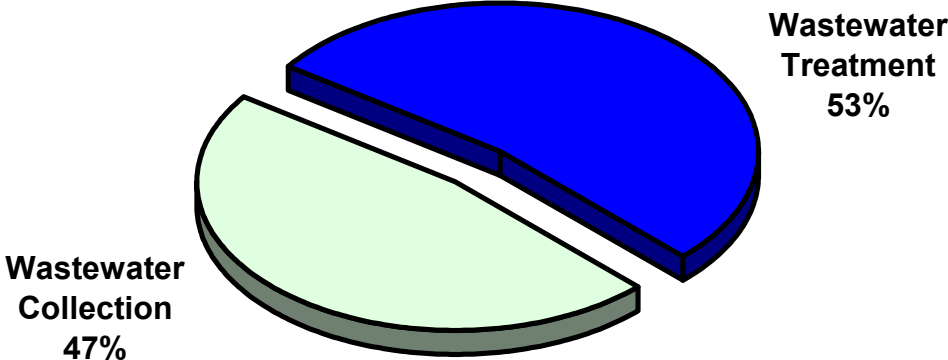
PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

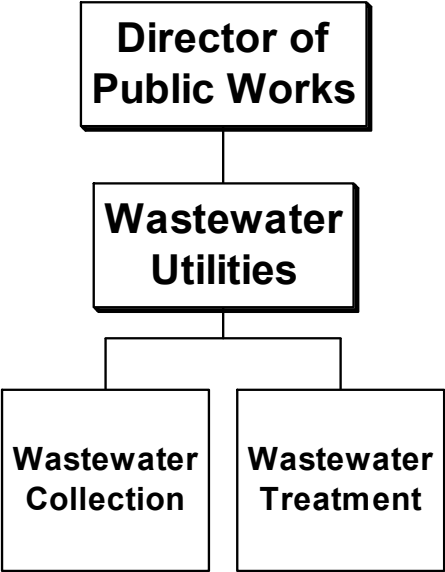
| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Construction Inspector | A/TN-11 | 1.00 | 1.00 | 1.00 |
| Water/Sewer Foreman | TN-9 | 0.50 | 0.50 | 0.50 |
| Water/Sewer Crewleader | TN-7 | 2.00 | 2.00 | 2.00 |
| Environmental Services Coordinator | TN-7 | 1.00 | 1.00 | 1.00 |
| SCADA Operator/Dispatcher | TN-4 | 2.00 | 2.00 | 2.00 |
| Water/Sewer Maintenance Worker | TN-3 | - | 7.00 | 7.00 |
| Water/Sewer Maintenance Worker | TN-2 | 7.00 | - | - |
| TOTAL | | 13.50 | 13.50 | 13.50 |

FY2009 highlights: capital outlay includes funding for water distribution infrastructure improvements, such as water mains, water meters, and fire hydrants. Funding is also provided in the Equipment Replacement Fund for vehicle and equipment replacements: 2 light-duty truck replacements (\$46,500), and 2 heavy-duty truck replacements (\$92,000).

Wastewater Utilities



Department total: \$3,344,935



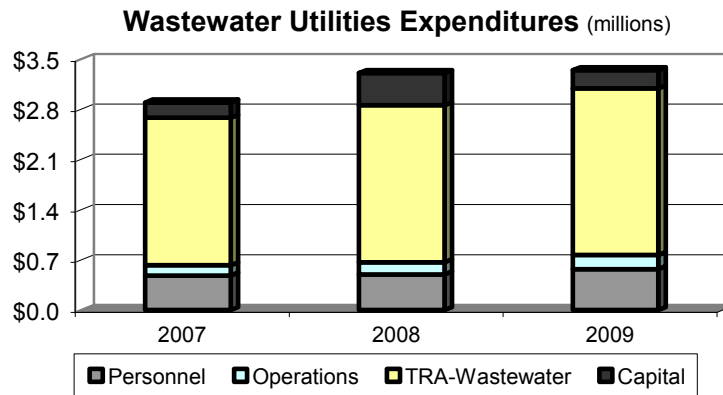
**WATER & WASTEWATER
WASTEWATER TREATMENT AND COLLECTION
COMBINED DEPARTMENT SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 483,946 | \$ 550,330 | \$ 499,500 | \$ 572,295 |
| Operations & maintenance | 77,449 | 78,395 | 82,280 | 105,805 |
| Services & other | 65,348 | 100,950 | 87,980 | 91,025 |
| Wastewater Services-TRA | 2,057,758 | 2,046,480 | 2,188,225 | 2,322,810 |
| SUBTOTAL | 2,684,501 | 2,776,155 | 2,857,985 | 3,091,935 |
| Capital outlay | 210,774 | 403,650 | 447,765 | 253,000 |
| TOTAL | \$ 2,895,275 | \$ 3,179,805 | \$ 3,305,750 | \$ 3,344,935 |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Wastewater Collection | \$ 1,333,612 | \$ 1,656,675 | \$ 1,697,525 | \$ 1,581,250 |
| Wastewater Treatment | 1,561,663 | 1,523,130 | 1,608,225 | 1,763,685 |
| TOTAL | \$ 2,895,275 | \$ 3,179,805 | \$ 3,305,750 | \$ 3,344,935 |

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

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROJECTED |
| Total miles of wastewater mains to be maintained | 173 | 177 | 181 |
| Total miles of wastewater mains cleaned | 102 | 100 | 100 |
| Total miles of wastewater mains inspected by a camera | 18 | 18 | 20 |
| Sewer manholes to be maintained | 2,556 | 2,625 | 2,700 |
| Sewer manholes inspected | 1,097 | 1,100 | 1,200 |
| Lift stations maintained | 6 | 6 | 6 |
| Number of active wastewater customers at Sept. 30 th | 10,912 | 11,150 | 11,400 |
| Work orders completed | 1,546 | 1,500 | 1,600 |

FUND:
Water & Wastewater

DEPARTMENT:
Wastewater Utilities

DIVISION:
Wastewater Collection

ACCOUNT:
200-750-80

**WATER & WASTEWATER
WASTEWATER COLLECTION
DIVISION / ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 483,946 | \$ 550,330 | \$ 499,500 | \$ 572,295 |
| Operations & maintenance | 77,449 | 78,395 | 82,280 | 105,805 |
| Services & other | 65,348 | 100,950 | 87,980 | 91,025 |
| Wastewater services-TRA | 496,095 | 523,350 | 580,000 | 559,125 |
| SUBTOTAL | 1,122,838 | 1,253,025 | 1,249,760 | 1,328,250 |
| Capital outlay | 210,774 | 403,650 | 447,765 | 253,000 |
| TOTAL | \$ 1,333,612 | \$ 1,656,675 | \$ 1,697,525 | \$ 1,581,250 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 |
| Water/Sewer Maintenance Worker | TN-2 | 4.00 | - | - |
| TOTAL | | 9.50 | 9.50 | 9.50 |

FY2009 highlights: capital outlay includes funding for wastewater infrastructure improvements.

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 | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROJECTED |
| Total daily treatment capacity (million gallons) | 9.0 | 10.0 | 10.0 |
| Total annual gallons treated (million gallons) | 1,133.9 | 1,148.7 | 1,216.3 |
| Average daily gallons treated (million gallons) | 3.150 | 3.145 | 3.332 |
| Average cost per 1,000 gallons of wastewater treated (Trinity River Authority contractual treatment only) | \$1.44 | \$1.40 | \$1.45 |
| Average monthly wastewater gallons treated per customer | 8,788 | 8,665 | 8,974 |

FUND:
Water & Wastewater

DEPARTMENT:
Wastewater Utilities

DIVISION:
Wastewater Treatment

ACCOUNT:
200-750-81

**WATER & WASTEWATER
WASTEWATER TREATMENT
DIVISION / ACTIVITY SUMMARY**

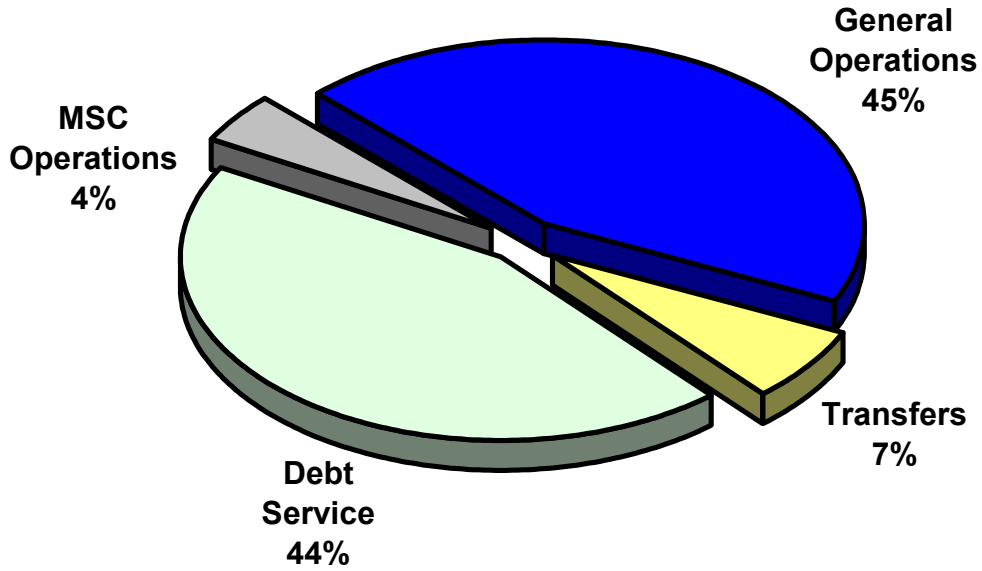
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | - | - | - | - |
| Services & other | - | - | - | - |
| Wastewater services-TRA | 1,561,663 | 1,523,130 | 1,608,225 | 1,763,685 |
| SUBTOTAL | 1,561,663 | 1,523,130 | 1,608,225 | 1,763,685 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 1,561,663 | \$ 1,523,130 | \$ 1,608,225 | \$ 1,763,685 |

PERSONNEL SUMMARY

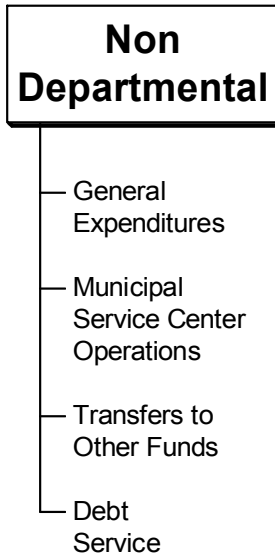
(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|

Water & Wastewater Fund Other / Non-Departmental



Department total: \$6,184,855



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 | | |
|--|-----------------------------------|-------------------------------------|--------------------------------------|
| | 2006-2007 <u>ACTUAL</u> | 2007-2008 <u>ESTIMATE</u> | 2008-2009 <u>PROJECTED</u> |
| Vehicles/Equipment maintained | 69 | 70 | 70 |
| Fuel purchased (gallons) | 117,508 | 124,000 | 124,000 |
| Fuel usage (gallons)** | 119,739 | 120,000 | 120,000 |
| Average price per gallon (diesel and unleaded) | \$2.20 | \$3.01 | \$ 4.13 |

** – 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

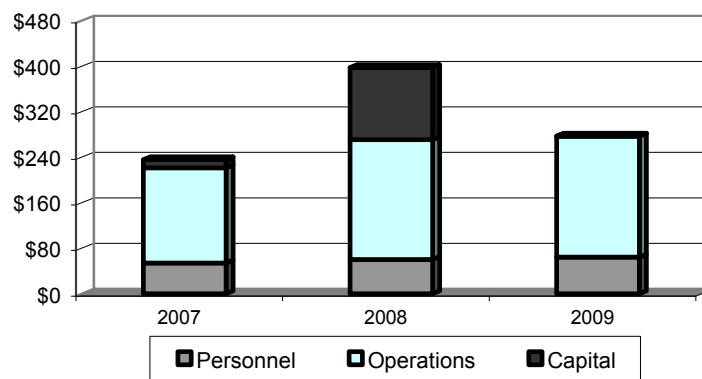
**WATER & WASTEWATER
MUNICIPAL SERVICE CENTER OPERATIONS
DIVISION/ACTIVITY SUMMARY**

| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 BUDGET</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROPOSED</u> |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 54,297 | \$ 62,150 | \$ 60,440 | \$ 64,400 |
| Operations & maintenance | 28,651 | 47,520 | 56,175 | 50,360 |
| Services & other | 138,498 | 165,910 | 154,255 | 162,485 |
| SUBTOTAL | 221,446 | 275,580 | 270,870 | 277,245 |
| Capital outlay | 14,553 | 135,000 | 126,925 | - |
| TOTAL | \$ 235,999 | \$ 410,580 | \$ 397,795 | \$ 277,245 |

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

| <u>POSITION TITLE</u> | <u>PAY CLASS</u> | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROPOSED</u> |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Light Duty Mechanic | TN-7 | 1.00 | 1.00 | 1.00 |
| TOTAL | | 1.00 | 1.00 | 1.00 |

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>2006-2007</u> <u>ACTUAL</u> | <u>2007-2008</u> <u>ESTIMATE</u> | <u>2008-2009</u> <u>PROJECTED</u> |

FUND:
Water & Wastewater

DEPARTMENT:
Non-Departmental

DIVISION:
General Expenditures

ACCOUNT:
200-790-XX

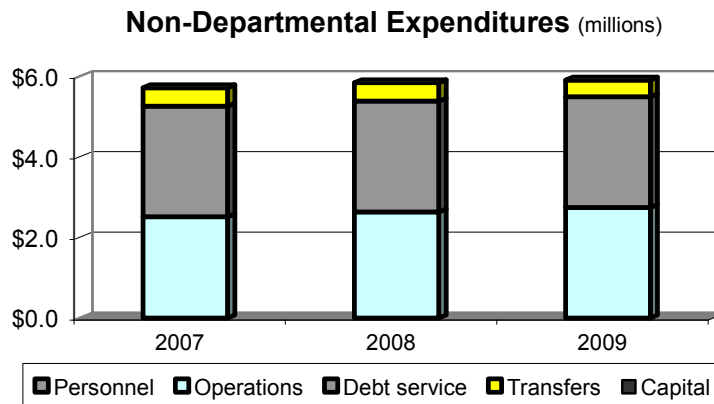
**WATER & WASTEWATER
NON-DEPARTMENTAL / GENERAL EXPENDITURES
DIVISION/ACTIVITY SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 10,939 | 12,000 | 12,000 | 12,000 |
| Services & other | 2,503,552 | 2,595,370 | 2,618,160 | 2,732,000 |
| Debt service | 2,742,584 | 2,751,540 | 2,750,540 | 2,751,540 |
| Transfers to other funds | 455,210 | 462,410 | 462,410 | 412,070 |
| SUBTOTAL | 5,712,285 | 5,821,320 | 5,843,110 | 5,907,610 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 5,712,285 | \$ 5,821,320 | \$ 5,843,110 | \$ 5,907,610 |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Debt Service | \$ 2,742,584 | \$ 2,751,540 | \$ 2,750,540 | \$ 2,751,540 |
| Transfers to other funds | 455,210 | 462,410 | 462,410 | 412,070 |
| Non-Departmental | 2,514,491 | 2,607,370 | 2,630,160 | 2,744,000 |
| TOTAL | \$ 5,712,285 | \$ 5,821,320 | \$ 5,843,110 | \$ 5,907,610 |

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

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
|------------------------------|-----------------------------|-------------------------------|-------------------------------|



WATER & WASTEWATER CAPITAL PROJECTS ACCOUNT

| | PROJECT BUDGET | TOTAL PROJECTED THROUGH 09/30/2009 | PROJECT BALANCE |
|---|---------------------------|---|----------------------------|
| RESOURCES: | | | |
| Beginning fund balance | \$ 108,041 | \$ 108,041 | \$ - |
| Revenues: | | | |
| Proceeds from debt issuance-1998 | 325,585 | 325,585 | - |
| Proceeds from debt issuance-2004 | 11,310,000 | 11,310,000 | - |
| Proceeds from debt issuance-2006 | 4,255,000 | 4,255,000 | - |
| Interest revenue | 725,000 | 774,723 | 49,723 |
| City of Southlake | 239,963 | 239,963 | - |
| Transfer from W&W/W operations | 400,000 | 400,000 | - |
| Total Revenues | <u>17,255,548</u> | <u>17,305,271</u> | <u>49,723</u> |
| TOTAL RESOURCES | <u>17,363,589</u> | <u>17,413,312</u> | <u>49,723</u> |
| Completed or Substantially Completed Projects: | | | |
| Miscellaneous 1998 water/sewer improvements | 325,585 | 325,585 | - |
| Water meter replacement program | 1,075,505 | 1,075,505 | - |
| Pearson Lane Pump Station improvements | 313,308 | 313,308 | - |
| Keller/Southlake water improvements | 1,998,951 | 1,998,951 | - |
| Keller/Southlake/Fort Worth water improvements | 450,000 | 450,000 | - |
| Katy Road/Fort Worth CCN improvements | 515,105 | 515,105 | - |
| Knox Road water improvements | 717,897 | 717,897 | - |
| Pearson Lane 3MG ground storage tank | 1,540,465 | 1,540,465 | - |
| Keller-Smithfield Road 1MG elevated storage tank | 1,928,535 | 1,928,535 | - |
| Marshall Branch wastewater improvements | 3,550,000 | 3,550,000 | - |
| SUBTOTAL | <u>12,415,351</u> | <u>12,415,351</u> | - |
| Current Projects (2006 CO's): | | | |
| Keller-Smithfield Road water improvements | 1,508,500 | 1,508,500 | - |
| Pearson Lane Pump Station/transfer valve | 1,420,000 | 1,420,000 | - |
| Keller Parkway water improvements | 1,636,500 | 1,636,500 | - |
| Pearson Lane Pump Station meter transfer | 239,963 | 239,963 | - |
| SUBTOTAL | <u>4,804,963</u> | <u>4,804,963</u> | - |
| Administrative & financial services | 125,949 | 125,949 | - |
| TOTAL EXPENDITURES | <u>17,346,263</u> | <u>17,346,263</u> | - |
| ENDING ACCOUNT BALANCE | <u>\$ 17,326</u> | <u>\$ 67,049</u> | <u>\$ 49,723</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, 2008 will be re-appropriated into the appropriate project for the 2008-2009 fiscal year.

(Continued)

WATER & WASTEWATER CAPITAL PROJECTS ACCOUNT

(Continued)

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.

Project Descriptions:

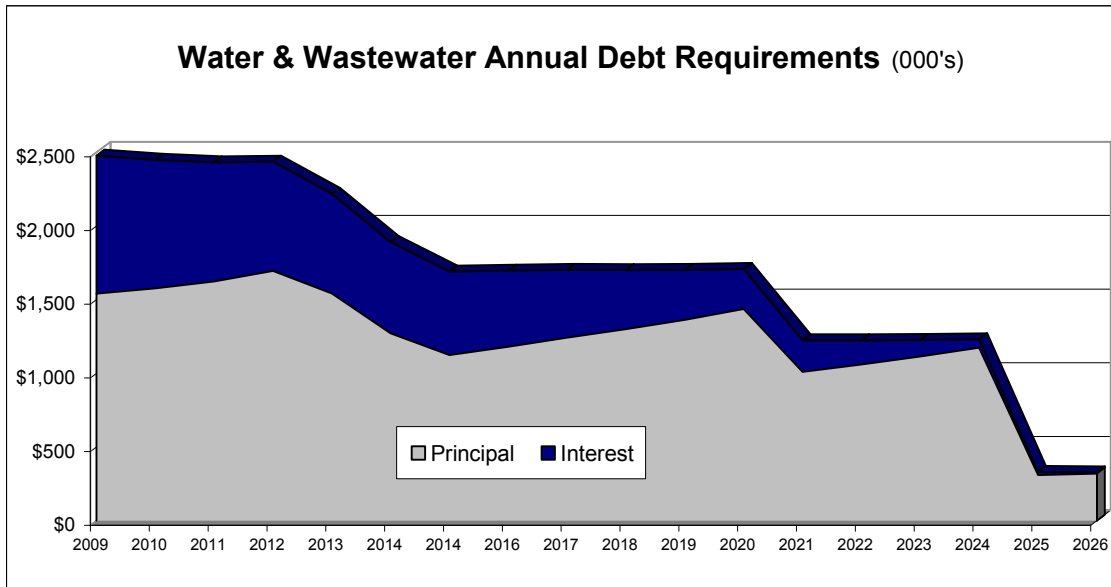
Projects are all primarily growth and development driven. The following projects include both new infrastructure and expansions to existing systems for both wastewater and water projects. The projects were funded from a combination of long-term debt issuance and water and wastewater impact fees. Many of the projects are either completed or substantially complete. A brief description of on-going projects is provided in the following table (information on completed projects is not provided). 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 are funded with proceeds of long term-debt.

| Project | Project description | Estimated Cost | Operating Budget Impact |
|---|---|----------------|--|
| Keller-Smithfield Road-South water improvements | The improvements include construction of a new 12-inch and 16-inch water main in conjunction with the recently completed 1 million gallon elevated water storage tank on Keller-Smithfield Road, in order to help meet peak hour water demands during summer months, as part of improvements to the low-pressure plane. | \$1,520,000 | none |
| Pearson Lane Pump Station and Transfer Valve improvements | Construct additional water pumping capacity of 10 million gallons per day at the Pearson Lane Pump Station to provide adequate flow to meet increased water demand and service the recently completed 1 million gallon elevated water storage tank on Keller-Smithfield Road. | 1,060,000 | \$32,500 Primarily for electrical costs for pumps |
| Keller Parkway water improvements | Construct a new 16-inch water main from Pearson Lane at Keller Parkway to convey water from the new Pearson Lane ground storage tank to the new 1 million elevated water storage tank on Keller-Smithfield Road to meet demand of water customers. | 1,625,000 | none |

**SCHEDULE OF WATER & WASTEWATER FUND DEBT OUTSTANDING
October 1, 2008**

| | <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>FY2009 Requirements</u> | | |
|---|-----------------------|----------------------|-------------------------|------------------------------|-----------------------------------|----------------------------|-------------------|---------------------|
| | | | | | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| General obligation refunding bonds: | | | | | | | | |
| Series 1999 | 3.75 - 5.00 | 05/1999 | 09/2020 | \$ 3,222 | \$ 1,827 | \$ 265,584 | \$ 80,191 | \$ 345,775 |
| Series 2002 | 3.00 - 4.00 | 11/2002 | 02/2013 | 5,360 | 2,450 | 425,000 | 86,720 | 511,720 |
| Series 2004 | 2.00 - 4.00 | 02/2004 | 02/2017 | 440 | 170 | 65,000 | 4,500 | 69,500 |
| Series 2005 | 3.25 - 4.20 | 08/2005 | 02/2020 | 5,360 | 3,315 | 25,000 | 131,719 | 156,719 |
| Combination tax and revenue certificates of obligation: | | | | | | | | |
| Series 2000 (1) | 5.00 - 5.65 | 07/2000 | 02/2009 | 4,575 | 200 | 200,000 | 6,500 | 206,500 |
| Series 2004 | 4.00 - 5.00 | 06/2004 | 02/2024 | 11,310 | 9,930 | 415,000 | 456,549 | 871,549 |
| Series 2006 | 4.25 - 4.375 | 07/2006 | 02/2026 | 4,255 | 4,000 | 145,000 | 170,456 | 315,456 |
| TOTAL | | | | \$ 34,522 | \$ 21,892 | \$ 1,540,584 | \$ 936,635 | \$ 2,477,219 |

(1) - post refunding



**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 |
|------------------------|--------------------------|-------------------------|---|----------------------------------|
| 2008-09 | \$ 1,540,584 | \$ 936,635 | \$ 2,477,218 | \$ 2,477,218 |
| 2009-10 | 1,577,258 | 871,366 | 2,448,624 | 2,448,624 |
| 2010-11 | 1,623,932 | 807,366 | 2,431,298 | 2,431,298 |
| 2011-12 | 1,695,606 | 740,796 | 2,436,402 | 2,436,402 |
| 2012-13 | 1,543,392 | 675,135 | 2,218,527 | 2,218,527 |
| 2013-14 | 1,272,963 | 617,330 | 1,890,293 | 1,890,293 |
| 2014-15 | 1,123,800 | 567,039 | 1,690,838 | 1,690,838 |
| 2015-16 | 1,181,718 | 515,723 | 1,697,441 | 1,697,441 |
| 2016-17 | 1,242,555 | 459,329 | 1,701,884 | 1,701,884 |
| 2017-18 | 1,300,474 | 399,966 | 1,700,439 | 1,700,439 |
| 2018-19 | 1,363,392 | 337,816 | 1,701,208 | 1,701,208 |
| 2019-20 | 1,436,311 | 272,361 | 1,708,671 | 1,708,671 |
| 2020-21 | 1,010,000 | 214,266 | 1,224,266 | 1,224,266 |
| 2021-22 | 1,060,000 | 164,141 | 1,224,141 | 1,224,141 |
| 2022-23 | 1,115,000 | 111,469 | 1,226,469 | 1,226,469 |
| 2023-24 | 1,175,000 | 56,016 | 1,231,016 | 1,231,016 |
| 2024-25 | 310,000 | 20,781 | 330,781 | 330,781 |
| 2025-26 | 320,000 | 7,000 | 327,000 | 327,000 |
| TOTAL | \$ 21,891,981 | \$ 7,774,533 | \$ 29,666,514 | \$ 29,666,514 |

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.

| 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------|---------------------|-----------------------|-----------------------|
|---------------------|---------------------|-----------------------|-----------------------|

DRAINAGE UTILITY FUND SUMMARY

RESOURCES:

| | | | | |
|------------------------------|------------|------------|------------|------------|
| Total beginning fund balance | \$ 304,182 | \$ 304,067 | \$ 329,976 | \$ 180,601 |
| Revenues and transfers | 867,393 | 890,000 | 901,825 | 927,850 |
| TOTAL FUNDS AVAILABLE | 1,171,575 | 1,194,067 | 1,231,801 | 1,108,451 |

USES/DEDUCTIONS:

| | | | | |
|--------------------------------|---------|-----------|-----------|---------|
| Expenditures and transfers out | 841,599 | 1,013,725 | 1,051,200 | 934,090 |
|--------------------------------|---------|-----------|-----------|---------|

ENDING FUND BALANCE:

| | | | | |
|-------------------------|---------|---------|---------|---------|
| Unreserved fund balance | 329,976 | 180,342 | 180,601 | 174,361 |
|-------------------------|---------|---------|---------|---------|

FUND TOTAL

| | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | \$ 1,171,575 | \$ 1,194,067 | \$ 1,231,801 | \$ 1,108,451 |
|--|---------------------|---------------------|---------------------|---------------------|

| | | | | |
|--------------------------------|--------|-----------|-----------|---------|
| Excess revenues (expenditures) | 25,794 | (123,725) | (149,375) | (6,240) |
|--------------------------------|--------|-----------|-----------|---------|

Unreserved ending fund balance:

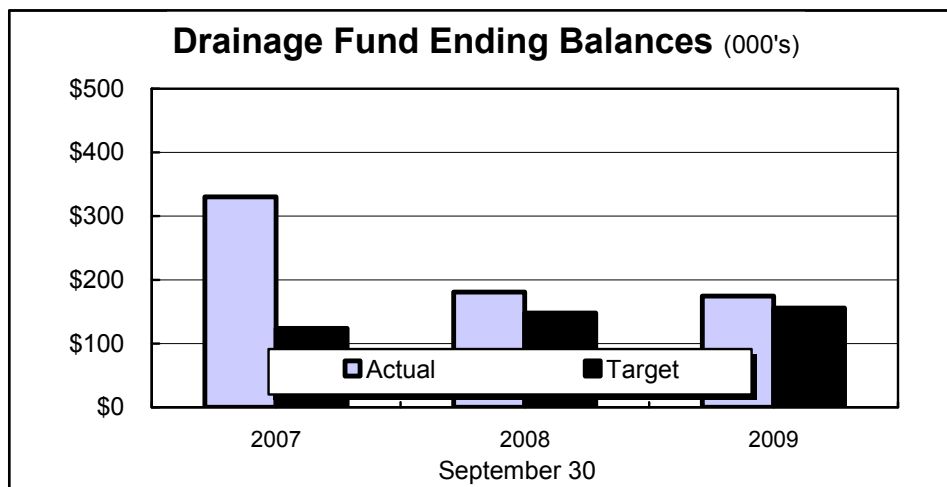
| | | | | |
|--|-------|-------|-------|-------|
| Percent of operating expenditures ⁽¹⁾ | 44.4% | 20.7% | 20.4% | 18.7% |
|--|-------|-------|-------|-------|

| | | | | |
|---------------|--------------|--------------|--------------|--------------|
| TARGET | 16.7% | 16.7% | 16.7% | 16.7% |
|---------------|--------------|--------------|--------------|--------------|

| | | | | |
|---------------------------------------|-------|------|------|------|
| Number of days operating expenditures | 159.8 | 74.4 | 73.3 | 67.2 |
|---------------------------------------|-------|------|------|------|

| | | | | |
|---------------|-------------|-------------|-------------|-------------|
| 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 LEVEL ANALYSIS | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROJECTED |
| Miles of ditches maintained | 118 | 118 | 118 |
| Total linear feet of storm pipe maintained | 15,000 | 16,000 | 17,000 |
| Pipe culverts installed (linear feet) | 100 | 250 | 120 |
| Total linear feet of storm drainage cleaned | 3,000 | 3,500 | 4,000 |
| Storm inlets repaired and cleaned | 60 | 70 | 75 |
| Bridges/box culverts maintained | 35 | 35 | 35 |
| Linear feet of curb & gutter replaced | 675 | 3,000 | 3,250 |
| Miles of channel maintenance cleaned | 5 | 5 | 5 |

FUND: Drainage Utility **DEPARTMENT:** Drainage Maintenance **DIVISION:** * All Divisions **ACCOUNT:** 400-810-XX

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|

DRAINAGE UTILITY FUND

OPERATING REVENUES:

| | | | | |
|---------------|------------|------------|------------|------------|
| Drainage fees | \$ 855,069 | \$ 874,500 | \$ 885,000 | \$ 917,000 |
| Subtotal | 855,069 | 874,500 | 885,000 | 917,000 |

OTHER REVENUE:

| | | | | |
|-----------------------------------|---------|--------|--------|--------|
| Miscellaneous revenue (expense) | 850 | - | 1,325 | 1,000 |
| Interest revenue | 19,124 | 12,500 | 12,500 | 9,850 |
| Gain (loss) on disposal of assets | (7,650) | 3,000 | 3,000 | - |
| Subtotal | 12,324 | 15,500 | 16,825 | 10,850 |

| | | | | |
|-----------------------|-------------------|-------------------|-------------------|-------------------|
| TOTAL REVENUES | \$ 867,393 | \$ 890,000 | \$ 901,825 | \$ 927,850 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|

EXPENDITURES BY FUNCTION:

| | | | | |
|--------------------------|------------|------------|------------|------------|
| Personnel services | \$ 495,448 | \$ 538,650 | \$ 523,900 | \$ 560,045 |
| Operations & maintenance | 84,910 | 93,070 | 123,010 | 105,405 |
| Services & other | 160,990 | 203,765 | 202,930 | 231,510 |
| Debt service | 2,141 | 37,130 | 37,130 | 37,130 |
| Transfers to other funds | 31,110 | 31,110 | 31,110 | - |
| SUBTOTAL | 774,599 | 903,725 | 918,080 | 934,090 |

| | | | | |
|----------------|-------------------|---------------------|---------------------|-------------------|
| Capital outlay | 67,000 | 110,000 | 133,120 | - |
| TOTAL | \$ 841,599 | \$ 1,013,725 | \$ 1,051,200 | \$ 934,090 |

EXPENDITURES BY DIVISION:

| | | | | |
|-----------------------------|-------------------|---------------------|---------------------|-------------------|
| Drainage Maintenance | \$ 697,498 | \$ 836,085 | \$ 873,560 | \$ 776,960 |
| Debt Service | 2,141 | 37,130 | 37,130 | 37,130 |
| Intragovernmental Transfers | 31,110 | 31,110 | 31,110 | - |
| Non-Departmental | 110,850 | 109,400 | 109,400 | 120,000 |
| TOTAL | \$ 841,599 | \$ 1,013,725 | \$ 1,051,200 | \$ 934,090 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------------|------------------|-----------------------------|-------------------------------|-------------------------------|
| Street/Drainage Superintendent | Division Mgr | 0.50 | 0.50 | 0.50 |
| Project Engineer | PE-10 | 0.25 | 0.25 | 0.25 |
| Construction Inspector | 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 |
| Street/Drainage Maint. Worker | TN-1 | 3.00 | - | - |
| TOTAL | | 8.75 | 8.75 | 8.75 |

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 10, 2008. A public hearing as required by Article 5190.6, Texas Revised Civil Statutes, was held on July 15, 2008.

| 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------|---------------------|-----------------------|-----------------------|
|---------------------|---------------------|-----------------------|-----------------------|

KELLER DEVELOPMENT CORPORATION SUMMARY

RESOURCES:

| | | | | |
|------------------------------|------------|------------|------------|------------|
| Total beginning fund balance | \$ 558,374 | \$ 452,738 | \$ 597,939 | \$ 668,264 |
| Revenues and transfers | 2,089,658 | 2,057,335 | 2,230,035 | 2,289,500 |

| | | | | |
|------------------------------|-----------|-----------|-----------|-----------|
| TOTAL FUNDS AVAILABLE | 2,648,032 | 2,510,073 | 2,827,974 | 2,957,764 |
|------------------------------|-----------|-----------|-----------|-----------|

USES/DEDUCTIONS:

| | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|
| Expenditures and transfers out | 2,050,093 | 2,166,070 | 2,159,710 | 2,571,370 |
|--------------------------------|-----------|-----------|-----------|-----------|

ENDING FUND BALANCE:

| | | | | |
|-------------------------------|---------|---------|---------|---------|
| Total fund balance | 597,939 | 344,003 | 668,264 | 386,394 |
| Reserved for debt service (1) | 89,000 | 89,000 | 89,000 | 89,000 |
| Unreserved fund balance | 508,939 | 255,003 | 579,264 | 297,394 |

| | | | | |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| FUND TOTAL | \$ 2,648,032 | \$ 2,510,073 | \$ 2,827,974 | \$ 2,957,764 |
|-------------------|---------------------|---------------------|---------------------|---------------------|

| | | | | |
|--------------------------------|--------|-----------|--------|-----------|
| Excess revenues (expenditures) | 39,565 | (108,735) | 70,325 | (281,870) |
|--------------------------------|--------|-----------|--------|-----------|

(1) 2005 Sales Tax Revenue Refunding Bonds

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. 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.

FUND:
Keller Development
Corporation

DEPARTMENT:
All Departments

DIVISION:

ACCOUNT:
110-XXX-XX

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| REVENUES | | | | |
| <u>SALES TAXES:</u> | | | | |
| City sales taxes | \$ 2,073,910 | \$ 2,030,300 | \$ 2,203,000 | \$ 2,269,000 |
| Subtotal | 2,073,910 | 2,030,300 | 2,203,000 | 2,269,000 |
| <u>MISCELLANEOUS REVENUES:</u> | | | | |
| Rental revenue | 6,733 | 18,535 | 18,535 | 12,000 |
| Interest revenue | 9,015 | 8,500 | 8,500 | 8,500 |
| Subtotal | 15,748 | 27,035 | 27,035 | 20,500 |
| TOTAL REVENUES | \$ 2,089,658 | \$ 2,057,335 | \$ 2,230,035 | \$ 2,289,500 |

EXPENDITURE SUMMARY

EXPENDITURES BY FUNCTION:

| | | | | |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| Personnel services | \$ 117,854 | 139,080 | \$ 137,090 | \$ 148,655 |
| Operations & maintenance | 12,918 | 21,460 | 21,260 | 29,430 |
| Services & other | 38,937 | 42,510 | 42,510 | 42,510 |
| Debt service | 1,650,591 | 1,641,855 | 1,641,405 | 1,646,205 |
| Transfers to other funds | 163,760 | 130,170 | 130,170 | 183,120 |
| SUBTOTAL | 1,984,060 | 1,975,075 | 1,972,435 | 2,049,920 |
| Capital outlay | 66,033 | 190,995 | 187,275 | 521,450 |
| TOTAL | \$ 2,050,093 | \$ 2,166,070 | \$ 2,159,710 | \$ 2,571,370 |

EXPENDITURES BY DIVISION:

| | | | | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Keller Sports Park/Land Acquisition | \$ 235,742 | \$ 394,045 | \$ 388,135 | \$ 742,045 |
| Debt Service | 1,650,591 | 1,641,855 | 1,641,405 | 1,646,205 |
| Transfers to Other Funds | 163,760 | 130,170 | 130,170 | 183,120 |
| TOTAL | \$ 2,050,093 | \$ 2,166,070 | \$ 2,159,710 | \$ 2,571,370 |

PERSONNEL SUMMARY

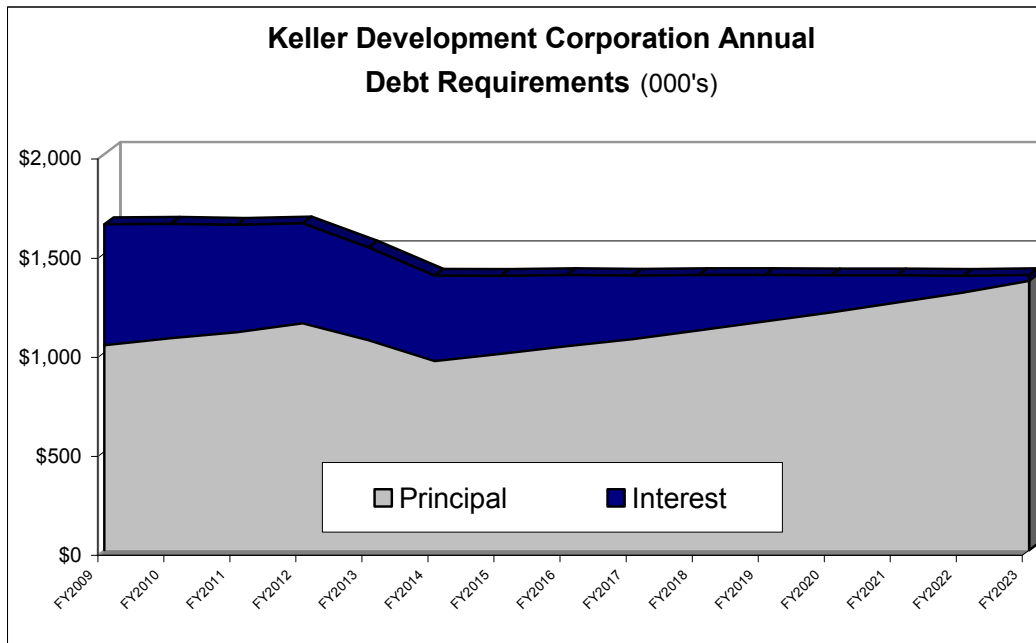
(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Parks/Landscape Crewleader | TN-6 | 1.00 | 1.00 | 1.00 |
| Parks/Landscape Maintenance Worker | TN-2 | — | 1.00 | 1.00 |
| Parks/Landscape Maintenance Worker | TN-1 | 1.00 | — | — |
| Parks/Landscape Maint Worker (Seasonal) | NA | 0.58 | 0.78 | 0.78 |
| TOTAL | | 2.58 | 2.78 | 2.78 |

FY2009 highlights: capital outlay includes funding for land acquisition (\$400,000), and vehicle and equipment replacement, including replacement of a light-duty truck (\$26,500), and replacement of mowing equipment (\$94,950).

**SUMMARY SCHEDULE OF DEBT REQUIREMENTS
KELLER DEVELOPMENT CORPORATION**

| Fiscal Year | Principal Due | Interest Due | Total Principal & Interest | Fiscal Year Total |
|--------------|-------------------------|------------------------|----------------------------|-------------------------|
| FY2009 | \$ 1,035,000.00 | \$ 610,404.76 | \$ 1,645,404.76 | \$ 1,645,404.76 |
| FY2010 | 1,070,000.00 | 577,330.76 | 1,647,330.76 | 1,647,330.76 |
| 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 | \$ 16,825,000.00 | \$ 5,158,872.91 | \$ 21,983,872.91 | \$ 21,983,872.91 |



| | <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>FY2009 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 | \$ 15,750 | \$ 815,000 | \$ 570,550 | \$ 1,385,550 |
| Series 2004 | 4.00 - 5.00 | 06/2004 | 02/2024 | 755 | 415 | 95,000 | 14,700 | 109,700 |
| Sales tax revenue bonds: | | | | | | | | |
| Series 2005 | 4.21 | 01/2006 | 01/2013 | 890 | 660 | 125,000 | 25,155 | 150,155 |
| TOTAL | | | | \$ 19,765 | \$ 16,825 | \$ 1,035,000 | \$ 610,405 | \$ 1,645,405 |

**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> |
|--------------|----------------------|---------------------|---------------------------------------|--------------------------|
| FY2009 | \$ 125,000.00 | \$ 25,154.75 | \$ 150,154.75 | \$ 150,154.75 |
| FY2010 | 130,000.00 | 19,787.00 | 149,787.00 | 149,787.00 |
| 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 | \$ 660,000.00 | \$ 70,938.50 | \$ 730,938.50 | \$ 730,938.50 |

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 |
|--------------|-------------------------|------------------------|----------------------------------|-------------------------|
| FY2009 | \$ 815,000.00 | \$ 570,550.01 | \$ 1,385,550.01 | \$ 1,385,550.01 |
| FY2010 | 840,000.00 | 546,743.76 | 1,386,743.76 | 1,386,743.76 |
| 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 | \$ 15,750,000.00 | \$ 5,053,434.41 | \$ 20,803,434.41 | \$ 20,803,434.41 |

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 |
|--------------|-------------------|------------------|----------------------------------|-------------------------|
| FY2009 | \$ 95,000.00 | \$ 14,700.00 | \$ 109,700.00 | \$ 109,700.00 |
| FY2010 | 100,000.00 | 10,800.00 | 110,800.00 | 110,800.00 |
| 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 | 415,000.00 | 34,500.00 | 449,500.00 | 449,500.00 |

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 2005. 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

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance * | \$ 330,702 | \$ 366,967 | \$ 492,863 | \$ 396,213 |
| Revenues and transfers | 2,866,350 | 3,418,990 | 3,109,125 | 3,510,430 |
| TOTAL FUNDS AVAILABLE | 3,197,052 | 3,785,957 | 3,601,988 | 3,906,643 |
| <u>USES/DEDUCTIONS:</u> | | | | |
| Expenditures and transfers out | 2,704,189 | 3,482,845 | 3,205,775 | 3,499,355 |
| <u>ENDING FUND BALANCE: *</u> | | | | |
| Unreserved fund balance * | 492,863 | 303,112 | 396,213 | 407,288 |
| FUND TOTAL | \$ 3,197,052 | \$ 3,785,957 | \$ 3,601,988 | \$ 3,906,643 |
| Excess revenues (expenditures) | 162,161 | (63,855) | (96,650) | 11,075 |

* – Fund balance is cash and investments, less accounts payable.

REVENUES

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>OPERATING REVENUES:</u> | | | | |
| Daily pass revenue | \$ 233,027 | \$ 264,000 | \$ 235,000 | \$ 214,000 |
| Annual pass sales | 1,572,409 | 1,785,500 | 1,785,500 | 2,000,000 |
| Employee pass revenue | 69,462 | 75,025 | 76,630 | 82,480 |
| Employee dependent pass revenue | 8,703 | 14,995 | 9,490 | 10,530 |
| Private party revenues | 87,417 | 110,000 | 110,000 | 115,000 |
| Concessions | 111,109 | 119,000 | 106,800 | 120,000 |
| Merchandise sales-general | 4,778 | 22,000 | 15,100 | 14,750 |
| Merchandise sales-aquatics | 8,640 | 9,500 | 9,500 | 9,500 |
| Stay 'N Play revenue | 24,698 | 28,300 | 25,850 | 25,000 |
| Aquatics Program revenues | 132,578 | 128,800 | 138,100 | 142,000 |
| Fitness Program revenues | 127,556 | 114,000 | 114,000 | 119,700 |
| Group exercise revenue | 25,176 | 25,785 | 12,145 | 6,000 |
| Personal training revenues | 54,129 | 250,000 | 104,040 | 200,000 |
| Recreation Programs revenues | 237,980 | 291,000 | 220,000 | 291,000 |
| Massage therapy revenues | 39,993 | 84,000 | 35,585 | 45,000 |
| Facility rentals | 75,614 | 60,000 | 66,500 | 71,000 |
| Gymnasium rentals | 6,794 | 2,640 | 8,865 | 8,000 |
| Subtotal | 2,820,063 | 3,384,545 | 3,073,105 | 3,473,960 |
| <u>OTHER REVENUE:</u> | | | | |
| Interest earnings | 27,201 | 10,000 | 17,820 | 17,820 |
| Miscellaneous grants & donations | 6,067 | 15,000 | 9,735 | 10,010 |
| Miscellaneous revenue (expense) | 13,019 | 9,445 | 8,465 | 8,640 |
| Subtotal | 46,287 | 34,445 | 36,020 | 36,470 |
| TOTAL REVENUES AND TRANSFERS | \$ 2,866,350 | \$ 3,418,990 | \$ 3,109,125 | \$ 3,510,430 |

| | | | |
|---|---|------------------------|-----------------|
| 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 intended to be a self-supporting operation; therefore, the revenues generated by the facility should fully support the facility's direct operating costs. The primary source of revenue is generated through pass sales, with the second largest revenue source being programs. 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 all age groups of recreation, aquatic and fitness users. The facility and its programs are available to members and non-members, residents and non-residents. The Keller Pointe exceeds community expectations and achieves 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, office supplies and concessions/merchandise sales.

The Keller Development Corporation provided financing for construction and capital costs of the facility (and subsequent annual principal and interest payments).

DEPARTMENT/DIVISION GOALS:

To maintain enterprise (self-supporting) operations by:

- Achieving and maintaining an annual member base of 4,200 passes
- To conduct the annual membership price special from April 15 – May 31, 2009 offering residents the group exercise upgrade for free and their choice of a personal training or massage and the resident rate to non-residents. Our goal is 500 new members, and 700 renewals.
- Maintain a program pricing structure that offers a discount to our members to ensure membership retention and growth. This will secure financial success of both membership and programming.
- Increasing program registration by 10%
- Maintaining a customer satisfaction survey rating of at least 90%
- Continuing the institution of Pointes of Excellence Training with all staff. Adding job specific training to the Pointes of Excellence training procedure.
- Maintaining member attrition rate at 35% or less
- Providing a minimum of six yearly special events
- Providing a minimum of four pre-teen programming after-hour events

(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 SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
|--|-----------------------------|-------------------------------|--------------------------------|
| Completed surveys | 514 | 519 | 550 |
| Number of annual members | 3,592 | 3,900 | 4,200 |
| Annual attendance (day pass & member visits) | 289,827 | 298,551 | 309,910 |
| Recreation programs provided (class list) | 1,396 | 1,406 | 1,430 |
| Recreation program participants (attendance) | 6,318 | 7,179 | 7,600 |
| Leagues provided | 25 | 22 | 25 |
| League participants: | | | |
| Teams | 102 | 140 | 165 |
| Participants | 1,107 | 1,461 | 1,650 |
| Special events provided | 10 | 11 | 12 |
| Special event attendance | 2,268 | 3,528 | 3,700 |
| Member attrition rate | 38.65% | 35.44% | 30% |
| Facility rentals/birthday parties/classes | 867 | 940 | 1,008 |

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** All Divisions/Programs **ACCOUNT:** 125-650-XX

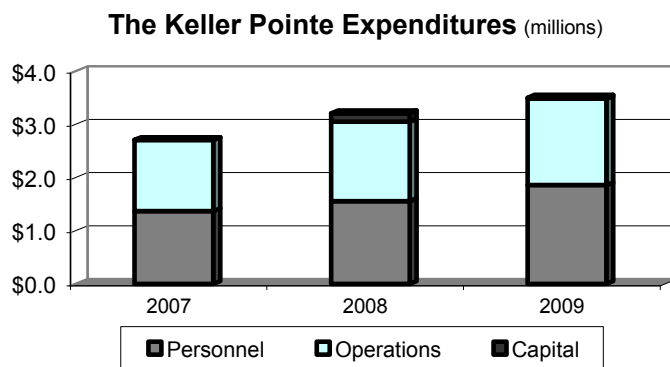
**THE KELLER POINTE
DEPARTMENT SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION</u> | | | | |
| Personnel services | \$ 1,367,755 | \$ 1,773,070 | \$ 1,553,335 | \$ 1,856,360 |
| Operations & maintenance | 250,777 | 246,980 | 290,950 | 368,760 |
| Services & other | 1,071,216 | 1,328,350 | 1,189,200 | 1,256,235 |
| Debt service | 14,441 | 14,445 | 14,445 | – |
| SUBTOTAL | 2,704,189 | 3,362,845 | 3,047,930 | 3,481,355 |
| Capital outlay | – | 120,000 | 157,845 | 18,000 |
| TOTAL | \$ 2,704,189 | \$ 3,482,845 | \$ 3,205,775 | \$ 3,499,355 |

| | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| <u>EXPENDITURES BY ACTIVITY</u> | | | | |
| Administration | \$ 953,094 | \$ 1,170,215 | \$ 1,082,575 | \$ 1,161,005 |
| Aquatics | 475,678 | 593,030 | 653,055 | 496,145 |
| Fitness Programs | 351,638 | 607,270 | 403,755 | 612,725 |
| Recreation Programs | 293,923 | 438,365 | 387,245 | 396,565 |
| Facility Operations & Maintenance | 325,685 | 338,895 | 333,685 | 423,115 |
| Customer Service & Concessions | 304,171 | 335,070 | 345,460 | 409,800 |
| TOTAL | \$ 2,704,189 | \$ 3,482,845 | \$ 3,205,775 | \$ 3,499,355 |

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

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Administration | 5.00 | 5.00 | 5.50 |
| Aquatics | 14.90 | 14.90 | 18.38 |
| Fitness Programs | 11.54 | 9.54 | 7.84 |
| Recreation Programs | 5.26 | 5.26 | 10.34 |
| Facility Operations & Maintenance | 1.00 | 1.00 | 2.00 |
| Customer Service & Concessions | 10.63 | 11.63 | 14.00 |
| TOTAL | 48.33 | 47.33 | 58.06 |



FUND:
The Keller Pointe (Recreation & Aquatic Center)

DEPARTMENT:
The Keller Pointe (Recreation & Aquatic Center)

DIVISION:
Administration

ACCOUNT:
125-650-01

ADMINISTRATION

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 318,454 | \$ 368,725 | \$ 346,990 | \$ 398,610 |
| Operations & maintenance | 51,543 | 59,000 | 70,995 | 70,590 |
| Services & other | 568,656 | 703,045 | 650,145 | 691,805 |
| Debt service | 14,441 | 14,445 | 14,445 | - |
| SUBTOTAL | 953,094 | 1,145,215 | 1,082,575 | 1,161,005 |
| Capital outlay | - | 25,000 | - | - |
| TOTAL | \$ 953,094 | \$ 1,170,215 | \$ 1,082,575 | \$ 1,161,005 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Recreation Manager | PE-9 | 1.0 | 1.0 | 1.0 |
| Assistant Manager | PE-6 | - | 1.0 | 1.0 |
| Assistant Manager | PE-6 | 1.0 | - | - |
| Accountant | PE-6 | 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 |
| Office Assistant | A/TN-1 | - | - | 0.5 |
| TOTAL | | 5.0 | 5.0 | 5.5 |

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Aquatics **ACCOUNT:** 125-650-02

AQUATICS

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 409,369 | \$ 434,555 | \$ 424,495 | \$ 433,885 |
| Operations & maintenance | 47,542 | 39,900 | 48,490 | 39,500 |
| Services & other | 18,767 | 23,575 | 22,225 | 22,760 |
| SUBTOTAL | 475,678 | 498,030 | 495,210 | 496,145 |
| Capital outlay | - | 95,000 | 157,845 | - |
| TOTAL | \$ 475,678 | \$ 593,030 | \$ 653,055 | \$ 496,145 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 | 3.03 | 3.03 | 3.98 |
| Lifeguard | RCS-2 | 9.39 | 9.39 | 11.92 |
| Water Safety Instructor | RCS-4 | 0.48 | 0.48 | 0.48 |
| TOTAL | | 14.90 | 14.90 | 18.38 |

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Fitness Programs **ACCOUNT:** 125-650-03

FITNESS PROGRAMS

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 150,381 | \$ 377,850 | \$ 171,530 | \$ 310,275 |
| Operations & maintenance | 21,693 | 20,000 | 30,835 | 107,290 |
| Services & other | 179,564 | 209,420 | 201,390 | 195,160 |
| SUBTOTAL | 351,638 | 607,270 | 403,755 | 612,725 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 351,638 | \$ 607,270 | \$ 403,755 | \$ 612,725 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Fitness Supervisor | PE-3 | 1.00 | 1.00 | 1.00 |
| Personal Training Coordinator | A/TN-4 | 1.00 | 1.00 | 1.00 |
| Personal Trainer (part-time) | RCS-3 | 7.12 | 5.12 | 5.84 |
| Childcare Attendant | RCS-1 | 2.42 | 2.42 | - |
| TOTAL | | 11.54 | 9.54 | 7.84 |

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Recreation Programs **ACCOUNT:** 125-650-04

RECREATION PROGRAMS

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 189,876 | \$ 254,420 | \$ 253,920 | \$ 262,535 |
| Operations & maintenance | 900 | 8,000 | 6,000 | 6,000 |
| Services & other | 103,147 | 175,945 | 127,325 | 128,030 |
| SUBTOTAL | 293,923 | 438,365 | 387,245 | 396,565 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 293,923 | \$ 438,365 | \$ 387,245 | \$ 396,565 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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 | 1.78 | 1.78 | 2.64 |
| Party Host | RCS-1 | - | - | 0.40 |
| Athletic Assistant (seasonal) | RCS-1 | 1.48 | 1.48 | 1.39 |
| Childcare Attendant | RCS-1 | - | - | 3.91 |
| TOTAL | | 5.26 | 5.26 | 10.34 |

FUND: The Keller Pointe (Recreation & Aquatic Center) **DEPARTMENT:** The Keller Pointe (Recreation & Aquatic Center) **DIVISION:** Facility Maintenance **ACCOUNT:** 125-650-05

FACILITY MAINTENANCE

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 68,327 | \$ 72,885 | \$ 72,885 | \$ 117,855 |
| Operations & maintenance | 60,392 | 52,030 | 74,625 | 71,380 |
| Services & other | 196,966 | 213,980 | 186,175 | 215,880 |
| SUBTOTAL | 325,685 | 338,895 | 333,685 | 405,115 |
| Capital outlay | - | - | - | 18,000 |
| TOTAL | \$ 325,685 | \$ 338,895 | \$ 333,685 | \$ 423,115 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Building Operations Supervisor | TN-10 | 1.0 | 1.0 | 1.0 |
| Building Maintenance Tech I | TN-1 | - | - | 1.0 |
| TOTAL | | 1.0 | 1.0 | 2.0 |

FY2009 highlights: capital outlay includes funding to replace an air conditioning unit and/or compressor at the facility.

| | | | |
|---|---|--|-------------------------------|
| 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

| | <u>2006-2007</u> <u>ACTUAL</u> | <u>2007-2008</u> <u>BUDGET</u> | <u>2007-2008</u> <u>ESTIMATE</u> | <u>2008-2009</u> <u>PROPOSED</u> |
|---|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 231,348 | \$ 264,635 | \$ 283,515 | \$ 333,200 |
| Operations & maintenance | 68,707 | 68,050 | 60,005 | 74,000 |
| Services & other | 4,116 | 2,385 | 1,940 | 2,600 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| SUBTOTAL | 304,171 | 335,070 | 345,460 | 409,800 |
| Capital outlay | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL | \$ 304,171 | \$ 335,070 | \$ 345,460 | \$ 409,800 |

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

| <u>POSITION TITLE</u> | <u>PAY CLASS</u> | <u>2006-2007</u> <u>ACTUAL</u> | <u>2007-2008</u> <u>ESTIMATE</u> | <u>2008-2009</u> <u>PROPOSED</u> |
|---|------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Customer Service Supervisor | PE-3 | 1.00 | - | 1.00 |
| Senior Customer Service Representative | A/TN-1 | - | 2.00 | 2.00 |
| Customer Service Representative (part-time) | RCS-2 | 7.33 | 7.33 | 8.11 |
| Concession Stand Attendant | RCS-1 | 2.30 | 2.30 | 2.89 |
| | | <hr/> | <hr/> | <hr/> |
| TOTAL | | 10.63 | 11.63 | 14.00 |

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 transfers (user fees) 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.

| 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------|---------------------|-----------------------|-----------------------|
|---------------------|---------------------|-----------------------|-----------------------|

INFORMATION SERVICES FUND SUMMARY

RESOURCES:

| | | | | |
|------------------------------|------------|------------|------------|------------|
| Total beginning fund balance | \$ 320,792 | \$ 381,306 | \$ 442,973 | \$ 465,318 |
| Revenues and transfers | 1,331,268 | 1,247,105 | 1,251,475 | 1,339,535 |

| | | | | |
|------------------------------|-----------|-----------|-----------|-----------|
| TOTAL FUNDS AVAILABLE | 1,652,060 | 1,628,411 | 1,694,448 | 1,804,853 |
|------------------------------|-----------|-----------|-----------|-----------|

USES/DEDUCTIONS:

| | | | | |
|--------------------------------|-----------|-----------|-----------|-----------|
| Expenditures and transfers out | 1,209,087 | 1,234,225 | 1,229,130 | 1,404,750 |
|--------------------------------|-----------|-----------|-----------|-----------|

ENDING FUND BALANCE:

| | | | | |
|-------------------------|---------|---------|---------|---------|
| Unreserved fund balance | 442,973 | 394,186 | 465,318 | 400,103 |
|-------------------------|---------|---------|---------|---------|

| | | | | |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| FUND TOTAL | \$ 1,652,060 | \$ 1,628,411 | \$ 1,694,448 | \$ 1,804,853 |
|-------------------|---------------------|---------------------|---------------------|---------------------|

| | | | | |
|--------------------------------|---------|--------|--------|----------|
| Excess revenues (expenditures) | 122,181 | 12,880 | 22,345 | (65,215) |
|--------------------------------|---------|--------|--------|----------|

REVENUES

OPERATING REVENUES:

| | | | | |
|-------------------------------------|------------|------------|------------|--------------|
| Information services fees-City | \$ 981,180 | \$ 921,980 | \$ 936,400 | \$ 1,027,460 |
| General Fund lease revenue | 188,260 | 196,240 | 194,625 | 194,625 |
| Water/Wastewater Fund lease revenue | 39,005 | 32,305 | 28,190 | 28,190 |
| Drainage Utility Fund lease revenue | 1,950 | 1,070 | 1,035 | 1,035 |
| The Keller Pointe lease revenue | 18,000 | 17,950 | 15,675 | 15,675 |
| Teen Court Fund lease revenue | 160 | 60 | 50 | 50 |
| Communication tower rental fees | 75,670 | 52,500 | 52,500 | 52,500 |
| Subtotal | 1,304,225 | 1,222,105 | 1,228,475 | 1,319,535 |

OTHER REVENUE:

| | | | | |
|-------------------|--------|--------|--------|--------|
| Interest earnings | 27,043 | 25,000 | 23,000 | 20,000 |
| Subtotal | 27,043 | 25,000 | 23,000 | 20,000 |

| | | | | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| TOTAL REVENUES AND TRANSFERS | \$ 1,331,268 | \$ 1,247,105 | \$ 1,251,475 | \$ 1,339,535 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|

INFORMATION SERVICES FUND COMBINED EXPENDITURES

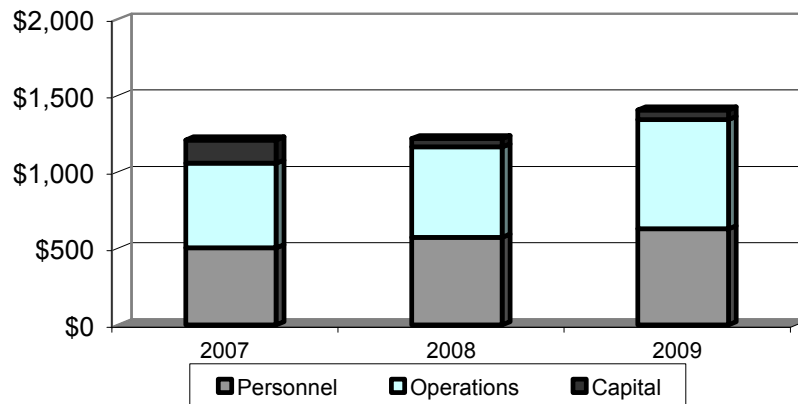
| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|---------------------|---------------------|-----------------------|-----------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 502,975 | \$ 571,540 | \$ 569,550 | \$ 627,530 |
| Operations & maintenance | 352,052 | 375,430 | 373,890 | 458,750 |
| Services & other | 201,099 | 230,575 | 227,690 | 256,470 |
| SUBTOTAL | 1,056,126 | 1,177,545 | 1,171,130 | 1,342,750 |
| Capital outlay | 152,961 | 56,680 | 58,000 | 62,000 |
| TOTAL | \$ 1,209,087 | \$ 1,234,225 | \$ 1,229,130 | \$ 1,404,750 |
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Administration | \$ 1,093,377 | \$ 1,095,625 | \$ 1,098,750 | \$ 1,248,720 |
| Geographic Information Services | 115,710 | 138,600 | 130,380 | 156,030 |
| TOTAL | \$ 1,209,087 | \$ 1,234,225 | \$ 1,229,130 | \$ 1,404,750 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------------------|---------------------|-----------------------|-----------------------|
| Administration | 6.0 | 6.0 | 6.0 |
| Geographic Information Services | 1.5 | 1.5 | 1.5 |
| TOTAL | 7.5 | 7.5 | 7.5 |

Information Services Expenditures (000's)



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, Web site development/maintenance, Audio Visual support, Public Library Patron/staff support, 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 support, Internet services, and Audio Visual services 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 software to prevent damage to City operations.
 10. Provide project management to all technology related projects within the City.
 11. Continue implementation of a document imaging system to reduce physical file storage requirements and improve access to critical information.
 12. 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.

(continued)

FUND:
Information Services

DEPARTMENT:
Information Services

DIVISION:
Administration

ACCOUNT:
119-180-15

(Continued)

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Application/file/Storage servers supported/maintained | 18 | 22 | 27 |
| Desktop/laptop computers supported/maintained | 217 | 266 | 272 |
| Network / local printers supported/maintained | 102 | 114 | 104 |
| Telephone handsets supported/maintained | 230 | 240 | 280 |
| Network equipment/devices supported/maintained | 48 | 50 | 45 |

FUND:
Information Services

DEPARTMENT:
Information Services

DIVISION:
Administration

ACCOUNT:
119-180-15

**INFORMATION SERVICES FUND
ADMINISTRATION EXPENDITURES**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 427,585 | \$ 484,610 | \$ 493,340 | \$ 530,945 |
| Operations & maintenance | 336,732 | 358,380 | 356,340 | 433,000 |
| Services & other | 176,099 | 203,455 | 202,070 | 222,775 |
| SUBTOTAL | 940,416 | 1,046,445 | 1,051,750 | 1,186,720 |
| Capital outlay | 152,961 | 49,180 | 47,000 | 62,000 |
| TOTAL | \$ 1,093,377 | \$ 1,095,625 | \$ 1,098,750 | \$ 1,248,720 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| Information Services Manager | Director | - | - | 1.0 |
| Information Services Manager | Technical Mgr | 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 |

FY2009 highlights: capital outlay includes funding for technology replacements at Keller Town Hall.

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 and conversion, map production, interactive map web pages, and geographic database management.

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. Improve/enhance our existing NCTCOG Economic Development GIS website in conjunction with NCTCOG iCommunities.
6. Develop new GIS data layers for the Police, Fire, Community Development, and Parks and Recreation departments.
7. Assist Public Works with the development of a storm drain GIS data layer.
8. Integrate GIS utilities datasets with the Public Works GBA Master Series work order system.
9. Continue to improve the GIS Intranet site to better serve internal staff with GIS data.
10. Maintain and update the GIS implementation plan as conditions warrant.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Intranet GIS users | 20-25 | 25-30 | 35-40 |
| Advanced GIS users performing analysis and developing detailed maps | 5 | 6 | 7-8 |

FUND:
Information Services

DEPARTMENT:
Information Services

DIVISION:
Geographic Information
Systems

ACCOUNT:
119-180-19

**INFORMATION SERVICES FUND
GEOGRAPHIC INFORMATION SYSTEM EXPENDITURES**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 75,390 | \$ 86,930 | \$ 76,210 | \$ 96,585 |
| Operations & maintenance | 15,320 | 17,050 | 17,550 | 25,750 |
| Services & other | 25,000 | 27,120 | 25,620 | 33,695 |
| SUBTOTAL | 115,710 | 131,100 | 119,380 | 156,030 |
| Capital outlay | - | 7,500 | 11,000 | - |
| TOTAL | \$ 115,710 | \$ 138,600 | \$ 130,380 | \$ 156,030 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| GIS Coordinator | PE-8 | - | - | 1.0 |
| GIS Analyst | PE-7 | 1.0 | 1.0 | - |
| GIS Intern | NA | 0.5 | 0.5 | 0.5 |
| TOTAL | | 1.5 | 1.5 | 1.5 |

LIBRARY SPECIAL REVENUE FUND

The Library Special Revenue Fund accounts for special contributions, donations, and their related expenditures for the Keller Public Library.

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|---------------------|---------------------|-----------------------|-----------------------|
| LIBRARY SPECIAL REVENUE FUND SUMMARY | | | | |
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance | \$ 45,091 | \$ 21,696 | \$ (1,746) | \$ 3,759 |
| Revenues and transfers | 22,559 | 29,000 | 37,730 | 37,560 |
| TOTAL FUNDS AVAILABLE | 67,650 | 50,696 | 35,984 | 41,319 |
| <u>USES/DEDUCTIONS:</u> | | | | |
| Expenditures and transfers out | 69,396 | 29,000 | 32,225 | 38,000 |
| <u>ENDING FUND BALANCE:</u> | | | | |
| Unreserved fund balance (deficit) | (1,746) | 21,696 | 3,759 | 3,319 |
| FUND TOTAL | \$ 67,650 | \$ 50,696 | \$ 35,984 | \$ 41,319 |
| Excess revenues (expenditures) | (46,837) | - | 5,505 | (440) |
| REVENUES | | | | |
| <u>MISCELLANEOUS REVENUES:</u> | | | | |
| Utility Bill Donations | \$ 11,668 | \$ 14,000 | \$ 14,000 | \$ 14,000 |
| Library Donations | 1,172 | 2,000 | 8,560 | 8,500 |
| Non-resident fees | 3,176 | 3,000 | 3,560 | 3,560 |
| Interest earnings | 2,286 | 5,000 | 2,500 | 2,500 |
| Miscellaneous grant revenue | 4,257 | 5,000 | 9,110 | 9,000 |
| TOTAL REVENUES AND TRANSFERS | \$ 22,559 | \$ 29,000 | \$ 37,730 | \$ 37,560 |

LIBRARY SPECIAL REVENUE FUND

EXPENDITURE SUMMARY

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|---------------------|---------------------|-----------------------|-----------------------|
| <u>EXPENDITURES BY FUNCTION</u> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 9,271 | 25,000 | 13,220 | 24,145 |
| Services & other | 60,125 | 4,000 | 4,005 | 4,855 |
| Transfers to other funds | - | - | 15,000 | - |
| SUBTOTAL | 69,396 | 29,000 | 32,225 | 29,000 |
| Capital outlay | - | - | - | 9,000 |
| TOTAL | \$ 69,396 | \$ 29,000 | \$ 32,225 | \$ 38,000 |
| <u>EXPENDITURES BY ACTIVITY:</u> | | | | |
| Library Services | \$ 65,657 | \$ 29,000 | \$ 23,115 | \$ 29,000 |
| Library Grant Expenditures | 3,739 | - | 9,110 | 9,000 |
| TOTAL | \$ 69,396 | \$ 29,000 | \$ 32,225 | \$ 38,000 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|---------------------|-----------------------|-----------------------|
|-----------------------|---------------------|-----------------------|-----------------------|

FY2009 highlights: capital outlay funding includes equipment to be purchased with grant funds.

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.

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|---------------------|---------------------|-----------------------|-----------------------|
| RECREATION SPECIAL REVENUE FUND SUMMARY | | | | |
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance | \$ 112,171 | \$ 111,406 | \$ 137,224 | \$ 180,935 |
| Revenues and transfers | 136,598 | 222,030 | 231,201 | 245,338 |
| TOTAL FUNDS AVAILABLE | 248,769 | 333,436 | 368,425 | 426,273 |
| <u>USES/DEDUCTIONS:</u> | | | | |
| Expenditures and transfers out | 111,545 | 246,253 | 187,490 | 388,848 |
| <u>ENDING FUND BALANCE:</u> | | | | |
| Total fund balance | 137,224 | 87,183 | 180,935 | 37,425 |
| Designated for Wild West Fest | 19,466 | 21,221 | 20,066 | 21,066 |
| Designated for tree preservation | 34,354 | - | 2,079 | - |
| Designated for Get up/Get Out grant | - | - | 69,000 | - |
| Unreserved fund balance | 83,404 | 65,962 | 89,790 | 16,359 |
| FUND TOTAL | \$ 248,769 | \$ 333,436 | \$ 368,425 | \$ 426,273 |
| Excess revenues (expenditures) | 25,053 | (24,223) | 43,711 | (143,510) |
| REVENUES | | | | |
| <u>RECREATION PROGRAMS REVENUE:</u> | | | | |
| Texas Amateur Athletic Foundation (TAAF): | | | | |
| Swimming revenue | \$ 24,840 | \$ 21,000 | \$ 25,000 | \$ 25,000 |
| Track revenue | - | 2,000 | 2,000 | 2,000 |
| Hockey league revenue | 8,239 | 10,000 | - | - |
| Daddy/daughter sweetheart ball | 4,746 | 5,200 | 4,750 | 6,600 |
| Halloween haunted trail revenue | 3,917 | 3,000 | 3,260 | 3,000 |
| Holly Days in the Park revenue | 1,350 | 2,000 | 1,600 | 2,000 |
| Wild West Fest revenue | 30,521 | 28,600 | 29,000 | 29,000 |
| Mother/son ice cream social revenue | 310 | 1,000 | 1,000 | 1,000 |
| Keller family campout revenue | 2,025 | 1,500 | 2,360 | 1,750 |
| Easter event revenue | 340 | 1,190 | 485 | 800 |
| Canoe trip revenue (expense) | (70) | 1,050 | - | - |
| Spooky-Kooky-Keller-Kastle revenue | - | 500 | 100 | 100 |
| Family fun films revenue | 350 | 500 | 500 | 500 |
| Fishing event revenue | 100 | 500 | 100 | 500 |
| Recreation program revenue | - | - | - | 6,000 |
| TOTAL RECREATION REVENUES | \$ 76,668 | \$ 78,040 | \$ 70,155 | \$ 78,250 |

(continued)

**RECREATION SPECIAL REVENUE FUND
REVENUES**

(Continued)

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>MISCELLANEOUS REVENUES:</u> | | | | |
| Interest earnings | \$ 6,096 | \$ 3,500 | \$ 6,000 | \$ 3,500 |
| Miscellaneous park donations | 792 | 2,250 | 6,000 | 2,250 |
| Charter Community grant revenue | - | - | 11,353 | 11,353 |
| Get Up/Get Out Kids Fest grant revenue | - | 79,000 | 79,000 | 39,600 |
| Ticket sales revenue | 39,490 | 22,900 | 9,000 | 8,665 |
| Concerts in the Park revenue | 1,844 | 5,100 | 5,100 | 5,100 |
| Utility bill donation revenue | 11,668 | 13,000 | 13,000 | 13,000 |
| Senior Center donations | - | 300 | 1,700 | 300 |
| Senior Center birthday breakfast | - | 480 | 360 | 360 |
| Senior Center Thursday nights | - | 720 | 760 | 720 |
| Senior Center coffee service | 40 | 520 | 700 | 720 |
| Senior Center trips | - | 11,220 | 8,520 | 8,520 |
| Tree preservation fines/fees | - | 5,000 | 8,200 | 5,000 |
| TOTAL MISCELLANEOUS REVENUES | 59,930 | 143,990 | 149,693 | 99,088 |
| <u>TRANSFERS FROM OTHER FUNDS:</u> | | | | |
| Transfer from general fund | - | - | 11,353 | - |
| TOTAL TRANSFERS | - | - | 11,353 | - |
| <u>INTERGOVERNMENTAL:</u> | | | | |
| City of Southlake | - | - | - | 68,000 |
| TOTAL OTHER RESOURCES | - | - | - | 68,000 |
| TOTAL REVENUES AND TRANSFERS | \$ 136,598 | \$ 222,030 | \$ 231,201 | \$ 245,338 |

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 sport leagues 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 leagues.

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, Egg Scramble, Family Fun Films, TREE-Mendous Arbor Day, Daddy/Daughter Sweetheart Ball, Family Camp Out, Outdoor Holiday Yard Decorating Contest, Mother/Son I Scream Social, Spooky Kooky Keller Kastle, Dog Day Afternoon, Fishing for Fun, Get Up and Get Out series, and Keller KidsFest events. These events are funded by the 50 cent water bill donations, sponsorships, grants, donations and booth fees. Administrative functions of the special events are 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 concerts held during the summer months at Bear Creek Park. Administrative functions of the event are included in the General Fund Parks and Recreation budget.

Senior Services Programs and Trips:

To provide quality recreation programs and trip experiences for Keller senior citizens that meets the needs of all senior ages and cultures.

DEPARTMENT/ACTIVITY GOALS:

1. Plan, administer and coordinate a variety of quality programs, special events/activities and trips to appeal to guests of all ages and interest.
2. Administer Keller Proud and Texas Amateur Athletic programs.
3. To expand our resources and encourage community involvement in special events by:
 - Continuing to foster partnerships with Keller Independent School District, civic groups, businesses and neighboring communities.
 - Maintaining and promoting an active volunteer program.
 - Maintaining and expanding sponsorship opportunities.
4. To provide quality customer service that exceeds expectations of guests.
5. To enhance special event activities such as Concerts in the Park and MasterWorks through the Charter Community Grant Program.

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROJECTED |
| Special events provided annually | 31 | 35 | 41 |
| Special events participants | 21,801 | 24,213 | 44,582 |
| Recreation program volunteers | 1,251 | 1,500 | 2,000 |
| Recreation program volunteer hours | 2,177.5 | 2,845.5 | 4,215 |
| Recreation leagues provided | 14 | 14 | 8 |
| Recreation league participants | 165 | 200 | 150 |
| Recreation leagues provided at KISD facilities | — | 1 | 1 |
| Senior Center trips offered | 33 | 35 | 36 |
| Senior Center trip participants | 869 | 880 | 910 |
| Senior Center Birthday Breakfasts offered | 12 | 12 | 12 |
| Senior Center Birthday Breakfast participants | 240 | 264 | 280 |
| Senior Center Thursday Night activities | 50 | 50 | 50 |
| Senior Center Thursday Night participants | 842 | 900 | 930 |

FUND:
Recreation Special
Revenue

DEPARTMENT:
All Activities

DIVISION:
All Activities

ACCOUNT:
112-XXX-XX

**RECREATION SPECIAL REVENUE FUND
EXPENDITURE SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION</u> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | 48,323 | 104,868 | 116,460 | 48,054 |
| Services & other | 63,222 | 141,385 | 71,030 | 204,794 |
| SUBTOTAL | 111,545 | 246,253 | 187,490 | 252,848 |
| Capital outlay | - | - | - | 136,000 |
| TOTAL | \$ 111,545 | \$ 246,253 | \$ 187,490 | \$ 388,848 |
| <u>EXPENDITURES BY PROGRAM:</u> | | | | |
| Senior Services Programs | \$ - | \$ 12,060 | \$ 10,940 | \$ 14,160 |
| Recreation Programs | 49,171 | 62,215 | 68,370 | 170,750 |
| Special Events | 46,019 | 122,900 | 54,005 | 152,850 |
| Designated Expenditures | 8,416 | 41,378 | 46,475 | 43,388 |
| Concerts in the Park | 7,939 | 7,700 | 7,700 | 7,700 |
| TOTAL | \$ 111,545 | \$ 246,253 | \$ 187,490 | \$ 388,848 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| DEPARTMENT / DIVISION | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------|-----------------------------|-------------------------------|-------------------------------|
|------------------------------|-----------------------------|-------------------------------|-------------------------------|

FY2009 highlights: capital outlay includes funding for a mobile event stage that will be shared with the City of Southlake. The City of Southlake will provide 50% of the funding (\$68,000).

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.

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|---------------------|---------------------|-----------------------|-----------------------|
| MUNICIPAL COURT SPECIAL REVENUE FUND SUMMARY | | | | |
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance | \$ 175,433 | \$ 179,968 | \$ 233,035 | \$ 226,815 |
| Revenues and transfers | 108,440 | 116,790 | 116,790 | 116,790 |
| TOTAL FUNDS AVAILABLE | 283,873 | 296,758 | 349,825 | 343,605 |
| <u>USES/DEDUCTIONS:</u> | | | | |
| Expenditures and transfers out | 50,838 | 127,635 | 123,010 | 133,165 |
| <u>ENDING FUND BALANCE:</u> | | | | |
| Unreserved fund balance | 233,035 | 169,123 | 226,815 | 210,440 |
| FUND TOTAL | \$ 283,873 | \$ 296,758 | \$ 349,825 | \$ 343,605 |
| Excess revenues (expenditures) | 57,602 | (10,845) | (6,220) | (16,375) |

REVENUES

| | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <u>MISCELLANEOUS REVENUES:</u> | | | | |
| Technology fees | \$ 33,649 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| Building security fees | 25,248 | 28,000 | 28,000 | 28,000 |
| School crossing fees | 6,032 | 10,000 | 10,000 | 10,000 |
| Juvenile Case Manager fees | 30,275 | 38,790 | 38,790 | 38,790 |
| Interest earnings | 13,235 | 10,000 | 10,000 | 10,000 |
| TOTAL REVENUES AND TRANSFERS | \$ 108,440 | \$ 116,790 | \$ 116,790 | \$ 116,790 |

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 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**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 29,116 | \$ 44,480 | \$ 43,770 | \$ 47,680 |
| Operations & maintenance | 11,579 | 39,825 | 36,635 | 73,580 |
| Services & other | 10,143 | 11,230 | 10,505 | 11,905 |
| SUBTOTAL | 50,838 | 95,535 | 90,910 | 133,165 |
| Capital outlay | - | 32,100 | 32,100 | - |
| TOTAL | \$ 50,838 | \$ 127,635 | \$ 123,010 | \$ 133,165 |

| | | | | |
|---|------------------|-------------------|-------------------|-------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Building Security Account | \$ 1,079 | \$ 4,300 | \$ 165 | \$ 4,335 |
| Technology Account | 10,100 | 68,425 | 68,665 | 69,880 |
| Juvenile Case Manager Account | 30,635 | 44,910 | 44,180 | 48,950 |
| School Crossing Guard Account | 9,024 | 10,000 | 10,000 | 10,000 |
| TOTAL | \$ 50,838 | \$ 127,635 | \$ 123,010 | \$ 133,165 |

PERSONNEL SUMMARY

(Full-time Equivalent Positions - Includes Vacant Positions)

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------|----------------------|-----------------------------|-------------------------------|-------------------------------|
| 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.

| 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---------------------|---------------------|-----------------------|-----------------------|
|---------------------|---------------------|-----------------------|-----------------------|

TEEN COURT SPECIAL REVENUE FUND SUMMARY

RESOURCES:

| | | | | |
|------------------------------|-----------|-----------|-----------|-----------|
| Total beginning fund balance | \$ 97,390 | \$ 36,620 | \$ 38,659 | \$ 45,264 |
| Revenues and transfers | 12,502 | 83,546 | 83,545 | 90,050 |

| | | | | |
|------------------------------|----------------|----------------|----------------|----------------|
| TOTAL FUNDS AVAILABLE | 109,892 | 120,166 | 122,204 | 135,314 |
|------------------------------|----------------|----------------|----------------|----------------|

USES/DEDUCTIONS:

| | | | | |
|--------------------------------|--------|--------|--------|--------|
| Expenditures and transfers out | 71,233 | 79,340 | 76,940 | 80,480 |
|--------------------------------|--------|--------|--------|--------|

ENDING FUND BALANCE:

| | | | | |
|-------------------------|--------|--------|--------|--------|
| Unreserved fund balance | 38,659 | 40,826 | 45,264 | 54,834 |
|-------------------------|--------|--------|--------|--------|

| | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| FUND TOTAL | \$ 109,892 | \$ 120,166 | \$ 122,204 | \$ 135,314 |
|-------------------|-------------------|-------------------|-------------------|-------------------|

| | | | | |
|--------------------------------|----------|-------|-------|-------|
| Excess revenues (expenditures) | (58,731) | 4,206 | 6,605 | 9,570 |
|--------------------------------|----------|-------|-------|-------|

REVENUES

MISCELLANEOUS REVENUES:

| | | | | |
|----------------------------------|--------|-----------|-----------|-----------|
| City of Haltom City contribution | \$ 914 | \$ 30,082 | \$ 30,080 | \$ 31,590 |
| City of Watauga contribution | 899 | 18,419 | 18,420 | 20,265 |
| Teen Court fines & donations | 5,914 | 5,000 | 5,000 | 5,000 |
| Miscellaneous revenue (expense) | 12 | - | - | - |
| Interest revenue | 4,763 | 3,000 | 3,000 | 3,000 |

| | | | | |
|---------------------------|--------|--------|--------|--------|
| REVENUES BEFORE TRANSFERS | 12,502 | 56,501 | 56,500 | 59,855 |
|---------------------------|--------|--------|--------|--------|

TRANSFERS FROM OTHER FUNDS:

| | | | | |
|----------------------------|---|--------|--------|--------|
| Transfer from general fund | - | 27,045 | 27,045 | 30,195 |
|----------------------------|---|--------|--------|--------|

| | | | | |
|-----------------|---|--------|--------|--------|
| TOTAL TRANSFERS | - | 27,045 | 27,045 | 30,195 |
|-----------------|---|--------|--------|--------|

| | | | | |
|-----------------------|------------------|------------------|------------------|------------------|
| TOTAL REVENUES | \$ 12,502 | \$ 83,546 | \$ 83,545 | \$ 90,050 |
|-----------------------|------------------|------------------|------------------|------------------|

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 juvenile's permanent 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 "First Offenders 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.
10. Continue to increase the number of teen volunteers to help them better understand how the legal system works and to promote service in our community

DEPARTMENT/DIVISION SERVICE ANALYSIS:

| <u>SERVICES PROVIDED</u> | SERVICE LEVEL ANALYSIS | | |
|--|-------------------------------|-------------------------------|--------------------------------|
| | <u>2006-2007 ACTUAL</u> | <u>2007-2008 ESTIMATE</u> | <u>2008-2009 PROJECTED</u> |
| Number of cases referred to Teen Court | 538 | 600 | 625 |
| Number of community service hours completed by defendants | 12,940 | 13,750 | 15,000 |
| Number of teen volunteers serving in Teen Court | 13 | 13 | 13 |
| Number of teens attending Options Program (ages 12 – 14) to be placed in an anger management program | 99 | 100 | 120 |
| Number of adult volunteers serving in Teen Court | 6 | 6 | 6 |

FUND:
Teen Court Special
Revenue

DEPARTMENT:
Teen Court

DIVISION:
Administration

ACCOUNT:
116-160-10

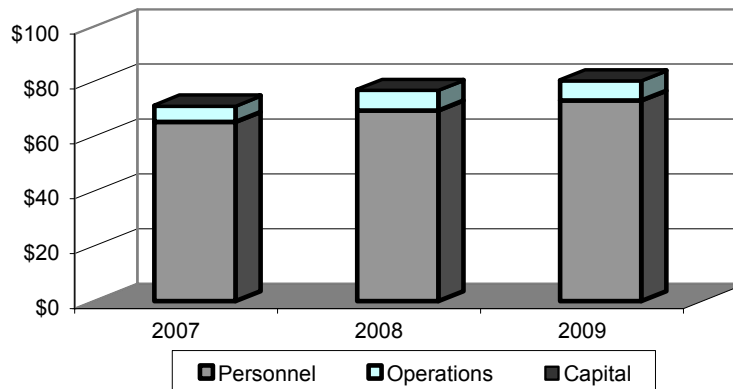
TEEN COURT SPECIAL REVENUE FUND

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ 65,284 | \$ 71,100 | \$ 69,440 | \$ 73,105 |
| Operations & maintenance | 656 | 1,600 | 1,400 | 1,300 |
| Services & other | 5,293 | 6,640 | 6,100 | 6,075 |
| SUBTOTAL | 71,233 | 79,340 | 76,940 | 80,480 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 71,233 | \$ 79,340 | \$ 76,940 | \$ 80,480 |

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

| POSITION TITLE | PAY CLASS | 2006-2007 ACTUAL | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------|------------------|-----------------------------|-------------------------------|-------------------------------|
| Teen Court Coordinator | PE-1 | 1.0 | 1.0 | 1.0 |
| TOTAL | | 1.0 | 1.0 | 1.0 |

Teen Court Expenditures (000's)



PUBLIC ARTS SPECIAL REVENUE FUND

The Public Arts Special Revenue Fund was created in FY2005 to account for public donations for the acquisition of and promotion of public art. For fiscal year 2007-2008, the activities of this Fund were transferred to the General Fund.

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|---------------------|---------------------|-----------------------|-----------------------|
| PUBLIC ARTS SPECIAL REVENUE FUND SUMMARY | | | | |
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance | \$ 109,205 | \$ 145,855 | \$ 183,673 | \$ - |
| Revenues and transfers | 133,580 | - | - | - |
| TOTAL FUNDS AVAILABLE | 242,785 | 145,855 | 183,673 | - |
| <u>USES/DEDUCTIONS:</u> | | | | |
| Expenditures and transfers out | 59,112 | 145,855 | 183,673 | - |
| <u>ENDING FUND BALANCE:</u> | | | | |
| Unreserved fund balance | 183,673 | - | - | - |
| FUND TOTAL | \$ 242,785 | \$ 145,855 | \$ 183,673 | \$ - |
| Excess revenues (expenditures) | 74,468 | (145,855) | (183,673) | - |

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. Certificates of obligation in the amount of \$5,245,000 were issued in May 2003 to fund the Police facility expansion and improvements. The annual debt service requirements were paid by the Crime Control Prevention District sales taxes. The debt service originally issued for the Police facility expansion was retired in FY2007.

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance | \$ 1,053,889 | \$ 611,946 | \$ 711,507 | \$ 535,812 |
| <u>REVENUES:</u> | | | | |
| City sales taxes | 1,553,620 | 1,492,600 | 1,200,000 | 990,000 |
| Interest revenue | 30,136 | 8,000 | 30,000 | 10,000 |
| Intergovernmental revenue - Southlake | - | 59,000 | 49,700 | - |
| TOTAL REVENUES | 1,583,756 | 1,559,600 | 1,279,700 | 1,000,000 |
| TOTAL FUNDS AVAILABLE | 2,637,645 | 2,171,546 | 1,991,207 | 1,535,812 |
| <u>EXPENDITURES:</u> | | | | |
| Administration/Accreditation | \$ 9,405 | \$ 5,000 | \$ 5,000 | \$ 11,000 |
| Facility Improvements | - | 1,000,000 | 750,000 | 500,000 |
| Furniture/Fixtures/Equipment Replacement | - | 118,640 | 207,430 | 200,000 |
| Technology Improvements | 157,330 | 337,580 | 228,685 | 80,200 |
| Police Operations | 241,978 | 295,280 | 264,280 | 238,960 |
| Debt Service | 1,517,425 | - | - | - |
| TOTAL EXPENDITURES | 1,926,138 | 1,756,500 | 1,455,395 | 1,030,160 |
| <u>ENDING FUND BALANCE:</u> | | | | |
| Unreserved fund balance | 711,507 | 415,046 | 535,812 | 505,652 |
| FUND TOTAL | \$ 2,637,645 | \$ 2,171,546 | \$ 1,991,207 | \$ 1,535,812 |
| Excess revenues (expenditures) | (342,382) | (196,900) | (175,695) | (30,160) |

FY2009 highlights: funding is included for future facility (jail) improvements (\$500,000); routine replacement of departmental vehicles and related vehicle accessories (\$238,960), and new furniture and fixtures (\$200,000).

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. This fund does not account for obligations backed by self-supporting activities, such as the Water and Wastewater Fund.

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance | \$ 670,971 | \$ 728,806 | \$ 664,065 | \$ 1,026,975 |
| Revenues and transfers | 4,821,168 | 4,923,580 | 5,460,900 | 5,260,120 |
| TOTAL FUNDS AVAILABLE | 5,492,139 | 5,652,386 | 6,124,965 | 6,287,095 |
| <u>USES/DEDUCTIONS:</u> | | | | |
| Expenditures and transfers out | 4,828,074 | 4,941,835 | 5,097,990 | 5,396,735 |
| <u>ENDING FUND BALANCE:</u> | | | | |
| Unreserved fund balance | 664,065 | 710,551 | 1,026,975 | 890,360 |
| FUND TOTAL | \$ 5,492,139 | \$ 5,652,386 | \$ 6,124,965 | \$ 6,287,095 |
| Excess revenues (expenditures) | (6,906) | (18,255) | 362,910 | (136,615) |
| General obligation debt outstanding, October 1 | \$ 39,854,977 | \$ 36,848,396 | \$ 36,848,396 | \$ 33,796,218 |
| Estimated population, October 1 | 36,508 | 37,685 | 37,685 | 38,402 |
| Direct tax-supported debt per capita | \$ 1,092 | \$ 978 | \$ 978 | \$ 880 |
| Ratio of debt to net taxable valuation | 1.2% | 1.0% | 1.0% | 0.9% |
| Financial policy target | 15.0% | 15.0% | 15.0% | 15.0% |
| Debt service expenditures as a percentage of total expenditures | 16.2% | 15.2% | 14.7% | 14.0% |
| 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.

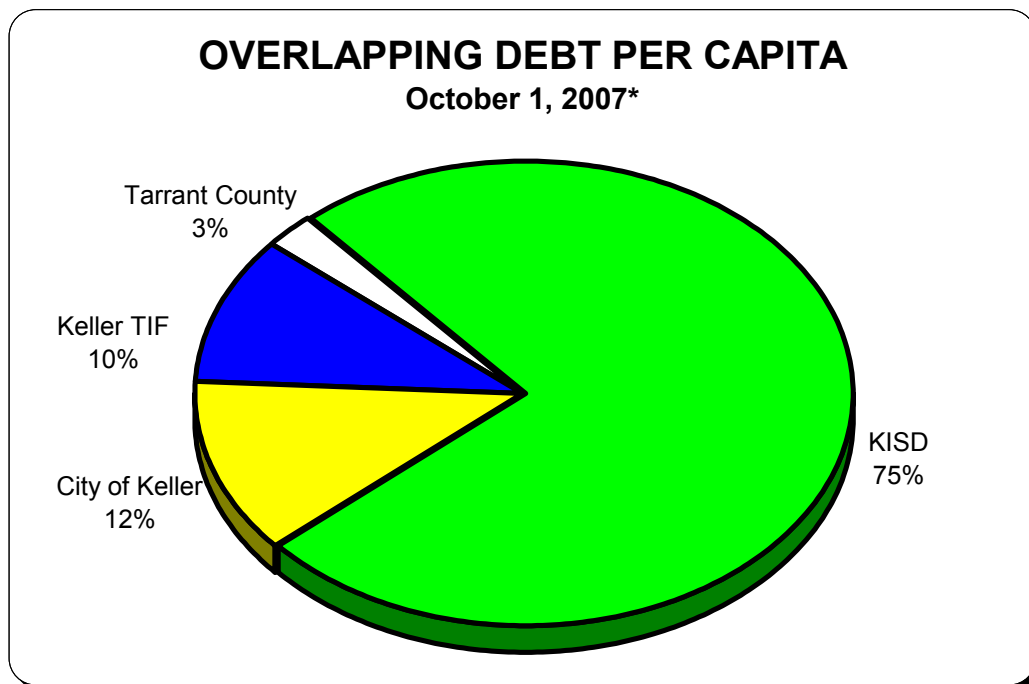
| | | | | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Tax rate limitation | \$ 2.50000 | \$ 2.50000 | \$ 2.50000 | \$ 2.50000 |
| Actual tax rate | 0.43219 | 0.43219 | 0.43219 | 0.43219 |
| Available rate available | <u>\$ 2.06781</u> | <u>\$ 2.06781</u> | <u>\$ 2.06781</u> | <u>\$ 2.06781</u> |
| Additional tax levy available | \$ 65,994,672 | \$ 73,016,101 | \$ 73,016,101 | \$ 79,375,979 |

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, 2007, using the estimated population of 36,508, the total overlapping debt per capita was \$8,135, of which the City's portion (excluding TIF debt) was \$993, or 12% of the total. Including the TIF portion of the overlapping tax rate, the City's combined debt per capita is \$1,838 or 22% of the total overlapping debt per capita. Total overlapping debt per capita increased from the previous year by \$1,135 (16%). The City's portion of overlapping debt *decreased* by \$23, or 1.3%.

As the following chart indicates most (75%) of the overlapping debt per capita results from the Keller Independent School District.



* Debt per capita ratios for October 1, 2008 are not yet available.

"Tarrant County" includes Tarrant County, Tarrant County College District, and Tarrant County Hospital 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.

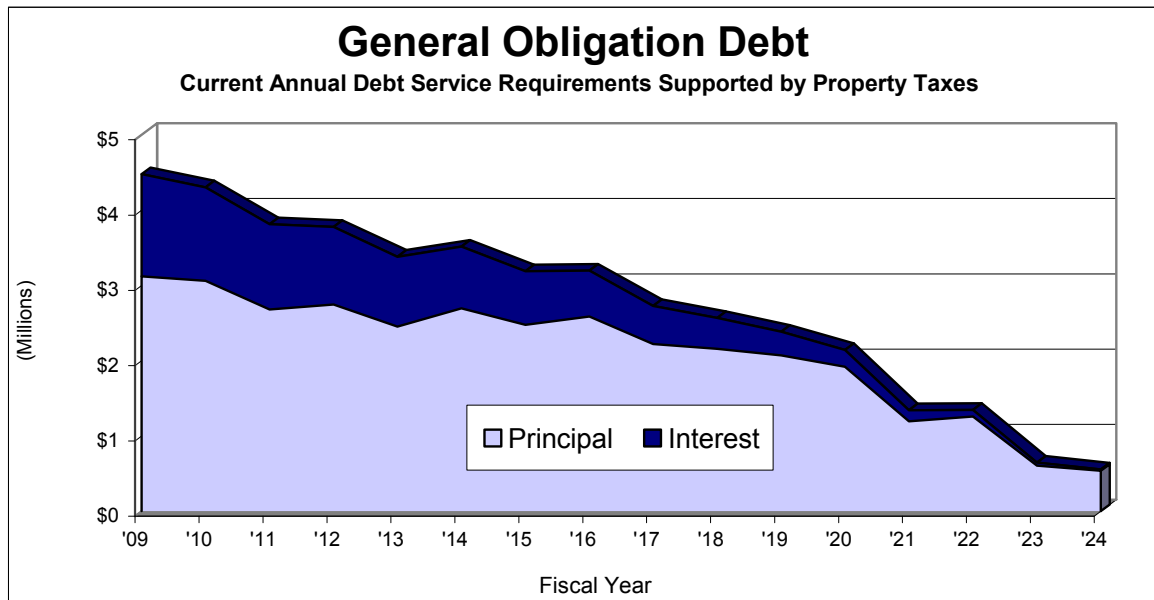
DEBT SERVICE FUND

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|---------------------|---------------------|-----------------------|-----------------------|
| REVENUES | | | | |
| <u>TAXES:</u> | | | | |
| Current taxes | \$ 4,050,784 | \$ 4,216,000 | \$ 4,197,820 | \$ 4,559,930 |
| Delinquent taxes | 30,082 | 20,000 | 30,000 | 20,000 |
| Accrued property taxes | (14,432) | - | - | - |
| Penalty & interest | 32,205 | 25,000 | 40,000 | 25,000 |
| Agricultural roll-back taxes | 5,560 | 5,000 | 70,500 | 5,000 |
| Subtotal | 4,104,199 | 4,266,000 | 4,338,320 | 4,609,930 |
| <u>MISCELLANEOUS REVENUES:</u> | | | | |
| Interest earnings | 67,999 | 50,000 | 65,000 | 40,000 |
| TOTAL MISCELLANEOUS REVENUES | 67,999 | 50,000 | 65,000 | 40,000 |
| REVENUES BEFORE TRANSFERS | 4,172,198 | 4,316,000 | 4,403,320 | 4,649,930 |
| <u>TRANSFERS FROM OTHER FUNDS:</u> | | | | |
| Transfer from General Fund | - | - | 450,000 | - |
| Transfer from Keller Development Corp. | 163,760 | 130,170 | 130,170 | 183,120 |
| Keller Sports Park improvements: | | | | |
| 2004 General obligation refunding | | | | |
| 2005 General obligation refunding | | | | |
| Transfer from Street/Drainage Improvements fund (<i>street assessments</i>) | 30,000 | 15,000 | 15,000 | 15,000 |
| Transfer from water & w/w fund | 455,210 | 462,410 | 462,410 | 412,070 |
| TOTAL TRANSFERS | 648,970 | 607,580 | 1,057,580 | 610,190 |
| TOTAL OTHER RESOURCES | - | - | - | - |
| TOTAL REVENUES AND TRANSFERS | \$ 4,821,168 | \$ 4,923,580 | \$ 5,460,900 | \$ 5,260,120 |

DEBT SERVICE FUND

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-----------------------------|---------------------|---------------------|-----------------------|-----------------------|
| <u>EXPENDITURES:</u> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | - | - | - | - |
| Services & other | - | - | - | - |
| Debt service | 4,718,708 | 4,541,835 | 4,597,990 | 4,478,770 |
| Transfers to other funds | 109,366 | 400,000 | 500,000 | 917,965 |
| SUBTOTAL | 4,828,074 | 4,941,835 | 5,097,990 | 5,396,735 |
| Capital outlay | - | - | - | - |
| TOTAL | \$ 4,828,074 | \$ 4,941,835 | \$ 5,097,990 | \$ 5,396,735 |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>EXPENDITURES BY DIVISION:</u> | | | | |
| Administration/Finance | \$ 4,718,708 | \$ 4,541,835 | \$ 4,540,635 | \$ 4,478,770 |
| Transfers to other funds | 109,366 | 400,000 | 557,355 | 917,965 |
| TOTAL | \$ 4,828,074 | \$ 4,941,835 | \$ 5,097,990 | \$ 5,396,735 |



SCHEDULE OF GENERAL OBLIGATION DEBT OUTSTANDING
October 1, 2008
(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>FY2009 Requirements</u> | | |
|---|-----------------------|----------------------|-------------------------|------------------------------|-----------------------------------|----------------------------|---------------------|---------------------|
| | | | | | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| General obligation bonds: | | | | | | | | |
| Series 1981 | 5.00% | 05/1981 | 01/2020 | \$ 1,150 | \$ 650 | \$ 40,000 | \$ 32,500 | \$ 72,500 |
| General obligation refunding bonds: | | | | | | | | |
| Series 1999 | 3.75 - 5.00 | 05/1999 | 09/2020 | 2,298 | 1,303 | 189,417 | 57,193 | 246,610 |
| Series 2002 | 3.00 - 4.00 | 11/2002 | 02/2013 | 700 | 345 | 65,000 | 12,080 | 77,080 |
| Series 2004 | 2.00 - 4.00 | 02/2004 | 02/2017 | 11,125 | 5,905 | 1,265,000 | 184,413 | 1,449,413 |
| Series 2005 | 3.25 - 4.20 | 08/2005 | 02/2020 | 9,980 | 9,680 | 275,000 | 379,555 | 654,555 |
| Certificates of obligation: | | | | | | | | |
| Series 1998A (1) | 4.00 - 6.00 | 12/1998 | 09/2013 | 3,000 | 805 | 145,000 | 31,556 | 176,556 |
| Series 1999A (1) | 5.25 - 6.20 | 12/1999 | 02/2009 | 8,100 | 350 | 350,000 | 10,500 | 360,500 |
| Series 2002 | 4.00 - 5.00 | 07/2002 | 02/2022 | 8,615 | 6,925 | 345,000 | 300,428 | 645,428 |
| Series 2003 | 3.00 - 4.25 | 05/2003 | 08/2023 | 1,690 | 1,065 | 55,000 | 38,581 | 93,581 |
| Series 2004 | 4.00 - 5.00 | 06/2004 | 02/2024 | 6,540 | 6,090 | 255,000 | 280,041 | 535,041 |
| Series 2006 | 4.25 | 07/2006 | 02/2011 | 270 | 170 | 55,000 | 6,056 | 61,056 |
| Series 2007 | | | | | | | | - |
| Subtotal-bonds and certificates of obligation | | | | 53,474 | 33,288 | 3,039,417 | 1,332,903 | 4,372,320 |
| Lease-purchase obligations: | | | | | | | | |
| Ladder truck for Fire Department | 4.653 | 10/2003 | 10/2013 | 825 | 508 | 81,402 | 23,646 | 105,048 |
| TOTAL | | | | \$ 54,299 | \$ 33,796 | \$ 3,120,819 | \$ 1,356,549 | \$ 4,477,368 |

(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 |
|----------------|----------------------|---------------------|----------------------------------|-------------------------|
| 2008-09 | \$ 3,039,417 | \$ 1,332,903 | \$ 4,372,319 | \$ 4,372,319 |
| 2009-10 | 2,977,743 | 1,219,504 | 4,197,247 | 4,197,247 |
| 2010-11 | 2,591,069 | 1,116,900 | 3,707,969 | 3,707,969 |
| 2011-12 | 2,654,395 | 1,017,926 | 3,672,321 | 3,672,321 |
| 2012-13 | 2,356,608 | 919,666 | 3,276,274 | 3,276,274 |
| 2013-14 | 2,632,038 | 818,200 | 3,450,238 | 3,450,238 |
| 2014-15 | 2,476,201 | 713,648 | 3,189,848 | 3,189,848 |
| 2015-16 | 2,588,282 | 607,758 | 3,196,040 | 3,196,040 |
| 2016-17 | 2,222,445 | 504,136 | 2,726,581 | 2,726,581 |
| 2017-18 | 2,159,527 | 407,449 | 2,566,976 | 2,566,976 |
| 2018-19 | 2,071,608 | 313,008 | 2,384,616 | 2,384,616 |
| 2019-20 | 1,918,690 | 222,260 | 2,140,949 | 2,140,949 |
| 2020-21 | 1,195,000 | 147,127 | 1,342,127 | 1,342,127 |
| 2021-22 | 1,260,000 | 87,341 | 1,347,341 | 1,347,341 |
| 2022-23 | 605,000 | 41,788 | 646,788 | 646,788 |
| 2023-24 | 540,000 | 13,500 | 553,500 | 553,500 |
| TOTAL | \$ 33,288,019 | \$ 9,483,113 | \$ 42,771,132 | \$ 42,771,132 |

The following municipal lease-purchase agreement obligation amounts are excluded from the above totals.

**SCHEDULE OF DEBT REQUIREMENTS
MUNICIPAL LEASE-PURCHASE AGREEMENT**

| Fiscal Year | Payment | Interest | Principal | Principal Balance |
|----------------|----------------------|---------------------|----------------------|----------------------|
| 10/01/2008 | \$ 105,048.32 | \$ 23,646.51 | \$ 81,401.81 | 504,580.01 |
| 10/01/2009 | 105,048.32 | 19,858.88 | 85,189.44 | 419,390.57 |
| 10/01/2010 | 105,048.32 | 15,895.02 | 89,153.30 | 330,237.27 |
| 10/01/2011 | 105,048.32 | 11,746.72 | 93,301.60 | 236,935.67 |
| 10/01/2012 | 105,048.32 | 7,405.39 | 97,642.93 | 139,292.74 |
| 10/01/2013 | 64,372.23 | 2,862.08 | 61,510.15 | 77,782.59 |
| TOTAL | \$ 589,613.83 | \$ 81,414.60 | \$ 508,199.23 | |

Amount issued: \$ 825,000
Interest rate: 4.653%
Purpose: Fire truck and equipment acquisition

DATED: October 7, 2003

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.

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--|---------------------|---------------------|-----------------------|-----------------------|
| INTEREST & SINKING FUND SUMMARY | | | | |
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance | \$ 555,897 | \$ 383,465 | \$ 247,354 | \$ 222,454 |
| Revenues and transfers | 2,315,740 | 2,725,140 | 3,067,380 | 3,470,885 |
| TOTAL FUNDS AVAILABLE | 2,871,637 | 3,108,605 | 3,314,734 | 3,693,339 |
| <u>USES/DEDUCTIONS:</u> | | | | |
| Expenditures and transfers out | 2,624,283 | 3,093,000 | 3,092,280 | 3,615,050 |
| <u>ENDING FUND BALANCE:</u> | | | | |
| Unreserved fund balance | 247,354 | 15,605 | 222,454 | 78,289 |
| FUND TOTAL | \$ 2,871,637 | \$ 3,108,605 | \$ 3,314,734 | \$ 3,693,339 |
| Excess revenues (expenditures) | (308,543) | (367,860) | (24,900) | (144,165) |
| REVENUES | | | | |
| <u>TIF TAXES:</u> | | | | |
| City of Keller | \$ 321,458 | \$ 165,300 | \$ 430,000 | \$ 47,140 |
| Tarrant County | 171,762 | 202,430 | 190,000 | 244,500 |
| Tarrant County Hospital District | 137,226 | 156,990 | 147,400 | 181,825 |
| Tarrant County College District | 148,964 | 175,500 | 155,000 | 210,000 |
| Keller Independent School District | 1,501,681 | 1,609,920 | 1,632,980 | 1,866,955 |
| SUBTOTAL | 2,281,091 | 2,310,140 | 2,555,380 | 2,550,420 |
| <u>OTHER REVENUE:</u> | | | | |
| Interest revenue-investments | 24,699 | 15,000 | 12,000 | 2,500 |
| Transfer from TIF capital projects | 9,950 | - | - | - |
| Transfer from debt service fund | - | 400,000 | 500,000 | 917,965 |
| SUBTOTAL | 34,649 | 415,000 | 512,000 | 920,465 |
| TOTAL REVENUES | \$ 2,315,740 | \$ 2,725,140 | \$ 3,067,380 | \$ 3,470,885 |
| EXPENDITURES | | | | |
| <u>EXPENDITURES BY FUNCTION:</u> | | | | |
| Personnel services | \$ - | \$ - | \$ - | \$ - |
| Operations & maintenance | - | - | - | - |
| Services & other | - | - | - | - |
| Debt service | 2,624,283 | 3,093,000 | 3,092,280 | 3,615,050 |
| SUBTOTAL | 2,624,283 | 3,093,000 | 3,092,280 | 3,615,050 |
| Capital outlay | - | - | - | - |
| TOTAL EXPENDITURES | \$ 2,624,283 | \$ 3,093,000 | \$ 3,092,280 | \$ 3,615,050 |

TAX INCREMENT REINVESTMENT ZONE (TIF)

SCHEDULE OF TAX INCREMENT REINVESTMENT ZONE DEBT OUTSTANDING October 1, 2008

| | Interest Rates | Date of Issue | Date of Maturity | Amount Issued (000's) | Amount Outstanding (000's) | FY2009 Requirements | | |
|---|----------------|---------------|------------------|-----------------------|----------------------------|---------------------|---------------------|---------------------|
| | | | | | | Principal | Interest | Total |
| Combination tax and tax increment reinvestment zone certificates of obligation: | | | | | | | | |
| Series 1999 (1) | 5.10 - 6.10 | 07/1997 | 08/2010 | \$ 6,825 | \$ 835 | \$ 400,000 | \$ 46,585 | \$ 446,585 |
| Series 2000 (1) | 5.00 - 5.75 | 12/2001 | 08/2011 | 17,095 | 3,500 | 1,100,000 | 191,988 | 1,291,988 |
| Series 2001 | 4.25 - 5.25 | 04/2001 | 08/2018 | 8,735 | 7,495 | 535,000 | 365,975 | 900,975 |
| General obligation refunding bonds: | | | | | | | | |
| Series 2005 | 3.50 - 5.00 | 08/2005 | 08/2018 | 17,400 | 17,400 | 205,000 | 769,500 | 974,500 |
| TOTAL | | | | \$ 50,055 | \$ 29,230 | \$ 2,240,000 | \$ 1,374,048 | \$ 3,614,048 |

(1) - post refunding

SUMMARY SCHEDULE OF DEBT REQUIREMENTS KELLER TAX INCREMENT REINVESTMENT ZONE #1 Post Refunding October 1, 2008

| Fiscal Year | Principal Due | Interest Due | Total Principal & Interest | Fiscal Year Total |
|--------------|-------------------------|------------------------|----------------------------|-------------------------|
| 09/30/2009 | \$ 2,240,000.00 | \$ 1,374,047.50 | \$ 3,614,047.50 | \$ 3,614,047.50 |
| 09/30/2010 | 2,395,000.00 | 1,251,135.00 | 3,646,135.00 | 3,646,135.00 |
| 09/30/2011 | 2,555,000.00 | 1,123,450.00 | 3,678,450.00 | 3,678,450.00 |
| 09/30/2012 | 2,715,000.00 | 1,002,750.00 | 3,717,750.00 | 3,717,750.00 |
| 09/30/2013 | 2,850,000.00 | 895,837.50 | 3,745,837.50 | 3,745,837.50 |
| 09/30/2014 | 3,000,000.00 | 778,187.50 | 3,778,187.50 | 3,778,187.50 |
| 09/30/2015 | 3,135,000.00 | 653,281.26 | 3,788,281.26 | 3,788,281.26 |
| 09/30/2016 | 3,275,000.00 | 515,918.76 | 3,790,918.76 | 3,790,918.76 |
| 09/30/2017 | 3,445,000.00 | 353,250.00 | 3,798,250.00 | 3,798,250.00 |
| 09/30/2018 | 3,620,000.00 | 181,000.00 | 3,801,000.00 | 3,801,000.00 |
| Total | \$ 29,230,000.00 | \$ 8,128,857.52 | \$ 37,358,857.52 | \$ 37,358,857.52 |

Principal amount due includes original issuance amounts of \$2,839,761 for capital interest.

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, 2008 will automatically be re-appropriated into the appropriate project for the 2008-2009 fiscal year.

CAPITAL IMPROVEMENTS Operating Budget Impact

Capital improvements consist of primarily 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 FY2009 operating budget within the respective departmental expenditures. Generally, capital outlay expenditures consist primarily 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 are provided for the replacement of existing assets, or for upgrading 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 upgrading 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

| Department | Description | FY2009 | Annual Operating Budget Impact |
|---|--|--------------------------|---|
| General Government/Public Arts Programs | Public arts purchases | \$ 32,500 | \$ - |
| | Department Total | <u>32,500</u> | <u>-</u> |
| Public Works/Street Maintenance | Street improvements. This is an annual appropriation | 757,385 | - |
| | Department Total | <u>757,385</u> | <u>-</u> |
| Library | Furniture, fixtures and equipment for Keller Public Library expansion/renovation project | 21,000 | - |
| | Department Total | <u>21,000</u> | <u>-</u> |
| | Fund Total | <u>\$ 810,885</u> | <u>\$ -</u> |
| | Annual operating budget impacts: | | |
| | Personnel services | | \$ - |
| | Operations & maintenance | | - |
| | Services & other | | - |
| | Capital outlay | | - |
| | Total | | <u>\$ -</u> |

There is no operating budget impact associated with these items.

Water & Wastewater Fund

| Department | Description | FY2009 | Annual Operating Budget Impact |
|-----------------------------------|---|--------------------------|---|
| Customer Services/Utility Billing | Replace/upgrade water meter reading interface equipment | \$ 24,950 | \$ - |
| | Department Total | <u>24,950</u> | <u>-</u> |
| Water Distribution | Funds for new and/or replacement water meters, fire hydrants and mains and services. This is an annual appropriation. | 292,620 | - |
| | Department Total | <u>292,620</u> | <u>-</u> |
| Wastewater Collection | Funds for new/replacement wastewater mains, manholes, and services. This is an annual appropriation | 253,000 | - |
| | Department Total | <u>253,000</u> | <u>-</u> |
| | Fund Total | <u>\$ 570,570</u> | <u>\$ -</u> |

(continued)

CAPITAL OUTLAY IN OPERATING BUDGETS

Water & Wastewater Fund
(continued)

Annual operating budget impacts:

| | | |
|--------------------------|----|---|
| Personnel services | \$ | - |
| Operations & maintenance | | - |
| Services & other | | - |
| Capital outlay | | - |
| Total | \$ | - |

Keller Development Corporation

| Department | Description | FY2009 | Annual Operating Budget Impact |
|--|-----------------------------------|-------------------|---|
| Park Maintenance/Keller Sports Park | 15-foot mower | \$ 73,500 | \$ - |
| | Zero-turn mulching mower | 21,450 | 2,000 |
| | Replace 1/2 ton pickup - unit 474 | 26,500 | - |
| | Department Total | 121,450 | 2,000 |
| General park improvements | Land acquisition | 400,000 | - |
| | Department Total | 400,000 | - |
| Fund Total | | \$ 521,450 | \$ 2,000 |

Annual operating budget impacts:

| | | |
|--------------------------|----|-------|
| Personnel services | \$ | - |
| Operations & maintenance | | 2,000 |
| Services & other | | - |
| Capital outlay | | - |
| Total | \$ | 2,000 |

The Keller Pointe

| | | | |
|----------------------|-------------------------------|------------------|-------------|
| Facility Maintenance | Roof-top compressor | \$ 8,000 | \$ - |
| | A/C unit for concession stand | 10,000 | |
| Fund Total | | \$ 18,000 | \$ - |

Annual operating budget impacts:

| | | |
|--------------------------|----|---|
| Personnel services | \$ | - |
| Operations & maintenance | | - |
| Services & other | | - |
| Capital outlay | | - |
| Total | \$ | - |

Annual operating budget impacts include annually recurring costs for vehicle and equipment maintenance.

CAPITAL OUTLAY IN OPERATING BUDGETS

| Information Services Fund | | | Annual Operating Budget Impact |
|--|--|---------------------------------|---|
| <u>Department</u> | <u>Description</u> | <u>FY2009</u> | <u>Impact</u> |
| Information Services | Replace network switch-Keller Town Hall | \$ 22,000 | \$ - |
| | SQL server replacement | 20,000 | - |
| | Replace tape backup system | 20,000 | - |
| | Fund Total | <u><u>\$ 62,000</u></u> | <u><u>\$ -</u></u> |
| | Annual operating budget impacts: | | |
| | Personnel services | | \$ - |
| | Operations & maintenance | | - |
| | Services & other | | - |
| | Capital outlay | | - |
| | Total | | <u><u>\$ -</u></u> |
| | | | |
| Recreation Special Revenue Fund | | | |
| Recreation Programs | 32-foot mobile event stage (1/2 cost paid by City of Southlake) | \$ 136,000 | \$ - |
| | Fund Total | <u><u>\$ 136,000</u></u> | <u><u>\$ -</u></u> |
| | Annual operating budget impacts: | | |
| | Personnel services | | \$ - |
| | Operations & maintenance | | - |
| | Services & other | | - |
| | Capital outlay | | - |
| | Total | | <u><u>\$ -</u></u> |

There is no anticipated operating budget impact for these items.

CAPITAL OUTLAY IN OPERATING BUDGETS

| Keller Crime Control Prevention District Fund | | | Annual Operating Budget Impact |
|--|--|--------------------------|---|
| <u>Department</u> | <u>Description</u> | <u>FY2009</u> | |
| Facility Improvements | Future facility (jail) improvements | \$ 500,000 | \$ - |
| | Future furniture, fixtures, and equipment replacement | 200,000 | - |
| | Department Total | <u>700,000</u> | <u>-</u> |
| Police Operations | Annual vehicle and equipment replacement | 172,000 | - |
| | Department Total | <u>172,000</u> | <u>-</u> |
| Technology Improvements | Intoxilizer | 8,000 | - |
| | Motion-activated surveillance camera (graffiti abatement program) | 5,500 | - |
| | Department Total | <u>13,500</u> | <u>-</u> |
| Fund Total | | <u>\$ 885,500</u> | <u>\$ -</u> |
| Annual operating budget impacts: | | | |
| | Personnel services | | \$ - |
| | Operations & maintenance | | - |
| | Services & other | | - |
| | Capital outlay | | - |
| | Total | | <u>\$ -</u> |

Operating budget impacts 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 in 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, 2008 will be re-appropriated into the appropriate project for the 2008-2009 fiscal year.

| | 2006-2007 | 2007-2008 | 2007-2008 | 2008-2009 |
|--------------------------------|---------------------|---------------------|-------------------|-------------------|
| | ACTUAL | BUDGET | ESTIMATE | PROPOSED |
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance | \$ 629,101 | \$ 832,928 | \$ 825,251 | \$ 141,901 |
| <u>REVENUES:</u> | | | | |
| Developer trail contributions | 369,000 | - | - | - |
| Park development fees | 67,000 | 200,000 | 100,000 | 100,000 |
| Veteran's Park project revenue | 18,335 | - | - | - |
| Interest earnings | 43,237 | 20,000 | 25,000 | 20,000 |
| TOTAL REVENUES | 497,572 | 220,000 | 125,000 | 120,000 |
| TOTAL FUNDS AVAILABLE | \$ 1,126,673 | \$ 1,052,928 | \$ 950,251 | \$ 261,901 |

(continued)

PARK DEVELOPMENT FEE FUND:
(continued)

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>EXPENDITURES:</u> | | | | |
| Park improvements/land acquisition | \$ 190,060 | \$ 419,885 | \$ 465,005 | \$ 116,000 |
| Keller-Smithfield Activity Node | 67,427 | 100,574 | 76,145 | - |
| Trail development/extensions | - | 250,000 | - | 49,000 |
| Old Town Keller Park/Trail | - | 4,000 | 4,000 | - |
| Overton Ridge Park development | 43,935 | 262,190 | 263,200 | 40,000 |
| TOTAL EXPENDITURES | 301,422 | 1,036,649 | 808,350 | 205,000 |
| ENDING FUND BALANCE | \$ 825,251 | \$ 16,279 | \$ 141,901 | \$ 56,901 |
| Excess revenues (expenditures) | 196,150 | (816,649) | (683,350) | (85,000) |

Annual Operating Budget Impact

| | |
|--------------------------|-----------------|
| Personnel services | \$ - |
| Operations & maintenance | 5,000 |
| Services & other | - |
| Capital outlay | - |
| Total | \$ 5,000 |

Operating budget impacts 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, 2008 will be re-appropriated into the appropriate project for the 2008-2009 fiscal year.

**STREET / SIDEWALK / DRAINAGE
IMPROVEMENTS FUND SUMMARY**

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|--------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>RESOURCES:</u> | | | | |
| Beginning fund balance | \$ 1,002,630 | \$ 910,629 | \$ 936,121 | \$ 32,756 |
| <u>Revenues:</u> | | | | |
| Street assessment revenue | 19,541 | 15,000 | 15,000 | 15,000 |
| Sales taxes | 518,477 | 507,550 | 740,900 | 1,172,500 |
| Sidewalk fees | 154,030 | 60,000 | 25,500 | 50,000 |
| Interest earnings | 61,628 | 50,000 | 50,000 | 30,000 |
| Street assessment interest | 2,086 | 2,500 | 1,200 | 900 |
| Transfer from general fund | 210,000 | - | - | - |
| Total Revenues | 965,762 | 635,050 | 832,600 | 1,268,400 |
| TOTAL RESOURCES | \$ 1,968,392 | \$ 1,545,679 | \$ 1,768,721 | \$ 1,301,156 |
| <u>Expenditures:</u> | | | | |
| General government | 7,173 | - | - | - |
| Street improvements | 926,610 | 1,064,343 | 1,289,445 | 1,141,650 |
| Curb & gutter improvements | 55,775 | 104,230 | 104,230 | 80,000 |
| Sidewalk improvements | 12,714 | 117,286 | 117,290 | 30,000 |
| Street/drainage improvements | - | 210,000 | 210,000 | - |
| Transfers to other funds | 30,000 | 15,000 | 15,000 | 15,000 |
| Total Expenditures | 1,032,271 | 1,510,859 | 1,735,965 | 1,266,650 |
| ENDING FUND BALANCE | \$ 936,121 | \$ 34,820 | \$ 32,756 | \$ 34,506 |
| Excess revenues (expenditures) | (66,509) | (875,809) | (903,365) | 1,750 |

Operating budget impact. There is no material operating budget impact 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 | \$ - |

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, 2008 will be re-appropriated into the appropriate project for the 2008-2009 fiscal year.

EQUIPMENT REPLACEMENT FUND SUMMARY

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|---|---------------------|---------------------|-----------------------|-----------------------|
| <u>RESOURCES:</u> | | | | |
| Beginning fund balance | \$ 565,992 | \$ 658,718 | \$ 646,829 | \$ 764,344 |
| <u>REVENUES:</u> | | | | |
| Proceeds from debt Issuance | - | - | - | 337,720 |
| Vehicle/Equipment lease revenue-Water & Wastewater Fund | 54,770 | 51,040 | 51,040 | 34,550 |
| Transfer from drainage utility fund | 31,110 | 31,110 | 31,110 | - |
| Vehicle/Equipment lease revenue- Drainage Utility Fund | 11,100 | 22,280 | 22,280 | 15,570 |
| Office Equipment lease revenue- Information Services | 19,200 | - | - | - |
| Gain (loss) on disposal of assets | 2,901 | 43,000 | 43,000 | - |
| Interest earnings | 28,403 | 30,000 | 30,000 | 30,000 |
| TOTAL REVENUES | 147,484 | 177,430 | 177,430 | 417,840 |
| <u>MISCELLANEOUS REVENUES:</u> | | | | |
| Intergovernmental-City of Southlake | 128,756 | - | - | - |
| TOTAL MISCELLANEOUS REVENUES | 128,756 | - | - | - |
| REVENUES BEFORE TRANSFERS | 276,240 | 177,430 | 177,430 | 417,840 |
| TOTAL REVENUES | 276,240 | 177,430 | 177,430 | 417,840 |
| TOTAL FUNDS AVAILABLE | 842,232 | 836,148 | 824,259 | 1,182,184 |
| <u>EXPENDITURE SUMMARY:</u> | | | | |
| PUBLIC SAFETY: | | | | |
| Police Department | 129,391 | - | - | - |
| Fire Department | - | 29,900 | 14,950 | 352,670 |
| TOTAL PUBLIC SAFETY | 129,391 | 29,900 | 14,950 | 352,670 |
| PUBLIC WORKS: | | | | |
| Customer Services/Utility Billing | - | - | - | 23,000 |
| Water Utilities | 66,012 | 27,000 | 26,575 | 138,500 |
| Drainage Utility | - | 20,000 | 18,390 | - |
| TOTAL PUBLIC WORKS | 66,012 | 47,000 | 44,965 | 161,500 |
| TOTAL EXPENDITURES | 195,403 | 76,900 | 59,915 | 514,170 |
| ENDING BALANCE | \$ 646,829 | \$ 759,248 | \$ 764,344 | \$ 668,014 |

Capital outlay. FY2009 capital outlay for the Fire Department includes funds for 2 new ambulances; Customer Services/Utility Billing and Water Utilities include funds for vehicle replacements. These replacement vehicles include 3 light-duty trucks (\$69,500) and 2 heavy-duty trucks (\$92,000).

(continued)

Equipment Replacement Fund:
(continued)

Operating budget impact. Capital expenditures are primarily routine capital replacements, with no significant operating budget impact.

| Annual Operating Budget Impact | |
|---------------------------------------|-------------|
| Personnel services | \$ - |
| Operations & maintenance | - |
| Services & other | - |
| Capital outlay | - |
| Total | <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, 2008 will be re-appropriated into the appropriate project for the 2008-2009 fiscal year.

| | <u>PROJECT BUDGET</u> | <u>TOTAL PROJECTED THRU 09/30/2009</u> | <u>PROJECT BALANCE</u> |
|---------------------------------|-----------------------------|--|----------------------------|
| RESOURCES: | | | |
| Beginning fund balance | \$ - | \$ - | \$ - |
| Revenues: | | | |
| Debt proceeds from C.O.'s-1997 | 50,000 | 50,000 | - |
| Debt proceeds from C.O.'s-1999A | 58,830 | 58,830 | - |
| Debt proceeds from C.O.'s-2002 | 232,200 | 232,200 | - |
| Debt proceeds from C.O.'s-2004 | 6,540,000 | 6,540,000 | - |
| Debt proceeds-2008 | 11,650,000 | 11,650,000 | - |
| Interest revenue | 120,000 | 367,124 | 247,124 |
| City of Watauga | 25,930 | 25,930 | - |
| <i>Total Revenues</i> | <u>18,676,960</u> | <u>18,924,084</u> | <u>247,124</u> |
| Transfers from other funds: | | | |
| Library Special Revenue Fund | 15,000 | 15,000 | - |
| General Fund | 1,830,000 | 1,830,000 | - |
| <i>Total Transfers</i> | <u>1,845,000</u> | <u>1,845,000</u> | <u>-</u> |
| Total Revenues & Transfers | <u>20,521,960</u> | <u>20,769,084</u> | <u>247,124</u> |
| TOTAL RESOURCES | <u>\$ 20,521,960</u> | <u>\$ 20,769,084</u> | <u>\$ 247,124</u> |

(Continued)

CAPITAL PROJECTS FUND

(Continued)

| | PROJECT BUDGET | TOTAL PROJECTED THRU 09/30/2009 | PROJECT BALANCE |
|---|---------------------------|--|----------------------------|
| PROJECT EXPENDITURES: | | | |
| <i>Prior Projects:</i> | | | |
| Jay Walker survey street improvements | \$ 50,000 | \$ 50,000 | \$ - |
| Sidewalk construction/improvements | 58,827 | 58,827 | - |
| FM1938 extension project | 232,154 | 232,154 | - |
| SUBTOTAL | 340,981 | 340,981 | - |
| <i>2004 Certificates of Obligation/Projects:</i> | | | |
| Land acquisition-Fire Department | 480,000 | 480,000 | - |
| Keller-Smithfield Road (South) improvements | 4,539,179 | 4,539,179 | - |
| Elm Street Bridge improvements | 327,754 | 327,754 | - |
| Rapp Road improvements | 520,694 | 520,694 | - |
| Traffic signalization | 525,930 | 525,930 | - |
| SUBTOTAL | 6,393,557 | 6,393,557 | - |
| <i>2006-07 Capital Improvements Program Projects:</i> | | | |
| FY2007-FY2011 CIP projects | 1,082,060 | 1,082,060 | - |
| Highland Oaks Channel impr | 485,000 | 485,000 | - |
| Daryll/Garden Lane Drainage impr | 232,940 | 232,940 | - |
| SUBTOTAL | 1,800,000 | 1,800,000 | - |
| <i>2008-09 Capital Improvements Program Projects:</i> | | | |
| Fire Station No. 4 | 4,270,000 | 4,270,000 | - |
| Fire apparatus/ambulances for Station No. 4 | 1,380,000 | 1,380,000 | - |
| Keller Public Library renovation/expansion | 4,000,000 | 4,000,000 | - |
| Drainage improvements | 2,000,000 | 2,000,000 | - |
| Old Town Keller façade grant program | 30,000 | 30,000 | - |
| Library furniture, fixtures and equipment | 15,000 | 15,000 | - |
| SUBTOTAL | 11,695,000 | 11,695,000 | - |
| Total project expenditures | 20,229,538 | 20,229,538 | - |
| <i>Transfers to other funds:</i> | | | |
| Transfer to Parks Improvements Fund | 220,000 | 220,000 | - |
| Total transfers | 220,000 | 220,000 | - |
| TOTAL EXPENDITURES | 20,449,538 | 20,449,538 | - |
| ENDING FUND BALANCE | \$ 72,422 | \$ 319,546 | \$ 247,124 |
| Excess revenues (expenditures) | \$ 72,422 | \$ 319,546 | \$ 247,124 |

Operating budget impact. Almost all of the projects shown on the previous pages provide for the construction of new infrastructure (street and drainage improvements, and trails). This new infrastructure is constructed of low-maintenance concrete materials, with an annual operating budget impact less than \$5,000. Projects prior to 2004 are fully or substantially complete, and the operating budget impact (if any) is included in the respective departmental budget in the General Fund.

Capital Projects Fund:
(continued)

For FY2009, construction of new Fire Station No. 4 is anticipated to be completed, and will be financed by debt issuance. After construction on the facility is completed in early 2009, the new station will require the addition of approximately 15 full-time equivalent positions to the fire department operating budget in the General Fund. Operating costs will include personnel, training and supply costs, building utilities, building maintenance and landscaping. These operating costs are included in the FY2009 budget of the Fire Department/Operations division.

| Annual Operating Budget Impact | |
|---------------------------------------|----------------------------|
| Personnel services | \$ 900,000 |
| Operations & maintenance | 265,000 |
| Services & other | 25,000 |
| Capital outlay | - |
| Total | <u><u>\$ 1,190,000</u></u> |

PARKS CAPITAL IMPROVEMENTS FUND

This fund is used to account for resources from the issuance of debt, dedicated oil and gas royalties generated from park property, grants or other revenues that are 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, 2008 will be re-appropriated into the appropriate project for the 2008-2009 fiscal year.

| | 2006-2007 ACTUAL | 2007-2008 BUDGET | 2007-2008 ESTIMATE | 2008-2009 PROPOSED |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <u>RESOURCES:</u> | | | | |
| Total beginning fund balance | \$ (182,482) | \$ 332,345 | \$ 325,594 | \$ 5,584 |
| <u>REVENUES:</u> | | | | |
| Oil & Gas royalty revenue | 332,010 | - | - | 1,000,000 |
| Interest earnings | 7,321 | - | 12,000 | 12,000 |
| Transfer from Capital Projects Fund | 220,000 | - | - | - |
| TOTAL REVENUES | 559,331 | - | 12,000 | 1,012,000 |
| TOTAL FUNDS AVAILABLE | \$ 376,849 | \$ 332,345 | \$ 337,594 | \$ 1,017,584 |
| <u>EXPENDITURES:</u> | | | | |
| Oil & Gas revenue expenditures | \$ - | \$ 332,010 | \$ 332,010 | \$ 1,000,000 |
| Keller-Smithfield Activity Node | 51,255 | - | - | - |
| TOTAL EXPENDITURES | 51,255 | 332,010 | 332,010 | 1,000,000 |
| ENDING FUND BALANCE | \$ 325,594 | \$ 335 | \$ 5,584 | \$ 17,584 |
| Excess revenues (expenditures) | 508,076 | (332,010) | (320,010) | 12,000 |

Parks Capital Projects Fund:
(continued)

Operating budget impact. Projects are completed, and the operating budget impact (if any) is included in the respective departmental budget in the General Fund.

| Annual Operating Budget Impact | |
|---------------------------------------|-------------|
| Personnel services | \$ — |
| Operations & maintenance | — |
| Services & other | — |
| Capital outlay | — |
| Total | <u>\$ —</u> |

Five-Year Capital Improvements Program (CIP) Summary

Each year the City prepares a five-year CIP document. The information provided in the CIP document 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 the current growth patterns, timing changes in the demands for City services, etc.

The CIP is a planning document, and 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.

The update of the 2008-09 through 2012-13 CIP is currently in process and not yet available.

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) 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.

1.2 The City will prepare and maintain in a current status written administrative procedures relating to each financial management area.

1.3 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.

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, undesignated fund balances or reserves of operating funds shall be at least ten percent (10%) of fund operating expenditures (excluding non-recurring expenditures), or thirty-six (36) 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.

2.6 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 annually in order to determine the appropriate level of funding anticipated to support the various related activities.

2.7 Rates for water and sewer 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.

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. Operating Budgets.
(Continued)

2.9 Enterprise funds will strive to maintain at least sixty (60) days of working capital.

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 budget, to be used in the case of unforeseen items of expenditures, shall be established annually for operating funds. Provision shall be made in the annual budget and in the appropriation ordinance for a contingency appropriation of not more than three (3) percent of operating fund expenditures. Expenditures from this appropriation shall be made only in case of established emergencies, as authorized by the City Council. This contingency budget 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 be available for review and inspection by interested citizens during normal business hours.

2.13 Annual fixed-dollar budgets are 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 in an individual fund in accordance with these policy guidelines.

2.17 Authority to transfer appropriations within a fund/department. The City Manager may approve transfers of available appropriations between general classifications of expenditures within a fund and department, provided the transfer amounts do not result in a net increase in total appropriations for the department. All transfers shall be reported to the City Council in a timely manner.

2. Operating Budgets. (Continued)

2.18 Authority to transfer appropriations *between* a fund/department. Transfers of available appropriations in general classifications of expenditures between funds or departments, shall be approved only by the City Council. 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.]

2.19 The City will strive to receive and retain the Distinguished Budget Presentation Award presented annually by the Government Finance Officers Association (GFOA).

2.20 Budgets of Enterprise and Internal Service Funds shall be self-supporting, i.e., current revenues will equal or exceed current expenditures (excluding depreciation).

2.21 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.

2.22 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.

2.23 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.

2.24 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 \$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. Capital Improvements.
(Continued)

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. Note: 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.

3.9 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. Debt Management.
(Continued)

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. Purchasing.
(Continued)

6.3 Generally, purchases are authorized as follows:

6.3.1 The Director of Finance and the Department Head may approve purchases for \$15,000 or less.

6.3.2 Purchases greater than \$15,000 but less than \$25,000 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 \$25,000 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 Head and Finance Director, and/or the City Manager in accordance with City statutes and written purchasing policies and procedures.

6.4 Lease purchase agreements shall only be used to finance capital items with a purchase price exceeding \$25,000 and having a useful life of at least three years. All lease purchase agreements in excess of limits established by State statutes will be awarded by City Council.

6.5 City purchases should be made from Keller businesses, provided the materials and/or services are available, and competitively priced.

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. Authorization and approval of change orders shall follow the same dollar limitations and requirements as provided above in Section 3(a) and (b). 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 \$25,000 or less, provided the total contract expenditures remain within the budgeted amount.

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 \$1,000 which have been delinquent for more than 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 \$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 \$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 is 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. General Policies.
(Continued)

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.

8.10 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 Utility Fund; between utilities, water utility and sewer utility; between customers, residential customers and commercial customers; and between generations, current and future generations. The City shall have an independent utility rate study performed at least every five (5) years in order to assure that these cost subsidies are minimized.

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.

2008 (FY2009) Property Tax Rates in the City of Keller

This notice concerns 2008 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 | \$ 10,492,465 |
| Last year's debt taxes | \$ 4,020,091 |
| Last year's total taxes | \$ 14,512,556 |
| Last year's tax base | \$ 3,357,911,104 |
| Last year's total tax rate | \$ 0.43219/\$100 |

This year's effective tax rate:

| | |
|---|------------------|
| Last year's adjusted taxes (after subtracting taxes on lost property) | \$ 13,733,853 |
| ÷ This year's adjusted tax base (after subtracting value of new property) | \$ 3,349,493,099 |
| = This year's effective tax rate <i>(Maximum rate unless the City publishes notices and holds hearings.)</i> | \$ 0.41002/\$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) | \$ 9,721,680 |
| ÷ This year's adjusted tax base | \$ 3,349,493,099 |
| = This year's effective operating rate | \$ 0.29024/\$100 |
| x 1.08 = this year's maximum operating rate | \$ 0.31345/\$100 |
| + This year's debt rate | \$ 0.12044/\$100 |
| = This year's rollback rate | \$ 0.43389/\$100 |

Statement of Increase/Decrease

If the City adopts a 2008 tax rate equal to the effective tax rate of \$0.41002 per \$100 of value, taxes would increase compared to 2007 taxes by \$170,838.

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 |
|------------------------------|-------------|
| Maintenance & Operating Fund | \$7,252,600 |
| Debt Service Fund | 1,026,975 |

Schedule B
2008 (FY2009) 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 | \$ 40,000 | \$ 32,500 | \$ - | \$ 72,500 |
| 1998A Certificates of obligation | 145,000 | 31,560 | - | 176,560 |
| 1999 General obligation refunding bonds | 189,417 | 57,193 | - | 246,610 |
| 1999 TIRZ Certificates of obligation | 92,500 | 17,289 | - | 109,789 |
| 1999A Certificates of obligation | 350,000 | 10,500 | - | 360,500 |
| 2000 TIRZ Certificates of obligation | 198,750 | 59,425 | - | 258,175 |
| 2002 Certificates of obligation | 345,000 | 300,428 | - | 645,428 |
| 2002 General obligation refunding bonds | 65,000 | 12,080 | - | 77,080 |
| 2003 Certificates of obligation | 55,000 | 38,581 | - | 93,581 |
| 2004 General obligation refunding bonds | 1,265,000 | 184,413 | - | 1,449,413 |
| 2004 Certificates of obligation | 255,000 | 280,041 | - | 535,041 |
| Fire truck lease purchase obligation | 81,402 | 23,647 | - | 105,049 |
| 2005 General obligation refunding bonds | 275,000 | 379,555 | - | 654,555 |
| 2006 Certificates of obligation | 55,000 | 2,444 | - | 57,444 |
| Paying agent fees/other | - | - | 6,000 | 6,000 |
| Total required for 2008 debt service | \$ 3,412,069 | \$ 1,429,656 | \$ 6,000 | \$ 4,847,725 |
| - Amount (if any) paid from funds listed in Schedule A | | | | - |
| - Amount (if any) paid from other sources | | | | (634,911) |
| - Excess collections last year | | | | - |
| = Total to be paid from taxes in 2008 | | | | 4,212,814 |
| + Amount added in anticipation that the unit will collect 100% of its taxes in 2008 | | | | - |
| = Total debt levy | | | | <u><u>\$ 4,212,814</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 28, 2008

**CITY OF KELLER, TEXAS
COMPENSATION PAY PLAN**

October 1, 2008 through September 30, 2009

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.

Each year the compensation entire pay plan is adjusted for cost of living adjustment (COLA) increases. For FY2009, the COLA is 3 percent. The COLA is effective October 1, 2008 to all regular employees, regardless of hire-date.

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 FY2009, 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, 2008 through September 30, 2009

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.

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.*)

REVENUE. Funds that the City receives as income. Revenues increase fund balance.

GLOSSARY OF TERMS

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*).

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.

UNEARNED REVENUE. See *Deferred Revenue*.

GLOSSARY OF TERMS

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*.)

