



Budget and Tax Rate Adoption

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September 14, 2021



CITY OF
Killeen

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Overview

- Receive City Council Input – April 6th
- Budget Workshop – July 13th
- Special Budget Workshop – July 17th
- Budget Workshop – July 20th
- Budget Public Forum – July 21st
- Budget Public Hearing – July 27th
- Budget Workshop & Set Preliminary Tax Rate – August 3rd
- Budget Workshop – August 10th
- Budget Workshop – August 17th
- Budget Workshop – August 24th
- Budget Public Hearing – September 7th
- Budget Public Hearing – September 14th
- Tax Rate Public Hearing – September 14th
- State law requires the following approval sequence:
 - Budget adoption (must be a record vote)
 - Ratify property tax revenue increase
 - Set the tax rate

	Projected Beginning Fund Balance	FY 2022 Revenues	FY 2022 Expenditures	Change in Fund Balance	Projected Ending Fund Balance	Fund Balance Reserve
Funds						
General Fund	\$ 26,439,013	\$ 106,325,799	\$ 106,325,799	\$ -	\$ 26,439,013	26.30%
Water & Sewer Fund	15,044,871	44,739,286	44,739,286	-	15,044,871	30.55%
Solid Waste Fund	4,737,441	21,007,055	21,007,055	-	4,737,441	22.55%
Drainage Utility Fund	1,607,538	5,115,110	5,115,110	-	1,607,538	31.43%
Aviation Funds	3,227,749	6,229,718	4,616,545	1,613,173	4,840,922	104.86%
Debt Service Fund	4,519,233	15,415,950	16,174,488	(758,538)	3,760,695	23.25%
Street Maintenance Fund	344,513	9,631,540	9,631,540	-	344,513	3.58%
Hotel Occupancy Tax	157,446	2,774,260	2,774,260	-	157,446	5.68%
Other Special Revenues	5,286,825	6,111,032	6,480,938	(369,906)	4,916,919	75.87%
Capital Projects Funds	56,007,943	64,319,631	69,903,041	(5,583,410)	50,424,533	72.13%
Fleet Services	111,794	1,881,204	1,881,204	-	111,794	5.94%
Health Insurance	1,838,010	6,236,664	6,221,035	15,629	1,853,639	29.80%
Information Technology	1,113,189	4,536,887	5,201,100	(664,213)	448,976	8.63%
Risk Management	518,760	1,075,925	1,411,022	(335,097)	183,663	13.02%
Subtotal Funds	120,954,325	295,400,061	301,482,423	(6,082,362)	114,871,963	
Less Interfund Activity	-	(32,072,153)	(33,058,134)	985,981	985,981	
Total Funds	\$ 120,954,325	\$ 263,327,908	\$ 268,424,289	\$ (5,096,381)	\$ 115,857,944	

Budget Adoption

- Record Vote on Budget

Ratify Property Tax Revenue Increase

- Local Government Code 102.007(c)
 - Adoption of a budget that receives more property tax revenue than in the previous year requires a separate vote to ratify the property tax revenue increase
 - Total tax revenue increase is \$3,616,687
 - Required even though the tax rate is decreasing

Ratify Property Tax Increase

- Vote to Ratify Property Tax Increase

Setting the Tax Rate

Type	Tax Rate	Budgeted Revenue
Maintenance & Operations	\$0.5119	\$39,447,272

Type	Tax Rate	Budgeted Revenue
Interest & Sinking (Debt)	\$0.1885	\$13,543,458

Type	Tax Rate	Budgeted Revenue
Total Tax Rate	\$0.7004	\$52,990,730

Setting the Tax Rate (cont'd)

- Property Tax Code 26.05(b)
 - Sets forth the following requirements if the tax rate exceeds the no-new-revenue rate:
 - Record Vote
 - Approved by at least 60 percent of City Council (5 members)
 - Motion to approve the ordinance must be made with specific language:

“I move that the property tax rate be increased by the adoption of a tax rate of \$0.7004, which is effectively a 4.33 percent increase in the tax rate.”
 - This language is required even though the tax rate will be lower