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***Council Workshop  
Staff's Recommended Plan  
Budget FY '17***

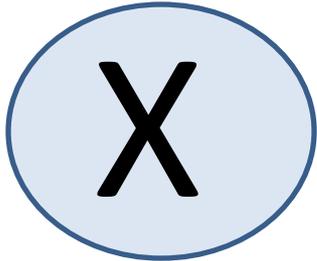
***August 9, 2017***

***Dedicated Service – Every Day, For Everyone!***



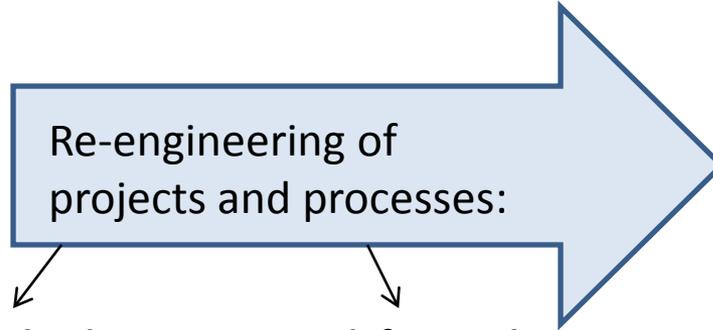
# Path Forward

**FY 17**



Downsizing  
Outsourcing  
High speed, low drag  
Focus on service

**Look back**

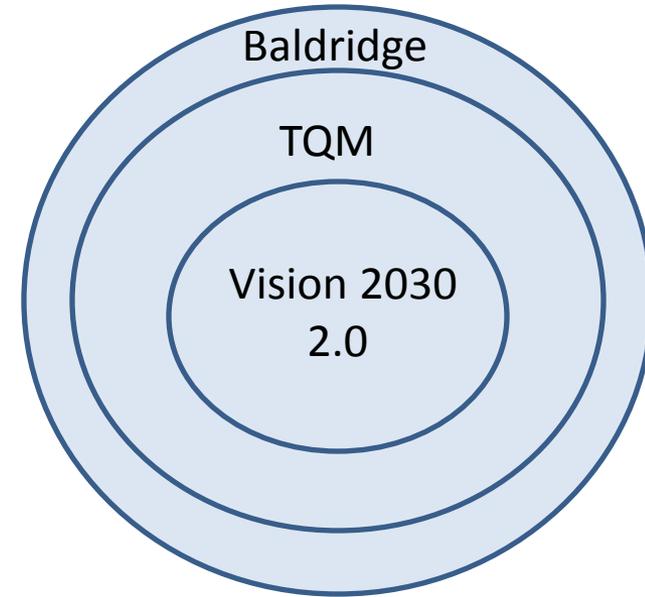


Re-engineering of  
projects and processes:

**Look forward**

- Workforce analysis: OT overwatch, safety academies, etc.
- Contracted services
- Telecommunications
- Program-based budgeting
- Paperless
- Financial analytics

**Reforming**



Baldrige

TQM

Vision 2030  
2.0

**Transforming: Best Community in Texas**

**Bridging**

NOTES:

FY 18 50% of Safety Grant Salaries

FY 19 100% of Safety Grant Salaries

State's unfunded mandate

# FY 2017 Budget Shortfall

Description	Budget (in millions)
FY 2016 Deficit	2.6
Public Safety	5.7
Shift in I & S	2.4
Benefit Cost Increase	0.2
Less: Budget Cuts Made	(3.5)
<b>Total</b>	<b>7.4</b>

**Killeen**  
**Impact Fees and Transportation**  
**Utility**

**July 12, 2016**

**Kimley»»Horn**

# Water and Wastewater Impact Fee Study Results

(Max – regulated by state)

Use data from 2013 master plan and comp plan to calculate this.

Meter Size	Water Max Fee	Wastewater Max Fee	Total Max Fee
3/4"	\$683.81	\$549.55	\$1,233.36
1"	\$1,141.96	\$917.75	\$2,059.71

One-time fee calculated at time of plat; paid when permit is pulled.

# Maximum Yearly Revenue Projection

- Water Impact Fee Revenue = \$750,000
- Wastewater Impact Fee Revenue = \$600,000
- Roadway Impact Fee Revenue = \$3 million



Kimley»»Horn

# Increases in Revenue

<b>Description</b>	<b>Budget</b>
<b>Sales Tax Increase (Projection of 2 Businesses Opening in FY 2017)</b>	<b>161,739</b>
<b>AFG FEMA Funding Amendment (Fire)</b>	<b>173,179</b>
<b>Indirect Cost Allocation from TUF (4.7%)</b>	<b>330,071</b>
Pass Thru Financing	500,000
<b>Total</b>	<b>1,164,989</b>

# Budget Cuts – Services

## NOT

Description	Budget
Eliminate 1 Library	537,298
Eliminate 1 Pool	119,276
Eliminate City contribution to elderly transportation	50,000
Eliminate City contribution to HOP	195,981
<b>Total</b>	<b>902,555</b>

# Public Safety NOT

Description	Budget
COPS 2014 & 2015 Grant Salaries/Benefits	1,539,317
COPS Grant Employees Equipment	390,256
SAFER Salaries/Benefits	2,073,400
SAFER Employees Equipment	220,648
SAFER Employees Training	75,000
Not Promoting 7 Captains	91,440
Budget Additions for New Firehouse	156,962
Relocate Purchasing/Printing Services to old Firehouse	36,000
<b>Total</b>	<b>4,583,023</b>

# Budget Cuts

Description	Budget
<b>Reduce TMRS contribution to phase in rate</b>	<b>216,732</b>
<b>Reduce Uniforms &amp; Clothing</b>	<b>91,087</b>
<b>Eliminate Employee Recognition &amp; Awards</b>	<b>80,000</b>
Eliminate City contribution to Killeen Volunteers' Inc.	160,000
Reduce Employee Morale	23,000
Restructuring of Internal Services	229,134
Unfund Case Worker Position	57,309
<b>Reduce Safety Overtime</b>	<b>300,000</b>
<b>Reduce Abatement</b>	<b>40,000</b>
<b>Reduce CM Professional Services</b>	<b>100,000</b>
<b>Total</b>	<b>1,297,262</b>

# TRANSPORTATION UTILITY FEE



Kimley»»Horn

# Public Safety

Description	Budget
COPS 2014 & 2015 Grant Salaries/Benefits	1,539,317
COPS Grant Employees Equipment	390,256
SAFER Salaries/Benefits	2,073,400
SAFER Employees Equipment	220,648
SAFER Employees Training	75,000
Not Promoting 7 Captains	91,440
Budget Additions for New Firehouse	156,962
Relocate Purchasing/Printing Services to old Firehouse	36,000
<b>Total</b>	<b>4,583,023</b>

# 100% M&O

(\$4.9 m)

<b>Maintenance and Operations (M&amp;O)</b>				
<b>Land Uses:</b>	<b>Development Unit:</b>	<b>Total Maximum M&amp;O Utility Fee: (Monthly)</b>	<b>Percentage of Maximum M&amp;O Utility Fee:</b>	<b>Total Adopted M&amp;O Utility Fee: (Monthly)</b>
Commercial	1000 sq. ft.	\$11.65	100.00%	\$11.65
Industrial	1000 sq. ft.	\$6.91	100.00%	\$6.91
Institutional	1000 sq. ft.	\$0.68	100.00%	\$0.68
Lodging	1000 sq. ft.	\$2.87	100.00%	\$2.87
Multi-Family	Dwelling Unit	\$3.61	100.00%	\$3.61
Office	1000 sq. ft.	\$6.36	100.00%	\$6.36
Religious	1000 sq. ft.	\$1.65	100.00%	\$1.65
Single Family	Dwelling Unit	\$5.83	100.00%	\$5.83





# Transportation Utility Fee

## Why?

Creates an enterprise fund devoted to the utility we call streets.

\$643.5m asset      495 center-line miles

What? \$5.83, single family

\$4,911,107 revenue

Impact on single family utility rates:

+ \$5.83 TUF

- 2.13 Curbside recycling, mowing

\$3.70 x 12 = \$44.40 annual amount

Impact on General Fund:

Makes funding available for salaries and equipment associated with safety grants (SAFER and COPS)

# Reallocated Expenses – Transportation Related

Description	Budget
Transportation Division	171,081
Lights	369,045
Streets Division	2,955,719
Street Maintenance	700,000
Traffic	382,217
PW Admin	11,444
Transfer to TUF	(1,266,618)
<b>Total</b>	<b>3,322,888</b>

# Net Budget Shortfall

Description	Budget
Budget Shortfall	7,400,000
Less: Additional Revenue	(1,164,989)
Less: Budget Cuts	(1,297,262)
Less: Savings – Transportation Related	(3,322,888)
<b>Revised Budget Shortfall</b>	<b>1,614,861</b>

# Options For Net Budget Shortfall

**\$1,614,861**

- Eliminate Ad Valorem Early Payment Discount (up to \$983,729)
- Increase Ad Valorem rate: 1¢ = \$502,000
- Use Fund Balance: 1% = \$880,000