

FY 2025 ADOPTED BUDGET IN BRIEF



As adopted by the City Council on September 3, 2024



CITY OF KILLEEN, TEXAS

BUDGET PROCESS

Budget Strategy & Planning

January-Preliminary long range Financial forecast preparation.
February- 1. Budget kickoff
 2. Revenue projections



Departmental Budgets

March- Budget training
April- Budgets submitted to finance



City Manager's Proposed Budget

May-Budget review with departments.
June- 1. Finalize budgets
 2. Budget presentation preparation.



City Council's Budget

July/August/September
 1. Tax rate proposed & public hearings
 2. Budget workshops
 3. Budget & tax rate adoption



FUND STRUCTURE

The financial transactions of the City of Killeen are accounted for and recorded in individual funds and account groups.

GOVERNMENTAL FUND TYPES

GENERAL FUND

General Fund: The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes

DEBT SERVICE FUND

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of revenues that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

CAPITAL PROJECT FUNDS

Capital Project Funds: Capital project funds account for the acquisition and construction of the City's major capital facilities, improvements and infrastructure, other than those financed by proprietary funds.

PROPRIETARY FUND TYPES

ENTERPRISE FUNDS

Enterprise Fund – Enterprise funds are used to account for the provision of services to the residents of the City. All activities necessary to provide such services are accounted for in these funds including, but not limited to, operations, maintenance, financing, and related debt service, billing, and collection. The City has five (5) enterprise funds, as follows:

- Aviation Fund
- Drainage Utility Fund
- Golf Course Fund
- Solid Waste Fund
- Water & Sewer Fund

INTERNAL SERVICE FUNDS

Internal service funds account for services provided to other departments or agencies of the government on a cost-reimbursement basis.

The City has four (4) Internal service funds, as follows:

- Fleet Services
- Health Insurance
- Information Technology
- Risk Management

⁽¹⁾ GENERAL FUND SERVICES = \$2.09 A DAY PER CITIZEN

Police: 0.69¢

Fire: 0.56¢

Non-Departmental & Non-Operating Costs: 0.28¢

General Government: 0.13¢

Parks and Recreation: 0.11¢

Public Works: 0.10¢

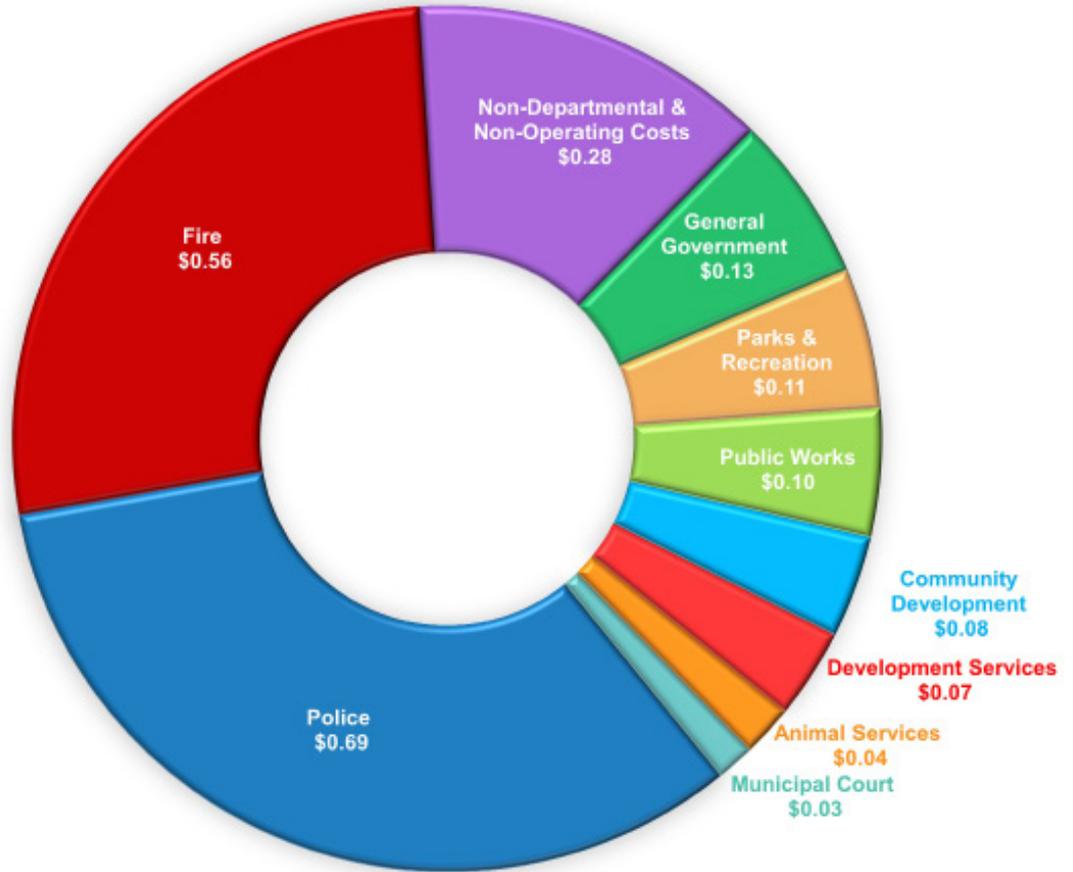
Community Development: 0.08¢

Development Services: 0.07¢

Animal Services: 0.04¢

Municipal Court: 0.03¢

⁽¹⁾ Transfer to CIP Excluded



WHAT THAT BUYS:

Public Safety: The Killeen Police Department and the Killeen Fire Department are always top priorities for the City Council in prioritizing General Fund expenditures. The police, fire, and emergency medical protection offered by these departments are vital for the City of Killeen.

Non-Departmental & Non-Operating Costs: Non-Departmental & Non-Operating expenditures are not department specific. These expenditures include the City's contributions to Economic Development, the Bell County Appraisal District, Bell County Communication Center along with General Fund payments to the Internal Service Funds: Information Technology, Risk Management, and Fleet Services. This also includes lease payments.

General Government: General Government departments include City Council, City Management, City Auditor, Human Resources, Legal, Finance, and Communications and Marketing. These departments provide support to all City divisions and functions, including those divisions and functions housed in other funds.

Parks and Recreation: The Parks and Recreation Department provides high-quality services, including the Family Aquatic Center, Long Branch Pool, Athletic Leagues, Lions Club Recreation Center, Rose Hereford Community Center, and programs for Senior Citizens.

Public Works: Transportation division maintains the existing transportation network of roads and neighborhood streets to provide a safe and functional complete street network. Mowing regularly ensures that the city right of ways remain neat, tidy, and free from overgrowth, enhancing safety, visibility, and overall aesthetics.

Community Development Services: Community Development offers a wide range of services, including the library, the Killeen Arts and Activities Center, as well as building maintenance and custodial support.

Development Services: Development Services are on the front lines of planning and managing the City's growth and development and City Code Enforcement services.

Animal Services: Animal Services provides services to improve the lives of animals in our community and promote responsible pet ownership through educational efforts.

Municipal Court: Municipal Court provides a neutral, courteous and fair forum for all class C misdemeanor offenses arising under the Texas civil and criminal statutes and city ordinances and providing for the efficient and timely adjudication of court cases.

BUDGET HIGHLIGHTS

Total Budget: \$315,005,812
Less Interfund Activity: (43,478,660)
\$271,527,152

Operations: \$200,066,007

Debt Service: \$26,238,685

Capital Projects: \$45,222,460

Council Priorities:

- Competitive pay
- Increased staffing to meet service demands
- Affordable healthcare for employees

Employee Compensation:

- 4% cost-of-living increase for classified and public safety civil service employees

Healthcare:

- No increase in employee or employer premiums for FY 2025
- New health insurance carrier selected through a competitive bid process

Employee Staffing

- 18.59 New Positions Added for FY 2025:
 - Rosa Hereford Community Center: 3.59 FTEs
 - Public Works: 7 FTEs for Litter Crew and Residential Bulk Waste Pick Up
 - Development Services: 1 Senior Construction Inspector
 - Aviation: 7 FTEs for Fort Cavazos Intergovernmental Service Agreement
- 13.22 New Positions Added during FY 2024:
 - Texas State Veterans Cemetery: 21 FTEs (various roles)
 - ARPA Funded Youth Hiring Program: Reduction of 6.12 FTEs
 - Municipal Court: Reduction of 1 FTE due to reorganization
 - Parks & Recreation: Reduction of .66 FTE as part of the reorganization
- Unfunded Position Requests: 55 requests remain unfunded
- Employee-to-Population Ratio:
 - Increased to 8.23 per 1,000 population (includes Veterans Cemetery positions)
 - Without Veterans Cemetery positions, the ratio is 8.10, lower than the current year

Tax Rate:

- Adopted: 65.73 cents per \$100 valuation (+3.65 cents from FY 2024)

Growth and Valuations:

- Net taxable value increase: 4.23% to \$11.3 billion
- New growth: \$153 million
- Tax-exempt property value increase: \$397 million [disabled veteran exemption: \$327 million (82%)]

Sales Tax Revenue:

- Forecasted: \$35.6 million (short of FY 2024 budget by \$0.5 million)
- Conservative FY 2025 budget at \$35.6 million with a 1.0% increase assumption

BUDGET HIGHLIGHTS

General Fund:

- Revenues: \$125.7 million (+4.24% from FY 2024)
 - Property tax increase: \$5.3 million
 - Sales tax decrease: \$527,402
 - State of Texas Disabled Veteran’s Exemption reimbursement decrease: \$627,820
 - Fine revenue decrease: \$200,000
 - Charges for Services increase: \$604,968
- Expenditures: \$125.7 million (+4.24% from FY 2024)
 - Civil service 4% cost of living adjustments: \$2.0 million
 - Civil service pay grade steps: \$473,391
 - Classified 4% cost of living adjustments: \$1.0 million
 - Key decision packages:
 - Civil Service Pay Plan Compression - Phase 1
 - Staffing for Rosa Hereford Community Center
 - Comprehensive salary survey
 - Building repairs at Human Resources
 - Mickey’s Dog Park renovations
 - Athletic field tarps
 - Patrol office remodel and technology upgrades at KPD

Enterprise Funds:

- Water and Sewer: \$49.9 million (+3.6% from FY 2024)
 - Revenues:
 - Residential rate adjustments to top two volumetric rates to encourage conservation
 - Phase 3 of 5 of commercial rate adjustments
 - Expenditures:
 - Increased debt payments to the Water Control Improvement District (WCID) No. 1 for the approved Water System Improvements Projects
 - Increased treatment costs
 - Increased funding for infrastructure maintenance/replacement \$1.2 million
 - Increased capital project funding \$1.8 million
- Solid Waste: \$27.1 million (+10.8% from FY 2024)
 - Revenue from increased user base and new fees
 - Expense increases for fleet replacements and new positions
- Drainage: \$5.5 million (+5.0% from FY 2024)
 - Reallocated positions and cost of living adjustments
- Aviation: \$6.0 million (+29.2% from FY 2024)
 - Major increase due to the Intergovernmental Service Agreement with Fort Cavazos
- Golf Course: \$1.5 million (-2.2% from FY 2024)

Future Challenges:

- Without full state reimbursement for the veteran’s exemption, maintaining current service levels is unsustainable.
- City faces ongoing challenges in balancing growth demands with fiscal constraints.

FY 2025 HIGHLIGHTS

	Totals for FY 2025⁽¹⁾	\$271.5M		PROPERTY TAX RATE		
	General Fund	114.4M		FY 2025 ADOPTED TAX RATE	\$0.6573	Tax Rate Increase
	Capital Projects All Other Funds	41.5M 115.6M				0.0365¢

⁽¹⁾Adjusted for Interfund Activity

FY 2025 COST OF LIVING ADJUSTMENTS

	Civil Service 4% \$1,977,205		Classified 4% \$1,013,357
			General Fund Water & Sewer Fund Solid Waste Fund Aviation Fund Drainage Fund Other Funds

FY 2025 BENEFIT CHANGES



Pension Contributions

TMRS (Texas Municipal Retirement System) from 14.58% to 14.70%

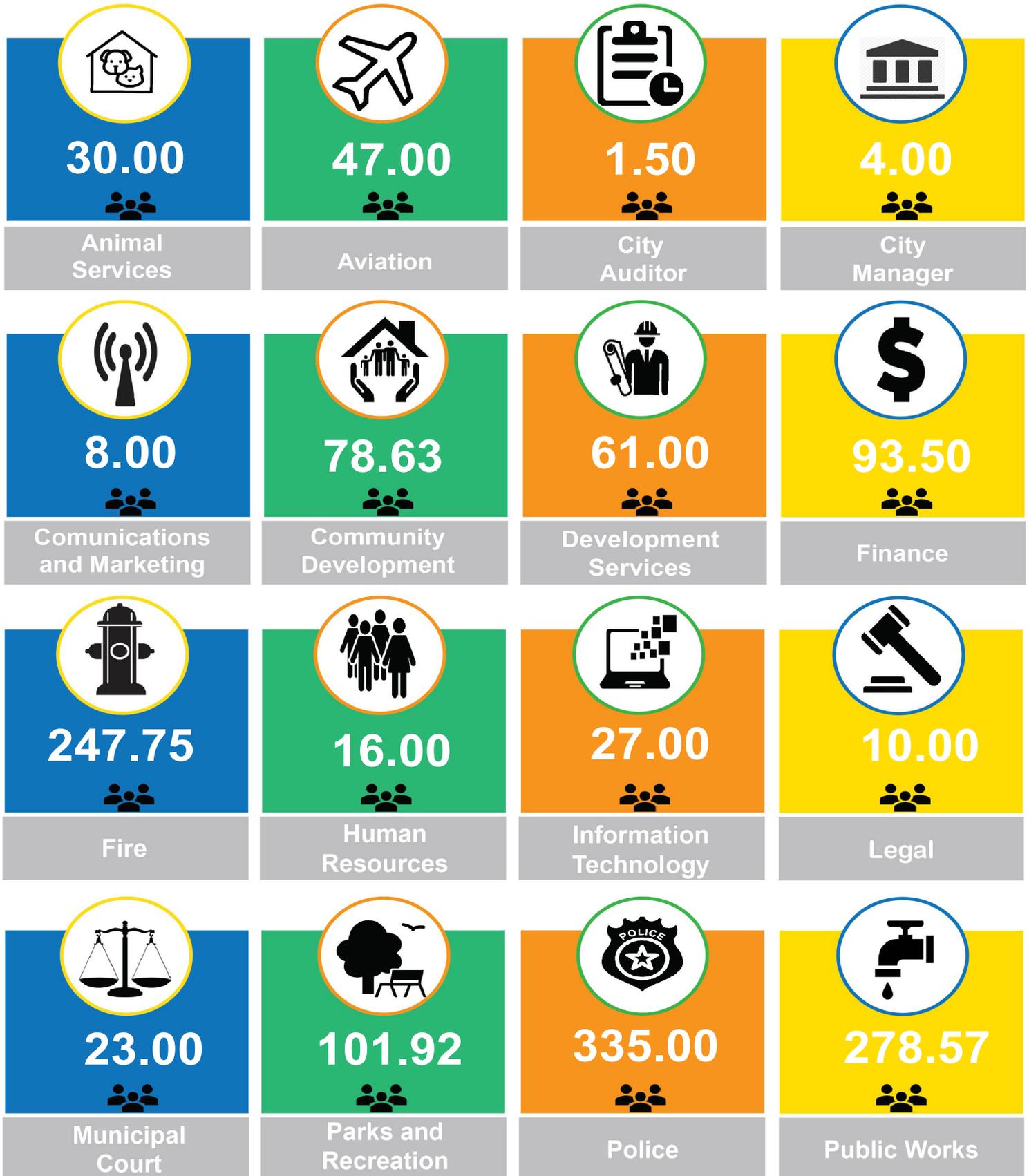
CAPITAL IMPROVEMENT PROGRAM

The FY 2025 Capital Improvement Program includes funding for 23 individual projects and 49 vehicles/equipment totaling \$37,592,511.

- **AVIATION**
 - Three projects totaling approximately \$1.2M
- **DRAINAGE**
 - Two project totaling \$325,000
- **FACILITIES**
 - Two projects totaling \$768,167
- **OTHER PROJECTS**
 - Two project totaling \$750,000
- **TECHNOLOGY**
 - Two projects totaling approximately \$1.3M
- **TRANSPORTATION**
 - One project totaling approximately \$1.42M
- **VEHICLE & EQUIPMENT**
 - Four new vehicle/equipment purchases totaling \$593,861
 - 45 replacement vehicle/equipment purchases totaling approximately \$6.7M
- **WATER & SEWER**
 - Eleven projects totaling approximately \$24.7M



FY 2025 STAFFING BY DEPARTMENT (FULL-TIME EQUIVALENT EMPLOYEES)

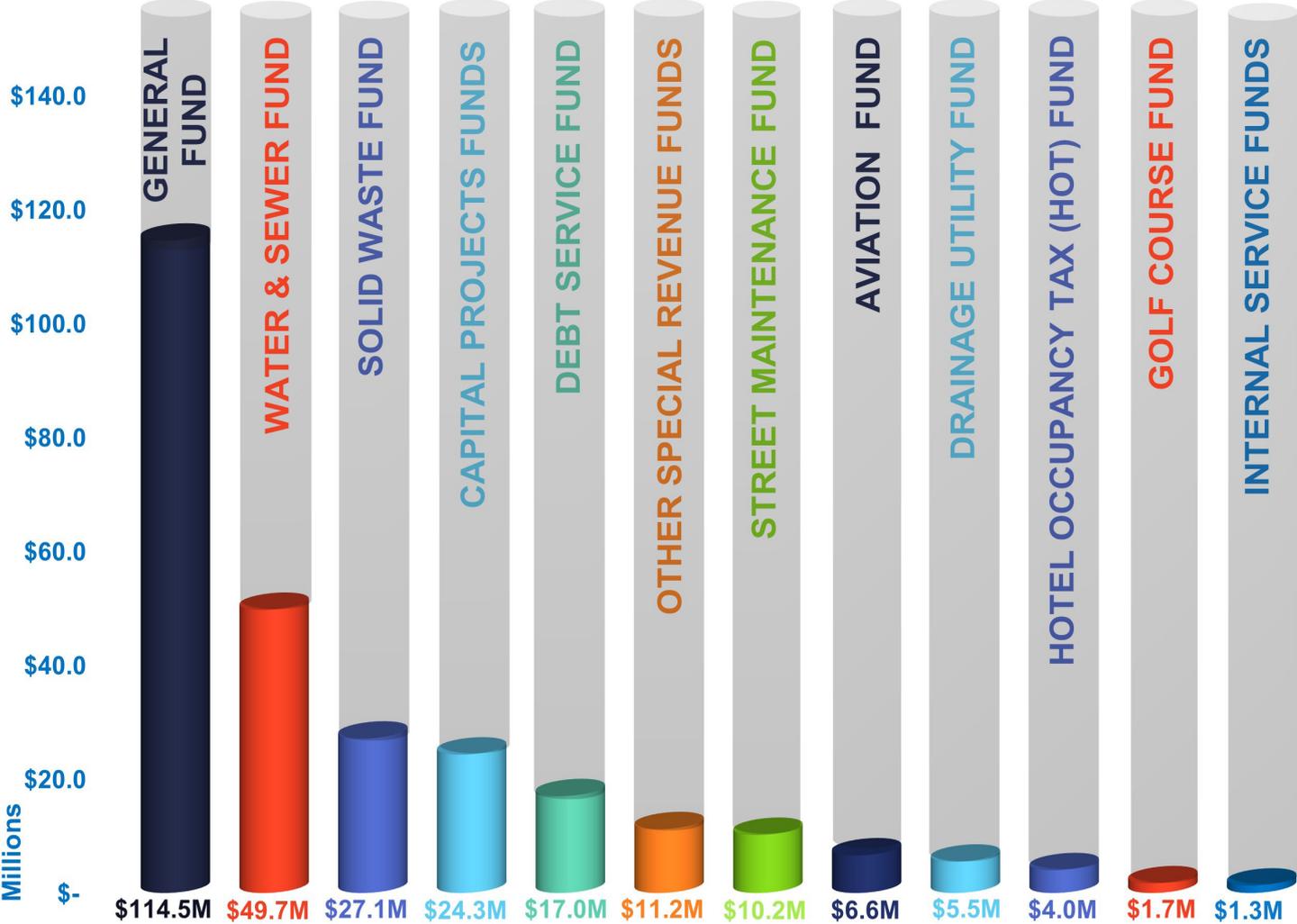


Total Full-Time Equivalent Employees

1,362.87

FY 2025 REVENUES BY SOURCE

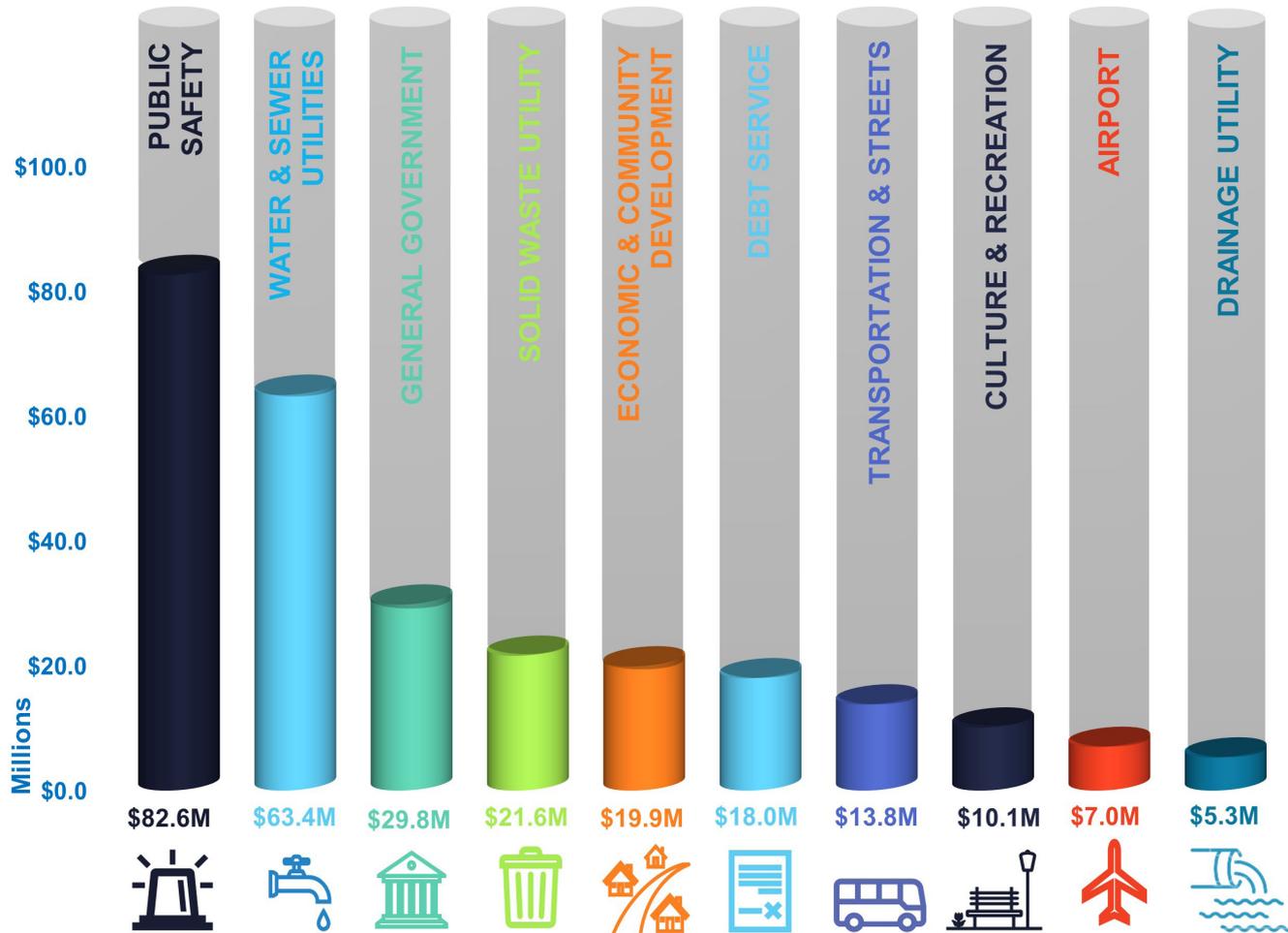
TOTAL \$273.1 MILLION



⁽¹⁾ Adjusted for Interfund Activity (\$43.5M)

What is the money being used for?

¹FY 2025 EXPENSES BY FUNCTION TOTAL \$271.5MILLION



⁽¹⁾ Adjusted for Interfund Activity (\$43.5M)

Chart Legend:

Public Safety: Police Department, Fire Department, Municipal Court, Animal Services, Law Enforcement Grant, Police State Seizure, Police Federal Seizure, Emergency Management Fund, Teen Court Technology Fund, Court Security Fee Fund, Local Youth Diversion Fund, Jury Fund, Fire Department Special Revenue Fund, Police Department Donations Fund and Capital Projects.

Water & Sewer Utilities: Water & Sewer Fund, Senior Citizens Assistance Program Fund and Capital Projects.

General Government: City Council Department, City Manager Department, City Auditor Department, Communications Department, Legal Department, Finance Department, Human Resources Department, Information Technology Department, Cable-system PEG Fund and Capital Projects.

Solid Waste Utility: Solid Waste Fund and Capital Projects.

Economic & Community Development: Development Services Department, Community Development Department, Hotel Occupancy Tax (HOT) Fund, KCCC Fountain Fund, Library Memorial Fund, Community Development Block Grant (CDBG) Fund, Community Development Home Program Fund, Tax Increment (TIRZ) Fund and Capital Projects.

Transportation & Streets: Street Maintenance Fund, Transportation Division and Capital Projects.

Culture & Recreation: Parks & Recreation Department, Parks Donations Fund, Central Texas State Veterans Cemetery Fund, and Capital Projects.

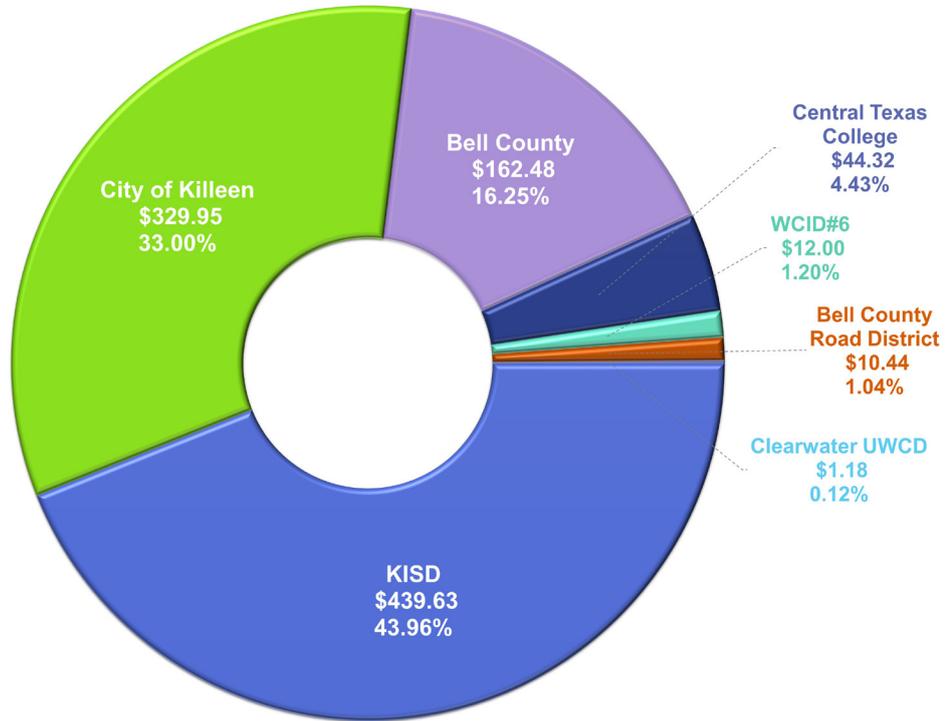
Airport: Aviation Fund, Aviation AIP Grants Fund, Aviation CFC Fund, Aviation PFC Fund, and Aviation CIP Fund.

Drainage Utility: Drainage Utility Fund and Drainage Utility Fund CIP.

Property Taxes

For every \$1,000 in property taxes paid by residents and businesses, the City receives \$329.95

Taxing Unit	FY 2025 Adopted Tax Rate
KISD	\$ 0.87580
City of Killeen	\$ 0.65730
Bell County	\$ 0.32370
Central Texas College	\$ 0.08830
WCID#6	\$ 0.02390
Bell County Road District	\$ 0.02080
Clearwater UWCD ^①	\$ 0.00235
	\$ 1.99215



^① Not all properties are taxed by Bell County WCID #6



CURRENT ECONOMIC CLIMATE



**(1) TEXAS
UNEMPLOYMENT
RATES**

4.0



**(5) TOTAL
ASSESSED**

\$ 14,921,408,874
Increased by
\$854,341,034
or 6.07%



**(2) KILLEEN, TEXAS
UNEMPLOYMENT RATES**

5.1



**(6) CITY
SALES TAX
COLLECTION**

\$35,551,700
Decreased by
(\$527,402)
or (1.46%)

DEMOGRAPHICS: CITY OF KILLEEN



(4) POPULATION

165,681



**(3) GENDER
COMPOSITION**

Male ♂ 49.6 %
Female ♀ 50.4%



**(3) MEDIAN
HOUSEHOLD
INCOME**

\$57,086



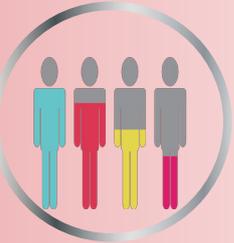
**(7) MEDIAN
AGE OF
POPULATION**

29.9



**(5) AVERAGE HOMESTEAD
VALUE**

\$220,915



**(3) RACIAL
COMPOSITION**

White	36.7%
Black	38.9%
Hispanic	27.7%
Two or more races	12.6%
Asian	3.9%
Native Hawaiian	0.9%
American Indian	0.6%

*Hispanics may be of any race, so also are included in applicable race categories.

¹ U.S. Bureau of Labor Statistics. (In percent, seasonally adjusted.)
² U.S. Bureau of Labor Statistics. (In percent, not seasonally adjusted.)
³ U.S. Census Bureau- Quick Facts
⁴ FY 2025 Estimated Population as Forecasted

⁵ Tax Appraisal District of Bell County-Certified Values
⁶ City of Killeen
⁷ US Census Bureau 2022 American Community

City of Killeen Budget Division

Judith Tangalin, CPA, CGFO
Executive Director
of Finance

Miranda Drake, CGFO
Assistant Director of Finance

Bonnie Hanchey
Budget Manager

Kira Gomez
Budget Analyst

Rocio Marquina
Budget Analyst

The Budget in Brief was produced by the City of Killeen Finance Department Budget Division. This document provides Citizens with a high-level overview of the City's FY 2025 Budget. The City's Budget Book can be found on the City's website: <https://www.killeentexas.gov>

For specific questions or comments, please contact the Budget Division.

Office: 254-501-7730

Fax: 254-501-8984

Email: Budget-Team@killeentexas.gov

Website: <https://www.killeentexas.gov>

