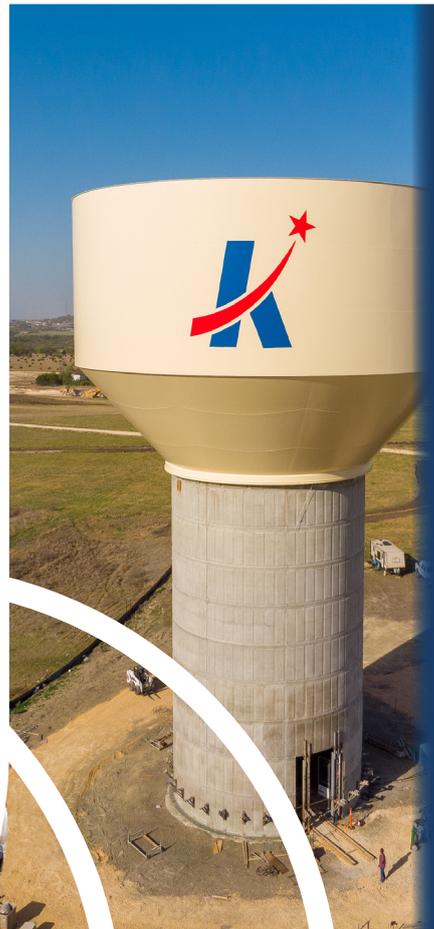


2023 Proposed Budget In Brief

As submitted to the City Council on July 05, 2022



Dedicated Service - Every Day for Everyone!
Killeen, Texas



CITY OF KILLEEN

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 budget
2. Budget presentation preparation



City Council's Budget

- July/August/September**
1. Tax rate proposed and public hearings
 2. Budget workshops
 3. Budget and 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

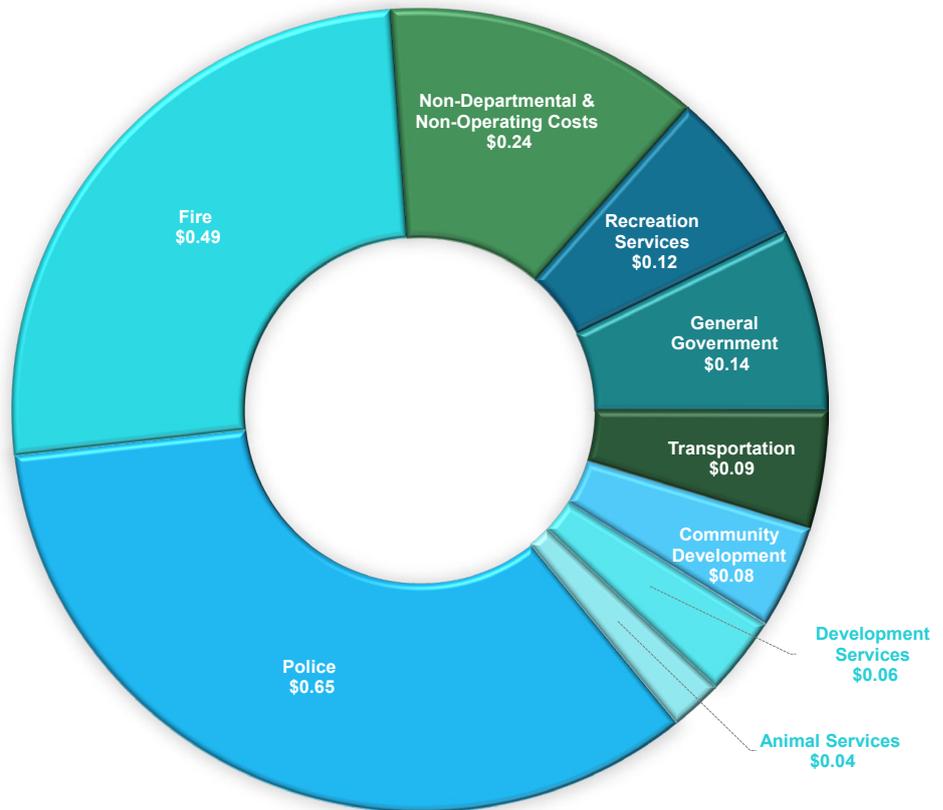
Enterprise Fund – Enterprise funds are used to account for the provision of services to the residents of the City. All activities necessary to provide such services are accounted for in these funds including, but not limited to, operations, maintenance, financing, and related debt service, billing, and collection.

The City has five (5) enterprise funds, as follows:

- Water & Sewer Fund
- Solid Waste Fund
- Aviation Funds – Killeen-Fort Hood Regional Airport & Skylark Field
- Drainage Utility Fund
- Internal Service Funds – Internal service funds account for services provided to other departments or agencies of the government on a cost-reimbursement basis.

⁽¹⁾ GENERAL FUND SERVICES = \$1.91 A DAY PER CITIZEN

- Police: 0.65¢
- Fire: 0.49¢
- Non-Departmental & Non-Operating Costs: 0.24¢
- Recreation Services: 0.12¢
- General Government: 0.14¢
- Transportation: 0.09¢
- Community Development: 0.08¢
- Development Services: 0.06¢
- Animal Services: 0.04¢



⁽¹⁾Adjusted for Interfund Activity

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 separation pay and lease payments.

Recreation Services: The Recreation Services Department offers the high-quality recreation that Killeen residents have come to expect.

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

Transportation: Transportation division maintains the existing transportation network of roads and neighborhood streets. City streets, sidewalks, drive approaches, trails, curb & gutter, valley gutters, pavement markings, and traffic control devices that provide a safe and functional complete street network.

Community Development Services: Community Development provides an array of services such as the Library and cultural arts, building and custodial services.

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 education efforts.

July 5, 2022

Honorable Mayor and Members of the City Council:

In accordance with Texas statutes and the City of Killeen Charter, Article V, the proposed budget for the fiscal year beginning October 1, 2022 and ending September 30, 2023 is hereby submitted. The proposed budget includes appropriations totaling \$297,388,018, with \$217,845,742 for operations, \$53,796,127 for capital projects, and \$25,746,149 for debt service requirements.

The proposed budget attempts to address City Council's priorities and strategic issues and establishes the foundation for the delivery of services to the citizens of Killeen. The budget was prepared with emphasis on the goals and priorities established by City Council: 1) public safety initiatives, 2) employee compensation and benefits, and 3) City infrastructure. The proposed budget as submitted addresses each of these important priorities.

Public Safety Initiatives

An important priority established by City Council for the upcoming budget is to increase public safety presence downtown. The Police Department submitted a budget decision package to add a downtown engagement unit, and I am happy to report that it is included in the proposed FY 2023 Budget. The total cost of adding the unit is \$759,773, which includes one-time costs of \$244,925 for vehicles, radios, and other related equipment. The ongoing costs are estimated to be \$514,848. The downtown engagement unit includes one sergeant and four police officers that will focus on citizen engagement in the downtown area, provide staffing at community events in the downtown area, communicate with business owners, and patrol City parks. The unit will build a stronger partnership with our community and enhance safety in the downtown area.

In addition, the proposed budget includes funding for the City's ninth fire station. In May 2022, City Council received a presentation advising that the audited FY 2021 ending fund balance in the General Fund finished \$7.6 million over the 22% maximum. The City's Financial Governance Policy requires fund balance in excess of 22% be used for capital projects. City Council provided direction to use \$5.7 million of the excess fund balance to build the new fire station. The new station will be known as Fire Station #4. The old Fire Station #4 was decommissioned after the Federal Aviation Administration removed the requirement for a fire unit to be located on Skylark Field. Building a new fire station with cash is a big accomplishment and should be celebrated. The Fire Department has submitted multiple grant requests to assist with the cost of the new station. The first, a grant request that would provide funding for the three captains and eighteen firefighters that will be located at the fire station for a three-year period. If the grant is approved, there will be \$429,447 of one-time equipment related costs not covered by the grant. Funding for these one-time costs has been identified. The second, a grant request to purchase a fire engine that will be located at the new station. If the grant is approved, there will be approximately \$332,038 in costs to purchase the equipment needed for the fire engine. Funding for the needed equipment has also been identified. The City should receive notification regarding approval of the grants late in the budget process.

The proposed budget includes funding for the replacement of public safety vehicles. A total of 23 police vehicles will be replaced, including 18 patrol units, two K9 units, and three administrative vehicles. The cost of replacing the 23 police vehicles is estimated to be \$1.6 million. A total of nine fire vehicles will be replaced. Four of the units are being replaced with cash and include three ambulance chassis replacements and a brush booster truck for a combined cost of \$1.1 million. The remaining five vehicles include four fire apparatus and a new ambulance for Fire Station #4. The four-fire apparatus to be replaced are three pumper/engines and a ladder unit. These five units will be replaced with proceeds from a planned issuance of limited tax notes. The total cost of all five units is estimated to be around \$5 million. The tax notes will be repaid using accumulated fund balance and taking advantage of available debt capacity in future years. This means repayment of the tax notes will not require an increase in the tax rate.

Finally, on May 24, 2022, City Council approved an Intergovernmental Support Agreement with Fort Hood for animal care that will become effective October 1, 2022. The agreement will have a significant impact on the City's ability to provide animal services throughout the City and on Ft. Hood. The proposed budget includes funding in the amount of \$1.3 million for 12 new employees for animal services, four trucks with animal cabs, and other equipment and supplies needed to provide services under the agreement. All costs associated with the agreement will be paid by Fort Hood.

Employee Compensation and Benefits

Over the past few years, Killeen has made great progress in providing employees a fair and competitive wage. The proposed budget continues this endeavor in several ways that includes providing employee cost of living adjustments, public safety premium pay, adjusting classified positions that were below market according to a recent salary market survey, addressing equity issues in pay grade 19 and above, and enhancing the City's longevity plan for non-civil service employees. In addition, health insurance improvements approved by City Council are included in the proposed budget.

The proposed budget includes a 3% cost of living increase for non-civil service employees and public safety civil service employees. Public safety civil service employees will also receive step increases according to the pay plan. In FY 2022, certain public safety employees received \$2 per hour in premium pay through the American Rescue Plan Act. Proposed for FY 2023, public safety employees will receive a \$1 per hour in premium pay and \$1 per hour in premium pay will be absorbed into their hourly rate. Each year an increasing portion of the premium pay will be moved to the employee's hourly rate and funded by the General Fund prior to the expiration of the fiscal recovery funds.

In preparation for the FY 2023 Budget, Human Resources contracted with a consultant to perform a market survey of classified and civil service positions. The results of the study showed several classified positions were below market. The proposed budget includes \$1.1 million to bring these positions to market. In FY 2022, the City was able to give the lower end of the pay plan a significant boost, by increasing the minimum hourly wage earned by a classified employee from \$10.86 to \$13.47. This minimum and maximum wage for the first nine pay grades, pay grades through 18, were increased on a declining scale from 24% to 4%. While the increase had a positive impact on employees at the lower end of the pay scale, it also created equity issues with the remaining paygrades. To address this, the minimum and maximum wage for pay grades 19 and above will increase by 2%.

The service and dedication of the City's most loyal employees will be rewarded by receiving a modest boost in longevity pay. Under the current longevity plan, employees receive \$4 per month for every year of service through 20 years, at which point longevity increases to \$6 per month for every year of service. The new longevity plan for classified employees introduces additional tiers to reward employees who stay with the City. Under the new longevity plan, classified employees will receive longevity pay based on the table below. It is important to note that there are some current employees whose longevity amount is higher than the new longevity plan. These employees will continue to receive their current longevity amount and will switch to the new longevity plan when it is advantageous for them to do so. The cost of implementing the new longevity plan is \$47,083.

Years of Service	Longevity Per Month of Every Year of Service
Less than 3	\$0.00
3 - 7	\$5.00
8 - 12	\$7.00
13 - 17	\$9.00
18 - 22	\$11.00
23 and above	\$13.00

The cost to provide health insurance benefits to City employees is estimated to increase by \$752,690. This is the net impact after removing the gate keeper requirement and making changes to the City's health plan to mitigate cost increases. The City will absorb most of the cost increase. The only proposed increase to employees is for employees who choose the more costly co-pay plan. Employees who choose the co-pay plan will pay \$5 more per month for health insurance. This increase in premium is designed to slowly create separation between the more costly co-pay plan and the less costly high deductible plan. Removing the gate keeper requirement has been one of the most requested changes by employees and the change will be well received.

City Infrastructure

One of Council's priorities from the strategic planning meeting held on March 5, 2022, was to address new and aging infrastructure. With limited funding available, a \$20 million bond issue is proposed for late Fiscal Year 2023. Several projects totaling \$16.9 million have already been identified, including \$7.2 million for the renovation of the Police Department North location, \$3.5 million to expand evidence storage and increase parking at the Police Department Headquarters, \$2.6 million for the reconstruction of the Grounds Maintenance Facility at Conder Park, \$2.5 million to make needed structural improvements to City Hall and make necessary HVAC upgrades, and \$1.1 million to cover the City's portion of the new animal quarantine facility. The remainder of the proceeds and the projects to be included in the bond issue will be discussed with City Council during the budget process. The City's debt capacity will increase over the next couple years due to a large portion of debt maturing. The timing of the proposed bond issue for FY 2023 will prevent the need to increase the City's tax rate.

Budget Overview

Municipal government is a service-oriented business, and as such, personnel is the predominate expense in the budget. The cost of employee salary and benefit expenses comprise 49%, or \$106.8 million, of the proposed budget. Changes to employee compensation and health insurance were previously discussed. The majority of City employees are part of the Texas Municipal Retirement System (TMRS). Only firefighters are not covered by TMRS, who participate in the Firefighter's Relief and Retirement Fund. The City made changes to TMRS in FY 2021 to ensure the sustainability of employee retirement plans. The change increased the City's contribution rate initially and the rate is projected to decrease over the next several years. The rate for 2023 did decrease from 14.99% to 14.70%.

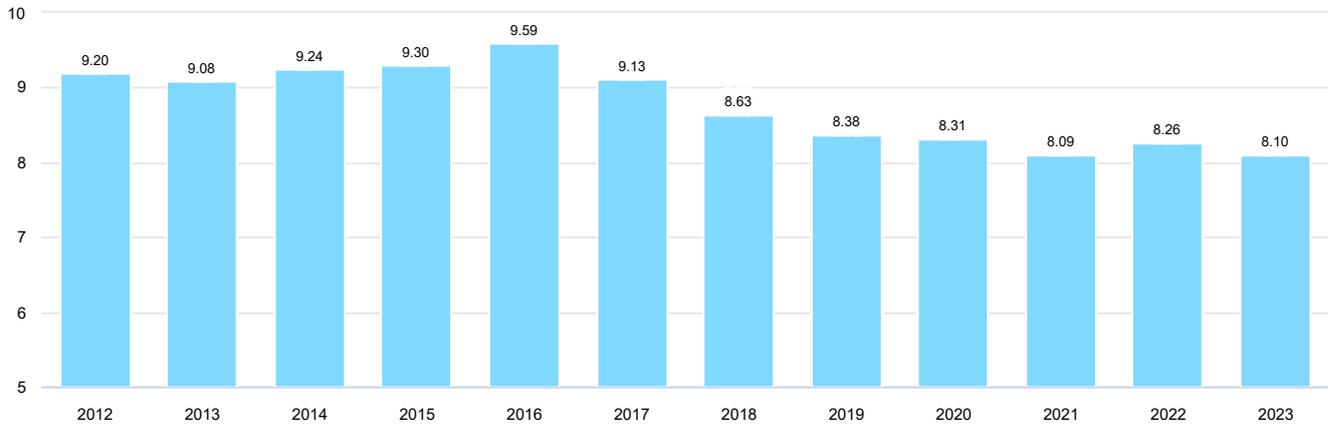
Employee Staffing

There are 1,312 full-time equivalent employee positions in the proposed budget. Full-time positions increased by 22 compared to the current year. Of the new positions added, 17 are to support new and enhanced public safety programs, 1 is in support of a City Council request for a City Auditor Intern, 1 is in response to a City Council request for a Communications Coordinator, 1 is a Facilities Maintenance Specialist for Building Services Division, 1 is a Project Engineer to assist with the management of capital projects, and 1 is the reclassification of a part-time to full-time position at the Transfer Station. The table below provides an overview of the positions being added and the corresponding program.

Program	Position Title	Department	Change
Animal Services - Fort Hood IGSA Program	Animal Care Technician	Animal Services	+3
Animal Services - Fort Hood IGSA Program	Animal Control Officer	Animal Services	+2
Animal Services - Fort Hood IGSA Program	Animal Services Representative	Animal Services	+2
Animal Services - Fort Hood IGSA Program	Program Assistant	Animal Services	+1
Animal Services - Fort Hood IGSA Program	Senior Animal Control Officer	Animal Services	+2
Animal Services - Fort Hood IGSA Program	Shelter Manager (Fort Hood)	Animal Services	+1
Animal Services - Fort Hood IGSA Program	Vet Technician Assistant	Animal Services	+1
Assistant City Attorney (Public Works)	Assistant City Atty (PW)	Legal	+1
City Auditor Intern	Auditor Intern	City Auditor	+0.5
Communications Coordinator	Communications Coordinator	Communications	+1
Downtown Engagement Unit	Police Officer	Police Department	+4
Downtown Engagement Unit	Police Sergeant	Police Department	+1
Facilities Maintenance Specialist	Facilities Maintenance Specialist	Community Development	+1
Project Engineer	Project Engineer	Development Services (Engineering)	+1
Service Worker (Buildings & Grounds) - Part-time to Full-time	Service Worker (Bldgs & Grounds)	Public Works - Transfer Station	+0.5

Even with the addition of the new positions, there were still 77 position requests that could not be funded. The ratio of employees per 1,000 population decreased from 8.26 to 8.10, the second lowest ratio over the past ten years. Adding employees to keep up with the growth of the City will continue to be a challenge for years to come. The chart below illustrates the ratio of employees per 1,000 over the past 12 years.

Employees per 1,000 Population



General Fund

General Fund FY 2023 revenues are \$112.5 million, which is \$6.2 million or 5.8% higher than the FY 2022 Adopted Budget. The primary changes in revenues include an increase of \$3.5 million from property tax, \$3.4 million from sales tax, and \$1.3 million from the Intergovernmental Service Agreement for animal services with Fort Hood. There is \$1.3 million in Coronavirus State and Local Fiscal Recovery Funds in the proposed budget for public safety premium pay, which is down from \$2.6 million from the FY 2022 Adopted Budget. Overall, there is a reduction of \$5 million in Coronavirus State and Fiscal Recovery Funds in the proposed budget compared to the FY 2022 Adopted Budget.

The proposed budget is based on a preliminary tax rate of 63.26 cents per \$100 valuation. This is 6.78 cents below the current FY 2022 tax rate of 70.04 cents and is the largest reduction in the tax rate since 1990. Over the past three years the City's tax rate has been reduced 11.72 cents. Prior to these three instances, the last reduction in the tax rate occurred in 2005.

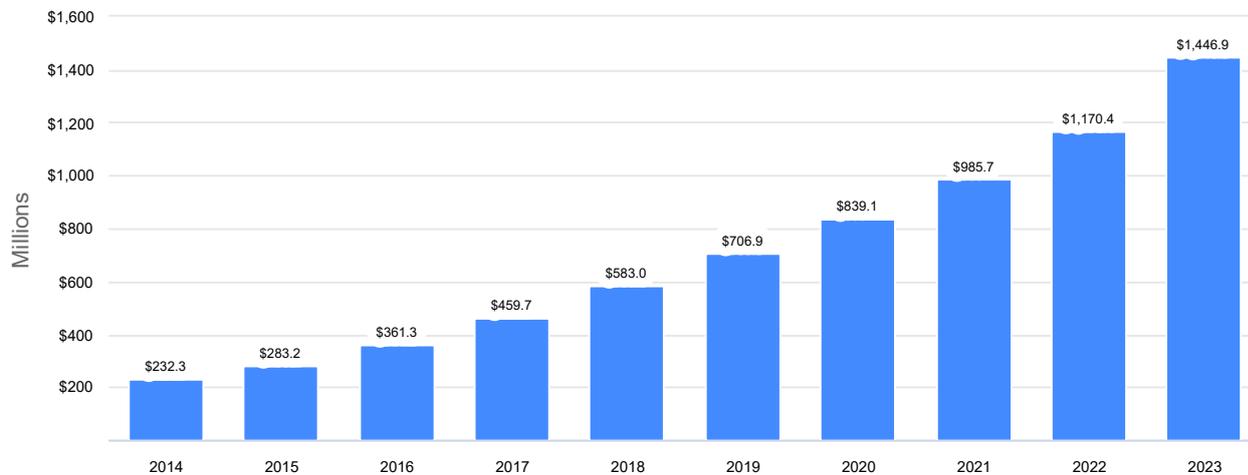
Killeen continues to experience growth from a population and property valuation perspective. The preliminary tax roll shows net taxable value for Killeen increased 18.19% to \$9.2 billion. The increase in taxable value includes \$170.4 million in new growth. The chart below shows the net taxable value over the past ten years.

Net Taxable Value



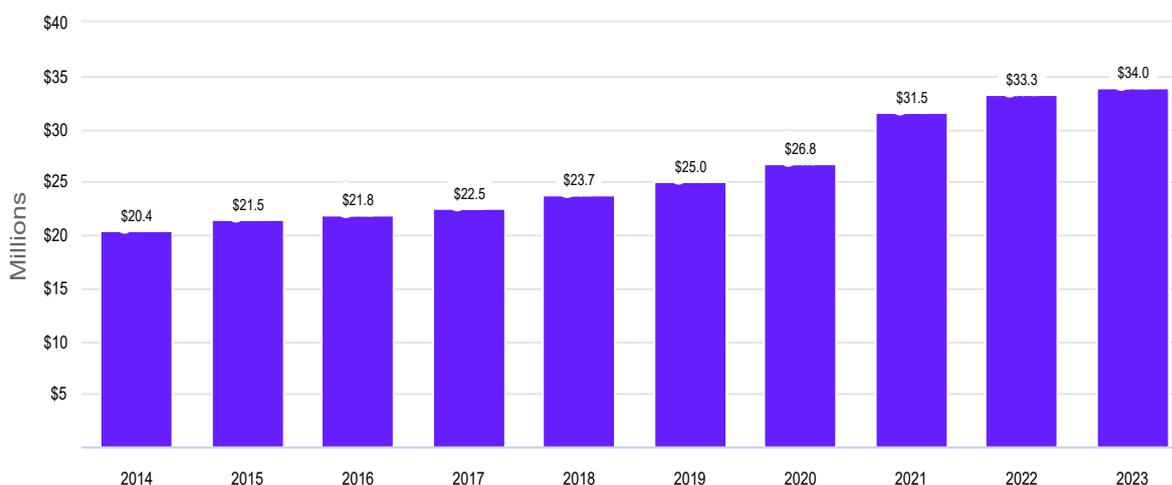
The value of tax exempted property grew \$394.9 million, increasing total tax exempted property value to \$2.5 billion. Of that amount, property value exempted by the disabled veteran exemption grew \$276.5 million or 23.6%, the largest year over year growth since the exemption was enacted in Fiscal Year 2009. The total value of property exempted by the disabled veteran exemption is now over \$1.4 billion, representing a loss in revenue of approximately \$9.2 million. The City anticipates receiving \$3.4 million of State reimbursement during FY 2023, which is a net loss in revenue of \$5.8 million. The State increasing reimbursement of the disabled veteran exemption continues to be one of the primary focus points for the City's legislative agenda. The City is disproportionately impacted by the exemption and the State needs to increase funding for reimbursement. State reimbursement decreased by \$1.0 million in the 2022-2023 Biennium Budget due to mandatory COVID-19 cuts. The chart below shows the growth of the disabled veteran exemption over the past ten years.

Disabled Veteran Exemption Value



Sales tax revenues continue to be strong. At this point in the fiscal year, sales taxes are forecasted to finish at \$33.3 million, which is \$2.5 million over the FY 2022 Budget. There is some uncertainty on how sales tax will be impacted as Coronavirus funding dries up and inflation is increasing at historic levels. Keeping that in consideration, sales tax revenues were budgeted at a 2.0% increase over the forecasted amount for FY 2022. The chart below depicts historical sales tax revenue including the forecasted FY 2022 amount and proposed FY 2023 budget.

Sales Tax Revenue



The cost of providing and maintaining services for citizens increases each year. General Fund expenditures for FY 2023 are \$112.5 million, which is \$6.2 million or 5.8% higher than the FY 2022 Adopted Budget. The increase is primarily attributable to the following, 1) civil service 3% cost of living adjustment - \$1.2 million, 2) absorbing \$1 premium pay for certain public safety employees that was previously paid by Coronavirus State and Local Fiscal Recovery Funds - \$1.4 million, 3) 3% cost of living adjustment for classified employees - \$674,099, 4) market adjustments for positions below market - \$465,266, 5) Intergovernmental Service Agreement for animal services with Fort Hood - \$1.3 million, and 6) approved decision packages - \$1.0 million.

Departments submit decision packages for new or enhanced programs and services. The following decision packages were approved and are included in the proposed FY 2023 Budget, 1) Police Department Downtown Engagement Unit discussed earlier - \$759,773, 2) bringing back the Assistant City Attorney for Public Works - \$117,428, 3) Communications Coordinator position requested by City Council - \$69,468, 4) Facilities Maintenance Specialist - \$54,231, 5) City Auditor intern requested by City Council - \$24,270, and 6) the General Fund's portion of the new longevity plan - \$24,788.

There was not enough funding to address all the decision packages submitted by departments. In total there were \$10.5 million in decision packages for 61 positions that were not approved. One of the decision packages is for the 3 captains and 18 firefighters for the new Fire Station #4. The total cost of staffing the fire station is estimated to be \$2.2 million. The Fire Department applied for a grant that will cover over \$1.7 million leaving \$429,447 in equipment costs to be funded by the City. A funding source has been identified to cover the City's portion if the grant is awarded.

Enterprise Funds

The City uses enterprise funds to account for certain services provided to citizens for which a fee is charged. The fee charged is intended to recover the cost of providing the service. Enterprise fund budgets include Water and Sewer, Solid Waste, Drainage, and Aviation.

Water and Sewer Fund

Water and Sewer Fund FY 2023 revenues are \$45.1 million, which is \$395,964 or 0.89% higher than the FY 2022 Adopted Budget. Last year a five-year rate analysis was performed to determine the level of rate adjustments needed in the near term. The results of the analysis recommended a water rate increase that was implemented in FY 2022, as well as adjusting the base rate paid on different meter sizes by commercial customers to be in line with the American Water Works Association recommendation. This adjustment was scheduled to begin one year following the water rate adjustment and will be phased in over a five-year period. The first phase of the adjustment is included in the proposed FY 2023 Budget.

Water and Sewer Fund FY 2023 expenses are \$45.1 million, which is \$395,964 or 0.89% higher than the FY 2022 Adopted Budget. The largest increase in expense is from water and sewer treatment costs paid to the Water Control and Improvement District (WCID). WCID increased sewer treatment costs by 10 cents per 1,000 gallons for an estimated total cost of \$424,591 and water treatment costs by 5 cents per 1,000 gallons for an estimated total cost of \$275,879. The Brazos River Authority also increased the election and system water rates by a combined \$91,905. The grand total water and sewer cost increase is \$792,375. The Water and Sewer Fund is absorbing this cost in FY 2023, which means there is less funding available for capital maintenance of the City's water and sewer infrastructure. This will likely need to be addressed with a rate adjustment in the future. Other increases in the fund include \$187,675 for the 3% cost of living adjustment and \$110,237 for market adjustments of positions below market.

In addition, there were two decision packages approved. The first was for Water and Sewer's portion of the new longevity plan for \$8,223, and the second for a new Project Engineer position for \$99,237. There were seven decision packages that were not approved that included ten positions for \$763,200.

Solid Waste

Solid Waste Fund FY 2023 revenues are \$23.4 million, which is \$2.3 million or 11.2% higher than the FY 2022 Adopted Budget. Last year, a multiyear rate analysis was performed to determine the needed rate adjustments in the near term. The analysis recommended an 8.0% increase for commercial rates for three consecutive years. The first year of the recommended increase was approved in FY 2022 and the second year is included in the proposed budget. The rate adjustment will assist in refuse truck replacement and meeting rising costs associated with the transport and disposal of solid waste. The FY 2022 rate adjustment was approved too late in the process to update the FY 2022 Adopted Budget, which accounts for part of the revenue increase in FY 2023. In addition, the General Fund is contributing \$500,000 in FY 2023 for phase 2 of 4 that will move the cost of mowing out of Solid Waste to the General Fund.

Solid Waste Fund FY 2023 expenses are \$23.4 million, which is \$2.3 million or 11.2% higher than the FY 2022 Adopted Budget. The largest increase in expense is for solid waste transport and disposal fees that increased a combined \$1.1 million. Other increases in the fund

include \$163,435 for the 3% cost of living adjustment and \$330,486 for market adjustments of positions below market. During Fiscal Year 2022, City Council approved a midyear adjustment of Solid Waste employee salaries to address the high turnover being experienced due to non-competitive salaries compared to market. The total cost of the salary adjustment in FY 2023 is \$493,920.

There were five decision packages approved for a total of \$354,715. The approved decision packages include Solid Waste's portion of the longevity plan change - \$6,807, moving a position from part-time to full-time - \$25,308, purchasing additional recycling trailers - \$56,500, and replacing additional waste containers - \$266,100. There were six decision packages that were not approved for six positions for a total cost of \$277,992.

Drainage Fund

Drainage Fund FY 2023 revenues and expenses are \$5.2 million, which is a \$95,296 or 1.9% increase from the FY 2022 Adopted Budget. Major expense increases include \$57,039 for the 3% cost of living adjustment and \$30,469 for market adjustments of positions below market. A total of \$415,092 will be transferred for capital projects. The only decision package submitted was approved, which was for the Drainage Fund's portion of the new longevity plan in the amount of \$2,018.

Aviation

Aviation Fund FY 2023 revenues are \$4.8 million, which is \$1.5 million or 26.6% lower than the FY 2022 Adopted Budget. The decrease in revenue is due to a reduction in Coronavirus funding from \$2.4 million to \$723,043. Aviation plans to use the remainder of available Coronavirus revenue to assist with operations in FY 2023.

Aviation Fund FY 2023 expenses are \$4.6 million, which is \$19,286 or 0.5% increase from the FY 2022 Adopted Budget. Major increases include \$62,652 for the 3% cost of living adjustment and \$53,716 for market adjustments of positions below market. The only decision package submitted was approved, which was for the Aviation Fund's portion of the new longevity plan in the amount of \$1,502.

Conclusion

The proposed FY 2023 budget provides a basic financial plan for the City of Killeen. The budget addresses many of the City Council's goals and priorities, as well as several of the City's most challenging strategic issues. However, there is much left to be done. We remain woefully short of parks and despite significant advances with ARPA funding, we still fall short funding the maintenance of the parks we have. In general, there is a lack of staffing across all city functions to maintain the current level of services, which are often inadequate as they are. One example would be the lack of any fire inspections after a business receives their Certificate of Occupancy. A best practice would be annual fire inspections, but we lack the resources to inspect structures even once every ten years.

Decades of underfunding basic maintenance issues or levels of service will not be corrected in one budget cycle. However, we should be encouraged by the steps you have already taken to address major issues. Street maintenance, repair and replacement has been addressed. The plan will take years to implement, but the City Council has approved a funding plan that ultimately solves the problem. We have made great improvements in employee compensation and retention. Fleet replacement has been greatly improved. The employee retirement fund is now in a solid financial position. We are making progress and I encourage you to remain positive, recognize the great improvements that have been made and continue the good work.

I want to thank City Council, citizens, boards and commissions, and staff for their time and effort devoted to the budget and for their continued commitment to the success of our City.

Respectfully submitted,



Kent Cagle,

City Manager



Totals for FY 2023 ⁽¹⁾

General Fund	107.5M
Capital Improvement Projects	53.8M
All Other Funds	99.6M

⁽¹⁾Adjusted for Interfund Activity

260.9M



PROPERTY TAX RATE

**FY 2023
TAX RATE**

\$0.6326

Tax Rate
Reduction



6.78¢

FY 2023 SALARY CHANGES



Civil Service

3% COLA	\$1,235,207
\$1.00 Premium Pay	<u>1,404,669</u>
Total	\$2,639,876



Classified

3% COLA	\$674,099
Market Increase	<u>465,266</u>
Total	\$1,139,366

FY 2023 BENEFIT CHANGES



Pension Contributions

TMRS from 14.99% to 14.7%

⁽¹⁾ CAPITAL IMPROVEMENT PROGRAM

\$53.67M



Fleet Replacement

\$14.01M

Governmental CIP	\$10.20M
Solid Waste Fund CIP	3.06M
W&S Fund CIP	0.36M
Drainage Fund CIP	0.23M
Aviation Fund	0.16M



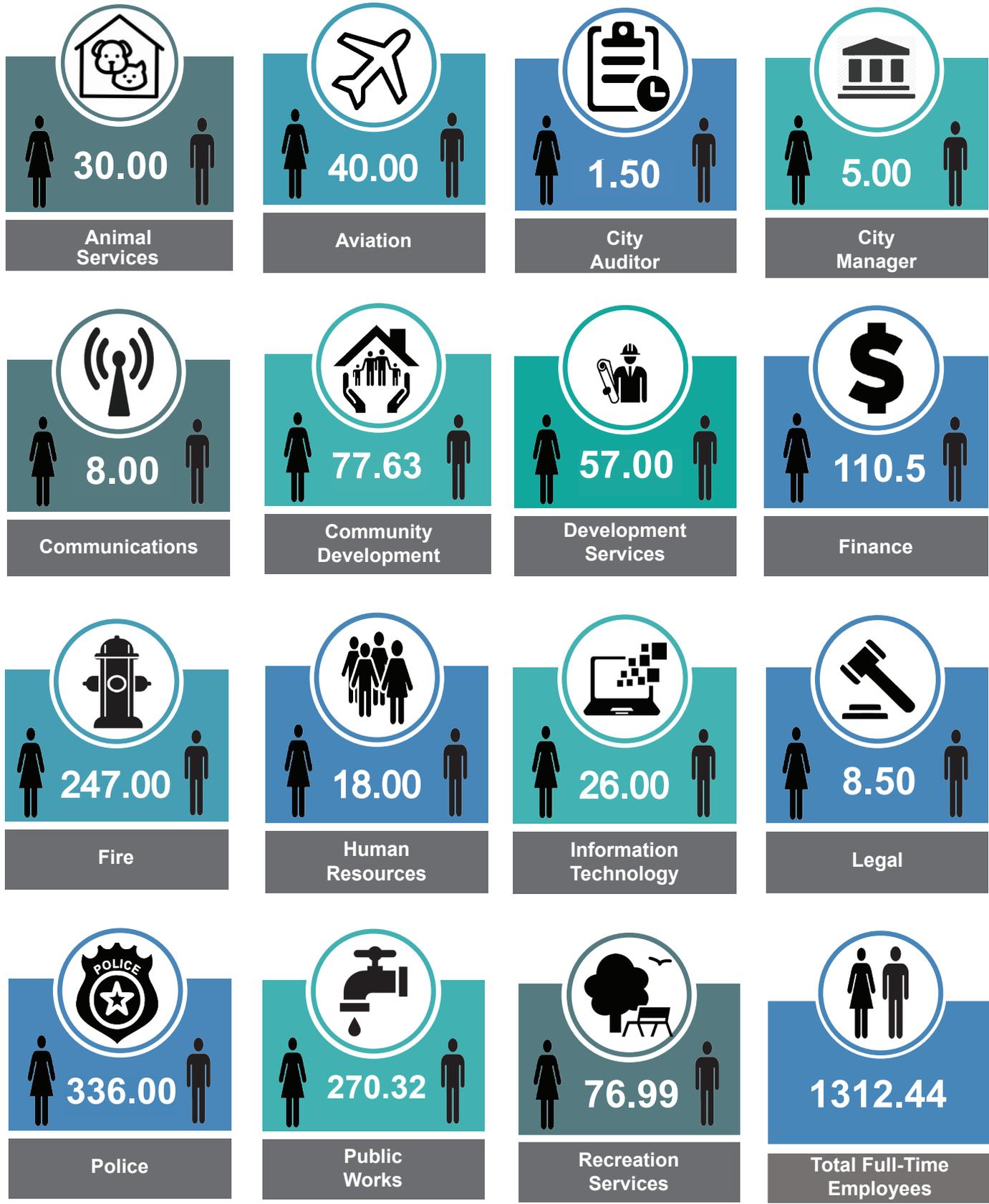
⁽¹⁾ Capital Improvement Projects

\$39.66M

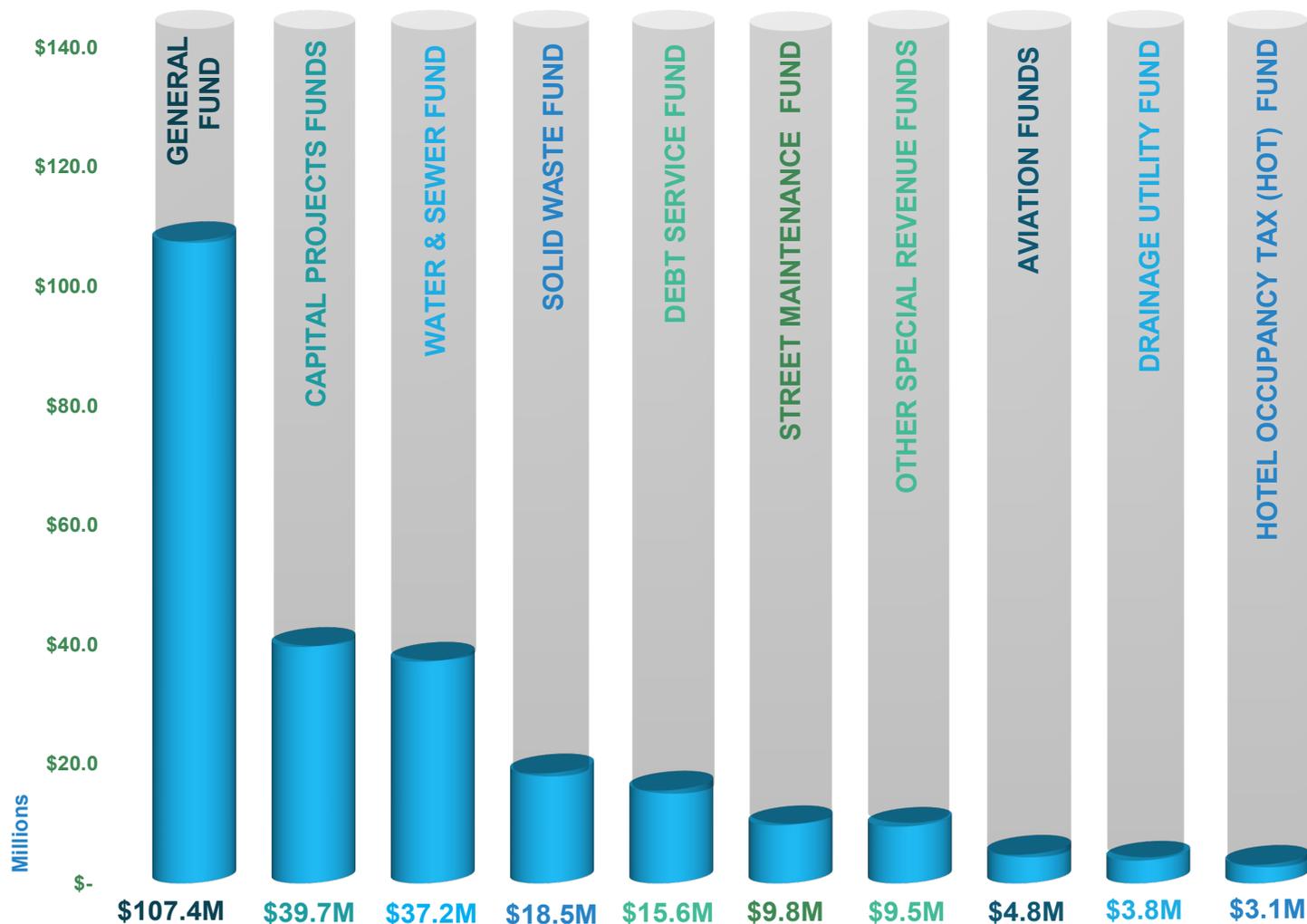
Governmental CIP	\$28.40M
W&S Fund CIP	6.93M
Grants/Reimbursements	2.06M
Aviation CFC/PFC Funds	0.92M
Solid Waste Fund CIP	0.70M
Drainage Fund CIP	0.65M

⁽¹⁾Adjusted for Interfund Activity

FY 2023 STAFFING BY DEPARTMENT (FULL-TIME EQUIVALENT EMPLOYEES)



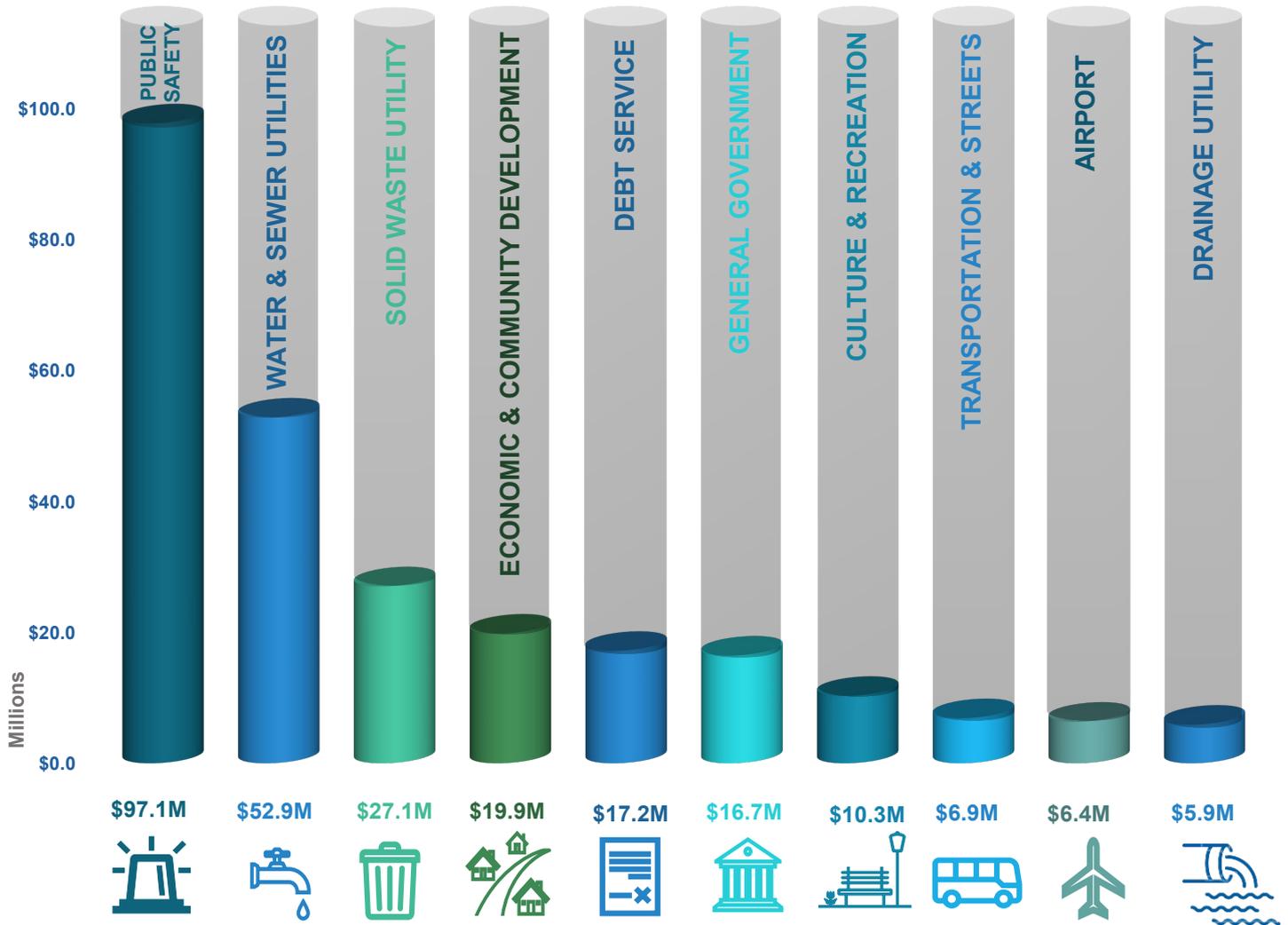
¹FY 2023 REVENUES BY SOURCE ... TOTAL \$249.4 MILLION



⁽¹⁾Adjusted for Interfund Activity

What is the money being used for?

¹FY 2023 EXPENSES BY FUNCTION ... TOTAL \$260.9 MILLION



⁽¹⁾Adjusted for Interfund Activity

Chart Legend:

Public Safety: Police Department, Fire Department, Municipal Court, Law Enforcement Grant, Police State Seizure, Police Federal Seizure, Emergency Management Fund, Teen Court, Court Technology Fund, Court Security Fee Fund, Court Juvenile Case Manager 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.

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.

General Government: City Council Department, City Manager Department, City Auditor Department, Communications Department, Legal Department, Finance Department, Human Resources Department, Risk Management Fund, Cablesystem PEG Fund and Capital Projects.

Culture & Recreation: Recreation Services Department, Parks Donations Fund, Animal Control Donations Fund and Governmental Capital Projects Fund.

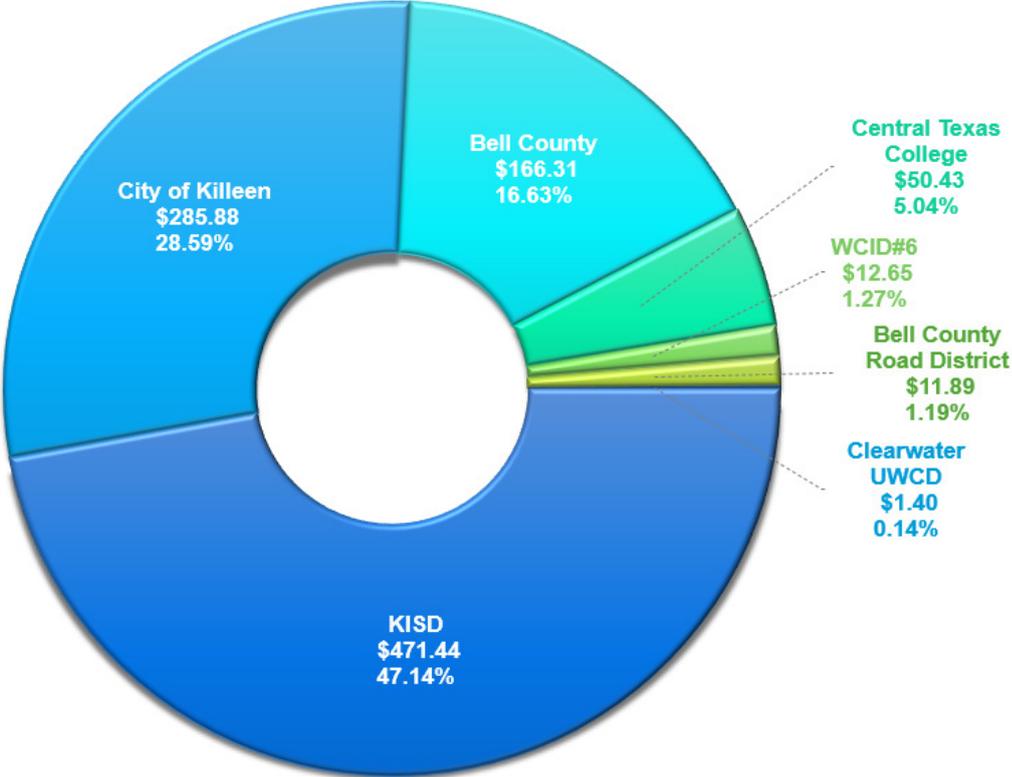
Transportation & Streets: Street Maintenance Fund, Transportation Department and Capital Projects.

Airport: Skylark Field Fund, KFHRA Fund, Aviation AIP Grants Fund, Aviation CFC Fund and Aviation PFC Fund.

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

For every \$1,000 in property taxes paid by residents and businesses, the City receives \$285.88

Taxing Unit	FY 2023 Proposed Tax Rate
KISD	\$1.043200
City of Killeen	0.63260
Bell County	0.36800
Central Texas College	0.11160
WCID#6	0.02800
Bell County Road District	0.02630
Clearwater UWCD	0.00310
	\$ 2.21280



*Not all properties are taxed by Bell County WCID #6



CURRENT ECONOMIC CLIMATE



**(1) TEXAS
UNEMPLOYMENT
RATES**

4.3^(P)

(P):Preliminary



**(2) TOTAL
ASSESSED**

**\$ 12,108,045,351
Increased by
\$ 2,146,461,999
or 21.55%**



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

3.8^(P)

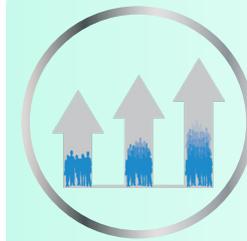
(P):Preliminary



**(4) CITY
SALES TAX
COLLECTION**

**\$33,955,046
Increased by
\$ 3,371,382
or 11.02%**

DEMOGRAPHICS: CITY OF KILLEEN



(6) POPULATION

156,261



**(5) GENDER
COMPOSITION**

Male ♂ 49.4 %

Female ♀ 50.6%



**(3) MEDIAN
HOUSEHOLD
INCOME**

\$50,335



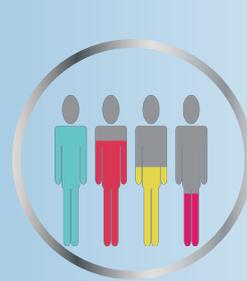
**(5) MEDIAN
AGE OF
POPULATION**

29.4



**(3) MEDIAN HOME
VALUE**

\$132,000



**(5) RACIAL
COMPOSITION**

White	42.1%
Black	39.6%
Hispanic	26.2%
Two or more races	9.0%
Asian	3.9%
Native Hawaiian	1.3%
American Indian	0.8%

Sources:

¹U.S. Bureau of Labor Statistics Unemployment Rates (Seasonally Adjusted) as of July 2021

³ U.S. Census Bureau – *Quick Facts*

⁶ FY 2022 Estimated Population as Forecasted

² Bell County Tax Appraisal District

⁴ City of Killeen

⁵ Greater Killeen Chamber of Commerce

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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 2023 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.

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