

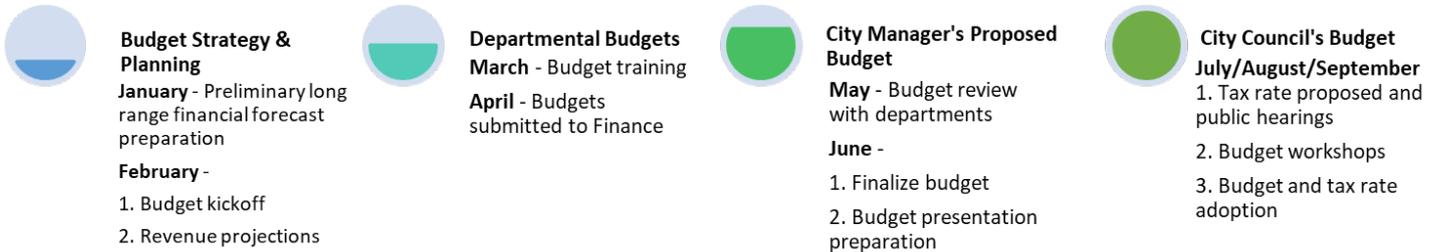
# 2024 Proposed Budget In Brief

*As Submitted to the City Council on July 11, 2023*



**City of Killeen, Texas**

**BUDGET PROCESS**



**FUND STRUCTURE**

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

**GOVERNMENTAL FUND TYPES**

|   |   |
|---|---|
| <p><b>GENERAL FUND</b></p> <p>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.</p>   | <p><b>SPECIAL REVENUE FUNDS</b></p> <p>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.</p>          |
| <p><b>DEBT SERVICE FUND</b></p> <p>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.</p> | <p><b>CAPITAL PROJECT FUNDS</b></p> <p>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.</p> |

**PROPRIETARY FUND TYPES**

|  |  |
|--|--|
| <p><b>ENTERPRISE FUNDS</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>• Aviation Fund</li> <li>• Drainage Utility Fund</li> <li>• Golf Course Fund</li> <li>• Solid Waste Fund</li> <li>• Water &amp; Sewer Fund</li> </ul> | <p><b>INTERNAL SERVICE FUNDS</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>• Fleet Services</li> <li>• Health Insurance</li> <li>• Information Technology</li> <li>• Risk Management</li> </ul> |
|--|--|

<sup>(1)</sup> GENERAL FUND SERVICES = \$1.93 A DAY PER CITIZEN

**Police: 0.67¢**

**Fire: 0.53¢**

**Non-Departmental & Non-Operating Costs: 0.18¢**

**General Government: 0.12¢**

**Parks and Recreation: 0.11¢**

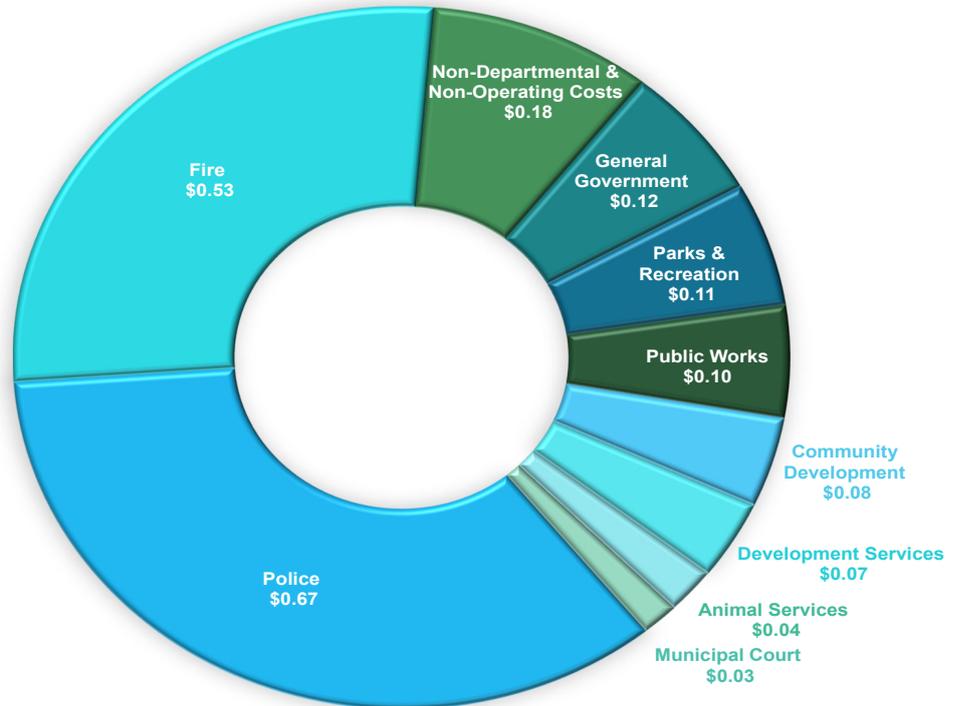
**Public Works: 0.10¢**

**Community Development: 0.08¢**

**Development Services: 0.07¢**

**Animal Services: 0.04¢**

**Municipal Court: 0.03¢**



<sup>(1)</sup> 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, Fleet Services and Health Insurance. This also includes lease payments.

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

**General Government:** General Government departments 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.

**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 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 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

The proposed budget includes appropriations totaling \$282,471,021, with \$230,751,875 for operations, \$24,817,448 for capital projects, and \$26,901,698 for debt service requirements.

The budget aimed to address City Council's priorities and strategic issues, focusing on competitive pay, hiring more employees to meet service demands, and making healthcare plans more affordable for employees.

The table below provides an overview of the positions being added with the corresponding program:

| Program                                | Position Title                         | Department                        | Change |
|--|--|-----------------------------------|--------|
| <b>FY 2024 Decision Packages:</b>      |  |                                   |        |
| RMS Manager                            | Niche RMS Manager                      | Police Department                 | +1     |
| Crew Leader (W&S)                      | Crew Leader (W&S)                      | Public Works Department           | +1     |
| Equipment Operator II (W&S)            | Equipment Operator II (W&S)            | Public Works Department           | +1     |
| Service Worker (W&S)                   | Service Worker (W&S)                   | Public Works Department           | +2     |
| Utility Collections                    | Customer Service Representative (UC)   | Finance Department                | +3     |
| Licensed Master Social Worker          | Social Worker                          | Community Development Department  | +1     |
| <b>Changes during FY 2023:</b>         |  |                                   |        |
| Accounting Technician                  | Accounting Technician                  | Finance Department                | +1     |
| Park Planner                           | Park Planner                           | Parks and Recreation Department   | +1     |
| IT Project Manager                     | IT Project Manager                     | Information Technology Department | +1     |
| Paralegal                              | Paralegal                              | Legal Department                  | +0.5   |
| Emergency Management Senior Specialist | Emergency Management Senior Specialist | Fire Department                   | -1     |

Over the past few years, Killeen has made great progress in providing employees a fair and competitive wage. The budget continues this endeavor by including a 6% cost of living increase for classified employees and a 7% cost of living increase for public safety civil service employees.

The cost of providing health insurance benefits to City employees is expected to increase by \$481,983. The City will absorb this cost increase. Employees choosing the more costly co-pay plan will pay an additional \$5 per month. This increase in premium is designed to slowly create separation between the more costly co-pay plan and the less costly high deductible plan.

The FY 2024 Proposed Budget incorporates several of the City Council's priorities established at the February 15, 2023 workshop.

General Fund FY 2024 revenues are \$120.3 million, which is \$7.4 million or 6.6% higher than the FY 2023 Adopted Budget. The primary changes in revenues include an increase of \$6.7 million from property tax, \$2.1 million from sales tax, and \$0.65 million from interest income.

The budget is based on a tax rate of 62.08 cents per \$100 valuation. This is 0.25 cents below the current FY 2023 tax rate of 62.33 cents. Over the past four years, the City's tax rate has been reduced 12.90 cents.

Killeen continues to experience growth from a population and property valuation perspective. The tax roll shows net taxable value for Killeen increased 15.87% to \$10.8 billion. The increase in taxable value includes \$221.7 million in new growth, however, the property value exempted by the disabled veteran exemption grew \$292.7 million.

Sales tax revenues continue to be strong. At this point in the fiscal year, sales taxes are forecasted to finish at \$35.4 million, which is \$1.4 million over the FY 2023 Budget.

The cost of providing and maintaining services for citizens increases each year. General Fund expenditures for FY 2024 are \$120.3 million, which is \$7.4 million or 6.6% higher than the FY 2023 Adopted Budget. The increase is primarily attributable to the following: civil service 7% cost of living adjustment and 6% cost of living adjustment for classified employees.

Departments submit decision packages for new or enhanced programs and services. Three decision packages were approved and are included in the FY 2024 Budget. There was not enough funding to

address all the decision packages. In total there were \$10.3 million in decision packages for 67 positions that were not approved.

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, Aviation, and Golf Course.

Water and Sewer Fund FY 2024 revenues and expenses are \$48.2 million, which is \$3.1 or 6.84% higher than the FY 2023 Adopted Budget. Two approved decision packages address the growing population. There were four decision packages that were not approved that included five positions for \$432,279.

Solid Waste Fund FY 2024 revenues and expenses are \$23.4 million, which is \$1.1 million or 4.81% higher than the FY 2023 Adopted Budget. There were six decision packages that were not approved for eight positions for a total cost of \$831,550.

Drainage Fund FY 2024 revenues and expenses are \$5.3 million, which is a \$45,292 or 0.9% increase from the FY 2023 Adopted Budget.

There are multiple recommended rate adjustments that will be reflected on our citizen’s utility bill. Below is a summary that demonstrates the overall impact for the average residential customer using 5,000 gallons of water per month:

| Description               | Recommended    | Current Amount | Change Amount | Change Percent |
|---------------------------|----------------|----------------|---------------|----------------|
| Sewer                     | \$28.36        | \$26.86        | \$1.50        | 5.58%          |
| Water                     | 25.18          | 23.68          | 1.50          | 6.33%          |
| Solid Waste               | 19.78          | 19.78          | -             | 0.00%          |
| Street Maintenance        | 10.00          | 10.00          | -             | 0.00%          |
| Drainage                  | 5.40           | 5.40           | -             | 0.00%          |
| <b>Total Utility Bill</b> | <b>\$88.72</b> | <b>\$85.72</b> | <b>\$3.00</b> | <b>3.50%</b>   |

Aviation Fund FY 2024 revenues are \$4.2 million, which is \$0.7 million or 13.6% lower than the FY 2023 Adopted Budget. Expenses are \$4.7 million, which is \$0.6 million or 1.3% increase from the FY 2023 Adopted Budget.

In FY 2024, the Golf Course was moved from the General Fund to a separate enterprise fund. FY 2024 revenues are \$1,611,320 and the expenses are \$1,557,275.

The FY 2024 budget provides a sound financial plan for the City of Killeen. The budget addresses many, but not all, of the City Council’s goals and priorities. Much progress has been made in the last three years in the financial condition of the City, as evidenced by our recent Standard and Poor’s bond upgrade from AA- to AA.



**Totals for FY 2024<sup>(1)</sup>**

|                              |        |
|------------------------------|--------|
| General Fund                 | 115.2M |
| Capital Improvement Projects | 24.8M  |
| All Other Funds              | 103.7M |

<sup>(1)</sup>Adjusted for Interfund Activity

**\$243.7M**



**PROPERTY TAX RATE**

**FY 2024  
PROPOSED  
TAX RATE**

**\$0.62080**

Tax Rate  
Reduction



**0.25¢**

**FY 2024 COST OF LIVING ADJUSTMENTS**



**Civil Service**

7%  
\$3,160,709



**Classified**

6%  
\$1,459,190

**FY 2024 BENEFIT CHANGES**



**Pension Contributions**

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

**CAPITAL IMPROVEMENT PROGRAM**

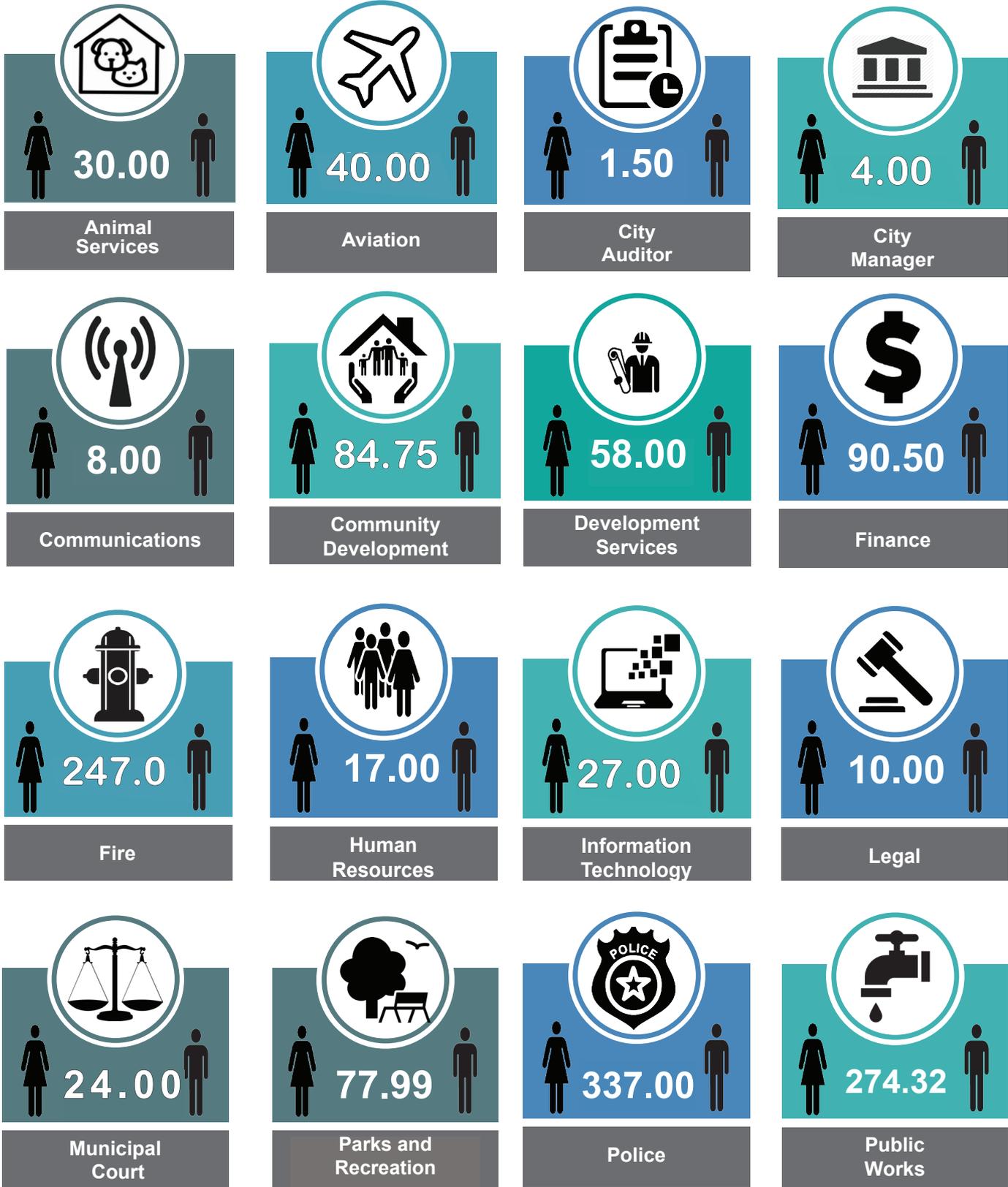
The FY 2024 Capital Improvement Program includes funding for 23 individual projects and 52 vehicles/equipment totaling \$25,927,997.



- **AVIATION**
  - Three projects totaling approximately \$8.0M
- **DRAINAGE**
  - One project totaling \$876,316
- **FACILITIES**
  - Seven projects totaling approximately \$2.0M
- **OTHER PROJECTS**
  - One project totaling \$50,000
- **PARKS & RECREATION**
  - One project totaling \$173,340
- **TECHNOLOGY**
  - Five projects totaling approximately \$2.3M
- **TRANSPORTATION**
  - One project totaling \$278,000
- **VEHICLE & EQUIPMENT**
  - Three new vehicle/equipment purchases totaling \$571,535
  - 49 replacement vehicle/equipment purchases totaling approximately \$5.9M
- **WATER & SEWER**
  - Five projects totaling approximately \$5.7M

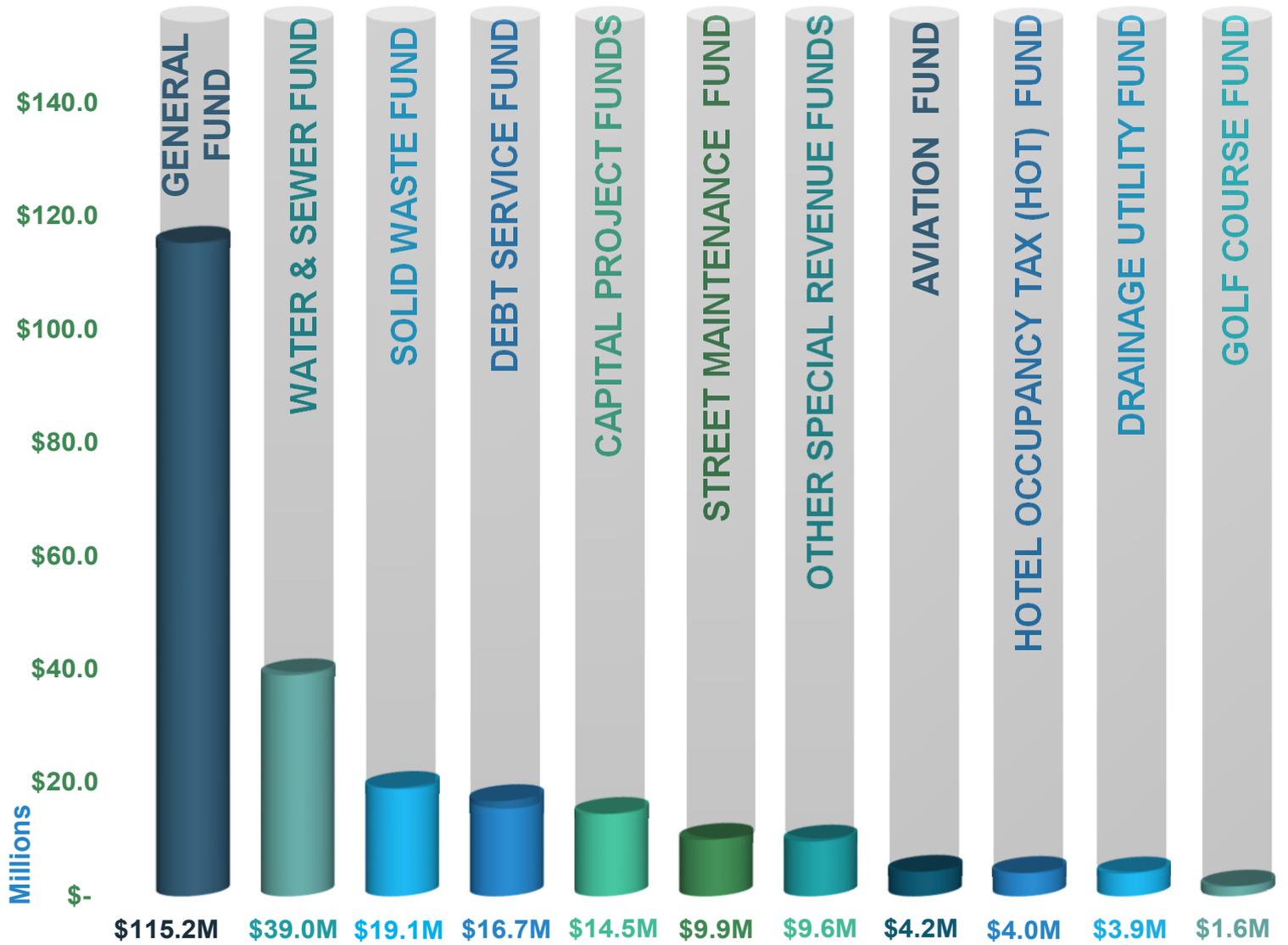


FY 2024 STAFFING BY DEPARTMENT (FULL-TIME EQUIVALENT EMPLOYEES)



Total Full-Time Employees 1,331.06

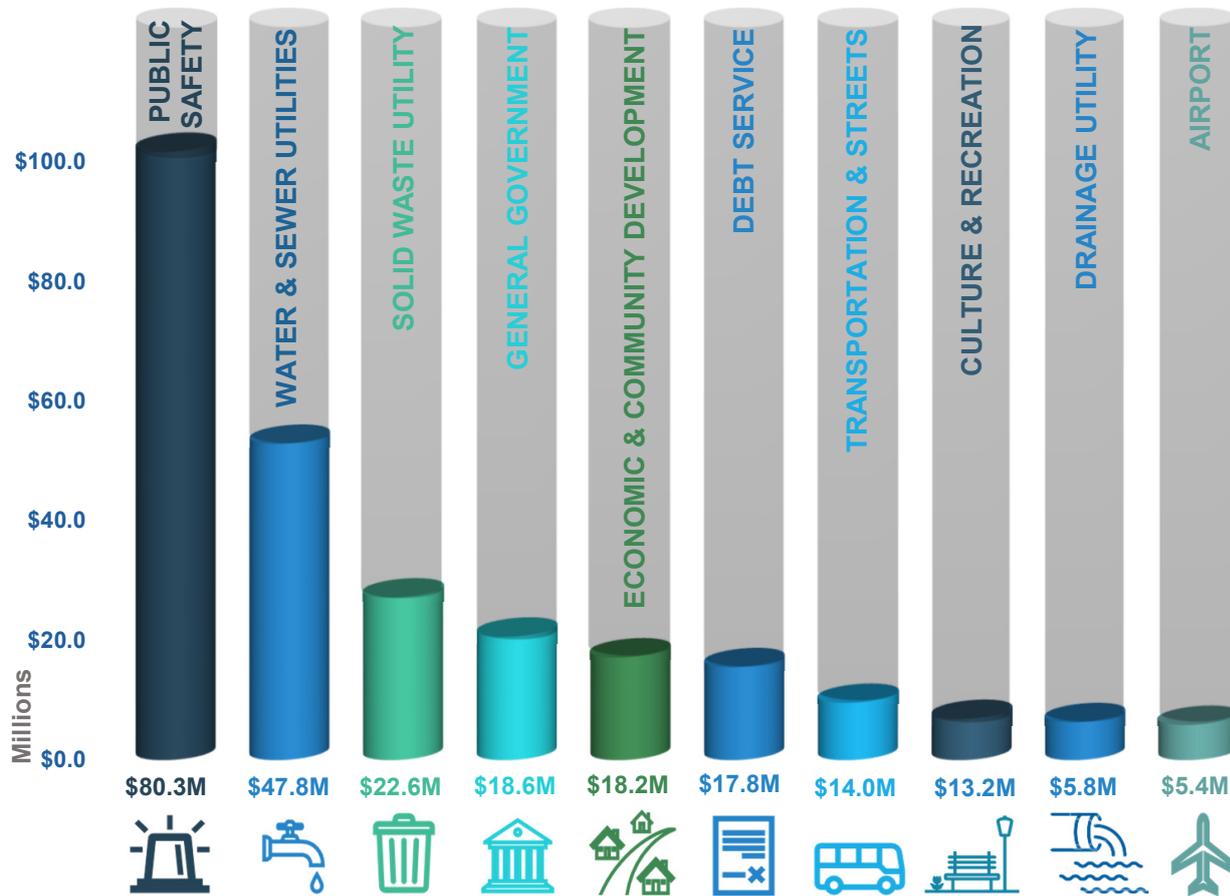
1FY 2024 REVENUES BY SOURCE TOTAL \$237.7 MILLION



<sup>(1)</sup> Adjusted for Interfund Activity (\$38.3M)

What is the money being used for?

<sup>1</sup>FY 2024 EXPENSES BY FUNCTION : TOTAL \$243.7 MILLION



<sup>(1)</sup>Adjusted for Interfund Activity (\$38.8M)

**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, 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 and Governmental Capital Projects Fund.

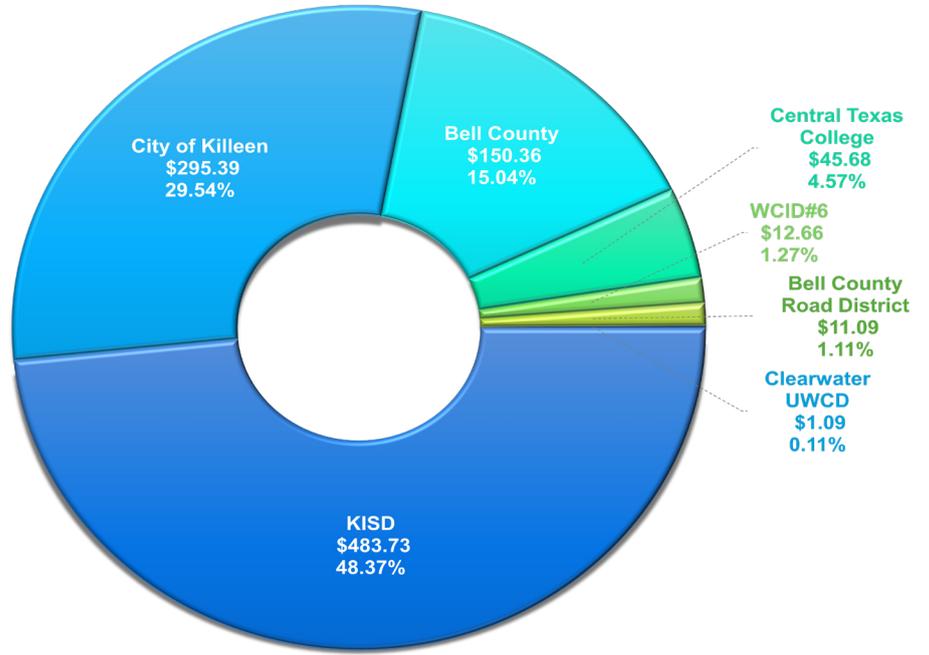
**Transportation & Streets:** Street Maintenance Fund, Transportation Department and Capital Projects.

**Airport:** Skylark Field Fund, KFHR 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 \$295.39

| Taxing Unit                 | FY 2024 Proposed Tax Rate |
|-----------------------------|---------------------------|
| KISD**                      | \$ 1.01660                |
| City of Killeen             | 0.62080                   |
| Bell County**               | 0.31600                   |
| Central Texas College**     | 0.09600                   |
| WCID#6**                    | 0.02660                   |
| Bell County Road District** | 0.02330                   |
| Clearwater UWCD             | 0.00230                   |
|                             | <b>\$ 2.10160</b>         |



\*Not all properties are taxed by Bell County WCID #6  
 \*\*FY 2024 proposed tax rates not available, using FY 2023 Adopted Rates



## CURRENT ECONOMIC CLIMATE



### <sup>(1)</sup> TEXAS UNEMPLOYMENT RATES

4.1 <sup>(P)</sup>

<sup>(P)</sup>:Preliminary



### <sup>(2)</sup> TOTAL ASSESSED

\$ 14,404,873,667  
Increased by  
\$2,419,491,389  
or 20.19%



### <sup>(1)</sup> KILLEEN, TEXAS UNEMPLOYMENT RATES

4.6 <sup>(P)</sup>

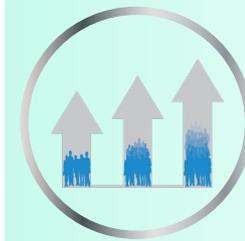
<sup>(P)</sup>:Preliminary



### <sup>(4)</sup> CITY SALES TAX COLLECTION

\$36,079,102  
Increased by  
\$ 2,124,056  
or 6.26%

## DEMOGRAPHICS: CITY OF KILLEEN



### <sup>(6)</sup> POPULATION

163,657



### <sup>(5)</sup> GENDER COMPOSITION

Male ♂ 49.2 %

Female ♀ 50.8%



### <sup>(3)</sup> MEDIAN HOUSEHOLD INCOME

\$52,072



### <sup>(5)</sup> MEDIAN AGE OF POPULATION

29.6



### <sup>(2)</sup> AVERAGE HOMESTEAD VALUE

\$201, 723



### <sup>(3)</sup> RACIAL COMPOSITION

|                   |       |
|-------------------|-------|
| White             | 39.0% |
| Black             | 38.9% |
| Hispanic          | 27.7% |
| Two or more races | 11.6% |
| Asian             | 4.0%  |
| Native Hawaiian   | 1.0%  |
| American Indian   | 0.7%  |

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

#### Sources:

<sup>1</sup>U.S. Bureau of Labor Statistics Unemployment Rates (Seasonally Adjusted) as of May 2023

<sup>3</sup> U.S. Census Bureau – Quick Facts

<sup>6</sup> FY 2024 Estimated Population as Forecasted

<sup>2</sup> Tax Appraisal District of Bell County - Preliminary

<sup>4</sup> City of Killeen

<sup>5</sup> Greater Killeen Chamber of Commerce

# City of Killeen Budget Division

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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 2024 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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