2024
Adopted
Budget In Brief

As adopted by City Council on September 12, 2023

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 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:

- 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 serivice funds, as follows:

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

(1) 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¢

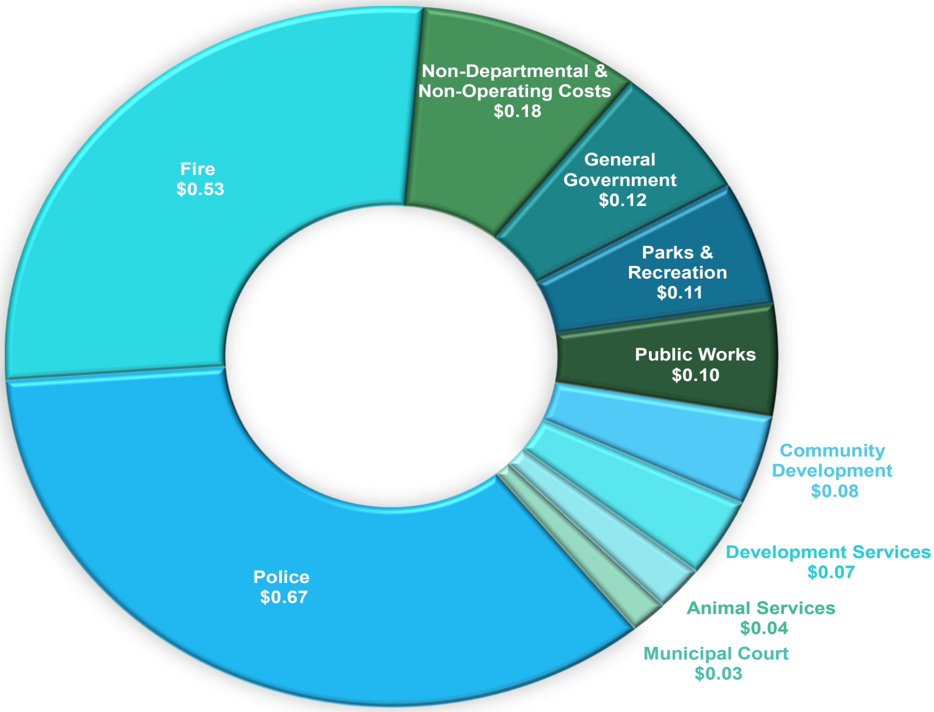
Community Development: 0.08¢

Development Services: 0.07¢

Animal Services: 0.04¢

Municipal Court: 0.03¢

(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, Fleet Services and Health Insurance. This also includes lease payments.

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.

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

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 adopted budget includes appropriations totaling $282,796,943 with $231,186,875 for operations, $24,939,448 for capital projects, and $26,670,620 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
FY 2024 Decision Packages:			
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
Changes during FY 2023:			
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 Adopted Budget incorporates several of the City Council's priorities established at the February 15, 2023 workshop.

General Fund FY 2024 revenues are $120.6 million, which is $7.7 million or 6.8% higher than the FY 2023 Adopted Budget. The primary changes in revenues include an increase of $6.9 million from property tax, $2.1 million from sales tax, and $0.69 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 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 15.57% to $10.8 billion. The increase in taxable value includes $194.4 million in new growth, however, the property value exempted by the disabled veteran exemption grew $308.4 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 $120.6 million, which is $7.7 million or 6.8% 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. Four 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 $10.1 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 $24.5 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%
Total Utility Bill	$88.72	$85.72	$3.00	3.50%

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 [1]	$244.0M
General Fund	115.4M
Capital Improvement Projects	20.9M
All Other Funds	107.7M

[1] Adjusted for Interfund Activity

PROPERTY TAX RATE

FY 2024 ADOPTED TAX RATE	Tax Rate Reduction
$0.62080	0.25¢

FY 2024 COST OF LIVING ADJUSTMENTS

Civil Service 7%

$3,160,709

Classified 6%

$1,459,190	General Fund
393,028	Water & Sewer Fund
285,009	Solid Waste Fund
128,628	Aviation Fund
96,456	Drainage Fund
301,019	Other Funds

FY 2024 BENEFIT CHANGES

Pension Contributions

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

CAPITAL IMPROVEMENT PROGRAM

HIGHLIGHTS

The FY 2024 Capital Improvement Program includes funding for 25 individual projects and 52 vehicles/equipment totaling $28,114,997.

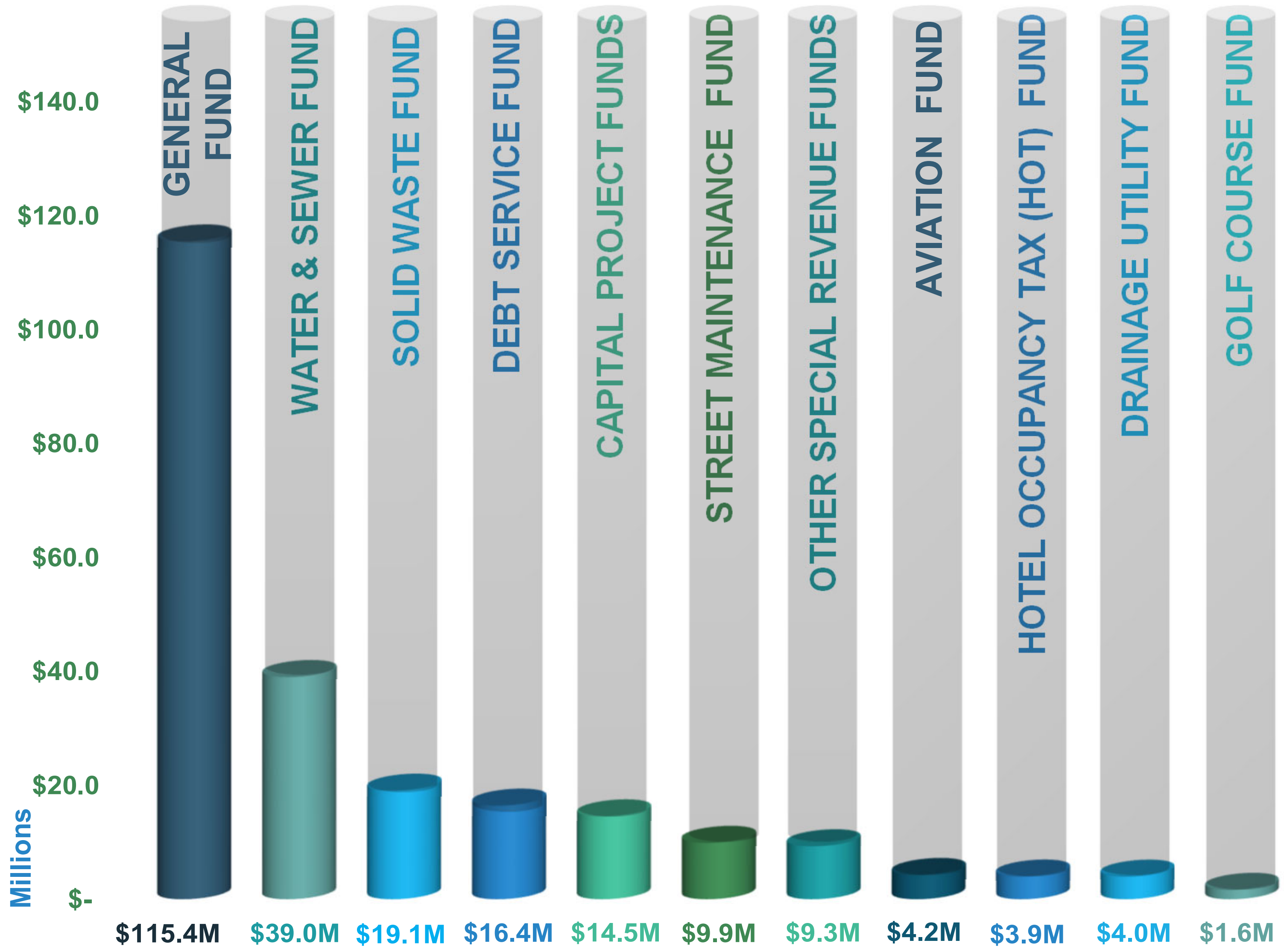
- **AVIATION**
  - Three projects totaling approximately $8.0M
- **DRAINAGE**
  - One project totaling $876,316
- **FACILITIES**
  - Eight projects totaling approximately $2.1M
- **OTHER PROJECTS**
  - One project totaling $50,000
- **PARKS & RECREATION**
  - One project totaling $173,340
- **TECHNOLOGY**
  - Five projects totaling approximately $2.3M
- **TRANSPORTATION**
  - Two projects totaling $2.3M
- **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)

Animal Services	30.00
Aviation	40.00
City Auditor	1.50
City Manager	4.00
Communications	8.00
Community Development	84.75
Development Services	58.00
Finance	90.50
Fire	247.0
Human Resources	17.00
Information Technology	27.00
Legal	10.00
Municipal Court	24.00
Parks and Recreation	77.99
Police	337.00
Public Works	274.32

Total Staffing Equivalent **1,331.06**

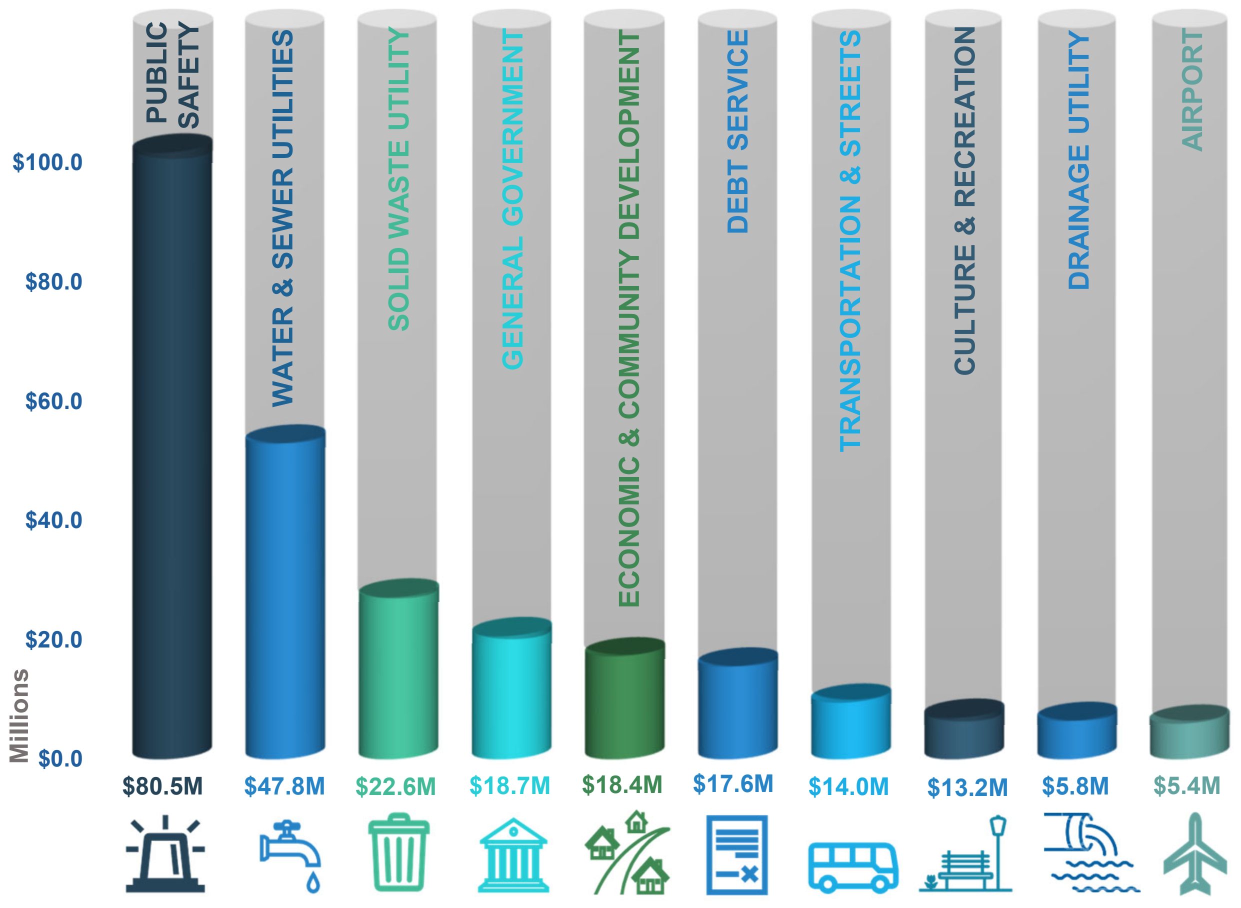
[1]FY 2024 REVENUES BY SOURCE | TOTAL $237.3 MILLION



(1) Adjusted for Interfund Activity ($38.3M)

What is the money being used for?

[1]FY 2024 EXPENSES BY FUNCTION TOTAL $244.0 MILLION



(1) 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.

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.

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 Department and Capital Projects.

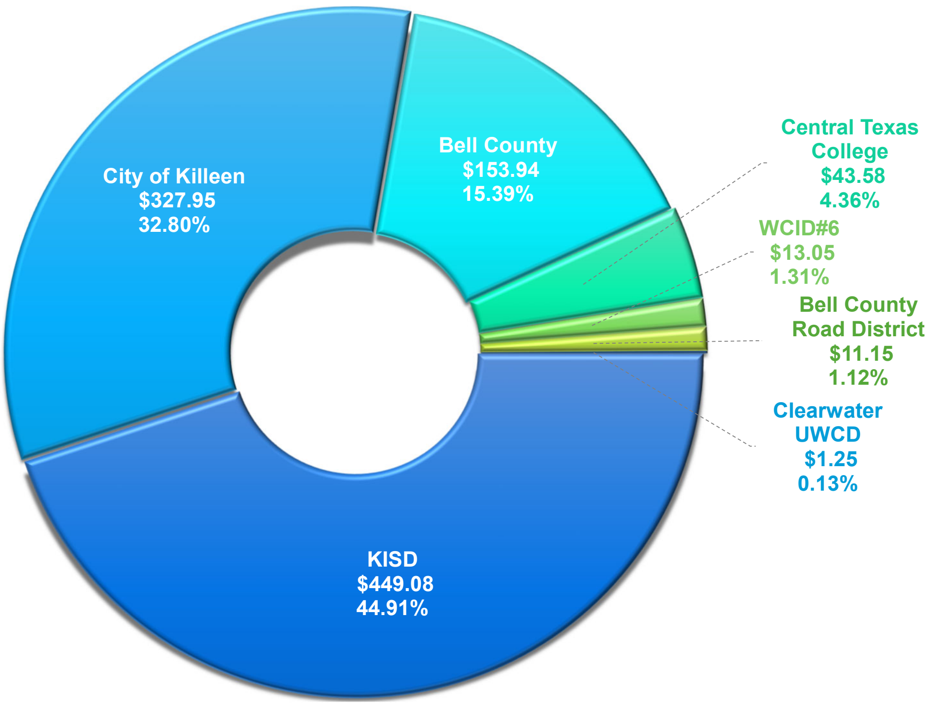
Culture & Recreation: Parks & Recreation Department, Parks Donations Fund and Governmental Capital Projects.

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

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

For every $1,000 in property taxes paid by residents and businesses, the City receives $327.95

Taxing Unit	FY 2024 Adopted Tax Rate
KISD	$ 0.85010
City of Killeen	0.62080
Bell County	0.29140
Central Texas College	0.08250
WCID#6	0.02470
Bell County Road District	0.02110
Clearwater UWCD	0.00237
	$ 1.89297



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

CURRENT ECONOMIC CLIMATE

[1] TEXAS UNEMPLOYMENT RATES

Texas Unemployment Rates

4.1 (P)

(P):Preliminary

[2] TOTAL ASSESSED

$ 14,067,067,940
Increased by
$2,081,685,662
or 17%

[1] KILLEEN, TEXAS UNEMPLOYMENT RATES

4.6 (P)

(P):Preliminary

[4] CITY SALES TAX COLLECTION

SALES TAX

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

DEMOGRAPHICS: CITY OF KILLEEN

[6] POPULATION

163,657

[5] GENDER COMPOSITION

Male ♂ 49.2 %

Female ♀ 50.8%

[3] MEDIAN HOUSEHOLD INCOME

$52,072

[5] MEDIAN AGE OF POPULATION

29.6

[2] AVERAGE HOMESTEAD VALUE

$202,114

[3] RACIAL COMPOSITION

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

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

Sources:
[1]U.S. Bureau of Labor Statistics Unemployment Rates (Seasonally Adjusted) as of May 2023
[3] U.S. Census Bureau – *Quick Facts*
[6] FY 2024 Estimated Population as Forecasted
[2] Tax Appraisal District of Bell County-Certified Values
[4] City of Killeen
[5] Greater Killeen Chamber of Commerce

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 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.
Office: 254-501-7730
Fax: 254-501-8984
Email: Budget-Team@killeentexas.gov
Website: https://www.killeentexas.gov