



**Notice of Meeting
Budget Workshop of the Keene City Council**

Tuesday, August 17, 2021

Gary Heinrich
Mayor

Lisa Parrish
Place I

David Bass
Place II

Phillip Jackson
Place III

Rob Foster
Ward I

Gwen Beeson
Ward II

Robert G. Cooper
Ward III

Notice is hereby given that a Budget Workshop for the City Council of the City of Keene will be held on Tuesday, August 17, at 6:00 pm located at the Keene City Hall, located at 1000 N Old Betsy Rd (FM 2280), Keene, Texas, in the City Council Chambers.

City Hall is wheelchair accessible. The entry ramp is at the front with entry at the front entrance to City Hall. Reasonable accommodations to furnish auxiliary aids or assistance to assist persons with special needs will be provided when seventy-two (72) hours advance notice is given. Please contact the City Secretary at 817-641-3336.

The City Council of the City of Keene, Texas, reserves the right to meet in closed, executive session on any of the items listed below should the need arise and if authorized by Title 5, Chapter 551, of the Texas Government Code.

Call to order and certification of quorum

Invocation & Pledge of Allegiance

1. Public Comments:

(Citizens are invited to speak on any topic; however, unless the item is specifically noted on this agenda, the City Council is required under the Texas Open Meetings Act to limit its response to one of the following: Responding with a statement of specific factual information or reciting the City's existing policy on that issue, or Directing the person inquiring to visit with City Staff about the issue. (No Council deliberation is permitted.) Citizens are required to stand when speaking, state their name and address, and the comment time is limited to three (3) minutes. The amount of time given to the public to speak may be changed at any time at the Mayor's discretion).

2. Mayor Comments:

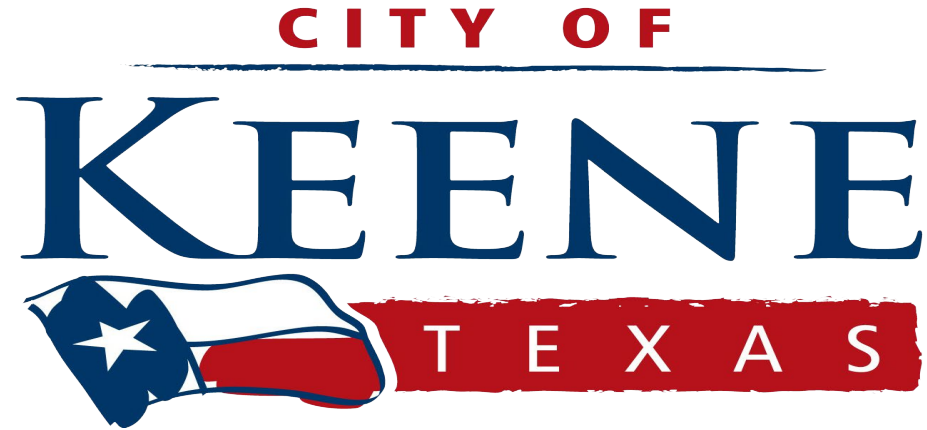
3. Discussion on the FY 2021-2022 Proposed Budget

4. Adjourn

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the City Council of Keene, Texas is a true and correct copy of said Notice and that I posted a true and correct copy of the said notice on the official bulletin board of City Hall, a place convenient and readily accessible to the general public at all times, and that said notice was posted on or before 5:00 P.M., Thursday, August 12, 2021.

By: *Diane Helms*
Diane Helms, City Secretary

Confirmation of Agenda removed by _____ at _____ a.m./p.m. on _____, 2021



Fiscal Year 2021 - 2022 Budget Presentation

August 17, 2021

Bernie Parker, City Manager

Charles Williams, Director of Finance

Betty Freeman, Finance Manager

Diane Helms, City Secretary

Nathan Drambareanu, HR Director

Dan Warner, Fire Chief

Bradford Hunt, Police Chief

Don Martin, PW Director

Molly Martin, EDC Director

Cheryl McClain, Development Svcs.

CITY COUNCIL PRIORITIES AND GOALS

2021 - 2022 BUDGET YEAR

To achieve the City's mission, the City Council has set several fundamental priorities.

Priorities are strategic goals for the upcoming 2021 – 2022 budget year beginning October 1, 2021.

The Council priorities are not in any particular order or concerns:

- 1) Improve streets and maintain wells and other infrastructures to meet the demand for services**
- 2) Seeking best plan options for employee's healthcare benefits**
- 3) Review banking and debt obligations to maintain financial stability for the city**
- 4) Enhance the community's image and involvement**
- 5) Enhance and maintain public safety vehicles and equipment**
- 6) Provide a contingency/reserve for emergency and unexpected circumstances**
- 7) Financial software system**
- 8) Competitive employee compensation plan**

Healthcare & Other Benefits

Benefit costs will be presented to City Council in August 2021.

The increased, projected benefit costs are calculated in the Proposed FY 2021 – 2022 Budget and health insurance rates may increase up to 15.5%.

City of Keene's current coverage in 2020-2021 will remain the same for 2021-2022 Budget Year:

- 100% of health insurance for employees
- 70% of health insurance for dependents

Worker's Compensation will have an increase up to an additional 4% for the 2021-2022 Budget Year.

Capital Expenditures

Capital Expenditures moved from General Fund to Capital/CIP Fund:

\$ 14,900 – price for Fencing around Shooting Range (Police Dept) for Fiscal Year 2021 – 2022 (for security and safety concerns)

\$ 230,000 – for Streets / Sidewalks Improvements (100-140); Funded from Bond Proceeds of 2021 General Obligation Bonds

\$ 50,000 – 2021-2022 Costs for Financial Software (Training/UB Conversions)

\$ 294,900 – Total Capital Expenditures moved to Capital/CIP Fund

Preliminary 2021-2022 CIP Budget will be presented separately

2021 – 2022 Proposed Budget

REVENUES:

- ✓ Revenues are based on current year projections and the Certified Tax Roll from Johnson County Tax Office (JCTO) provided to the City on July 23rd
- ✓ Proposed the option to **decrease** Tax Rates by 1 cent (from .854134 to .844134) while maintaining an increased revenue amount in Maintenance & Operating (M&O) from property values (per 2021 Tax Rate Calculation Sheet)
- ✓ Sales Tax is estimated to be higher in its projections for 2021-2022 Fiscal Year, based on previous years actual collections.

EXPENDITURES:

- ✓ Keeping a conservative approach on all Department's Expenditures for 2021-2022.
- ✓ Increased rates on Healthcare Benefits & Property Insurance coverages (from 2% up to 15.5%)
- ✓ Proposing additional personnel for staffing purposes and growth of City

Fund 100 - General Fund Revenues

	2017 – 2018 Actual	2018 – 2019 Unaudited	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
M&O Prop Taxes	1,833,251	2,014,361	2,165,848	2,305,943	140,095
Sales Tax Revenue	839,206	875,916	850,000	1,100,000	250,000
EDC-A Sales Tax Rev	(209,802)	(218,979)	(212,500)	(275,000)	(62,500)
EDC-B Sales Tax Rev	(209,802)	(218,979)	(212,500)	(275,000)	(62,500)
Fire / Rescue Rev	540,815	525,845	581,000	612,000	31,000
License & Permit	43,193	40,238	103,000	180,000	77,000
Municipal Court Rev	100,317	244,889	212,000	215,000	3,000
TOTAL REVENUES	4,276,618	4,395,997	4,514,181	4,744,252	230,071

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Sales Tax actual revenues will increase by 29.6% in 2021; same estimates projected in 2021-2022 year
- Sales Tax Revenues are allocated out to EDC-A and EDC-B at .25% each from Total Sales Taxes (\$275,000 each)
- Property Tax revenues will most likely increase due to increased number of new homes and assessed values
- Licenses & Permits will increase exponentially due to residential and other new developments

2021 – 2022 Department Expenditures (General Fund)

So, what is different?

Budget Year 2020 – 2021 vs Budget Year 2021 – 2022

Adopted Budget (2020-2021)

\$ 4,415,661

Proposed Budget (2021-2022)

\$ 4,653,432

237,771 variance

- Health Insurance coverage may increase up to 15.5% (Estimated \$45,000)
- Worker's Comp coverage will increase up to 4% for 2021-2022 (Estimated \$20,000)
- Additional Personnel for staffing and growth of City

Department Directors

**City Manager
Bernie Parker**

**100-110 Administration (CMO)
City's Budget Review**

**Finance Manager
Betty Freeman**

**100-135 Municipal Court
100-160 Community Center
200-200 Utility Billing / Water Dept**

**Director of Finance
Charles Williams**

**100-112 Finance Department
100-999 Non-Departmental
700-000 Debt Service Fund
800-000 Capital Improvements (CIP)**

**Public Works Director
Don Martin**

**100-140 Streets
100-150 Parks
200-220 Water & Sewer Deps (5)**

**Development Services
Cheryl McClain**

100-130 Development Services Dept

**Human Resources Director
Nathan Drambareanu**

100-113 Human Resources Department

**City Secretary
Diane Helms**

100-111 City Secretary Office

**Police Chief
Brad Hunt**

**100-115 Police Department
100-125 Animal Control**

**Fire Chief
Dan Warner**

**100-120 Fire Department
100-122 Emergency Management
100-124 Code Enforcement (New)**

**Economic Development Director
Molly Martin**

**300-110 Economic Development Corporation
400-110 Business Development Corporation**

100-110 Administration (CMO)

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
252,953	124,257	241,109	287,861	46,752

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Increased Legal service fees by \$ 15,000 (from \$ 40,000 to \$ 55,000)
- Asst. to the City Manager position full-time w/ Benefits (increased \$ 42,000)

100-111 City Secretary (CSO)

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
96,799	55,304	104,586	125,322	20,736

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Increased pre-approved certification fees (from \$ 0 to \$ 7,000)
- Increased election expenses (from \$8,772 to \$12,272)
- Increased Mayor & Council costs (Interpreter \$7,920; Podcasts \$1,250; Training \$1,418)

100-112 Finance Department (FIN)

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
275,587	152,255	258,695	288,895	30,200

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Personnel costs – including Staff Accountant, shared with W&S Fund – Utility Billing
- Increased new computer/software replacements (from \$500 to \$2,500)
- Increased training costs to \$ 1,500 (from \$6,000 to \$7,500)

100-113 Human Resources Department (HRD)

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
93,652	40,712	96,604	99,452	2,848

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Increased employee workshops costs (from \$3,000 to \$4,400)

100-115 Police Department (PD)

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
992,295	501,888	1,127,555	1,191,925	64,370

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Decreased & combined, vehicle & equipment / maintenance & repairs (from \$9,200 to \$3,200)
- Decreased department issued equipment (from \$12,120 to \$6,424)
- Decreased uniforms costs (from \$7,300 to \$3,600)
- Decreased radio repair & maintenance costs (from \$8,289 to \$6,754)
- Increased training supplies (from \$1,656 to \$4,515)
- Estimated increase of Health Insurance & Benefits ➡ (up to 15.5% -- est. amount \$23,000)
- Increased County Dispatch Communications additional \$ 13,700 (from \$34,800 to \$48,500)

100-125 Animal Control

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
57,110	16,539	34,740	39,428	4,688

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Position is split with the Police Department part-time administrative assistant
- Increased health insurance and other benefits (from \$8,256 to \$9,673)
- Increased Maintenance & Repairs costs (from \$1,500 to \$3,150)
- Increased uniforms and other supplies (\$1,520 to \$2,450)

100-120 Fire Department (FD)

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
1,276,553	613,695	1,351,592	1,422,622	71,030

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Estimated increase of Health Insurance & Benefits → (up to 15.5% -- est. amount \$42,000)
- Increased total facility maintenance & repairs (from \$25,085 to \$27,035)
- Updated volunteer firefighter staffing costs (from \$0 to \$7,500)
- Decreased employee safety & well-being (from \$5,900 to \$300)
- Decreased communication & technology costs (from \$5,012 to \$4,032)

100-122 Emergency Management

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
0	1,500	4,850	5,710	860

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Newly formed department under Fire Chief in 2021 Fiscal Year
- Increased dues & subscription costs (from \$3,650 to \$4,510)

100-124 Code Enforcement

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
0	0	0	37,027	37,027

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

Formerly under Development Services, now department is under Fire Chief in 2021-2022 Fiscal Year

100-130 Development Services (DS)

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
157,611	58,553	163,545	227,114	63,569

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Additional personnel for staffing and growth of City
- Increased third-party inspections (from \$42,900 to \$53,650)
- Increased Professional Services (from 0 to \$30,000)

100-135 Municipal Court

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
97,141	45,581	106,706	116,086	9,380

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Increased merchant credit card service fees (from \$0 to \$1,000)
- Estimated increase of Health Insurance & Benefits; (up to 16% -- est. amount \$2,800)

100-160 Community Center

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
3,951	3,217	19,730	20,310	580

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Fewer reservations and events due to Pandemic (COVID-19)

100-999 Non-Departmental

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
414,817	167,598	294,401	363,496	69,095

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Allocated postage to other departmental costs (from \$9,500 to \$5,000)
- Increased software maintenance & licenses, equipment (from \$61,221 to \$123,964)
- Increase in property liability costs (from \$90,000 to \$93,750)
- Increase in dues & subscriptions (from \$8,480 to \$10,665)
- Increase in copier/printing costs (from \$12,500 to \$17,460)

Public Works Department

General Fund – 100

100-140 Streets Department

100-150 Parks Department

Water & Sewer Fund – 200

200-200 Water Administration

200-202 Water Maintenance

200-205 Water Department

200-210 Sewer Department

200-220 Sanitation Department

100-140 Streets Department

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
253,154	97,718	258,876	277,080	18,204

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Increased diesel fuel and oil costs (from \$7,792 to \$11,415)
- Additional personnel for staffing and growth of City
- Increased heavy equipment maintenance & repair (from \$2,500 to \$5,000)
- Increased street maintenance & repair costs (from \$74,570 to \$81,930)
- Moved Capital funds to Capital Improvement (CIP) major street projects & improvements in current budget for 2021.

100-150 Parks Department

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
36,701	20,034	50,939	53,164	2,225

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Fuel and vehicle maintenance costs allocated by department (from \$7,808 to \$1,478)
- Decreased tools, uniforms, and operating supplies (from \$1,863 to \$1,406)
- Increased facilities maintenance & repairs costs (from \$10,200 to \$19,580)

Public Works Department

Water & Sewer Fund – 200

- ❖ 200-200 Water Administration
- ❖ 200-202 Water Maintenance
- ❖ 200-205 Water Department
- ❖ 200-210 Sewer Department
- ❖ 200-220 Sanitation Department

200 Water & Sewer Fund Revenues

	2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
Residential Water	1,860,281	924,323	1,608,750	1,725,000	116,250
Commercial Water	384,162	223,670	440,000	470,000	30,000
Sewer	983,821	515,726	1,084,703	1,120,500	35,797
Sanitation	307,025	157,094	310,000	310,000	0
Water Penalties	19,858	17,795	45,320	50,000	4,680
Sewer Penalties	10,400	9,811	11,439	18,000	6,561
TOTAL REV	3,628,412	1,868,884	3,549,232	3,135,500	186,268

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Overall, 6.5% increase of 2021 – 2022 Water & Sewer Fund Revenues from the previous year (2020 – 2021)
- W&S Revenues will increase continuously due to more residential and businesses projections
- Currently, there is no increase to water & sewer impact fees or rates

200-200 Water Administration

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
660,507	234,338	673,119	730,780	57,661

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Decreased annual software maintenances & licenses (from \$16,804 to \$0)
- Additional Personnel for staffing and growth of City
- Shared Personnel costs with the Finance Dept staff
- Estimated increase of Health Insurance & Benefits (up to 15.5% -- est. amount \$11,000)
- Increased property liability insurance on dept's vehicles, wells and lift stations (from \$36,500 to \$38,000)

200-202 Water Maintenance

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
105,750	46,194	112,267	108,414	(3,853)

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Costs of utilities allocated by departments (electricity) (from \$19,368 to \$12,768)

200-205 Water Department

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
1,081,748	535,399	960,773	1,195,240	234,467

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Proposed to hire additional personnel for staffing and growth of City
- Increased Johnson County Special Utility District water purchases (from \$450,000 to \$550,000)
- Increased costs for Prairielands Ground Conservation District fees (from \$24,000 to \$46,042)
- Increased costs for electricity on all Wells (from \$110,000 to \$150,000)
- Decreased total water supplies – inventory supplies, laboratory supplies (from \$66,980 to \$57,910)

200-210 Sewer Department

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
265,232	208,192	352,557	352,932	375

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

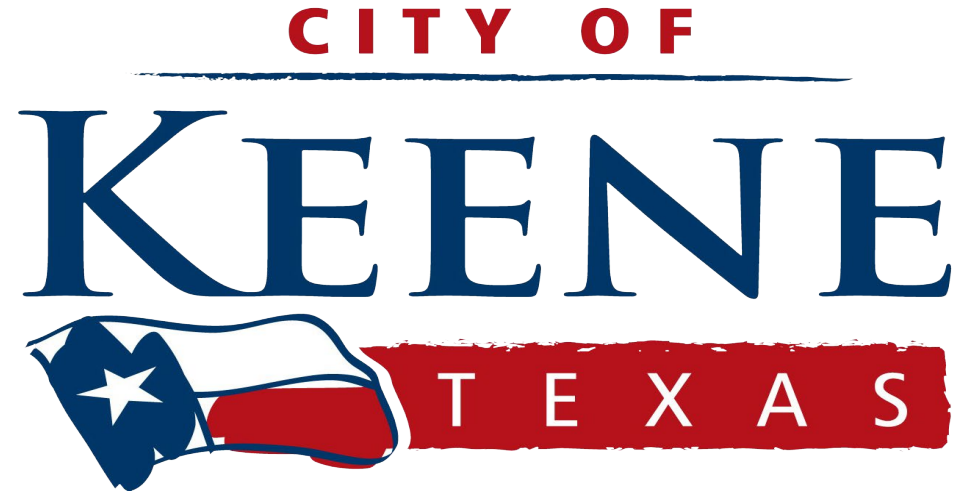
- Costs of utilities (electricity) for lift station & sewer plant allocated by department (from \$45,600 to \$44,400)
- Increased sewer equipment rentals (from \$0 to \$2,000)
- Increased the costs for immunizations (from \$0 to \$3,500)
- Decreased costs for laboratory supplies (from \$8,100 to \$2,000)
- Decreased costs for communication & technology (from \$5,100 to \$2,200)

200-220 Sanitation Department

2019 – 2020 Actual	2020 – 2021 6-Mths YTD	2020 – 2021 Adopted	2021 – 2022 Proposed	Amount Difference
282,753	137,236	300,000	300,000	0

Comparison from 2020 – 2021 current budget to 2021 – 2022 proposed budget

- Budgeted amounts for Current & Upcoming Budget is unchanged
- The actual costs of sanitation sub-contractor fees were less than budget amounts in previous years



**Questions & Discussions
For
2021-2022 Proposed Budget**