



**Fiscal Year 2020 - 2021
Budget Presentation**

July 9, 2020

Charles Williams
Finance Director

CITY COUNCIL PRIORITIES AND GOALS

2020 - 2021 BUDGET YEAR

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

Priorities are strategic goals for the upcoming 2020 – 2021 budget year beginning October 1, 2020.

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) New financial software system**
- 8) Competitive employee compensation plan**

Healthcare Benefits

The City changed insurance brokerage firms to Lockton. Benefit costs will be presented to City Council in late July or early August.

Current benefit costs are calculated in the proposed FY 2020 – 2021 budget and subject to change.

Currently the City of Keene pays:

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

Capital Expenditures

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

\$ 20,000 – price for new unmarked vehicle purchased in Fiscal Year 2020 - 2021

\$100,000 – for Street Maintenance & Repairs (100-140)

(including Shady Oak drainage improvements)

\$ 52,000 – 2021 Costs for New Financial Software (Training/Maintenance)

\$172,000 – Total Capital Expenditures moved to Capital/CIP Fund

2020 – 2021 Proposed Budget

REVENUES:

- ✓ Re-evaluated revenue based on current year projections and JCTO
- ✓ Re-assessing the options to decrease Property Tax Rates while maintaining an increased amount to Maintenance & Operating (M&O) from property values

EXPENDITURES:

- ✓ Decrease in merchant service charges (Customers to pay third party vendor for credit card payment charges instead of City)
- ✓ Very conservative approach to all Department's Expenditures in all Funds
- ✓ Re-evaluating our Debt Obligations (refinancing options)

100 General Fund Revenues

	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
M&O Prop Taxes	1,833,251	1,948,737	2,025,000	2,062,358	2,135,000	72,642
Sales Tax Rev	839,206	875,916	840,000	904,094	850,000	(54,094)
Franchise Fees	552,827	436,213	265,000	279,500	286,500	7,000
Fire & Rescue Rev	551,475	525,439	551,000	535,840	581,000	30,000
License & Permit	43,068	40,238	102,200	35,000	103,000	68,000
Municipal Court Rev	103,054	244,889	141,500	200,000	212,000	12,000
TOTAL REV	4,599,478	4,329,583	3,560,690	4,301,077	4,521,833	220,756

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Overall 5% increase of 2020 – 2021 General Fund Revenues from the previous year (2019 – 2020)
- Sales Tax Revenues may decrease by 6% in 2020 – 2021 from the previous year (due to COVID-19)
- Licenses & Permits will increase due to residential developments

Department Directors

City Manager Michael Boese

100-110 Administration (CMO)

****City's Budget Review****

**Assistant to the City Manager
Nathan Drambareanu**

**100-135 Municipal Court
100-160 Community Center**

**Finance Director
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 Departments**

**Development Services
Cheryl McClain**

100-130 Development Services Department

**Human Resources Director
Amber Bransom**

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
100-000 Code Enforcement**

2020 – 2021 Department Expenditures

So what is different?

Budget Year 2019 – 2020 vs Budget Year 2020 – 2021

100-110 Administration (CMO)

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
331,458	258,085	211,975	236,877	240,913	4,036

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Decreased in Legal service fees (from \$65,000 to \$40,000)
- Removed other professional services (from \$34,000 to \$0)

100-111 City Secretary (CSO)

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
112,760	102,140	89,720	99,497	104,441	4,944

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Increased other professional services (from \$3,000 to \$11,730)
- Increased election expenses (from \$6,850 to \$8,770)
- Increased legal publications (from \$3,200 to \$4,600)

100-112 Finance Department (FIN)

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
294,812	282,999	187,240	287,543	258,468	(29,085)

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Decreased other professional services (from \$30,000 to \$0)
- Decreased computer/software expenses (from \$9,150 to \$2,970)
- Increased training costs (from \$3,200 to \$6,000)

100-113 Human Resources Department (HRD)

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
88,392	198,704	78,315	103,583	96,528	(7,055)

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Decreased employee relations expenditures (from \$10,325 to \$6,655)
- Eliminated employee stipends (from \$6,760 to \$0)

100-115 Police Department (PD)

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
1,073,809	974,340	969,091	1,062,590	1,134,741	69,151

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Increased and combined, dispatch services from Communications to Police (from \$38,000 to \$58,000)
- Increased and combined, vehicle & equipment / maintenance & repairs (from \$36,706 to \$40,469)
- Increased department issued equipment (from \$9,000 to \$12,034)
- Increased pre-employment testing (from \$850 to \$2,600)
- Purchase of new unmarked vehicle for \$20,000 ➡ part of Capital Items / Expenditures

100-115 Police Department (PD)

Other changes for the Police Department in Fiscal Year 2020 – 2021

- Increase amount for OSSI consortium dues with City of Burleson
 - (OSSI – record management / computer aided dispatch system)
- Existing police vehicles will need some major repairs
- State grant will cover some of the police uniforms
- Department issued equipment (Rifles, Vests, Tasers, Advanced 1st Aid kits, etc.)
- Switched to Accurint, OSSI maintenance costs, mobile citation program
- Johnson County increased dispatch agreement costs

100-125 Animal Control

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
40,063	61,599	85,745	60,307	34,708	(25,599)

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Position is split with the Police Department part-time administrative assistant

100-120 Fire Department (FD)

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
1,012,367	1,075,966	1,175,060	1,291,067	1,349,759	58,692

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Proposal for one (1) firefighter/paramedic for 2020 – 2021 budget year
- Increased facility maintenance & repairs (from \$8,059 to \$11,059)
- Increased firefighter equipment maintenance & repair costs (from \$20,597 to \$25,452)
- Increased medical supplies (from \$20,060 to \$23,060)
- Increased physio-control costs (from \$4,410 to \$7,418)
- Proposal for purchase of new ambulance ➡ part of Capital Items / Debt Finance

100-120 Fire Department (FD)

Other changes for the Fire Department in Fiscal Year 2020 – 2021

- Existing Fire Department vehicles will need some major repairs
- Increased costs of travel & training with additional firefighter
- Increased costs on recruitment and pre-employment testing
- Increased costs for Fire Marshal (code books, challenge coins, public outreach)
- Increased costs for annual physicals / well-being

100-120 Fire Department (FD)

Other changes for the Fire Department in Fiscal Year 2020 – 2021

- Fire Chief will also manage / supervise the Code Enforcement area
- Fire Chief will also manage the new “Emergency Management Department” account – beginning in 2021
- Expectations of more services for Fiscal Year 2020 – 2021 due to Pandemic (COVID-19)
- Continuation of training exercises and sessions for staff
- To have a fully-trained staff of certified firefighters / paramedics

100-122 Emergency Management

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
0	0	0	0	4,850	4,850

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Newly formed account under Fire Chief
- Proposed travel & training (from \$0 to \$1,200)
- Proposed dues & subscription costs (from \$0 to \$3,650)

100-130 Development Services (DS)

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
138,950	152,366	110,333	150,936	163,441	12,505

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Increased city engineer costs (from \$0 to \$14,250)
- Increased third-party inspections (from \$21,000 to \$42,900)
- Code Enforcement is still part of Development Services budget

100-135 Municipal Court

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
114,684	112,117	98,092	117,251	106,551	(10,700)

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Eliminated merchant credit card service fees (from \$9,000 to \$0)
- More efficient and robust financial system for courts in Fiscal Year 2020 – 2021

100-160 Community Center

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
12,457	14,869	3,695	20,000	19,730	(270)

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

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

100-999 Non-Departmental

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
541,581	354,067	343,350	327,379	313,401	(13,978)

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Centralized postage to non-departmental costs (from \$5,700 to \$9,500)
- Decreased other professional services (from \$9,020 to \$1,500)
- Possible increase in property liability costs (from \$76,000 to \$90,000)
- Decrease in dues & subscriptions (from \$11,082 to \$8,600)

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

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
232,909	327,044	232,036	279,232	258,735	(20,497)

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Increased fuel and vehicle maintenance costs (from \$8,945 to \$19,812)
- Increased heavy equipment maintenance & repair (from \$2,500 to \$5,000)
- Increased street sign and traffic control supplies (from \$2,555 to \$5,424)
- Reallocated funds to Capital Improvement (CIP) for major street projects & repairs

100-150 Parks Department

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
34,450	45,435	35,750	45,000	50,939	5,939

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Increased fuel and vehicle maintenance costs (from \$900 to \$7,808)
- Increased tools, uniforms, and operating supplies (from \$0 to \$1,863)

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

	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
Residential Water	1,424,495	1,544,053	1,650,000	1,462,500	1,608,750	146,250
Commercial Water	431,800	409,226	395,000	400,000	440,000	40,000
Sewer	985,687	985,629	975,900	995,500	1,095,050	99,550
Sanitation	280,278	308,262	308,300	307,500	316,695	8,395
Water Penalties	86,519	44,434	20,000	41,201	45,320	4,119
Sewer Penalties	23,835	23,111	10,000	21,000	23,100	2,100
TOTAL REV	3,652,728	3,360,855	3,390,600	3,279,201	3,581,415	302,214

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Overall 9.2% increase of 2020 – 2021 Water & Sewer Fund Revenues from the previous year (2019 – 2020)
- Revenues will increase from the previous years due to more residential construction
- No increase to water & sewer rates

200-200 Water Administration

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
1,318,933	1,276,166	458,395	660,597	620,051	(40,546)

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Eliminated the costs of merchant credit card service fees (from \$25,575 to \$0)
- Decreased annual software maintenances & licenses (from \$24,813 to \$0)

200-202 Water Maintenance

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
45,715	55,899	64,060	105,750	112,189	6,439

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Increased costs of utilities (electricity) (from \$12,768 to \$19,368)
- Decreased costs of shop equipment (from \$4,600 to \$1,000)

200-205 Water Department

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
1,346,636	1,815,983	1,031,020	1,161,145	958,730	(202,415)

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Transferred the costs of water lines expenses
- Decreased Johnson County Special Utility District water purchase (from \$690,000 to \$450,000)
- Increased the costs for Prairielands Ground Conservation District fees (from \$18,000 to \$24,000)
- Increased city engineer and other professional services (from \$12,560 to \$23,000)
- Transferred and increased costs for Chlorine and Ammonia (from \$14,400 to \$45,000)

200-210 Sewer Department

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
386,107	877,565	262,840	340,727	346,611	5,884

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Increased costs of sewer plant & lift stations (from \$20,000 to \$30,000)
- Increased costs of utilities (electricity) for lift station & sewer plant (from \$40,200 to \$45,600)
- Increased sewer supplies inventory expenses (from \$5,200 to \$9,200)
- Increased the costs for immunizations (from \$0 to \$3,500)
- Decreased costs for Chloride and Ammonia (from \$19,800 to \$12,000)

200-220 Sanitation Department

2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Unaudited	2019 – 2020 Adopted	2020 – 2021 Proposed	Amount Difference
270,275	233,781	285,500	298,000	300,000	2,000

Comparison from 2019 – 2020 current budget to 2020 – 2021 proposed budget

- Increased the costs of sanitation sub-contractor fees by \$2,000