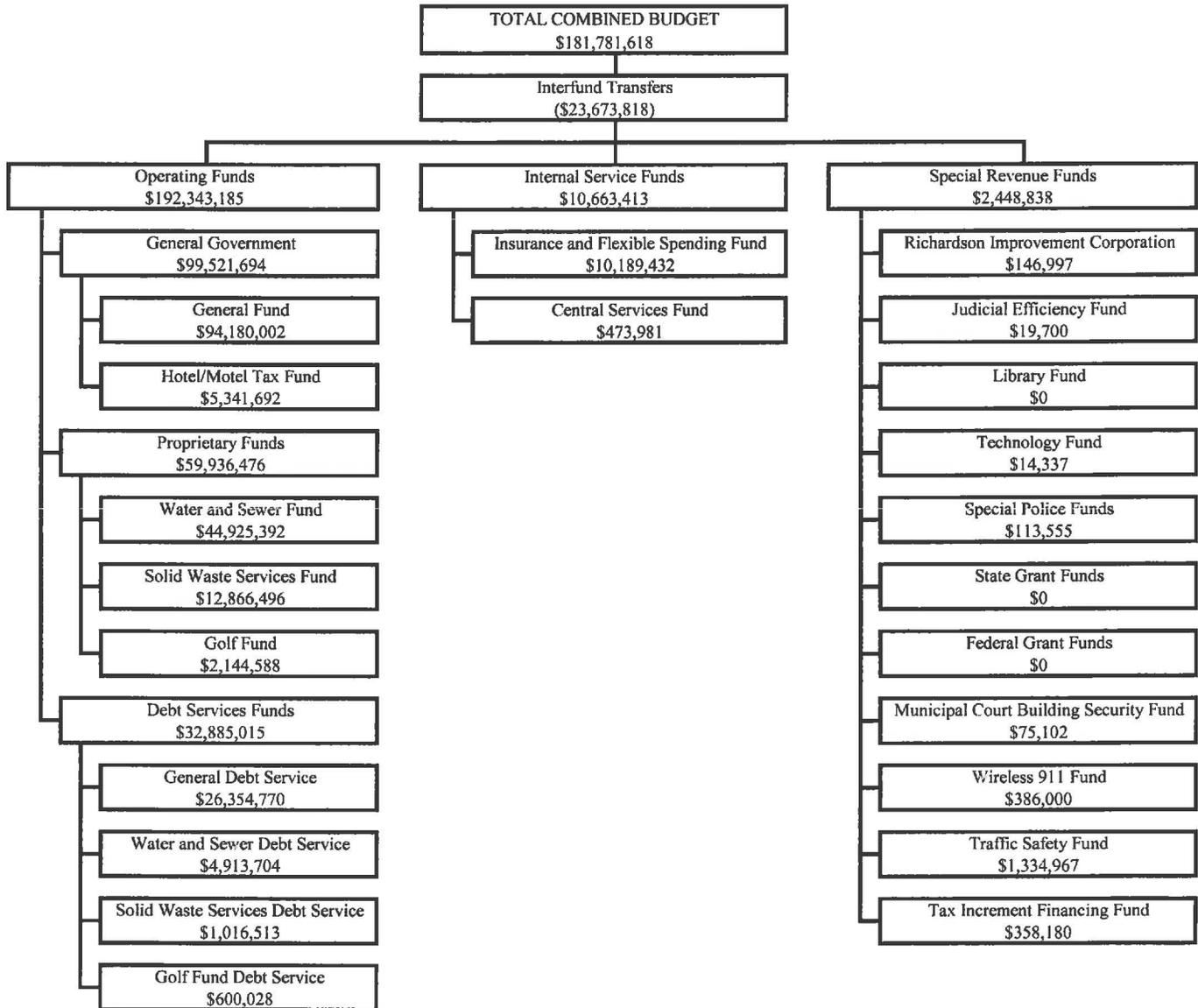


**City of Richardson  
Budget Calendar  
Fiscal Year 2010-2011 - ADOPTION ON SEPTEMBER 13, 2010**

April 1- May 1	Dallas Central Appraisal District & Collin Central Appraisal District prepare to mail notices of appraised
May	City to receive Preliminary Values from appraisal districts
Fri. May 7	Departmental revenue projections, budgets and all support documentation due to the Budget Office
May 17 - June 16	Departmental budget presentations to Budget Team
June/July	Budget Team begins making revised revenue and expenditure forecasts
Thurs., July 15	Post notice of City Council Budget Retreat
<b>Mon., July 19 - Thurs., July 22</b>	<b>City Council Budget Retreat - 5:30pm</b>
Mon., July 26	Certified tax rolls received by the City
Week of July 26-30	Calculation of effective and rollback tax rates (including uploading & balancing data from CADs)
Wed. Aug. 4	Newspaper deadline for "Effective and Rollback Tax Rates (ETR)"
Fri., Aug. 6	City Manager files budget w/City Secretary for public review (by August 15, 2010) (Budget Public Hearing must be at least 15 days after filing of Budget w/City Secretary) Post notice of City Council Meeting, for discussion of tax rate, setting public hearing and to take a record
Sun. Aug. 8	Publish "Effective and Rollback Tax Rates (ETR)" (or publish "ETR" at the same time as the "Notice of
<b>Mon., Aug 9</b>	<b>City Council Budget Workession- Discuss tax rate, set public hearing on tax rate &amp; take record vote on tax rate AND set Date &amp; Place of Public Hearing on Budget.</b> (Public hearings required if proposed rate will exceed the lower of the rollback rate or the effective tax
Wed. Aug. 11	Newspaper deadline for "Notice of Public Hearing on Tax Increase" (must have results of record vote)
Fri., Aug 13	"Notice of Public Hearing on Budget"
Sun., Aug 15	Publish "Notice of Public Hearings on Tax Increase" (At least 7 days before 1st Public Hearing on tax
Mon., Aug 16	Internet & CITV "Notice of Public Hearings on Tax Increase" (Posted at least 7 days immediately before the 1st hearing on the tax rate & until 2nd public hearing is concluded)
Fri., Aug 20	Post notice of City Council Meeting, for public hearings on budget and tax rate
<b>Mon., Aug 23</b>	<b>City Council - Hold Public Hearing on Budget and 1st Public Hearing on tax rate</b> (2nd Public Hearing required at least 3 days after the 1st Public Hearing)
Mon., Aug. 23	Newspaper deadline for "Notice of Tax Revenue Increase" #1 (NTRI, formerly "Notice of Vote on Tax
Thur., Aug 26	Publish (1 of 2) "Notice of Tax Revenue Increase" (NTRI)
Fri., Aug. 27	Post notice of City Council Meeting, for 2nd public hearing on tax rate.
<b>Mon., Aug 30</b>	<b>City Council Special Session - Hold 2nd Public Hearing on tax rate</b> (Adopt tax rate within 7 - 14 Newspaper deadline for "Notice of Tax Revenue Increase" #2 (NTRI, formerly "Notice of Vote on Tax
Thur., Sept. 2	Publish (2 of 2) "Notice of Tax Revenue Increase" (NTRI)
Fri., Sept. 3	Internet & CITV "Notice of Tax Revenue Increase" (NTRI) (post at least 7 days prior to vote on tax rate)
Mon., Sept 6	Labor Day - No Meeting, City offices closed
Fri., Sept 10	Post notice of City Council Meeting, adoption of budget and property tax rate
<b>Mon., Sept 13</b>	<b>City Council Meeting - Vote to Adopt Budget and Property Tax Rate for FY 2010-2011</b> (Must be 7-14 days after the 2nd Tax Public Hearing OR "NTRI" must be published a third time) Actual time, 14 days - therefore, a third "NTRI" is not required.

***The City of Richardson, Texas  
FY 2010-2011 Proposed Budget***



## 2010-11 Budget Overview

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### Overview

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- We say “*In the Long Run....*” to offer a different perspective in a discussion of a current topic or setting to reflect on it’s posture over a greater period of time than just the current setting....the future.
  - This 2010-2011 Budget can be described as a “*Budget for the Long Run*” to express the attention that this new fiscal year’s budget has placed on several aspects of the revenue and expenditure plans for the various funds to be responsive to both current conditions and to be positioned well for future demands and changing conditions. The proposed approach to staffing, compensation, benefits, maintenance, debt management, and service delivery in this budget are strategies that will be effective for the 2010-2011 year and will sustain the City of Richardson fiscal position well for the future.
- Our recent bond rating review process continues to be instructional and reflected this “near term and future term” dual viewpoints, even as we have received the AAA and Aaa rating confirmation from Standard & Poors and Moody’s.
- These rating agencies have traditionally structured their rating review around four key themes of inquiry:
  - Policy Guidance and Operations Management
  - Debt Issuance Features and Debt Management
  - Financial Operations
  - Economic & Community Development
- As we progressed through the City of Richardson review, it was clear that added dimensions to these traditional criteria had been informally introduced in our review. The added dimensions are no doubt related to the changing nature of the global financial challenges, a renewed perspective on true costing, a heightened appreciation for our stewardship of natural resources, and the desire to chart future paths based on solid foundations....*to confirm that the City’s current posture was also likely in the long run.* These dimensions offer resiliency and a *nimbleness of response* as this new era challenges traditional approaches and provides new definitions for resources and expectations of public services. Three “facets” of consideration were apparent, and seemed to cut across the four traditional factors:
  - *Stability*
  - *Sustainability*
  - *Flexibility*
- The instructional element of this assessment is that these same facets of *stability, sustainability, and flexibility* have also been guiding elements of our 2010-2011 budget development process:
  - Stability: We have worked to minimize new key operational pressures that would drive future costs. We continue to refine

and modify operational areas where additional efficiencies can be realized. We have deployed added technology and selective use of contract services to retain quality service delivery even with reduced staff. Employee relations at this time have focused on sustaining employment positions for service delivery over added compensation, and the refinement of the health insurance plan and retirement benefits to remain dependable and fiscally sound.

- Sustainability: We are actively implementing energy management features in existing facilities. New and replacement facilities are being designed for energy conservation. Material selections and installation methods have been refined to minimize future maintenance. Operationally, future dependency on capital funding to support project management will be phased out to not rely on bond funding. We continue to refine key benefit programs that will provide reductions of long term liabilities. The responsible use of debt to address timely infrastructure renewals will assure reliable public works and avoid service interruptions and more costly repairs.
- Flexibility – The City has responded to mid-year changes in financial direction with measured reductions and adjustments to maintain fund balances and fiscal parameters. Availability and use of stabilization reserves have allowed us to better schedule future rate adjustments and to absorb extreme weather impacts to some of our enterprise operations. Our strong staff interdepartmental cooperation has allowed us to maximize procurements, and standardized technologies.
- We express a message of great optimism that the economic factors that weigh on the entire nation and are locally present will dissipate and that a more robust economic environment will return. We also fully appreciate the personal and corporate challenges that this economy has presented, and continue to craft a local budget that minimizes impacts and continues to offer services that are more actively sought during these challenging times.
- As required by City Charter, we have prepared the required information for the Annual Budget and have formally filed this material with the City Secretary and presented the same to the City Council by the August 15 deadline.
- Our ability to have recently conducted a good preliminary overview budget retreat with the City Council has allowed the staff to confirm the priorities and fiscal policy direction desired by the City Council for the 2010-2011 budget. Our recommendations are responsive to this policy guidance.

## **2010-2011 Budget Development Objectives**

- The following 2010-2011 budget development objectives emerge from the variety of staff and community input sources maintained by the City Council and next progression steps of our multi-year initiatives:
  - Complete the voter-approved Series 2010 Bond implementation by adoption of the **\$0.06 property tax rate adjustment designated entirely for debt service.**
  - Establish an operational budget and **work plan within the existing resources, without any property tax rate increase for operations.**
  - Maintain the alignment of staff and resources to achieve the **fullest implementation of the City Council Goal initiatives**, specifically progress in comprehensive planning, neighborhood integrity and renewal, infrastructure enhancements, retail revitalization, and fiscal management.
  - Aggressively implement and deliver the project elements of the **new 2010 G.O. Bond Program.**
  - Complete the last study and strategy elements of the **West Spring Valley Reinvestment Study** and evolve the focus of this effective community-input process to the next key steps of implementation, with a focus on the catalytic project areas. Assess the City's capacity and readiness to continue the implementation of the next area(s) of the **Special Study Areas** identified in the City's Comprehensive Plan for initiation.
  - Sustain the necessary planning and engineering resources to **foster the emerging transit-oriented development attention around the DART Rail Stations** at Spring Valley, Arapaho Center, Galatyn Park, Bush/190 Turnpike, and future opportunities along the DART's Cottonbelt rail corridor.
  - Continue **implementation of the Tax Increment Finance (TIF) District** for public/private partnerships in high quality redevelopment.
  - Continue the active **enhancements of our public safety operations and emergency preparedness efforts**, including Fire and Police dispatch and records software upgrades, Fire station and training facility reconstructions, emergency preparedness equipment and facility upgrades, and complete upgrade of the radio communication infrastructure.
  - **Continue communication enhancements with the community** through activation of enhanced media outreaches, technology improvements, and a strengthen liaison with other local public service institutions.
  - Continue the **facilitation and leveraging of personal and corporate donations and volunteerism** that is evident in such efforts as Police and Fire volunteers, Tree the Town, and volunteer initiatives in Animal Services, Parks and Neighborhood Services. Continue the **leveraged support for the Arts** through the arts grant program, arts technical assistance, program alliances with UTDallas Humanities, and the Eisemann Center's programs.
  - Continue to **maximize the economic development recruitment and retention opportunities** that are evident in the economy through the City/Chamber Economic Development partnership. Maintain the balanced work plan of commercial and retail redevelopment initiatives.

- **Continue the Neighborhood Services initiatives** enhanced over these last few years, including the Neighborhood Assessment program, Apartment and Rental Inspection, and continued emphasis on code administration.
- Maintain the city's **leadership posture in local and regional transportation improvements**, including DART rail service and future alignments, local congestion mitigation, related air quality aspects, tollway, HOV, and highway improvements, and the related funding dynamics under discussion.
- Closely **monitor the planning and fiscal aspects of water supply management** by the NTMWD, including water conservation, new regional supply strategies, public awareness campaigns, and the related rate adjustment impacts.
- **Continue the City's role in energy management** of fuel and electricity as we support conservation methodologies in design and operations and also support the air quality improvement aspects associated with these objectives in our facilities and equipment fleet.
- **Sustain the master planning and development strategy efforts** for Arapaho Center TOD, and Spring Valley TOD - Westside. Continue the Trail planning process and seek interlocal coordination for strong regional linkages of trail system.
- **Continue to close cooperation with the RISD and PISD** as this strong alliance for economic development and positive community impacts is essential.
- Support the **cooperative community missions of MRMC and UTD** in allied partnership relations that can positively impact the Richardson community in economic and service quality terms.

### **2010-2011 Key Budget Elements**

- Summarized below are several key features of this proposed 2010-2011 Budget. These are all more fully described in the respective fund overviews:

#### **Property Tax**

- The 2010-2011 certified property tax roll shows a second year of reduction from prior year's values. The General Fund and General Debt Service Fund reflect the - 1.8% reduction in appraised tax base for 2010-2011 that has been received in the certified tax rolls from the Dallas and Collin Appraisal Districts. This reduction is a general regional posture for many established communities, chiefly reflecting dampened commercial values due to capital markets and lackluster commercial leasing performance. This economy-reflecting impact has been anticipated, based on early insights from the appraisal districts this Spring. In context, we are actually pleased at the lighter-than-expected final position of the tax roll, compared to other cities and earlier forecasts. We are also pleased that residential values are actually stable and that the Collin County portion of our overall taxbase actually had an increase.

- The adoption of the \$0.06 property tax rate adjustment for debt service to complete the voter-approved 2010 bond program is required in this 2010-2011 budget.
- With the current Senior Exemption amount of \$55,000, the property tax revenue forecast has factored this tax savings benefit. The final appraisal value assessment for 2010-2011 does not impact the targeted 30% exemption protection contemplated in the City Council's Financial Policy to require adjustment.
  - Other Senior taxation relief considerations as mentioned in the City Council's Initiatives are being evaluated, but any resulting new initiatives will not impact this coming 2010-2011 budget, and would begin with subsequent fiscal years.
- We will continue the appropriate tax increment allocation and reservation for the adopted Tax Increment Financing (TIF) zone. For 2010-2011, the City-portion of the TIF allocation will be an amount of \$34.57 million in appraised value or \$220,000 in tax revenue. This will be added with Dallas County's participation into the City TIF fund. We still see the early years of redevelopment and appraisal fluctuations in this TIF value due to demolitions, and economy-driven commercial devaluations.

### **Sales Tax**

- Sales taxes continue to be a revenue source that rapidly reflects the economic direction of the community as the city moves in and out of recessionary cycles. Its availability and magnitude provide relief to property tax dependency, now providing about 26% of the General Fund resources from just this one revenue. In times past, this resource has carried nearly 40% of the General Fund's resource composition.
- Due to a multi-month pattern of positive base-to-base changes during 2009-2010, a 3% growth factor (applied to the base estimate after deleting audit adjustments), has been proposed for this next year. The 2010-2011 proposed sales tax projection of \$24.5 million will appear to be slightly lower than the expected year-ending estimate of \$24.7 million due to the discounted audit adjustments, but is a base-to-base increase.
- Notably, with two strong audit adjustments during this 2009-2010 fiscal year, the City is beginning to draw near the 1999 record highest annual sales tax collection of \$25 million, though the return has taken an 11-year duration to gain this restoration.

### **Rates & Fees**

- Mindful of the impact of the \$0.06 tax rate adjustment for debt service, a deliberate effort to delay any rate adjustments has guided this 2010-2011 budget development.
- No rate adjustments are proposed with the adoption of this budget for Water and Sewer Utilities, Solid Waste or Golf.

- Close attention will be needed to both the Water and Sewer Utilities and Solid Waste rates later this next fiscal year.
  - Water and Sewer Utility Rates – Year-ending weather performance will impact the final revenue position of this fund. The use of rate stabilization resources is activated in both a year-ending and new year application. Better revenue performance may mitigate this use. An underlying wholesale water rate change step from NTMWD is an added expense element for this new budget year, and will likely need to be addressed with a rate change at an upcoming time in 2011.
  - Solid Waste Rates – Commercial collection revenues are stagnant as a reflection of the general economy. With rising operating costs of three residential pick-up service types (regular service, recycling, and bulky pickup), future cost reductions or revenue offsets will be needed. A use of rate stabilization reserves will delay this rate requirement for now to allow further study, which is planned for 2010-2011.
- No fee adjustments are proposed for 2010-2011. Significant attention was devoted to various fees with the adoption of this last 2009-2010 budget. These revisions are in place and maintained during 2010-2011.
  - The Drainage Utility fee implementation has been delayed as key engineering staff was devoted to initiating the recent CIP activities. Drainage system maintenance expenses and storm water monitoring and reporting duties continue to grow within the General Fund under the State and Federal Storm Water Management requirements and a fairer expense allocation to residential and commercial properties through a separate drainage utility fee is still desired. Renewed attention to implementation is scheduled for later 2011, and is not factored in this proposed budget.

#### **G&A Capital Projects Allocation**

- As an initiative for future sustainability, a multi-year phase-out of the G&A Allocation for the CIP staff from bond funds is proposed. CIP staff previously funded from this source has been fully consolidated to the General Fund for 2010-2011. This is reflected in the revenues source of \$1.2 million for 2010-2011. This is matched with a transfer of over \$1.2 million in staffing resources that were carried in the Capital Projects Fund as a practice since the 1997 Bond Program. This consolidating adjustment is reflected in the General Fund cost centers for Capital Projects, Budget, Accounting, and Parks. It is the intention to initiate a 4-year phase out of this funding support, which will then achieve full funding for the capital improvement efforts as an expense of the General Fund thereafter, and not have future reliance on future bond program. A likely reduction pattern is proposed:

<b>Fiscal Year</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
<b>Bond Support G&amp;A</b>	\$1.2 million	\$750,000	\$500,000	\$250,000	\$0

### **Debt Issuance & Capital Funding**

- The debt service tax rate adjustment mentioned above will need to be adopted.
- A modest debt issue program of \$7.965 million across all funds is proposed as a Series 2011 program, as we return to only a short notes program for equipment replacements and the annual Utility CIP program.
- The Utility CIP program continues with a \$3.5 million C.O. utility capital commitment, responding to the planned improvements for 2010-2011 and mindful of remaining capital project implementation workloads from prior Utility C.O. funding that is also in design and implementation during late 2010.

### **Staffing & Compensation**

- We will continue our budget management effort with seeking to freeze or delay hiring City personnel for 2010-2011.
- During the 2009-2010 Fiscal Year, 15 additional staff positions across multiple departments were frozen as vacancies occurred, and the forecast for 2010-2011 will involve a continued targeted employment freeze. Minimum manning requirements in both Police and Fire Departments will continue to be met in 2010-2011.
- This 2010-2011 budget does reactive the Step Plan portion of our compensation program, providing performance-based adjustment during the fiscal year for those staff members in their early year's of development along a job grade range. This pay structure format is used in Police, Fire, and our administrative and technical job categories. It will impact about 51% of the workforce that are still progressing along these pay grades. This is the only compensation change for this new year, following no pay plan adjustment of any form in 2009-2010. There are not any across-the-board adjustments or other market adjustments proposed. Importantly, this budget forestalls any needed furloughs, pay reductions, or reductions-in-force as we monitor our conditions.
- For 2010-2011, no adjustments to health insurance rate structure for current employees, dependents, or retirees of the City are proposed, as we continue to monitor this program carefully. Recall that employee and retiree rate categories were significantly adjusted for the 2008-2009 fiscal year. This retiree premium adjustment provided a \$40 million reduction in our retiree health care liability, while still providing a quality plan. While the national trend in medical expenses continue to bring pressure on this plan, the City will utilize a measured portion of its CORPlan reserves to provide the City's needed adjustment for 2010-2011. With no compensation adjustments, we are pleased to also not need to impact employee paycheck with any reductions for premium adjustments. We also continue to monitor

the impacts of the recently adopted national health care legislation and assess any new impacts or requirements.

- To remain viable and reflect the more contemporary cost-recognition efforts, updated actuarial methods have been activated for the city's retirement plan participation in the Texas Municipal Retirement System (TMRS). Like similar cities, Richardson is in an era of stronger TMRS actuarial expense and liability obligations as we meet the retirement plan obligation of the police, fire and other employees that have retired after decades of service to the community. The use of better actuarial methods over these last years will assure that the plan remains sound for employees and remains a key attractor for public safety and municipal professional personnel recruitment. It has also allowed us to fully assess benefit elements of the plan, and make assessments on how to control costs and still provide a meaningful, reliable, and competitive plan. With planned reduction adjustments to three elements of the retirement benefit plan, the City's unfunded liability will be reduced by about \$29 million and the City's plan would rise to over 70% funded, with a sustained, stable funding level in the 19%-range that can meet the remaining liability over the actuarial funding period assumption. These plan adjustment and the 19.31% funding level are proposed for 2010-2011. An implementation action for these TMRS plan changes will accompany the budget adoption.
- A one-year phase-in of consolidating property tax billing and collection with Dallas and Collin County is budgeted. Each of these agencies already is active in joint collection with other area cities and I.S.D.'s. The Dallas County-portion of Richardson would be billed and serviced by Dallas County. Likewise, the Collin County portion of Richardson would be billed by Collin County. The City can lower staffing costs for this service, and anticipates about a \$100,000 ongoing savings as this program is fully implemented by 2012. Using current Tax Department staff vacancies avoid any layoff impacts and provides for an orderly transition.

### **Summary Budget Highlights**

- Key highlights of this 2010-2011 budget include:
  - Adoption of the needed debt service-assigned property tax rate adjustment of \$0.06 resulting from the 2010 Bond Program.
  - A -1.8% tax roll appraisal reduction, causing the City to have less property tax revenue for operations in 2010-2011.
  - A 3% increase factor in sales tax from this year's baseline experience is forecasted.
  - No adjustment in Water and Sewer rates is proposed.
  - No adjustments to Golf rates are proposed.
  - No adjustments to Solid Waste rates are proposed.
  - Merit-based Step plan compensation adjustments only for 51% of employees still moving through pay plan steps. No across-the-board or market adjustments are recommended.
  - Revision to the City's TMRS retirement system participation features is proposed.

- A reduction in some supply and contract expenditures have been made to meet a reduced revenue outlook. Some reductions in training and travel have also been made in this budget proposal.
- The debt issue for the annual Utility CIP is continued as we maintain our active city utility infrastructure and support coordinated service line upgrades with the street maintenance programs.
- As a rule-of thumb reference for this 2010-2011 budget, each 1% of the tax roll has an estimated \$616,000 impact, and each \$0.01 of the tax rate has a \$970,000 impact.
- As reflected in the fund summaries, targeted fund balances have been maintained in all of the major operating funds including 60 days in the General Fund and 60 days in the Solid Waste Services Fund, and efforts to complete the current year with 83 days towards the 90 day target in the Utility Fund are sought. The Golf Fund sustains a position above its 30 day fund balance base posture with the year-end General Fund transfer assistance due to weather, area golf market dynamics, and horticultural challenges this past Spring. The Hotel Motel Tax Fund balance is sustained.
- Capital and debt planning will continue to be a portion of the annual budget review process. The capital program is largely focused on debt service management with the new debt-side property tax rate adoption and very active project implementation. The small Series 2011 program will sustain our equipment renewals and Utility CIP program. The following base debt issuance plan for 2010-2011 summarizes the proposed debt elements:

<b>Series 2011: 2010-2011 Debt Issuance Program Proposed – All Funds</b>			
<b>For Discussion</b>			
<b>Amount</b>	<b>Bond Type</b>	<b>Purpose</b>	<b>Debt Service</b>
\$2.900 million	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$0.185 million	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$1.380 million	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$3.500 million	C.O.	2010-2011 Water and Sewer C.I.P. – 20 yr.	Utility Fund Debt Service
<b>\$7.965 million</b>	<b>Total</b>		

### **Summary**

- 2010-2011 will be an active year of CIP implementation as this rebuilding and new investment not only produces improved infrastructure and services, but stimulates the local economy and reaffirms investment in Richardson.
- City operations can be sustained during this next year as emerging signals of economic renewal emerge.

- An ongoing effort to refine city service delivery and reduce costs continues throughout the year. High attention has been devoted to curtailing expenditures to avoid any property tax rate pressure for operations and postpone needed rate changes to minimize further community impact.
- Municipal employees will share portions of the budget balancing strategy for 2010-2011 as we continue to suspend some elements of compensation beyond eligible step increases, and continue to freeze employment vacancies.
- This budget will require the continue vigilance of fiscal monitoring as we navigate this challenging economy and we expect a continued dialogue throughout the year to monitor the performance.
- The City Council's leadership in seeking voter ratification for the \$66 million G.O. program will allow for needed facilities, lower capital cost for their development due to favorable interest rates and expected bid performance. Recent voter ratification of this program is a confirming response to this policy direction as well as the AAA rating result for the rating agencies. Also evident in the 60% bond election approval margin is the community's desire to continue the renewal and upgrade of municipal infrastructure and facilities, and the willingness to pay for these improvements.
- This "Budget for the Long Run" provides several significant reduction adjustments to both current and future expenditure obligations that will better positions the City to remain vital and stable to support our dynamic Richardson community.

## COMBINED 2010-2011 BUDGET

### Overview

Combined Budget				
	2009-2010 Estimated	2010-2011 Budget	Est./Bud.	%
<b>Beginning Fund Balances</b>	\$38,321,943	\$36,474,049	(\$1,847,894)	-4.8%
<b>Revenues</b>	\$171,447,675	\$179,688,540	\$8,214,865	4.8%
<b>Expenditures</b>	\$173,325,569	\$181,781,618	\$8,456,049	4.9%
<b>Ending Fund Balances</b>	\$36,474,049	\$34,380,971	(\$2,093,078)	-5.7%

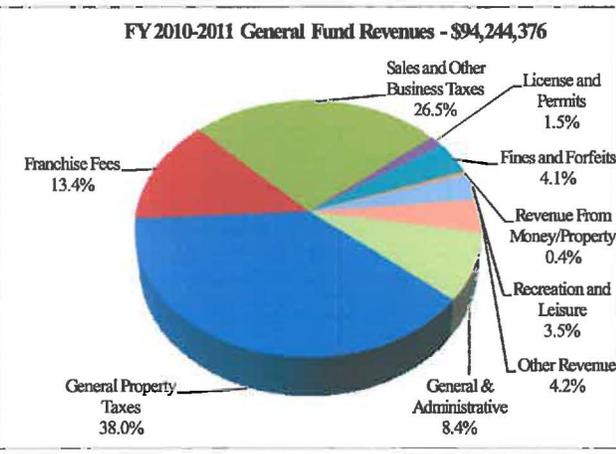
Classification of Combined Operating Fund Expenditures		
	Proposed 2010-2011 Budget	Percent of Total
<b><u>Operating Expenditures</u></b>		
Personal Services	\$86,602,454	47.64%
Professional Services	7,811,690	4.30%
Maintenance	32,765,380	18.02%
Contracts	26,286,149	14.46%
Supplies	10,308,900	5.67%
Capital	760,635	0.42%
<b><u>Total Operating Expenditures</u></b>	<b>\$164,535,208</b>	<b>90.51%</b>
Transfers Out	\$8,035,213	4.42%
<b><u>Total Operating Expenditures and Transfers Out</u></b>	<b>\$172,570,421</b>	<b>94.93%</b>
Debt Service Payments	\$32,885,015	18.09%
Less Interfund Transfers	\$(23,673,818)	-13.02%
<b><u>Net Appropriations</u></b>	<b>\$181,781,618</b>	<b>100.00%</b>

## **GENERAL FUND**

The General Fund is the largest of the City's five operating funds, accounting for most financial resources except those required for debt or specifically attributable to the enterprise funds.

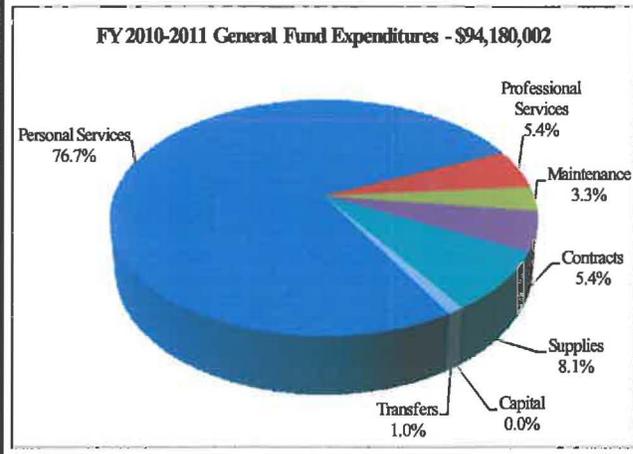
### Sources

Resources are generated by Property Taxes, Sales Taxes, Franchise Fees, Fines, Licenses, and fees for city services. Property Tax, Sales Tax and Franchise Fee revenues account for 77.9% of all revenues in the fund.



### Uses

Operating expenditures provide support for most traditional tax-supported municipal services such as Public Safety, Parks and Recreation, Development Services, Traffic and Transportation, Library, Building Inspection, Finance, Human Resources, Health and General Administration. Personal Services account for 76.7% of all expenditures in the fund.



### Fund Balance

The Fund Balance target for the General Fund is 60 days of expenditures.

## **GENERAL DEBT SERVICE FUND**

The General Debt Service Fund hosts the revenue and expenses for general debt service obligations. The primary source of revenue is general property taxes and expenditures include the annual debt services payments for outstanding debt not financed through other debt service funds.

## GENERAL FUND

### Overview

General Fund Budget				
	2009-2010 Estimated	2010-2011 Budget	Est./Bud.	%
<b>Beginning Fund Balances</b>	\$15,474,800	\$15,489,779	\$14,979	0.1%
<b>Revenues</b>	\$93,888,244	\$94,244,376	\$356,132	0.4%
<b>Expenditures</b>	\$93,873,265	\$94,180,002	\$306,737	0.3%
<b>Ending Fund Balances</b>	\$15,489,779	\$15,554,153	\$64,374	0.4%

Classification of General Fund Expenditures		
	Proposed Budget	Percent of Total
<b><u>Operating Expenditures</u></b>		
Personal Services	\$ 72,231,413	76.70%
Professional Services	5,059,822	5.37%
Maintenance	3,144,614	3.34%
Contracts	5,105,034	5.42%
Supplies	7,654,263	8.13%
Capital	15,178	0.02%
<b><u>Total Operating Expenditures</u></b>	<b>\$ 93,210,324</b>	<b>98.97%</b>
Transfers Out	\$969,678	1.03%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b><u>\$ 94,180,002</u></b>	<b><u>100.00%</u></b>

### Revenues

- Total Revenues for the General Fund are projected to be \$94.2 million or 0.4% higher than estimated year-end revenues for 2009-2010. Property Taxes and Sales Taxes comprise 64.5% of overall General Fund Revenues. With the inclusion of Franchise Fees, the top 3 revenue sources make up 77.9% of total revenues. Revenues have been projected conservatively in keeping with City Council adopted financial policies.

### Property Taxes

- The proposed 2010-2011 tax rate of \$0.63516 per \$100 assessed valuation reflects the voter approved \$0.06 tax increase of support of the voter approved 2010 Bond Program.

- Based on the Certified Tax Rolls received from both DCAD and CCAD, assessed valuation decreased -1.8% from \$9.9 billion to \$9.7 billion. This is the second decrease after four years of increase which preceded three years of decline in overall assessed valuation in ten years.
- The following table reflects the comparative listing of percentage change in overall assessed valuations for the 10 largest Metroplex communities and selected area cities.

<b>2010 Certified Tax Roll Comparisons</b>	
<b>August 2010</b>	
<b>Entity</b>	<b>% Change</b>
Fort Worth	4.4%
<b>Richardson (CCAD)</b>	<b>3.3%</b>
Allen	0.9%
Arlington	-0.2%
McKinney	-0.3%
Collin County	-1.5%
<b>Richardson (Total)</b>	<b>-1.8%</b>
Grand Prairie	-1.8%
Frisco	-2.3%
Plano	-3.4%
Garland	-3.4%
Carrollton	-4.0%
<b>Richardson (DCAD)</b>	<b>-4.3%</b>
Dallas County	-4.3%
Dallas	-4.3%
Irving	-4.6%
Mesquite	-5.9%

- Based on information provided to us by DCAD, the table below summarizes the percent of parcels in each category reappraised by DCAD for the last three years. CCAD reappraises 100% of all parcels each year.

<b>DCAD 2010 Tax Roll – Percent of Parcels Reappraised</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Residential</b>	39%	29%	46%
<b>Commercial</b>	94%	89%	42%
<b>BPP</b>	100%	100%	100%
<b>All</b>	53%	45%	54%

- The chart below reflects the proposed 2010-2011 property tax revenues between General Fund operations and debt service.

<b>Property Tax Revenue</b>			
	<b>Budget</b>	<b>Estimated</b>	<b>Budget</b>
	<b>2009-2010</b>	<b>2009-2010</b>	<b>2010-2011</b>
<b>Certified Assessed Value</b>	\$9,884,098,045	\$9,884,098,045	\$9,711,158,368
<b>Operations &amp; Maintenance (GF)</b>	\$36,257,814	\$36,033,985	\$35,180,870
<b>Debt Service (DS)</b>	\$21,221,430	\$21,089,857	\$26,409,167
<b>Total</b>	<b>\$57,479,244</b>	<b>\$57,123,842</b>	<b>\$61,590,037</b>

- The projected Property Tax rate split shown below assumes a -1.8% decrease in certified assessed valuation plus \$20.2 Million of “Values in Dispute”, that could be added to the certified roll once the cases have been finalized and allows for deduction of the Tax Increment Finance District values of \$34.6 million.

	<b>2009</b>	<b>2010</b>	<b>% Difference</b>
<b>Certified</b>	\$9,884,098,045	\$9,711,158,368	-1.8%
<b>Values In Dispute</b>	\$155,765,645	\$20,185,613	-87.0%
<b>TIF</b>	(\$46,254,199)	(\$34,568,816)	-25.3%
<b>Total Taxable Value</b>	<b>\$9,993,609,491</b>	<b>\$9,696,775,165</b>	<b>-3.0%</b>

- Operations & Maintenance (O&M)* - The 2010-2011 O&M portion of the tax rate is unchanged from last year at \$0.36281.
- Debt Service* - The portion of the rate used for repayment of debt reflects the first year of requirement for the 2010 Bond Program net of interest earnings estimated for 2010-2011 and balances the fund to 30 days.

<b>Property Tax Rate Split</b>		
	<b>2009-2010</b>	<b>2010-2011</b>
Operations & Maintenance (O & M)	\$0.36281	\$0.36281
Debt Service	\$0.21235	\$0.27235
<b>Total</b>	<b>\$0.57516</b>	<b>\$0.63516</b>

<b>2010-2011 Tax Rate Calculations</b>			
	<b>Rate</b>	<b>Difference</b>	<b>Revenue</b>
<b>2010-2011 Rate</b>	\$0.63516	-	-
<b>Rollback Rate</b>	\$0.68468	\$0.04952	\$4,801,843
<b>Effective Rate</b>	\$0.60686	(\$0.0283)	(\$2,744,187)

<b>2009-2010 Tax Rate Calculations</b>			
	<b>Rate</b>	<b>Difference</b>	<b>Revenue</b>
<b>2009-2010 Rate</b>	\$0.57516	-	-
<b>Rollback Rate</b>	\$0.59311	\$0.01795	\$1,793,853
<b>Effective Rate</b>	\$0.56191	(\$0.01325)	(\$1,324,153)

- Previous tax rate reductions and redirections have included:
  - 1¢ reduction - 1995-1996 Budget.
  - 1¢ reserved for street rehabilitation - 1996-1997 Budget.
  - Sustained 1¢ reserved for street rehabilitation - 1997-1998 Budget.
  - Sustained 1¢ reserved for street rehabilitation – 1998-1999 Budget.
  - Sustained 1¢ reserved for street rehabilitation – 1999-2000 Budget.
  - Sustained 1¢ reserved for street rehabilitation – 2000-2001 Budget.
  - Sustained partial 1¢ reserve for street rehabilitation – 2001-2002 Budget.
  - Sustained partial 1¢ reserve for street rehabilitation – 2002-2003 Budget.
  - 3.4¢-cent increase – 2002-2003 Budget.
  - 4.7¢ cent increase - 2004-2005 Budget
  - Sustained partial 1¢ reserve for street rehabilitation – 2005-2006 Budget
  - 5¢ tax increase in support of the 2006 Bond Program - returned to 1¢ reserve for street rehabilitation in the 2006-2007 Budget
  - Maintained a 1¢ reserve for street rehabilitation – 2007-2008 Budget
  - Maintained a 1¢ reserve for street rehabilitation – 2008-2009 Budget
  - Maintained a 1¢ reserve for street rehabilitation – 2009-2010 Budget
  - Maintained a 1¢ reserve for street rehabilitation – 2010-2011 Budget
- After sustaining the lowest tax rate for over 20 years, Richardson moved to the second lowest tax rate position in 2002-2003. Richardson’s proposed property tax rate of \$0.63516 for 2010-2011 will continue to compare favorably among the top ten largest cities in the Metroplex, in spite of not providing a homestead exemption, as do 7 of 10 cities.
- A 1¢ tax rate generates \$969,678 for the 2010-2011 Budget. Many jurisdictions have yet to publicly review their 2010-2011 tax rates; however, we have had some indication of movements in tax rates for those noted below.

<b>Tax Rates in Other Jurisdictions</b>		
	<b>Current</b>	<b>Reported Rate Change</b>
<b>Jurisdiction</b>	<b>Tax Rate</b>	<b>(cents)</b>
Frisco	\$0.47760	\$0.0126
Plano*	\$0.50350	\$0.0149
Irving*	\$0.54060	NC
Allen	\$0.55500	NC
McKinney	\$0.58550	NC
Carrollton*	\$0.61788	NC
<b>RICHARDSON</b>	<b>\$0.63516</b>	\$0.06
Mesquite	\$0.64000	NC
Arlington*	\$0.64800	NC

Grand Prairie ***	\$0.66999	NC
Garland**	\$0.70460	NC
Dallas*	\$0.74790	NC
Fort Worth*	\$0.85500	NC
PISD****	\$1.32840	NC
RISD*****	\$1.34005	NC
Dallas Co. Equalization Fund*	\$0.00521	NC
DCCCD*	\$0.09490	NC
CCCCD	\$0.08630	NC
Dallas County*	\$0.22810	NC
Collin County	\$0.24250	NC
Dallas County Hospital District*	\$0.27100	(\$0.003)

\* - Provides Homestead Exemption - 20%

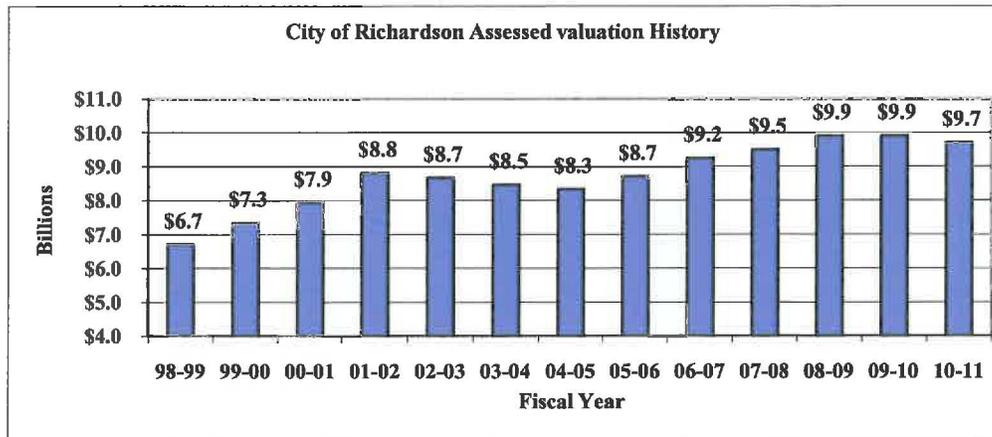
\*\* - Provides Homestead Exemption - 8%

\*\*\* - Provides Homestead Exemption - 1%

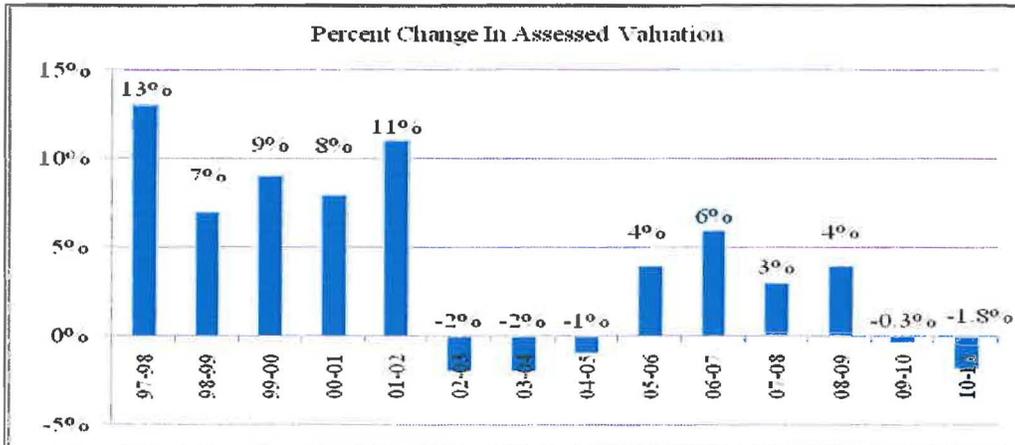
\*\*\*\* - Provides Homestead Exemption - \$15,000

\*\*\*\*\* - Provides Homestead Exemption - 10% + \$15,000 (2003 was 15% + \$15,000)

### Assessed Valuation



- The 2010 certified assessed valuation of \$9.7 billion represents a decrease of -1.8% or (\$173 million) in value from the 2009 certified tax roll. Each 1% change in value generates \$615,900 in revenue using the proposed rate of \$0.63516.
- The 2010 tax roll reflects the second decrease after four years of increase which preceded three years of decline in overall assessed valuation in ten years.



- New improvements of \$130.2 Million are included in the 2010 roll and equate to approximately 1.3% of the total roll. These improvements represent 0.8% of the Richardson portion of DCAD roll and 2.4% of the Richardson portion of the CCAD roll.

District	2010 Certified Roll	2010 New Improvements	%
CCAD	\$3,383,595,727	\$81,878,917	2.4%
DCAD	\$6,327,562,641	\$48,307,175	0.8%
<b>Total</b>	<b>\$9,711,158,368</b>	<b>\$130,186,092</b>	<b>1.3%</b>

- New improvements included in the 2010 DCAD roll are (\$10.3 million) or -17.5% less than the new improvements included in the DCAD roll for 2009 while new improvements included in the 2010 CCAD roll are down (\$67.8 million) or -45.3% from new improvements included in the CCAD roll for 2009. The total decrease in new improvements is (\$78.1 million) or -37.5% less than the 2009 tax roll new growth of \$208.3 million.

	2009 New Improvements	2010 New Improvements	Difference	Percent
CCAD	\$149,713,029	\$81,878,917	(\$67,834,112)	(45.3%)
DCAD	\$58,560,947	\$48,307,175	(\$10,253,772)	(17.5%)
<b>Total</b>	<b>\$208,273,976</b>	<b>\$130,186,092</b>	<b>(\$78,087,884)</b>	<b>(37.5%)</b>

- The following table represents the fair market value of properties in the City of Richardson. Market value is an estimation of the price at which a property would transfer for cash or its equivalent under prevailing market conditions given certain conditions.

	2009	%	2010	%	% Change
Improvements	\$6,966,711,254	60.8%	\$6,938,267,152	60.1%	-0.4%
Land	\$2,791,607,426	24.3%	\$2,788,874,453	24.1%	-0.1%
Business & Personal Property	\$1,708,610,248	14.9%	\$1,821,876,603	15.8%	6.6%
<b>Total</b>	<b>\$11,466,928,928</b>	<b>100.0%</b>	<b>\$11,549,018,208</b>	<b>100.0%</b>	<b>0.7%</b>

- Taxable values represent the same properties after all exemptions have been applied. These are the values to which all taxing entities apply the respective rates.

Roll Increase – Taxable Values								
	Residential	% Change	Commercial	% Change	BPP	% Change	Total	% Change
2001	\$3,556,206,861	7.9%	\$3,110,180,887	10.2%	\$2,141,535,354	17.9%	\$8,807,923,102	11.0%
2002	\$3,820,030,932	7.4%	\$3,089,714,225	-0.7%	\$1,755,517,943	-18.0%	\$8,665,263,100	-1.6%
2003	\$4,169,788,247	9.2%	\$2,827,745,763	-8.5%	\$1,460,920,007	-16.8%	\$8,458,454,017	-2.4%
2004	\$4,311,934,417	3.4%	\$2,663,396,379	-5.8%	\$1,356,666,064	-7.1%	\$8,331,996,860	-1.5%
2005	\$4,529,783,318	5.1%	\$2,755,659,510	3.5%	\$1,418,623,768	4.6%	\$8,704,066,596	4.5%
2006	\$4,578,470,728	1.1%	\$3,271,227,051	18.7%	\$1,394,937,977	(1.7%)	\$9,244,635,756	6.2%
2007	\$4,712,070,464	2.9%	\$3,386,900,716	3.5%	\$1,437,536,180	3.1%	\$9,536,507,360	3.2%
2008	\$4,742,302,167	0.6%	\$3,605,732,317	6.5%	\$1,566,813,227	9.0%	\$9,914,847,711	4.0%
2009	\$4,699,651,917	-0.9%	\$3,525,971,862	-2.2%	\$1,658,474,266	5.9%	\$9,884,098,045	-0.3%
2010	\$4,753,636,539	1.2%	\$3,272,140,875	-7.2%	\$1,685,380,954	1.6%	\$9,711,158,368	-1.7%
Change in Values From 2001 to 2010								
	\$1,197,429,678	33.7%	\$161,959,988	5.2%	(\$456,154,400)	(21.3%)	\$903,235,266	10.3%

Tax Roll Comparison					
	2009		2010		% Change
	\$Mil	%	\$Mil	%	
Residential	\$4,699,651,917	47.5%	\$4,753,636,539	48.9%	1.1%
Commercial	\$4,559,679,913	46.1%	\$4,330,917,824	44.6%	-5.0%
Industrial	\$440,745,577	4.5%	\$455,262,984	4.7%	3.3%
Undeveloped	\$184,020,638	1.9%	\$171,341,021	1.8%	-6.9%
<b>Total</b>	<b>\$9,884,098,045</b>	<b>100%</b>	<b>\$9,711,158,368</b>	<b>100.0%</b>	<b>-1.8%</b>

Percent of Total Value				
Tax Year	Residential	Commercial	BPP	Total
2000	42%	35%	23%	100%
2001	40%	36%	24%	100%
2002	44%	36%	20%	100%
2003	49%	34%	17%	100%
2004	52%	32%	16%	100%
2005	52%	32%	16%	100%
2006	50%	35%	15%	100%
2007	49%	36%	15%	100%
2008	48%	36%	16%	100%
2009	47%	36%	17%	100%
2010	49%	34%	17%	100%

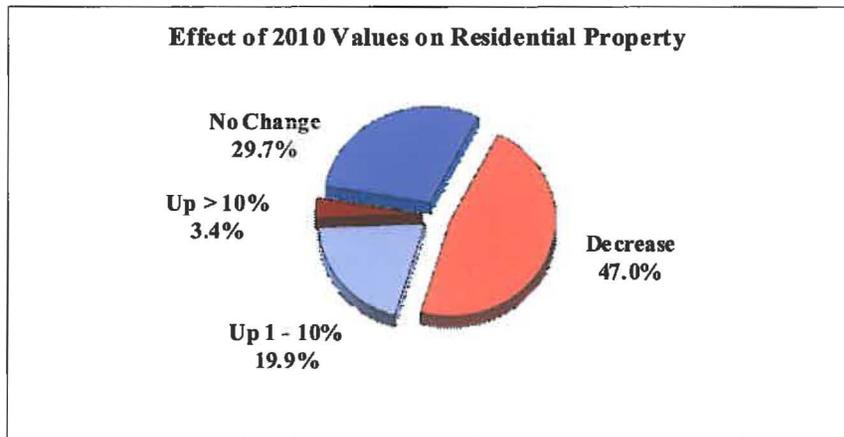
Top Ten Taxpayers		
	Taxable Value	% of Total Taxable Value
1. AT&T	\$171,182,863	1.76%
2. Bank of America	\$166,761,305	1.72%

3. Verizon	\$144,078,816	1.48%
4. Cisco Systems	\$112,912,155	1.16%
5. IBM	\$106,293,260	1.10%
6. Texas Instruments	\$103,517,919	1.07%
7. Fujitsu	\$81,691,511	0.84%
8. Nortel Networks	\$65,602,960	0.68%
9. Equastone	\$58,428,898	0.60%
10. Oncor	\$54,463,805	0.56%
<b>Total</b>	<b>\$1,064,933,492</b>	<b>10.97%</b>
<b>Total 2010 Taxable Value</b>	<b>\$9,711,158,368</b>	

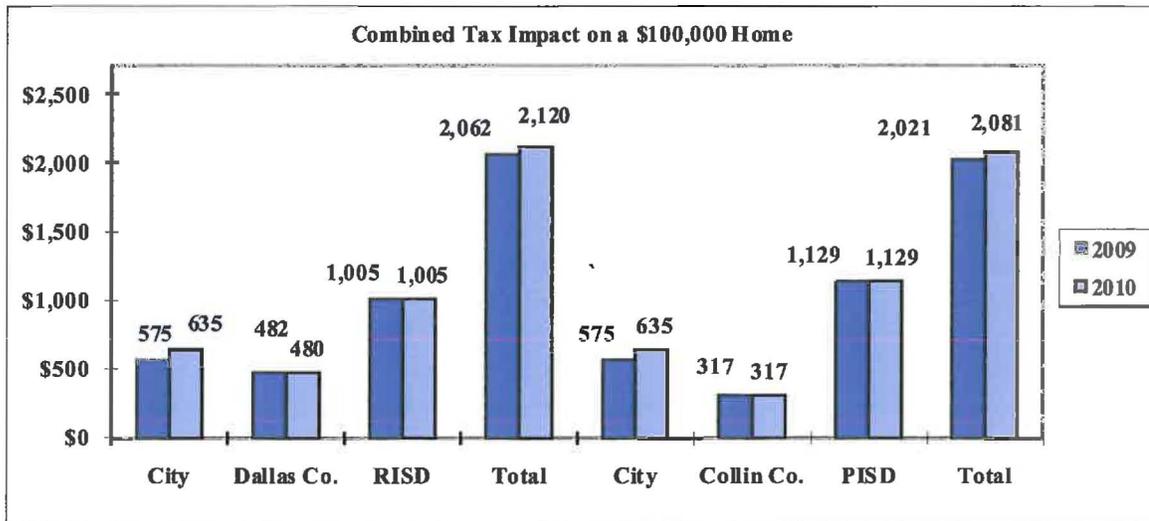
**Impact**

- Approximately 77% of all residential property received either no change or a decrease in their assessed valuation. 20% received an increase of less than 10%. Approximately 3% received an increase of greater than 10%, which includes residential new construction.

Number Residential Properties Affected by Valuation				
Impact	2009-2010		2010-2011	
	# Properties	% of Total Res. Properties	# Properties	% of Total Res. Properties
No Change	14,663	52.8%	8,357	29.7%
Decrease	5,774	20.8%	13,215	47.0%
Up 1-10%	6,923	25.0%	5,583	19.9%
Up>10%	402	1.4%	960	3.4%
<b>Total Res. Properties</b>	<b>27,762</b>	<b>100.0%</b>	<b>28,115</b>	<b>100.0%</b>



- The combined taxes on a \$100,000 home in Dallas County are expected to increase \$58 to \$2,120, while the combined taxes for a \$100,000 home in Collin County are expected to be \$2,081, an increase of \$60 from 2009.



### Senior Tax Exemption

- During the 2007-2008 Fiscal Year, Council approved a resolution that increased the exemption for senior citizens and disabled persons from \$50,000 to \$55,000. This modification was intended to provide tax relief for senior citizens of approximately 30% of the value of the average home.
- Based on information contained in the Certified Tax Rolls, this goal has been maintained for the 2010 tax year. The average home value for a Senior Citizen is \$178,079, and exempting \$55,000 from taxation provides approximately a 31% benefit.

Average Senior Home Value Statistics				
Tax Year	Senior Exempt.	Avg. Sr. Home Mkt. Value (1)	% Change From Year to Year	% of Total Val
2002	\$30,000	\$146,315	9.54%	20.50%
2003	\$30,000	\$151,997	3.88%	19.74%
2004	\$30,000	\$155,650	2.40%	19.27%
2005	\$30,000	\$163,726	5.19%	18.32%
2006	\$50,000	\$168,609	2.98%	29.65%
2007	\$50,000	\$173,581	2.95%	28.80%
2008	\$55,000	\$178,094	2.60%	30.88%
2009	\$55,000	\$178,961	0.49%	30.73%
2010	\$55,000	\$178,079	(0.49%)	30.89%

1. Average market value includes all accounts that have Over 65, Surviving Spouse and Disabled Person Exemption

<b>Current 2009-2010 Adopted Rates</b>				
City	2010 Tax Rate	2010 Homestead	2010 Over 65	2010 Over 65 Freeze
Mesquite	\$0.640000	N/A	\$65,000	Yes
Dallas	\$0.747900	20%	\$64,000	No
Carrollton	\$0.617875	20%	\$60,000	No
Arlington	\$0.648000	20%	\$60,000	Yes
<b>Richardson</b>	<b>\$0.635160</b>	N/A	<b>\$55,000</b>	No
Garland	\$0.704600	8%	\$51,000	No
<i>Average</i>	<i>\$0.629287</i>		<i>\$50,769</i>	
Frisco	\$0.477600	N/A	\$50,000	No
Allen	\$0.555000	N/A	\$50,000	No
McKinney	\$0.585500	N/A	\$50,000	No
Grand Prairie	\$0.669998	1%	\$45,000	Yes
Plano	\$0.503500	20%	\$40,000	Yes
Ft. Worth	\$0.855000	20%	\$40,000	Yes
Irving	\$0.540600	20%	\$30,000	No

- In 2005-2006, Council modified the City's Financial Policies to protect this benefit from being eroded in future years. Section VI, C provides that Council will review this exemption on an annual basis during the budget process, with a goal to maintain a tax benefit of approximately 30% of the average home value.
- The number of senior property tax exemptions (for persons 65 and older, disabled persons, and surviving spouses) increases by 206, representing 23.6% of total residential properties for 2009-2010. The revenue impact of the recently revised \$55,000 exemption for 2010-2011 is \$2.4 million.

<b>Senior Citizen Exemptions</b>			
Year	Number	Total Residential Properties	% of Total
2002-2003	5,479	27,456	20.0%
2003-2004	5,617	27,458	20.5%
2004-2005	5,630	27,453	20.5%
2005-2006	5,737	27,625	20.8%
2006-2007	5,923	27,749	21.3%
2007-2008	6,095	27,947	21.8%
2008-2009	6,302	27,904	22.6%
2009-2010	6,563	27,762	23.6%
2010-2011	6,769	28,115	24.1%

**Franchise Fees**

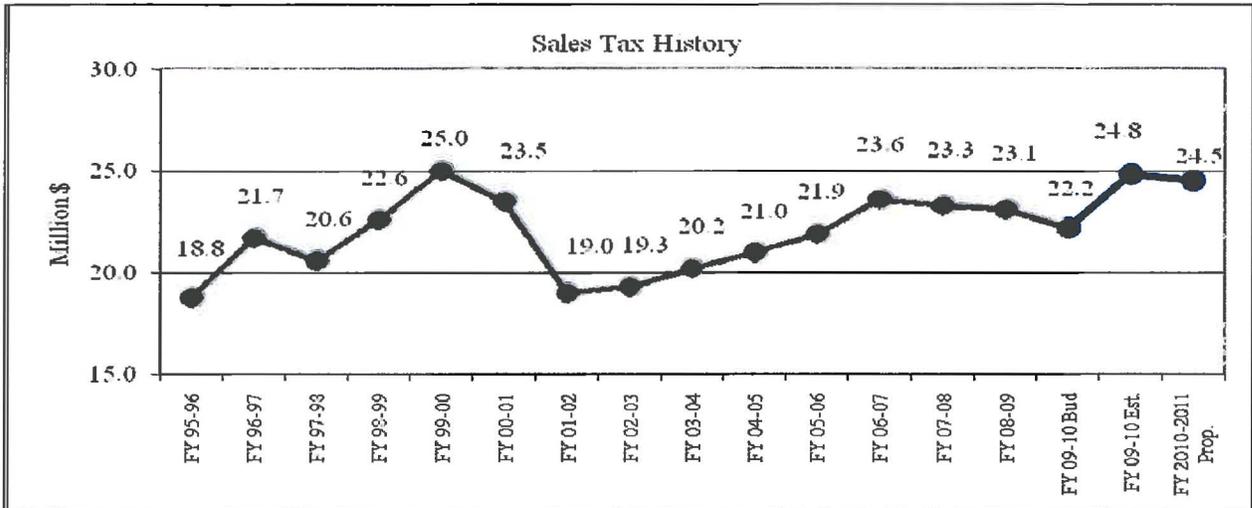
- Franchise Fees are projected at \$12.6 million for 2010-2011, an increase of \$532,000 or 4.4% over estimated year-end. The majority of the increase is in the Electric and Water and Sewer Franchise Fees as both of those return to a more standard level of consumption. The remaining increase is spread modestly across the other franchise fees.

**Sales and Other Business Taxes**

- Sales and Other Business Taxes are projected at \$24.9 Million for next year reflecting a decrease of (\$211,000) or -0.8% from estimated year-end revenues. Mixed Beverage and the Bingo tax are proposed at a 3% growth or \$12,000 over year-end. Sales Tax, the largest of the three in this category, is projected to decrease of (\$223,000) or -0.9% from year-end estimates based on current trends. The estimate is a bit deceiving in that we are actually expecting continued recovery in sales tax of 3% in FY 2010-2011. We have to remember that the year-end 2009-2010 estimate includes nearly \$1 million in non-recurring audit adjustments. Those adjustments are not included in the forecast for next year, only the “base” collection.

FY 09-10 Base Estimate	Projected Growth Rate	FY 10-11 Budget
\$ 23,824,946	3.00%	\$ 24,539,694

- Each quarter, the City receives a report from the State Comptrollers Office detailing the individual sales tax remitters who pay more than \$25,000 in state sales tax during the prior twelve months. For the latest report, the City had an average of 2,700 remitters per month. Out of that, the top 10 of both retail and high tech account for 20% to 50% of the total amount we receive in any given month.
- Our Top 10 Retail sales tax payers account for between 10% and 20% of our monthly totals and have contributed between \$3.0 million to \$3.5 million annually for the last three years.
- Our Top 10 High Tech companies account for 10% to 30% of our monthly totals and have contributed between \$3.8 million and \$5.0 million annually for the last three years. The majority of our sales tax collections are the result of “business to business” sales.



**License and Permits**

- License and Permits is projected to increase \$39,000 from the year-end estimate of \$1.4 million and includes modest growth in all categories.

**Fines and Forfeits**

- Fines and Forfeits are expected to increase \$114,000 or 3.0% from the 2009-2010 estimated year-end position of \$3.8 Million. The revenue in this category is received through the Municipal Court and Library with the majority of the growth expected in Court activity.

**Revenue from Money and Property**

- Interest earnings continue the slow performance evidenced over the last couple of years and are expected to decrease another (\$60,000) or -54.4% this year. If the economy begins a stronger recovery this year, interest earnings will rise by year-end. Bookings at the Civic Center continue to reflect the communities need for affordable meeting space. With minimal expected growth in use and the increased fees proposed above, revenue is expected to increase \$6,000.

**Recreation and Leisure Services**

- Recreation and Leisure Services revenues are budgeted at \$3.3 Million, an increase of \$64,000 over 2009-2010 year-end estimates and includes modest growth across all categories, but does include growth in athletic fees with the Breckinridge ball fields coming back on-line.

**Other Revenue**

- Projected at \$4.0 million or \$79,000 above estimated year-end for 2009-2010.

**General and Administrative/Transfers**

- Total revenue from G & A Transfers is projected at \$8.0 million, an increase of \$707,000 over FY 2009-2010 year-end estimates. In addition to the standard inflation and operational adjustments to the Water and Sewer and Solid Waste Fund, we will

see decreases in 2 transfers. The Wireless Fund will decrease (\$50,000) and allow that fund to rebuild its fund balance. That transfer is used to help offset the cost of 911 telecommunicators in the Police Department. The Golf Fund G&A will decrease (\$61,000) this year to provide some temporary relief while the fund recovers from the decrease in rounds played experienced in FY 2009-2010. The largest increase is in the Capital Projects G&A. The increase offsets the cost of employees whose primary focus is the capital program. These 14 employees were previously funded directly from bond proceeds, but will be reflected in the General Fund beginning in 2010-2011. The transfer will be stepped down to zero over the next three years as we absorb these costs as part of the operating budget.

### REVENUES

(Variances of \$50,000 or greater – 2009-2010 Estimated to 2010-2011 Budgeted)

<b>Property Taxes</b>		<b>(\$915,615)</b>
Current Taxes	(\$853,115)	
Penalties and Interest	(\$63,473)	
<b>Franchise Fees</b>		<b>\$532,486</b>
Electric	\$261,396	
Gas	\$60,468	
Water and Sewer	\$144,406	
<b>Sale and Other Business Taxes</b>		<b>(\$211,462)</b>
Sales Tax	(\$223,236)	
<b>License and Permits</b>		<b>\$39,134</b>
<b>Fines &amp; Forfeits</b>		<b>\$113,828</b>
Municipal Court	\$110,538	
<b>Revenue From Money/Property</b>		<b>(\$53,457)</b>
Interest Earnings	(\$59,457)	
<b>Recreation and Leisure</b>		<b>\$64,423</b>
<b>Other Revenue</b>		<b>\$79,445</b>
<b>General and Administrative</b>		<b>\$707,351</b>
G & A Golf Operations	(\$61,319)	
Transfer – Wireless Fund	(\$50,000)	
Transfer – Spl. Rev. Fund Closure	(\$100,515)	
G & A – Capital Projects	\$875,000	

## **Expenditures**

Total Expenditures and Transfers for the General Fund are projected at \$94.2 million or 0.4% above the 2009-2010 year end estimates of \$93.9 million. Operating Expenditures, which exclude transfers, are projected at \$93.2 million reflecting a \$1.8 million or 1.9% increase beyond year-end estimates.

Like last year's proposed budget, this presentation is notable as much for what it does as for what reductions were inevitable given our current economy. Great care was taken to insure that basic services, notably Police and Fire are able to continue with minimal service impacts to the residents.

**Personal Services** – Personnel is always the largest expense and most valuable resource for an organization whose primary purpose is the provision of services to the public. Personal Services are presented at \$72.2 Million, an increase of \$2.9 million or 4.2% higher than year-end estimate of \$69.3 Million and account for 76.7% of the total General Fund operating budget. The key personnel issues addressed in this proposal include:

- ***Movement within approved pay plan ranges*** – (\$500,000) - Approximately 49% of all city personnel are at the top of their pay range. The remaining 51% have room to grow within their approved pay plan ranges. Historically the annual movement has been on a 5% growth step that can be earned for each year service until the top of the pay range is reached, usually within a 4-5 year period, which is a consistent pay plan program utilized in public safety across the Dallas-Fort Worth Metroplex.

<b>City of Richardson - Representative Salaries</b>		
<b>Position</b>	<b>Pay Range Starting Step</b>	<b>Pay Range Final Step</b>
Accountant II	\$43,656	\$61,440
Administrative Secretary II	\$26,916	\$37,932
Assistant Municipal Court Clerk	\$30,648	\$43,164
Building Inspector	\$43,128	\$57,936
Code Enforcement Officer	\$39,096	\$55,176
Custodian	\$21,276	\$31,404
Driver/Loader - Solid Waste	\$25,248	\$36,396
Environmental Health Specialist	\$43,176	\$60,732
Fire Captain	\$79,884	\$86,016
Firefighter/Paramedic	\$45,456	\$64,032
Heavy Equipment Operator	\$31,416	\$44,244
LAN Technical Specialist	\$53,448	\$71,628
Librarian	\$40,968	\$57,624
Maintenance Helper I	\$27,156	\$34,656
Police Lieutenant	\$83,724	\$92,412
Police Officer	\$45,180	\$67,164
Projects Engineer	\$66,456	\$93,492
Public Safety Telecommunicator I	\$32,880	\$46,296

<b>Employees at Top of Salary Range</b>			
<b>Selected Departments</b>			
<b>Department</b>	<b>Current Employees</b>	<b>Number at Top of Range</b>	<b>Percent at Top of Range</b>
Eisemann Center	25	9	36%
Information Services	23	16	70%
Police	232	107	46%
Fire	146	100	68%
Engineering – Capital Projects	20	11	55%
Solid Waste - Residential	39	7	18%
Streets	32	23	72%
Traffic and Transportation	24	13	54%
Facilities Services	27	15	56%
Parks - Maintenance	50	28	56%
Library	30	14	47%
Animal Control	10	3	30%
Water Operations	14	5	36%
Fleet Services	21	10	48%

- ***Continued Full Year Freeze on 11 positions and Understaffing of 13 positions for a total savings of (\$1.3 Million).***
  - The frozen positions currently include; 1 Maintenance Helper II and 1 Maintenance Specialist in PARD, 1 Librarian, 1 Library Clerk, 2 Sr. Library Clerks, 1 Sr. Custodian and 1 Sr. Maint. Tech in Facilities, 1 Police Specialist, 1 Detention Officer and 1 Tax Clerk for a total projected savings of (\$547,000). The idea is to maintain a consistent level of savings from frozen positions, while allowing the “mix” of positions to change as other positions open up throughout the year. Management will fill selected positions as warranted while attempting to maintain the targeted (\$547,000) savings.
  - Understaffing is a way of recognizing savings that occur during the year through normal vacancy rates and is a particularly useful tool in larger, personnel intensive departments like Police and Fire. The City has always understaffed a certain number of sworn and non-sworn personnel in recognition that over the course of 12 months, a certain amount of salary savings is always achieved as employees come and go. The Police and Fire Departments do not slow down or otherwise change hiring and staffing objectives, but we recognize the salary savings up front, rather than at the end of the year. For FY 2010-2011, 4 Fire Fighters, 9 Police Officer and 2 Detention Officer positions are understaffed for an estimated year-end savings of (\$774,000)
- ***Moved 14 positions from the Bond Program to the General Fund totaling \$1.2 Million.*** The City is not adding positions to the payroll. Prior to FY 2010-2011, the following existing positions have been funded by prior bond programs since the primary purpose for each employee, was the implementation and monitoring of the City’s Capital Projects initiatives. We are simply moving their funding to the General Fund and offsetting that with the Capital Projects G&A Transfer.
  - Accounting - Accountant II (1)

- Capital Projects Engineering – Administrative Secretary I (1), Construction Inspector I (2), Construction Inspector II (3), Project Engineer (3), Assistant Director of Engineering (1)
- PARD Administration – Parks Planner (2)
- Budget Office – Senior Budget Analyst (1)
- ***Continued Funding for the Employee Retirement Program*** – The City of Richardson experienced rapid growth and expansion during the 60's, 70's and 80's. City Staff, in particular Police and Fire had to expand along with a growing population. The City is proud of, and well served by the tenure and experience our employees bring to their jobs. Of the 949 employees currently on payroll, 160 or 17% have over 20 years service while another 134, or 14% have over 15 years experience with the City. Together, they account for 31% of our full time staff. We remain committed to funding our retirement system for these, and indeed all our employees.
- For FY 2010-2011, changes are proposed to three features of the program that will protect the employees retirement while reducing the long-term liabilities of the City.
  - Updated service credits will be reduced from 100% to 50%,
  - Transfer Updated Service Credits will be eliminated, and
  - Cost of living adjustments will be reduced from the current 70% of the change in the CPI to 50%.
- **TMRS System**
  - TMRS created by State law in 1947 to provide secure retirement for municipal employees
  - Richardson became a member of TMRS in January 1960 and currently has 438 retirees
  - 833 member cities at the end of 2009
  - Richardson's plan costs are amortized over 30 years.
  - TMRS is 75.8 % funded.
    - Richardson is 71.6% funded with new changes.
  - TMRS is in good financial shape with \$16.3 billion in assets at 12/31/2009.
- **TMRS Outlook**
  - Reducing the three plan features will reduce the current unfunded liability by \$29.1 million from \$104.8 to \$75.7 million
    - The unfunded liability will be eliminated over the next 30 years by ongoing contributions, interest earnings, and actuarial assumptions.
    - By making these changes, Richardson's plan would be 71.6% funded compared to its current funding ratio of 64.5%.
  - The proposed changes will continue to provide a competitive retirement benefit to the employee that is sustainable for the future.

- **Discontinuation of auto allowances for Director, Assistant Directors and single step employees (department heads and direct reports to CMO) - \$339,000.** Prior to FY 2010-2011, the City of Richardson used automobile allowances as an incentive for attracting and retaining the highest caliber public management professional available. This year, auto allowances for these employees have been moved into their base pay affecting 57 employees with 81 remaining on car allowances. A corresponding reduction of expenditures is seen in the Contracts category.
- **Personnel Items Not Addressed By This Budget Include;**
  - **CORplan – Health Insurance** - No changes are proposed to the CORPlan for 2010-2011 due to the excellent performance of this fund the last couple of years.
    - \$10.1 million annual funding with revenue available if needed.
    - Key changes implemented in 2008-2009 Budget.
    - Presently, the City of Richardson contributes 68% of CORPlan while the average of the Big13 cities is 76%.
  - **Market Adjustment – (\$670,000)** - Since 1995-1996, the City has proactively reviewed approved pay ranges to insure market compatibility once these ranges have been coordinated with the merit package in an effort to recruit and retain high quality employees.
  - **Merit Salary Increase** – The City has only provided merit increases 2 times in the past 10 years. A 1% merit adjustment would account for a \$488,000 commitment

Fiscal Year	Merit Increase
2000-2001	3%
2001-2002	2%
2002-2003	0%
2003-2004	0%
2004-2005	0%
2005-2006	0%
2006-2007	0%
2007-2008	0%
2008-2009	2%
2009-2010	0%
2010-2011	0%

	Budget 2001-2002	Proposed 10/1/2010	Prop 2010-2011 vs. Bud 2001-2002	
			Cumulative #	Cumulative %
City Secretary	1	1	-	0.00%
General Government	9	8	(1)	-11.11%
Budget	1	2	1	100.00%
Community Events	5	2	(3)	-60.00%
Convention and Visitors Services	0	2	2	N/A
Emergency Management	0	1	1	N/A
Neighborhood Services	0	14	14	N/A
Information Services	22	23	1	4.55%
Accounting	11	11	-	0.00%
Finance Administration	5	4	(1)	-20.00%
Purchasing	7	5	(2)	-28.57%

Tax	3	2	(1)	-33.33%
Municipal Court	15	14	(1)	-6.67%
Human Resources	6	6.5	0.5	8.33%
Civic Center	3	2	(1)	-33.33%
Police	259	245	(14)	-5.41%
Fire	151	150	(1)	-0.66%
Capital Projects Engineering	11	20	9	81.82%
Planning	7	7	-	0.00%
Development and Engineering	6	4	(2)	-33.33%
Building Inspection	26	15	(11)	-42.31%
Streets	37	34	(3)	-8.11%
Traffic and Transportation	30	26	(4)	-13.33%
Facilities Services	31	29	(2)	-6.45%
Parks - Administration	9	11	2	22.22%
Parks - Recreation	11	11	-	0.00%
Parks - Older Adults	4	3	(1)	-25.00%
Parks - Tennis	1	1	-	0.00%
Parks - Maintenance	68	54	(14)	-20.59%
Library	36	35	(1)	-2.78%
Citizens Information Television	4	3	(1)	-25.00%
Franchise and Regulatory Affairs	2	-	(2)	-100.00%
Citizens Information Services	4	4	-	0.00%
Health	16	6	(10)	-62.50%
Animal Services	0	10	10	N/A
Fleet Services	26	22	(4)	-15.38%
Customer Service	14	15	1	7.14%
Public Services Administration	3	3	-	0.00%
GIS	2	3	1	50.00%
Water Operations	15	15	-	0.00%
Water Production	10	12	2	20.00%
Meter Shop	7	7	-	0.00%
Sewer Treatment	2	2	-	0.00%
Sewer Collection	9	10	1	11.11%
Construction	16	14	(2)	-12.50%
Solid Waste - Residential	47	42	(5)	-10.64%
Solid Waste - BABIC	0	10	10	N/A
Solid Waste - Commercial	10	12	2	20.00%
Solid Waste - Recycling	1	6	5	500.00%
Eisemann Center	15	26	11	73.33%
Golf	18	16	(2)	-11.11%
Mail Service	2	1	(1)	-50.00%
Records Management	1	2	1	100.00%
Warehouse	3	2	(1)	-33.33%
Capital Projects	18	0	(18)	-100.00%
CORPlan	2	2.5	.5	25.00%
Grant Fund	1	1	(0)	0%
<b>Total</b>	<b>1,023</b>	<b>989</b>	<b>(34)</b>	<b>-3.32%</b>

### Non-Personal Services

For FY 2010-2011, Non-Personal Services operating line items account for \$21.0 million or 23.3% of the operating budget for the General Fund. Through a general tightening across all departments and line items, the 2010-2011 budget reflects a reduction of (\$1.1 million) or -5.1% from the estimated 2009-2010 expenditures.

## **Park and Recreation**

- For 2010-2011, a total of \$1.4 million of park improvements, maintenance projects and equipment/vehicle replacements are planned using our traditional \$2.9 million annual CO's. The operating budget contains \$519,787 of funding for routine maintenance throughout the park system.

	<b>CO's</b>	<b>Operating Budget</b>
Botanical		\$171,292
Irrigation System Maintenance		136,500
Building and Facility Improvements		130,000
Electrical System Maintenance		116,000
Land		40,000
Plumbing Systems Repair		42,995
Matching Fund Beautification	\$166,000	
Hydraulic Irrigation Replacement (New Item)	130,000	
Sweeper - Replacement (1)	125,000	
Shuttle Bus - Replacement (1)	96,000	
Pavilion Roof Replacements - Neighborhood Parks (4)	96,000	
Loader/Backhoe - Replacement (1)	89,000	
Hi Speed Rotary Mower - Replacement (1)	84,000	
Water Pressure Booster Pumps at Yale and Berkner Parks (2)	68,000	
Cottonwood Park Erosion Renovations	60,000	
Mini Excavator - New (1)	50,000	
12 Foot Cargo Van - Replacement (1)	43,000	
Chemical Sprayer Cart - New (1)	39,000	
1 Ton Crew Cab Dump Truck - Replacement (1)	39,000	
Water Cannon - Replacement (1)	38,000	
Ball field Roller - New (1)	35,000	
Old Matching Fund Beautification Renovations	30,000	
Planting Bed Renovations along US75	25,000	
Storage Building at Huffhines Park for Athletic Field Equipment	20,000	
Storage Building at Breckinridge Park for Athletic Field Equipment	20,000	
Secondary Sanitation System - Glenville Pool	18,500	
Secondary Sanitation System - Cottonwood Pool	18,500	
Demolish Baby Pool - Cottonwood	15,000	
Shade Structure - New (2)	11,000	
Steel Storage Building at Breckinridge Park	11,000	
Shade Structure at Canyon Creek - New	9,500	
Security Lighting at Terrace Pool - Replacement	8,500	
Iron Fence at Terrace - Replacement	8,000	
Stacking Chairs (75)	7,500	
Handicap Chair Replacement	5,500	
Card Tables (28)	5,460	
Pool Furniture Replacement	5,000	

18 Foot Pipe Rail Trailer - Replacement (1)	2,600	
16 Foot Trailer - Replacement (1)	2,200	
<b>Totals</b>	<b>\$1,383,160</b>	<b>\$519,787</b>

- Over the last 16 years, much of the increase in maintenance has been handled using contract services. This has allowed the division to maintain an acceptable rotation of grounds maintenance on parks, medians, roadsides, and public properties. Privatization of the following projects/responsibilities are presently being contracted out:

Landscape Maintenance:	Others:
Median landscape maintenance	Street sweeping
US 75 landscape maintenance	Parks restroom cleaning
Pool landscape maintenance	Water management of five swimming pools
Duck Creek Park landscape maintenance	Street banner program
Memorial Park landscape maintenance	Arboricultural Services
Fire Station #5 landscape maintenance	
Public Safety Complex landscape maintenance	
DART right-of-way landscape maintenance	
Ruth Young Park landscape maintenance	
Renner Parkway landscape maintenance	
Bluett Cemetery landscape maintenance	

	<b>Budget 2008-2009</b>	<b>Proposed 2010-2011</b>
Street Sweeping Contract	\$259,386	\$200,000
Median Beautification Maintenance Contract	\$313,815	\$379,500
Landscape Maintenance	\$355,597	\$451,280
Arboricultural Services	\$103,557	\$24,000
Parks Restroom Cleaning	\$54,753	\$57,500
Street Banner Program	\$26,400	\$27,720
<b>Total</b>	<b>\$1,113,508</b>	<b>\$1,140,000</b>

- The 2010-2011 Budget requests for matching Fund Beautification projects are:

<b>Homeowners Association</b>	<b>Amount</b>
Richardson Women's Club	\$12,000
Richardson Heights	\$1,000
North College Park	\$7,500
Pinery	\$3,000
Richland Park	\$20,000
The Reservation	\$8,000
Yale Park	\$14,000
Prairie Creek Garden Club	\$20,000
Canyon Creek	\$20,000
Late Entries	\$20,000
Water Taps	\$40,500
<b>Total</b>	<b>\$166,000</b>

## **Public Safety Enhancements**

### ***Police Department –***

- ***Vehicles*** - Replacement of 10 pursuit vehicles and 2 canine vehicles are proposed for funding in the CO equipment list.

<b>Police Department Capital Equipment</b>	
Patrol Vehicles - Replacement (10)	\$349,400
Canine Units/Tahoes - Replacement (2)	\$64,830
<b>Total</b>	<b>\$414,230</b>

- ***Tactical Equipment*** – \$16,000 of body armor replacement is included in the \$74,000 proposed for uniform replacement. Funding for these is provided through the operations fund.

### ***Fire Department –***

- ***Vehicles*** – \$185,000 has been proposed for two vehicle replacements including an ambulance for \$140,000 and 1 command vehicle for \$45,000. The replaced units will be moved to front-line reserve status, while the oldest of each type will be removed from service and sold at auction.
- ***Tactical Equipment*** – \$85,000 is proposed to move the temporary building from Station 2 to Station 5. Multi-Gas Detectors and Confined Space Kits as well as standard hose replacement are proposed at \$21,300 while another \$17,000 is requested for the replacement of 1 Bunker Gear Washer Extractor and 1 Bunker Gear Dryer to comply with NFPA Standard 1851.
- ***Physical Assessment*** – \$74,000 will fund the annual firefighter physical exams provided by the City through Concentra Medical Centers include a urinalysis, blood work including PSA for male firefighters, EKG, audiogram, vision screening, TB test, pulmonary function test, chest X-ray (2 views), body fat composition, and physician's physical examination. Mammograms for female firefighters are done through the annual CORPlan offering. Firefighters over the age of 40 receive either an annual stress test administered by the Heartplace or a heart/lung electron beam tomography (EBT) performed by ViaScan of Las Colinas. The test selection is based on physician's recommendation along with individual needs and choice. If the EBT is performed then the chest X-rays are redundant and not recommended. The EBT is much more detailed than a standard chest X-ray and involves additional radiation exposure.
  - The standard physical costs \$340.00 per person
  - Heart/Lung Scan EBT is offered to firefighters over 40
  - A standard physical with the EBT costs \$573.00 and the chest x-ray is eliminated from the standard physical.
  - Standard Physical with EKG and stress test is \$515.00
- \$308,300 of capital items is included on the proposed short-term CO's list for use in Fire Services.

	4 Year CO's	8 year CO's
Ambulance - Replacement (1)		\$140,000
Battalion Chief Command Vehicle - Replacement (1)		45,000
Station 5 Metal Building (Relocate Temp. Building)	\$85,000	
Mutli-Gas Detectors for Engines (6)	4,500	
Multi-Gas Detectors and Confined Space Kits for HAZMAT and Rescue 4 (4)	6,800	
Fire Hose Replacement	10,000	
Bunker Gear Washer/Extractor	10,000	
Bunker Gear Dryer	7,000	
<b>Total</b>	<b>\$123,300</b>	<b>\$185,000</b>

### Street Repair and Rehabilitation

- For the last fifteen years, the City dedicated a portion of the total tax rate to street rehabilitation. This year, we again dedicate a full one-cent of the tax rate or \$969,678. This funding will allow for ongoing street leveling, crack sealing and “clean sweep” projects.
- For FY 2010-2011, the city is continuing the two-pronged focus on street maintenance, begun in 2006-2007, through utilization of operations funding and the CIP program. In operations, \$390,000 is proposed for FY 2010-2011. This funding will be used in three ways. The traditional concrete repair program will be funded at \$225,000. The asphalt repair program will receive \$155,000, while the Screening Fence Repair Program is budgeted at \$10,000. Routine street repair funding is also included in the proposed operating budget.

	Actual 2008-2009	Estimated 2009-2010	Proposed 2010-2011
<b>Street Rehabilitation Fund</b>	<b>\$994,019</b>	<b>\$991,361</b>	<b>\$969,678</b>
<b>Operating Budget</b>			
Misc. Street & Alley Concrete Repairs	\$195,368	\$185,000	\$225,000
Misc. Asphalt Overlay Projects	\$104,845	\$112,500	\$154,845
Screening Fence repairs	\$10,461	\$9,060	\$10,461
<b>Subtotal Operating Budget</b>	<b>\$310,674</b>	<b>\$306,560</b>	<b>\$390,306</b>
<b>Total Street Rehab and Operating</b>	<b>\$1,304,693</b>	<b>\$1,297,921</b>	<b>\$1,359,984</b>

- Street vehicle and equipment replacements totaling \$46,000 are proposed for funding as a part of the equipment CO's.

Roller/Compactor - Replacement (1)	\$36,500
Trailer Mounted Arrowboard - Replacement (2)	9,000
<b>Total</b>	<b>\$45,500</b>

### Traffic Safety

- The Traffic Safety Fund was established in March 2006 when Richardson began the operation of red light cameras. City code and state law requires the creation of the Traffic Safety Fund and specifies revenues generated from red light cameras can only

be used for the costs of operating the enforcement system, public traffic or pedestrian safety programs, traffic enforcement, and intersection improvements. Additionally, Senate Bill 1119 requires the City to return to the State 50% of revenue generated from the cameras after the cost of operating the camera system is subtracted. For FY 2010-2011, the Traffic Safety Fund is able to absorb \$565,000 of expenses from the Police and Traffic Departments that would otherwise have to be funded in the General Fund. These items include signs, markings, signal and video camera maintenance, as well as overtime and supplies for traffic safety emergency issues for the Police Department. All expenditures from this fund are in compliance with allowable uses according to state law. An additional \$236,000 will be provided for system maintenance in the operations fund for a total of \$800,000 in traffic safety improvements and maintenance.

	Operations	Traffic Safety Fund
Traffic Signs	\$50,000	\$25,000
System Design and Traffic Counts	35,000	10,000
Signal System and Lights Main.	60,000	60,000
Street Light Maintenance	10,000	50,000
Video Cameras/Maintenance	20,000	30,000
Barricades	10,000	0
Police Traffic Enforcement Supplies	0	142,461
Police Traffic Overtime	0	113,651
Markings	50,000	100,000
Crash Incident Software	0	21,000
Professional Training	1,000	12,000
<b>Total</b>	<b>\$236,000</b>	<b>\$564,112</b>

### Short-term CO's

- In addition to the expenditures proposed in the base operating budget for the General Fund, \$2.9 Million of 4 year and \$185,000 of 8 year public property Certificates of Obligation (CO's) are proposed to fund major General Fund infrastructure maintenance, technology improvement, public safety and miscellaneous equipment purchases and replacement initiatives for 2009-2010.

Proposed Short-term CO's - Series 2010		
Amount	Length	Initiatives Funded
\$2,900,000	4-year	Infrastructure maintenance, technology improvement, and miscellaneous equipment purchases and replacement
\$185,000	8-year	Ambulance and Battalion Chief vehicle replacement

General Fund Department	Request	4 Yr. Debt Financed	8 Yr. Debt Financed
<b>Emergency Management</b>			
Real-Time Weather Streamer	\$1,500	\$1,500	
Equipment Tracking System	2,300	2,300	
Weather Information Network	2,600	2,600	
<b>Subtotal Emergency Management</b>	<b>\$6,400</b>	<b>\$6,400</b>	

<b>Information Services</b>			
Additional Disk Storage for Mainframe	\$50,000	\$50,000	
Replacement of UPS at the Municipal Court	50,000		
Replacement of Network Router	80,000	80,000	
Information and Communication System Improvements	125,000	125,000	
<b>Subtotal Information Services</b>	<b>\$305,000</b>	<b>\$255,000</b>	
<b>Police</b>			
Patrol Vehicles - Replacement (10)	\$349,400	\$349,400	
Canine Units/Tahoes - Replacement (2)	64,830	64,830	
<b>Subtotal Police</b>	<b>\$414,230</b>	<b>\$414,230</b>	
<b>Fire</b>			
Station 5 Metal Building (Relocate from Station 2)	\$85,000	\$85,000	
Mutli-Gas Detectors for Engines (6)	4,500	4,500	
Multi-Gas Detectors and Confined Space Kits for HAZMAT and Rescue 4 (4)	6,800	6,800	
Fire Hose Replacement	10,000	10,000	
Ambulance - Replacement (1)	140,000		140,000
Battalion Chief Command Vehicle - Replacement (1)	45,000		45,000
Fire Investigator Vehicle - New (1)	28,000		
Bunker Gear Washer/Extractor	10,000	10,000	
Bunker Gear Dryer	7,000	7,000	
Wellness/Fitness Equipment	11,000		
<b>Subtotal Fire</b>	<b>\$347,300</b>	<b>\$123,300</b>	<b>\$185,000</b>
<b>Streets</b>			
2 Yard Dump Truck with Arrowboard - New (1)	\$39,000		
Roller/Compactor - Replacement (1)	36,500	36,500	
Trailer Mounted Arrowboard - Replacement (2)	9,000	9,000	
<b>Subtotal Streets</b>	<b>\$84,500</b>	<b>\$45,500</b>	
<b>Traffic and Transportation</b>			
Sign Post Driver/Drill - Replacement (2)	\$10,000	\$10,000	
<b>Subtotal Traffic</b>	<b>\$10,000</b>	<b>\$10,000</b>	
<b>PARD - Recreation</b>			
Cottonwood Park Electricity for Festivals	\$61,000		
<b>Subtotal PARD - Recreation</b>	<b>\$61,000</b>		
<b>PARD - Older Adults</b>			
Shuttle Bus - Replacement (1)	\$96,000	\$96,000	
Card Tables (28)	5,460	5,460	
Stacking Chairs (75)	7,500	7,500	
<b>Subtotal PARD – Older Adults</b>	<b>\$108,960</b>	<b>\$108,960</b>	
<b>PARD - Pools</b>			
Secondary Sanitation System - Glenville Pool	\$18,500	\$18,500	

Secondary Sanitation System - Cottonwood Pool	\$18,500	\$18,500	
Pool Furniture Replacement	5,000	5,000	
Shade Structure at Canyon Creek - New	9,500	9,500	
Handicap Chair Replacement	5,500	5,500	
Iron Fence at Terrace - Replacement	8,000	8,000	
Demolish Baby Pool - Cottonwood	15,000	15,000	
Security Lighting at Terrace Pool - Replacement	8,500	8,500	
<b>Subtotal PARD - Pools</b>	<b>\$88,500</b>	<b>\$88,500</b>	
<b>PARD - Tennis</b>			
Shade Structure - New (2)	\$11,000	\$11,000	
<b>Subtotal PART - Tennis</b>	<b>\$11,000</b>	<b>\$11,000</b>	
<b>PARD - Maintenance</b>			
Matching Fund Beautification	\$166,000	\$166,000	
Cottonwood Park Erosion Project	60,000	60,000	
Safety Surface for Playgrounds (2)	25,000		
Mulch along US75	30,000		
Planting Bed Enhancements along US75	25,000	25,000	
Median Enhancements	30,000	30,000	
Repainting of Breckinridge Light Poles	25,000		
Mimosa Park Erosion Repairs	50,000		
Water Pressure Booster Pumps at Yale and Berkner Parks (2)	68,000	68,000	
Renner Road Median Improvements	250,000		
Weather Stations for Irrigation System (2)	40,000		
Tree Well Improvements - Performance Drive (Phase II)	20,000		
Soil for Athletic Field - Breckinridge Park	300,000		
Spring Creek Nature Area Trail and Drainage Renovations	35,000		
Tree Well Improvements - Performance Drive (Phase III)	21,000		
Tree Well Improvements - Performance Drive (Phase IV)	21,000		
Lake Fountain Features and Aerification - Galatyn Woodland	30,000		
Lake Fountain Features and Aerification - Fire Station 5	17,000		
Lake Fountain Features and Aerification - Crowley Park	40,000		
Lake Fountain Features and Aerification - Breckinridge Park	75,000		
Performance Drive Serpentine Wall Repair	300,000		
Hydraulic Irrigation Replacement	130,000	130,000	
Pavilion Roof Replacements - Neighborhood Parks (4)	96,000	96,000	
Storage Bldg at Huffhines Park for Athletic Field Equipment	20,000	20,000	
Storage Bldg at Breckinridge Park for Athletic Field Equipment	20,000	20,000	
Outfield Mow Strips (2)	50,000		
Steel Storage Building at Breckinridge Park	11,000	11,000	
Greenhouse Interior Road Repairs	20,000		
Greenhouse Entry Road Repairs - Phase I	25,000		

Greenhouse Entry Road Repairs - Phase II	25,000		
Greenhouse Entry Road Repairs - Phase III	25,000		
Greenhouse Entry Road Repairs - Phase IV	25,000		
Picnic Tables and Benches (22)	14,300		
Soccer Goal Replacement	15,000		
Sweeper - Replacement (1)	125,000	125,000	
Loader/Backhoe - Replacement (1)	101,000	101,000	
Water Cannon - Replacement (1)	38,000	38,000	
Hi Speed Rotary Mower - Replacement (1)	84,000	84,000	
Ball field Roller - New (1)	35,000	35,000	
Mini Excavator - New (1)	50,000	50,000	
Skid Steer Track System - New (1)	18,000		
Chemical Sprayer Cart - New (1)	39,000	39,000	
18 Foot Pipe Rail Trailer - Replacement (1)	2,600	2,600	
16 Foot Trailer - Replacement (1)	2,200	2,200	
12 Foot Trailer - Replacement (1)	1,900	1,900	
Storage Mezzanine at Service Center- New (1)	45,500		
Chemical Sprayer (200 Gal. Tank) - New (1)	16,000		
Power Buggy - New (1)	10,000		
Wheel Loader - New (1)	170,000		
Water Cannon Hose - Replacement	13,000		
Reel Mower - New (2)	113,000		
1 Ton Crew Cab Dump Truck - Replacement (1)	39,000	39,000	
3/4 Ton Extended Cab Pickup - New (1)	25,000		
12 Foot Cargo Van - Replacement (1)	43,000	43,000	
<b>Sub Total Parks Maintenance</b>	<b>\$3,075,500</b>	<b>\$1,174,700</b>	
<b>Library</b>			
Books	\$275,000	\$240,000	
<b>Subtotal Library</b>	<b>\$275,000</b>	<b>\$240,000</b>	
<b>CITV</b>			
Edit System Replacements	\$23,806	\$23,806	
Camera Replacement	41,103	41,103	
Media Archive System	8,268	8,268	
<b>Subtotal CITV</b>	<b>\$73,177</b>	<b>\$73,177</b>	
<b>Health</b>			
Office Furniture Replacement	\$10,000		
<b>Subtotal Health</b>	<b>\$10,000</b>		
<b>Animal Services</b>			
Animal Services Truck	\$42,000	\$42,000	
Storage Building	3,361	3,361	
<b>Subtotal Animal Services</b>	<b>\$45,631</b>	<b>\$45,631</b>	

<b>Fleet</b>			
Semi Tractor with Low Profile Equipment Trailer - Replacement (1)	\$150,000	\$150,000	
3/4 Ton Pickup with Service Body - Replacement (1)	38,000	38,000	
1/2 Ton Pickup - Replacement (2)	54,000	54,000	
3/4 Ton Pickup - Replacement (2)	54,000	54,000	
<b>Subtotal Fleet</b>	<b>\$296,000</b>	<b>\$296,000</b>	
<b>Total</b>	<b>\$5,212,198</b>	<b>\$2,892,398</b>	<b>\$185,000</b>

### **Fund Summary – Key Reductions and Additions**

Of course, certain reductions have been included to make this possible.

- **Professional Services** – Decreases (\$300,000) or -5.6%. The majority of this decrease, or \$275,000, is related to the work Kasner and Associates LLP performed in 2009-2010 on behalf of sales tax. The company receives a percentage based fee on the amount of sales tax they recover for the City. These fees are not budgeted in 2010-2011 and are paid only after the City receives those taxes.
- **Maintenance** – This category will increase \$149,000 or 5.0%. An additional \$154,000 will be allocated to the Traffic and Transportation Department for traffic signs, markings and signal system maintenance.
- **Contracts** – Decreases (\$567,000) or -10.0%. For FY 2010-2011. The previously mentioned reduction to automobile allowances has been rolled into salaries, creating savings in this category of (\$339,000). The City will reduce printing costs by (\$59,000) across all departments with a large part of the savings coming from CIS. We will reduce costs for the recreation catalog by including it within the Richardson Today between 4 and 6 times a year. Producing the two together reduces printing costs by (\$31,400) from year-end estimates. City-wide property/liability insurance savings create another (\$68,000) in savings as we continue to receive great rates from our carriers. The remainder of the savings is small items across many departments.
- **Supplies** - Decreases (\$433,000) or -5.3% from year-end. Part of the decrease is attributable to the inclusion of \$171,000 in 2009-2010 prior year encumbrances. Excluding these, the decrease is only (\$262,000). The change to the recreation catalog mentioned above will also affect postage, saving (\$44,000) from year-end. Fuel savings of (\$50,000), expected from lower pump pricing and (\$59,000) in parts and outside service savings result in (\$109,000) in the City's Fleet Department. The remaining (\$153,000) is smaller savings spread across the departments.

<b>Operations Line Item Expenditures Excluding Transfers (Variances in Excess of \$25,000) 2009-2010 Estimated – 2010-2011 Proposed</b>		
<b>General Fund Line Item Expenditure Increase</b>		<b>\$1,768,420</b>
<b>1102-2999</b>	<b>Personal Services</b>	<b>\$2,903,387</b>
	1101 - Supervision	\$357,237
	1102 – Clerical	(\$86,330)
	1103 - Operations Hourly	\$1,264,732
	2101 - Insurance – Personnel	\$62,184
	2201 – FICA	\$209,469
	2202 - Medicare	\$37,201
	2301 – TMRS	\$809,802
	2401 – Tuition Reimbursement	(\$55,000)
	2601 – Worker’s Compensation	(\$35,692)
	2921 – Training	\$99,327
	2941 - Compensated Absences - Sick	(\$90,000)
<b>3201-3499</b>	<b>Professional Services</b>	<b>(\$300,319)</b>
	3399 – Contractual Services – Others	(\$181,442)
	3499 – Other Professional Services	(\$103,430)
<b>4101-4599</b>	<b>Maintenance</b>	<b>\$149,261</b>
	4303 - Radio	\$45,870
	4323 – Computer Software	\$65,923
	4324 – Computer Hardware	\$103,025
	4332 – Signs	\$44,366
	4501 – Heating and Cooling	(\$60,000)
	4502 – Plumbing Systems	(\$35,124)
	4505 – Building Improvements	(\$63,280)
	4533 – Street Overlay and Repair	\$42,345
<b>5201-5999</b>	<b>Contracts</b>	<b>(\$566,560)</b>
	5211 – Equipment and Vehicle Premiums	(\$29,000)
	5299 – Other Premiums	(\$47,401)
	5311 – Phone Maintenance	(\$60,638)
	5401 - Advertising	(\$47,535)
	5501 – Printing, Binding and Copying	(\$57,979)
	5871 – Personal Auto	(\$236,179)
	5995 – Bank Charges	(\$40,000)
<b>6101-6562</b>	<b>Supplies</b>	<b>(\$432,527)</b>
	6104 – Older Adult - Trips	\$26,700
	6111 - Uniforms	(\$35,958)
	6131 – Small Tools and Equipment	(\$26,759)
	6181 - Postage	(\$34,030)
	6191 – Furniture and Equipment	(\$30,945)
	6509 - Parts	(\$30,000)
	6531 – Fuel	(\$31,448)
	6999 - Prior Year Encumbrances	(\$170,590)
<b>7102-7499</b>	<b>Capital</b>	<b>\$15,178</b>

- Listed below are \$4.2 million of Expanded Programs requested but not included in the proposed 2010-2011 General Fund Budget.

<b>Neighborhood Services</b>	City Wide Curb Painting Program	\$130,000
<b>Civic Center</b>	Interior Painting of Building	\$130,000
	Grand Hall Floor and Additional Electrical	\$48,000
	Kitchen and Storage Rework	\$134,000

	Employee Break-Area Redesign	\$45,000	
	Upgrade Concourse Directional Mapping	\$7,500	
	Artwork Replacement	\$100,000	
	Interior Plant and Tree Replacement	\$12,919	
<b>Police</b>	Investigative Specialist - Case Review	\$49,424	
	Investigative Specialist - Traffic Section	\$74,584	
	Investigative Specialist - Intelligence Unit	\$49,424	
	Police Officers (6)	\$489,968	
	Public Safety Officers (6)	\$273,247	
	Upgrade Police Assistant to Public Safety Officer	\$5,806	
	Property and Evidence Technician	\$40,231	
	Public Safety Telecommunicator Supervisor	\$68,207	
	Skywatch Surveillance Equipment	\$103,560	
	Personal Mobile Patrol Vehicles (3)	\$34,044	
	Ballistic Blanket	\$36,077	
	<b>Fire</b>	Ambulance and 9 Firefighters at Station #3	\$726,095
		Public Education Specialist	\$69,910
Fire Inspector		\$69,910	
<b>Streets</b>	Crack Sealing Crew (4 positions and equipment)	\$355,397	
<b>Traffic</b>	Emergency Traffic Signal Trailers	\$36,000	
	Bucket Truck	\$96,000	
	Traffic Mobility Technician	\$45,044	
	Transportation Manager	\$164,149	
	Traffic Calming Program - Phase III	\$75,000	
<b>Parks Administration</b>	Part-Time Receptionist/Clerk Typist	\$11,778	
	Superintendent of Urban Forestry	\$87,089	
	Superintendent of Business Affairs	\$98,474	
	Conceptual Master Plan - Glenville New Land	\$30,000	
<b>Parks Recreation</b>	Recreation Coordinator - Huffhines Recreation Center	\$58,902	
<b>Parks Older Adults</b>	Older Adult Coordinator	\$58,802	
<b>Parks Tennis</b>	Assistant Tennis Center and Program Coordinator	\$51,355	
<b>Parks Maintenance</b>	Maintenance Helper II (2)	\$60,965	
	Tree the Town	\$24,424	
<b>Library</b>	Overdrive Downloadable Audio Books	\$15,000	
	Additional Online Resources	\$9,000	
	Early Literacy Workstation	\$3,600	
<b>CITV</b>	Department Cut Restoration	\$6,543	
<b>Animal Control</b>	Kennel Attendant	\$41,761	
	Shelter Receptionist	\$35,989	
<b>Fleet</b>	Diesel Exhaust Fluid Infrastructure	\$35,000	
	On-Site Oil Analysis System	\$42,000	
	Tire Master Vertical Carousel	\$40,000	
	Smart Tag RFID System	\$35,000	
<b>Total</b>		<b>\$4,215,178</b>	

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**Fund Balance**

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- The 2010-2011 Budget maintains the financial policy of a 60-day fund balance as reflected in the adopted financial policies.

<b>General Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2008-2009</b>	<b>2009-2010</b>	<b>2009-2010</b>	<b>2010-2011</b>
Beginning Fund Balance	\$15,785,119	\$15,799,292	\$15,474,800	\$15,489,779
<b>Total Revenues</b>	<b>\$91,763,387</b>	<b>\$92,678,801</b>	<b>\$93,888,244</b>	<b>\$94,244,376</b>
Total Funds Available	\$107,548,506	\$108,478,093	\$109,363,044	\$109,734,155
Total Expenditures	\$89,829,687	\$91,687,440	\$91,441,904	\$93,210,324
Total Transfers	\$2,244,019	\$991,361	\$2,431,361	\$969,678
<b>Total Expend. &amp; Transfers</b>	<b>\$92,073,706</b>	<b>\$92,678,801</b>	<b>\$93,873,265</b>	<b>\$94,180,002</b>
Ending Fund Balance	\$15,474,800	\$15,799,292	\$15,489,779	\$15,554,153
<b>Days in Fund Balance</b>	<b>60.48</b>	<b>62.22</b>	<b>60.23</b>	<b>60.28</b>

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**General Debt Service Fund**

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<b>General Debt Service Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2008-2009</b>	<b>2009-2010</b>	<b>2009-2010</b>	<b>2010-2011</b>
Beginning Fund Balance	\$1,806,740	\$1,984,238	\$1,966,359	\$2,111,305
<b>Total Revenues</b>	<b>\$22,290,263</b>	<b>\$21,607,176</b>	<b>\$22,014,539</b>	<b>\$26,416,889</b>
Total Funds Available	\$24,097,003	\$23,591,414	\$23,980,898	\$28,528,194
<b>Total Expenditures</b>	<b>\$22,130,644</b>	<b>\$21,773,501</b>	<b>\$21,869,593</b>	<b>\$26,354,770</b>
Ending Fund Balance	\$1,966,359	\$1,817,913	\$2,111,305	\$2,173,424
<b>Days in Fund Balance</b>	<b>32.43</b>	<b>30.47</b>	<b>35.24</b>	<b>30.10</b>

## **2010-2011 CAPITAL IMPROVEMENT PROGRAM AND DEBT SERVICE PLAN OVERVIEW**

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### **Background & Overview**

- The City closely coordinates the Capital Improvement Plan (CIP) and the related debt service planning with the annual Operating Budget development. This allows an integrated and accurate development of the Debt Service fund segments of the overall budget.
- Funding resources for the City's capital program occur through a variety of sources, both of local city origin and from other agencies, and can be a dynamic process within the fiscal year. The City has taken an active posture in seeking "external" funding support for capital efforts, which can lower the local expense component of a project.
- The main budgetary aspects to the capital program are the debt service requirements, and properly tracking the special revenues, grant funding, capital surplus transfers and other capital funds that the City oversees. Key funding types include:
  - Annual short-term Certificate of Obligation (C.O.) Bond property notes.
  - General Capital Special Projects from year ending transfers, when available.
  - General Obligation (G.O.) Bond & Certificate of Obligation (C.O.) funding.
  - Utility Special Capital Projects from year ending transfers, when available.
  - Self-supporting enterprise debt for the Golf, Solid Waste Services, and Water and Sewer Funds
  - Other developer-financed or special project capital funding.
  - Tax Increment Financing (TIF) revenue of the City, with Dallas County support
  - Court Technology Funds
  - Federal and/or State Transportation Grants
  - Dallas County Parks and Trail Pay As You Go Program.
  - Dallas County Capital Program Pay As You Go Program.
  - Collin County Bond Program – Open Space and Transportation
  - Texas Parks and Wildlife
  - Federal/State Homeland Security Grants
  - Philanthropy Gifts & Sponsorship Funding
  - Federal or State Pass-Through Stimulus Grants

### **An Active Current Capital Improvement Program**

- Following the May 2006 issuance of the \$55 million dollar General Obligation (G.O.) Bond program, the City was active in completing these projects in a timely fashion.
- Through periodic progress reports to the City Council, the staff has conveyed the orderly completion of these targeted capital improvements. At a recent June 2010 report to the City Council, it was noted that by the end of 2010, over 90% of these 2006 projects will be completed or under construction. The remaining projects are in active coordination with other external agency involvement.

- Even as we were active in completing the 2006 G.O. Bond Program, key planning and preparation efforts were requested by the City Council towards reviewing the viability of the next G. O. referendum and voter consideration.
- Beginning with a June 9, 2008 work session and subsequent updates, the Council reviewed the capital budget preparation steps and the Uniform Election Date calendar for the next few years. A tentative G.O. referendum election date of May 8, 2010 was identified and a series of intense project assessments and preparation activities were established.
- Using a deliberate review sequence, the City Council initiated a series of work session briefings between November 2009 and February 2010. Reviewed topics included:
  - The impact of local, regional, and national economic conditions
  - The impact of the current favorable cost of construction
  - The bond market and the prevailing interest rate market for municipal debt
  - Debt capacity elements and considerations of a property tax rate change for debt
    - It was determined that a \$66 million program would require a \$0.06 debt service tax rate addition in the 2010-2011 Budget
  - The current and emerging capital project needs of the community through project group briefings on Streets, Alleys, Traffic and Drainage; Parks and Recreation; Buildings and Facilities; Neighborhood Vitality and Sidewalks
  - The opportunity to “leverage” local resources with grants and funding from others to lower the net cost of capital projects
- After full deliberation, the City Council authorized Resolution #10-04 calling a \$66 million dollar General Obligation Bond election, through four propositions, for May 8, 2010.
- An active community education program was provided, including a City web page, neighborhood association meetings, a speaker’s bureau, a special mailed *Richardson Today* newsletter, and two community open houses for information and questions.
  - A key informational feature provided to the citizenry in all literature and discussion was the \$0.06 tax rate increase for the 2010-2011 budget devoted to the new debt service that would be required if all four of the propositions passed.
- The election was held and the following referendum election canvassed results were determined:
  - Proposition #1 – Streets Improvements at \$24.7 million – passed with 64% support
  - Proposition #2 – Parks & Recreation at \$22.6 million – passed with 57% support
  - Proposition #3 – Building Facilities at \$10.5 million – passed with 56% support
  - Proposition #4 – Neighborhood Vitality at \$8.2 million – passed with 58% support

- With the February action to call the May 2010 G.O. Bond referendum, the City delayed the normal early Spring equipment C.O. issuance activities and unified this routine effort with the new G.O. authorization into a late-June consolidated issue package.
  - This June bond sale would also be timely to the tax rate calculation activities in August and related debt tax rate increase ratification that would be required for the 2010-2011 budget adoption.
- Following the G.O. election, a Series 2010 Bond sale was developed which would incorporate the new \$66 million of G.O Bonds, along with the delayed annual capital debt program of Certificate of Obligations for general equipment, and Utility Capital C.O.'s. Following a Fall 2009 briefing on the city's public safety/public services radio system condition, \$8.5 million of C.O.'s was also added.
  - Though not as added debt, an opportunity to refund/refinance \$28 million of existing debt at more favorable rates for their remaining life was also implemented, providing a net \$4 million of General Debt Service savings over the remaining repayment period.
- The City has subsequently submitted the Series 2010 bond sale to the credit rating agencies: Standard & Poors and Moody's. In June, the City of Richardson's Series 2010 bond sale received the **AAA/Aaa credit rating** from these agencies. This double AAA status is a rare and elite credit position, shared by only four other Texas cities and in the top 6% of all credit-rated U.S. cities. Rating commentary also confirmed that solid financial management practices were in place, and debt management parameters were reasonable.
- In summary, the "new funds" components of the recent \$84.5 million Series 2010 Bond sale in this current fiscal year are summarized below:

<b>Series 2010: 2009-2010 Debt Issuance Program – All Funds/New Funds</b>			
<b>Amount</b>	<b>Bond Type</b>	<b>Purpose</b>	<b>Debt Service</b>
\$66.000 million	G.O.	General Obligation C.I.P Program – 20 yr.	General Debt Service
\$2.715 million	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$0.915 million	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$8.500 million	C.O.	General/Utility/Solid Waste* Radio System – 15 yr.	<i>Split* Debt Services</i>
\$1.370 million	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$5.000 million	C.O.	2009-2010 Water and Sewer C.I.P. – 20 yr.	Utility Fund Debt Service
<b>\$84.500 million</b>	<b>Total – New Funds</b>		

## **2009-2010 General Debt Service Fund Balance Maintenance Adjustments**

- With the recent pattern of tax roll supplement reductions following the formal certification, an ongoing debt management attention has been focused on maintaining our General Debt Service fund balances (30 days). Ongoing appraisal reviews and related appraisal litigation has yielded reductions from the annual certified roll which was used to establish the property tax revenue intended for general debt service. Other debt service supporting revenue assumptions can also change. When this occurs, the City must take fund balance maintenance steps, both in year-ending reviews and in upcoming budget preparations.
  - For the current 2009-2010 year ending position of the General Debt Service Fund, the following two features explain the **\$400,000** year ending supplement to this fund from the General Fund:
    - For the current 2009-10 year, the property tax allocation to debt service is below budget by about \$50,000. A supplemental **\$50,000** portion of the \$400,000 is proposed to be transferred in from the General Fund during this current fiscal year to resolve this shortfall and not allow a fund balance reduction.
    - Likewise, the impact of economy-based reductions in Hotel Motel tax revenues will not sustain an annual transfer to the General Debt Service Fund to assist with the Eisemann Center debt at this time. The intended \$350,000 originally planned for this 2009-2010 year is problematic, and is recommended to be discontinued in this economic setting and for the foreseeable future. A General Fund year-ending transfer of **\$350,000** will provide to this year-end revenue source. An updated General Debt Service Fund outlook has been revised to not anticipate any near-term reactivation of this revenue.
- We have also placed the **\$514,554** of accrued interest on the Series 2010 bond proceeds that was earned from the time of bond bid award until the City of Richardson received the bond proceeds. This amount has been placed into the General Debt Service Fund as a current fiscal year ending activity. With the adjustments mentioned above and this added \$514,554, the General Debt Service Fund completes 2009-2010 with 35 days of fund balance, but with the higher debt service levels that begin for 2010-2011, the value of a day in fund balance grows and is met by this reserve, with the planned fund balance position to be just at 30 days by the end of the 2010-2011 fiscal year.

**2010-11 Capital Improvement Program  
AND RELATED DEBT SERVICE PLAN**

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- The key focuses for the capital program in 2010-11 are:
  - Completion of the last steps of the Series 2010 Bond Implementation Program by City Council adoption of the required \$0.06 tax rate increase for added debt service resulting from the \$66 million G.O. Bond program.
  - Active implementation of the new C.I.P. program in keeping with the project construction sequence and strategy discussions provided by the City Council in June work sessions.
  - Continued completion of the few remaining 2006 G.O. bond program elements, noting the special circumstance and intensive interagency features of these last projects.
  - Continue community awareness efforts through web-based and other communication media on the variety of interests in the new C.I.P. program: design updates, construction phasing and progress, project completions / openings, etc.
- The Series 2010 bond sale was a significant event to gain important new capital resources to meet the next era of infrastructure and facility improvements for Richardson.
- Throughout the prior preparation steps, *it was noted that the \$66 million program would require a \$0.06 property tax rate increase for debt, as the bonds were sold.*
- Now with voter instruction, and the recent issuance of the bond program which begins the added debt service element in this upcoming fiscal year, the remaining Council action is the raising of the debt service portion of the property tax rate by \$0.06 (from \$0.21235 to \$0.27235). No adjustment to the operation portion of the tax rate is proposed.
- Below is a reference table of the debt tax rate dynamics for the two prior fiscal years and for the coming FY 2010-2011 Fiscal Year.

Year	Debt Rate	Operations Rate	TOTAL
2008-09	\$0.21235	\$0.36281	\$0.57516
2009-10	\$0.21235	\$0.36281	\$0.57516
2010-11	*\$0.27235	\$0.36281	\$0.63516

\* Proposed six cent change to debt service side only

- The attached updated General Debt Service scenario plan evaluated the impact of the following factors in providing the debt management plan for 2010-2011:
  - For 2010-2011, this latest updated model has factored the certified -1.75% reduction in tax base. For debt scenario calculations, this reduction becomes a -

2.97% amount from the prior year when the Values-In-Dispute amount and the removal of the TIF tax base changes are factored. This -2.97% value is reflected in the updated debt planning sheet at the end of this section.

- This plan was updated on a tax base outlook that considers a cautious recovery of 0% for 2011-12, 1% for 2012-2013, and 2% for 2013-2016.
  - The outlook years also factor the continuation of the City's short-term notes program for capital replacements and periodic fire apparatus upgrades to assure their baseline inclusion.
  - Savings from the Series 2010 favorable bond refunding, low bond interest rates and the revision in any HM Tax support have been factored across the future years as planned.
  - As designed, this one-time tax rate adjustment appears to be sufficient to handle the added debt service requirement of the new bond program.
  - Importantly, this updated debt plan shows no anticipated "spikes" in debt tax rate requirements for the existing or newly added debt under the assumptions above, and shows a steady/gradual decline in debt obligations, as future tax base growth strengthens the impact of each tax penny, and older debt obligations are retired.
- The City will continue to monitor all debt management assumptions over 2010-2011.

#### **2010-2011 Debt Issue Activities**

- The proposed Series 2011 Bond Issue program will be very modest compared to our recent efforts, and returns to a program for only equipment purchases and our ongoing Utility infrastructure program:
  - Continuation of the City's short-term notes program for capital replacements for The General and Solid Waste funds, scheduled fire apparatus upgrade, and the ongoing Utility C.I.P. program.
- For the Series 2011 bond issue, the components are:
  - The 4-year C.O. element provides the funding for the routine general fleet and equipment replacements requirements of the General Fund.
  - The 8-year C.O. element will provide for the next scheduled fire equipment replacements: an ambulance and a command vehicle.
  - The 8-year C.O. element will provide for the needed Solid Waste heavy equipment, containers, and fleet replacements.
  - The 20-year C.O. element will provide for next year's planned Water and Sewer CIP.
- The following debt issuance plan for 2010-2011 summarizes the proposed \$7.965 million debt elements:

**Series 2011: 2010-2011 Debt Issuance Program Proposed – All Funds  
For Discussion**

<b>Amount</b>	<b>Bond Type</b>	<b>Purpose</b>	<b>Debt Service</b>
\$2.900 million	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$0.185 million	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$1.380 million	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$3.500 million	C.O.	2010-2011 Water and Sewer C.I.P. – 20 yr.	Utility Fund Debt Service
<b>\$7.965 million</b>	<b>Total</b>		

**Summary**

- The debt management program continues to meet required financial policy requirements, even with debt revenue challenges.
- Our history and practice of this debt review process has been an important element of the rating agency's review. It has allowed the impacts of new debt service programs and needed resources to be a focused on those considerations without needing to deal with some remnant issue of prior programs.

**2011 Planning - Base Case  
CITY OF RICHARDSON, TEXAS**

Does not include any Hotel/Motel Tax Revenues;

Projected Growth Rates (-2.97% for FYE 2011, 0% for FYE 2012, 1% for FYE 2013, 2% FYE 2014, and 2% for FYE 2015)

\$66 Million GO bonds and \$7,630,000 CO's issued 2010, \$3,085,000 issued in 2011, \$3,650,000 issued in 2012 and 2013, \$3,940,000 issued in 2014 and \$3,700,000 issued in 2015

FYE	Projected Taxable Assessed Valuation (1)	Projected % of Growth	Net Outstanding Debt Payable from Tax Levy (2)	Series 2011 \$2.9M - 4 Yr \$185K 8 Yr at 4.70%	Series 2012 \$2.9M - 4 Yr \$750K 8 Yr at 4.70%	Series 2013 \$2.9M - 4 Yr \$610K 8 Yr at 4.70%	Series 2014 \$2.9M - 4 Yr \$1,050K 8 Yr at 4.70%	Series 2015 \$2.9M - 4 Yr \$800K 8 Yr at 4.70%	Less: Projected Interest Earnings	Proposed Total Debt Service	Required Tax Rate for All Debt (3)
2010/11	\$9,696,775,165	-2.97%	\$ 26,416,889						\$ (7,722)	\$ 26,409,167	\$ 0.27235
2011/12	9,696,775,165	0.00%	25,585,443	\$ 832,934					(10,000)	26,408,377	0.2723
2012/13	9,793,742,917	1.00%	24,911,293	836,820	\$ 922,048				(10,000)	26,660,161	0.2722
2013/14	9,989,617,775	2.00%	24,558,173	831,335	924,263	\$ 898,628			(20,000)	27,192,398	0.2722
2014/15	10,189,410,130	2.00%	22,737,036	839,088	920,605	903,740	\$ 965,261		(20,000)	26,345,730	0.2586
2015/16	10,393,198,333	2.00%	22,645,963	29,348	925,068	895,905	971,365	\$ 930,064	(20,000)	26,377,712	0.2538
2016/17	10,393,198,333		23,079,462	28,173	112,038	901,308	966,063	931,260	(20,000)	25,998,302	0.2501
2017/18	10,393,198,333		23,690,984	26,998	112,455	94,100	968,880	927,368	(20,000)	25,800,784	0.2482
2018/19	10,393,198,333		22,740,994	30,705	112,638	95,223	159,088	931,595	(20,000)	24,050,241	0.2314
2019/20	10,393,198,333		21,734,287		112,585	91,228	157,625	118,330	(20,000)	22,194,054	0.2135
2020/21	10,393,198,333		19,692,257			92,115	160,810	118,513	(20,000)	20,043,694	0.1929
2021/22	10,393,198,333		15,352,374				158,643	123,343	(20,000)	15,614,359	0.1502
2022/23	10,393,198,333		14,539,014					122,820	(20,000)	14,641,834	0.1409
2023/24	10,393,198,333		14,147,268						(20,000)	14,127,268	0.1359
2024/25	10,393,198,333		13,478,586						(20,000)	13,458,586	0.1295
2025/26	10,393,198,333		10,757,225						(20,000)	10,737,225	0.1033
2026/27	10,393,198,333		5,740,500						(20,000)	5,720,500	0.0550
2027/28	10,393,198,333		5,743,250						(20,000)	5,723,250	0.0551
2028/29	10,393,198,333		5,743,250						(20,000)	5,723,250	0.0551
2029/30	10,393,198,333		5,740,000						(20,000)	5,720,000	0.0550
Totals 2010/11 - 2029/30:			<u>\$ 349,034,248</u>	<u>\$ 3,455,399</u>	<u>\$ 4,141,698</u>	<u>\$ 3,972,245</u>	<u>\$ 4,507,733</u>	<u>\$ 4,203,292</u>	<u>\$ (367,722)</u>	<u>\$ 368,946,893</u>	

**Assumptions:**

- (1) Growth of Taxable Assessed Values at varying rates shown at right. The 2010/2011 taxable value includes values in dispute and excludes the value of the Tax Increment Financing District.
- (2) Issues subsequent to 2010 are presumed to be dated April 15 and the first coupon payment is due on February 15 of following year.
- (3) Tax Collections at 100% for debt service

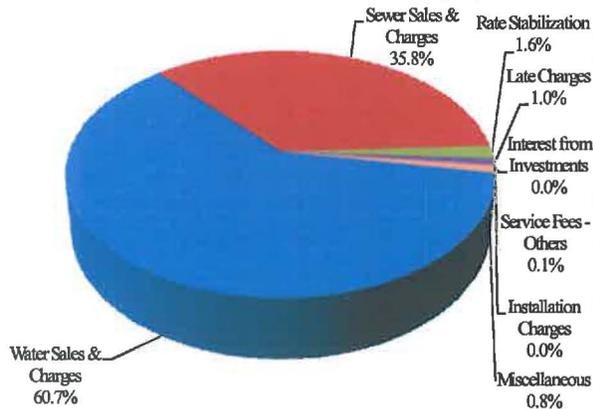
## WATER AND SEWER FUND

The Water & Sewer Fund, an enterprise fund and second largest operating fund, provides for the administration, operation, and maintenance of the City's water and wastewater system, and billing and collection activities.

### Sources

The services provided by the Water & Sewer Fund are financed through utility customer user fees charged to residential and commercial customers. Water and Sewer rates are periodically reviewed and adjusted to assure that revenues collected are sufficient to fund expenses related to providing water and sewer services.

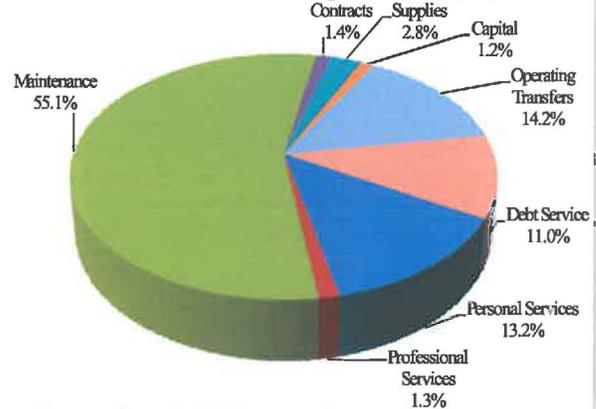
**FY 2010-2011 Water and Sewer Revenues - \$44,035,684**



### Uses

The expenditures of the Water and Sewer Fund relate to the purchase of water and sewer services from service providers as well as water and sewer daily operations and infrastructure maintenance and renewal. The purchase of water from North Texas Municipal Water District and sewer services from NTMWD, the City of Garland and the City of Dallas accounts for 52.3% of the expenditures in the Fund.

**FY 2010-2011 Water and Sewer Expenditures - \$44,925,392**



### Fund Balance

The Fund Balance Target for the Water and Sewer Fund is 90 days of expenditures.

## WATER AND SEWER DEBT SERVICE FUND

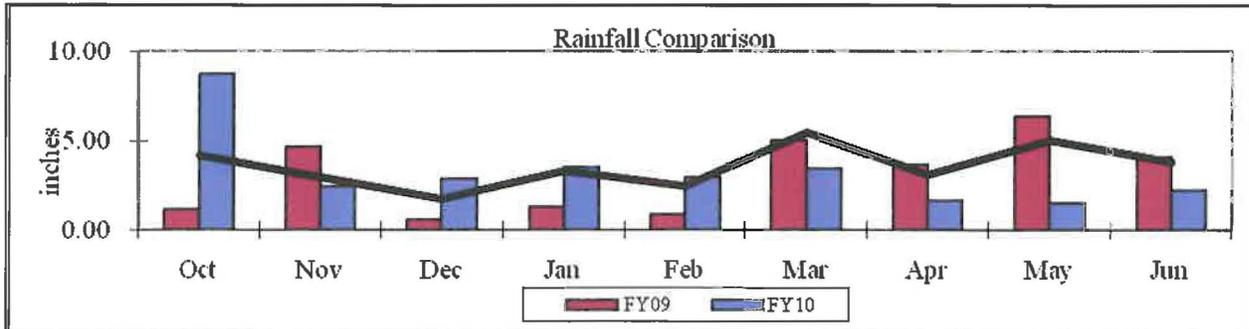
The Water and Sewer Debt Service Fund hosts revenue and expenses for utility debt service obligations. The primary source of revenue is a transfer of revenues from the Water and Sewer Fund generated through the sale of water and sewer services to residential and commercial customers. The expenditures include the annual debt service payments for water and sewer infrastructure renewal projects funded through the issuance of utility certificates of obligations.

## WATER AND SEWER FUND

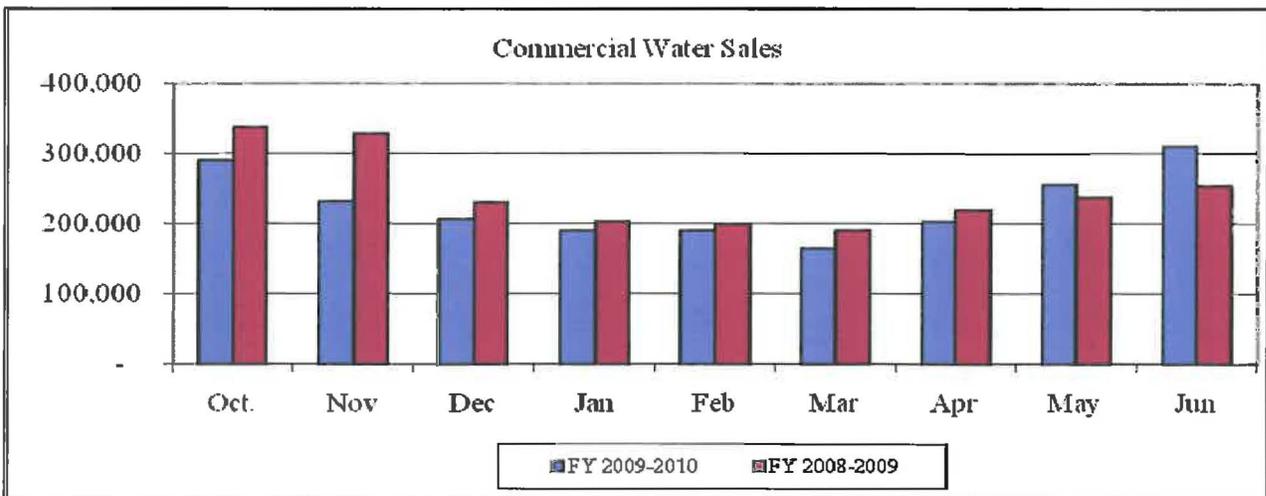
### FY 2009-2010 Year-End

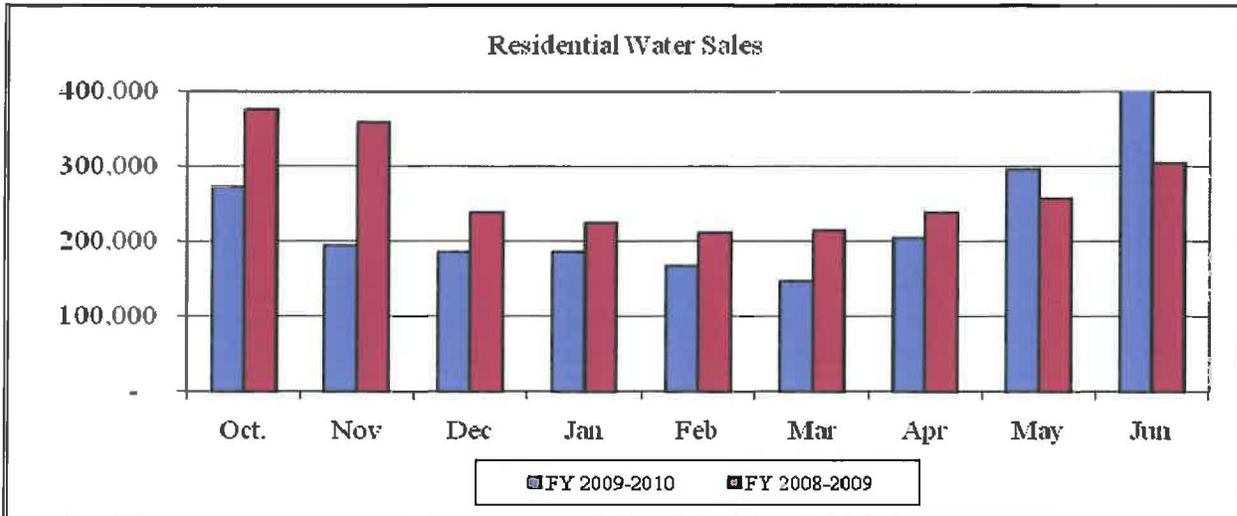
#### Revenues

- Revenue in the water and sewer fund is a function of the rate structure and expected sales of service. Sales are affected by several factors including weather, consumption patterns, and vacancy rates in commercial and residential properties. In light of continued increasing costs for water and sewer wholesale services, as well as fluctuating demand, Council passed a mid-summer rate increase of 15.50% in FY 2007-2008 followed by a 9.5% increase for sewer at the beginning of FY 2008-2009.
- Revenue projections call for a decrease of (\$3.7 Million) or -8.1% at year-end and include the projected activation of \$1 Million of rate stabilization funds.
- Through the end of June this year, the City received 29.4" compared to the YTD for FY 2008-2009 of 27.7" and the five-year average of 31.9".

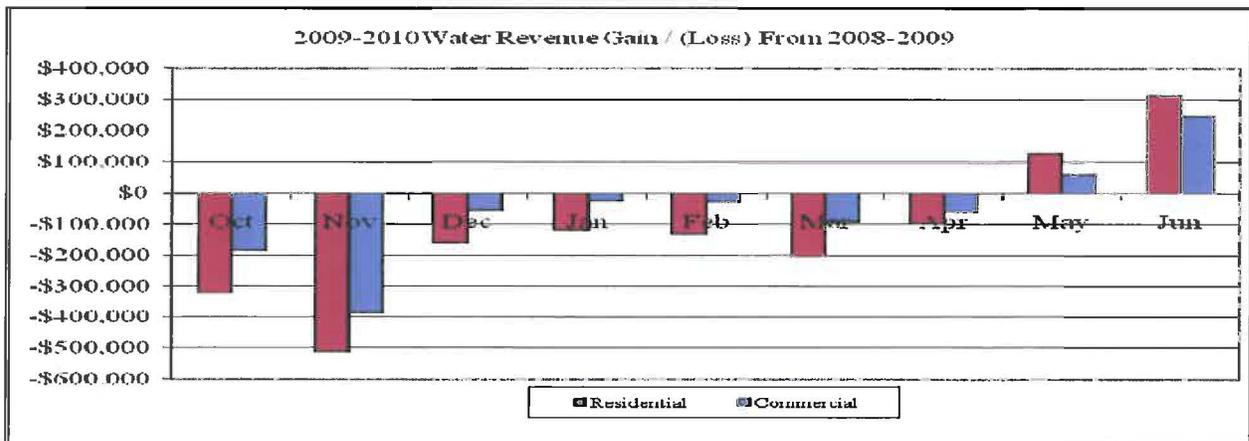


- The following graphics compare current year consumption with last year. Through the end of June, commercial sales are down -7.1% from last year while residential sales are down -15.2%.





- This graph measures revenue gain/ (loss) from the prior year. With the early season rains and continued downward pressure on the economy, the graphic illustrates that only the months of May and June are ahead of the prior year.



- The following chart illustrates the changes to our tier structure that have resulted from the NTMWD increases to the wholesale rate since 2001-2002.

Fiscal Year	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10
NTMWD/1,000 gal.	\$ 0.80	\$ 0.87	\$ 0.92	\$ 0.97	\$ 0.97	\$ 1.02	\$ 1.08	\$ 1.18	\$ 1.25
% Increase	11.30%	8.80%	5.85%	5.40%	0.00%	5.20%	5.90%	9.25%	10.20%
									Mid-Yer Adjustment
<b>City Rates</b>									
Minimum	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00
0-11,000 gallons	\$ 1.91	\$ 1.91	\$ 2.23	\$ 2.23	\$ 2.55	\$ 2.55	\$ 2.55	\$ 2.95	\$ 2.95
11,001-20,000	\$ 2.07	\$ 2.07	\$ 2.41	\$ 2.41	\$ 2.76	\$ 2.76	\$ 2.76	\$ 3.19	\$ 3.19
20,001-40,000	\$ 2.16	\$ 2.16	\$ 2.52	\$ 2.52	\$ 2.88	\$ 2.88	\$ 2.88	\$ 3.33	\$ 3.33
40,001-60,000	\$ 2.51	\$ 2.51	\$ 2.92	\$ 2.92	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.87	\$ 3.87
Over 60,000	\$ 2.63	\$ 2.63	\$ 3.07	\$ 3.07	\$ 3.51	\$ 3.51	\$ 3.51	\$ 4.05	\$ 4.05
% Increase	9.70%	0.00%	16.50%	0.00%	14.50%	0.00%	0.00%	15.50%	0.00%

- Year end revenue projections for Water Sales of \$24.3 Million decrease (\$3.4 Million) or -12.3% from our original budget.

- Sewer Sales are projected to end the year down (\$914,000) or -5.6% from the original budget of \$16.3 Million.
- As mentioned above, in an effort to offset the decreased consumption, \$1 Million of the rate stabilization funds may be activated at year-end to help offset lower than anticipated revenues.
- Late Charges are expected to be down (\$91,000) from the original budget of \$489,000.
- Interest Earnings are expected to finish the year down (\$63,000) from the \$84,000 original budget.
- Service Fees are down slightly at \$37,000 from the \$40,000 originally budgeted.
- Installation Charges are also down at \$18,000 from the original budget of \$43,000.
- Miscellaneous Revenue is expected to finish the year (\$174,000) from the original budget of \$540,000.

### **Expenditures**

- Overall, expenditures and transfers are projected to end the year (\$2.3 Million) or -5.0% from the original budget of \$44.8 Million.
- Personal Services should finish the year (\$98,000) or -1.7% below the original budget due to standard vacancies throughout the year.
- Professional Services shows a slight decrease of (\$10,000) with small decreases in several line items.
- The Maintenance category is expected to finish the year (\$1.7 Million) below the original budget of \$25.0 Million. Traditionally, we've not estimated rebates from the NTMWD since it's a "board voted" rebate at the end of the Districts fiscal year with no contractual obligation of certainty. With the sizeable declines in water and sewer sales this year, we are recognizing rebates for both water and sewer at the same level as last year, \$1.5 Million for water and \$200,000 for sewer services.
- Contracts will show a small increase of \$42,000 by year-end estimates due to minor increases across several line items.
- Supplies increase \$135,000 from original budget due to prior year encumbrances of the same amount.
- The Capital category is expected to finish the year with savings of (\$4,500) from the original budget.
- Operating Transfer Out decreases (\$590,000). With weather related declines in revenue, the \$375,000 Special Projects Transfer will not be available at year-end. The remaining decrease is the result of decreased franchise fees. This fee is a direct calculation of 5% of water and sewer sales revenue. The General and Administrative Transfer and the BABIC Transfer remain unchanged.
  - There is no change to the planned debt service payment of \$4.4 Million.

**Fund Balance**

- Fund Balance is projected to be 83.06 days at year-end, 7 days below the Council approved Financial Policy for the Water and Sewer Fund.

**Conclusion**

- During the Fall of 2010, the City will conduct a thorough rate review and analysis. Given the projected performance of revenue and the increasing costs for services, it is expected that an increase will be requested in the 2011-2012 Budget or before if warranted

**2010-2011 Revenues**

- Projected revenues for FY 2010-2011 are based on a five-year average of consumption. That period includes the back to back phenomenon of a record setting rainfall and a record setting drought. The other three years in the calculations are considered to be “normal” in their consumption patterns. No rate increase is requested at this time, despite facing a 9.6% increase in wholesale water costs and smaller adjustments from our sewer treatment providers. Staff will report their findings from the aforementioned rate analysis on the completion of that work.

Residential Municipal Cost Comparison For \$182,810 Homestead Fiscal Year 2009-2010							
	Annual Property Taxes (1)	Annual Water Charge (2)	Annual Sewer Charge (3)	Annual Solid Waste Fee (4)	Annual Drainage Fee (5)	Total Annual Charges	% of Richardson Total
<b>CITY</b>							
Plano *	\$692	\$354	\$505	\$146	\$40	\$1,737	85.1%
Irving *	\$791	\$428	\$239	\$237	\$48	\$1,743	85.4%
Carrollton *	\$904	\$453	\$261	\$234	\$ -	\$1,852	90.7%
Frisco	\$850	\$483	\$352	\$143	\$24	\$1,852	90.7%
Arlington *	\$948	\$389	\$384	\$151	\$42	\$1,914	93.8%
<b>Richardson</b>	<b>\$1,051</b>	<b>\$492</b>	<b>\$282</b>	<b>\$216</b>	<b>\$ -</b>	<b>\$2,041</b>	<b>100.0%</b>
Allen	\$1,015	\$455	\$360	\$198	\$36	\$2,064	101.1%
Grand Prairie*	\$1,191	\$480	\$353	\$180	\$30	\$2,234	109.5%
McKinney	\$1,070	\$544	\$434	\$200	\$33	\$2,281	111.8%
Mesquite (6)	\$1,170	\$541	\$366	\$195	\$36	\$2,308	113.1%
Dallas *	\$1,094	\$453	\$466	\$273	\$93	\$2,379	116.6%
Garland *	\$1,185	\$ 518	\$477	\$225	\$32	\$2,437	119.4%
Fort Worth *	\$1,250	\$505	\$400	\$237	\$68	\$2,460	120.5%
<b>Average</b>	<b>\$1,016</b>	<b>\$469</b>	<b>\$375</b>	<b>\$203</b>	<b>\$37</b>	<b>\$2,100</b>	
<b>Richardson % (Below) Above Average</b>	<b>3.4%</b>	<b>4.9%</b>	<b>-24.8%</b>	<b>6.4%</b>	<b>N/A</b>	<b>-2.8%</b>	

NOTES:

\* Represent cities allowing a homestead exemption. (Grand Prairie is 1%, Garland is 8%, all others are 20%. If exemption calculated by homestead percentage calculated is not greater than \$5,000 the exemption is \$5,000. )

1. Taxes = Base X \$100,000 home WITH homestead exemption (Irving, Plano, Carrollton, Arlington, Grand Prairie, Garland, Dallas, Fort Worth)

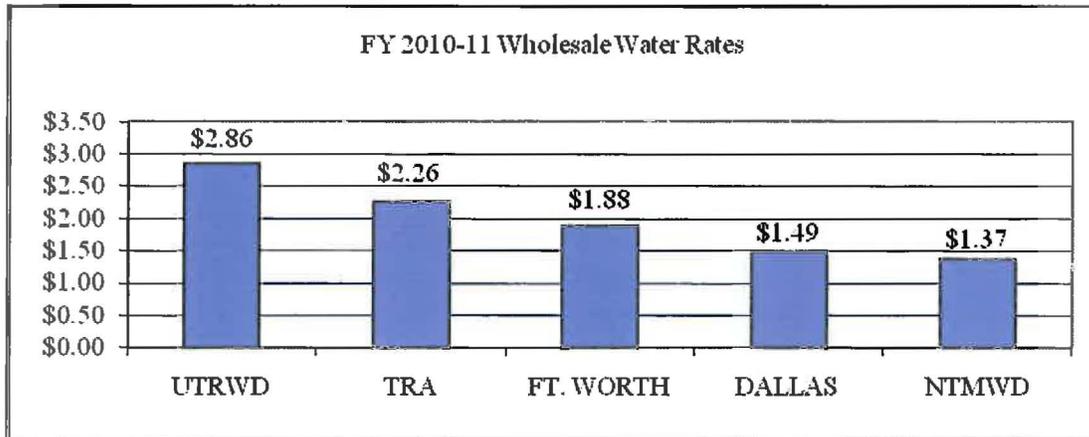
2. Water = Average residential consumption of 8,000 gallons from October to May and 18,000 from June to September.
  3. Sewer = Average residential consumption based upon the water consumption as calculated using the individual cities' billing ordinance. Some cities calculate a maximum charge based on maximum gallons, some use a winter month's average.
  4. Solid Waste = Monthly residential charge including sales tax.
  5. Drainage fees are based upon a 9,000 sq. ft. lot or 2,000 sq. ft. house as appropriate for the entity
  6. Mesquite uses a 1/2 cent sales tax used in lieu of ad valorem tax.
- Revenue from Water Sales and Charges is programmed at \$26.7 Million representing a 10.0% increase from year-end and is based on an average consumption year.
  - Sewer Sales are budgeted at \$15.8 Million or 3.0% over year-end. This includes the same basic assumptions as water sales.
  - \$700,000 of rate stabilization funds will be utilized to assist the fund while the rate study is conducted.
  - Late charges rise slightly to \$419,000.
  - Interest continues to decrease as a reflection of the current market situation. For FY 2010-2011, we are anticipating \$3,000 representing a decrease of -83.0% from year end.
  - Remaining revenues should see moderate increases.

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### **2010-2011 Expenditures**

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- Expenditures and Transfers are proposed at \$44.9 Million representing an increase of \$2.4 Million or 5.6% over year-end estimates. Nearly 75% of the increase is attributed to water and sewer services contract increases. When the increase in debt service is considered in that calculation, those two expenditures account for 95% of the total increase in this fund.
- The Maintenance category is the largest operational expenditure in this fund and includes the costs of water and sewer services. The City is not expecting to set a new "minimum purchase", however we will be charged an additional \$0.12/1,000 in the price of wholesale water from the NTMWD. This represents an increase of \$1.3 Million or 9.6% over last year. For FY 2010-2011, the total cost of wholesale water increases to \$15.1 Million. As we did for year-end, we are again assuming a rebate at year end for unsold water of \$1.5 Million making the total "budgeted" charge for water \$13.6 Million.



<b>Water Purchases</b>				
	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>2010-2011</b>
Minimum Purchase	11.0 billion	11.0 billion	11.0 billion	11.0 billion
Actual Purchase	8.1 billion	8.3 billion	8.0 billion	N/A
Purchase as a % of Contract	74%	76%	73%	N/A
Wholesale Cost	\$11,900,856	\$11,538,591	\$13,774,139	\$15,096,456
Rebate per 1,000 Gals.	\$0.42	\$0.53	N/A	N/A
Total Rebate	\$1,228,032	\$1,464,195	N/A	N/A
Rebate as a % of Total Cost	10.3%	12.7%	N/A	N/A

<b>Rainfall</b>	
2001-2002	39.45 inches
2002-2003	32.14 inches
2003-2004	43.57 inches
2004-2005	33.77 inches
2005-2006	23.86 inches
2006-2007	58.04 inches
2007-2008	40.27 inches
2008-2009	39.46 inches
2009-2010	43.79 inches

- Sewer treatment services are expected to increase \$383,000 over the year end estimate of \$9.5 Million. We are again budgeting for a year-end “true-up” of \$200,000 in an effort to recognize variations in flow.
- Since FY 2000-2001, growth in this fund has been driven by increasing costs for wholesale water and sewer services and the debt program, which represents 52.3% and 10.9% of the funds expenditures respectively. Daily operational expenses have only grown 38.0% in 11 years, or on average, less than 3.5% per year.

<b>Expenditures</b>	<b>FY 2000-2001 Actual</b>	<b>FY 2010-2011 Proposed</b>	<b>% Growth FY 2000-2001 to FY 2010-2011</b>
Operations	\$11,515,439	\$15,894,879	38.0%
Wholesale Water	7,588,501	\$13,596,456	79.2%
Sewer Treatment	6,975,362	\$9,873,120	41.5%
Capital	873,717	\$640,507	(26.7%)
Debt Service	2,447,278	\$4,920,430	101.1%
<b>Total Costs</b>	<b>\$29,400,297</b>	<b>\$44,925,392</b>	<b>52.8%</b>

<b>Water Purchases and Sewer Treatment Costs</b>			
	<b>2009-2010 Budget</b>	<b>2009-2010 Estimated</b>	<b>2010-2011 Budget</b>
<b>Water-NTMWD</b>	<b>\$13,774,139</b>	<b>\$12,274,139</b>	<b>\$13,596,456</b>
Sewer-Regional System	\$3,265,835	\$3,065,207	\$3,229,127
Sewer-Upper East Fork	\$1,514,424	\$1,514,424	\$1,590,145
Sewer-Dallas	\$2,446,751	\$2,446,751	\$2,529,941
Sewer-Garland	\$2,463,768	\$2,463,768	\$2,523,907
<b>Sewer Total</b>	<b>\$9,690,778</b>	<b>\$9,490,150</b>	<b>\$9,873,120</b>
<b>Total Water &amp; Sewer</b>	<b>\$23,464,917</b>	<b>\$21,764,289</b>	<b>\$23,469,576</b>

<b>Water and Sewer Rates</b>				
	<b>NTMWD Water Rate</b>	<b>NTMWD Sewer Rate</b>	<b>Cottonwood Creek Sewer Rate (Dallas)</b>	<b>Duck Creek Sewer Rate (Garland)</b>
<b>09-10 Budget</b>	\$1.25	\$1.75	\$1.92	\$2.16
<b>09-10 Estimated</b>	\$1.25	\$1.75	\$1.92	\$2.16
<b>10-11 Budget</b>	\$1.37	\$1.83	\$2.00	\$2.17
<b>% Est./Prop.</b>	9.6%	5.0%	4.2%	0.5%
<b>% Basins Flow</b>		47%	28%	25%

<b>Classification of Water and Sewer Fund Expenditures</b>		
	<b>Proposed Budget</b>	<b>Percent of Total</b>
<b><u>Operating Expenditures</u></b>		
Personal Services	\$5,918,475	13.17%
Professional Services	579,205	1.29%
Maintenance	24,750,567	55.09%
Contracts	6,975,151	15.53%
Supplies	1,241,057	2.76%
Capital	540,507	1.20%
<b><u>Total Operating Expenditures</u></b>	<b>\$ 40,004,962</b>	<b>89.05%</b>
Transfers Out	\$ 4,920,430	10.95%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b>\$ 44,925,392</b>	<b>100.00%</b>

- Personal Services is proposed at \$5.9 Million, an increase of 6.2% over year-end estimates. The increase of \$347,000 includes full staffing for the year, the 5% step pay initiative and the transfer of a Field Supervisor – Maintenance from the General Fund (Facilities Services) to the Water and Sewer Fund (Water Operations). After a review by Public Services and Human Resources, it has been determined that the position’s duties and responsibilities are directly tied to Water and Sewer Fund activities.
- Professional Services shows a decrease of -7.5% or (\$47,000). With minor decreases in G.I.S., Water Production, and Sewer Collection, this category maintains \$125,000 for the Household Hazardous Waste program and \$80,000 for continued I&I studies.
- Contracts show a decrease of (\$24,000) or -6.7% below year end through small decreases across several line items as well as the discontinuation of the auto allowances as mentioned earlier.
- Supplies show a decrease of (\$89,000) from year-end estimates due to the inclusion of \$138,000 in prior year encumbrances in 2009-2010 year-end estimates. The remaining line items consist of minor increases and decreases from their year-end positions.

**Vehicles and Equipment**

- Continuing the “pay-as-you-go” initiative, \$541,000 of capital equipment is proposed in operations.

<b>Capital Equipment</b>	
Creek Annual Repair Program (CARP)	\$150,000
Hybrid SUV - Replacement (3)	90,000
Crane Truck - Replacement (2)	84,000
Water Main Replacement Material	60,451
Check Remittance Processor	30,000
3/4 Ton Pickup Truck - Replacement (1)	30,000
3/4 Ton Truck with Service Body - Replacement (1)	27,000
New Meters and Settings	24,000
New Water Service Connections	14,476
Service Connections	14,000
Two-Way Cleanout Material	14,000
Quick Cut Concrete Saw - New (1)	1,400
Sewer Plugs	1,180

**Infrastructure Maintenance**

- Two annual operations programs will be funded through the annual Certificates of Obligation program due to the life expectancy of those repairs, including; \$180,000 for repair of utility cuts and \$360,000 for the reconstruction of sanitary sewers.

<b>Water, Sewer, &amp; Erosion Maintenance Projects 2010-2011</b>	
<b>Paving Cuts Program</b>	<b>\$180,000</b>
<b>Sewer Projects</b>	
100-300 N. Cottonwood	\$127,000
1100-1200 Hampshire	99,000
1200 W. Beltline	84,000
Manhole Rehabilitation	50,000
<b>Total Sewer Projects</b>	<b>\$360,000</b>

- Operating Transfer Out sees modest increases in the G&A Transfer and Franchise Fee while the BABIC Transfer remains unchanged at \$466,666.

<b>Operations Line Item Expenditures 2009-2010 Estimated to 2010-2011 Proposed (Variances in Excess of \$25,000)</b>		
<b>Overall Water &amp; Sewer Fund Operating Expenditure Increase</b>		<b>\$1,728,206</b>
<b>1102-2999</b>	<b>Personal Services</b>	<b>\$346,818</b>
	1102 - Clerical	\$41,418
	1103 - Operations Hourly	\$154,600
	2101 - Insurance - Personnel	\$26,525
	2301 - TMRS	\$71,002
<b>3201-3499</b>	<b>Professional Services</b>	<b>(\$46,839)</b>
	3499 - Other Professional Services	(\$45,300)
<b>4101-4599</b>	<b>Maintenance</b>	<b>\$1,469,647</b>
	4111 - Water - NTMWD	\$1,322,317
	4134 - Sewer - NTMWD - Regional System	\$163,920
	4134 - Sewer - NTMWD - Upper East Fork	\$75,721
	4141 - Sewer - Dallas	\$83,190
	4142 - Sewer - Garland	\$60,139
	4351 - Meters and Settings	(\$248,000)
	4358 - Standpipes and Reservoirs	\$30,000
<b>5201-5999</b>	<b>Contracts</b>	<b>\$145,066</b>
	5999 - Other Unclassified	\$168,998
<b>6101-6562</b>	<b>Supplies</b>	<b>(\$88,648)</b>
	6194 - Computer Hardware	\$39,000
	6195 - Computer Software	(\$31,366)
	6211 - Light and Power	\$34,000
	6999 - Prior Year Encumbrances	(\$137,810)
<b>7102-7499</b>	<b>Capital</b>	<b>\$16,498</b>

## Fund Balance

- Fund Balance is budgeted at 71.42 days.

<b>Water &amp; Sewer Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2008-2009</b>	<b>2009-2010</b>	<b>2009-2010</b>	<b>2010-2011</b>
<b>Beginning Fund Balance</b>	\$9,992,834	\$10,811,677	\$10,779,732	\$9,679,837
<b>Total Revenues</b>	\$43,270,151	\$45,102,313	\$41,438,762	\$44,035,684
Total Funds Available	\$53,262,985	\$55,913,990	\$52,218,494	\$53,715,521
Operating Expenditures	\$29,838,337	\$33,576,779	\$31,914,607	\$33,642,814
Operating Transfers.	\$8,450,566	\$6,783,490	\$6,193,150	\$6,362,148
Debt Service Transfer	\$4,194,350	\$4,430,900	\$4,430,900	\$4,920,430
<b>Total Expend. &amp; Transfers</b>	<b>\$42,483,253</b>	<b>\$44,791,169</b>	<b>\$42,538,657</b>	<b>\$44,925,392</b>
Ending Fund Balance	\$10,779,732	\$11,122,821	\$9,679,837	\$8,790,129
<b>Days in Fund Balance</b>	<b>90.89</b>	<b>90.64</b>	<b>83.06</b>	<b>71.42</b>

## Water & Sewer Fund Debt Service

- Fiscal Year 2010-2011 operations can purchase all needed replacement capital equipment without the issuance of C.O.'s.
- The Utility CIP program proposes a \$3.5 million C.O. issue to fund Water & Sewer System improvements and replacements.

<b>Water and Sewer Series 2011 CIP</b>	
SCADA Center Renovations	\$1,535,000
Lockwood Water Tank Renovation	\$900,000
Sewer Line Renovation (inline)	\$360,000
2011 Water Meter Replacements	\$350,000
Utility Paving Cuts	\$180,000
2011 G&A	\$175,000
<b>Total</b>	<b>\$3,500,000</b>

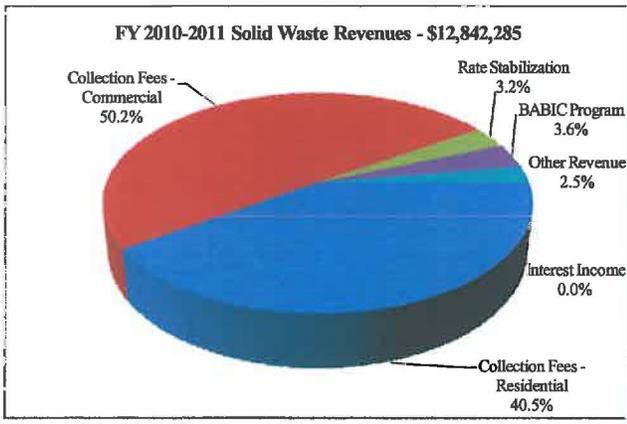
<b>Water &amp; Sewer Debt Service Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2008-2009</b>	<b>2009-2010</b>	<b>2009-2010</b>	<b>2010-2011</b>
<b>Beginning Fund Balance</b>	\$394,503	\$391,447	\$390,485	\$397,203
Total Revenues	\$4,223,199	\$4,433,929	\$4,488,369	\$4,921,181
<b>Total Funds Available</b>	<b>\$4,617,702</b>	<b>\$4,825,376</b>	<b>\$4,878,854</b>	<b>\$5,318,384</b>
<b>Total Expenditures</b>	<b>\$4,227,217</b>	<b>\$4,457,970</b>	<b>\$4,481,651</b>	<b>\$4,913,704</b>
Ending Fund Balance	\$390,485	\$367,406	\$397,203	\$404,680

## **SOLID WASTE SERVICES FUND**

The Solid Waste Services Fund, an Enterprise Fund, accounts for the residential and commercial solid waste collection services, including residential recycling collection and brush and bulky item collection.

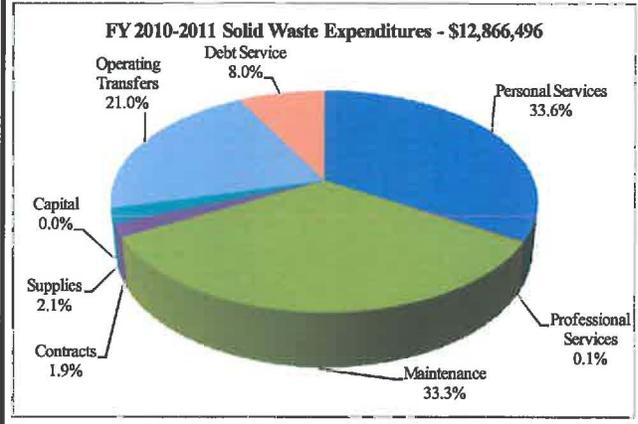
### **Sources**

Monthly services fees charged to residential and commercial customers provide the revenues for the fund. Rates are reviewed annually to confirm that sufficient revenue is generated to fund the anticipated expenses related to solid waste services.



### **Uses**

Expenditures for the daily operations, fleet maintenance and replacement, and disposal fees charged by the North Texas Municipal Water District are hosted in the Solid Waste Services Fund. Disposal Fees comprise 32.2% of the overall expenditures of the fund.



### **Fund Balance**

The established target Fund Balance for the Solid Waste Services Fund is 60 days building to 90 days.

## **SOLID WASTE SERVICES DEBT SERVICE FUND**

The Solid Waste Services Debt Service hosts revenue and expenses for solid waste equipment debt service obligations. The primary source of revenue is a transfer of revenues from the Solid Waste Services Operating Fund generated through the collection of solid waste service fees from residential and commercial customers. The expenditures include the annual debt service payments for solid waste vehicle and equipment replacements funded through the issuance of public property certificates of obligations.

## **SOLID WASTE SERVICES FUND**

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### **FY 2009-2010 Year-End**

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#### **Revenues**

- Solid Waste revenues are projected to end the year (\$128,000) or -1.0% below their original budget of \$12.5 Million.
- Residential Collections are tracking down (\$21,000) or -0.4% from the programmed \$5.2 Million.
- Commercial Collections are tracking down (\$201,000) or -3.1% from an original budget of \$6.6 Million. Commercial clients continue to refine their level of service to achieve better efficiency in their collection schedules.
- The BABIC transfer from the Water and Sewer fund will end the year as budgeted at \$466,666.
- The Other Revenue category is expected to finish the year \$109,000 or 56.6% above the original budget of \$192,000 as the markets for recyclables begins to recover from the stagnation of FY 2008-2009.
- Interest Earnings are tracking down (\$14,000) or -76.7% from their original budget of \$19,000 as a result of the current economic conditions. This trend is expected to continue into next year.

#### **Expenditures**

- Total Expenditures and Transfers are expected to end the year (\$338,000) or -2.7% below the \$12.4 Million programmed for FY 2009-2010.
- Personal Services should finish the year (\$163,000) or -3.7% below its original budget. In an attempt to offset the decline in revenues, overtime and contractual labor have been reduced.
- Professional Services is expected to finish the year \$18,000 above its adopted level of \$16,000 as a result of a mid-year use of consulting engineering services to assist with some service plan revisions.
- Maintenance is expected to decrease (\$163,000) or -4.0%. The entirety of the savings is estimated in disposal fees paid to the North Texas Municipal Water District. While cost per ton has risen slightly this year, the City's actual final cost is based on our proportionate share of actual usage at the landfill. At the end of their fiscal year, the District looks at total usage by all five member cities and assigns each their proportionate share based on how many tons, of the total, each city delivered to the landfill. With continued growth in Frisco, Allen and McKinney, City Staff is estimating our final cost will be (\$153,000) lower than the original budget of \$4.0 Million. The NTMWD per ton disposal rate has increased 33% in 5 years, from \$30.58/ton in FY 2006-2007 to a future rate of \$40.78/ton effective FY 2010-2011. NTMWD disposal fees make up approximately 1/3 of the Solid Waste Services Fund expenditures.

- Contracts are projected to finish the year (\$12,000) or -4.7% below the original budget of \$257,000. The majority of this savings is due to lower than anticipated property and risk insurance premiums.
- Supplies are expected to end the year (\$7,000) or -2.6% below its budgeted position of \$263,000. The savings is the result of minor savings across several line items.
- The debt service transfer remains unchanged from the budgeted \$634,000.
- Days in Fund balance are expected to end the year with 100.8 days, in compliance with the adopted financial policy of “60 days building towards 90 days.”

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### 2010-2011 Revenues

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- Total revenues are projected to be \$513,000 or 4.2% over year-end estimates.
- Commercial Collections Fees are expected to increase 1.0% or \$64,000 over year-end estimate, with Residential Fees increasing 0.5% or \$26,000.
- Rate Stabilization of \$410,000 is activated this year, but will only be used at year-end if necessary based on year-end revenue and expenditure performance. This activation allows the fund to maintain the required 90 days of fund balance. During the Fall and Winter of 2010, a thorough rate review for both commercial and residential customers will be conducted with an expected proposed rate increase early in 2011.
- The following chart shows the actual cost of service. With a rate of \$18.00/month and a true cost of \$23.93, it's clear Commercial Collections subsidizes Residential Collection almost \$6.00 per resident each month or almost \$72 per year.
- Last rate change was in FY 2008-2009.
- Senior rate is \$13.30/month or a 26% discount.

Residential Cost Breakdown				
	Actual	Budget	Estimate	Budget
	FY 2008-09	FY 2009-10	FY 2009-10	FY 2010-11
Operating Cost	\$8.07	\$7.99	\$7.75	\$8.15
Disposal Costs	4.30	5.17	4.90	4.97
BABIC	2.22	2.19	2.49	2.54
Recycling	1.67	1.61	1.86	1.87
G&A and Fran. Fees	4.70	4.99	4.73	4.77
Debt	1.11	1.12	0.98	1.62
	\$22.07	\$23.08	\$22.72	\$23.93

City	Current Rate	Weekly P/U	Manual	Sr. Disc.	Outsourced	Recycling	Fee Increase
Arlington	\$11.59	2	X	N	Yes	Weekly	No
Frisco	\$11.91	1		\$2.17	Yes	Weekly	TBD
Plano	\$12.28 - 68 gal. cart	1		N	No	Bi-Weekly	No
Allen	\$15.02	1		N	Yes	Bi-Weekly	Recently Done
Grand Prairie	\$15.04	2	X	\$1.00	Yes	Weekly	No
Plano	\$16.35 - 95 gal. cart	1		N	No	Bi-Weekly	No

Mesquite	\$16.24	2	X	N	No	Weekly	TBD
McKinney	\$16.63	1		N	Yes	Weekly	TBD
<b>Richardson</b>	<b>\$18.00</b>	<b>2</b>	<b>X</b>	<b>26%</b>	<b>No</b>	<b>Weekly</b>	<b>No</b>
Garland	\$18.76	1		N	No	Bi-Weekly	No
Carrollton	\$19.46	1		N	Yes	Bi-Weekly	TBD
Irving	\$19.76	2	X	20%	No	Weekly	No
Dallas	\$22.02	1		N	No	Weekly	No

- The BABIC transfer from the Water and Sewer fund will remain at \$467,000. This allocation acknowledges the water supply protection provided by the BABIC program.
- Other Revenue increases \$15,000 from year-end estimates as the recyclable market continues to improve.
- Interest Earnings represent a continuation of current market conditions and is expected to decrease (\$1,500) or -33.8%.

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### 2010-2011 Expenditures

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- Total expenditures and transfers are proposed at \$12.9 Million, an increase of \$848,000 or 7.1% over the year-end estimate of \$12.0 Million.
- Personal Services increase \$117,000 or 2.8% over year-end estimate and includes full staffing for the year and step pay for those eligible.
- Professional Services decreases -54.2% or (\$18,000) from the year-end estimate since the aforementioned engineering study is now completed.
- The Maintenance category is projected to increase \$315,000 or 7.9% over the year-end estimate due to anticipated growth in tonnage and a minor increase in the disposal fees charged by NTMWD.
- The Contracts and Supplies have minimal increase that combine for a total of \$18,000 over year-end estimate.
- A proposed issuance of \$1.4 million in CO's will provide capital items for the continued provision of solid waste collection services.

Capital Items	
Rear Loaders (4)	\$640,000
Frontloader (1)	\$235,000
Roll-Off Truck (1)	\$165,000
Knuckleboom Truck (1)	\$135,000
8 YD. Containers (85)	\$80,750
34 Cubic Yard Self-Contained Compactor (2)	\$40,000
Compactor Power Units (10)	\$40,000
30 YD. Containers (5)	\$30,000
4 YD. Containers (20)	\$13,000

- A proposed comprehensive Solid Waste Management Master Plan update for the City of Richardson will be funded from prior year reserves. The study will provide the framework for policies and strategies regarding managing solid waste within the city. Significant shifts in industry practices at the local, regional and national level are occurring that make this study of paramount importance. This Master Plan will define parameters as we evaluate new, sustainable or "Green" initiatives citywide. The cost of the study is estimated between \$175,000 and \$200,000 and will include an in-depth review and recommendations to provide new services as necessary. The scope of work will include;
  - Evaluation of existing collection systems,
  - Defining future solid waste management needs and identification of new programs and implementations of each,
  - Program Options like yard waste, composting, recycling collection, etc.,
  - Program refinements and cost impacts to implement each at right times and,
  - Option implementation issues.
- BABIC - \$838,000 Cost
  - 2007-2008 / 70,900 stops
  - 2008-2009 / 71,182 stops
  - 2009-2010 / 63,000 stops (nine months)
  - 7 Knuckleboom Trucks (1 truck – 1992 start)
- Recycling - \$605,000 Cost
  - 30% participation
  - 6,000 tons collected
  - \$200,000 annual savings (in house operations / March 2008)

<b>Classification of Solid Waste Services Fund Expenditures</b>		
<b><u>Operating Expenditures</u></b>	<b><u>Proposed Budget</u></b>	<b><u>Percent of Total</u></b>
Personal Services	\$4,320,246	33.58%
Professional Services	15,550	0.12%
Maintenance	4,279,681	33.26%
Contracts	2,954,474	22.96%
Supplies	268,850	2.09%
Capital	-	0.00%
<b><u>Total Operating Expenditures</u></b>	<b><u>\$11,838,801</u></b>	<b><u>92.01%</u></b>
Transfers Out	\$1,027,695	7.99%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b><u>\$12,866,496</u></b>	<b><u>100.00%</u></b>

<b>Operations Line Item Expenditures</b> <b>(Variances in Excess of \$25,000)</b> <b>2009-2010 Estimated – 2010-2011 Proposed</b>			
<b>Overall Solid Waste Fund Operating Expenditure Increase</b>			<b>\$430,524</b>
<b>1102-2999</b>	<b>Personal Services</b>		<b>\$116,644</b>
	1103 – Operations Hourly	\$59,386	
	2301 – TMRS	\$40,989	
<b>3271-3499</b>	<b>Professional Services</b>		<b>(\$18,425)</b>
	3499 – Other Professional Services	(\$20,000)	
<b>4101-4599</b>	<b>Maintenance</b>		<b>\$314,558</b>
	4201 - Disposal Costs – NTMWD	\$300,458	
<b>5201-5999</b>	<b>Contracts</b>		<b>\$28,822</b>
<b>6101-6999</b>	<b>Supplies</b>		<b>\$13,002</b>

### **Debt Service**

- The Debt Service Transfer of \$1 Million accounts for \$394,000 of the total increase in the fund and is a 62.1% increase over the year-end debt service payment of \$634,000. The increase is the result of this funds share of the radio replacement program, as well as increased equipment replacement debt resulting from the service enhancements enacted over the last two years.

### **Fund Balance**

- FY 2010-2011 fund balance is proposed at 93.46 days. This achieves the goal established in the adopted financial policy of “60 days building towards 90”.

<b>Solid Waste Services Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2008-2009</b>	<b>2009-2010</b>	<b>2009-2010</b>	<b>2010-2011</b>
Beginning Fund Balance	\$2,906,676	\$3,206,860	\$3,007,711	\$3,318,641
<b>Total Revenues</b>	<b>\$12,291,462</b>	<b>\$12,456,670</b>	<b>\$12,329,030</b>	<b>\$12,842,285</b>
Total Funds Available	\$15,198,138	\$15,663,530	\$15,336,741	\$16,160,926
Total Expenditures	\$8,289,281	\$9,031,025	\$8,703,949	\$9,134,473
Total Operating Transfers. Out	\$3,185,563	\$2,691,347	\$2,680,251	\$2,704,328
Total Other Transfers	\$715,583	\$633,900	\$633,900	\$1,027,695
<b>Total Expend. &amp; Transfers</b>	<b>\$12,190,427</b>	<b>\$12,356,272</b>	<b>\$12,018,100</b>	<b>\$12,866,496</b>
Ending Fund Balance	\$3,007,711	\$3,307,258	\$3,318,641	\$3,294,430
<b>Days in Fund Balance</b>	<b>90.03</b>	<b>97.70</b>	<b>100.79</b>	<b>93.46</b>

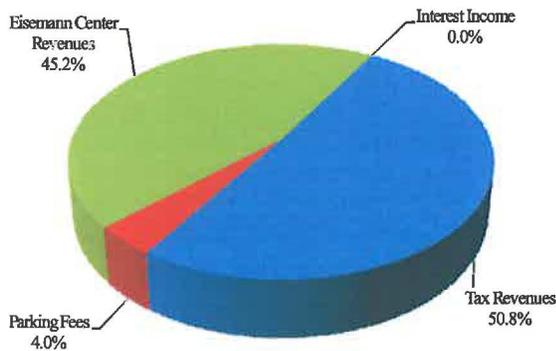
## **HOTEL MOTEL TAX FUND**

The Hotel Motel Tax Fund, an enterprise fund, accounts for the administration, operation, and maintenance of the Charles W. Eisemann Center, parking garage, Convention and Visitors Services and annual grants to local arts organizations.

### Sources

The fund is supported by the Hotel/Motel Occupancy Tax, which is restricted by State law to tourism promotion, capital construction, the operation of meeting facilities, or cultural activities as well as the operating revenues received on user fees charged for the use of the Eisemann Center and Parking Garage.

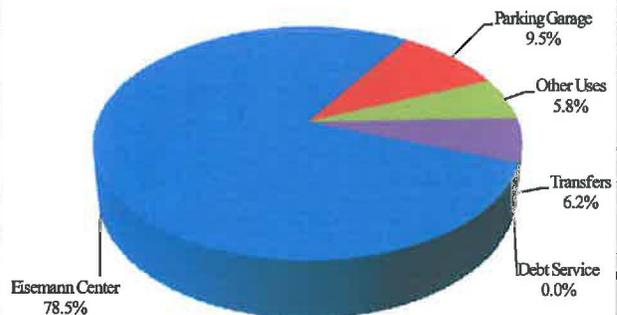
**FY 2010-2011 Hotel/Motel Tax Fund Revenues - \$5,325,660**



### Uses

Daily operations at the Eisemann Center and Parking Garage account for 88.0% of the expenditures in the Hotel Motel Tax Fund. Resources for Convention and Visitors Services and local arts grants are also allocated in the Hotel Motel Tax Fund.

**FY 2010-2011 Hotel/Motel Tax Fund Expenditures - \$5,341,692**



### Fund Balance

There is no pre-established Fund Balance Target for the Hotel Motel Tax Fund.

### HOTEL MOTEL TAX DEBT SERVICE

Hotel Motel Tax Fund resources are transferred to the General Debt Service Fund to assist in funding the annual debt service payment on the Eisemann Center.

## HOTEL MOTEL TAX FUND

### Year-End FY 2009-2010

#### Revenues

- Based on 9-months of revenue receipts and projected activities for the 3 remaining months, the Hotel Motel Tax Fund year-end revenues are down (\$202,000) or -4.0% from their budgeted position of \$5.0 Million for 2009-2010.
- Hotel Motel Tax Receipts are a factor of both room rate and occupancy levels. From January to June 2010, occupancy is up over last year, as is RevPAR (revenue per available room) but the average daily rate is -9.3%.

Year	Occupancy Rate	Average Daily Rate	RevPAR
Jan-June 2009	50.12%	\$89.29	\$44.45
Jan-June 2010	56.42%	\$81.01	\$45.77

- While the local Hotel/Motel market continues to see the declines begun in FY 2008-2009, the pace of the decline is slowing. Some properties even began showing signs of recovery beginning in the early part of this calendar year. Hotel/Motel Tax Receipts are anticipated to end the year (\$262,000) or -9.2% lower than the 2009-2010 budget projection of \$2.8 Million. A breakdown of the receipts by property is provided below.

Hotel Property	Actual 2008-2009	Budget 2009-2010	Estimated 2009-2010
Marriott Renaissance	\$ 559,076	\$ 606,338	\$ 577,274
Hyatt Regency/The Richardson	\$ 427,599	\$ 443,476	\$ 417,884
DoubleTree Hotel	\$ 282,062	\$ 289,527	\$ 274,251
Hilton Garden Inn	\$ 172,244	\$ 210,755	\$ 184,093
Holiday Inn	\$ 246,472	\$ 278,734	\$ 177,915
Mariott Courtyard - Galatyn	\$ 164,604	\$ 179,996	\$ 162,955
Residence Inn	\$ 149,557	\$ 152,681	\$ 149,506
Marriott Courtyard - Spring Valley	\$ 164,128	\$ 179,481	\$ 133,654
Hampton Inn	\$ 131,680	\$ 159,814	\$ 130,993
Hyatt Summerfield	\$ 111,469	\$ 114,702	\$ 127,263
Hawthorne Suites	\$ 16,374	\$ 23,828	\$ 86,580
Homestead Suites	\$ 70,167	\$ 77,502	\$ 58,973
Super 8	\$ 49,588	\$ 53,201	\$ 38,423
Econo Lodge	\$ 32,648	\$ 33,284	\$ 28,365
Continental Inn	\$ 24,813	\$ 26,083	\$ 19,832
Como Motel	\$ 18,291	\$ 18,823	\$ 17,912
Charles Thompson & Assoc.	\$ 132	\$ 132	\$ -
<b>TOTAL</b>	<b>\$ 2,620,904</b>	<b>\$ 2,848,356</b>	<b>\$ 2,585,873</b>

## **Expenditures**

- Total Eisemann Center revenues are expected to be up \$67,000 or 3.4% above budget. Revenues from fees and tickets sales and surcharges are down (\$168,000), due primarily to not having “Menopause the Musical” for six weeks as we’ve had the last two years. Through May, the Center’s had 30 less clients and 56 fewer shows than the same period last year. The offset to this loss is seen in the revenue generated by the Eisemann Center Presents Series. Revenue from the ECP is expected to end the year \$207,000 or 22.9% above the original budget due to strong sales for “A Ride with Bob” as well as increased sponsorships and donations.
- Parking Garage revenues are anticipated to finish the year up \$7,000 or 3.9% from its budgeted position of \$180,000.
- Total Expenditures and Transfers for 2009-2010 are projected to end the year (\$318,000) below the original budget \$5.1 Million.
- While daily operations at the Eisemann Center will recognize (\$53,000) in year-end savings, the Eisemann Center Presents Series will be over the original budget by \$99,000. As mentioned above, the increased expenditure level for ECP is offset by the additional series revenue of \$207,000.
- Parking Garage expenditures are projected to end the year down (\$23,000) or -4.7%.
- Given the continued downward pressure on the occupancy tax, the debt service transfer of \$350,000 has been eliminated for both year-end and next year in an attempt to relieve expenditure pressure in the fund. The Hotel/Motel debt service payment will be carried by the General Fund until the local hotel economy recovers sufficiently.
- The remaining expenditures in the Fund will be on target with the original allocations.
- The Hotel Motel Tax Fund balance is anticipated to end the year at \$347,000. There is no formal designated fund balance policy for the Hotel Motel Tax Fund. For illustrative purposes only, this equates to 26.27 days of available fund balance.

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## **2010-2011 Revenues**

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- Total Revenues for the Hotel/Motel Tax Fund are projected at \$5.3 Million for next year, reflecting an 11.1% increase in overall revenues.
- During the Spring each year, the Budget Office goes through each operating fund and performs a multi-year forecast. Given the recent declines occupancy tax, the City entered into an agreement with PKF Consulting, a national leader in hotel market analysis, to perform a multi-year outlook on property performance for our 16 hotels. The gist of that analysis is simply that ADR will flatten out in the last quarter of FY 2009-2010 and begin a slow, 4 year recovery beginning the first quarter of FY 2010-2011. As mentioned earlier in this presentation, occupancy rates are already seeing improvements as the independent

business traveler (IBT) market begins to recover along with our technology related businesses. The following revenue estimates reflect the findings of that report along with our own analysis of current receipts.

- For 2010-2011, Hotel/Motel Tax Receipts of \$2.7 million are based on an average 5% recovery in the hotel market.

<b>Hotel Property</b>	<b>Actual 2008-2009</b>	<b>Budget 2009-2010</b>	<b>Estimated 2009-2010</b>	<b>Budget 2010-2011</b>
Marriott Renaissance	\$ 559,076	\$ 606,338	\$ 577,274	\$ 606,138
Hyatt Regency/The Richardson	\$ 427,599	\$ 443,476	\$ 417,884	\$ 438,778
DoubleTree Hotel	\$ 282,062	\$ 289,527	\$ 274,251	\$ 287,964
Hilton Garden Inn	\$ 172,244	\$ 210,755	\$ 184,093	\$ 193,298
Holiday Inn	\$ 246,472	\$ 278,734	\$ 177,915	\$ 186,811
Mariott Courtyard - Galatyn	\$ 164,604	\$ 179,996	\$ 162,955	\$ 171,103
Residence Inn	\$ 149,557	\$ 152,681	\$ 149,506	\$ 156,981
Marriott Courtyard - Spring Valley	\$ 164,128	\$ 179,481	\$ 133,654	\$ 140,337
Hampton Inn	\$ 131,680	\$ 159,814	\$ 130,993	\$ 137,543
Hyatt Summerfield	\$ 111,469	\$ 114,702	\$ 127,263	\$ 133,626
Homestead Suites	\$ 70,167	\$ 77,502	\$ 58,973	\$ 61,922
Hawthorne Suites	\$ 16,374	\$ 23,828	\$ 86,580	\$ 41,116
Super 8	\$ 49,588	\$ 53,201	\$ 38,423	\$ 40,344
Econo Lodge	\$ 32,648	\$ 33,284	\$ 28,365	\$ 29,783
Continental Inn	\$ 24,813	\$ 26,083	\$ 19,832	\$ 20,824
Como Motel	\$ 18,291	\$ 18,823	\$ 17,912	\$ 18,808
Charles Thompson & Assoc.	\$ 132	\$ 132	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 2,620,904</b>	<b>\$ 2,848,356</b>	<b>\$ 2,585,873</b>	<b>\$ 2,665,374</b>

- Parking Garage fees are projected at \$215,000, an increase of \$28,000 or 14.8% over year-end. Submitted for Council consideration, staff proposes a three prong change to the current fee structure in the garage.
  - Increasing the transient parking rate from \$0.50 to \$0.75 per quarter hour for the first three hours of parking making the quarterly hour rate the same all day.
  - Cap the daily rate at \$22.50 after 8 hours,
  - Lastly, increase event self-parking from \$4.00 to \$5.00.
- These proposed changes are estimated to provide \$28,000 in new revenue.
- Eisemann Center revenues are projected at \$2.4 Million reflecting a \$387,000 or 19.2% increase from estimated year-end. Operations revenue is estimated based on performance levels similar to FY 2008-2009 levels. The majority of the revenue increase is due to the Eisemann Center Presents Series for FY 2010-2011 reflecting a return of sponsorship dollars as well as the return of the Tuna Christmas program.

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## **2010-2011 Expenditures**

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- Total Expenditures and Transfers for 2010-2011 are proposed at \$5.3 Million reflecting a \$513,000 increase over current year-end expenditures.

- The Eisemann Center expenditures increase \$492,000 above year-end. While operations increase \$73,000, the majority of the increase or \$419,000 is related to the Eisemann Center Presents Series as described above and is offset by matching revenue.

<b>Eisemann Center - (Daily Operations &amp; Eisemann Center Presents)</b>			
	<b>BUDGET 2009-2010</b>	<b>ESTIMATED 2009-2010</b>	<b>BUDGET 2010-2011</b>
<b>Revenues</b>	\$1,952,350	\$2,019,480	\$2,406,790
<b>Expenditures</b>	\$3,657,789	\$3,703,873	\$4,195,838
<b>Revenues Over/(Under)</b>	<b>(\$1,705,439)</b>	<b>(\$1,684,393)</b>	<b>(\$1,789,048)</b>

- Parking Garage Expenditures increase 6.3% or \$30,000 based on the parking garage services agreement. The City budgets the maximum allowable by contract. It's worth noting that the contractor has yet to bill the City the whole amount due to good contract performance.

<b>Parking Garage</b>			
	<b>BUDGET 2009-2010</b>	<b>ESTIMATED 2009-2010</b>	<b>BUDGET 2010-2011</b>
<b>Parking Fees</b>	\$179,843	\$186,843	\$214,500
<b>Expenditures</b>	\$499,154	\$475,707	\$505,654
<b>Revenues Over/(Under)</b>	<b>(\$319,311)</b>	<b>(\$288,864)</b>	<b>(\$291,154)</b>

- The Transfer to General Fund – CVB remains at \$330,000 in support of the department's hotel/motel initiatives.
- As mentioned previously, the transfer to the General Debt Service is eliminated this year to allow the fund time to recover from the current downturn in the local hotel economy. This transfer will resume as soon as the fund can sustain it.
- The Fund Balance is projected to be \$331,000 equating to 22.65 days of fund balance.

<b>Classification of Hotel/Motel Tax Fund Expenditures</b>		
	<b>Proposed Budget</b>	<b>Percent of Total</b>
<b><u>Operating Expenditures</u></b>		
Personal Services	\$1,833,007	34.32%
Professional Services	906,771	16.98%
Maintenance	94,476	1.77%
Contracts	1,791,530	33.54%
Supplies	710,908	13.31%
Capital	5,000	0.09%
<b><u>Total Operating Expenditures</u></b>	<b><u>\$5,341,692</u></b>	<b><u>100.00%</u></b>
Transfers Out	\$ -	0.00%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b><u>\$5,341,692</u></b>	<b><u>100.00%</u></b>

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**Fund Balance**

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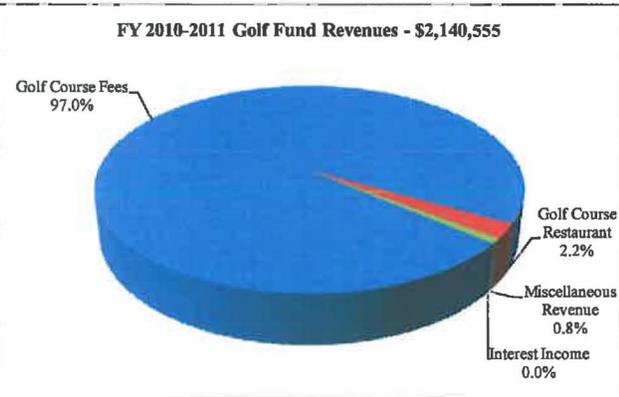
<b>Hotel Motel Tax Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2008-2009</b>	<b>2009-2010</b>	<b>2009-2010</b>	<b>2010-2011</b>
Beginning Fund Balance	\$922,078	\$464,434	\$382,522	\$347,494
<b>Total Revenues</b>	<b>\$5,082,888</b>	<b>\$4,995,563</b>	<b>\$4,793,752</b>	<b>\$5,325,660</b>
Total Funds Available	\$6,004,966	\$5,459,997	\$5,176,274	\$5,673,154
<b>Total Expend. &amp; Transfers</b>	<b>\$5,622,444</b>	<b>\$5,147,143</b>	<b>\$4,828,780</b>	<b>\$5,341,692</b>
Ending Fund Balance	\$382,522	\$312,854	\$347,494	\$331,462

## **GOLF FUND**

The Golf Fund, an enterprise fund, provides for the administration, operation, maintenance, and periodic renovation of Sherrill Park Golf Course.

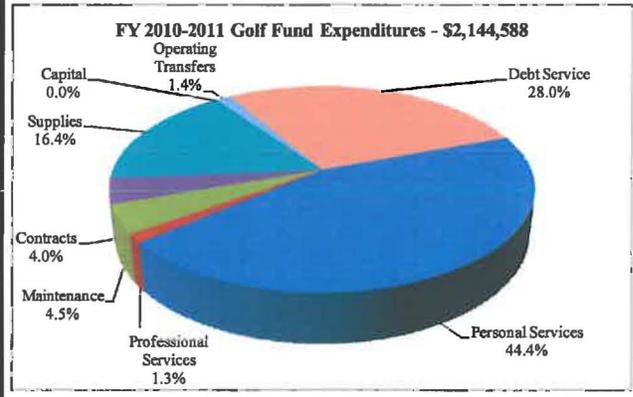
### Sources

Revenues for the Golf Fund are generated through golf fees charged to patrons. The number of rounds of golf played on annual basis drive the revenues of the Fund. The number of rounds played is affected by the weather climate and competition in the regional golf market.



### Uses

Expenditures include expenses related to daily operations, course maintenance, fleet maintenance and replacement, and special projects. Personal Services account for 44.4% of all expenditures in the Golf Fund.



### Fund Balance

The established target Fund Balance for the Golf Fund is 30 days building to 60 days.

### GOLF DEBT SERVICE FUND

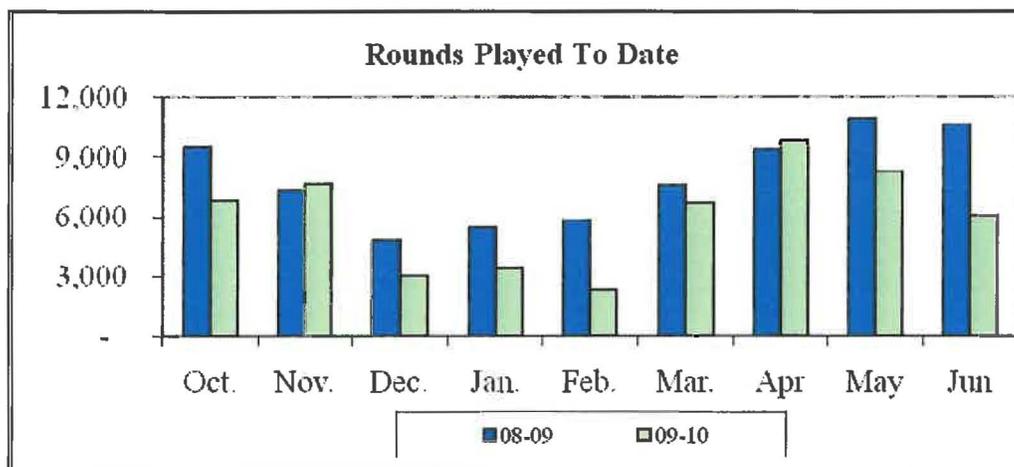
The Golf Debt Service Fund host the annual debt service payment associated with major course improvements or renovations. Revenues generated in the Golf Operating Fund are transferred to the Golf Debt Service Fund to provide the resources for the annual expenditures.

## GOLF FUND

### Year-End FY 2009-2010

#### Revenues

- Revenues for the Golf Fund are expected to end the year (\$54,000) or -2.5% below the budgeted \$2.2 Million.
- Course Fees are expected to finish the year at \$1.6 Million, down (\$476,000) or -22.6% below the budgeted amount. Rounds played of 53,894 are down (17,383) or -24.4% from this time last year. The decline in rounds played is a factor of two, unrelated and unpredictable events; heavy rainfall during the Fall and poor playing quality on the putting greens in the Spring. As the Summer progresses, the greens are recovering nicely and the players are returning, but the revenue losses from these two events will not be made up during the remaining 3 months of this Fiscal year.



- In order to protect the fund from these losses, the General Fund will assist with an estimated \$425,000 transfer at year-end to help maintain the minimal 30 days in fund balance. As the year-end position changes, this transfer will be tuned to maintain that 30 days.
- Revenue from the golf course restaurant is projected to finish the year down (\$6,800) or -13.7% below the budgeted \$49,500 while Miscellaneous Revenue is anticipated to be \$8,400 above the \$7,400 budgeted due to auction revenue. Interest Revenue is expected to finish the year down (\$4,100) or -96.4% below the \$4,300 originally budgeted.

#### Expenditures

- Total Golf Fund Expenditures and Transfers are expected to end the year at \$2.2 Million, a savings of \$51,000 from the original budget. This position is expected to

improve by year-end, but at this point, resources are still required to continue the recovery of the putting surfaces for optimal play.

- Given the projected revenue and expenditure performance, the days in fund balance in the Golf Fund will end the year at 30.52, in compliance with the Council approved financial policy of “30 days building to 60.”

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### **FY 2010-2011 Revenues**

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- Revenues for the Golf Fund are projected at \$2.1 Million for FY 2010-2011. This represents a 1.1% growth in anticipated revenues over year-end estimates and is based on a return to a normal year of 100,000 rounds played. No green fee increases are recommended at this time.

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### **FY 2010-2011 Expenditures**

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- Total Expenditures and Transfers for the Golf Fund are proposed at \$2.1 Million, a decrease of (\$57,000) or -2.6% from year-end estimates.
- Personal Services will increase \$16,000 or 1.8% from year-end and includes full staffing and slight increases to both part-time and overtime.
- Professional Services decrease (\$10,000) or -25.9% from year-end with minor savings in the courier service contract and tree pruning contract.
- Maintenance increases \$16,000 or 19.5% and includes a \$10,000 increase for equipment maintenance. In an effort to implement cost containment strategies, required maintenance has been selectively delayed on aging course maintenance equipment. This increase will help restore those maintenance levels. Also included are minor increases for irrigation maintenance and specialized equipment rental for course maintenance.
- Contracts decrease (\$4,000) or -4.6% primarily due to the lower property and liability premiums for the course.
- Supplies increase \$41,700 or 13.4% and include increased botanical services, janitorial supplies as well as minor increases for the cost of electricity and fuel.
- Alternative sources are being explored for capital needs at the Golf Course, which include \$25,500 for a replacement Greens Mower and \$56,000 for two Fairway Mowers.

<b>Classification of Golf Fund Expenditures</b>		
	<b>Proposed</b>	<b>Percent</b>
<b><u>Operating Expenditures</u></b>	<b><u>Budget</u></b>	<b><u>of Total</u></b>
Personal Services	\$953,007	44.44%
Professional Services	28,673	1.34%
Maintenance	95,690	4.46%
Contracts	85,591	3.99%
Supplies	351,800	16.40%
Capital	-	0.00%
<b><u>Total Operating Expenditures</u></b>	<b><u>\$1,514,761</u></b>	<b><u>72.03%</u></b>
Transfers Out	\$629,827	29.37%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b><u>\$2,144,588</u></b>	<b><u>100.00%</u></b>

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### **Fund Balance**

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- Given the projected revenue and expenditure performance, the days in fund balance of 30.64 will be in compliance with Council approved "30 building to 60" days.

<b>Golf Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2008-2009</b>	<b>2009-2010</b>	<b>2009-2010</b>	<b>2010-2011</b>
Beginning Fund Balance	\$366,944	\$270,302	\$268,382	\$184,061
<b>Total Revenues</b>	<b>\$2,066,114</b>	<b>\$2,170,484</b>	<b>\$2,116,866</b>	<b>\$2,140,555</b>
Total Funds Available	\$2,433,058	\$2,440,786	\$2,385,248	\$2,324,616
Total Expenditures	\$1,463,528	\$1,552,171	\$1,501,003	\$1,514,761
Total Transfers Out	\$701,148	\$700,184	\$700,184	\$629,827
<b>Total Expend. &amp; Transfers</b>	<b>\$2,164,676</b>	<b>\$2,252,355</b>	<b>\$2,201,187</b>	<b>\$2,144,588</b>
Ending Fund Balance	\$268,382	\$188,431	\$184,061	\$180,028
<b>Days in Fund Balance</b>	<b>45.16</b>	<b>30.54</b>	<b>30.52</b>	<b>30.64</b>

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### **Debt Service**

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- Debt Service continues to represent the full, yearly obligation of outstanding debt for the fund. This is the tenth year of debt service payment related to the \$6.3 million issuance of Series 2001 C.O.'s for the renovation of Course II.

## 2010-11 Budget Trends and Outlook

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### An Active Year Awaits

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- Even as we acknowledge the impacts of a dampened national economy, the City of Richardson is still a vibrant community with active residences, companies and community institutions. Significant reinvestment and vitality is evident throughout the community.
  - New residential developments are still active in the Breckinridge and Brick Row areas of the community. We continue to experience great interest in the City's residential redevelopment incentive program.
  - Blue Cross Blue Shield, Texas Instruments, TriQuint, Digital Realty Trust, and many other businesses are active in new investment and new production capacity upgrades.
  - The University of Texas at Dallas continues its \$500 million campus upgrade of facilities and aesthetic landscaping.
  - Methodist Richardson Medical Center is active in its Renner campus development planning for a new bed tower and additional medical offices.
- We have truly had sustaining activity during these recent economically-trying times, with the motivation of even better activity as the regional and national economies are restored. Richardson's location, features, and character position us well to achieve greater things in the emerging economic renewal.
- The recently approved \$66 million General Obligation Bond program will now initiate an active program of infrastructure and facility upgrade construction. This will stimulate the local economy and also stimulate residences and businesses as they contemplate renewals and investments in their property in our community.

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### Key Economic Development Consideration for the Future

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- We will be active in supporting these key external developments as they continue to be active and assist in stimulating economic renewal:
  - **Available Commercial Building Capacities** – The departure of Nortel Networks and Tektronix, and the lease consolidations of AT&T and Blue Cross Blue Shield into their new spaces now provide several commercial buildings with available lease space for large company requirements. Prospect inquires are very active.
  - **Blue Cross Blue Shield New Campus** – Construction activity is complete and Blue Cross has opened and occupied their new 34-acre, 1.1 million sq.ft. Phase I campus development at Lookout at U.S.75. This project will have a profound employment impact as 3,000 employees are retained in Richardson and this site expands to its 5,000 employee capacity. Future development on the remaining site is available for later phases.

- **PGBT at U.S.75 Transit Oriented Development Planning** – The recent new land ownership by the Parliament Group and the adjacent Caruth land holdings are demonstrating great cooperation and contemporary land planning efforts and they have announced their interest in rezoning and development preparation. The continued planning and implementation momentum for DART’s Cottonbelt Rail corridor will increase this planning attention to this rail corridor’s interchange with DART’s Light Rail Red Line along U.S.75. A focal point of this interchange is the Bush/190 DART Station area. Station-area rail planning as well as updated transit oriented land use planning, roadway and trail development planning will enhance the development potential for this area.
- **Arapaho Center TOD** – Real estate interest continues around this station and the adjacent 110-acre **Collins Tech Park** area is providing new development interest and attention to this area.
- **Richardson DataCenter Park** – The joint venture development announcement by Digital Realty Trust (DRT) and Skyrise Properties to repurpose the 800,000 sf of building capacity at Collins Tech Park into a \$250 million data center park has drawn wide attention as demand for internet services and virtual computing settings require intensive blade-server settings and support in secure mission-critical stable environments. DRT is the global-leader in this commercial service.
- **University of Texas at Dallas** – The significant \$500 million of facility investments by UT Dallas will continue during 2010-2011, with some of the key housing and teaching facilities having recently opening for campus use. Related to these current investments are significant planning efforts underway to expand the campuses orientation northward and formalize its orientation with DART’s future Cottonbelt Rail Corridor development and station locations.
- **Methodist Regional Medical Center** – The transition of the Richardson Regional Medical Center facilities with Methodist Health Systems continues in 2010 and contemplates additional Renner Campus development as well as increased patient activities at the MRMC Campbell Rd. campus. Early operating performance under this new structure has been favorable, even in light of the challenging economy, and will help trigger new capacity investments.
- **Brick Row** – Over the last two years, demolition was completed on the former 330 unit Green Valley Apartment complex and former residential parcels, and new site infrastructure has been under development. Model townhomes by David Weekly are now open and lot sales activities are underway. The 2-acre urban park will next be completed as well as new trail connections through the site and with the adjacent DART station. Initial Brick Row multi-family residential units are now for lease. All of this is on the east side of the Spring Valley DART station, adding momentum to further western redevelopment towards US75.

- **Eastside** –Commercial leasing has been very active, given the economic climate. This site, developed by Post Properties, Fobare Investments and Greenway Development blended both Mixed Use and transit oriented development concepts in this infill development. A future PhaseII along Greenville Avenue is under review.
- **West Spring Valley Reinvestment** – The policy guidance and community input sessions during 2010 are establishing a clear vision and pattern for reinvestment and coordinated public-private partnerships to re-energize this area. Coordinate and cooperative planning reviews with the City of Dallas will assist both the north and south sides of this W. Spring Valley corridor in gaining redevelopment attention and renewal project momentum.

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### **Likely Trend Topics for the next 2011-2012 Budget**

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- If not addressed sooner during mid-2011 of the upcoming fiscal year, the next 2011-2012 budget will likely be reviewing key rate reviews for Water and Sewer Utilities as well as Solid Waste Residential and Commercial customers. We will continue to track the wholesale water and sewer rate plan for the North Texas Municipal Water District as they continue their capital improvements and water supply development efforts. These cost pressures and the dynamic weather patterns will shape any requirements for periodic Utility rate changes. The Solid Waste evaluation plan review during 2010-2011 will provide important service and revenue guidance to shape future user rate assessments.
- We will continue on tracking the restoration of the City’s tax base in appraisal values. Residential property values for Richardson have remained fairly steady during this dampened economy and we see no signs that would weaken this portion of our tax base. This continues to confirm the resilience of Richardson residential neighborhoods. Commercial property values may still have some negative adjustment for 2011, though the lighter-than-expected commercial devaluations and the prospect for quick lease replacements in available commercial properties may avoid any further reductions.
- The City employee’s compensation program will need careful review in the 2011-2012 budget as we will have completed this next 2010-2011 budget with only step adjustments for about 50% of employees, therefore making no market or compensation adjustments for about 50% of employees. The 2011-2012 budget will need to address the impacts of two years of no compensation adjustment for the remaining employees not impacted by step adjustments. Ongoing costs pressures of the City’s health insurance program will need close attention, as well as initiate the requirements of the current national policy review on health care provision and the changing responsibilities of employers.
- We will also need to track closely the cumulative impact of a multi-year employment freeze on the municipal operation and service delivery. Maintaining a positive work environment for remaining employees that are taking on extra duties will be important. In 2011-2012, we will complete the transition of the city’s property tax collections to our two County partners.

- The 2011-2012 budget will begin the first staged reduction in the G&A transfer from the bond funds to handle the capital project staffing now hosted in the General Fund. A reduction of about \$250,000 is proposed towards a four year phase-out.
- We will begin to enjoy the reduced liability posture and stable current funding requirements of our TMRS retirement plan financial posture as we complete the implementation of the benefit refinements during 2010-2011.
- We will remain very active in the implementation of the 2010 G.O. bond program. We trust that the current economy will continue to provide favorable bids and some project savings, though we must be vigilant that our bidding contractors can perform and are financially capable for our municipal projects. We know that these capital investments not only improve our community assets, but also add to the current “economic stimulus” efforts that government investments make in the economy.
- We will assess the City of Richardson’s relative property tax rate position to area cities as we make our 2010-2011 \$0.06 adjustment for the new debt service and many other area communities make adjustments to their rates for operations.
- The City will be active in completing the rate preparation efforts for implementing a Drainage Utility Fee to likely be implemented during 2011-2012.
- By 2011-2012, we will be well into our implementation and completion of key public safety upgrade initiatives, including Fire and Police dispatch and records software upgrades, Fire station and training facility reconstructions, Emergency Operations Preparedness equipment and facility upgrades, and complete upgrade of the radio communication infrastructure. All city facilities will have completed a full telephone and voicemail system upgrades and between building data transfer upgrade.

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## Summary

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- To remain *vital for the long run*, ongoing efforts at refining operations and renewing key infrastructure must be made. This 2010-2011 budget focuses on several of these efforts and will provide positive sustaining impact for the future.
- Our renewed AAA municipal bond rating and related rating commentaries confirm that the budget development and monitoring tactic utilized by the City are effective and among the best practices. The proposed \$0.06 tax rate increase for debt is not taken lightly and strong efforts of stewardship and quick implementation are underway to gain the maximum community benefit for this added capital investment. Favorable voter support with the knowledge of the commensurate tax rate adjustment required suggests that the community supports these reinvestments.
- There is much work to do in 2010-2011, and the proposed budget is a viable plan for accomplishing the active program of goals and projects.
- *Richardson will be better for it...both now, and in the long run.*