

City of Richardson, Texas  
2014-2015 Municipal Budget Overview

***Budget & The Future:  
Sustaining Excellence in  
Richardson's "Era of Next"***



City Council Budget Presentation  
August 11, 2014



# Contemplating and Preparing for the Future...*The Era of Next*



- During this 2014-2015 Budget will be the 30<sup>th</sup> Anniversary of the movie “*Back to the Future*” (1985).
- Time-traveling Marty McFly propels himself into the year 2015...and the adventure begins!
- While they await hoverboards, flying DeLoreans, and Powerlace Nike shoes in Hill Valley – we make our efforts at preparing for the future with the “next” we do know!



# *Sustaining Excellence in Richardson's "Era of Next"*



- ***Sustaining Excellence in Richardson "Era of Next"*** is a theme for this 2014-2015 budget that acknowledges our community's history of excellence - and our duty to set a plan for the future that sustains & enhances our service levels even as we add, change, and renovate to shape the "future Richardson".
- We speak of an "era" to acknowledge the multi-year trend and direction - more than just a factor for only 2014-2015 - but giving focus on the elements that will impact this next year's budget.

# *Sustaining Excellence in Richardson's "Era of Next"*

- Drive around town and observe the new and renewing developments underway... residential, office, and retail.
- We monitor these changes to our capacity assessments and work measurements to assure the City can meet the next service requirements as these new developments begin operations.
- As staff members complete careers of service, we prepare successors to sustain these missions.
- As community resources approach decades of service longevity, we seek an orderly and affordable method for replacement and upgrade.



**VERSION**

# “Era of Next”

- The dynamics of “next” are all around us...:
  - The next steps for infrastructure attention...
  - The next redevelopment study strategy...
  - The next steps for community arts...
  - The next transit-oriented development...
  - The next era in business formation support...
  - The next decade for the Eisemann Center...
  - The next evolution of technology...
  - The next announcement at CityLine ...
  - The next growth of UTDallas...
  - The next renewal of older public facilities...
  - The next water supplies...
  - The next support for public safety responsiveness...
  - The next....



# 2014-2015 Projects In Progress:

- Completion and Opening of State Farm and the Initial Phase of CityLine
- Opening of the city park at CityLine
- Completion of Central Trail
- Completion of Main Street/Belt Line Road Updated Zoning
- Completion of Proposal for Updated City Charter
- Substantial Completion of the 2010 Bond Program
- Preparation for the Fall 2015 G.O. Bond Referendum
- Completion of a Public Art Master Plan
- Completion of Dog Park and Park in Northrich Neighborhood
- Initiation and Completion of Golf Course #1 Rebuild

# Highlights of the Proposed FY 2014-2015 Budget

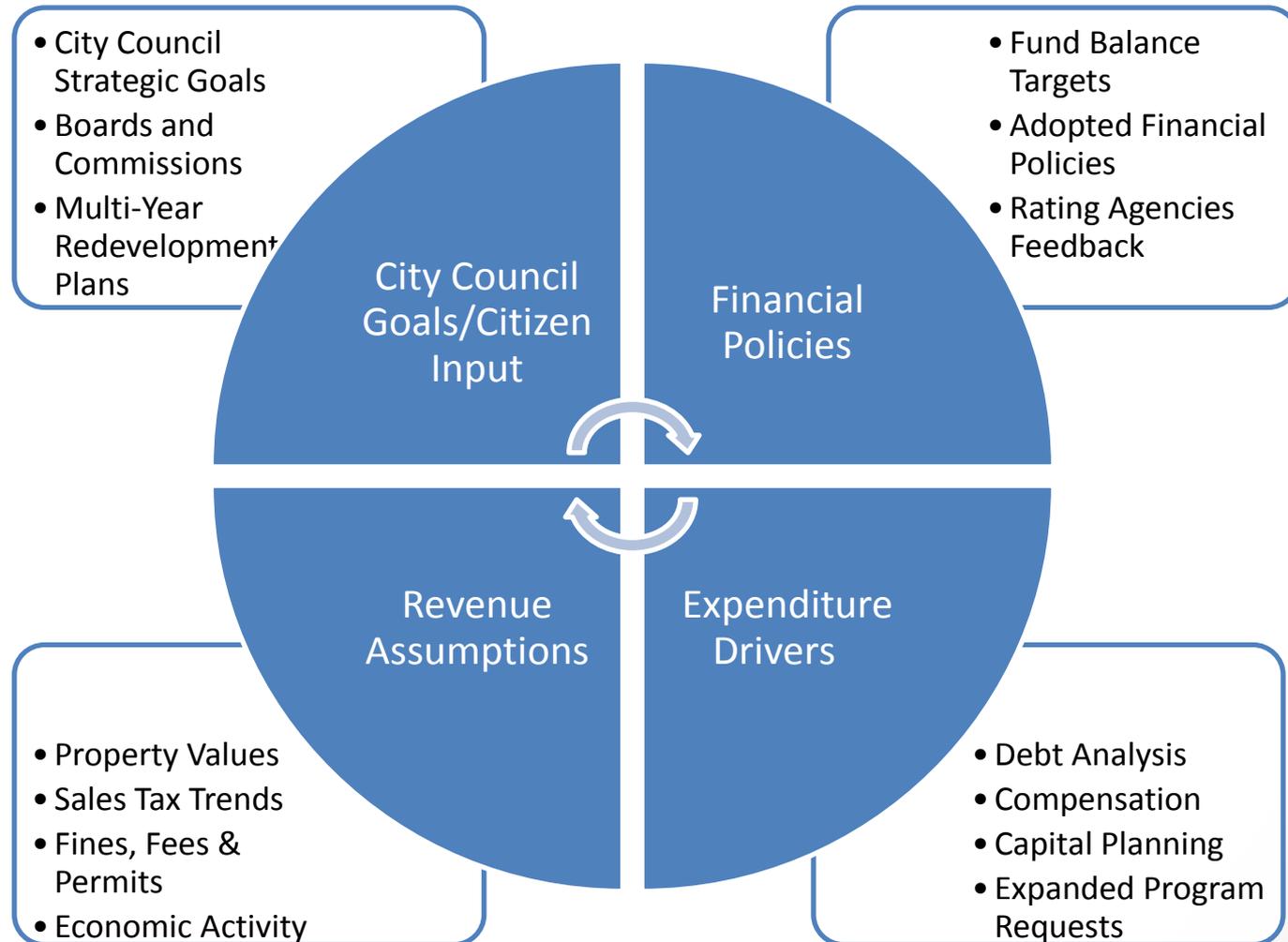
- Commit to Increased Maintenance.
  - 2 pennies dedicated to Street Maintenance
  - Year 2 Strategies for Key Maintenance Activities
- Increase Senior Tax Exemption from \$55,000 to \$60,000 to maintain the 30% goal. (*Completed*)
- Launch Police and Fire/EMS Staffing Initiatives.
- Enhance our Economic Development “Tool Box” Strategies.
  - Dedicate a ½ cent of the property tax rate for economic development
  - Consider economic development projects in TIF zones
- Advance Reinvestment Strategies – US75/Main Street and Spring Valley Corridor.
- Sustain a Competitive Employee Compensation and Benefits Profile.
- Continue Active Implementation of the Cultural Arts Master Plan.

# City of Richardson Fiscal Year 2014-2015 Budget Methods

- **Key Budget Principles:**

- Serving our citizens and our stakeholder is our top priority.
- Alignment with City Council Strategic Goals – budgeting is a year-round discussion based on City Council priorities.
- Importance of building upon the focus of “*Maintaining a Solid Foundation*” from the FY 2013-14 Budget and maintaining and reinvesting in our key infrastructure.
- Need to plan for the future – reinvestment studies and infrastructure master plans lay the framework for future years.

# Budgeting – “Convergence” of Key Decisions



# 2014-2015 Budget Development

- The City's budget development process conforms to a variety of guidance features:
  - City Council Direction
  - State & Federal Laws
  - City Charter
  - City Financial & Investment Policies
  - Fund Accounting Standards
  - Bond Rating Criteria



# Budget Development Objectives

- Develop a 2014-2015 Budget and Work Plan that requires no new property tax rate change.
- Continue the strong alignment of municipal resources around the key themes of the Council's goals: sustained infrastructure enhancements, quality public safety services, strong comprehensive planning, neighborhood integrity and renewal, active economic development and strong fiscal management.
- Sustain the many initiatives begun with the current 2013-2014 work plan, including key studies and capital project initiations.



# Budget Development Objectives

- Finish the implementation of the 2010 G.O. Bond Program, and respond to the operating impacts of these improvements.
- Support the implementation work plan for our reinvestment studies.
  - Continue the active attention to catalyst projects
- Support transit-oriented development initiatives around the existing and proposed DART Light Rail stations – and seek continued support of DART transit enhancements for Richardson.
- Enhance maintenance efforts to protect existing city infrastructure and assets.
- Continue the work plan for enhanced communication outreach.



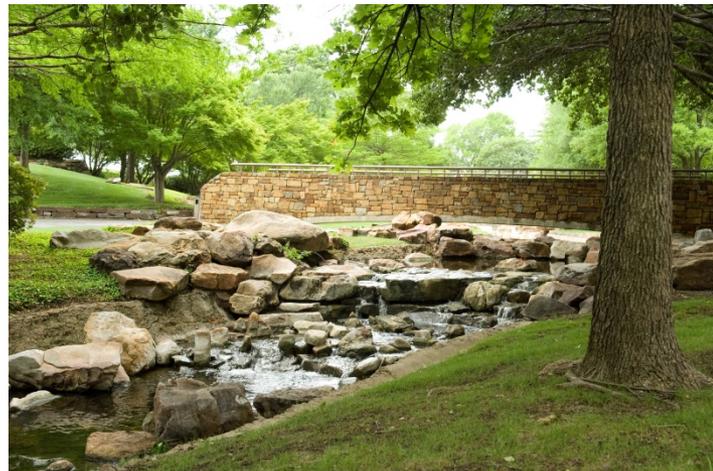
# Budget Development Objectives

- Continue to leverage with personal and corporate donations and volunteerism to strengthen community arts, city services, and community assets.
- Maximize the economic development retention and recruitment opportunities to strengthen our tax base – including retail initiatives and international business development.
- Foster the redevelopment of Richardson's older assets through quality planning updates and financial support efforts like Tax Increment Financing (TIF) and active infrastructure upgrades.



# Budget Development Objectives

- Continue to support the strong work plan of neighborhood outreach and reinvestment – including our partnerships with HOA's and other groups and the Home Improvement Incentive Program.
- Sustain Richardson's leadership posture with DART, NTTA and TxDOT initiatives to sustain good transportation access and air quality efforts.
- Support the planning and fiscal requirements for regional utility services for water supply, sewer treatment, and solid waste management to assure the future of these important infrastructure assets and resources.



# Budget Development Objectives



- Continue our strong alliance commitments with our community partnerships: RISD, PISD, MRMC & UTDallas.
- Sustain our focus on the quality-of-life components of municipal services devoted to parks, recreation and open space/trails. Be attentive to refining service delivery in these areas as we design and construct the bond and grant-funded recreation assets.
- Continue to support a competitive employment environment to sustain and recruit a high-quality public service work force.

# Key Budget Elements for 2014-2015: Maintenance Activities

*Maintenance initiatives are multi-year, multi-faceted strategies designed to maximize dedicated funding.*

## **Streets**

Proposed budget includes an additional 1/4 cent property tax for:

- One arterial, two collectors and three neighborhoods zones

## **Screening Walls & Bridge Railings**

Proposed budget includes funding for:

- All remaining screening walls will be painted
- Seven bridges will be repaired and enhanced

## **Traffic Signs & Pavement Markings**

Proposed budget includes funding for:

- Small street name signs in two zones
- Markings on streets repaired via rehab program
- Painting of remaining traffic poles

# Key Budget Elements for 2014-2015: Maintenance Activities

	FY12-FY13 Actual	FY13-FY14 Estimate	FY14-FY15 Proposed
Streets Management	\$1,235,000	\$1,985,000	\$2,449,563
Screening Walls	\$40,000	\$120,000	\$120,000
Bridge Railings	\$115,000	\$225,000	\$230,000
Pavement Markings	\$165,000*	\$250,000*	\$300,000*
Street Name Sign Replacement	\$72,500	\$100,000	\$100,000
<b>TOTAL</b>	<b>\$1,627,500</b>	<b>\$2,680,000</b>	<b>\$3,199,563</b>

\* Includes funding from the Traffic Safety Fund

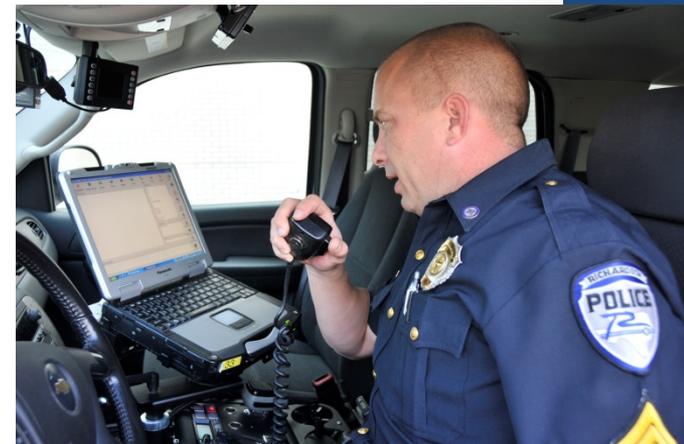
# Key Budget Elements for 2014-2015: Public Safety Initiatives

## Police Staffing Initiatives

- The proposed budget includes funding for a July 2015 start for additional police staffing, vehicles and equipment.
  - One additional Sergeant
  - Four additional Patrol Officers
  - Two Public Safety Officers

## Fire/EMS Staff Initiatives

- The proposed budget includes funding for a July 2015 start for an additional ambulance and six firefighters to be located at Fire Station #3.
  - The ambulance which would be in service beginning in 2016 would be initially in service during peak times for a twelve-hour shift.



# Key Budget Elements for 2014-2015: “Economic Tool Box”

- Council Strategies:
  - Attract and Retain Targeted Businesses
  - Increase the number, quality, and variety of job opportunities throughout the City.
- Implementation Tactics:
  - Review the City’s Economic Tool Box for incenting desired projects
  - Develop additional funding for economic development initiatives
- New for 2014-2015 Tool Box enhancement:
  - Dedicated ½ cent of property tax rate to economic development
    - Upcoming Fall 2014 draft of Financial Policy on use
- Fall 2014 review with the TIF Board on coordination of economic development projects in TIF 1

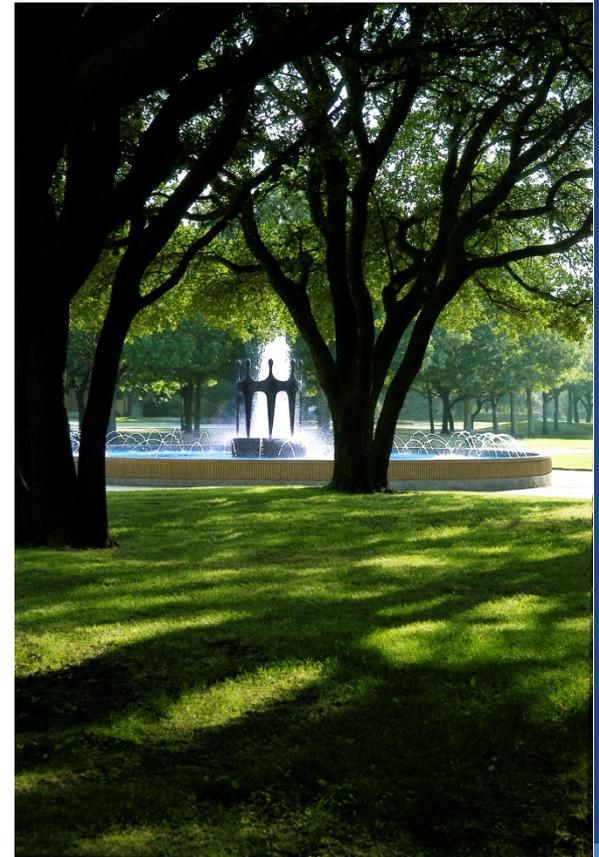
# Key Budget Elements for 2014-2015: Property Tax

- **No tax rate change is proposed.** The current \$0.63516 rate will be used in budget development.
- The Senior Exemption's current \$55,000 value amount has increased to \$60,000 effective July 1, 2014 to maintain the 30% protection objective for 2014-2015.
- Property taxes provide about 37.1% of the entire General Fund resources.



# Key Budget Elements for 2014-2015: Sales Tax

- Sales tax revenue estimating continues to be on a modest upward trend.
- This current 2013-2014 year has seen a positive trend for sales tax.
- This preliminary 2014-2015 estimate of \$29.7 million uses a 3% growth factor for base collections.
- This revenue provides about 27.1% of the entire General Fund resources.



# Key Budget Elements for 2014-2015: Water/Sewer Utility Fund

- The NTMWD wholesale water rate is projected to increase 19 cents/1,000 gallons or \$2.1 million for the next fiscal year. In addition, the NTMWD wholesale water rates continue to increase annually through the near future.
- Mr. Tom Kula, NTMWD Executive Director, provided a presentation at the July 21<sup>st</sup> City Council meeting regarding the water supply and treatment needs for the district.
- The City must continue to use a “pass-through” format to these wholesale rate adjustments to maintain our financial policies.
- For 2014-2015, a rate adjustment for water and sewer of 9.5% is included in the proposed budget.

# Key Budget Elements for 2014-2015: Water/Sewer Utility Fund

- Included in the Water/Sewer Utility Fund is the creation of a base fee for irrigation meters to recover expenses related to managing irrigation accounts.
  - A base fee helps recover cost for managing irrigation accounts.
  - The proposed fee is a \$8.00 charge per irrigation meter per month.
  - 2,802 customers (1,670 residential and 1,132 commercial) currently have an irrigation meters.
  - All of the benchmark cities that have irrigation meters charge a base fee.
- There is also a proposal to adjust late fees from 5% to 10% to encourage prompt payment and to better match surrounding cities.



# Key Budget Elements for 2014-2015: Solid Waste Fund

- Commercial revenues can be somewhat dynamic. A fee increase of 5% for commercial frontload service is recommended and is included in the Solid Waste Fund as presented. A 5% increase will allow the City to be at market average.
- Residential revenues are more stable. An increase in commercial fees assists with deferring a residential rate adjustment for this next fiscal year.
- No residential fee adjustment is proposed for 2014-2015.
- The use of fund balance in the Solid Waste Fund in this year's budget will result in continued review and study of these operations.



# Key Budget Elements for 2014-2015: Drainage Fund

- This 2014-2015 budget will be the third full fiscal year for a drainage fee, which was enacted during 2011-2012 and the City began revenue receipts in February 2012.
- A key rationale for a drainage fee is the City's absorption of mandates of the State's Stormwater Quality Management regulations through the General Fund.
- A presentation of the proposed Drainage Fund was presented at the August 4<sup>th</sup> City Council meeting. \$1.025 million of current General Fund expenses related to this program (engineering, enforcement, inspection, etc.) will be supported by the Drainage Utility Fund.
- A new position, an Engineer dedicated to addressing drainage issues, has been proposed for this Fund.
- Additionally, \$1.675 million in annual stormwater/drainage capital improvements will be funded.
- The use of these funds is reflected in the Drainage Utility Fund as well as a transferred portion to the General Fund for specific cost allocated support.

# Key Budget Elements for 2014-2015: Golf Fund

- The Golf Fund includes the proposed closing of Course #1 for renovation beginning in February/March 2015.
- The closure of Course #1 reduces revenue estimates for both green fees and cart fees and necessitates a one-time General Fund supplement of \$325,000.
- Expenditures are proposed at \$2.1 million, very similar to FY13-14, since operations will continue as normal for Course #2.
- Course #1 will return to full operation for 2015-2016.



# Key Budget Elements for 2014-2015: Hotel/Motel Fund

- Hotel Occupancy Taxes remain strong and are budgeted at \$3.7 million, an increase of 10.6% from the original FY 2013-2014 budget.
- Eisemann Center revenues are projected at \$2.1 million and parking garage fees are projected at \$226,000.
- The Cultural Arts Master Plan marks its second year with a focus on increasing support to local arts organizations and completion of a public art master plan.
- The G&A transfer from the Hotel/Motel Fund to the General Fund has increased to \$350,000 to better reflect the services being provided by the General Fund to support Hotel/Motel Fund activities.



# Key Budget Elements for 2014-2015: Debt & Capital Program

- Following the approval of the \$66 million 2010 G.O. Bond program and related debt-assigned \$0.06 tax rate change, the current focus is on the final completion of the program.
- Debt service requirements now reflect these recently added obligations, and are handled in 2014-2015 through the multi-year debt plan that was developed.
- For 2014-2015, \$8.63 million across all funds is proposed for the Series 2014 C.O. debt program. This will cover the annual capital replacement requirements and the Utility Fund C.I.P. needs:
  - \$2.9 million for General Fund capital equipment
  - \$0.5 million for Fire Equipment (EMS ambulance)
  - \$1.8 million for Golf Course #1 renovation
  - \$0.91 million for Solid Waste equipment
  - \$0.52 million for Street rehabilitation
  - \$2.0 million for Utility Fund capital equipment/programs
- There is also \$1.1 million included for lease financing for computers and network equipment in this year's budget.

# Key Budget Elements for 2014-2015: Staffing & Compensation

- Personal Services comprise the largest expense category of the General Fund. Staff continues to hold vacant positions and to understaff to assist in managing these expenses.
- Staffing in the General Fund for non-public safety employees remains below the level of 2007-2008.
- Health benefits are structured to work toward being financially sustainable and to allow employees to select from a Health Savings Account or a more traditional plan with two different levels of deductibles and co-insurance. This structure allows the organization to continue the transition to consumer driven health care plans.



# Key Budget Elements for 2014-2015: Staffing & Compensation

- 16 additional employees including 13 in Public Safety, 2 in Parks Maintenance and 1 Capital Projects Engineer.
- Support for compensation steps (up to 5%) is proposed for the 61% of employees still within ranges.
- A 2% merit based increase available for the remaining 39% of employees not affected by the step program.
- A 2% market adjustment for Fire and Police sworn personnel.



# **City of Richardson, Texas**

## **Combined Fund Summaries**

# FY 2014-2015 Combined Budget

<b>Combined Budget</b>				
	<b>2013-2014 Estimated</b>	<b>2014-2015 Budget</b>	<b>Est./Bud.</b>	<b>%</b>
<b>Beginning Fund Balances</b>	\$46,049,285	\$42,433,114	(\$3,616,171)	-7.9%
<b>Revenues</b>	\$208,007,532	\$217,933,150	\$9,925,618	4.8%
<b>Expenditures</b>	\$211,623,703	\$216,593,734	\$4,970,031	2.3%
<b>Ending Fund Balances</b>	\$42,433,114	\$43,772,530	\$1,339,416	3.2%

# FY 2014-2015 Combined Budget

## Classification of Combined Operating Fund Expenditures

<u>Operating Expenditures</u>	<u>Proposed 2014-2015 Budget</u>	<u>Percent of Total</u>
Personal Services	\$ 94,649,598	43.70%
Professional Services	13,640,416	6.30%
Maintenance	44,636,767	20.61%
Contracts	19,939,010	9.21%
Supplies	11,668,087	5.39%
Capital	2,378,900	1.10%
<b><u>Total Operating Expenditures</u></b>	<b><u>\$186,912,778</u></b>	<b><u>86.30%</u></b>
Transfers Out	\$ 22,414,166	10.35%
<b><u>Total Operating Expenditures and Transfers Out</u></b>	<b><u>\$209,326,944</u></b>	<b><u>96.64%</u></b>
Debt Service Payments	\$35,443,410	16.36%
Less Interfund Transfers	(\$28,176,620)	-13.01%
<b><u>Net Appropriations</u></b>	<b><u>\$216,593,734</u></b>	<b><u>100.00%</u></b>

# General Fund



# FY 2014-2015 General Fund

<b>General Fund Budget</b>				
	<b>2013-2014 Estimated</b>	<b>2014-2015 Budget</b>	<b>Est./Bud.</b>	<b>%</b>
<b>Beginning Fund Balances</b>	\$17,358,795	\$17,567,108	\$208,134	1.2%
<b>Revenues</b>	\$106,266,987	\$109,511,949	\$3,244,963	3.1%
<b>Expenditures</b>	\$106,058,673	\$109,114,152	\$3,055,479	2.9%
<b>Ending Fund Balances</b>	\$17,567,108	\$17,964,906	\$397,797	2.3%

# FY 2014-2015

## General Fund Revenue Overview

- \$3,245,000 or 3.1% increase
  - Property Taxes increase \$2,150,000
  - Franchise Fees increase \$168,000
  - Sales Tax increase \$710,000
  - License and Permits (\$365,000)
  - General & Administrative (G&A) increases \$382,000 – standard growth plus increased Hotel / Motel and Drainage fund (for new engineer)
  - Remaining Revenues \$200,000

# 2014 Property Tax Analysis

# 2014 Certified Tax Roll Comparison

<b>2014 Certified Tax Roll Comparisons</b>	
<b>August 2014</b>	
<b>Entity</b>	<b>% Change</b>
Frisco	13.7%
McKinney	12.8%
Collin County	9.4%
Allen	9.1%
Carrollton	7.6%
Grand Prairie	7.4%
Plano	7.1%
Irving	6.8%
Dallas	6.7%
Dallas County	6.7%
Fort Worth	6.1%
<b>Richardson (DCAD)</b>	<b>5.3%</b>
<b>Richardson (Total)</b>	<b>4.9%</b>
Mesquite	4.9%
Arlington	4.5%
<b>Richardson (CCAD)</b>	<b>4.4%</b>
Garland	3.9%

# Tax Parcel Reappraisals

<b>DCAD 2013 Tax Roll – Percent of Parcels Reappraised</b>			
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Residential</b>	10%	63%	58%
<b>Commercial</b>	48%	54%	66%
<b>BPP</b>	100%	100%	100%
<b>All</b>	26%	68%	66%

- CCAD reappraises 100% of all parcels each year

# Property Tax Features

	<b>Budget</b>	<b>Estimated</b>	<b>Budget</b>
	<b>2013-2014</b>	<b>2013-2014</b>	<b>2014-2015</b>
<b>Certified Assessed Value</b>	\$10,707,411,690	\$10,707,411,690	\$11,235,458,097
<b>Property Tax Revenue</b>			
<b>Operations &amp; Maintenance</b>	\$38,378,308	\$37,788,528	\$40,170,544
<b>Debt Service</b>	\$28,349,584	\$28,286,088	\$28,730,438
<b>Total</b>	<b>\$66,727,892</b>	<b>\$66,074,616</b>	<b>\$68,900,982</b>

# Assessed Valuation

- Total assessed valuation assumes a 4.9% increase in certified assessed valuation plus \$39.5 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 \$427.2 million

	<b>2013</b>	<b>2014</b>	<b>% Difference</b>
<b>Certified</b>	\$10,707,411,690	\$11,235,458,097	4.9%
<b>Values In Dispute</b>	\$63,965,608	\$39,536,840	(38.2%)
<b>TIF</b>	(\$265,694,954)	(\$427,179,942)	60.8%
<b>Taxable Value for General Fund Debt and O/M</b>	<b>\$10,505,682,334</b>	<b>\$10,847,814,995</b>	<b>3.3%</b>

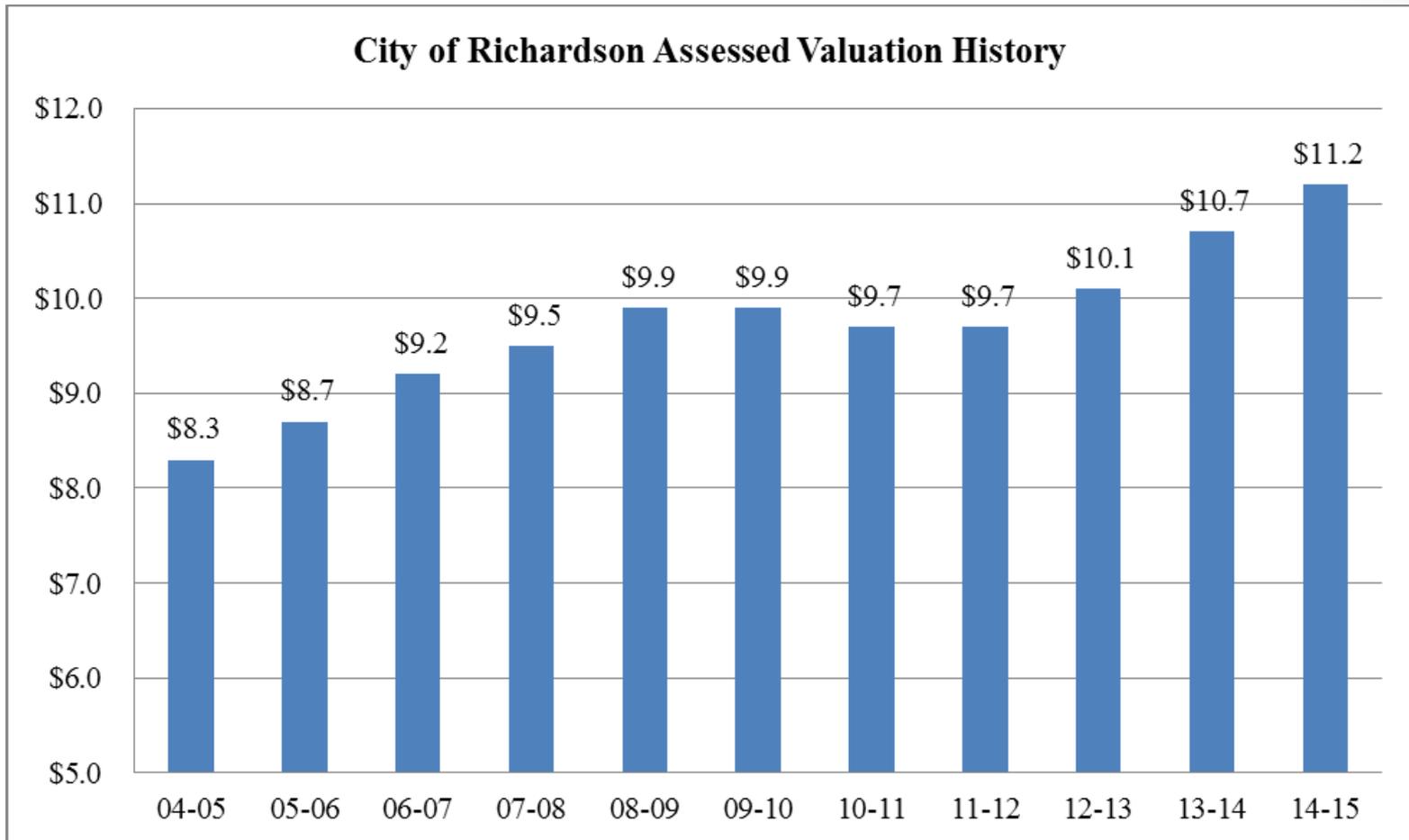
<b>Property Tax Rate</b>		
	<b>2013-2014</b>	<b>2014-2015</b>
Operations & Maintenance (O & M)	\$0.36531	\$0.37031
Debt Service	\$0.26985	\$0.26485
Total	\$0.63516	\$0.63516

# Tax Rate Calculations

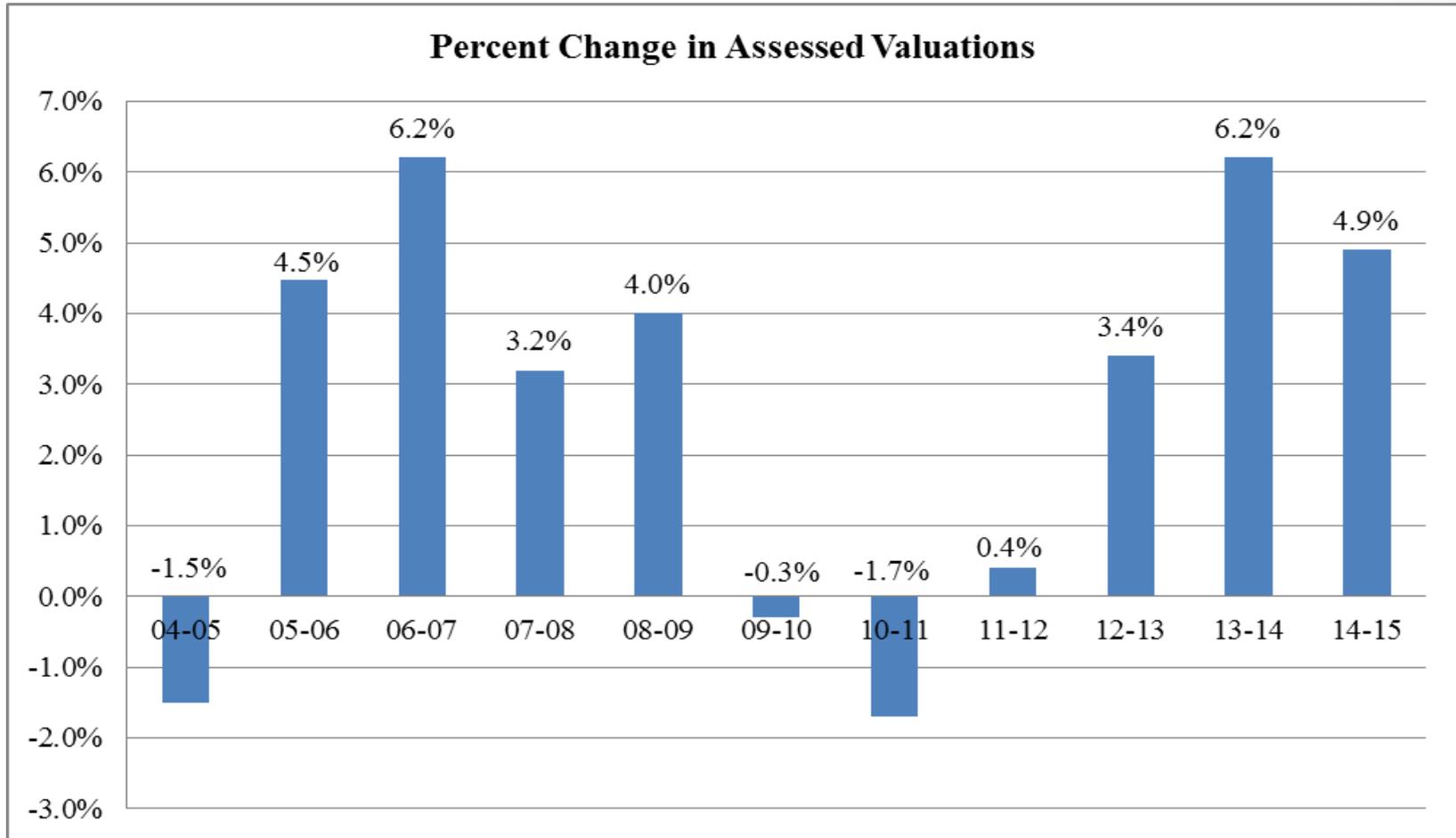
<b>2014-2015 Tax Rate Calculations</b>			
	<b>Rate</b>	<b>Difference</b>	<b>Revenue</b>
<b>2014-2015 Rate</b>	\$0.63516	-	-
<b>Rollback Rate</b>	\$0.64862	\$0.01346	\$1,460,116
<b>Effective Rate</b>	\$0.61785	(\$0.01731)	(\$1,877,757)

<b>2013-2014 Tax Rate Calculations</b>			
	<b>Rate</b>	<b>Difference</b>	<b>Revenue</b>
<b>2013-2014 Rate</b>	\$0.63516	-	-
<b>Rollback Rate</b>	\$0.64873	\$0.01357	\$1,425,621
<b>Effective Rate</b>	\$0.61406	(\$0.0211)	(\$2,216,699)

# FY 2014-2015 Assessed Valuation



# FY 2014-2015 Assessed Valuation



# FY 2014-2015 Assessed Valuation

<b>Valuation Including New Improvements</b>			
<b>District</b>	<b>2014 Certified Roll</b>	<b>2014 New Improvements</b>	<b>%</b>
CCAD	\$4,248,114,986	\$99,970,661	2.35%
DCAD	\$6,987,343,111	\$83,598,953	1.20%
<b>Total</b>	<b>\$11,235,458,097</b>	<b>\$183,569,614</b>	<b>1.63%</b>

<b>Valuation Including New Improvements</b>			
<b>District</b>	<b>2013 Certified Roll</b>	<b>2013 New Improvements</b>	<b>%</b>
CCAD	\$4,069,117,071	\$82,953,067	2.04%
DCAD	\$6,638,294,619	\$53,375,468	0.80%
<b>Total</b>	<b>\$10,707,411,690</b>	<b>\$136,328,535</b>	<b>1.27%</b>

# Tax Roll Increase

Roll Increase – Taxable Values								
	Residential	% Change	Commercial	% Change	BPP	% Change	Total	% Change
<b>2014</b>	<b>\$4,870,390,715</b>	<b>3.92%</b>	<b>\$4,356,084,831</b>	<b>8.99%</b>	<b>\$2,008,982,551</b>	<b>-0.75%</b>	<b>\$11,235,458,097</b>	<b>4.90%</b>
2013	\$4,686,522,612	0.94%	\$3,996,773,284	8.97%	\$2,024,115,794	14.42%	\$10,707,411,690	6.20%
2012	\$4,642,723,828	-0.88%	\$3,667,775,991	11.30%	\$1,769,065,742	0.10%	\$10,079,565,561	3.40%
2011	\$4,684,107,745	-1.50%	\$3,294,460,395	0.70%	\$1,767,914,290	4.90%	\$9,746,482,430	0.40%
2010	\$4,753,636,539	1.20%	\$3,272,140,875	-7.20%	\$1,685,380,954	1.60%	\$9,711,158,368	-1.70%
2009	\$4,699,651,917	-0.90%	\$3,525,971,862	-2.20%	\$1,658,474,266	5.90%	\$9,884,098,045	-0.30%
2008	\$4,742,302,167	0.60%	\$3,605,732,317	6.50%	\$1,566,813,227	9.00%	\$9,914,847,711	4.00%
2007	\$4,712,070,464	2.90%	\$3,386,900,716	3.50%	\$1,437,536,180	3.10%	\$9,536,507,360	3.20%
2006	\$4,578,470,728	1.10%	\$3,271,227,051	18.70%	\$1,394,937,977	-1.70%	\$9,244,635,756	6.20%
2005	\$4,529,783,318	5.10%	\$2,755,659,510	3.50%	\$1,418,623,768	4.60%	\$8,704,066,596	4.50%
2004	\$4,311,934,417	3.40%	\$2,663,396,379	-5.80%	\$1,356,666,064	-7.10%	\$8,331,996,860	-1.50%
2003	\$4,169,788,247	9.20%	\$2,827,745,763	-8.50%	\$1,460,920,007	-16.80%	\$8,458,454,017	-2.40%
2002	\$3,820,030,932	7.40%	\$3,089,714,225	-0.70%	\$1,755,517,943	-18.00%	\$8,665,263,100	-1.60%
<b>2001</b>	<b>\$3,556,206,861</b>	<b>7.90%</b>	<b>\$3,110,180,887</b>	<b>10.20%</b>	<b>\$2,141,535,354</b>	<b>17.90%</b>	<b>\$8,807,923,102</b>	<b>11.00%</b>
Change in Values From 2001 to 2014								
	<b>\$1,314,183,854</b>	<b>36.95%</b>	<b>\$1,245,903,944</b>	<b>40.06%</b>	<b>(\$132,552,803)</b>	<b>-6.19%</b>	<b>\$ 2,427,534,995</b>	<b>27.56%</b>

# Tax Roll Comparison

<b>Tax Roll Comparison</b>					
	<b>2013</b>		<b>2014</b>		
	<b>\$Mil</b>	<b>%</b>	<b>\$Mil</b>	<b>%</b>	<b>% Change</b>
Residential	\$4,686,522,612	43.77%	\$4,870,390,715	43.35%	3.92%
Commercial	\$5,215,337,409	48.70%	\$5,512,422,297	49.06%	5.69%
Industrial	\$634,753,621	5.93%	\$684,528,867	6.09%	7.84%
Undeveloped	\$170,798,048	1.60%	\$168,116,218	1.50%	-1.57%
<b>Total</b>	<b>\$10,707,411,690</b>	<b>100.00%</b>	<b>\$11,235,458,097</b>	<b>100.00%</b>	<b>4.93%</b>

# Percent of Total Value

Percent of Total Value				
Tax Year	Residential	Commercial	BPP	Total
2014	43%	39%	18%	100%
2013	44%	37%	19%	100%
2012	46%	36%	18%	100%
2011	48%	34%	18%	100%
2010	49%	34%	17%	100%
2009	47%	36%	17%	100%
2008	48%	36%	16%	100%
2007	49%	36%	15%	100%
2006	50%	35%	15%	100%
2005	52%	32%	16%	100%
2004	52%	32%	16%	100%
2003	49%	34%	17%	100%
2002	44%	36%	20%	100%
2001	40%	36%	24%	100%
2000	42%	35%	23%	100%

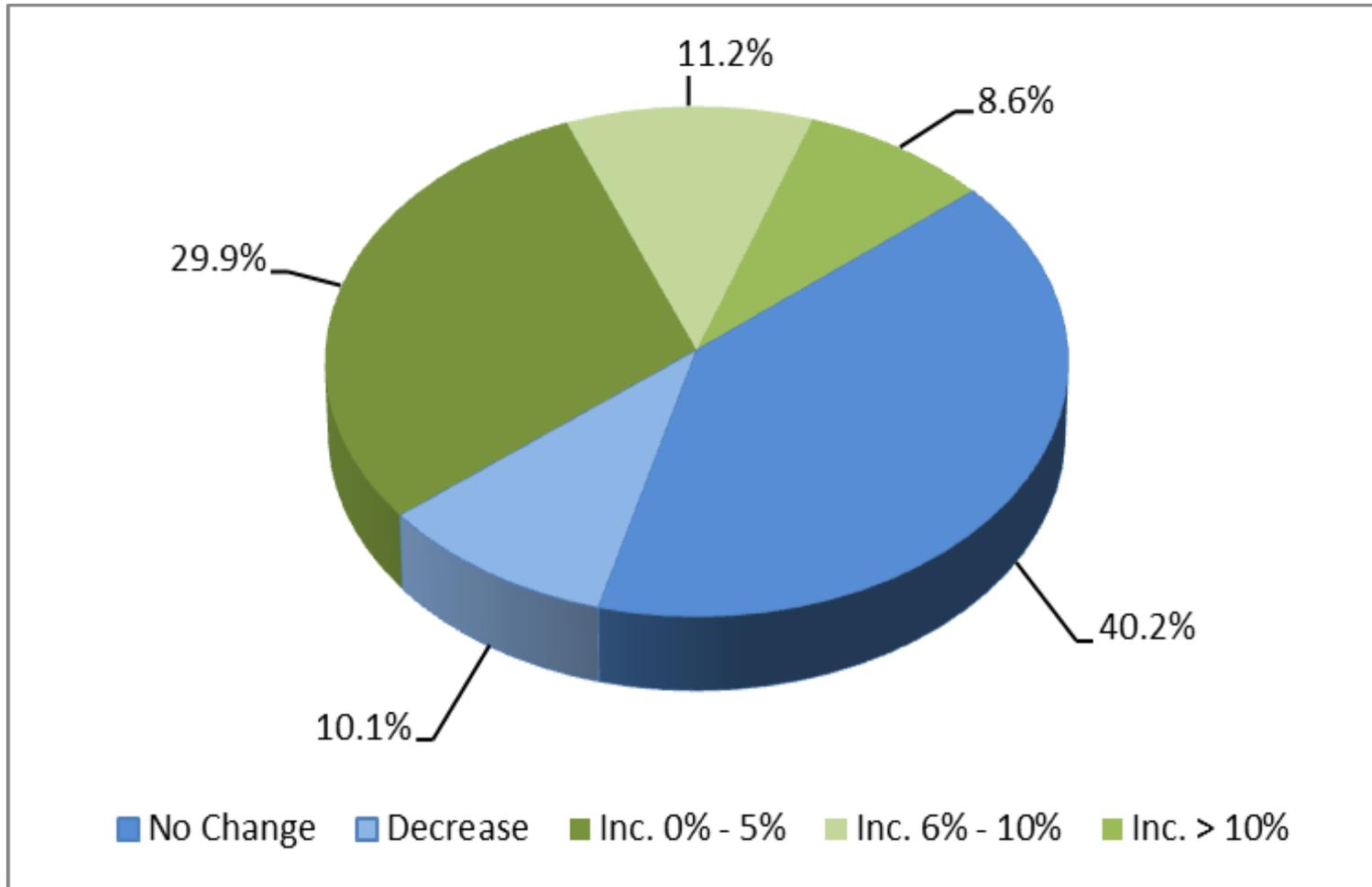
# Top Ten Taxpayers

Top Ten Taxpayers		
	Taxable Value	% of Total Taxable Value
1. Bank of America	\$237,360,605	2.11%
2. Health Care Service Corporation (BCBSTX)	\$221,795,557	1.97%
3. Cisco Systems	\$214,003,213	1.90%
4. Collins Technology Park Partners	\$205,006,700	1.82%
5. Verizon	\$137,043,528	1.22%
6. KDC	\$124,366,245	1.11%
7. Fujitsu	\$101,531,176	0.90%
8. AT&T	\$100,966,519	0.90%
9. Champion Partners	\$100,435,676	0.89%
10. Texas Instruments	\$94,226,805	0.84%
<b>Total</b>	<b>\$1,536,736,024</b>	<b>13.66%</b>
<b>Total 2014 Taxable Value</b>	<b>\$11,235,458,097</b>	

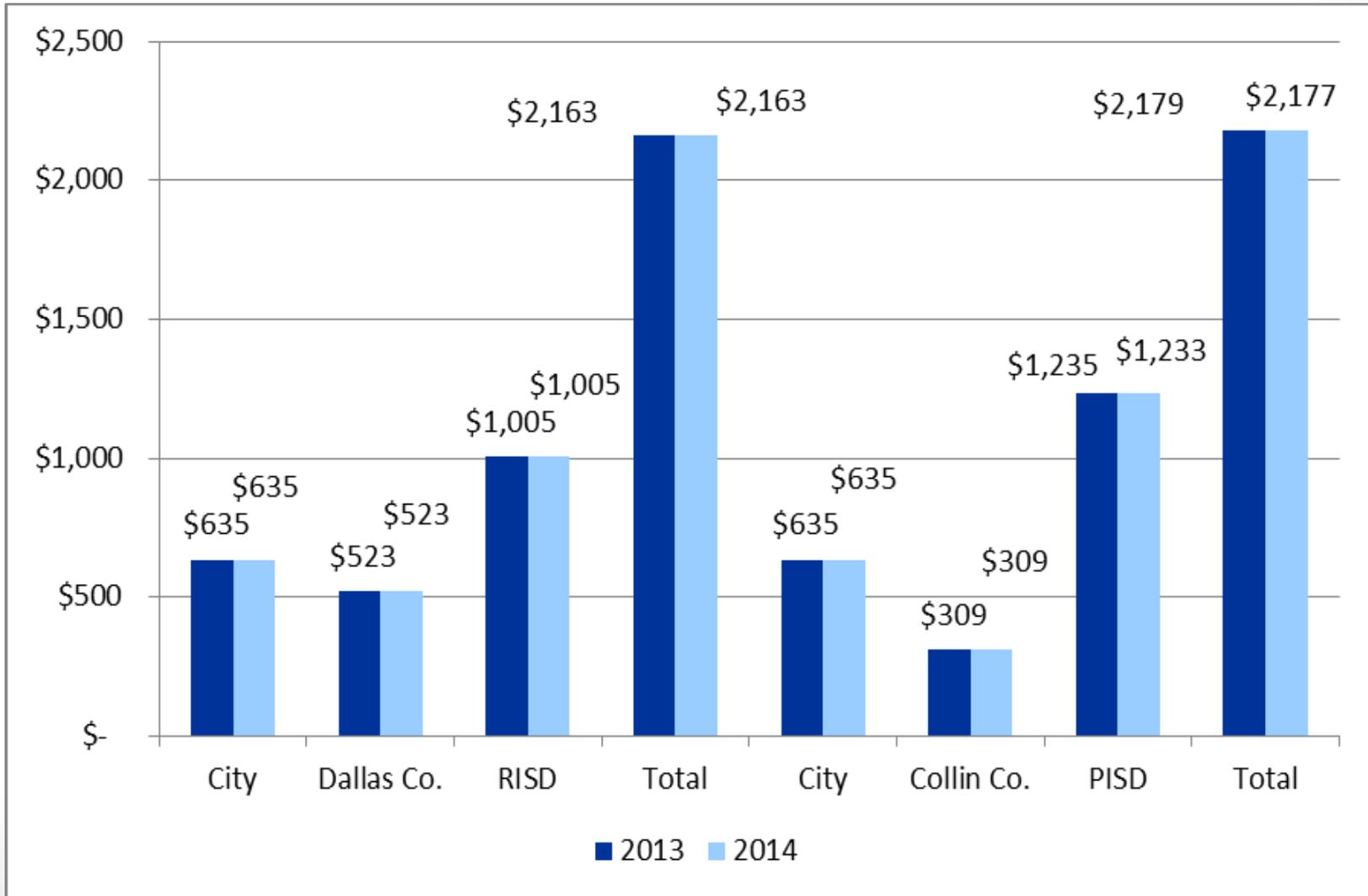
# Change In Residential Valuations

<b>Number Residential Properties Affected by Valuation</b>				
	<b>2013-2014</b>		<b>2014-2015</b>	
<b>Impact</b>	<b># Properties</b>	<b>% of Total Res. Properties</b>	<b># Properties</b>	<b>% of Total Res. Properties</b>
<b>No Change</b>	11,599	41.4%	11,376	40.2%
<b>Decrease</b>	6,490	23.1%	2,844	10.1%
<b>Increase 0% - 5%</b>	8,194	29.2	8,473	29.9%
<b>Increase 6% - 10%</b>	960	3.4%	3,180	11.2%
<b>Increase &gt;10%</b>	815	2.9%	2,435	8.6%
<b>Total Res. Properties</b>	<b>28,058</b>	<b>100.0%</b>	<b>28,308</b>	<b>100.0%</b>

# Change In Residential Valuations



# Tax Impact on a \$100,000 Home



# Average Senior Home Value

Average Senior Home Value Statistics						
Tax Year	Qualifying Parcels	% Change From Year to Year	Senior Exempt.	Average Senior Home Market Value	% Change From Year to Year	% of Total Val
2014	7,597	2.23%	\$60,000	\$187,251	3.88%	32.04%
2013	7,431	2.17%	\$55,000	\$180,265	0.93%	30.51%
2012	7,273	4.32%	\$55,000	\$178,609	-0.10%	30.79%
2011	6,972	3.00%	\$55,000	\$178,788	0.40%	30.76%
2010	6,769	3.14%	\$55,000	\$178,079	-0.49%	30.89%
2009	6,563	4.14%	\$55,000	\$178,961	0.49%	30.73%
2008	6,302	3.40%	\$55,000	\$178,094	2.60%	30.88%
2007	6,095	2.90%	\$50,000	\$173,581	2.95%	28.80%
2006	5,923	3.24%	\$50,000	\$168,609	2.98%	29.65%
2005	5,737	1.90%	\$30,000	\$163,726	5.19%	18.32%
2004	5,630	0.23%	\$30,000	\$155,650	2.40%	19.27%
2003	5,617	2.52%	\$30,000	\$151,997	3.88%	19.74%
2002	5,479	3.18%	\$30,000	\$146,315	9.54%	20.50%

# Senior Exemption

- The number of senior property tax exemptions (for persons 65 and older, disabled persons, and surviving spouses) total 7,597, an increase of 166 for 2014-2015. The revenue impact of the \$60,000 exemption for 2014-2015 is \$2.9 Million

# Remaining Revenues

# Franchise Fees

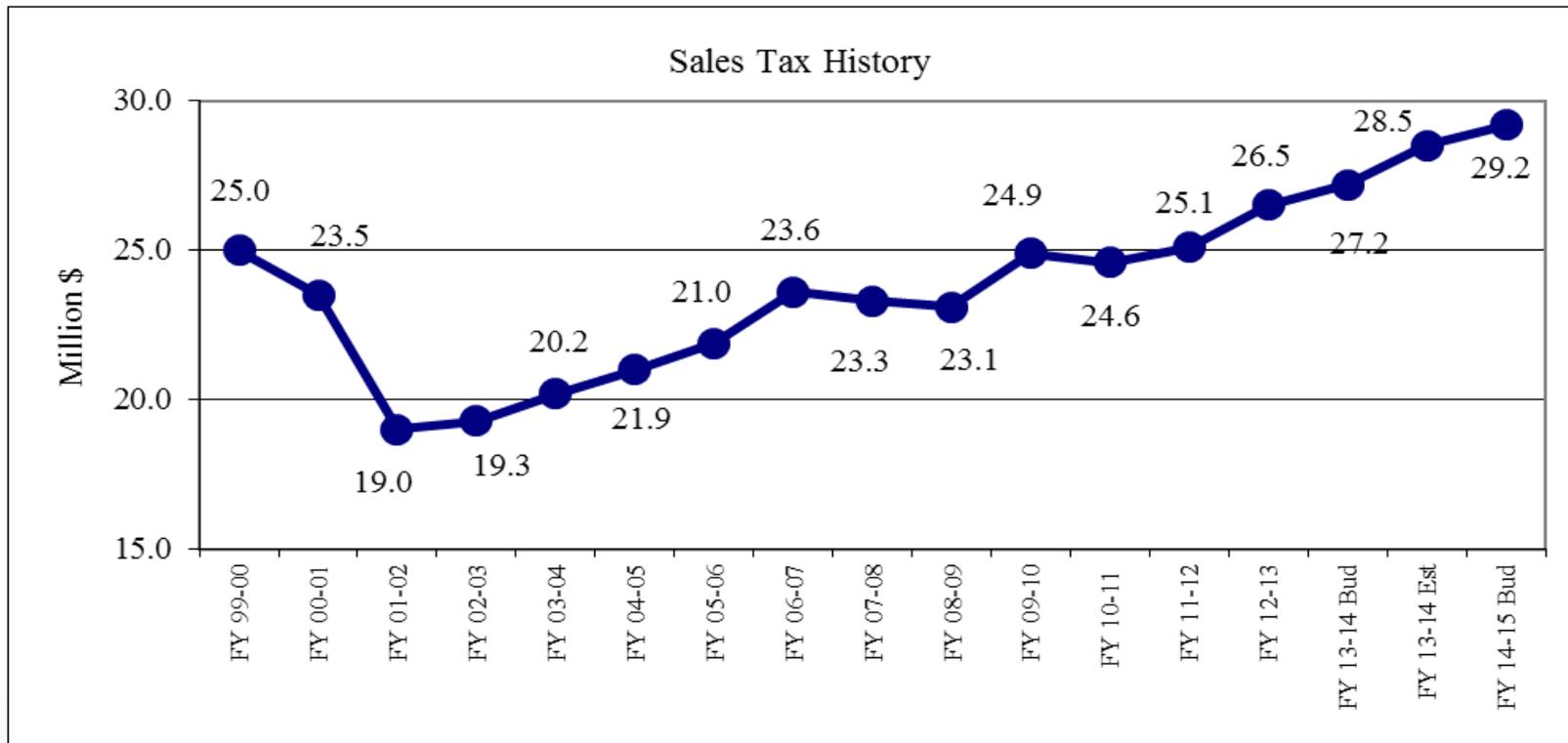
- Franchise Fees are projected at \$15.2 million for 2014-2015, an increase of \$168,000 or 1.1% over estimated year-end.
  - The largest increase this year, \$276,000, is projected in the Water and Sewer Franchise Fee based on a rate change proposal to be discussed in more detail when we talk about that fund.
  - The Electric Franchise Fee is the next largest increase projected at \$64,000 over year-end and is reflective of the standard growth in consumption as well as price fluctuations.
  - The largest decrease is expected in Natural Gas. We saw large increases in the franchise fee paid last year as a result of colder Winter weather. For FY 2014-2015, we decrease the expected franchise fee (\$235,000) with the expected return to a more normal Winter weather pattern.
  - The remaining categories combined reflect minimal growth in collections totaling \$63,000.

# Sales and Other Business Taxes

- Sales and Other Business Taxes are projected at \$29.7 million for next year reflecting an increase of \$710,000 or 2.5% from estimated year-end revenues.
  - Our top 20 remitters account for 31.3% of total receipts this year, about even with the 31.4% last year. We are seeing modest growth across most sectors including retail sales, high tech manufacturing, computing services and construction, with business to business sales, telecommunications and energy services about even or slightly down from last year.
  - Mixed Beverage and Bingo receipts are anticipated to increase modestly by \$8,600 over year-end. Sales Tax, the largest of the three in this category, is projected to increase \$701,000 or 2.5% from year-end estimates based on current trends and expectations of 3.0% growth in “base to base” activity. Year-end 2013-2014 estimate includes a total of \$150,000 in “significant”, non-recurring audit adjustments. Those adjustments are not included in the forecast for next year, only the “base” collection.

# Sales and Other Business Taxes

FY 13-14 Est.	Projected	FY 14-15
Base Actual	Growth Rate	Projected
\$ 28,372,236	3.0%	\$29,223,403



# License and Permits

- License and Permits are projected to decrease (\$365,000) from the year-end estimate of \$2.7 million. Building Permits account for the entirety of this decline due to the inclusion last year of large, one time permits related to current economic development activities. These large permits are removed from year-end estimates before projections are made about the coming year.

# Remaining Revenues

- **Fines and Forfeits** are expected to remain flat at \$4.2 million with only a minor 1% increase over year-end. This projection is based on citation volume as well as handling capacity since the revenue in this category is received through the Municipal Court and Library with the majority of the increase expected in Court activity.
- Both **Interest Earnings** and **Civic Center** revenue are expecting minimal increases totaling \$3,700 in 2014-2015.
- **Recreation and Leisure Services** revenues are budgeted at \$4.2 million, an increase of \$136,000 over 2013-2014 year-end estimates including modest growth across most categories.

# Remaining Revenues

- **Other Revenue** projected at \$4.2 million or \$20,000 above estimated year-end for 2013-2014. While most categories show modest increases, we expect to see a continued decline in insurance collections for ambulance services with Medicare reimbursements declining since the onset of the new health care legislation. New for 2014-2015, the miscellaneous revenue category includes \$60,000 for Fire Training Center rental fees from area cities and from Collin County College.
- Total revenue from **General & Administrative** Transfers is projected at \$8.6 million, an increase of \$382,000 from FY 2013-2014. The largest increase of \$115,000 is in the Drainage Fund G&A to offset the cost of a new Drainage Utility Engineer. The Hotel/Motel Fund G&A increases \$100,000 while the Water and Sewer, Solid Waste and Golf G&A increase a combined \$100,000 based on the indirect cost analysis. The Convention and Visitors Bureau transfer is matched to their operating budget.

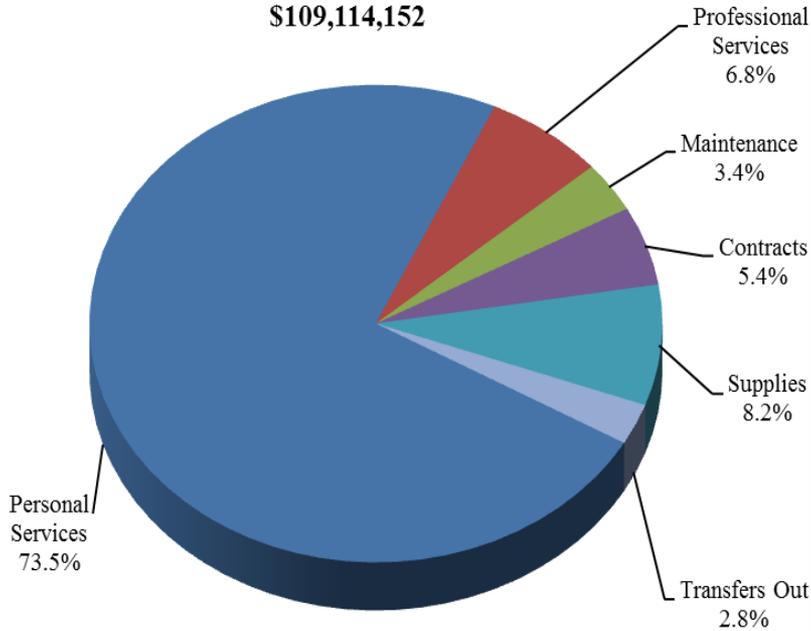
# FY 2014-2015

## General Fund Expenditures

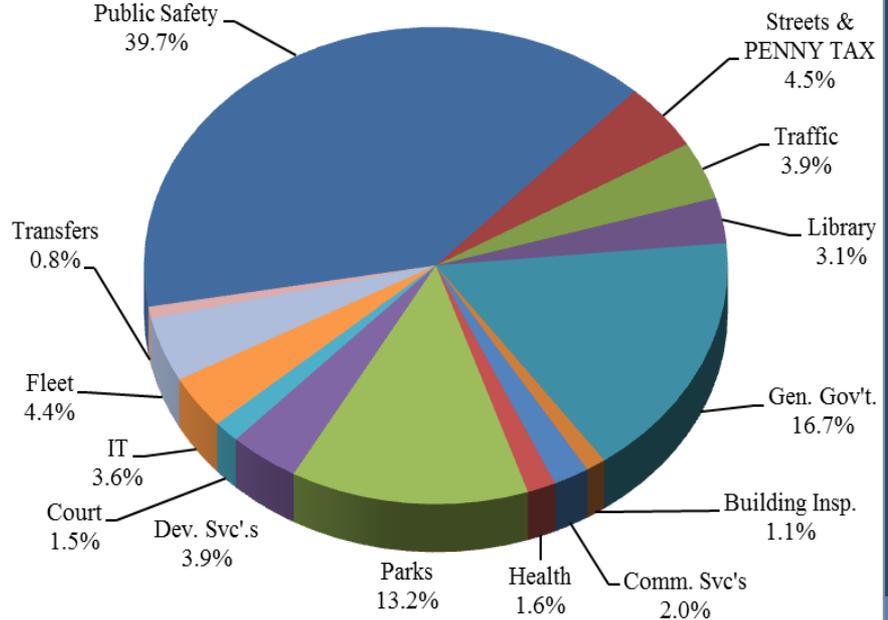
<b>Classification of General Fund Expenditures</b>		
	<b>Proposed Budget</b>	<b>Percent of Total</b>
<b><u>Operating Expenditures</u></b>		
Personal Services	\$ 80,178,479	73.48%
Professional Services	7,393,219	6.78%
Maintenance	3,740,135	3.43%
Contracts	5,847,387	5.36%
Supplies	8,917,978	8.17%
Capital	-	0.00%
<b><u>Total Operating Expenditures</u></b>	<b>\$ 106,077,198</b>	<b>97.22%</b>
Transfers Out	\$3,036,954	2.78%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b>\$ 109,114,152</b>	<b>100.00%</b>

# FY 2014-2015 General Fund Expenditures

FY 2014-2015 General Fund Expenditures - \$109,114,152



FY 2014-2015 General Fund Expenditures - \$109,114,152



# FY 2014-2015

## General Fund Expenditures

- Total Expenditures and Transfers for the General Fund are projected at \$109.1 million, an increase of \$3.1 million over FY 2013-2014 year-end estimates.
- **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 \$80.2 million, an increase of 3.7% from the year-end estimate of \$77.3 million and account for 74% of the total General Fund operating budget. The key personnel issues addressed in this proposal, include:

# FY 2014-2015

## General Fund Expenditures

- **16 New Staff Positions totaling \$557,000**
  - **Capital Projects – Drainage Engineer for \$115,000.** The demand for project planning, design and construction contract management for drainage utility services has been increasing each year as the program has developed. This new project engineer will increase the efficiency of this process and increase productivity. There is an offset to this expenditure through an increase in the Drainage Fund G&A.
  - **Police – Partial year for 1 Sergeant, 4 Police Officers and 2 Public Safety Officers totaling \$181,000.** In accordance with the staffing initiative briefed to Council on June 16, 2014, this proposal includes partial year funding for 7 new positions in the Police Department. These positions are funded for implementation in July of 2015 to allow adequate time for recruitment and testing.

# FY 2014-2015

## General Fund Expenditures

- **Fire – Partial year funding for 6 Fire Fighters for \$176,000.** In order to staff the new ambulance power shift program briefed to Council on June 23, 2014, 6 new Fire Fighter positions are included for a July hire date in order to allow adequate time for recruitment and testing.
- **Parks Maintenance – 1 Sr. Maintenance Helper and 1 Maintenance Helper I for \$85,000.** A two person crew cross trained to provide support in various functional areas. The cost is offset by a projected \$60,000 savings in current overtime costs.
- **Understaffing of 5 positions for a total savings of (\$330,000)** - 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.

# FY 2014-2015

## General Fund Expenditures

- ***Movement within approved pay plan ranges = \$800,000*** - Approximately 39% of all city personnel are at the top of their pay range. The remaining 61% 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.
- ***Public Safety market based pay plan roll of 2% = \$507,000.***
- ***Merit based pay increase for top of range and single step job classifications = \$400,000*** – Individuals who have been at the top of their pay range for a year or more, and anyone in a single step position will be, based on merit, eligible for a 2% salary increase.
- ***CORPlan – Health Insurance*** – At year-end 2013-2014, the City will transfer \$1.0 million to CORPlan to bolster the City contribution to the fund. Plan design changes are under review that will further refine the shift to a consumer driven health care plan.

# FY 2014-2015

## General Fund Expenditures

- **Non-Personnel Operations** – For FY 2014-2015, non-personal services operating line items are currently projected at \$25.9 million, an increase of \$120,000 or 0.5% over year end estimates while maintaining all activities at the same high level of service currently provided.
- **Professional Services** – Decrease (\$187,000) or -2.5% and maintains;
  - \$77,000 is included in Information Technology for off-site data storage and recovery agreements and includes a disaster recovery plan with IBM. In the event of a catastrophic loss of our main computing system, the IBM recovery agreement would immediately restore essential data services such as purchasing, payroll, accounts payable, among others, so that normal business could proceed.

# FY 2014-2015

## General Fund Expenditures

- ***Professional Services (continued)...***
  - \$1.5 million for Parks and Recreation maintenance contracts, an increase of \$80,000 from year end and includes \$30,000 for a pilot recycling program at Heights and Huffines Parks.
  - \$230,000 for 7 bridge rail maintenance projects aimed at improving the aesthetic quality while also protecting the infrastructure of the bridge railings throughout the City. This is the second of a three year program to address 22 bridges. With ten of these bridges included in last year's budget, this would complete 17 of the 22 bridges initially identified.

# FY 2014-2015

## General Fund Expenditures

- **Maintenance** – This category will increase \$235,000 or 6.7% for FY 2014-2015.
  - Parks Maintenance will receive an additional \$32,000 for a total of \$606,000 in funding for repair and enhancement of irrigation, plumbing, electrical systems and general parks facility maintenance.
  - Traffic and Transportation will receive an additional \$98,000 for signs, markings, signal systems and street light maintenance for a total General Fund commitment of \$381,000.
  - Facilities Services maintenance increases \$44,000 for a total of \$323,000 for general building maintenance, elevator and heating and cooling system repairs and maintenance.
  - Information Technology maintenance increases \$150,000 for software licensing and maintenance.

# FY 2014-2015

## General Fund Expenditures

- **Contracts** – Increase \$459,000 or 8.5% over year-end.
  - Community Events increase \$261,000. Earlier this year, several Parks and Recreation operational areas and events were realigned and separated into their own cost centers and or accounts to provide more efficient management and oversight of programs and services. The Huffines and Cottonwood Arts Festivals, along with Santa’s Village and the Christmas Parade have been segregated into their own individual line items in Community Events Department amounting to \$337,000. Prior to the realignment, the cost for each of these events were carried in the Parks Recreation budget in several different account categories. This single account approach is the same approach used with the Wildflower festival several years ago.

# FY 2014-2015

## General Fund Expenditures

- ***Contracts (continued)...***
  - The Home Improvement Incentive Program will increase \$275,000 based on the participation of 60 residents and the preliminary values from the appraisal districts. This amount may change once the true value impacts of the properties are assessed. Established by the City Council in February of 2007, the purpose of the Home Improvement Incentive Program is to positively affect the value of the City's housing stock by encouraging reinvestment in residential neighborhoods. To date, 471 projects have reinvested approximately \$52.0 million back into our neighborhoods including 140 projects of over \$100,000 each and 18 projects over \$500,000 each

# FY 2014-2015

## General Fund Expenditures

- ***Supplies Categories*** – Decrease (\$387,000) from year end but will see no service levels decline as a result.
  - (\$240,000) of the decrease is due to the exclusion of the prior year encumbrances from year end 2013-2014.
  - The remaining decrease of (\$147,000) is due in large part to the aforementioned realignment of services in the Parks and Recreation Department.

# FY 2014-2015

## General Fund Expenditures

- ***Street Rehabilitation*** – For the last 18 years, the City dedicated a portion of the total tax rate to street rehabilitation. This year, we are increasing that commitment another quarter cent to two full cents of the tax rate. In doing so, we increase the Street Rehabilitation Program by \$331,000 from the prior year bringing our commitment this year to \$2.2 million. This funding will allow for ongoing street leveling, crack sealing and “clean sweep” projects. Along with \$505,000 of operations funds, this will increase our commitment to just under \$2.7 million, an increase of \$367,000 over last year.

# FY 2014-2015

## General Fund Expenditures

- **Alternative Funding** – The Traffic Safety Fund, as funded through the safety camera enforcement program, is able to absorb \$338,000 of expenses from the Police and Traffic Departments that would otherwise have to be funded in the General Fund. These items include an additional \$280,000 for signs, markings, signal and video camera maintenance. When combined with the \$382,000 in the General Fund for these items, the total commitment this year of \$662,000 is an increase of \$60,000 over last year. All expenditures from this fund are in compliance with allowable uses according to state law.
- **Fund Balance** – The proposed budget ends the year at the Council prescribed 60.1 days of fund balance.

# Parks and Recreation Department

- A total of \$1.6 million of park improvements, maintenance projects and equipment/vehicle replacements are planned using \$984,000 of our \$2.9 million annual CO's and \$603,000 of operating funds for routine maintenance throughout the park system including irrigation, electrical and plumbing systems.

# Parks and Recreation Department

	CO's	Operating Budget
Botanical		\$257,148
Irrigation System Maintenance		175,000
Electrical System Maintenance		110,000
Plumbing Systems Repair		60,400
Renner Road Pond Repair	\$200,000	
Service Truck (3) replacements	89,000	
Tennis Court Resurfacing and Fence Repairs	87,764	
Replace Tennis Court Lights	86,900	
Recreation Center Equipment Replacements	85,150	
Matching Fund Beautification (5)	55,000	
Park Restroom Roofing Replacement - Various Parks	51,000	
Centralized Irrigation Expansion	45,000	
Galatyn Fountain Animation System	42,110	
Playground Surface Reconstruction	40,000	
Campbell Road Berm Renovation	40,000	
Breckinridge B Parking Lot Resurfacing	28,000	
Utility Vehicle - Panhandle Parks Crew - Replacement	23,000	
Pool Shade Structure - Terrace and Cottonwood	20,000	
Gymnastics Equipment Replacement	19,170	
Wrought Iron Fencing - Glenville	18,000	
Water Taps	18,000	
60" Zero Radius Mower - Replacement	13,000	
Soccer Goals	12,000	
Pool Furniture - Replacement	6,000	
Bleachers	5,040	
	<b>\$ 984,134</b>	<b>\$602,548</b>

# Parks and Recreation Department

- Over the last 19 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. The following projects/responsibilities are presently being contracted out:

Landscape Maintenance:	Others:
Median landscape maintenance	Street sweeping – (Drainage Fee Funded)
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	

# Fire Department Enhancements

- Vehicles – the department will utilize \$500,000 in 8 year CO's for the replacement purchase of the Light Duty Response Vehicle, a Battalion Chiefs Suburban, as well as the purchase of the new Ambulance for Station 3 deployment.
- Tactical - In addition to the standard uniform, hose and equipment replacements, the department will be equipped with new Mechanical CPR Apparatus Power Lift Systems for Ambulance Stretchers.

	4 Year CO's	8 year CO's
Ambulance for Station 3 deployment		\$280,000
Light Duty Response Vehicle - replacement		160,000
Battalion Chief Vehicle - replacement		60,000
Power Lift System for Stretchers (4) - New	\$111,360	
Mechanical Chest Compression Apparatus (3) - New	57,027	
Slip Resistant Flooring - Station 4	43,592	
Propane Tank Fire Training Prop - New	16,000	
Fire Hose replacement Program	10,000	
Automatic Defibrillators (2) - Replacements	6,400	
<b>Total</b>	<b>\$244,379</b>	<b>\$500,000</b>

# Police Department Enhancements

- The Department will receive \$744K in funding from short term CO's for vehicle and equipment replacement.
- Vehicles – In addition to the standard replacement of patrol vehicles, the department will receive 2 Tahoe's for the 4 additional Officers added this year, and 2 small trucks for the 2 new Public Safety Officers. All vehicles will be funded with short term CO's

Patrol Vehicles (9 Tahoe's - 4 Chargers)	\$ 493,075
Tasers (60)	71,308
2 Compact Trucks - PSO's	70,000
Replacement Radios	54,040
Pickup Truck - Investigations (1)	26,000
Mid-Sedan - Investigations (1)	18,500
Video Equipment - 2 DVR	10,740
<b>Total</b>	<b>\$743,663</b>

# Street Repair and Rehabilitation

- The Street Rehabilitation Program continues for the eighteenth year increasing this year to 2 full cents of the tax rate. This funding allows for the active street maintenance work plan presented during the 2014 Summer Council Work Sessions.
  - Funding of \$2.7 million includes,
    - \$2,169,563, for one penny of the tax rate.
    - \$505,000 in operations funding

	<b>Actual 2012-2013</b>	<b>Estimated 2013-2014</b>	<b>Proposed 2014-2015</b>
<b>Street Rehabilitation Fund</b>	<b>\$1,004,410</b>	<b>\$1,838,494</b>	<b>\$2,169,563</b>
<b>Operating Budget</b>			
Misc. Street & Alley Concrete Repairs	\$196,691	\$354,264	\$285,000
Misc. Asphalt Overlay Projects	\$113,297	\$95,000	\$120,000
Screening Fence repairs	\$3,350	\$20,000	\$100,000
<b>Subtotal Operating Budget</b>	<b>\$313,338</b>	<b>\$469,264</b>	<b>\$505,000</b>
<b>Total Street Rehabilitation and Operating</b>	<b>\$1,317,748</b>	<b>\$2,307,758</b>	<b>\$2,674,563</b>

# Capital Improvement Plan

# FY 2014-2015

## Capital Improvement Plan

### Series 2015: 2014-15 Debt Issuance Program Proposed – All Funds

• Amount	Bond Type	Purpose	Debt Service
• \$2.900 million	C.O.	Capital Equipment	4 yr. General Debt Service
• \$0.500 million	C.O.	Fire Equipment	8 yr. General Debt Service
• \$0.520 million	C.O.	Street Rehabilitation	20 yr. General Debt Service
• \$1.800 million	C.O.	Sherrill Park	10 yr. General Debt Service
		Course 1 Renovation	
• \$2.000 million	C.O.	Water and Sewer CIP	20 yr. Water and Sewer Debt Service
• \$0.910 million	C.O.	Capital Equipment	8 yr. Solid Waste Debt Service
• <b>\$8.630 million</b>	<b>Total.</b>		

- In compliance with City of Richardson Home Rule Charter, Section 11.02(f), a report is included in the filed budget in response to the requirement of a listing of “capital projects which should be considered” within the next five years.

# Water and Sewer Fund



# FY 2014-2015

## Water and Sewer Fund

<b>Water &amp; Sewer Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2012-2013</b>	<b>2013-2014</b>	<b>2013-2014</b>	<b>2014-2015</b>
<b>Beginning Fund Balance</b>	<b>\$11,610,962</b>	<b>\$10,104,352</b>	<b>\$14,325,248</b>	<b>\$12,298,172</b>
Revenues	\$54,274,343	\$56,783,150	\$54,014,535	\$59,874,411
<b>Total Funds Available</b>	<b>\$65,885,305</b>	<b>\$66,887,502</b>	<b>\$68,339,783</b>	<b>\$72,172,583</b>
Operating Expenditures	\$39,566,850	\$44,027,293	\$43,890,770	\$46,455,806
Operating Transfers.	\$6,920,857	\$7,136,986	\$7,000,841	\$7,342,148
Debt Service Transfer	\$5,072,350	\$5,150,000	\$5,150,000	\$5,340,000
<b>Total Expend. &amp; Transfers</b>	<b>\$51,560,057</b>	<b>\$56,314,279</b>	<b>\$56,041,611</b>	<b>\$59,137,954</b>
Ending Fund Balance	\$14,325,248	\$10,573,223	\$12,298,172	\$13,034,629
<b>Days in Fund Balance</b>	<b>101.06</b>	<b>68.53</b>	<b>80.10</b>	<b>80.45</b>

# FY 2014-2015

## Water and Sewer Fund

<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	\$ 6,246,782	10.56%
Professional Services	1,151,689	1.95%
Maintenance	36,204,494	61.22%
Contracts	691,085	1.17%
Supplies	1,116,856	1.89%
Capital	1,044,900	1.77%
<b><u>Total Operating Expenditures</u></b>	<b>\$ 46,455,806</b>	<b>78.55%</b>
Transfers Out	\$ 12,682,148	21.45%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b>\$ 59,137,954</b>	<b>100.00%</b>

# FY 2014-2015

## Water and Sewer Fund Revenues

- Projected revenues for FY 2014-2015 are based on the assumption of continued Stage 3 restrictions through the second quarter with a slow relaxation of restrictions by the summer months.
- A 9.5% rate increase is requested with this budget. The increase would go into effect with the first billing in November of 2014.

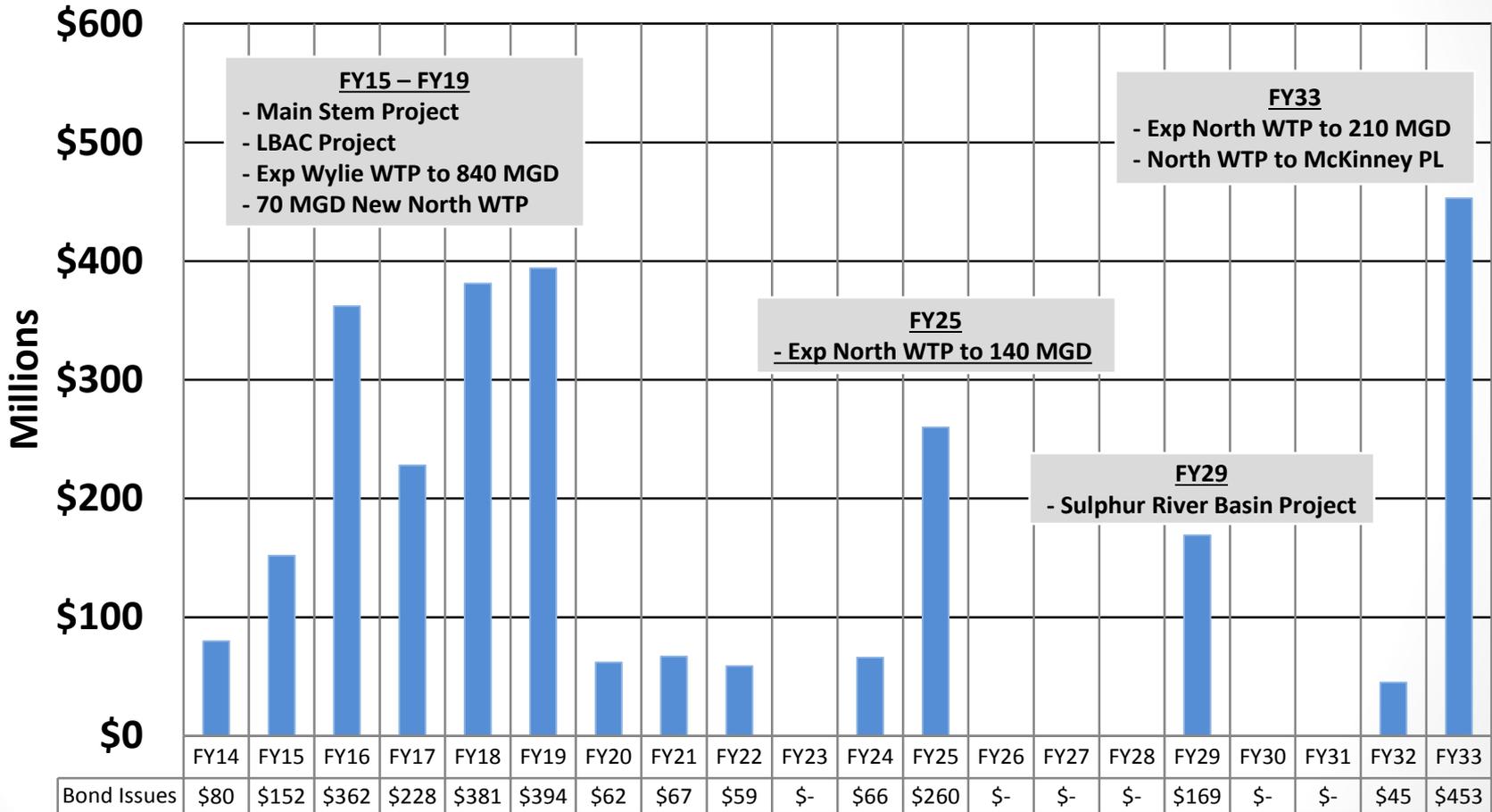
# FY 2014-2015

## North Texas Municipal Water District Supply – Key Changes from 2013 Projections

- Lower Demands - 9% Reduction
- Capital Program Updates - \$250 M
  - Main Stem Project - \$85 M
    - New Project
  - Additional Clearwells - \$75 M
    - New Project
  - Lower Bois d'Arc Creek Reservoir Project - \$60 M
    - Additional Costs for Reservoir, Pump Station, Raw Water Pipeline, and Relocation Activities
  - 70 MGD North WTP - \$40 M
    - Additional Costs for Excavation, Piping, Electrical, SCADA, Rail Spur, Ozone Facilities

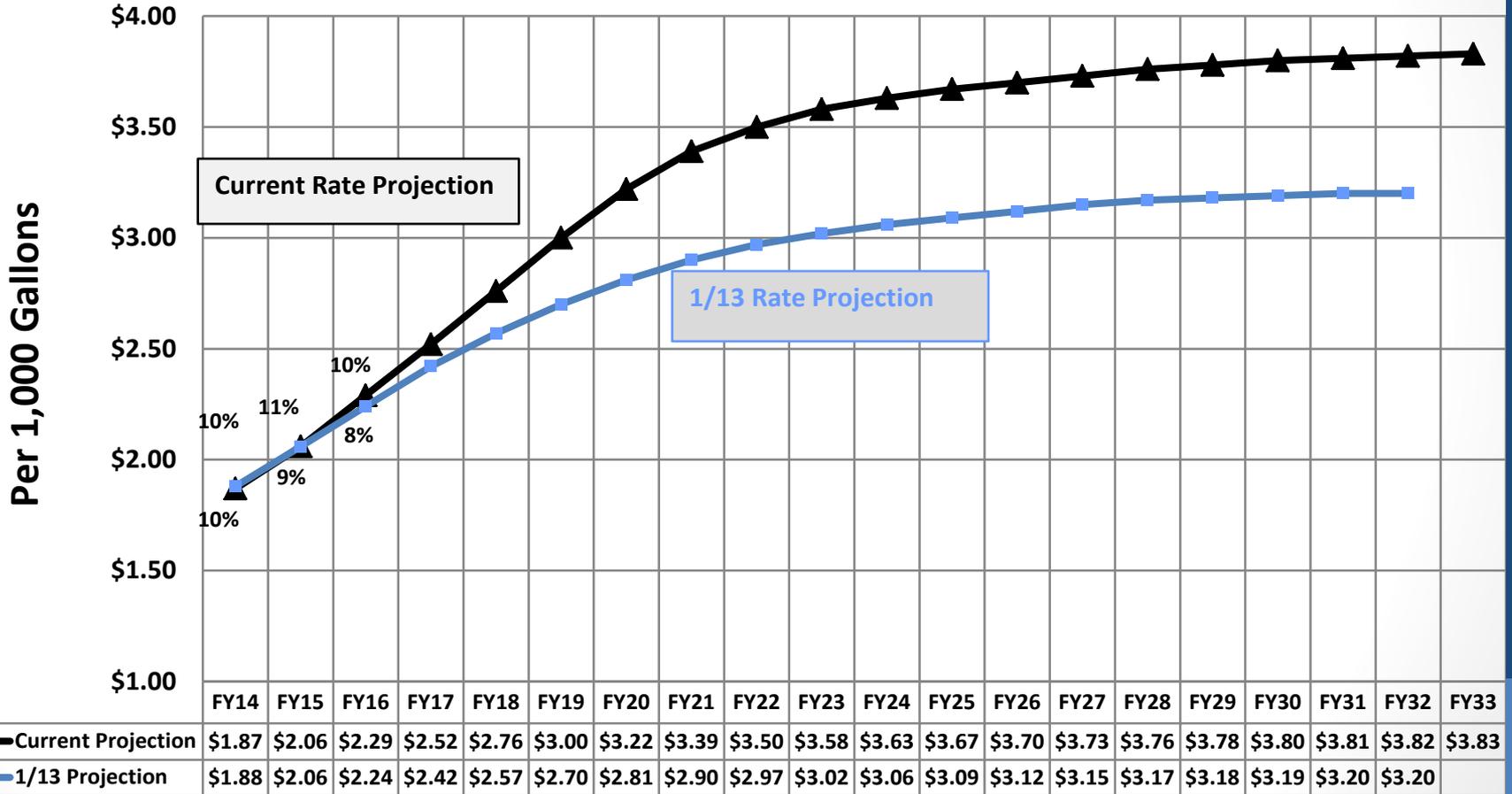
# FY 2014-2015

## North Texas Municipal Water District Supply – Bond Issues



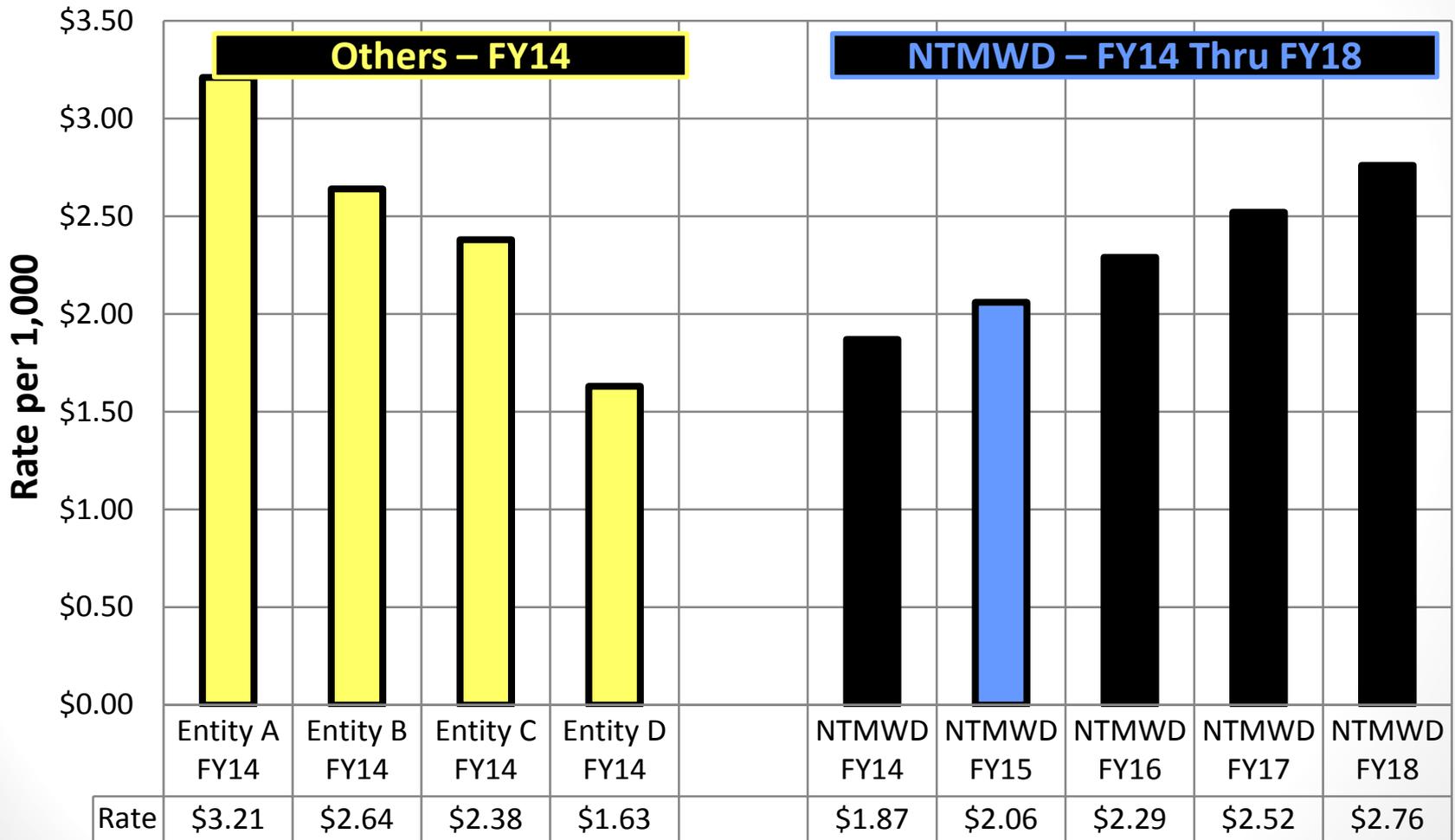
# FY 2014-2015

## North Texas Municipal Water District Supply – Member City Rates



# FY 2014-2015

## North Texas Municipal Water District Cost Comparison



# FY 2014-2015

## Water and Sewer Fund Revenues

	14-15	15-16	16-17	17-18	18-19
NTMWD Rate 5/12/12	\$ 2.06	\$ 2.29	\$ 2.52	\$ 2.76	\$ 3.00
Raw \$ Increase	\$ 2,093,669	\$ 2,534,442	\$ 2,534,442	\$ 2,644,635	\$ 2,644,635
Based on Average Consumption and Current Rate Structure					
1% City Rate Increase =	\$ 289,000	\$ 289,000	\$ 289,000	\$ 289,000	\$ 289,000
\$1 Inc to Base Charge =	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000
Holding All Other Costs Static					
% Retail Rate Inc Required	7.2%	8.8%	8.8%	9.2%	9.2%
OR Base Rate Increase	\$ 5.30	\$ 6.42	\$ 6.42	\$ 6.70	\$ 6.70

# FY 2014-2015

## Water and Sewer Fund Revenues

- Revenue from Water Sales and Charges is programmed at \$37.2 million representing a 14.5% increase from year-end and is based on a 9.5% increase across all five tiers as well as continued Stage 3 restrictions through the second quarter of the fiscal year.
  - The City charges a base fee of \$8.00/month for both water and sewer service. Regardless of volume consumed, the meters have to be maintained and read once a month. Irrigation meters have the same requirements, but have not been charged this base fee. This proposed budget includes instituting the \$8.00/month base charge for irrigation meters, resulting in \$269,000 in revenue. There are just over 2,800 such meters currently in the system with 1,670 residential and 1,132 commercial.

# FY 2014-2015

## Water and Sewer Fund Revenues

- Sewer Sales are budgeted at \$21.4 million or 3.9% above year-end and includes the 9.5% rate increase. Sewer revenue does not exhibit the same consumption based swings as water due in part to winter averaging. Sewer charges do not apply to irrigation.
- Late Charges are projected to increase \$335,000. A survey of area cities indicates our current 5% late fee is one of the lowest in the area. This budget proposes raising the late fee to 10% which is more in-line with area cities.
- Remaining revenues combined increase \$18,000.

# Proposed Rate Tiers

<b>City Water Rates</b>	October 2011	June 2012 Adjustment	Oct 2012 Adjustment	Oct 2013 Adjustment	Oct 2014 Adjustment	Percent Change
Minimum	\$ 7.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	
0-11,000 gallons	\$ 2.95	\$ 3.22	\$ 3.63	\$ 4.03	\$ 4.41	9.5%
11,001-20,000	\$ 3.19	\$ 3.48	\$ 3.93	\$ 4.36	\$ 4.77	9.5%
20,001-40,000	\$ 3.33	\$ 3.63	\$ 4.10	\$ 4.55	\$ 4.98	9.5%
40,001-60,000	\$ 3.87	\$ 4.22	\$ 4.77	\$ 5.29	\$ 5.79	9.5%
Over 60,000	\$ 4.05	\$ 4.41	\$ 4.99	\$ 5.53	\$ 6.06	9.5%
<b>City Sewer Rates</b>						
Minimum	\$ 7.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	
0-11,000 gallons	\$ 2.10	\$ 2.29	\$ 2.59	\$ 2.87	\$ 3.14	9.5%
Over 11,000 gallons	\$ 4.16	\$ 4.53	\$ 5.12	\$ 5.68	\$ 6.22	9.5%

# Residential Impact

## **Sample residential bill increases \$6.59/month**

(Based on 8,000 gallons a month from Oct. through May & 18,000 gallons a month for June through Sept.)

- Average residential water bill increases \$4.42/month
- Average residential sewer bill increases \$2.17/month

# FY 2014-2015

## Water and Sewer Fund Expenditures

- Expenditures and Transfers are proposed at \$59.1 million representing an increase of \$3.1 million or 5.5% over year-end estimates.
- 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 \$0.19/1,000 gallons in the price of wholesale water from the NTMWD. This represents an increase of \$2.1 million over last year. For FY 2014-2015, the total cost of wholesale water increases to \$22.7 million.
- We continue to believe the water rebate program will continue for the foreseeable future. For this reason, we are budgeting a rebate of \$1,000,000 for a total “budgeted” charge for water \$21.7 million

# FY 2014-2015

## Water and Sewer Fund Expenditures

- Sewer treatment services are expected to increase \$604,000 over the year end estimate.
- Together, the wholesale cost of water and sewer treatment services account for \$34.6 million or 58.5% of the total expenses.
- Personal Services is proposed at \$6.2 million, an increase of 2.2% over year-end estimates and includes the merit pay package previously described.
- Professional Services increase \$476,000 to provide funding for the water line replacement program. This work will be done through a contractor this year and has been moved into Professional Services from the Maintenance Category where it was budgeted last year.
- Contracts decrease (\$82,000) or -10.6% from year end and is made up of small savings across several line items.
- Supplies of \$1.1 million will be flat from year-end estimate and includes \$756,000 for electricity as well as \$160,000 in postage for mailing water bills.

# FY 2014-2015

## Water and Sewer Fund Expenditures

- Continuing the “pay-as-you-go” initiative, \$1.0 million of capital equipment/programs are proposed in operations, including \$355,000 for sewer line and manhole reconstruction.
- Operating Transfer Out sees an increase of \$341,000 based on a \$66,000 increase in the G&A and \$275,000 in additional Franchise Fee while the BABIC Transfer remains unchanged at \$467,000.
- The debt service transfer increases \$190,000 to \$5.3 million to cover debt obligations for this fund.
- Fund Balance is expected to end the year at 80.5 days.

# FY 2014-2015

## Water and Sewer Fund Expenditures

<b>Water Purchases</b>				
	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
Minimum Purchase	11.0 billion	11.0 billion	11.0 billion	11.0 billion
Projected Sales	7.4 billion	6.6 billion	6.5 billion	7.1 billion
Actual Purchase	8.3 billion	8.4 billion	N/A	N/A
Purchase as a % of Contract	75%	76%	N/A	N/A
Wholesale Cost	\$16,418,773	\$17,868,807	\$19,916,305	\$21,699,782
Rebate per 1,000 Gals.	\$0.39	\$0.35	N/A	N/A
Total Rebate	\$917,206	\$864,022	N/A	N/A
Rebate as a % of Total Cost	5.6%	4.8%	N/A	N/A

<b>Sewer Purchases</b>				
	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014 Estimate</b>	<b>2014-2015 Budget</b>
NTMWD	\$5,393,830	\$6,180,020	\$6,937,943	\$7,627,000
Dallas	\$2,275,051	\$2,441,657	\$2,627,034	\$2,500,000
Garland	\$2,767,797	\$2,781,924	\$2,758,318	\$2,800,000
<b>Total</b>	<b>\$10,436,642</b>	<b>\$11,403,601</b>	<b>\$12,323,295</b>	<b>\$12,927,000</b>

# Capital Equipment

Item Description	Operations
Sanitary Sewer Reconstruction Material	\$355,018
Hydro-Excavation Unit	275,000
Water Main Replacements	108,180
Meters for New Installation (Large)	60,000
Creek Annual Repair Program	50,000
1/2 Ton Pickup Truck	40,000
New Meters and Settings	26,000
Pickup Truck	23,000
Sewer Camera	23,000
Two Way Cleanout Material	18,000
Service Connection Material	17,702
Service Connections	16,000
Cooling Tower Meters	15,000
Meters for New Installation (Small)	10,000
Trailer Mounted Arrow Board	8,000
	<u>8,000</u>
	<u>\$1,044,900</u>

# Infrastructure Maintenance

<b>Water, Sewer, &amp; Erosion Maintenance Projects 2014-2015</b>	
<b>Utility Pavement Replacement</b>	<b>\$500,000</b>
309-313 Ridgeview Dr.	
100-116 Ocean Dr.	
371-377 Birch Ln.	
100-120 N. Dorothy Dr.	
1101-1223 Whispering Oaks	
900-924 Pinehurst Dr.	
418-444 Jolee St.	
<b>Inline Sewer Replacement</b>	<b>\$355,000</b>
100-600 Thompson Dr.	
100 S. Central Expressway	
800 Abrams Road	
Manhole Rehabilitation	
<b>Paving Cut Repair</b>	<b>\$345,000</b>

# Solid Waste Services Fund



# FY 2014-2015 Solid Waste Fund

<b>Solid Waste Services Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2012-2013</b>	<b>2013-2014</b>	<b>2013-2014</b>	<b>2014-2015</b>
Beginning Fund Balance	\$3,968,035	\$3,758,528	\$3,747,906	\$3,602,497
<b>Total Revenues</b>	<b>\$12,377,496</b>	<b>\$12,704,104</b>	<b>\$12,735,760</b>	<b>\$12,773,879</b>
Total Funds Available	\$16,345,531	\$16,462,632	\$16,483,666	\$16,376,376
Total Expenditures	\$8,259,233	\$8,981,243	\$8,675,745	\$8,884,039
Total Operating Transfers. Out	\$2,651,592	\$2,716,969	\$2,714,449	\$2,756,256
Total Other Transfers	\$1,686,800	\$1,490,975	\$1,490,975	\$1,402,865
<b>Total Expend. &amp; Transfers</b>	<b>\$12,597,625</b>	<b>\$13,189,187</b>	<b>\$12,881,169</b>	<b>\$13,043,160</b>
Ending Fund Balance	\$3,747,906	\$3,273,445	\$3,602,497	\$3,333,216
<b>Days in Fund Balance</b>	<b>108.59</b>	<b>90.59</b>	<b>102.08</b>	<b>93.28</b>

# FY 2014-2015 Solid Waste Fund

## Classification of Solid Waste Services Fund Expenditures

<u>Operating Expenditures</u>	<u>Proposed Budget</u>	<u>Percent of Total</u>
Personal Services	\$ 4,387,277	33.64%
Professional Services	22,570	0.17%
Maintenance	3,894,710	29.86%
Contracts	294,402	2.26%
Supplies	285,080	2.19%
Capital	-	0.00%
<b><u>Total Operating Expenditures</u></b>	<b><u>\$ 8,884,039</u></b>	<b><u>68.11%</u></b>
Transfers Out	\$ 4,159,121	31.89%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b><u>\$ 13,043,160</u></b>	<b><u>100.00%</u></b>

# FY 2014-2015

## Solid Waste Fund Revenues

- Total revenues are projected to be \$38,000 over year-end estimates.
- Residential Collections are budgeted flat from year-end estimates at \$5.2 million and assumes no change for 2014-2015 in the City's residential solid waste rate and the continuation of the reduced rate for seniors. Every \$1.00 per month increase to the residential solid waste rate, \$0.75 for seniors, would generate an additional \$310,000 in revenue.
- Commercial Collections Fees are expected to increase 2.5% or \$167,000 over the year-end. In addition to routine fluctuations in commercial collections, this increase also includes a 5% increase to frontload service. Market studies indicate that our current rates are 5% below market average so this increase merely brings Richardson in-line with current market prices for service. No other commercial fee changes are recommended.

# FY 2014-2015

## Solid Waste Fund Revenues

- 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 is projected to decrease (\$155,000) with no anticipated vehicle auction during the fiscal year.
- Interest Earnings are expected to remain relatively flat for the upcoming year.

# FY 2014-2015

## Solid Waste Fund Expenditures

- Total expenditures and transfers are proposed at \$13.0 million, an increase of \$162,000 or 1.3% over the year-end estimate of \$12.9 million.
- Personal Services increase \$262,000 or 6.4% over year-end estimate.
  - The increase includes the reassignment of the Assistant Director from the Streets Department to the Solid Waste Fund to more accurately reflect their full-time duties. The remaining increase is due to the full year impact of the City merit based pay program.
- Professional Services decreases (\$150,000) from the year-end estimate which included the cost of clean-up from the winter storm in 2013.

# FY 2014-2015

## Solid Waste Fund Expenditures

- The Maintenance category is projected to increase \$76,000 or 2.0% over the year-end estimate due to a modest increase in the disposal fees charged by NTMWD.
- Contracts and Supplies combined increase \$20,000 next year based on a projected budget of \$579,000 and includes facility and equipment insurances as well as the wholesale cost of refuse bags,
- The General and Administrative transfer increases \$32,000 as a result of the indirect cost allocation study performed by DMG Maximus.

# FY 2014-2015

## Solid Waste Fund Expenditures

- The Franchise Fee increases \$9,600 based on increased commercial revenue.
- The Debt Service Transfer of \$1.4 million is (\$88,000) lower than year-end estimate and represents the current payment due on equipment debt issuance.
- FY 2014-2015 fund balance is proposed at 93.3 days. This achieves the goal established in the adopted financial policy of “60 days building towards 90”.

# Golf Fund



# FY 2014-2015 Golf Fund

<b>Golf Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2012-2013</b>	<b>2013-2014</b>	<b>2013-2014</b>	<b>2014-2015</b>
Beginning Fund Balance	\$187,480	\$188,837	\$194,981	\$304,063
<b>Total Revenues</b>	<b>\$2,337,064</b>	<b>\$2,294,878</b>	<b>\$2,209,115</b>	<b>\$1,875,426</b>
Total Funds Available	\$2,524,544	\$2,483,715	\$2,404,096	\$2,179,489
Total Expenditures	\$1,952,415	\$2,050,464	\$2,005,858	\$2,010,216
Total Transfers Out	\$377,148	\$189,175	\$94,175	\$95,939
<b>Total Expend. &amp; Transfers</b>	<b>\$2,329,563</b>	<b>\$2,239,639</b>	<b>\$2,100,033</b>	<b>\$2,106,155</b>
Ending Fund Balance	\$194,981	\$244,076	\$304,063	\$73,334
<b>Days in Fund Balance</b>	<b>30.50</b>	<b>39.78</b>	<b>52.85</b>	<b>12.71</b>

# FY 2014-2015 Golf Fund

## Classification of Golf Fund Expenditures

<u>Operating Expenditures</u>	<u>Proposed Budget</u>	<u>Percent of Total</u>
Personal Services	\$ 983,288	46.69%
Professional Services	246,563	11.71%
Maintenance	252,688	12.00%
Contracts	135,177	6.42%
Supplies	392,500	18.64%
Capital	-	0.00%
<b><u>Total Operating Expenditures</u></b>	<b>\$ 2,010,216</b>	<b>95.44%</b>
Transfers Out	\$ 95,939	4.56%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b>\$ 2,106,155</b>	<b>100.00%</b>

# FY 2014-2015 Golf Fund - Revenues

- Revenues for the Golf Fund are projected at \$1.9 million for FY 2014-2015. This represents a -15.1% decrease in anticipated revenues from year-end estimates.
  - Excluding transfers, operational revenues are expected to decrease (\$399,000) from year end as a result of the renovation.
    - With a planned February/March closing of Course 1 for renovation, Green fees of \$1.1 million represent a decrease of (\$275,000) from year-end.
    - Cart Fees are projected to decrease (\$90,000) from year-end estimate.
    - The remaining revenues of \$91,000 decrease (\$34,000) from the year end position.
- As discussed at the June 23 Work Session, a General Fund supplement of \$325,000 is proposed to assist the fund during the renovation of Course 1. At the end of FY 2014-2015, this transfer will be tailored to maintain the solvency of the fund.

# FY 2014-2015 Golf Fund - Expenditures

- Despite one course being closed for 6 months, expenditure savings will be minimal since the daily operations continue as normal for the rest of the facility.
- Total Expenditures and Transfers for the Golf Fund are proposed at \$2.1 Million, an increase of \$6,100.
- Personal Services increase \$32,000 over year-end but the increase is merely a return to full staffing after year-end savings was recognized in FY 2013-2014 and inclusion of the pay plan discussed above.
- The remaining operational expenditures decrease (\$28,000).
- Given the projected revenue and expenditure performance, the fund balance should end the year with 12.7 days, 17.3 days below the Council approved “30 building to 60” days.

# FY 2014-2015 Golf Fund - Accounting

- For the Fiscal Year 2014 Budget, the Golf Fund's outstanding debt was moved to the General Debt Service Fund
- This year, staff is proposing to convert the Golf Fund to a special revenue fund for financial statement purposes
  - Similar to treatment of Hotel/Motel Tax Fund or Drainage Fee Fund
  - No changes in presentation of fund in Budget documents
- At year-end, assets and liabilities of Golf Fund will be transferred to new special revenue fund
  - Fixed assets included with other General Government assets (parks, rec centers, etc.)
- Budget ordinance will include language committing golf revenues to support of the golf course – in accordance with GASB guidance on use of special revenue funds

# FY 2014-2015 Golf Fund – Planned Course Renovation

## Current Greens Conditions:

- Experienced solid greens conditions in Summer/Fall 2013
- Freezing temperatures during the winter months and late, unseasonal freezes caused winter kill on both golf courses.
- Staff is aggressively working to promote turf growth and sprigging/sodding greens to restore conditions.
- Sherrill Park is discounting green fees to accommodate patrons.

## Course 1 Improvements

- 17 years after Course 1's renovation, the golf course continues to be a quality course' however, there are several areas in need of improvement and maintenance:
  - New turf on the greens
  - Irrigation pond and drainage improvements
  - Improvements to select green complexes and bunker shaping and maintenance
  - Tree planting in key areas as well as tee box improvements and cart path renovation

# FY 2014-2015 Golf Fund – Planned Course Renovation

- Without making key improvements to Course 1, we anticipate Sherrill Park will continue to lose market share and see reductions in rounds.
- We recommend further developing the master plan and preparing for a significant renovation of Course 1 in the summer of 2015.

## Proposed Course 1 Improvement Plan:

- Anticipated cost of the renovation is \$1.8 million.
- Course 1 would be closed in February/March 2015 and reopen August/September 2015.
- Additional project planning and scoping for the course renovation would be reviewed by the City Council in the coming months.

## Course 1 Renovation Funding Strategy:

- Renovations would be funded through the 2015 C.O. issuance.

# Hotel/Motel Tax Fund



# FY 2014-2015

## Hotel/Motel Tax Fund

<b>Hotel Motel Tax Fund</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>2012-2013</b>	<b>2013-2014</b>	<b>2013-2014</b>	<b>2014-2015</b>
Beginning Fund Balance	\$984,408	\$802,339	\$1,176,649	\$1,282,461
<b>Total Revenues</b>	<b>\$5,351,754</b>	<b>\$5,489,118</b>	<b>\$5,669,346</b>	<b>\$5,992,269</b>
Total Funds Available	\$6,336,162	\$6,291,457	\$6,845,995	\$7,274,730
<b>Total Expend. &amp; Transfers</b>	<b>\$5,159,513</b>	<b>\$5,488,775</b>	<b>\$5,563,534</b>	<b>\$5,885,846</b>
Ending Fund Balance	\$1,160,902	\$802,682	\$1,282,461	\$1,388,884

# FY 2014-2015

## Hotel/Motel Tax Fund

### Classification of Hotel/Motel Tax Fund Expenditures

	Proposed Budget	Percent of Total
<b><u>Operating Expenditures</u></b>		
Personal Services	\$ 2,030,912	34.51%
Professional Services	1,101,122	18.71%
Maintenance	113,895	1.94%
Contracts	1,310,503	22.27%
Supplies	549,410	9.33%
Capital	15,000	0.25%
<b><u>Total Operating Expenditures</u></b>	<b>\$ 5,120,842</b>	<b>87.00%</b>
Transfers Out	\$ 765,004	13.00%
<b><u>Total Operating Expenditures and Transfers</u></b>	<b>\$ 5,885,846</b>	<b>100.00%</b>

# Hotel Occupancy

<b>Year</b>	<b>Occupancy Rate</b>	<b>Average Daily Rate</b>	<b>RevPAR</b>
Oct-May 2013	62.32%	\$82.87	\$51.64
Oct-May 2014	68.13%	\$85.87	\$58.90

# FY 2014-2015

## Hotel/Motel Tax Fund Revenues

<b>Hotel Property</b>	<b>Actual 2012-2013</b>	<b>Budget 2013-2014</b>	<b>Estimated 2013-2014</b>	<b>Budget 2014-2015</b>
Como Motel	\$ 18,654	\$ 19,222	\$ 19,229	\$ 19,421
DoubleTree Hotel	494,811	486,752	550,291	561,297
Econo Lodge	46,294	44,567	47,574	48,525
Extended Stay of America	74,199	69,042	51,671	52,704
Hawthorne Suites	43,292	38,582	54,766	55,861
Hilton Garden Inn	260,530	258,983	272,995	278,455
Holiday Inn	188,069	189,533	189,782	191,680
Hyatt Regency	162,586	164,819	166,185	169,509
Hyatt Summerfield	540,290	530,368	589,617	601,409
Marriott Courtyard - Galatyn	224,324	226,713	209,827	216,122
Marriott Courtyard - Spring Valley	204,335	211,518	200,555	206,572
Marriott Renaissance	658,269	689,170	703,534	703,534
Marriott Residence Inn	153,017	155,672	165,833	169,150
Marriott Springhill Suites	143,264	145,309	184,533	202,986
Super 8	47,866	50,201	52,232	52,232
Wingate by Wyndham	62,071	45,539	145,557	148,468
National Corporate Housing	12	-	28	-
<b>TOTAL</b>	<b>\$ 3,321,885</b>	<b>\$ 3,325,990</b>	<b>\$ 3,604,209</b>	<b>\$ 3,677,926</b>

# FY 2014-2015

## Hotel/Motel Tax Fund Revenues

- Total Revenues for the Hotel/Motel Tax Fund are projected at \$6.0 million for next year, reflecting a 5.7% increase in overall revenues.
- For 2014-2015, Hotel/Motel Tax Receipts are budgeted at \$3.7 Million.
- Parking Garage fees are projected at \$226,000, an increase of \$6,000 over year-end.

# FY 2014-2015

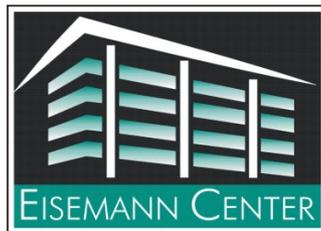
## Hotel/Motel Tax Fund Revenues

- Eisemann Center revenues are projected at \$2.1 million reflecting a \$243,000 or 13.2% increase from estimated year-end reflecting minimal increases in operations and a full program for Eisemann Center Presents revenue for the 2014-2015 Season.
- FY 2014-2015 will be the first full year for the recently enacted Facility/Maintenance Fee. As a reminder this fee is set aside in a separate fund to be used only for maintenance and capital improvements to the facility. This fee is expected to generate \$100,000 over the course of the fiscal year.

# FY 2014-2015

## Hotel/Motel Tax Fund Expenditures

- Eisemann Center Operations
- Eisemann Center Presents
- Convention & Visitors Bureau
- Parking Garage
- Local Arts Grants



# FY 2014-2015

## Hotel/Motel Tax Fund Expenditures

- Total Expenditures and Transfers for 2014-2015 are proposed at \$5.9 million reflecting a \$322,000 increase from current year-end expenditures.
- The Eisemann Center expenditures increase \$285,000 from year-end.
  - The Eisemann Center's daily operations increase \$149,000 and include a \$100,000 upgrade to the website/ticketing system integration.
  - Eisemann Center Presents Series expenditures increase \$121,000. The expenditures for this program are tied to an increase in expected revenue.
- Parking Garage Expenditures decrease (\$67,000) from year end after the emergency elevator repair in FY 2013-2014.

# FY 2014-2015

## Hotel/Motel Tax Fund Expenditures

- Arts Supplement funding will decrease (\$10,000) from year end but is still \$90,000 over the 2013-2014 original budget.
- Miscellaneous expense of \$67,000 is a decrease of (\$52,000) after the inclusion last year of the Public Arts Master Plan, Arts website design and the space and utilization studies at the Eisemann Center.
- The Transfer to General Fund – CVB matches the department budget at \$415,000.
- The Hotel/Motel G&A increases \$100,000 to \$350,000 to better reflect the services provided by the General Fund for these activities.
- The Cultural Arts Master Plan marks its second year with a focus on increasing support to local arts organizations and completion of a public art master plan.

# Other Fund Highlights

- Pages 25 through 53 of the filed budget represent all remaining funds for the City of Richardson including the Special Revenue, Internal Service and Capital Funds.
  - Drainage Fund - Now in its third full year and programmed at \$2.7 Million.
    - \$440,000 in contract services will provide:
      - Street Sweeping
      - Open channel and pipe and inlet maintenance
      - Watershed and Capital Improvement Plan
      - Litter abatement pilot program at Kirby Lake
    - \$1.2 Million is programmed for flood prevention and storm drain improvements at the following locations:
      - Cottonwood Creek Detention Basin Design
      - Lamp post Drive Flood Prevention
      - Shady Hill Drive Alley Groundwater Drainage
      - Shenandoah to Laurel Drainage
      - Ocean Drive Drainage
      - Brentwood Drainage

# Other Fund Highlights

- Tax Increment Financing Districts experienced AV growth of 61% over the prior year to \$427,179,942 generating \$2.7 million in property tax revenue which is tied to reimbursement obligations inside the respective zones.

# Summary

- Our goal for ***Sustaining Excellence in Richardson “Era of Next”*** is significantly advanced with the 2014-2015 Annual Budget.
- Key new commitments to maintenance and service levels in this 2014-2015 proposed budget support a future of reliable municipal services.



- We appreciate the “budget dialogue” with the City Council over the last several months through tours and work sessions.

# Next Steps

- Further opportunities to provide access and to gain public input are scheduled before final adoption.
  - Council Budget Work Session – Web/Cable Access
  - Web, City Secretary & Library copies of the filed budget provided
  - Public Hearing on the Property Tax Rate on August 18, 2014
  - Budget/Tax Rate Public Hearings on August 25, 2014
  - Budget Adoption on September 8, 2014

