

City of Richardson, Texas

2013-2014 Municipal Budget  
Overview

***Maintaining  
a Solid  
Foundation***

City Council Budget Retreat

July 16-17, 2013



# Maintaining a Solid Foundation

- ***“Maintaining a Solid Foundation”*** is a suggested theme for this 2013-2014 budget that reflects the attention to maintaining and reinvesting in our key infrastructure. It also reflects the impactful commercial developments underway that are key building blocks for the City’s ongoing economic success.
- ***A Solid Foundation*** is....
  - The most important component of any structure and the basis for future success
  - Footed deep into the ground to provide stability, reliability, and integrity
  - Allow future, loftier efforts to be built upon this solid base



# Maintaining a Solid Foundation

- Maintenance enhancements for 2013-2014 include:
  - Arterial, Collector and Neighborhood Streets
  - Screening Walls and Bridge Railings
  - Traffic signs, poles and markings
  - City facilities
  - Parks and entry features
- Key operational impacts include:
  - Solid Waste Service Enhancements
  - Arts Master Plan Implementation
  - NTMWD Water Supply Capital Initiatives
  - Municipal Capital Facility Upgrades
  - Golf Fund Operation Refinements
  - Next Gen 911 Public Safety Technology



# Maintaining a Solid Foundation

- 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



# July 16-17: Suggested Retreat Approach

- We await several elements to complete the preparation effort: final certified property tax roll, updated revenue collections, etc.
- Departmental expenditure reviews continue.
- We utilize this early retreat to assess the over-arching strategy and dynamics expected for the 2013-2014 fiscal year.
  - Over the two evenings, a fund-by-fund overview report will be presented for the key operating funds.
- At this retreat, we will focus on the key operating funds that speak to most of the City's annual resources and deliver services. A budget for all funds will be submitted with the required filing in early August.
- A key goal of this retreat is to confirm the suggested strategies and approaches for completing the current fiscal year and developing the next year's budget.

# Budget Development Objectives

- Develop a 2013-2014 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, strong comprehensive planning, quality public safety services, neighborhood integrity and renewal, active economic development, and strong fiscal management.
- Sustain the many initiatives begun with the current 2012-2013 work plan, including key studies and capital project initiations.

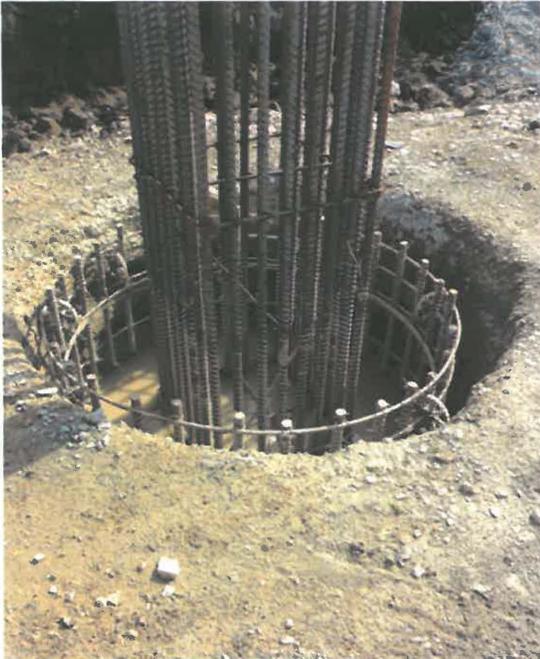


# Budget Development Objectives



- Continue the active 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 the 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 strengthening 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 – including our partnerships with HOA's and other groups.
- 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/trail. 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 2013-2014: Property Tax

- Our tracking efforts with the DCAD and CCAD appraisal districts suggest that 2013-2014 will be a year of moderately increasing property values. A 4% increase\* has been predicated in this current preliminary budget draft.
  - The specific components of the tax base and their trends will be known with the certified rolls to be received by July 25<sup>th</sup>.
- **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 is anticipated to maintain the 30% protection objective for 2013-2014.
- Property taxes provide about 37% of the entire General Fund resources.

\* Includes increased property tax values for the TIF areas. The effective increase for the General Fund is 2%, after excluding TIF areas.

# Key Budget Elements for 2013-2014 : Sales Tax

- Sales tax revenue estimating continues to be on a modest upward trend.
- This current 2012-2013 year has had a mixed pattern for sales tax – but generally has seen solid increases.
- This preliminary 2013-2014 estimate of \$27.2 million uses a 3.5% growth factor for base collections
- This revenue provides about 26% of the entire General Fund resources.

# Key Budget Elements for 2013-2014 :

## Rates & Fees

- Water/Sewer Utility
- The NTMWD wholesale water rate is projected to increase about \$0.18 every year for the next 4 year period. In addition, the NTMWD wholesale water rates continue to increase annually through the near future.
- Jim Parks, NTMWD Executive Director, provided a presentation at the July 8<sup>th</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.
- The Water/Sewer Fund is also experiencing other financial pressures from contractual providers for sewer services.
- For 2013-2014, a rate adjustment for water and sewer of 10.9% is under evaluation.

# Key Budget Elements for 2013-2014 :

## Rates & Fees (more)

- Solid Waste Rates
- The results from a comprehensive Solid Waste services study were presented at the July 15<sup>th</sup> City Council Meeting.
- Based on the results of this study, it is anticipated that the City would adopt an ordinance requiring construction and demolition haulers to be licensed and pay an annual permit fee beginning October 1<sup>st</sup>. \$200,000 is budgeted in additional revenue from this fee in the 2013-2014 budget.
- Commercial and residential revenues are stable, resulting in a deferred rate adjustment for this fiscal year.
- 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 2013-2014 :

## Rates & Fees (more)

- Drainage Utility Fee
- This 2013-2014 budget will be the second full fiscal year for this fee, which was enacted during 2011-2012 and the City began revenue receipts in February 2012.
- Recall that Richardson was one of the few remaining cities in the DFW area that had not established this fee, even as our General Fund has absorbed the mandates of the State's Stormwater Quality Management regulations.
  - With the adopted plan that was presented at the July 1<sup>st</sup> City Council meeting, \$910,000 of current General Fund expenses related to this program (engineering, enforcement, inspection, etc.) will be supported by the new Drainage Utility Fund. Additionally, about \$1.410 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 2013-2014 : 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 active completion of the program.
- Debt service requirements now reflect these recently added obligations, and are handled in 2013-2014 through the multi-year debt plan that was developed.
- For 2013-2014, \$6.122 million across all funds is under review 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
  - \$0.995 million for Fire Equipment
  - \$1.200 million for General Fund Capital – City Facility Land Acquisition
  - \$1.027 million for Solid Waste equipment
- A final recommendation will be part of the August submitted budget.

# Key Budget Elements for 2013-2014 : Essence of a Solid Foundation

- The planning for the Fiscal Year 2013-2014 Budget began in early 2013 with the identification of maintenance strategies as a high priority for the community.
- Beginning in June, City staff has provided presentations on key maintenance and operational needs and strategies to meet these needs.
- City staff has continued to discuss and refine maintenance strategies to best meet community needs. These discussions have led to the development of three year financial goals for key maintenance needs.
- These strategies help create an orderly maintenance plan that builds sustained funding for these programs over the next few years.
- Maintenance strategies will continue to be reviewed and evaluated, mindful of the tolerance of the community, contractors and city staff to achieve these maintenance goals.

# Key Budget Elements for 2013-2014 : Maintenance Activities - **Updated**

|                                     | FY12-FY13<br>Estimate | FY13-FY14<br>Proposed | FY14-FY15<br>Goal  | FY15-FY16<br>Goal  |
|-------------------------------------|-----------------------|-----------------------|--------------------|--------------------|
| Streets Management –<br>“Penny Tax” | \$1,004,410           | \$1,537,245           | \$1,790,000        | \$2,040,000        |
| Screening Walls                     | \$40,000              | \$120,000*            | \$120,000*         | \$50,000           |
| Bridge Railings                     | \$115,000             | \$150,000             | \$150,000          | \$150,000          |
| Pavement Markings                   | \$165,000**           | \$250,000**           | \$300,000**        | \$350,000**        |
| Street Name Sign<br>Replacement     | \$72,500              | \$100,000             | \$100,000          | \$100,000          |
| <b>TOTAL</b>                        | <b>\$1,396,910</b>    | <b>\$2,157,245</b>    | <b>\$2,460,000</b> | <b>\$2,690,000</b> |

\* Includes funding from Capital Reserves

\*\* Includes funding from the Traffic Safety Fund

# Key Budget Elements for 2013-2014 : Additional Maintenance Attention

## Facilities Services

- \$78,000 in additional financial resources are being dedicated to maintaining the City's municipal facilities.
  - \$476,000 in capital projects including HVAC replacement at the Police Department and boiler and chiller replacement projects at the Municipal Court are included in the 2013-2014 budget.
  - Over \$245,000 in maintenance contracts and small facility projects are funded, an increase of \$78,000.

## Parks and Recreation Maintenance

- Resources dedicated to park maintenance have increased by approximately \$131,000. This includes funds for maintenance of Durham Park, Gymnastics Center as well as the Heights Recreation Center and Aquatic Center
- Key Parks and Recreation capital projects include playground safety resurfacing , tennis courts resurfacing at Huffhines, replacement of exercise equipment at Huffhines Recreation Center and the Senior Center and replacement of fencing at Cottonwood Pool.

# Key Budget Elements for 2013-2014 : 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. Overall staffing remains below the level of 2001-2002.
- Health benefits are structured to be financially sustainable and to allow employees to select from three different plans with three different levels of deductibles and co-insurance. This structure allows the organization to begin the transition to consumer driven health care plans.
- Due to restrictions of the Patient Protection and Affordable Care Act medical and dental coverages will be separated. Dental coverage will be an optional choice for employees and retirees.
- City funding for medical benefits remains consistent with the prior year.

# Key Budget Elements for 2013-2014 : Staffing & Compensation

- The TMRS contribution rate has been reduced from 14.79% to 14.61% and the City's funded ratio has increased from 89% to 91%.
- A proposed cap on the city's contribution to retiree health insurance is anticipated to be instituted in 2014, which will reduce the long-term OPEB liability by approximately \$20-\$30 million.
- A proposed compensation adjustment plan is included to remain regionally competitive with other communities.
- Support for compensation steps (up to 5%) is proposed for the 52% of employees still within ranges. For those at the top of range or single step, a 2.5% adjustment is proposed. By design, an employee will receive only one of these adjustments.

# Summary

- Many tasks and further detailing is required before the planned August 2, 2013 budget filing.
- Further opportunities to provide access and to gain public input are scheduled before final adoption.
  - Council Budget Retreat - Web/Cable Access
  - Council Budget Work Session – Web/Cable Access
  - Web, City Secretary & Library copies of the filed budget provided
  - Budget/Tax Rate Public Hearings
- The City Council’s input is sought at this early stage to confirm that the 2013-2014 budget proposal has “a solid foundation” that is fiscally responsible and responsive to our service needs for 2013-2014.

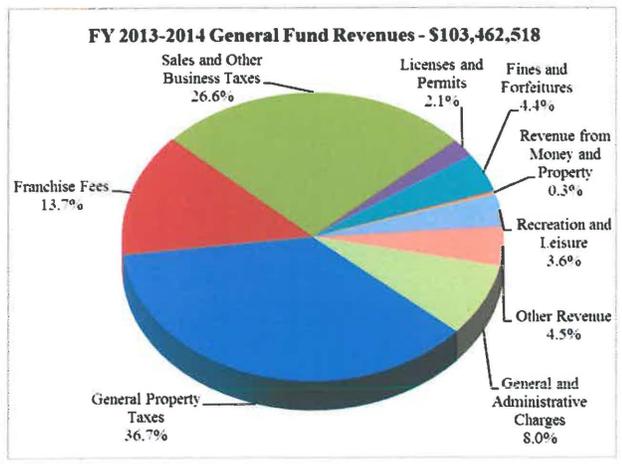


## **GENERAL FUND**

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.

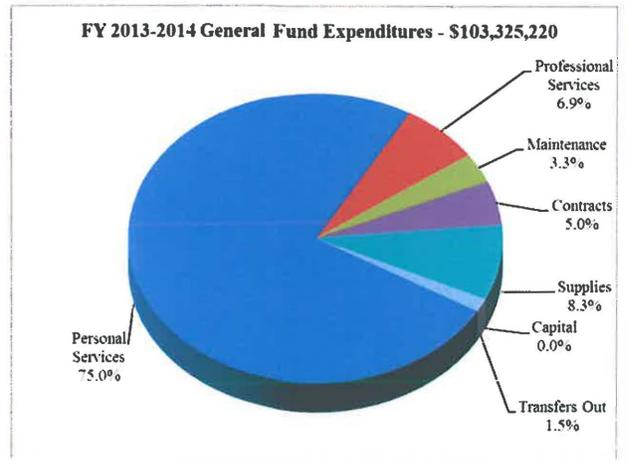
### **Sources**

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 77.1% 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 75.0% 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**

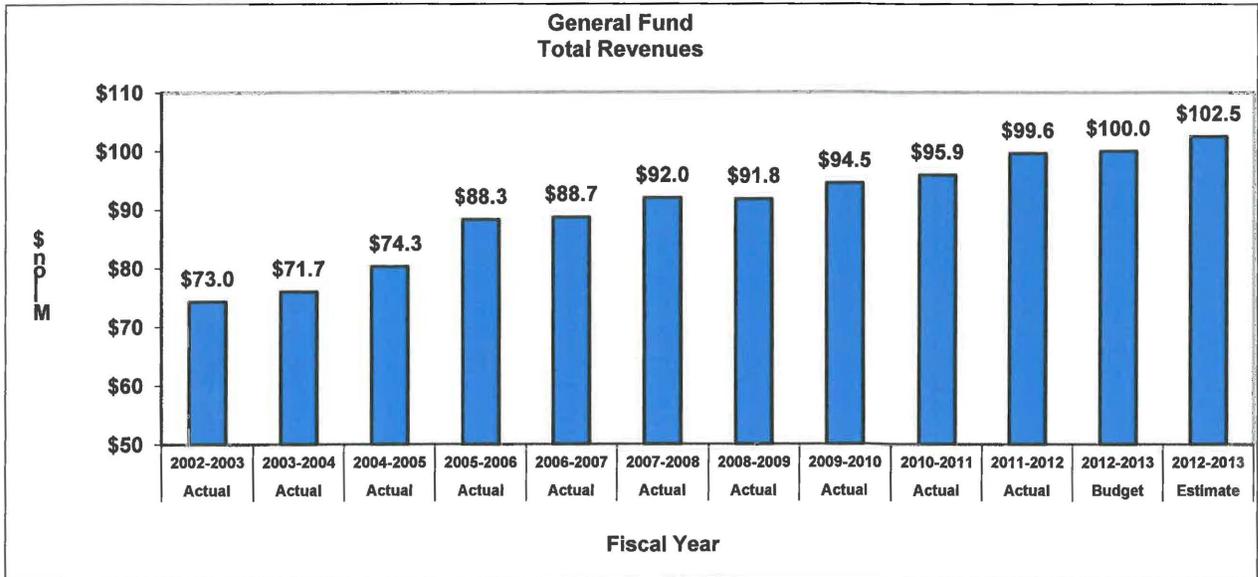
The General Debt Service Fund hosts the revenue and expenses for general debt service obligations. The primary source of revenue is general property taxes and expenditures include the annual debt services payments for outstanding debt not financed through other debt service funds.

# GENERAL FUND

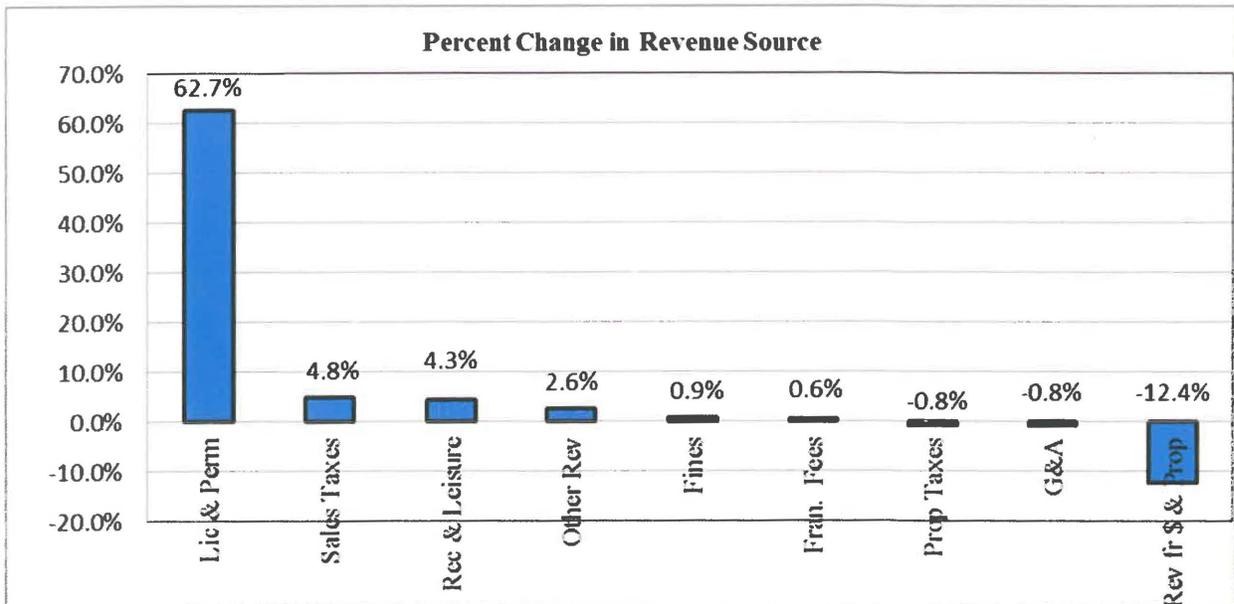
## 2012-2013 Year End Estimate

### Revenues

- Total Revenues for the General Fund have been revised based on 9 months of actual revenues received to date across all revenue sources. Total Revenues are now projected to end the year at \$102.5 million or \$2.5 million over the original budget projections.



- Of the 9 major categories of revenue sources, 6 are expected to be at or above original revenue projections while the remaining 3 categories are expected to be lower than original budget estimates.



## **General Property Taxes**

- Original 2012-2013 Budget projections for revenue from General Property Taxes assumed 100% collection. Property Tax revenues for 2012-2013 were predicated on a citywide assessed value tax base of \$10.0 billion which included a July 2012 Certified Tax Base of \$10.0 billion, \$87.9 million of values in dispute still outstanding at the time of DCAD roll certification and a reduction of \$120.7 million for the Tax Increment Financing District. Year-end estimates call for total collections, including prior year taxes and penalties of \$36.6 million for General Fund operations, a decrease of (\$293,000). Throughout the year, the City receives supplemental adjustments to the roll that happen as a result of the settlement of any outstanding cases from the Appraisal Review Board process and lawsuits associated with valuation disputes. These adjustments may add or subtract value to our July certified rolls. Likewise in the category Prior Taxes, if an outstanding case is settled that includes taxes from a prior year, the City may receive those collections in Prior Taxes. The reduction also includes (\$150,000) that will be recorded in the General Debt Service Fund. Property Taxes are split between debt and operations so any collection rate less than 100% will affect the debt fund as well. Since the only form of revenue that fund receives is property taxes and the interest it earns, this year-end balancing treatment is required to maintain 30 days in fund balance.

## **Franchise Fees**

- Franchise Fees are charged to utility service providers for the use of City owned right-of-way for placement of the necessary infrastructure to provide their service to clients. Total revenue received from franchise fees is anticipated to end the year \$79,000 over original budget. The largest increase is in Telecommunications where larger than anticipated access line fees are driving an increase of \$105,000. The largest decrease is in Natural Gas where a mild winter combined with lower retail prices lower the estimated year end collection by (\$133,000) from original budget. Minor increases in Electric, Cable and Solid Waste combine with a minor decrease in Water and Sewer for a total of \$107,000 over original budget.

## **Sales Taxes**

- Total Sales and Other Business Taxes were budgeted at \$25.9 million for 2012-2013. With three significant audit adjustments this year totaling \$427,000, we project year-end sales tax of \$26.7 million representing a \$1.2 million increase. Combined, Mixed Beverage and Bingo Tax will end with \$8,500 over a combined budget of \$343,000.

## **License and Permits**

- License and Permits are expected to finish the year \$1.3 million over the original budget of \$2.0 million. Permits for the developing areas around George Bush and Plano Road total just over \$1.1 million. This large one-time revenue is part of the estimated year-end balance that will be moved to a capital projects fund at year end and used for non-recurring expenditures. As you can see in the chart on the next page, the number of new permits and the value of those permits increase significantly as expected with the current development activity underway. Additions and alterations for both residential and non-residential are below last year in both volume and value.

| <b>No. Of Permits Comparison</b>   |                          |                          |                          |                                 |
|------------------------------------|--------------------------|--------------------------|--------------------------|---------------------------------|
|                                    | <b>YTD<br/>2010-2011</b> | <b>YTD<br/>2011-2012</b> | <b>YTD<br/>2012-2013</b> | <b>% Change<br/>FY12 – FY13</b> |
| <b>New Buildings</b>               |                          |                          |                          |                                 |
| <b>Residential</b>                 | 39                       | 59                       | 100                      | 69.5%                           |
| <b>Non-residential</b>             | 20                       | 28                       | 42                       | 50.0%                           |
| <b>Subtotal</b>                    | 59                       | 87                       | 142                      | 63.2%                           |
| <b>Additions &amp; Alterations</b> |                          |                          |                          |                                 |
| <b>Residential</b>                 | 437                      | 1,262                    | 596                      | (52.8%)                         |
| <b>Non-Residential</b>             | 191                      | 224                      | 172                      | (76.8%)                         |
| <b>Subtotal</b>                    | 628                      | 1,486                    | 768                      | (48.3%)                         |
| <b>Total</b>                       | <b>687</b>               | <b>1,573</b>             | <b>910</b>               | <b>(42.1%)</b>                  |

| <b>Permit Valuation Comparison</b> |                          |                          |                          |                                 |
|------------------------------------|--------------------------|--------------------------|--------------------------|---------------------------------|
|                                    | <b>YTD<br/>2010-2011</b> | <b>YTD<br/>2011-2012</b> | <b>YTD<br/>2012-2013</b> | <b>% Change<br/>FY12 – FY13</b> |
| <b>New Buildings</b>               |                          |                          |                          |                                 |
| <b>Residential</b>                 | \$20,316,126             | \$18,546,683             | \$57,999,793             | 212.7%                          |
| <b>Non-residential</b>             | \$6,896,113              | \$56,544,650             | \$338,808,886            | 499.2%                          |
| <b>Subtotal</b>                    | \$27,212,239             | \$75,091,333             | \$396,808,679            | 428.4%                          |
| <b>Additions &amp; Alterations</b> |                          |                          |                          |                                 |
| <b>Residential</b>                 | \$6,697,418              | \$14,168,872             | \$7,966,830              | (43.8%)                         |
| <b>Non-Residential</b>             | \$59,733,908             | \$52,207,866             | \$33,587,297             | (35.7%)                         |
| <b>Subtotal</b>                    | \$66,431,326             | \$66,376,738             | \$41,554,127             | (37.4%)                         |
| <b>Total</b>                       | <b>\$93,643,565</b>      | <b>\$141,468,071</b>     | <b>\$438,362,806</b>     | <b>209.8%</b>                   |

### Fines and Forfeits

- Revenue from Fines and Forfeits are expected to be \$38,000 or 0.9% over the original budget, while the number of violations processed through the court is up 5.2%. In addition to current year citations, the City actively works citations that have gone to warrant status, ever mindful of the cost effectiveness of doing so since approximately 85% of warrants are for addresses outside the City.

|           | <b>Neighborhood<br/>Services</b> | <b>Police<br/>Issued</b> | <b>YTD<br/>Violations</b> |
|-----------|----------------------------------|--------------------------|---------------------------|
| 2011-2012 | 1,071                            | 32,691                   | 33,762                    |
| 2012-2013 | 1,234                            | 33,410                   | 35,508                    |

### Revenue from Money/Property

- Revenue from Money/Property, which includes interest earnings and the Civic Center revenues, is expected to end the year (\$48,000) below the original budget of \$384,000 due to declines in Civic Center bookings as a result of; two major clients scaling back their

bookings, 3 trade shows that take place every other year, and another trade show that's no longer in business. The losses here are offset somewhat by the expected \$12,000 increase in Interest Income.

### Recreation and Leisure Services

- Revenue received from the variety of city-sponsored Recreation and Leisure Services is expected to end the year \$150,000 over the original budget of \$3.4 million. The recent opening of the new Gymnastics Center is driving the \$160,000 increase in gymnastic fees while another \$48,000 is expected in Wildflower Festival revenue. The largest decline of (\$57,000) in Class Fees due in part to lower class fees from Huffines Recreation Center. The remaining 8 fees combine for a decline of (\$439) on a \$1.5 million budget.

### Other Revenues

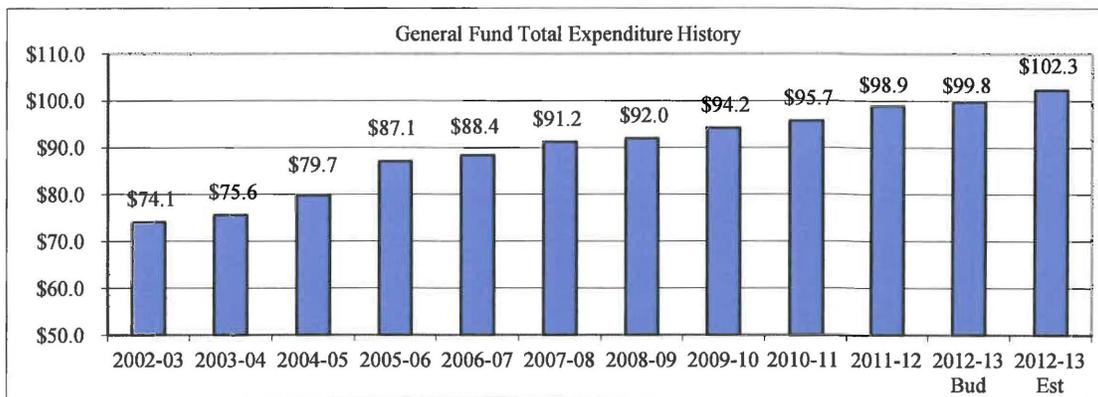
- The Other Revenues category is expected to end the year at \$4.5 million, an increase of \$114,000 from the original budget. The largest increase is seen in Ambulance Fee collections. The \$74,000 increase over the budget of \$1.7 Million is 35% of the total increase.

### General & Administrative

- The General and Administrative (G&A) Transfer revenue category is expected to end the year (\$67,000) below the original budget of \$8.9 million. The decline represents the Hotel Incentive Program moved out of the General Fund and funded directly through the Hotel/Motel Tax Fund. These general and administrative charges represent the indirect cost associated with operating that fund by personnel in another fund.

### Expenditures

- Total Expenditures and Transfers for the General Fund are estimated to end the year at \$102.3 million or \$2.5 million above the original budget.



- With 9 months of actual expenditures and an eye towards year-end, departments have submitted year-end estimated operating expenditures totaling \$98.3 million, an increase of \$129,000 from original budget.
- Departments have recognized (\$220,000) in savings in the Personal Services category as a result of natural attrition throughout the year.

- Professional Services increases \$178,000 due to minor increases across several departments.
- The Maintenance account group will recognize (\$394,000) due entirely to savings in radio maintenance. When the budget was developed last year, the City and the vendor were still working out the long term maintenance agreement.
- Contracts increase \$101,000 due to increased expense related to the City Hall water leak and increased election expense.
- Supplies increase \$426,000 or 5.2% driven almost exclusively by increased fuel costs as well as the inclusion of \$178,000 in prior year encumbrances. The remaining accounts are showing modest increases and decreases.
- Capital shows expenditures of \$38,000, the majority of which, at \$26,000, is for the replacement of a totaled patrol unit in the Police Department, The remaining \$12,000 was used to replace office fixtures in the City Secretary's Office and computer equipment in Planning.
- Operating Transfers Out is estimated to end the year \$2.3 million over the original budget due to the positive revenue and expenditure performance;

The Golf Fund was originally scheduled to receive \$160,000 in General Fund support. The January revisions to Golf operations means this transfer will no longer be required.

In addition to the budgeted transfers for Street Rehabilitation and CORPlan, if the current plan holds, \$2.5 million may be available for transfer to a Special Projects Fund at year end.

### **Fund Balance**

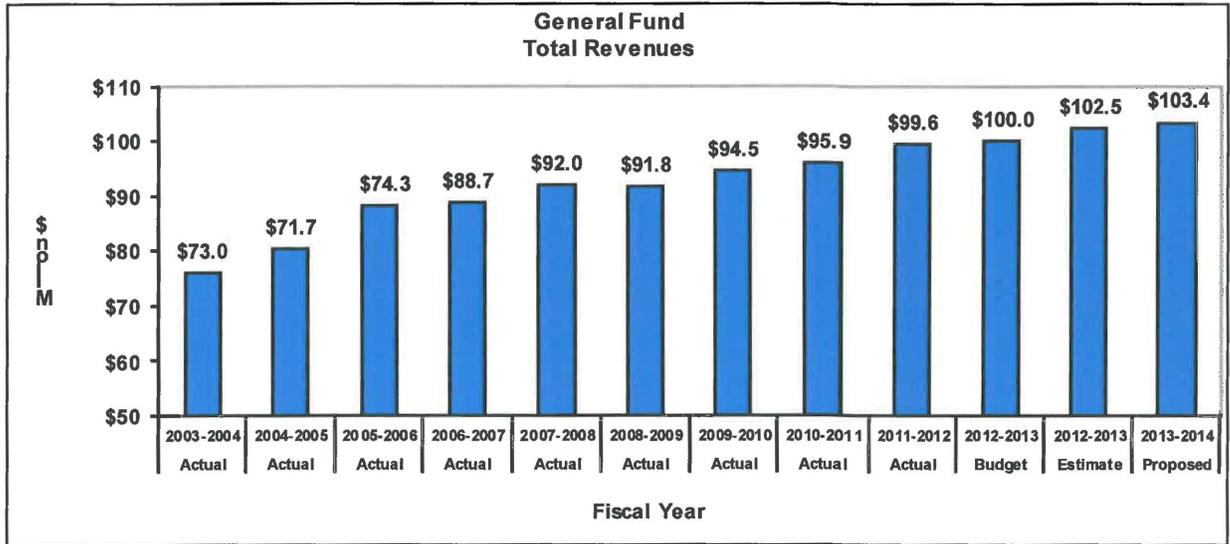
- Fund balance is estimated to end the year at 60.4 days in compliance with the financial policy for the General Fund. We will continue to monitor and adjust revenues and expenditures through the remaining months of the fiscal year so as to end the year at 60 days of fund balance.

# GENERAL FUND

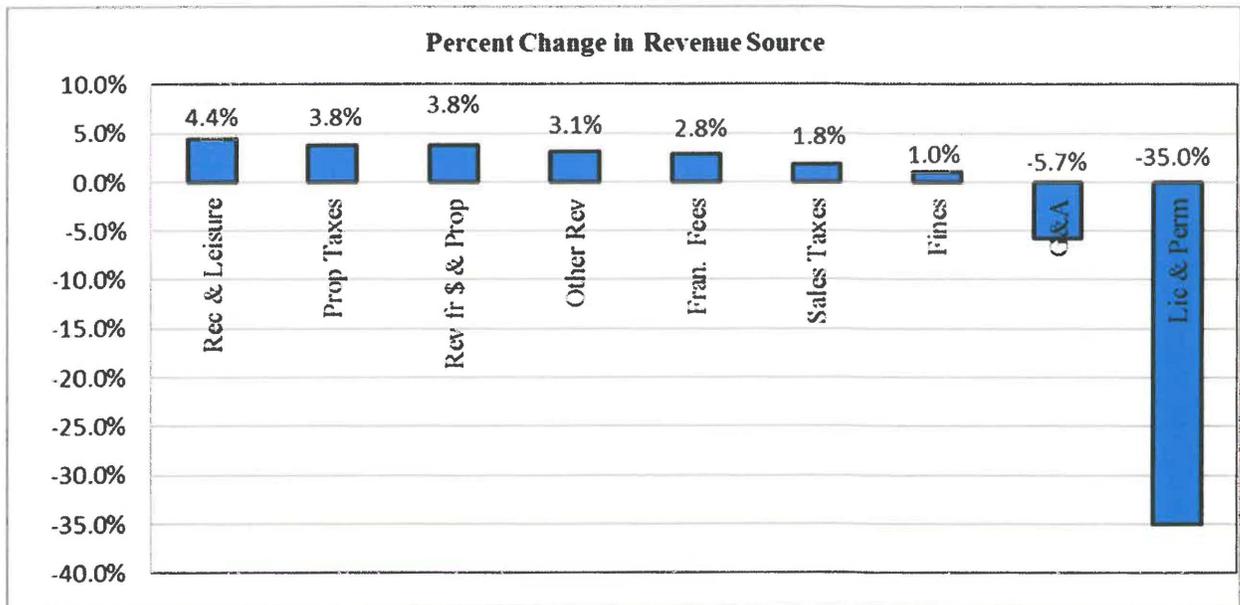
## 2013-2014 Budget

### Revenues

- Total Revenues for the General Fund of \$103.5 million, an increase of \$955,000 from the estimated year-end revenues of \$102.5 million.



- Of the nine major revenue categories, revenue from Property Tax, Sales Tax and Franchise Fees comprise 77.1% of all projected General Fund revenues for 2013-2014. Seven of the nine revenue sources are anticipated to be higher than year-end estimates for 2012-2013.



## Property Taxes

- 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 2013 Tax Roll –<br/>Percent of Parcels Reappraised</b> |      |      |      |
|--|------|------|------|
|  | 2011 | 2012 | 2013 |
| Residential  | 28%  | 9.5% | 63%  |
| Commercial   | 65%  | 48%  | 54%  |
| BPP  | 100% | 100% | 100% |
| All  | 42%  | 26%  | 68%  |

- In May 2013, total Preliminary Values for the 2013-2014 tax roll were \$10.75 billion combined from Dallas Central Appraisal District (DCAD) and Collin Central Appraisal District (CCAD), indicating a 6.7% increase in assessed valuations from the overall 2012 Certified Roll of \$10.08 billion. Throughout the summer, reductions to these preliminary values routinely occur through taxpayer challenges of appraisal values.
- For DCAD, the preliminary value of \$6.88 billion represents a 7.9% increase from the 2012 Certified Roll of \$6.37 billion. While in CAD, a \$3.87 billion preliminary roll represents a 4.5% increase from the 2012 Certified Roll of \$3.70 billion.

|              | <b>Certified<br/>2012</b> | <b>First Preliminary<br/>2013</b> | <b>\$ Change</b>     | <b>% Change</b> |
|--------------|---------------------------|-----------------------------------|----------------------|-----------------|
| CCAD         | \$3,707,807,681           | \$3,873,300,000                   | \$165,492,319        | 4.5%            |
| DCAD         | \$6,371,757,880           | \$6,878,272,876                   | \$506,514,996        | 7.9%            |
| <b>Total</b> | <b>\$10,079,565,561</b>   | <b>\$10,751,572,876</b>           | <b>\$672,007,315</b> | <b>6.7%</b>     |

- Over the course of the last two months, several interim appraisal reports have been received as the DCAD Appraisal Review Board works toward resolution of appeals. Through July 11, 2013, the preliminary \$6.9 billion DCAD roll has been adjusted downward by a total of (\$99 million), a decline of (1.4%) from the first Preliminary Estimate from DCAD.
- An important factor of the final certified roll is the increment to be reserved to the TIF's. These amounts are removed from the final calculation of tax dollars flowing to the General Fund.
- Given the expected further changes in the tax rolls before we receive Certified Finals on or about July 25, the 2013-2014 General Fund Budget is predicated on a 2.0% increase in assessed values from the certified values for 2012-2013. The forecasting technique used to predict the 2.0% is based on a 5-year history of adjustment from the first preliminary roll through actual certified. As certified rolls are received from the 2 appraisal districts at the end of this month, assessed valuation assumptions in the proposed 2013-2014 Budget will be updated to reflect final figures.
- Using the projected value, each 1% of the 2013 tax roll is worth about \$640,000 of tax revenue. Each \$0.01 cent of the tax rate is worth about \$1.0 million. These will adjust slightly as a certified roll is resolved.

- The current 2012-2013 tax rates for the Big 10 + 3.

| <b>Current 2012-2013 Adopted Rates</b> |                   |                   |                 |                        |
|--|-------------------|-------------------|-----------------|------------------------|
| City                                   | 2012<br>Tax Rate  | 2012<br>Homestead | 2012<br>Over 65 | 2012<br>Over 65 Freeze |
| Frisco                                 | \$0.461910        | N/A               | \$50,000        | No                     |
| Plano                                  | \$0.488600        | 20%               | \$40,000        | Yes                    |
| Allen                                  | \$0.552000        | N/A               | \$50,000        | No                     |
| McKinney                               | \$0.585500        | N/A               | \$50,000        | No                     |
| Irving                                 | \$0.598600        | 20%               | \$30,000        | No                     |
| Carrollton                             | \$0.617875        | 20%               | \$60,000        | No                     |
| <i>AVERAGE</i>                         | <i>\$0.634942</i> |                   |                 |                        |
| <b>Richardson</b>                      | <b>\$0.635160</b> | <b>N/A</b>        | <b>\$55,000</b> | <b>No</b>              |
| Mesquite                               | \$0.640000        | N/A               | \$65,000        | Yes                    |
| Arlington                              | \$0.648000        | 20%               | \$60,000        | Yes                    |
| Grand Prairie                          | \$0.669998        | 1%                | \$45,000        | Yes                    |
| Garland                                | \$0.704600        | 8%                | \$51,000        | No                     |
| Dallas                                 | \$0.797000        | 20%               | \$64,000        | No                     |
| Ft. Worth                              | \$0.855000        | 20%               | \$40,000        | Yes                    |

- Property Tax Revenues for operations are projected at \$37.4 million reflecting a \$988,000 increase from budgeted 2012-2013 Property Tax Revenues.

| <b>History of Taxable Value, Tax Levy and Tax Rates<br/>1997 to Budget 2013-2014</b> |                         |                     |                            |                  |                  |                       |                   |
|--|-------------------------|---------------------|----------------------------|------------------|------------------|-----------------------|-------------------|
| Tax<br>Year  | Taxable<br>Value        | Tax<br>Levy         | Operation &<br>Maintenance |                  | Total<br>O & M   | Interest &<br>Sinking | Total<br>Tax Rate |
|  |                         |                     | Street*                    | Operations       |                  |                       |                   |
| <b>2013</b>  | <b>\$10,281,156,872</b> | <b>\$65,093,110</b> | <b>\$0.015</b>             | <b>\$0.35031</b> | <b>\$0.36531</b> | <b>\$0.26985</b>      | <b>\$0.63516</b>  |
| 2012   | \$10,046,709,834        | \$63,812,682        | \$0.01                     | \$0.35281        | \$0.36281        | \$0.27235             | \$0.63516         |
| 2011   | \$9,762,481,127         | \$62,007,375        | \$0.01                     | \$0.35281        | \$0.36281        | \$0.27235             | \$0.63516         |
| 2010   | \$ 9,696,775,165        | \$61,590,037        | \$0.01                     | \$0.35281        | \$0.36281        | \$0.27235             | \$0.63516         |
| 2009   | \$ 9,993,609,491        | \$57,479,244        | \$0.01                     | \$0.35281        | \$0.36281        | \$0.21235             | \$0.57516         |
| 2008   | \$9,940,193,373         | \$57,172,016        | \$0.01                     | \$0.35281        | \$0.36281        | \$0.21235             | \$0.57516         |
| 2007   | \$9,554,151,301         | \$54,951,657        | \$0.01                     | \$0.35281        | \$0.36281        | \$0.21235             | \$0.57516         |
| 2006   | \$9,244,635,756         | \$53,171,447        | \$0.01                     | \$0.34868        | \$0.35868        | \$0.21648             | \$0.57516         |
| 2005   | \$8,704,066,596         | \$45,710,276        | \$200,000                  | \$0.35868        | \$0.35868        | \$0.16648             | \$0.52516         |
| 2004   | \$8,331,996,860         | \$43,756,315        | \$200,000                  | \$0.34934        | \$0.34934        | \$0.17582             | \$0.52516         |
| 2003   | \$8,458,454,017         | \$40,418,723        | \$200,000                  | \$0.30377        | \$0.30377        | \$0.17408             | \$0.47785         |
| 2002   | \$8,665,263,100         | \$41,406,960        | \$200,000                  | \$0.29809        | \$0.30416        | \$0.17369             | \$0.47785         |
| 2001   | \$8,807,923,102         | \$39,093,967        | \$200,000                  | \$0.25857        | \$0.25857        | \$0.18528             | \$0.44385         |
| 2000   | \$7,933,433,019         | \$35,212,542        | \$0.01                     | \$0.24653        | \$0.25653        | \$0.18732             | \$0.44385         |
| 1999   | \$7,339,616,763         | \$32,576,889        | \$0.01                     | \$0.23900        | \$0.24900        | \$0.19485             | \$0.44385         |
| 1998   | \$6,703,049,848         | \$29,751,487        | \$0.01                     | \$0.24350        | \$0.25350        | \$0.19035             | \$0.44385         |
| 1997   | \$6,257,348,811         | \$27,773,243        | \$0.01                     | \$0.24004        | \$0.25004        | \$0.19381             | \$0.44385         |

\* Street Rehabilitation Funding

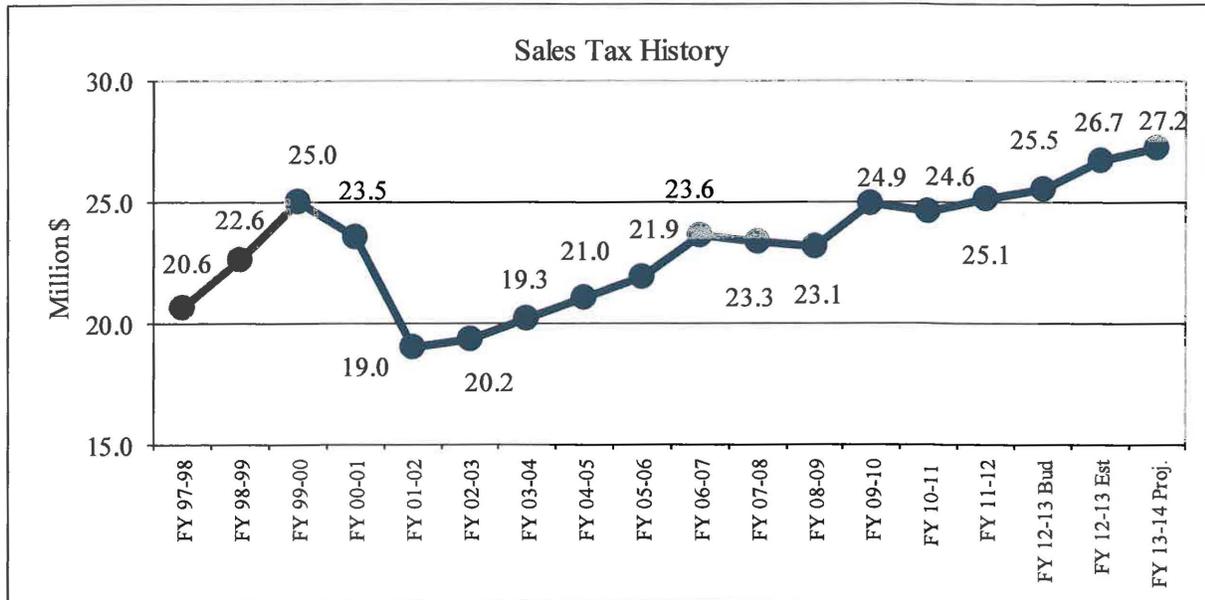
## Franchise Fees

- Franchise Fees are projected at \$14.2 million for 2013-2014, an increase of \$394,000 or 2.8% 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 \$61,000 over year-end and is reflective of the standard growth in consumption as well as price fluctuations. The remaining categories combined reflect minimal growth in collections totaling \$57,000.

## Sales and Other Business Taxes

- Sales and Other Business Taxes are projected at \$27.6 million for next year reflecting an increase of \$497,000 or 1.8% from estimated year-end revenues.
- Our top 20 remitters account for 31.4% of total receipts this year, about even with the 31.6% last year. We are seeing modest increases in the retail sales and the high tech manufacturing sectors, with business to business sales and telecommunications starting to experience stronger growth.
- Mixed Beverage and Bingo receipts are anticipated to increase modestly by \$4,000 over year-end. Sales Tax, the largest of the three in this category, is projected to increase \$493,000 or 1.8% from year-end estimates based on current trends and expectations of 3.5% growth in “base to base” activity. Year-end 2012-2013 estimate includes a total of \$427,000 in “significant”, non-recurring audit adjustments. Those adjustments are not included in the forecast for next year, only the “base” collection.

| FY 12-13 Est. | Projected   | FY 13-14     |
|---------------|-------------|--------------|
| Base Actual   | Growth Rate | Projected    |
| \$ 26,296,483 | 3.5%        | \$27,216,860 |



## License and Permits

- License and Permits are projected to decrease (\$1.2 Million) from the year-end estimate of \$3.3 million. Building Permits account for the entirety of this decline due to the inclusion last year of a

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.

### **Fines and Forfeits**

- Fines and Forfeits are expected to remain flat at \$4.5 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.

### **Revenue from Money and Property**

- Both Interest Earnings and Civic Center revenue are expecting minimal increases totaling \$13,000 in 2013-2014.

### **Recreation and Leisure Services**

- Recreation and Leisure Services revenues are budgeted at \$3.8 million, an increase of \$158,000 over 2012-2013 year-end estimates including modest growth across most categories.

### **Other Revenue**

- Projected at \$4.6 million or \$137,000 above estimated year-end for 2012-2013. The largest portion of the increase is \$110,000 in Ambulance Fees and Miscellaneous Revenue. This is normal, expected growth in collections with no change in fees.

### **General and Administrative/Transfers**

- Total revenue from G & A Transfers is projected at \$8.3 million, a decrease of (\$506,000) from FY 2012-2013. The largest area of decrease (\$675,000) is in the Capital Projects G&A as we complete the 4 year phase out of that transfer. The Water and Sewer, Solid Waste and Golf G&A increase a combined \$140,000 based on the indirect cost analysis while the transfer from Hotel/Motel for the Convention and Visitors Bureau is matched to their operating budget.

## **Expenditures**

Total Expenditures and Transfers for the General Fund are projected at \$103.3 million, an increase of \$991,000 over FY 2012-2013 year-end estimates.

This budget maintains all current service levels and provides an additional \$1.1 million for basic maintenance items throughout the City, representing a 46% increase over prior years. These items will be discussed in more detail below.

- **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 \$77.5 million, an increase of 3.8% from the year-end estimate of \$74.7 million and account for 75% of the total General Fund operating budget. The key personnel issues addressed in this proposal, include:

- ***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. 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 Department does 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 2013-2014, 5 Police Officer positions are understaffed for an estimated year-end savings of (\$330,000)
- ***Movement within approved pay plan ranges*** – (\$600,000 under review) - Approximately 52% of all city personnel are at the top of their pay range. The remaining 48% 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.
- ***Pay Range Plan Adjustment*** - (\$920,000 under review) as mentioned above, 52% of our employees are at the top of their existing pay range. This adjustment will add 2.5% to the top of the pay ranges for all employee pay ranges. This will allow our longest tenured employees, who also tend to be the majority of those at the top of their pay range, an opportunity to receive no more than a 2.5%, merit based, pay increase.
- ***Market Adjustment*** – (\$500,000 under review) - 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.
- ***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 953 employees currently on payroll, 163 or 17% have over 20 years of service

while another 172 or 18% have over 15 years' experience with the City. Together, they account for 35% of our full time staff. We remain committed to funding our retirement system for these, and indeed all our employees.

- **CORPlan – Health Insurance** –While there will be no change to City contributions, changes are planned for employees and retirees that include the development of three different plan options providing different benefit levels thereby providing a more consumer driven program. An adjustment to retiree health insurance is also proposed to contain future City cost exposure and control the funds future liability.
- **Additional Staffing Considerations** – We'll review staffing considerations based on the merits of each request and the ability to fund that position.
- **Non-Personnel Operations** – For FY 2013-2014, Non-Personal Services operating line items are currently projected at \$24.2 Million, an increase of \$647,000 or 2.7% over year end estimates. As mentioned above, in addition to funding all activities at the same high level of service currently provided, we have enhanced basic maintenance services by \$1.1 million.
  - **Professional Services** – Increase \$242,000 or 3.5% and includes;
    - \$150,000 in enhanced bridge rail maintenance which will fund the first year of the three year program aimed at improving the aesthetic quality while also protecting the infrastructure of the bridge railings throughout the City.
    - \$50,000 for a spay/neuter program through the Animal Shelter. Health and Safety Code 828 requires all animals adopted from an animal shelter to be spayed or neutered. Currently we have the adopter sign a contract to accomplish this and provide the shelter proof. This requires a staff member track all adoptions, send reminder letters, ultimately issuing citations making the process time consuming and compliance challenging. This funding will begin providing a contract spay/neuter service.
    - Parks Maintenance receives an additional \$67,000 for contract maintenance bringing the total to \$1.4 million in FY 2013-2014.
  - **Maintenance** – This category will increase \$378,000 or 12.4% for FY 2013-2014.
    - Parks Maintenance will receive an additional \$64,000 for a total of \$579,000 in funding for repair and enhancement of irrigation, plumbing, electrical systems and general parks facility maintenance.
    - Traffic and Transportation will receive an additional \$60,000 for signal pole painting adding to the \$221,000 for signs, markings, signal systems and street light maintenance for a total General Fund commitment of \$281,000.
    - Facilities Services maintenance increases \$78,000 for a total of \$245,000 for general building maintenance, elevator and heating and cooling system repairs and maintenance.
    - Information Technology maintenance increases \$184,000 and includes;

- \$65,000 in increased radio maintenance for antennae roof rentals, replacement batteries and the first year of the new maintenance agreement.
- \$57,000 in increased software licensing and maintenance, and,
- \$62,000 in increased hardware maintenance and repair.
- **Contracts and Supplies Categories** - will see minimal changes in funding levels at this time but will not see any decreases in service levels.
- **Street Rehabilitation** – For the last 17 years, the City dedicated a portion of the total tax rate to street rehabilitation. This year, we are evaluating a plan of increasing that commitment by half a cent to one and a half cents of the tax rate. We are accomplishing this by bringing in an additional quarter cent from operations and a quarter cent from the debt service fund. In doing so, we increase the Street Rehabilitation Program by \$533,000 from prior years bringing our commitment this year to \$1.5 million. This funding will allow the accelerated implementation of the work plan presented at the July1, 2013 Council work session. Along with \$376,000 of operations funds, this will increase our commitment to just over \$1.9 million.
- **Alternative Funding** – The Traffic Safety Fund, as funded through the red light enforcement program, is able to absorb \$378,000 of expenses from the Police and Traffic Departments that would otherwise have to be funded in the General Fund. These items include an additional \$225,000 for signs, markings, signal and video camera maintenance. When combined with the \$281,000 in the General Fund for these items, the total commitment this year of \$602,000 is an increase of \$247,000 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 60.3 days of fund balance.
- **Capital Requests** – Funding of capital equipment and non-recurring program enhancements in the 2013-2014 Budget will be handled through the use of \$2.9 Million in short-term C.O.'s. Following are the key items included in the \$7.4 Million worth of capital requests currently under review.

|                             |  |           |
|-----------------------------|--|-----------|
| <b>Emergency Management</b> | Portable Siren and PA Trailer                    | \$58,000  |
| <b>Civic Center</b>         | Grand Hall Flooring and Electrical Upgrades      | \$50,000  |
| <b>Police</b>               | 9 Tahoe/2 Chargers - Patrol (11)                 | \$399,561 |
|                             | 4 Door Sedan - Investigations (1) - Replacements | \$25,000  |
|                             | Mid-Size SUV - Investigations (1) - Replacements | \$26,000  |
|                             | Mobile Device Management Solution                | \$16,000  |
|                             | Two Factor Authentication (Database Security)    | \$20,108  |
|                             | Remodel Investigations Conference Room           | \$18,000  |
|                             | Remodel Patrol Report Room                       | \$20,000  |
|                             | Replace Patrol Hallway Flooring                  | \$6,000   |
|                             | Repaint Exterior Trim of PD Building             | \$8,500   |
|                             | Recaulk Exterior of PD Building                  | \$20,000  |
|                             | Next Gen 9-1-1                                   | \$627,185 |
|                             | DVR's for Patrol Cars (15)                       | \$66,315  |
| <b>Fire</b>                 | Security Modifications - Administration          | \$50,000  |

|                                     |   |           |
|-------------------------------------|---|-----------|
|                                     | Overhead Door Replacement - Station 6                           | \$44,978  |
|                                     | Overhead Door Replacement - Station 5                           | \$43,751  |
|                                     | Slip Resistant Flooring - Station 4                             | \$43,592  |
|                                     | Slip Resistant Flooring - Station 2                             | \$30,276  |
|                                     | Slip Resistant Flooring - Station 6                             | \$36,263  |
|                                     | Fencing - Station 6   | \$28,000  |
|                                     | Interior Painting - Administration Building                     | \$7,000   |
|                                     | Station Modifications - Station 6 (Sleeping Quarters/Restrooms) | \$10,000  |
|                                     | Rescue Saw (1)  | \$12,000  |
|                                     | Fire Hose Replacement Program                                   | \$10,000  |
|                                     | Radiation Detector (2)  | \$31,554  |
|                                     | Ambulance - Replacement   | \$155,000 |
|                                     | Quint - Replacement   | \$820,000 |
|                                     | SUV (Fire Investigations & Public Education) - New              | \$32,000  |
|                                     | Special Events Vehicle - Replacement                            | \$20,000  |
|                                     | Wellness Equipment  | \$11,000  |
|                                     | Fire Training Center Furniture                                  | \$5,000   |
| <b>Streets</b>                      | 2 Yard Dump Truck with Spreader - Replacement                   | \$42,000  |
|                                     | Asphalt/Cold Planer Attachment - New                            | \$14,000  |
| <b>Traffic &amp; Transportation</b> | Radar Trailer (2) – New   | \$12,000  |
|                                     | Changeable Message Trailer (2) - New                            | \$28,000  |
|                                     | Sign Truck – New  | \$42,000  |
| <b>Facilities Services</b>          | PD Detention Area HVAC Replacement - Phase I                    | \$160,000 |
|                                     | PD Detention Area HVAC Replacement - Phase II                   | \$115,000 |
|                                     | Boiler Replacement (Court)                                      | \$55,000  |
|                                     | Chiller Replacement (Court)                                     | \$140,000 |
|                                     | Electrical Panel Updates  | \$6,000   |
|                                     | Carpet Replacement (City Hall and Civic Center)                 | \$330,000 |
|                                     | City Hall Sidewalk Replacement                                  | \$30,000  |
|                                     | Service Center Flooring (2nd Floor)                             | \$10,000  |
|                                     | Front Door Replacement (Animal Shelter)                         | \$21,000  |
|                                     | Additional Canopy (Animal Shelter)                              | \$10,625  |
|                                     | Warehouse Lighting Replacement (Court)                          | \$17,600  |
|                                     | Warehouse Lighting Replacement (Service Center)                 | \$24,000  |
|                                     | Recessed Lighting Upgrade (Library)                             | \$82,000  |
|                                     | Vehicle Lift Gate   | \$6,500   |
|                                     | 3/4 Ton Pickup with Service Body                                | \$36,000  |
| <b>Parks - Recreation</b>           | Treadmills – Repl. at Huffhines Rec. Center (5)                 | \$41,350  |
|                                     | Stretch Trainers – Repl. at Huffhines Rec. Center (1)           | \$8,400   |
|                                     | Treadmills – Repl. at Huffhines Rec. Center (5)                 | \$4,600   |
| <b>Parks – Older Adults</b>         | Shuttle Bus – Replacement                                       | \$75,000  |
|                                     | Treadmills - Replacements (2)                                   | \$13,520  |
| <b>Parks - Pools</b>                | Pool Furniture - Replacement                                    | \$6,000   |
|                                     | Wrought Iron Fencing - Cottonwood                               | \$27,440  |
|                                     | AED - Replacements (4)  | \$8,400   |
|                                     | Shade Structure - Terrace                                       | \$13,421  |
|                                     | Shade Structure - Cottonwood                                    | \$13,421  |
|                                     | Pool Resurfacing/Liner Replacement - Cottonwood                 | \$82,000  |

|                                       |  |           |
|---------------------------------------|--|-----------|
|                                       | Wrought Iron Fencing - Glenville                       | \$36,568  |
|                                       | Pool Decking - Canyon Creek                            | \$3,700   |
|                                       | Pool Decking - Glenville                               | \$5,900   |
|                                       | Pool Decking - Cottonwood                              | \$1,450   |
|                                       | UV Pool Filtering System - Canyon Creek                | \$26,825  |
|                                       | UV Pool Filtering System - Glenville                   | \$26,825  |
|                                       | UV Pool Filtering System - Cottonwood                  | \$38,722  |
| <b>Parks - Tennis</b>                 | Tennis Court Resurfacing - Huffhines                   | \$36,000  |
|                                       | Tennis Court Resurfacing - Various Parks               | \$36,000  |
|                                       | Windscreen Replacements                                | \$8,000   |
| <b>Parks - Maintenance</b>            | Waterview Preservation - Matching Fund Beautification  | \$4,000   |
|                                       | Canyon Creek HOA - Matching Fund Beautification        | \$10,000  |
|                                       | Richardson Woman's Club - Matching Fund Beautification | \$6,000   |
|                                       | Water Taps (3)   | \$13,500  |
|                                       | Playground Safety Surfacing                            | \$40,000  |
|                                       | Citywide Landscape Mulch                               | \$45,000  |
|                                       | Infield Material - Huffhines                           | \$112,000 |
|                                       | Infield Material - Breckinridge                        | \$112,000 |
|                                       | Ball field Warning Track Border                        | \$67,760  |
|                                       | Planting Bed Repairs - US75                            | \$32,000  |
|                                       | US75 Landscape Irrigation                              | \$10,000  |
|                                       | North Collins Bed Renovation                           | \$7,849   |
|                                       | Cottonwood Park Pond Aerification                      | \$70,000  |
|                                       | Old Matching Fund Beautification Renovations           | \$40,000  |
|                                       | Irrigation Controller                                  | \$30,000  |
|                                       | Galatyn Area LED Lighting - Phase I                    | \$18,400  |
|                                       | Smooth Wire Fencing - Breckinridge                     | \$10,000  |
|                                       | Median Irrigation Controllers                          | \$150,000 |
|                                       | Public Building Irrigation Controllers                 | \$20,000  |
|                                       | Keffler Ballpark Parking                               | \$16,000  |
|                                       | Leveling Soil for Medians                              | \$50,000  |
|                                       | Athletic Light Pole Painting                           | \$28,800  |
|                                       | Baseball Park Lot Lighting Additions                   | \$60,000  |
|                                       | Trash Receptacle Holders                               | \$5,840   |
|                                       | Galatyn Area Parkway Trees                             | \$22,400  |
|                                       | Pavilion Pad Replacement                               | \$14,000  |
|                                       | Tennis Court Light Pole Painting                       | \$20,000  |
|                                       | Mimosa Park Creek Erosion                              | \$40,000  |
|                                       | South Performance Drive Trees                          | \$14,060  |
|                                       | Renner Road Median Improvements                        | \$60,000  |
|                                       | Coit Road Retaining Wall                               | \$12,500  |
|                                       | Lake/Pond Aerification - Galatyn Woodland Preserve     | \$35,000  |
|                                       | Lake/Pond Aerification - Fire 5                        | \$17,000  |
| Lake/Pond Aerification - Crowley Park | \$40,000   |           |
| Light Pole Painting - Huffhines Woods | \$9,350  |           |
| Cottonwood Park Alley Trees           | \$20,000   |           |
| City Hall Fountain Basin              | \$22,000   |           |

|                |  |                    |
|----------------|--|--------------------|
|                | Galatyn Plaza Stage Anchors                          | \$20,000           |
|                | Multi Use Courts - Crowley                           | \$58,000           |
|                | Multi Use Courts - Heights                           | \$58,000           |
|                | INET Asphalt Trail Replacement                       | \$96,800           |
|                | Breckinridge A/B Bridge Erosion                      | \$250,000          |
|                | Steel Building - Breckinridge Park Offices           | \$34,288           |
|                | Shelter Roof Replacement - Crowley                   | \$24,000           |
|                | Shelter Roof Replacement - Foxboro                   | \$24,000           |
|                | Restroom Replacement - Various Parks                 | \$34,500           |
|                | Greenhouse Heating and Air                           | \$9,717            |
|                | Breckinridge Park Office Entry Road                  | \$6,260            |
|                | DART Totems Painting                                 | \$5,500            |
|                | Tennis Court Fencing Replacement                     | \$18,968           |
|                | Concrete Parking Bay - Breckinridge                  | \$7,800            |
|                | Park Restroom Soffit Replacement - Various Parks     | \$7,500            |
|                | Breckinridge B Parking Lot                           | \$45,800           |
|                | Greenhouse Loop Road Repair                          | \$5,500            |
|                | Trail Replacement - Breckinridge B                   | \$7,800            |
|                | Soccer Goals   | \$18,300           |
|                | BBQ Grill Additions                                  | \$7,500            |
|                | Civic Center Outdoor Furniture                       | \$55,000           |
|                | Lake Pump - Breckinridge                             | \$10,500           |
|                | 90" Aerway Aeration Implement                        | \$13,975           |
|                | Utility Vehicle - Panhandle Parks Crew - Replacement | \$22,500           |
|                | Utility Vehicle - Panhandle Irrigation Crew - New    | \$22,500           |
|                | Utility Vehicle with Trailer - New                   | \$11,000           |
|                | Soil Screener  | \$39,500           |
|                | Zero Radio Mower                                     | \$13,000           |
|                | Filed Liner  | \$24,845           |
|                | Mezzanine  | \$46,000           |
|                | Power Buggy - New                                    | \$11,000           |
|                | Big Belly Trash Receptacles                          | \$17,780           |
|                | 1/2 Ton Pickup Truck - Replacement                   | \$22,000           |
|                | Front-End Loader - New                               | \$170,000          |
|                | Crew Cab Pickup with Dump Body – Repl. (1)           | \$42,000           |
|                | Crew Cab Pickup with Service Body – Repl. (1)        | \$36,000           |
|                | Crew Cab Pickup with Dump Body – Repl. (1)           | \$42,000           |
| <b>Library</b> | Color Copier/Printer Replacement - 2nd. Floor Public | \$10,000           |
|                | Microform Reader/Scanner/Printer                     | \$9,800            |
|                | Books and Media Items                                | \$346,750          |
| <b>Total</b>   |  | <b>\$7,438,192</b> |

- Also under review are Expanded Programs for the General Fund totaling \$6.1 Million.

|                                       |   |           |
|---------------------------------------|---|-----------|
| <b>Community Events</b>               | Community Events Coordinator                | \$56,790  |
| <b>Convention and Visitors Bureau</b> | Partner Development Coordinator             | \$45,001  |
| <b>Information Services</b>           | Document Imaging Expansion - Onbase         | \$100,000 |
|                                       | Computer Room Relocation - City Hall to EOC | \$30,000  |
|                                       | PC Tech - Fire (also requested in Fire)     | \$58,670  |

|                              |  |           |
|------------------------------|--|-----------|
|                              | Maintenance Programmer                                   | \$57,215  |
|                              | Fax Upgrade for City Copiers                             | \$17,542  |
|                              | Mobile Development Platform - I5                         | \$10,000  |
|                              | Cisco Switches for Eisemann Center (2)                   | \$19,000  |
|                              | Library Wireless Login Server                            | \$27,000  |
|                              | PDF Upgrade to Xerox Printer                             | \$30,000  |
|                              | Radio Maintenance Extension                              | \$800,000 |
|                              | Performance Management Framework                         | \$80,000  |
| <b>Civic Center</b>          | Digital Directional Maps (2)                             | \$25,000  |
|                              | Civic Center Painting                                    | \$70,000  |
|                              | Concourse Artwork  | \$100,000 |
|                              | Modular Furniture Repair and Replacement                 | \$30,000  |
|                              | Remodel Kitchens and Storage Rooms                       | \$135,000 |
|                              | Moveable Spotlights in Grand Hall                        | \$20,000  |
|                              | Council Chamber Upgrades                                 | \$42,000  |
|                              | Information Desk and Trophy Case                         | \$75,000  |
| <b>Police</b>                | Smartphone Upgrade/Additions                             | \$67,522  |
|                              | Crime Analyst  | \$55,978  |
|                              | Part-Time Property and Evidence Technician               | \$20,750  |
|                              | Additional Patrol Personnel - 6 Officers and 1 Sergeant  | \$474,186 |
|                              | Additional Patrol Personnel - 2 Sergeants                | \$228,366 |
|                              | Public Safety Officer (5)                                | \$338,709 |
|                              | Upgrade Police Assistant to Public Safety Officer        | \$8,971   |
| <b>Fire</b>                  | Smartphones for Battalion and FMO Personnel (8)          | \$7,191   |
|                              | Training Lieutenant                                      | \$104,119 |
|                              | EMS Field Training Officer Incentive                     | \$17,649  |
|                              | New Ambulance - Station #3                               | \$883,227 |
|                              | PC Tech - Fire (also requested in IT)                    | \$56,817  |
|                              | Fire Inspector   | \$66,639  |
|                              | Fire Inspector - Public Education                        | \$66,639  |
|                              | Public Education Vehicle                                 | \$32,000  |
| <b>Planning</b>              | Development Standards - 4 Subareas of Main/Central Study | \$9,900   |
|                              | Bucket Truck   | \$96,000  |
|                              | Traffic Signal Controller Software Upgrade               | \$40,000  |
|                              | Crane Truck  | \$200,000 |
|                              | Additional Watch Room Personnel (1)                      | \$45,806  |
|                              | Portable Generators                                      | \$10,000  |
|                              | Emergency Traffic Signal Trailers (2)                    | \$40,000  |
|                              | Line Marking Paint Sprayer                               | \$20,000  |
| <b>Facilities Services</b>   | Senior Maintenance Technician - Buildings                | \$50,387  |
| <b>Park - Administration</b> | Parks Marketing and Advertising                          | \$8,000   |
| <b>Parks - Recreation</b>    | Security Cameras for Heights, Aquatics and Gymnastics    | \$61,500  |
|                              | Recreation Coordinator - Huffhines Recreation Center     | \$58,602  |
| <b>Parks - Older Adults</b>  | SCALA Messaging Board                                    | \$3,000   |
|                              | Older Adults Coordinator (1)                             | \$59,282  |

|                            |  |                    |
|----------------------------|--|--------------------|
| <b>Parks – Tennis</b>      | Assistant Tennis Center and Program Coordinator  | \$49,574           |
| <b>Parks - Maintenance</b> | Parks and Recreation Contingency Fund            | \$100,000          |
|                            | Parks Recycling Program - Contracted             | \$211,650          |
|                            | Parks Recycling Program - In House               | \$137,107          |
|                            | Contract Administration Support Specialist I     | \$69,724           |
|                            | Parks Maintenance Administrative Help            | \$50,039           |
|                            | Parks and Recreation Park Rangers (3 PT)         | \$40,154           |
| <b>Library</b>             | Collection Analysis Service                      | \$20,500           |
|                            | Richardson Daily News Digitization               | \$7,000            |
| <b>Health</b>              | Smart Phones with Tethering Capability           | \$4,000            |
|                            | Immunization Clinic                              | \$20,000           |
| <b>Animal Control</b>      | Spaying/Neutering All Adoptable                  | \$76,400           |
|                            | Construction of spay/neuter room                 | \$80,000           |
|                            | Promote Receptionist from Part-Time to Full-Time | \$25,369           |
|                            | Sound Insulation for Courtyard                   | \$30,000           |
| <b>Fleet</b>               | Replace Carwash System                           | \$200,000          |
|                            | Maintenance Technician I                         | \$52,390           |
| <b>Total</b>               |  | <b>\$6,133,365</b> |

**CITY OF RICHARDSON  
SUMMARY OF REVENUES AND EXPENDITURES  
GENERAL FUND**

|  | ACTUAL                | BUDGET                | ESTIMATE              | BUDGET                | VARIANCE      |                |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------|----------------|
|  | FY 2011-12            | FY 2012-13            | FY 2012-13            | FY 2013-14            | BUD to BUD    | EST to BUD     |
| <b>Beginning Designated Fund Balance</b> | <b>\$ 15,883,833</b>  | <b>\$ 16,230,042</b>  | <b>\$ 16,373,401</b>  | <b>\$ 16,924,222</b>  | <b>4.3%</b>   | <b>3.4%</b>    |
| <b>Reserve for Encumbrances</b>          | <b>114,043</b>        | <b>-</b>              | <b>326,935</b>        | <b>-</b>              | <b>N/A</b>    | <b>-100.0%</b> |
| <b>Adjusted Beginning Fund Balance</b>   | <b>\$ 15,997,876</b>  | <b>\$ 16,230,042</b>  | <b>\$ 16,700,336</b>  | <b>\$ 16,924,222</b>  | <b>4.3%</b>   | <b>1.3%</b>    |
| <b>Revenues</b>                          |                       |                       |                       |                       |               |                |
| General Property Taxes                   | \$ 36,726,181         | \$ 36,866,814         | \$ 36,573,932         | \$ 37,953,069         | 2.9%          | 3.8%           |
| Franchise Fees                           | 13,312,932            | 13,751,834            | 13,830,761            | 14,224,305            | 3.4%          | 2.8%           |
| Sales and Other Business Taxes           | 25,470,936            | 25,853,932            | 27,074,588            | 27,571,964            | 6.6%          | 1.8%           |
| Licenses and Permits                     | 2,404,703             | 2,039,773             | 3,318,985             | 2,156,836             | 5.7%          | -35.0%         |
| Fines and Forfeitures                    | 4,335,358             | 4,428,935             | 4,467,012             | 4,511,682             | 1.9%          | 1.0%           |
| Revenue from Money and Property          | 370,651               | 384,155               | 336,569               | 349,403               | -9.0%         | 3.8%           |
| Recreation and Leisure                   | 3,207,073             | 3,449,733             | 3,599,569             | 3,758,063             | 8.9%          | 4.4%           |
| Other Revenue                            | 4,540,324             | 4,368,260             | 4,482,258             | 4,619,291             | 5.7%          | 3.1%           |
| General and Administrative Charges       | 9,255,380             | 8,891,088             | 8,824,088             | 8,317,904             | -6.4%         | -5.7%          |
| <b>Total Revenues</b>                    | <b>\$ 99,623,538</b>  | <b>\$ 100,034,524</b> | <b>\$ 102,507,762</b> | <b>\$ 103,462,518</b> | <b>3.4%</b>   | <b>0.9%</b>    |
| <b>Total Available Funds</b>             | <b>\$ 115,621,414</b> | <b>\$ 116,264,566</b> | <b>\$ 119,208,098</b> | <b>\$ 120,386,740</b> | <b>3.5%</b>   | <b>1.0%</b>    |
| <b>Expenditures</b>                      |                       |                       |                       |                       |               |                |
| Personal Services                        | \$ 72,422,768         | \$ 74,907,150         | \$ 74,687,406         | \$ 77,498,580         | 3.5%          | 3.8%           |
| Professional Services                    | 5,786,292             | 6,702,070             | 6,879,884             | 7,121,702             | 6.3%          | 3.5%           |
| Maintenance                              | 2,278,453             | 3,436,082             | 3,041,757             | 3,419,917             | -0.5%         | 12.4%          |
| Contracts                                | 5,102,527             | 4,961,455             | 5,062,092             | 5,132,928             | 3.5%          | 1.4%           |
| Supplies                                 | 8,157,904             | 8,194,081             | 8,619,890             | 8,614,848             | 5.1%          | -0.1%          |
| Capital                                  | 176,886               | -                     | 38,437                | -                     | N/A           | -100.0%        |
| <b>Total Expenditures</b>                | <b>\$ 93,924,830</b>  | <b>\$ 98,200,838</b>  | <b>\$ 98,329,466</b>  | <b>\$ 101,787,975</b> | <b>3.7%</b>   | <b>3.5%</b>    |
| <b>Transfers Out</b>                     |                       |                       |                       |                       |               |                |
| Street Rehabilitation                    | \$ 976,248            | \$ 1,004,410          | \$ 1,004,410          | \$ 1,537,245          | 53.0%         | 53.0%          |
| Special Projects                         | 1,900,000             | -                     | 2,500,000             | -                     | N/A           | -100.0%        |
| CoRPlan Supplement                       | 1,950,000             | 450,000               | 450,000               | -                     | -             | -              |
| Transfer Out - Golf Fund                 | 170,000               | 160,000               | -                     | -                     | -100.0%       | N/A            |
| <b>Total Transfers Out</b>               | <b>\$ 4,996,248</b>   | <b>\$ 1,614,410</b>   | <b>\$ 3,954,410</b>   | <b>\$ 1,537,245</b>   | <b>-4.8%</b>  | <b>-61.1%</b>  |
| <b>Total Expenditures and Transfers</b>  | <b>\$ 98,921,078</b>  | <b>\$ 99,815,248</b>  | <b>\$ 102,283,876</b> | <b>\$ 103,325,220</b> | <b>3.5%</b>   | <b>1.0%</b>    |
| <b>Revenue Over/(Under)</b>              | <b>\$ 702,460</b>     | <b>\$ 219,276</b>     | <b>\$ 223,886</b>     | <b>\$ 137,298</b>     | <b>-37.4%</b> | <b>-38.7%</b>  |
| <b>Reserve for Encumbrances</b>          | <b>\$ 326,935</b>     | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>N/A</b>    | <b>N/A</b>     |
| <b>Ending Designated Fund Balance</b>    | <b>\$ 16,373,401</b>  | <b>\$ 16,449,318</b>  | <b>\$ 16,924,222</b>  | <b>\$ 17,061,520</b>  | <b>3.7%</b>   | <b>0.8%</b>    |
| <b>Days of Fund Balance</b>              | <b>60.41</b>          | <b>60.15</b>          | <b>60.39</b>          | <b>60.27</b>          | <b>0.2%</b>   | <b>-0.2%</b>   |

**CITY OF RICHARDSON  
REVENUE BY DETAIL  
GENERAL FUND**

|   | ACTUAL<br>FY 2011-12 | BUDGET<br>FY 2012-13 | ESTIMATE<br>FY 2012-13 | BUDGET<br>FY 2013-14 | VARIANCE            |                      |
|---|----------------------|----------------------|------------------------|----------------------|---------------------|----------------------|
|   |                      |                      |                        |                      | BUD to BUD          | EST to BUD           |
| <b><u>General Property Taxes</u></b>          |                      |                      |                        |                      |                     |                      |
| Current Taxes                                 | \$ 35,483,401        | \$ 36,450,467        | \$ 36,047,072          | \$ 37,438,069        | \$ 987,602          | \$ 1,390,997         |
| Prior Taxes                                   | 1,002,790            | 150,000              | 274,058                | 265,000              | 115,000             | (9,058)              |
| Penalties and Interest                        | 239,990              | 266,347              | 252,802                | 250,000              | (16,347)            | (2,802)              |
| <b>Total</b>                                  | <b>\$ 36,726,181</b> | <b>\$ 36,866,814</b> | <b>\$ 36,573,932</b>   | <b>\$ 37,953,069</b> | <b>\$ 1,086,255</b> | <b>\$ 1,379,137</b>  |
| <b><u>Franchise Fees</u></b>                  |                      |                      |                        |                      |                     |                      |
| Electric                                      | \$ 5,903,067         | \$ 5,913,444         | \$ 6,007,682           | \$ 6,068,360         | \$ 154,916          | \$ 60,678            |
| Telecommunications                            | 2,390,007            | 2,393,432            | 2,498,835              | 2,523,823            | 130,391             | 24,988               |
| Gas   | 971,715              | 1,044,778            | 911,617                | 916,175              | (128,603)           | 4,558                |
| Cable Television                              | 1,219,704            | 1,218,331            | 1,317,215              | 1,330,387            | 112,056             | 13,172               |
| Water & Sewer                                 | 2,251,603            | 2,601,985            | 2,514,429              | 2,790,697            | 188,712             | 276,268              |
| Solid Waste Services                          | 576,836              | 579,863              | 580,983                | 594,863              | 15,000              | 13,880               |
| <b>Total</b>                                  | <b>\$ 13,312,932</b> | <b>\$ 13,751,834</b> | <b>\$ 13,830,761</b>   | <b>\$ 14,224,305</b> | <b>\$ 472,471</b>   | <b>\$ 393,544</b>    |
| <b><u>Sales and Other Business Taxes</u></b>  |                      |                      |                        |                      |                     |                      |
| Sales Tax                                     | \$ 25,133,130        | \$ 25,511,312        | \$ 26,723,423          | \$ 27,216,860        | \$ 1,705,548        | \$ 493,437           |
| Mixed Beverage Tax                            | 291,648              | 296,445              | 308,413                | 311,497              | 15,052              | 3,084                |
| Bingo Tax                                     | 46,158               | 46,175               | 42,752                 | 43,607               | (2,568)             | 855                  |
| <b>Total</b>                                  | <b>\$ 25,470,936</b> | <b>\$ 25,853,932</b> | <b>\$ 27,074,588</b>   | <b>\$ 27,571,964</b> | <b>\$ 1,718,032</b> | <b>\$ 497,376</b>    |
| <b><u>License and Permits</u></b>             |                      |                      |                        |                      |                     |                      |
| Building Permits                              | \$ 1,264,764         | \$ 881,444           | \$ 2,057,888           | \$ 875,000           | \$ (6,444)          | \$(1,182,888)        |
| Food Establishment Permits                    | 210,380              | 216,091              | 209,625                | 213,818              | (2,274)             | 4,193                |
| Animal License & Shelter Fees                 | 36,361               | 60,435               | 61,912                 | 63,150               | 2,715               | 1,238                |
| Alarm Fees                                    | 241,243              | 231,953              | 232,663                | 239,643              | 7,690               | 6,980                |
| Apartment Inspection Fee                      | 141,893              | 151,127              | 142,686                | 144,113              | (7,014)             | 1,427                |
| Rental Registration                           | 158,525              | 169,604              | 218,150                | 220,332              | 50,728              | 2,182                |
| Miscellaneous License and Permits             | 101,601              | 101,133              | 112,570                | 115,947              | 14,814              | 3,377                |
| Construction Inspection Fees                  | 95,161               | 73,788               | 139,223                | 137,681              | 63,893              | (1,542)              |
| Contractor Fees                               | 154,775              | 154,199              | 144,268                | 147,153              | (7,045)             | 2,885                |
| <b>Total</b>                                  | <b>\$ 2,404,703</b>  | <b>\$ 2,039,773</b>  | <b>\$ 3,318,985</b>    | <b>\$ 2,156,836</b>  | <b>\$ 117,063</b>   | <b>\$(1,162,149)</b> |
| <b><u>Fines and Forfeitures</u></b>           |                      |                      |                        |                      |                     |                      |
| Municipal Court                               | \$ 4,183,727         | \$ 4,275,308         | \$ 4,315,226           | \$ 4,358,378         | \$ 83,070           | \$ 43,152            |
| Library Fines                                 | 151,631              | 153,627              | 151,786                | 153,304              | (323)               | 1,518                |
| <b>Total</b>                                  | <b>\$ 4,335,358</b>  | <b>\$ 4,428,935</b>  | <b>\$ 4,467,012</b>    | <b>\$ 4,511,682</b>  | <b>\$ 82,747</b>    | <b>\$ 44,670</b>     |
| <b><u>Revenue from Money and Property</u></b> |                      |                      |                        |                      |                     |                      |
| Interest Earnings                             | \$ 39,693            | \$ 28,588            | \$ 40,202              | \$ 40,403            | \$ 11,815           | \$ 201               |
| Civic Center Use                              | 330,958              | 355,567              | 296,367                | 309,000              | (46,567)            | 12,633               |
| <b>Total</b>                                  | <b>\$ 370,651</b>    | <b>\$ 384,155</b>    | <b>\$ 336,569</b>      | <b>\$ 349,403</b>    | <b>\$ (34,752)</b>  | <b>\$ 12,834</b>     |

**CITY OF RICHARDSON  
REVENUE BY DETAIL  
GENERAL FUND**

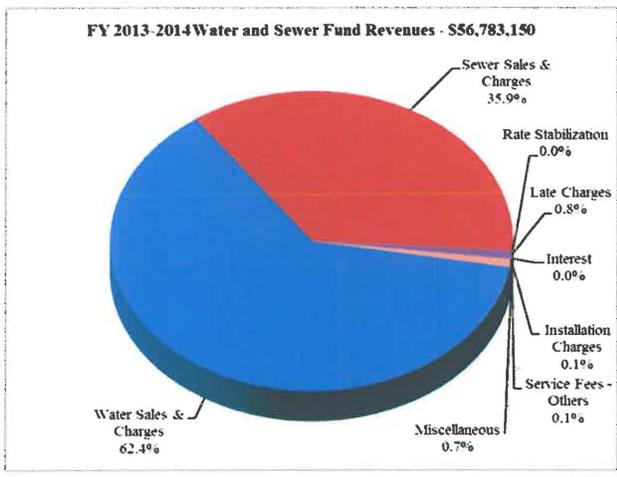
|  | <b>ACTUAL<br/>FY 2011-12</b> | <b>BUDGET<br/>FY 2012-13</b> | <b>ESTIMATE<br/>FY 2012-13</b> | <b>BUDGET<br/>FY 2013-14</b> | <b>VARIANCE</b>     |                     |
|--|------------------------------|------------------------------|--------------------------------|------------------------------|---------------------|---------------------|
|  |                              |                              |                                |                              | <b>BUD to BUD</b>   | <b>EST to BUD</b>   |
| <b><u>Recreation and Leisure Services</u></b>    |                              |                              |                                |                              |                     |                     |
| Season Swim Passes                               | \$ 21,140                    | \$ 26,260                    | \$ 27,626                      | \$ 27,800                    | \$ 1,540            | \$ 174              |
| Pool Fees  | 51,712                       | 95,434                       | 73,000                         | 91,250                       | (4,184)             | 18,250              |
| Swim Program                                     | 100,117                      | 121,509                      | 115,107                        | 127,500                      | 5,991               | 12,393              |
| Tennis Fees                                      | 123,521                      | 128,200                      | 133,697                        | 135,034                      | 6,834               | 1,337               |
| Classes/Entrance Fees                            | 669,054                      | 741,000                      | 683,581                        | 717,760                      | (23,240)            | 34,179              |
| Athletic Fees                                    | 365,195                      | 374,276                      | 370,206                        | 381,000                      | 6,724               | 10,794              |
| Gymnastic Fees                                   | 372,703                      | 404,616                      | 564,575                        | 603,500                      | 198,884             | 38,925              |
| Arts Festivals                                   | 394,802                      | 400,060                      | 363,745                        | 380,000                      | (20,060)            | 16,255              |
| Wildflower Festival                              | 783,116                      | 838,000                      | 885,735                        | 897,000                      | 59,000              | 11,265              |
| Older Adults                                     | 274,041                      | 283,059                      | 305,378                        | 335,300                      | 52,241              | 29,922              |
| Miscellaneous                                    | 51,672                       | 37,320                       | 76,919                         | 61,919                       | 24,599              | (15,000)            |
| <b>Total</b>                                     | <b>\$ 3,207,073</b>          | <b>\$ 3,449,733</b>          | <b>\$ 3,599,569</b>            | <b>\$ 3,758,063</b>          | <b>\$ 308,330</b>   | <b>\$ 158,494</b>   |
| <b><u>Other Revenue</u></b>                      |                              |                              |                                |                              |                     |                     |
| Ambulance  | \$ 1,984,408                 | \$ 1,713,868                 | \$ 1,787,829                   | \$ 1,841,464                 | \$ 127,596          | \$ 53,635           |
| Miscellaneous                                    | 1,067,956                    | 1,103,822                    | 1,118,765                      | 1,174,703                    | 70,881              | 55,938              |
| R.I.S.D. Participation                           | 292,490                      | 295,106                      | 295,106                        | 295,000                      | (106)               | (106)               |
| Auction & Storage                                | 46,363                       | 47,724                       | 65,142                         | 68,399                       | 20,676              | 3,257               |
| 9-1-1  | 1,149,107                    | 1,207,741                    | 1,215,416                      | 1,239,724                    | 31,984              | 24,308              |
| <b>Total</b>                                     | <b>\$ 4,540,324</b>          | <b>\$ 4,368,260</b>          | <b>\$ 4,482,258</b>            | <b>\$ 4,619,291</b>          | <b>\$ 251,031</b>   | <b>\$ 137,033</b>   |
| <b><u>General and Administrative Charges</u></b> |                              |                              |                                |                              |                     |                     |
| G & A Water & Sewer Fund                         | \$ 3,706,308                 | \$ 3,794,779                 | \$ 3,794,779                   | \$ 3,879,623                 | \$ 84,844           | \$ 84,844           |
| G & A Golf Operations                            | 84,981                       | 92,148                       | 92,148                         | 94,175                       | 2,027               | 2,027               |
| G & A Solid Waste Operations                     | 2,014,891                    | 2,069,161                    | 2,069,161                      | 2,122,106                    | 52,945              | 52,945              |
| G & A Hote/Motel Fund                            | 250,000                      | 250,000                      | 250,000                        | 250,000                      | -                   | -                   |
| Transfer - Drainage Fund Operational Support     | 1,150,000                    | 910,000                      | 910,000                        | 910,000                      | -                   | -                   |
| Transfer - Hotel/Motel Tax - C.V.B.              | 405,000                      | 450,000                      | 383,000                        | 412,000                      | (38,000)            | 29,000              |
| Transfer - Wireless Fund                         | 450,000                      | 450,000                      | 450,000                        | 450,000                      | -                   | -                   |
| Transfer - Child Safety Fund                     | 50,000                       | 50,000                       | 50,000                         | 50,000                       | -                   | -                   |
| Transfer - Special Revenue Fund Close Out        | 19,200                       | -                            | -                              | -                            | -                   | -                   |
| \$ G & A TIF                                     | 150,000                      | 150,000                      | 150,000                        | 150,000                      | -                   | -                   |
| G & A Capital Projects                           | 975,000                      | 675,000                      | 675,000                        | -                            | (675,000)           | (675,000)           |
| <b>Total</b>                                     | <b>\$ 9,255,380</b>          | <b>\$ 8,891,088</b>          | <b>\$ 8,824,088</b>            | <b>\$ 8,317,904</b>          | <b>\$ (573,184)</b> | <b>\$ (506,184)</b> |
| <b>Grand Total General Fund</b>                  | <b>\$ 99,623,538</b>         | <b>\$ 100,034,524</b>        | <b>\$ 102,507,762</b>          | <b>\$ 103,462,518</b>        | <b>\$ 3,427,994</b> | <b>\$ 954,756</b>   |

## 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.

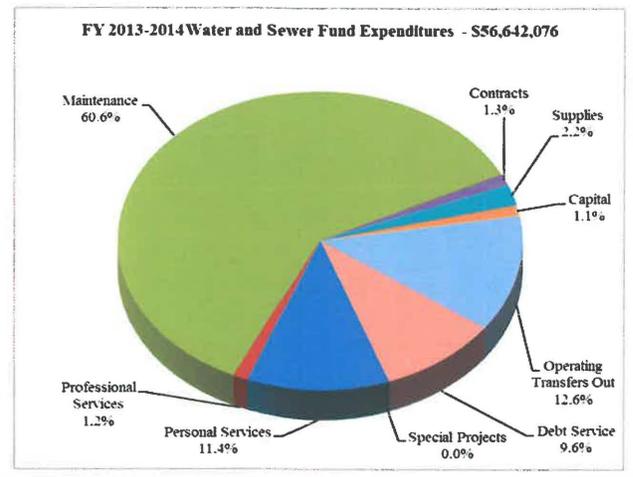
### Sources

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.



### 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 56.9% of the expenditures in the Fund.



### Fund Balance

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

## WATER AND SEWER DEBT SERVICE FUND

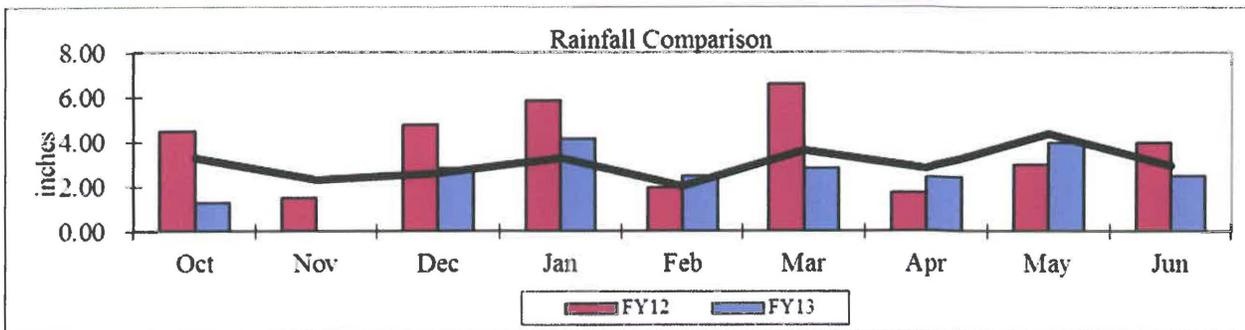
The Water and Sewer Debt Service Fund hosts revenue and expenses for utility debt service obligations. The primary source of revenue is a transfer of revenues from the Water and Sewer Fund generated through the sale of water and sewer services to residential and commercial customers. The expenditures 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**

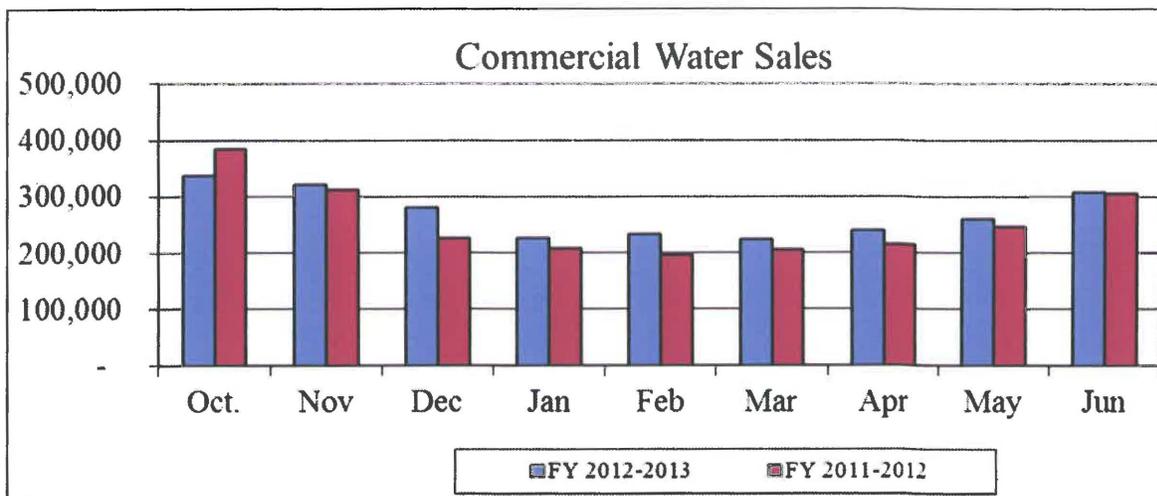
**2012-2013 Year End Estimates**

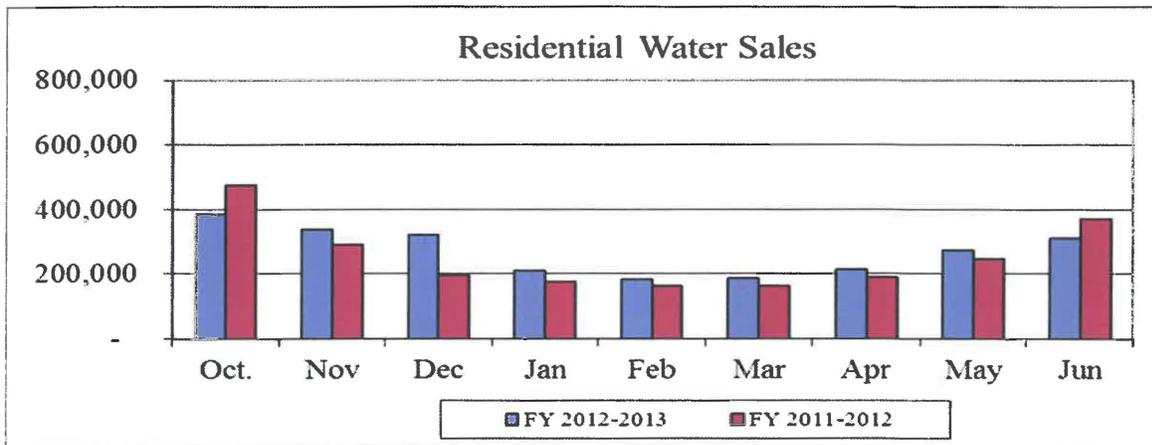
**Revenues**

- 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. Clearly, consumption constrained by water conservation stage restrictions impact sales as well. In light of continued increasing costs for water and sewer wholesale services, as well as fluctuating demand, Council passed a 13% increase in response to the continued rate pressures in this fund. The following year-end projections are based on assumptions including the new customer rate and 4 summer months in Stage 3 water restrictions.
- Revenue projections call for a decrease of (\$1.7 million) or -3.3% at year-end from the original budget of \$46.4 Million.
- Through the end of June this year, the City received 22.4” of rainfall compared to the YTD for FY 2011-2012 of 33.8” and the five-year average rainfall of 27.3”.

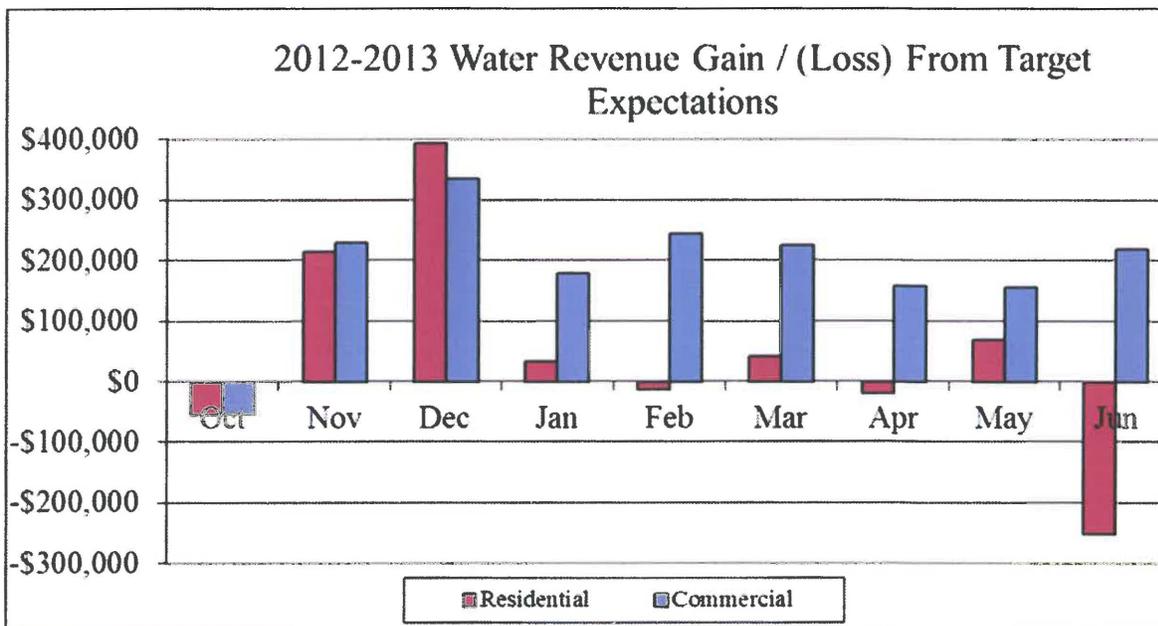


- The following graphics compare current year consumption with last year. Through the end of June, commercial consumption is up 5.4% from last year while residential is up 6.1%.





This graph measures revenue gain/(loss) from the expected targets for each month this year. When all the variances are added together, water sales are above budget targets by \$2.1 Million.



- The following chart illustrates the changes to our tier structure that have resulted from the NTMWD increases to the wholesale rate since 2002-2003.

| Fiscal Year      | 02-03   | 03-04   | 04-05   | 05-06   | 06-07   | 07-08   | 08-09   | 09-10   | 10-11   | 11-12   | 12-13   |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| NTMWD/1,000 gal. | \$ 0.87 | \$ 0.92 | \$ 0.97 | \$ 0.97 | \$ 1.02 | \$ 1.08 | \$ 1.18 | \$ 1.25 | \$ 1.37 | \$ 1.49 | \$ 1.70 |
| % Increase       | 8.80%   | 5.85%   | 5.40%   | 0.00%   | 5.20%   | 5.90%   | 9.25%   | 5.90%   | 9.60%   | 8.80%   | 14.09%  |

| City Rates       | Mid-Year Adjustment |         |         |         |         |         |         |         |         |         |         |
|------------------|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                  | 02-03               | 03-04   | 04-05   | 05-06   | 06-07   | 07-08   | 08-09   | 09-10   | 10-11   | 11-12   | 12-13   |
| Minimum          | \$ 6.00             | \$ 6.00 | \$ 6.00 | \$ 6.00 | \$ 6.00 | \$ 7.00 | \$ 7.00 | \$ 7.00 | \$ 7.00 | \$ 8.00 | \$ 8.00 |
| 0-11,000 gallons | \$ 1.91             | \$ 2.23 | \$ 2.23 | \$ 2.55 | \$ 2.55 | \$ 2.95 | \$ 2.95 | \$ 2.95 | \$ 2.95 | \$ 3.22 | \$ 3.63 |
| 11,001-20,000    | \$ 2.07             | \$ 2.41 | \$ 2.41 | \$ 2.76 | \$ 2.76 | \$ 3.19 | \$ 3.19 | \$ 3.19 | \$ 3.19 | \$ 3.48 | \$ 3.93 |
| 20,001-40,000    | \$ 2.16             | \$ 2.52 | \$ 2.52 | \$ 2.88 | \$ 2.88 | \$ 3.33 | \$ 3.33 | \$ 3.33 | \$ 3.33 | \$ 3.63 | \$ 4.10 |
| 40,001-60,000    | \$ 2.51             | \$ 2.92 | \$ 2.92 | \$ 3.35 | \$ 3.35 | \$ 3.87 | \$ 3.87 | \$ 3.87 | \$ 3.87 | \$ 4.22 | \$ 4.77 |
| Over 60,000      | \$ 2.63             | \$ 3.07 | \$ 3.07 | \$ 3.51 | \$ 3.51 | \$ 4.05 | \$ 4.05 | \$ 4.05 | \$ 4.05 | \$ 4.41 | \$ 4.99 |
| % Increase       | 0.00%               | 16.50%  | 0.00%   | 14.50%  | 0.00%   | 15.50%  | 0.00%   | 0.00%   | 0.00%   | 9.00%   | 13.00%  |

- Year end revenue projections for Water Sales of \$30.6 million decrease (\$2.3 million) or - 7.1% from original budget.

- Sewer Sales are projected to end the year up \$579,000 or 3.0% from the original budget of \$19.1 million.
- Late Charges, Interest Earnings, Service Fees, Installation Fees and Miscellaneous revenue combine for an increase \$14,000 from original budgets totaling \$999,000.

**Expenditures**

- Overall, expenditures and transfers are projected to end the year up \$1.2 million or 2.2% from the original budget of \$51.6 million.
- Personal Services will realize (\$105,000) due to standard vacancies throughout the year
- Professional Services increases \$141,000 increased costs associated with the sewer capacity study.
- The Maintenance category is expected to finish the year \$1.3 million above the original budget of \$29.6 million. The North Texas Municipal Water District replaced aging sewer meters at two key sites for the City: Renner Road (Spring Creek) lift station in August, 2012 and Floyd Branch in December 2012. Prior to replacement, these aged meters were not fully recording our effluent flows into the system. This is reflected in the costs charged to the City during FY 2010 and FY 2011.

|             | FY-2009     | FY-2010     | FY-2011     | FY-2012     | FY 2013 BUD  |
|-------------|-------------|-------------|-------------|-------------|--------------|
| NTMWD Sewer | \$4,419,413 | \$4,667,049 | \$4,760,490 | \$5,393,830 | \$ 4,945,572 |

The “Budget” for FY 2012 was based on the trend over the last few years. You can see the costs from the District increasing minimally until the end of FY 2012, which by that time, the FY 2103 budget had already been adopted. As a result of the meeting with District staff, we know we now have to increase our proportionate share of the system costs, based on:

1. Our proportionate share of the system is increasing as our flow is more accurately being recorded.
2. Total NTMWD system flow was budgeted at 50.2 billion/gallons while the estimated year end flow of 46.6 billion/gallons is down 3.5b/gals or 7%

With this information, the City is now expecting to pay a significant increase at year end and next year.

|             | FY-2009     | FY-2010     | FY-2011     | FY-2012     | FY 2013 BUD  | FY 2013 EST. | FY 2014 BUD  |
|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| NTMWD Sewer | \$4,419,413 | \$4,667,049 | \$4,760,490 | \$5,393,830 | \$ 4,945,572 | \$ 6,517,581 | \$ 6,937,943 |

Costs for both Dallas and Garland and not expecting large increases at either year-end or next year.

The District is expecting to continue the rebate program for unused water. Based on our current projected consumption, the expected rebate of \$520,000 has been increased to \$1.0 Million

## **Fund Balance**

- Fund Balance is projected to be 69.8 days at year-end or 20.2 days below the Council approved Financial Policy for the Water and Sewer Fund of “90 Days in Fund Balance”.

## **Conclusion**

- The fund will finish this year below its established fund balance level though every effort is being made to improve that position. Increasing retail water rates is always a last resort and unpleasant for all involved, but one we face more and more as rates continue to rise. In the near term, we face continued increases in our wholesale water and sewer treatment costs, while at the same time, dealing with restricted consumption based on weather and available supply. It will be the second quarter of next fiscal year before the area may see a relaxing of those restrictions with the completion of the Texoma pipeline.

## WATER AND SEWER FUND

### 2013-2014 Proposed

#### Revenues

Projected revenues for FY 2013-2014 are based on the assumption of continued Stage 3 restrictions through the first quarter with a slow return to normal consumption by year-end. A 10.9% rate increase is requested with this budget. The increase would go into effect with the first billing in November of 2013.

| Fiscal Year           | 07-08   | 08-09   | 09-10   | 10-11   | 11-12   | 12-13   | 13-14   |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|
| NTMWD/1,000 gal.      | \$ 1.08 | \$ 1.18 | \$ 1.25 | \$ 1.37 | \$ 1.49 | \$ 1.70 | \$ 1.88 |
| % Increase            | 5.90%   | 9.25%   | 5.90%   | 9.60%   | 8.70%   | 14.80%  | 10.59%  |
| Mid-Yer<br>Adjustment |         |         |         |         |         |         |         |
| <b>City Rates</b>     |         |         |         |         |         |         |         |
| Minimum               | \$ 7.00 | \$ 7.00 | \$ 7.00 | \$ 7.00 | \$ 8.00 | \$ 8.00 | \$ 8.00 |
| 0-11,000 gallons      | \$ 2.95 | \$ 2.95 | \$ 2.95 | \$ 2.95 | \$ 3.22 | \$ 3.63 | \$ 4.03 |
| 11,001-20,000         | \$ 3.19 | \$ 3.19 | \$ 3.19 | \$ 3.19 | \$ 3.48 | \$ 3.93 | \$ 4.36 |
| 20,001-40,000         | \$ 3.33 | \$ 3.33 | \$ 3.33 | \$ 3.33 | \$ 3.63 | \$ 4.10 | \$ 4.55 |
| 40,001-60,000         | \$ 3.87 | \$ 3.87 | \$ 3.87 | \$ 3.87 | \$ 4.22 | \$ 4.77 | \$ 5.29 |
| Over 60,000           | \$ 4.05 | \$ 4.05 | \$ 4.05 | \$ 4.05 | \$ 4.41 | \$ 4.99 | \$ 5.53 |
| % Increase            | 15.50%  | 0.00%   | 0.00%   | 0.00%   | 9.00%   | 13.00%  | 10.90%  |

- Revenue from Water Sales and Charges is programmed at \$35.4 million representing a 15.7% increase from year-end and is based on a 10.9% increase across all five tiers as well as continued Stage 3 restrictions for the first quarter of the fiscal year.
- Sewer Sales are budgeted at \$20.4 million or 3.7% above year-end. 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.
- Installation fees return to a more normal level after the installation of several large meters in the KDC development in FY 2012-2013
- Remaining revenues combined increase \$31,000.

#### Expenditures

- Expenditures and Transfers are proposed at \$56.6 million representing an increase of \$3.8 million or 7.3% over year-end estimates. 91% of the increase is attributed to water and sewer services contract increases.
- 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 \$0.18/1,000 in the price of wholesale water from the NTMWD. This represents an increase of \$2.0 million or 10.6% over last year. For FY 2013-2014, the total cost of wholesale water increases to \$20.7 million.
- After a recent meeting with the NTMWD, we believe the water rebate program will continue for the foreseeable future. For this reason, we are budgeting a rebate of \$800,000 for a total “budgeted” charge for water \$19.9 million.

| <b>Water Purchases</b>      |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|
|                             | <b>2010-2011</b> | <b>2011-2012</b> | <b>2012-2013</b> | <b>2013-2014</b> |
| Minimum Purchase            | 11.0 billion     | 11.0 billion     | 11.0 billion     | 11.0 billion     |
| Projected Sales             | 7.3 billion      | 7.4 billion      | 6.6 billion      | 7.1 billion      |
| Actual Purchase             | 9.1 billion      | 8.7 billion      | N/A              | N/A              |
| Purchase as a % of Contract | 83%              | 79%              | N/A              | N/A              |
| Wholesale Cost              | \$15,096,456     | \$16,418,773     | \$18,212,829     | \$19,916,305     |
| Rebate per 1,000 Gals.      | \$0.38           | \$0.39           | N/A              | N/A              |
| Total Rebate                | \$706,912        | \$917,206        | N/A              | N/A              |
| Rebate as a % of Total Cost | 4.7%             | 5.6%             | N/A              | N/A              |

- With no rate increases from either Dallas or Garland (final NTMWD pending) for the treatment of raw sewer, Sewer treatment services are expected to increase \$428,000 over the year end estimate.
- Together, the wholesale cost of water and sewer treatment services account for \$28.6 million or 57.0% of the total expenses.
- The Maintenance category also hosts \$658,000 for paving cut repairs after water and sewer line replacement. This program was formerly debt funded and moves back into operations this year.
- An additional \$160,000 will provide additional large meters to our inventory for current and planned development in the City.
- Personal Services is proposed at \$6.4 million, an increase of 5.7% over year-end estimates and includes the merit pay package previously described as well as filling a vacant superintendent position in Construction.
- Professional Services decrease of (\$1.1 million). The decrease is the result of changes made to the economic development agreement formerly carried in this account grouping. This proposal includes; \$80,000 for large meter testing and vault replacement through the Meter Shop (an increase of \$20,000), \$100,000 for Inflow and Infiltration testing in the Rowlett Creek Drainage area, as well as maintaining the current \$125,000 support for the Household Hazardous Waste Disposal Program.
- Contracts increase \$37,000 or 5.3% above year end and is made up of small increases across several line items.
- Supplies of \$1.3 million will be flat from year-end estimate.
- Continuing the “pay-as-you-go” initiative, \$645,000 of capital equipment is proposed in operations, including \$351,000 for sewer line and manhole reconstruction. This program was funded through the CIP program in prior years.
- Operating Transfer Out sees increase in \$361,000 based on an \$85,000 increase in the G&A and \$276,000 in additional Franchise Fee while the BABIC Transfer remains unchanged at \$467,000.
- The debt service transfer increases \$353,000 to \$5.4 million to cover debt obligations for this fund.

## **Fund Balance**

- Fund Balance is budgeted at 66.0 days. With a blended strategy of increased consumption as the Texoma water supply returns to service during 2014, allowing us to hopefully step out of Stage 3 and into a more relaxed Stage 2, and strategic increases to our rate structure based on increasing wholesale costs, we plan to be back at 90 days by the end of 2014-2015.

**CITY OF RICHARDSON  
SUMMARY OF REVENUES AND EXPENDITURES  
WATER AND SEWER FUND**

|   | ACTUAL        | BUDGET        | ESTIMATE       | BUDGET        | VARIANCE   |            |
|---|---------------|---------------|----------------|---------------|------------|------------|
|   | FY 2011-12    | FY 2012-13    | FY 2012-13     | FY 2013-14    | BUD to BUD | EST to BUD |
| <b>Beginning Designated Fund Balance</b>  | \$ 11,881,833 | \$ 11,375,220 | \$ 11,596,573  | \$ 10,104,352 | -11.2%     | -12.9%     |
| <b>Reserve for Encumbrances</b>           | 365,671       | -             | 14,390         | -             | N/A        | -100.0%    |
| <b>Adjusted Beginning Fund Balance</b>    | \$ 12,247,504 | \$ 11,375,220 | \$ 11,610,963  | \$ 10,104,352 | -11.2%     | -13.0%     |
| <b>Revenues</b>                           |               |               |                |               |            |            |
| Water Sales & Charges                     | \$ 28,102,498 | \$ 32,949,854 | \$ 30,619,573  | \$ 35,414,702 | 7.5%       | 15.7%      |
| Sewer Sales & Charges                     | 16,929,564    | 19,089,837    | 19,669,000     | 20,399,236    | 6.9%       | 3.7%       |
| Rate Stabilization                        | 1,650,000     | -             | -              | -             | N/A        | N/A        |
| Late Charges                              | 450,217       | 442,713       | 477,460        | 482,235       | 8.9%       | 1.0%       |
| Interest Earnings                         | 12,430        | 8,268         | 10,209         | 10,260        | 24.1%      | 0.5%       |
| Service Fees - Others                     | 30,013        | 32,884        | 48,816         | 49,792        | 51.4%      | 2.0%       |
| Installation Charges                      | 33,210        | 22,897        | 109,593        | 34,372        | 50.1%      | -68.6%     |
| Miscellaneous                             | 578,047       | 492,259       | 366,872        | 392,553       | -20.3%     | 7.0%       |
| <b>Total Revenues</b>                     | \$ 47,785,979 | \$ 53,038,712 | \$ 51,301,523  | \$ 56,783,150 | 7.1%       | 10.7%      |
| <b>Total Available Funds</b>              | \$ 60,033,483 | \$ 64,413,932 | \$ 62,912,486  | \$ 66,887,502 | 3.8%       | 6.3%       |
| <b>Expenditures</b>                       |               |               |                |               |            |            |
| Personal Services                         | \$ 5,974,820  | \$ 6,195,844  | \$ 6,090,814   | \$ 6,436,984  | 3.9%       | 5.7%       |
| Professional Services                     | 1,499,199     | 1,651,002     | 1,791,892      | 667,617       | -59.6%     | -62.7%     |
| Maintenance                               | 26,974,893    | 29,575,253    | 30,848,831     | 34,349,647    | 16.1%      | 11.3%      |
| Contracts                                 | 674,488       | 646,161       | 690,824        | 727,485       | 12.6%      | 5.3%       |
| Supplies                                  | 1,430,156     | 1,250,141     | 1,247,150      | 1,252,728     | 0.2%       | 0.4%       |
| Capital                                   | 138,415       | 395,517       | 290,399        | 644,929       | 63.1%      | 122.1%     |
| <b>Total Expenditures</b>                 | \$ 36,691,971 | \$ 39,713,918 | \$ 40,959,910  | \$ 44,079,390 | 11.0%      | 7.6%       |
| <b>Operating Transfers Out</b>            |               |               |                |               |            |            |
| General and Administrative Charges        | \$ 3,706,308  | \$ 3,794,779  | \$ 3,794,779   | \$ 3,879,623  | 2.2%       | 2.2%       |
| Franchise Fees                            | 2,251,603     | 2,601,985     | 2,514,429      | 2,790,697     | 7.3%       | 11.0%      |
| BABIC Program                             | 466,666       | 466,666       | 466,666        | 466,666       | 0.0%       | 0.0%       |
| <b>Total Operating Transfers Out</b>      | \$ 6,424,577  | \$ 6,863,430  | \$ 6,775,874   | \$ 7,136,986  | 4.0%       | 5.3%       |
| <b>Total Exp. And Oper. Transfers Out</b> | \$ 43,116,548 | \$ 46,577,348 | \$ 47,735,784  | \$ 51,216,376 |            | N/A        |
| <b>Transfers Out</b>                      |               |               |                |               |            |            |
| Debt Service                              | \$ 5,305,972  | \$ 5,072,350  | \$ 5,072,350   | \$ 5,425,700  | 7.0%       | 7.0%       |
| Rate Stabilization                        | -             | -             | -              | -             | N/A        | N/A        |
| <b>Total Transfers Out</b>                | \$ 5,305,972  | \$ 5,072,350  | \$ 5,072,350   | \$ 5,425,700  | 7.0%       | 7.0%       |
| <b>Total Expenditures and Transfers</b>   | \$ 48,422,520 | \$ 51,649,698 | \$ 52,808,134  | \$ 56,642,076 | 9.7%       | 7.3%       |
| <b>Revenue Over/(Under)</b>               | \$ (636,541)  | \$ 1,389,014  | \$ (1,506,611) | \$ 141,074    | -89.8%     | -109.4%    |
| <b>Reserve for Encumbrances</b>           | \$ 14,390     | \$ -          | \$ -           | \$ -          | N/A        | N/A        |
| <b>Ending Designated Fund Balance</b>     | \$ 11,596,573 | \$ 12,764,234 | \$ 10,104,352  | \$ 10,245,426 | -19.7%     | 1.4%       |
| <b>Days of Fund Balance</b>               | 87.41         | 90.20         | 69.84          | 66.02         | -26.8%     | -5.5%      |

**CITY OF RICHARDSON  
REVENUE BY DETAIL  
WATER AND SEWER FUND**

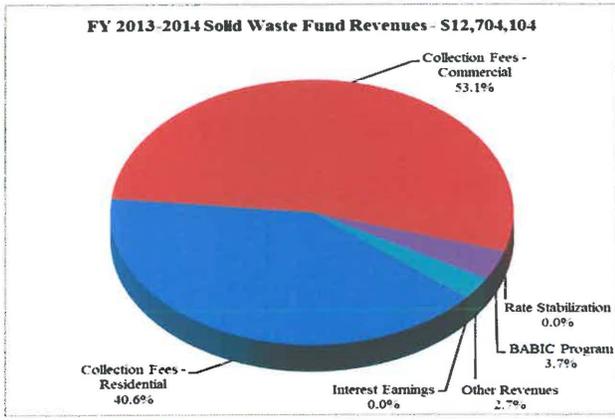
|   | <b>ACTUAL</b>        | <b>BUDGET</b>        | <b>ESTIMATE</b>      | <b>BUDGET</b>        | <b>VARIANCE</b>     |                     |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
|   | <b>FY 2011-12</b>    | <b>FY 2012-13</b>    | <b>FY 2012-13</b>    | <b>FY 2013-14</b>    | <b>BUD to BUD</b>   | <b>EST to BUD</b>   |
| <b><u>Water and Sewer Revenue</u></b>   |                      |                      |                      |                      |                     |                     |
| Water Sales & Charges                   | \$ 28,102,498        | \$ 32,949,854        | \$ 30,619,573        | \$ 35,414,702        | \$ 2,464,848        | \$ 4,795,129        |
| Sewer Sales & Charges                   | 16,929,564           | 19,089,837           | 19,669,000           | 20,399,236           | 1,309,399           | 730,236             |
| Rate Stabilization                      | 1,650,000            | -                    | -                    | -                    | -                   | -                   |
| Late Charges                            | 450,217              | 442,713              | 477,460              | 482,235              | 39,521              | 4,775               |
| Interest Earnings                       | 12,430               | 8,268                | 10,209               | 10,260               | 1,992               | 51                  |
| Service Fees - Others                   | 30,013               | 32,884               | 48,816               | 49,792               | 16,909              | 976                 |
| Installation Charges                    | 33,210               | 22,897               | 109,593              | 34,372               | 11,475              | (75,221)            |
| Miscellaneous                           | 578,047              | 492,259              | 366,872              | 392,553              | (99,706)            | 25,681              |
| <b>Total</b>                            | <b>\$ 47,785,979</b> | <b>\$ 53,038,712</b> | <b>\$ 51,301,523</b> | <b>\$ 56,783,150</b> | <b>\$ 3,744,438</b> | <b>\$ 5,481,627</b> |
| <br>                                    |                      |                      |                      |                      |                     |                     |
| <b>Grand Total Water and Sewer Fund</b> | <b>\$ 47,785,979</b> | <b>\$ 53,038,712</b> | <b>\$ 51,301,523</b> | <b>\$ 56,783,150</b> | <b>\$ 3,744,438</b> | <b>\$ 5,481,627</b> |

## **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.

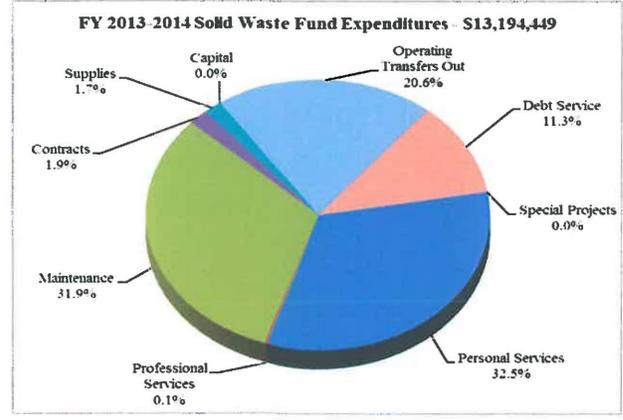
### **Sources**

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 31.9% 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

### 2012-2013 Year End Estimates

#### Revenues

- Solid Waste revenues are projected to end the year (\$715,000) or -5.5% below their original budget of \$13.0 million and includes the deactivation of the budgeted \$625,000 in rate stabilization funds.
- Residential Collections are tracking up \$16,000 from the programmed \$5.1 million. The FY 2008-2009 residential rate increase of \$1.85 per month increased the monthly rate to \$16.63 (\$18.00 including sales tax). The following chart shows the actual cost of service. With a rate of \$16.63 per month and an estimated year-end true cost of \$23.02, it's clear Commercial Collections subsidizes Residential Collection \$6.39 per resident each month or almost \$77 per year. For the proposed 2013-2014 budget, that subsidy rises to \$7.33 or \$88 per year.

| <b>Residential Cost Breakdown</b> |                   |                   |                   |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                   | <b>Actual</b>     | <b>Budget</b>     | <b>Estimate</b>   | <b>Budget</b>     |
|                                   | <b>FY 2011-12</b> | <b>FY 2012-13</b> | <b>FY 2012-13</b> | <b>FY 2013-14</b> |
| Operating Cost                    | \$7.16            | \$7.65            | \$6.91            | \$7.20            |
| Disposal Costs                    | 4.60              | 5.21              | 4.95              | 5.15              |
| BABIC                             | 2.35              | 2.49              | 2.48              | 2.53              |
| Recycling                         | 1.76              | 1.75              | 1.75              | 1.79              |
| G&A and Fran. Fees                | 4.55              | 4.65              | 4.65              | 4.75              |
| Debt                              | 2.06              | 2.28              | 2.27              | 2.54              |
|                                   | <u>\$22.47</u>    | <u>\$24.03</u>    | <u>\$23.02</u>    | <u>\$23.96</u>    |

- Commercial Collections are tracking up slightly by \$6,000 from the original budget of \$6.5 million.
- This time last year, \$625,000 of rate stabilization funds were budgeted to protect the financial position of the fund and to delay the possibly of a rate adjustment. Because of the expected year-end position of expenditures, that money will not be activated making it available for future use.
- The BABIC transfer from the Water and Sewer fund will end the year as budgeted at \$467,000.
- The Other Revenue category is expected to finish the year (\$111,000) or -34.0% below the original budget of \$330,000. The market for recyclables continues to have its ups and downs, with recycling revenue being down (\$35,000) or -22.3% through June compared to last year. In addition, there has been no auction of solid waste equipment this year.
- Interest Earnings are tracking down (\$1,000) from the original budget of \$3,700.

#### Expenditures

- Total Expenditures and Transfers are expected to end the year (\$620,000) or -4.7% below the \$13.1 million programmed for FY 2012-2013.
- Personal Services should finish the year (\$144,000) or -3.4% below its original budget due to savings achieved through normal vacancies and lower contractual labor costs.
- Professional Services is expected to finish the year with (\$6,000) in savings.

- Maintenance is expected to decrease (\$474,000) or -10.7% due to expected savings in disposal fees paid to the North Texas Municipal Water District. The FY 2012-2013 budget was built on a district rate of \$41.23 per ton at 101,000 tons. The rate adopted by the district is \$40.87 per ton or \$0.36 per ton lower than originally forecasted. We are also projecting lower tonnage of approximately 90,000.
- Contracts are projected to finish the year (\$9,600) below the original budget of \$251,000.
- Supplies are expected to end the year (\$5,600) above its budgeted position of \$208,000.
- The Capital category includes \$7,000 for eight special open top containers to be located in senior living centers.
- The debt service transfer remains unchanged from the budgeted \$1.3 million.

**Fund Balance**

- Days in Fund balance are expected to end the year with 109.6 days, in compliance with the adopted financial policy of “60 days building towards 90 days.”

## **SOLID WASTE SERVICES FUND**

### **2013-2014 Proposed**

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#### **Revenues**

- Total revenues are projected to be \$396,000 or 3.2% over year-end estimates.
- Residential Collections are budgeted flat from the 2012-2013 year-end estimates at \$5.2 million and assumes no change 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 \$309,000 in revenue.
- Commercial Collections Fees are expected to increase 4.1% or \$265,000 over the year-end. In addition to routine fluctuations in commercial collections, this increase also includes \$200,000 in anticipated revenues from the Construction and Demolition licensing program recently briefed to Council.
- 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 increase \$119,000 with an anticipated vehicle auction during the fiscal year.
- Interest Earnings are expected to remain relatively flat for the upcoming year.

#### **Expenditures**

- Total expenditures and transfers are proposed at \$13.2 million, an increase of \$676,000 or 5.4% over the year-end estimate of \$12.5 million.
- Personal Services increase \$180,000 or 4.4% over year-end estimate. The increase includes the proposed new position of Marketing/Communications Specialist for the enhanced recycling efforts as well as the impact of the City's merit based pay program.
- Professional Services increases modestly by \$5,000 from the year-end estimate.
- The Maintenance category is projected to increase \$265,000 or 6.7% over the year-end estimate due to anticipated growth in tonnage and a modest increase in the disposal fees charged by NTMWD.
- Contracts, Supplies and the Capital categories combined increase \$4,800 next year based on a projected budget of \$467,000 and includes facility and equipment insurances as well as the wholesale cost of refuse bags,
- The General and Administrative transfer increases \$53,000 as a result of the indirect cost allocation study performed by DMG Maximus.
- The Debt Service Transfer of \$1.5 million accounts for \$154,000 of the total increase in the fund and is an 11.5% increase over the year-end debt service payment of \$1.3 million. The increase is the result of the increased equipment replacement debt resulting from the service enhancements enacted over the last few years.

#### **Fund Balance**

- FY 2013-2014 fund balance is proposed at 90.39 days. This achieves the goal established in the adopted financial policy of "60 days building towards 90."

**CITY OF RICHARDSON  
SUMMARY OF REVENUES AND EXPENDITURES  
SOLID WASTE SERVICES FUND**

|   | ACTUAL               | BUDGET               | ESTIMATE             | BUDGET               | VARIANCE      |                |
|---|----------------------|----------------------|----------------------|----------------------|---------------|----------------|
|   | FY 2011-12           | FY 2012-13           | FY 2012-13           | FY 2013-14           | BUD to BUD    | EST to BUD     |
| <b>Beginning Designated Fund Balance</b>  | <b>\$ 3,451,906</b>  | <b>\$ 3,384,167</b>  | <b>\$ 3,967,676</b>  | <b>\$ 3,757,691</b>  | <b>11.0%</b>  | <b>-5.3%</b>   |
| <b>Reserve for Encumbrances</b>           | <b>1,557</b>         | <b>-</b>             | <b>360</b>           | <b>-</b>             | <b>N/A</b>    | <b>-100.0%</b> |
| <b>Adjusted Beginning Fund Balance</b>    | <b>\$ 3,453,463</b>  | <b>\$ 3,384,167</b>  | <b>\$ 3,968,036</b>  | <b>\$ 3,757,691</b>  | <b>11.0%</b>  | <b>-5.3%</b>   |
| <b>Revenues</b>                           |                      |                      |                      |                      |               |                |
| Collection Fees - Residential             | \$ 5,130,881         | \$ 5,128,198         | \$ 5,144,483         | \$ 5,157,344         | 0.6%          | 0.3%           |
| Collection Fees - Commercial              | 6,405,836            | 6,469,068            | 6,475,169            | 6,739,921            | 4.2%          | 4.1%           |
| Rate Stabilization                        | -                    | 625,000              | -                    | -                    | -100.0%       | N/A            |
| BABIC Program                             | 466,666              | 466,666              | 466,666              | 466,666              | 0.0%          | 0.0%           |
| Other Revenues                            | 674,817              | 330,042              | 218,736              | 337,483              | 2.3%          | 54.3%          |
| Interest Earnings                         | 3,620                | 3,706                | 2,663                | 2,690                | -27.4%        | 1.0%           |
| <b>Total Revenues</b>                     | <b>\$ 12,681,820</b> | <b>\$ 13,022,680</b> | <b>\$ 12,307,717</b> | <b>\$ 12,704,104</b> | <b>-2.4%</b>  | <b>3.2%</b>    |
|   |                      |                      |                      |                      |               | N/A            |
| <b>Total Available Funds</b>              | <b>\$ 16,135,283</b> | <b>\$ 16,406,847</b> | <b>\$ 16,275,753</b> | <b>\$ 16,461,795</b> | <b>0.3%</b>   | <b>1.1%</b>    |
| <b>Expenditures</b>                       |                      |                      |                      |                      |               |                |
| Personal Services                         | \$ 4,047,926         | \$ 4,256,672         | \$ 4,112,355         | \$ 4,292,795         | 0.8%          | 4.4%           |
| Professional Services                     | 18,154               | 20,211               | 14,359               | 19,318               | -4.4%         | 34.5%          |
| Maintenance                               | 3,800,175            | 4,416,204            | 3,942,191            | 4,207,362            | -4.7%         | 6.7%           |
| Contracts                                 | 297,634              | 250,588              | 240,979              | 245,360              | -2.1%         | 1.8%           |
| Supplies                                  | 187,941              | 208,460              | 214,038              | 221,670              | 6.3%          | 3.6%           |
| Capital                                   | 15,705               | -                    | 7,196                | -                    | N/A           | -100.0%        |
| <b>Total Expenditures</b>                 | <b>\$ 8,367,535</b>  | <b>\$ 9,152,135</b>  | <b>\$ 8,531,118</b>  | <b>\$ 8,986,505</b>  | <b>-1.8%</b>  | <b>5.3%</b>    |
| <b>Operating Transfers Out</b>            |                      |                      |                      |                      |               |                |
| General and Administrative Charges        | \$ 2,014,891         | \$ 2,069,161         | \$ 2,069,161         | \$ 2,122,106         | 2.6%          | 2.6%           |
| Franchise Fees                            | 576,836              | 579,863              | 580,983              | 594,863              | 2.6%          | 2.4%           |
| <b>Total Operating Transfers Out</b>      | <b>\$ 2,591,727</b>  | <b>\$ 2,649,024</b>  | <b>\$ 2,650,144</b>  | <b>\$ 2,716,969</b>  | <b>2.6%</b>   | <b>2.5%</b>    |
| <b>Total Exp. And Oper. Transfers Out</b> | <b>\$ 10,959,262</b> | <b>\$ 11,801,159</b> | <b>\$ 11,181,262</b> | <b>\$ 11,703,474</b> |               |                |
| <b>Transfers Out</b>                      |                      |                      |                      |                      |               |                |
| Debt Service                              | \$ 1,207,985         | \$ 1,336,800         | \$ 1,336,800         | \$ 1,490,975         | 11.5%         | 11.5%          |
| Rate Stabilization                        | -                    | -                    | -                    | -                    | N/A           | N/A            |
| <b>Total Transfers Out</b>                | <b>\$ 1,207,985</b>  | <b>\$ 1,336,800</b>  | <b>\$ 1,336,800</b>  | <b>\$ 1,490,975</b>  | <b>11.5%</b>  | <b>11.5%</b>   |
| <b>Total Expenditures and Transfers</b>   | <b>\$ 12,167,247</b> | <b>\$ 13,137,959</b> | <b>\$ 12,518,062</b> | <b>\$ 13,194,449</b> | <b>0.4%</b>   | <b>5.4%</b>    |
| <b>Revenue Over/(Under)</b>               | <b>\$ 514,573</b>    | <b>\$ (115,279)</b>  | <b>\$ (210,345)</b>  | <b>\$ (490,345)</b>  | <b>325.4%</b> | <b>133.1%</b>  |
| <b>Reserve for Encumbrances</b>           | <b>\$ 360</b>        | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>N/A</b>    | <b>N/A</b>     |
| <b>Ending Designated Fund Balance</b>     | <b>\$ 3,967,676</b>  | <b>\$ 3,268,888</b>  | <b>\$ 3,757,691</b>  | <b>\$ 3,267,346</b>  | <b>0.0%</b>   | <b>-13.0%</b>  |
| <b>Days of Fund Balance</b>               | <b>119.02</b>        | <b>90.82</b>         | <b>109.57</b>        | <b>90.39</b>         | <b>-0.5%</b>  | <b>-17.5%</b>  |

**CITY OF RICHARDSON  
REVENUE BY DETAIL  
SOLID WASTE SERVICES FUND**

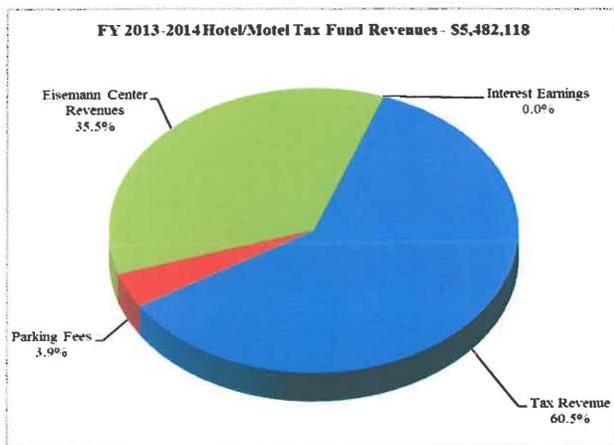
|  | <b>ACTUAL</b>        | <b>BUDGET</b>        | <b>ESTIMATE</b>      | <b>BUDGET</b>        | <b>VARIANCE</b>     |                   |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|-------------------|
|  | <b>FY 2011-12</b>    | <b>FY 2012-13</b>    | <b>FY 2012-13</b>    | <b>FY 2013-14</b>    | <b>BUD to BUD</b>   | <b>EST to BUD</b> |
| <b><u>Solid Waste Services Revenue</u></b>   |                      |                      |                      |                      |                     |                   |
| Collection Fees - Residential                | \$ 5,130,881         | \$ 5,128,198         | \$ 5,144,483         | \$ 5,157,344         | \$ 29,146           | \$ 12,861         |
| Collection Fees - Commercial                 | 6,405,836            | 6,469,068            | 6,475,169            | 6,739,921            | 270,852             | 264,752           |
| Rate Stabilization                           | -                    | 625,000              | -                    | -                    | (625,000)           | -                 |
| BABIC Program                                | 466,666              | 466,666              | 466,666              | 466,666              | -                   | -                 |
| Other Revenues                               | 674,817              | 330,042              | 218,736              | 337,483              | 7,441               | 118,747           |
| Interest Earnings                            | 3,620                | 3,706                | 2,663                | 2,690                | (1,016)             | 27                |
| <b>Total</b>                                 | <b>\$ 12,681,820</b> | <b>\$ 13,022,680</b> | <b>\$ 12,307,717</b> | <b>\$ 12,704,104</b> | <b>\$ (318,577)</b> | <b>\$ 396,387</b> |
| <br>   |                      |                      |                      |                      |                     |                   |
| <b>Grand Total Solid Waste Services Fund</b> | <b>\$ 12,681,820</b> | <b>\$ 13,022,680</b> | <b>\$ 12,307,717</b> | <b>\$ 12,704,104</b> | <b>\$ (318,577)</b> | <b>\$ 396,387</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.

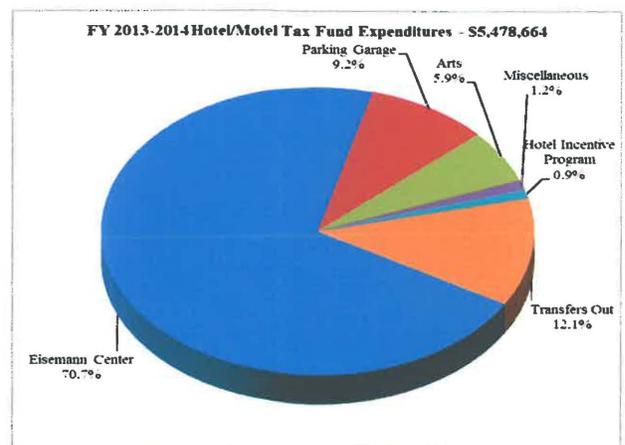
### Sources

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.



### Uses

Daily operations at the Eisemann Center and Parking Garage account for 79.9% 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.



### 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

### 2012-2013 Year End Estimates

#### Revenues

- Based on 8-months of revenue receipts and projected activities for the 4 remaining months, the Hotel Motel Tax Fund year-end revenues are projected to end the year down (\$163,000) or -3.0% from their budgeted position of \$5.4 million for 2012-2013.

#### Hotel/Motel Tax Receipts

- Hotel Motel Tax Receipts are a factor of both room rate and occupancy levels. From October to May 2013 (latest available data), the average daily rate is down (\$1.00), while both occupancy and RevPAR (revenue per available room) are ahead of last year.

| Year         | Occupancy Rate | Average Daily Rate | RevPAR  |
|--------------|----------------|--------------------|---------|
| Oct-May 2012 | 60.05%         | \$83.86            | \$50.36 |
| Oct-May 2013 | 62.32%         | \$82.87            | \$51.64 |

- Hotel/Motel Tax Receipts are anticipated to end the year \$158,000 or 5.1% above the 2012-2013 budget projection of \$3.1 million.

| Hotel Property                            | Actual<br>2011-2012 | Budget<br>2012-2013 | Estimated<br>2012-2013 | Variance<br>Bud to Est |
|---|---------------------|---------------------|------------------------|------------------------|
| Como Motel                                | \$ 16,282           | \$ 19,285           | \$ 19,032              | \$ (253)               |
| Continental Inn                           | 22,804              | -                   | -                      | -                      |
| DoubleTree Hotel                          | 418,883             | 430,151             | 477,208                | 47,057                 |
| Econo Lodge                               | 42,171              | 39,965              | 43,693                 | 3,728                  |
| Hawthorne Suites                          | 38,280              | 37,634              | 37,825                 | 191                    |
| Hilton Garden Inn                         | 235,344             | 228,233             | 253,905                | 25,672                 |
| Holiday Inn                               | 167,490             | 166,568             | 187,656                | 21,088                 |
| Homestead Suites                          | 69,214              | 67,508              | 67,688                 | 180                    |
| Hyatt Regency                             | 500,745             | 527,808             | 519,969                | (7,839)                |
| Hyatt House (formerly Summerfield)        | 156,313             | 152,507             | 161,587                | 9,080                  |
| Mariott Courtyard - Galatyn               | 173,064             | 181,535             | 220,110                | 38,576                 |
| Marriott Courtyard - Spring Valley        | 182,249             | 179,521             | 205,357                | 25,836                 |
| Marriott Renaissance                      | 615,650             | 628,309             | 665,532                | 37,223                 |
| Marriott Springhill Suites                | 71,699              | 79,472              | 132,099                | 52,628                 |
| Residence Inn                             | 136,139             | 137,489             | 152,620                | 15,131                 |
| Super 8                                   | 42,433              | 45,300              | 44,315                 | (985)                  |
| Wingate by Wyndham (formerly Hampton Inn) | 123,745             | 153,868             | 44,646                 | (109,222)              |
| National Corporate Housing                | 419                 | -                   | -                      | -                      |
| <b>TOTAL</b>                              | <b>\$ 3,012,924</b> | <b>\$3,075,152</b>  | <b>\$ 3,233,242</b>    | <b>\$ 158,090</b>      |

#### Remaining Revenues

- Total Eisemann Center revenues are expected to be down (\$300,000) or -13.9% below budget. Revenues from fees and tickets sales and surcharges and concessions are expected to be down (\$98,000) due to some shows exceeding expectations and some not.
- Parking Garage revenues are anticipated to finish the year down (\$21,000) or -9.9% from its budgeted position of \$215,000.

### **Expenditures**

- Total Expenditures and Transfers for 2012-2013 are projected to end the year (\$83,000) below the original budget \$5.5 million.
- Eisemann Center operational expenditures are up \$63,000 due to the purchase of new lighting and sound consoles for both theaters.
- Eisemann Center Presents Series will recognize (\$49,000) in savings for the reasons mentioned in the revenue discussion.
- Parking Garage expenditures are projected to end the year down (\$62,000).
- The \$32,000 increase in “Other Uses” is due primarily to the \$25,000 for the first year of the hotel incentive program run through the Convention and Visitors Bureau.

### **Fund Balance**

- The Hotel Motel Tax Fund balance is anticipated to end the year at \$802,000. There is no formal designated fund balance policy for the Hotel Motel Tax Fund.

## HOTEL MOTEL TAX FUND

### 2013-2014 Proposed

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#### Revenues

- Total Revenues for the Hotel/Motel Tax Fund are projected at \$5.5 million for next year, reflecting a 3.8% increase in overall revenues.

#### Hotel/Motel Tax Receipts

- For 2013-2014, Hotel/Motel Tax Receipts are budgeted at \$3.3 Million.

| Hotel Property                            | Actual<br>2011-2012 | Budget<br>2012-2013 | Estimated<br>2012-2013 | Budget<br>2013-2014 |
|---|---------------------|---------------------|------------------------|---------------------|
| Como Motel                                | \$ 16,282           | \$ 19,285           | \$ 19,032              | \$ 19,222           |
| Continental Inn                           | 22,804              | -                   | -                      | -                   |
| DoubleTree Hotel                          | 418,883             | 430,151             | 477,208                | 486,752             |
| Econo Lodge                               | 42,171              | 39,965              | 43,693                 | 44,567              |
| Hawthorne Suites                          | 38,280              | 37,634              | 37,825                 | 38,582              |
| Hilton Garden Inn                         | 235,344             | 228,233             | 253,905                | 258,983             |
| Holiday Inn                               | 167,490             | 166,568             | 187,656                | 189,533             |
| Homestead Suites                          | 69,214              | 67,508              | 67,688                 | 69,042              |
| Hyatt Regency                             | 500,745             | 527,808             | 519,969                | 530,368             |
| Hyatt House (formerly Summerfield)        | 156,313             | 152,507             | 161,587                | 164,819             |
| Mariott Courtyard - Galatyn               | 173,064             | 181,535             | 220,110                | 226,713             |
| Marriott Courtyard - Spring Valley        | 182,249             | 179,521             | 205,357                | 211,518             |
| Marriott Renaissance                      | 615,650             | 628,309             | 665,532                | 682,170             |
| Marriott Springhill Suites                | 71,699              | 79,472              | 132,099                | 145,309             |
| Residence Inn                             | 136,139             | 137,489             | 152,620                | 155,672             |
| Super 8                                   | 42,433              | 45,300              | 44,315                 | 50,201              |
| Wingate by Wyndham (formerly Hampton Inn) | 123,745             | 153,868             | 44,646                 | 45,539              |
| National Corporate Housing                | 419                 | -                   | -                      | -                   |
| <b>TOTAL</b>                              | <b>\$ 3,012,924</b> | <b>\$ 3,075,152</b> | <b>\$ 3,233,242</b>    | <b>\$ 3,318,990</b> |

#### Parking Garage Revenues

- Parking Garage fees are projected at \$215,000, an increase of \$21,000 over year-end.

#### Eisemann Center Revenues

- Eisemann Center revenues are projected at \$1.9 million reflecting a \$96,000 or 5.2% increase from estimated year-end reflecting minimal increases in operations and Eisemann Center Presents revenue for the 2013-2014 Season.
- A Facility/Maintenance Fee of \$1.50 per ticket sold is proposed and would be set aside in a separate fund to be used only for maintenance and capital improvements to the facility. Non-ticketed events would be scaled appropriately to the size and venue ranging from \$25.00 to \$150.00. This fee is expected to generate \$150,000 to \$190,000 per year.

#### Expenditures

- Total Expenditures and Transfers for 2013-2014 are proposed at \$5.5 million reflecting an \$18,000 increase from current year-end expenditures.

- The Eisemann Center expenditures decrease (\$136,000) from year-end. The Eisemann Center's daily operations increase \$3,800 and Eisemann Center Presents Series expenditures decrease (\$140,000).
- Parking Garage Expenditures increase 5.5% or \$26,000 based on the parking garage services agreement. It's worth noting that the contractor has yet to bill the City the whole amount due to good contract performance.
- Arts Grant funding will increase 8.3% to \$325,000 in 2013-2014.
- Miscellaneous expenses of \$65,000 includes: \$50,000 for a Public Arts Master Plan and \$10,000 for an Arts website design. The Hotel Incentive Program increases to \$50,000.
- The Transfer to General Fund – CVB matches the department budget at \$412,000.
- The Hotel/Motel G&A remains static at \$250,000.

**Fund Balance**

The Fund Balance is projected to end the year at \$806,000.

**CITY OF RICHARDSON  
SUMMARY OF REVENUES AND EXPENDITURES  
HOTEL/MOTEL TAX FUND**

|  | ACTUAL       | BUDGET       | ESTIMATE     | BUDGET       | VARIANCE   |            |
|--|--------------|--------------|--------------|--------------|------------|------------|
|  | FY 2011-12   | FY 2012-13   | FY 2012-13   | FY 2013-14   | BUD to BUD | EST to BUD |
| <b>Beginning Designated Fund Balance</b> | \$ 1,100,896 | \$ 776,974   | \$ 970,314   | \$ 802,339   | 3.3%       | -17.3%     |
| <b>Reserve for Encumbrances</b>          | 4,711        | -            | 14,095       | -            | N/A        | -100.0%    |
| <b>Adjusted Beginning Fund Balance</b>   | \$ 1,105,607 | \$ 776,974   | \$ 984,409   | \$ 802,339   | 3.3%       | -18.5%     |
| <b>Revenues</b>                          |              |              |              |              |            |            |
| Tax Revenue                              | \$ 3,012,924 | \$ 3,075,152 | \$ 3,233,242 | \$ 3,318,990 | 7.9%       | 2.7%       |
| Parking Fees                             | 217,420      | 215,000      | 193,728      | 215,000      | 0.0%       | 11.0%      |
| Eisemann Center Revenues                 | 2,178,565    | 2,150,625    | 1,851,005    | 1,947,103    | -9.5%      | 5.2%       |
| Interest Earnings                        | 1,279        | 876          | 995          | 1,025        | 17.0%      | 3.0%       |
| <b>Total Revenues</b>                    | \$ 5,410,188 | \$ 5,441,653 | \$ 5,278,970 | \$ 5,482,118 | 0.7%       | 3.8%       |
| <b>Total Available Funds</b>             | \$ 6,515,795 | \$ 6,218,627 | \$ 6,263,379 | \$ 6,284,457 | 1.1%       | 0.3%       |
| <b>Operating Expenditures</b>            |              |              |              |              |            |            |
| Eisemann Center                          | \$ 3,986,499 | \$ 3,994,751 | \$ 4,009,274 | \$ 3,873,189 | -3.0%      | -3.4%      |
| Parking Garage                           | 467,122      | 539,519      | 477,146      | 503,475      | -6.7%      | 5.5%       |
| <b>Total Expenditures</b>                | \$ 4,453,621 | \$ 4,534,270 | \$ 4,486,420 | \$ 4,376,664 | -3.5%      | -2.4%      |
| <b>Other Uses</b>                        |              |              |              |              |            |            |
| Arts                                     | \$ 300,000   | \$ 300,000   | \$ 300,000   | \$ 325,000   | 8.3%       | 8.3%       |
| Miscellaneous                            | 122,765      | 10,000       | 16,620       | 65,000       | 550.0%     | 291.1%     |
| Hotel Incentive Program                  | -            | -            | 25,000       | 50,000       | N/A        | 100.0%     |
| <b>Total Other Uses</b>                  | \$ 422,765   | \$ 310,000   | \$ 341,620   | \$ 440,000   | 41.9%      | 28.8%      |
| <b>Total Exp. And Other Uses</b>         | \$ 4,876,386 | \$ 4,844,270 | \$ 4,828,040 | \$ 4,816,664 |            |            |
| <b>Transfers Out</b>                     |              |              |              |              |            |            |
| Transfer to General Fund - C.V.B.        | \$ 405,000   | \$ 450,000   | \$ 383,000   | \$ 412,000   | -8.4%      | 7.6%       |
| General and Administrative Charges       | 250,000      | 250,000      | 250,000      | 250,000      | 0.0%       | 0.0%       |
| <b>Total Transfers Out</b>               | \$ 655,000   | \$ 700,000   | \$ 633,000   | \$ 662,000   | -5.4%      | 4.6%       |
| <b>Total Expenditures and Transfers</b>  | \$ 5,531,386 | \$ 5,544,270 | \$ 5,461,040 | \$ 5,478,664 | -1.2%      | 0.3%       |
| <b>Revenue Over/(Under)</b>              | \$ (121,198) | \$ (102,617) | \$ (182,070) | \$ 3,454     | -103.4%    | -101.9%    |
| <b>Reserve for Encumbrances</b>          | \$ 14,095    | \$ -         | \$ -         | \$ -         | N/A        | N/A        |
| <b>Reserve for Programs</b>              | -            | -            | -            | -            |            |            |
| <b>Ending Designated Fund Balance</b>    | \$ 970,314   | \$ 674,357   | \$ 802,339   | \$ 805,793   | 19.5%      | 0.4%       |

**CITY OF RICHARDSON  
REVENUE BY DETAIL  
HOTEL/MOTEL TAX FUND**

|   | <u>ACTUAL<br/>FY 2011-12</u> | <u>BUDGET<br/>FY 2012-13</u> | <u>ESTIMATE<br/>FY 2012-13</u> | <u>BUDGET<br/>FY 2013-14</u> | <u>VARIANCE</u>     |                   |
|---|------------------------------|------------------------------|--------------------------------|------------------------------|---------------------|-------------------|
|   |                              |                              |                                |                              | <u>BUD to BUD</u>   | <u>EST to BUD</u> |
| <b><u>Tax Revenue</u></b>                 |                              |                              |                                |                              |                     |                   |
| Como Motel                                | \$ 16,282                    | \$ 19,285                    | \$ 19,032                      | \$ 19,222                    | \$ (63)             | \$ 190            |
| Continental Inn                           | 22,804                       | -                            | -                              | -                            | -                   | -                 |
| DoubleTree Hotel                          | 418,883                      | 430,151                      | 477,208                        | 486,752                      | 56,601              | 9,544             |
| Econo Lodge                               | 42,171                       | 39,965                       | 43,693                         | 44,567                       | 4,602               | 874               |
| Hawthorne Suites                          | 38,280                       | 37,634                       | 37,825                         | 38,582                       | 948                 | 757               |
| Hilton Garden Inn                         | 235,344                      | 228,233                      | 253,905                        | 258,983                      | 30,750              | 5,078             |
| Holiday Inn                               | 167,490                      | 166,568                      | 187,656                        | 189,533                      | 22,964              | 1,877             |
| Homestead Suites                          | 69,214                       | 67,508                       | 67,688                         | 69,042                       | 1,533               | 1,354             |
| Hyatt Regency                             | 500,745                      | 527,808                      | 519,969                        | 530,368                      | 2,560               | 10,399            |
| Hyatt Summerfield                         | 156,313                      | 152,507                      | 161,587                        | 164,819                      | 12,311              | 3,232             |
| Mariott Courtyard - Galatyn               | 173,064                      | 181,535                      | 220,110                        | 226,713                      | 45,179              | 6,603             |
| Marriott Courtyard - Spring Valley        | 182,249                      | 179,521                      | 205,357                        | 211,518                      | 31,997              | 6,161             |
| Marriott Renaissance                      | 615,650                      | 628,309                      | 665,532                        | 682,170                      | 53,862              | 16,638            |
| Marriott Springhill Suites                | 71,699                       | 79,472                       | 132,099                        | 145,309                      |                     | 13,210            |
| Residence Inn                             | 136,139                      | 137,489                      | 152,620                        | 155,672                      | 18,184              | 3,052             |
| Super 8                                   | 42,433                       | 45,300                       | 44,315                         | 50,201                       | 4,901               | 5,886             |
| Wingate by Wyndham (formerly Hampton Inn) | 123,745                      | 153,868                      | 44,646                         | 45,539                       | (108,329)           | 893               |
| National Corporate Housing                | 419                          | -                            | -                              | -                            | -                   | -                 |
| <b>Total</b>                              | <b>\$ 3,012,924</b>          | <b>\$ 3,075,152</b>          | <b>\$ 3,233,242</b>            | <b>\$ 3,318,990</b>          | <b>\$ 178,001</b>   | <b>\$ 85,748</b>  |
| <b><u>Parking Fees</u></b>                |                              |                              |                                |                              |                     |                   |
| Parking Garage                            | \$ 217,420                   | \$ 215,000                   | \$ 193,728                     | \$ 215,000                   | \$ -                | \$ 21,272         |
| <b>Total</b>                              | <b>\$ 217,420</b>            | <b>\$ 215,000</b>            | <b>\$ 193,728</b>              | <b>\$ 215,000</b>            | <b>\$ -</b>         | <b>\$ 21,272</b>  |
| <b><u>Eisemann Center Revenue</u></b>     |                              |                              |                                |                              |                     |                   |
| Fees                                      | \$ 641,566                   | \$ 718,000                   | \$ 669,358                     | \$ 724,000                   | \$ 6,000            | \$ 54,642         |
| Ticket Sales and Surcharges               | 152,633                      | 200,000                      | 155,568                        | 175,000                      | (25,000)            | 19,432            |
| Concessions                               | 19,517                       | 19,000                       | 13,625                         | 15,000                       | (4,000)             | 1,375             |
| Eisemann Presents Revenue                 | 1,300,993                    | 1,153,625                    | 944,876                        | 965,103                      | (188,522)           | 20,227            |
| Miscellaneous                             | 63,856                       | 60,000                       | 67,578                         | 68,000                       | 8,000               | 422               |
| <b>Total</b>                              | <b>\$ 2,178,565</b>          | <b>\$ 2,150,625</b>          | <b>\$ 1,851,005</b>            | <b>\$ 1,947,103</b>          | <b>\$ (203,522)</b> | <b>\$ 96,098</b>  |
| <b><u>Interest Earnings</u></b>           |                              |                              |                                |                              |                     |                   |
| Interest Earnings                         | \$ 1,279                     | \$ 876                       | \$ 995                         | \$ 1,025                     | \$ 149              | \$ 30             |
| <b>Total</b>                              | <b>\$ 1,279</b>              | <b>\$ 876</b>                | <b>\$ 995</b>                  | <b>\$ 1,025</b>              | <b>\$ 149</b>       | <b>\$ 30</b>      |
| <b>Grand Total Hotel/Motel Tax Fund</b>   | <b>\$ 5,410,188</b>          | <b>\$ 5,441,653</b>          | <b>\$ 5,278,970</b>            | <b>\$ 5,482,118</b>          | <b>\$ (25,373)</b>  | <b>\$ 203,148</b> |

**EISEMANN CENTER EXPENDITURE DETAIL**

|  | <u>ACTUAL<br/>FY 2011-12</u> | <u>BUDGET<br/>FY 2012-13</u> | <u>ESTIMATE<br/>FY 2012-13</u> | <u>BUDGET<br/>FY 2013-14</u> | <u>VARIANCE</u>     |                     |
|--|------------------------------|------------------------------|--------------------------------|------------------------------|---------------------|---------------------|
|  |                              |                              |                                |                              | <u>BUD to BUD</u>   | <u>EST to BUD</u>   |
| <b><u>Eisemann Center Expenditures</u></b> |                              |                              |                                |                              |                     |                     |
| Eisemann Center                            | \$ 2,654,578                 | \$ 2,841,126                 | \$ 2,904,282                   | \$ 2,908,086                 | \$ 66,960           | \$ 3,804            |
| Eisemann Center Presents                   | 1,331,921                    | 1,153,625                    | 1,104,992                      | 965,103                      | (188,522)           | (139,889)           |
| <b>Total Eisemann Center Expenditures</b>  | <b>\$ 3,986,499</b>          | <b>\$ 3,994,751</b>          | <b>\$ 4,009,274</b>            | <b>\$ 3,873,189</b>          | <b>\$ (121,562)</b> | <b>\$ (136,085)</b> |

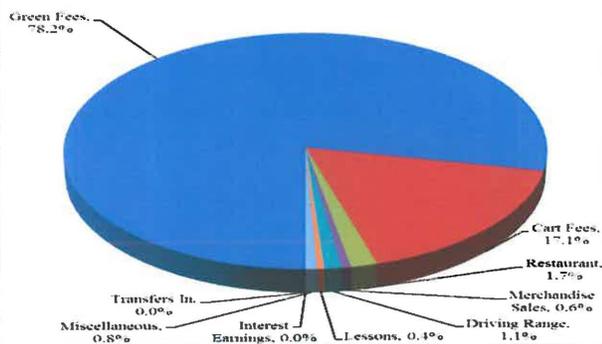
## GOLF FUND

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.

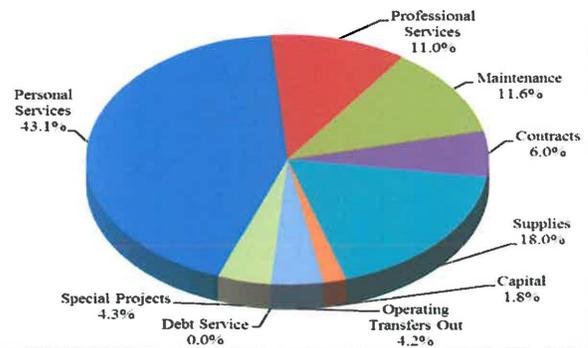
**FY 2013-2014 Golf Fund Revenues - \$2,294,878**



### Uses

Expenditures include expenses related to daily operations, course maintenance, fleet maintenance and replacement, and special projects. Personal Services account for 43.1% of all expenditures in the Golf Fund.

**FY 2013-2014 Golf Fund Expenditures - \$2,234,897**



### Fund Balance

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

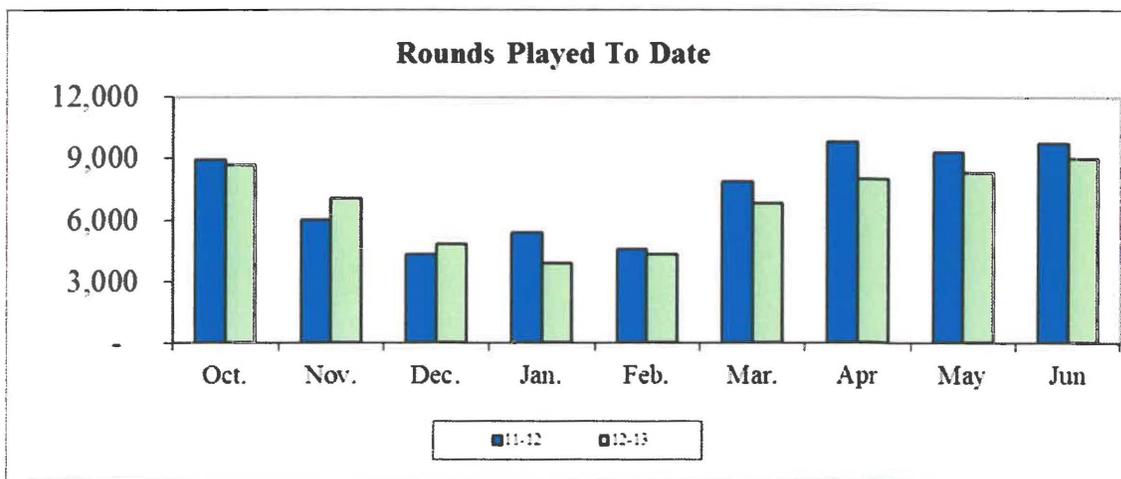
## GOLF FUND

### 2012-2013 Year End Estimates

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#### Revenues

- Revenues for the Golf Fund are expected to end the year (\$14,000) or -0.6% below the budgeted \$2.3 million.
- Green Fees are expected to finish the year (\$260,000) or -13.3% below the original budget amount for 2012-2013 and (\$192,000) below the January revision. Rounds played of 60,888 are down 5,041 from this time last year.



- Fewer rounds of golf are primarily due to the reopening of an area golf course putting more supply in the market and the lowering of green fees by a nearby golf facility creating increase competition. The conditions of both golf courses are extremely good including the green surfaces.
- In analyzing rounds played compared to 2011-2012 the largest decline has come on Course 2 and during the early afternoon hours on both courses. Green fee specials on Course 2 as well as rates targeting the early afternoon have been applied to increase play.
- Cart Fees are projected at \$355,000 at year end representing a \$284,000 increase from the original budget but decrease (\$111,000) from the January revision.
- Revenue from the golf course restaurant is projected to finish the year down -10.9% or (\$5,000) to \$40,000 from the original budget and the January revision of \$45,000
- A significant fence repair and maintenance project on Course 1 was funded through use of capital reserve funds. Accounting rules require the transfer of that project to the fund that owns the asset. At year-end we expect to see a transfer of \$100,000 in revenue to offset the cost recorded in the Capital; category below.
- The remaining revenues of \$62,000 include “new” revenue sources from the driving range and lessons taught by our Pro Staff as well.

- There will be no General Fund support required this year

### **Expenditures**

Just as in the revenues, the January revisions in the Golf Fund structure changed the original budgeted expenditures. The following estimates are in-line with that plan.

- Total Golf Fund Expenditures and Transfers are expected to end the year at \$2.3 million, a decrease of (\$12,000) from the original budget.
- Personal Services is projected to finish the year (\$86,000) or -8.6% below the original budget of \$998,000.
- Professional Services will end the year up \$150,000 over the original budget reflecting the amended golf professional management agreement.
- The Maintenance category is anticipated to finish the year \$116,000 above its original budget resulting from the cart rental/lease agreement.
- Contracts should finish the year \$39,000 over its original budget.
- Supplies are expected to end the year \$500 over the original budget.
- Capital is expected to see the recording of the fence project mentioned above as well as \$20K in cart path repairs.
- If these assumptions hold, \$225,000 may be available for special projects.
- In accordance with the revisions and the plan going forward, the debt service transfer will no longer be required. The remaining 8 years of debt service have been factored into the General Debt Service Fund.

### **Fund Balance**

- Given the projected revenue and expenditure performance, the days in fund balance in the Golf Fund will end the year at 30.6 days, in compliance with the Council approved financial policy of “30 days building to 60.”

## **GOLF FUND**

### **2013-2014 Proposed**

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#### **Revenues**

- Revenues for the Golf Fund are projected at \$2.3 million for FY 2013-2014. This represents a 1.6% growth in anticipated revenues over year-end estimates.
  - Green fees are projected to increase \$94,000 to \$1.8 million representing a rate model of approximately 90,000 rounds. It's important to note that as the rate card gets revised in order to maximize course play, the City is moving to a more revenue based model for tracking and developing projections. For example, the number of rounds played YTD 2012-2013 are down from the prior year while revenue per player is actually up around 10%. Accurately tracking the number of rounds played is an invaluable tool in assessing course performance, but with the mix of rounds in flux, a revenue based model will be a more prudent approach as we move forward.
  - No General Fund transfer is required or proposed.
  - The remaining revenues increase \$43,000 (excluding the year end 2012-2013 capital revenue transfer)

#### **Expenditures**

- Total Expenditures and Transfers for the Golf Fund are proposed at \$2.2 Million, a decrease of (\$21,000) or -1.0% from year-end estimates.
- Personal Services increase \$51,000 over year-end but the increase is merely a return to full staffing after year-end savings was recognized in FY 2012-2013.
- Professional Services increase \$65,000 and includes the full year of the contract revisions as well as some minor funding for miscellaneous electrical and plumbing work.
- Maintenance increases \$41,000, including an additional \$30,500 for the full year of the golf cart lease.
- The remaining operational expenditures decrease (\$51,000) making it possible to have \$95,000 available for special projects at year end if revenue and expenditure performance allow.
- Based on anticipated revenue estimates and ongoing capital improvement needs, the debt service will not be transferred.

#### **Fund Balance**

- Given the projected revenue and expenditure performance, the fund balance should end the year with 40.6 days, in compliance with Council approved "30 building to 60" days.

**GOLF FUND**

**Capital Project Planning**

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**Forecasted Revenue:**

- Revenues are established through a special projects account available in each budget year.

| FY 2012-13 | FY 2013-14 | Total            |
|------------|------------|------------------|
| \$225,000  | \$95,000   | <b>\$315,000</b> |

**Anticipated Capital Projects:**

- The dredging of the irrigation pond on Course #1 is needed to remove silt that is currently infiltrating the irrigation system. Silt has built up in the irrigation pond over a 40 year period and the level is close to the irrigation system intake. This project is needed prior to the greens renovation on Course #1 in order to eliminate the spraying of silt on the green structures and the rest of Course #1.
- The greens renovation project will include the seeding of a strain of Bermuda turf as well as the reconstruction of a certain green structures. This improvement will improve the putting surface on Course #1 as well as enhance the level of play by creating more movement on certain greens.

| Year         | Project   | Cost      |
|--------------|---|-----------|
| FY 2013-14   | Course #1 irrigation pond dredging project  | \$100,000 |
| FY 2014-15   | Course #1 greens renovation (new turf and limited green reconstruction)   | \$200,000 |
| Future Years | - Clubhouse Renovations<br>- Pond Aeration<br>- Pond Erosion Repair<br>- Clubhouse Deck<br>- Cart Path Reconstruction<br>- Bunker Renovations | TBD       |

**CITY OF RICHARDSON  
SUMMARY OF REVENUES AND EXPENDITURES  
GOLF FUND**

|   | ACTUAL       | BUDGET       | ESTIMATE     | BUDGET       | VARIANCE   |            |
|---|--------------|--------------|--------------|--------------|------------|------------|
|   | FY 2011-12   | FY 2012-13   | FY 2012-13   | FY 2013-14   | BUD to BUD | EST to BUD |
| <b>Beginning Designated Fund Balance</b>  | \$ 186,119   | \$ 98,864    | \$ 186,476   | \$ 188,837   | 91.0%      | 1.3%       |
| <b>Reserve for Encumbrances</b>           | 864          | -            | 1,006        | -            | N/A        | -100.0%    |
| <b>Adjusted Beginning Fund Balance</b>    | \$ 186,983   | \$ 98,864    | \$ 187,482   | \$ 188,837   | 91.0%      | 0.7%       |
| <b>Revenues</b>                           |              |              |              |              |            |            |
| Green Fees                                | \$ 1,789,398 | \$ 1,960,533 | \$ 1,700,305 | \$ 1,794,226 | -8.5%      | 5.5%       |
| Cart Fees                                 | 69,101       | 70,500       | 354,886      | 393,476      | 458.1%     | 10.9%      |
| Restaurant                                | 43,883       | 45,005       | 40,096       | 39,452       | -12.3%     | -1.6%      |
| Merchandise Sales                         | 15,894       | 15,800       | 15,753       | 14,196       | -10.2%     | -9.9%      |
| Driving Range                             | -            | -            | 23,001       | 26,220       | N/A        | 14.0%      |
| Lessons                                   | -            | -            | 7,028        | 9,700        | N/A        | 38.0%      |
| Miscellaneous                             | 92,545       | 20,000       | 16,560       | 17,532       | -12.3%     | 5.9%       |
| Transfer In - Capital Projects/Equipment  | 88,527       | -            | 100,000      | -            | N/A        | -100.0%    |
| Transfer In - General Fund                | 170,000      | 160,000      | -            | -            | -100.0%    | N/A        |
| Interest Earnings                         | 76           | 58           | 80           | 76           | 31.0%      | -5.0%      |
| <b>Total Revenues</b>                     | \$ 2,269,424 | \$ 2,271,896 | \$ 2,257,709 | \$ 2,294,878 | 1.0%       | 1.6%       |
| <b>Total Available Funds</b>              | \$ 2,456,407 | \$ 2,370,760 | \$ 2,445,191 | \$ 2,483,715 | 4.8%       | 1.6%       |
| <b>Expenditures</b>                       |              |              |              |              |            |            |
| Personal Services                         | \$ 966,230   | \$ 997,541   | \$ 911,588   | \$ 962,898   | -3.5%      | 5.6%       |
| Professional Services                     | 37,544       | 30,805       | 180,805      | 246,029      | 698.7%     | 36.1%      |
| Maintenance                               | 115,732      | 102,908      | 218,468      | 259,388      | 152.1%     | 18.7%      |
| Contracts                                 | 55,945       | 79,380       | 118,545      | 133,907      | 68.7%      | 13.0%      |
| Supplies                                  | 354,366      | 384,300      | 389,800      | 403,000      | 4.9%       | 3.4%       |
| Capital                                   | 112,127      | 25,000       | 120,000      | 40,500       | 62.0%      | -66.3%     |
| <b>Total Expenditures</b>                 | \$ 1,641,944 | \$ 1,619,934 | \$ 1,939,206 | \$ 2,045,722 | 26.3%      | 5.5%       |
| <b>Operating Transfers Out</b>            |              |              |              |              |            |            |
| General and Administrative Charges        | \$ 84,981    | \$ 92,148    | \$ 92,148    | \$ 94,175    | 2.2%       | 2.2%       |
| <b>Total Operating Transfers Out</b>      | \$ 84,981    | \$ 92,148    | \$ 92,148    | \$ 94,175    | 2.2%       | 2.2%       |
| <b>Total Exp. And Oper. Transfers Out</b> | \$ 1,726,925 | \$ 1,712,082 | \$ 2,031,354 | \$ 2,139,897 | 25.0%      | 5.3%       |
| <b>Transfers Out</b>                      |              |              |              |              |            |            |
| Debt Service                              | \$ 542,000   | \$ 556,032   | \$ -         | \$ -         | -100.0%    | N/A        |
| Special Projects                          | -            | -            | 225,000      | 95,000       | N/A        | -57.8%     |
| <b>Total Transfers Out</b>                | \$ 542,000   | \$ 556,032   | \$ 225,000   | \$ 95,000    | -82.9%     | -57.8%     |
| <b>Total Expenditures and Transfers</b>   | \$ 2,268,925 | \$ 2,268,114 | \$ 2,256,354 | \$ 2,234,897 | -1.5%      | -1.0%      |
| <b>Revenue Over/(Under)</b>               | \$ 499       | \$ 3,782     | \$ 1,355     | \$ 59,981    | 1486.0%    | 4326.6%    |
| <b>Reserve for Encumbrances</b>           | \$ 1,006     | \$ -         | \$ -         | \$ -         | N/A        | N/A        |
| <b>Ending Designated Fund Balance</b>     | \$ 186,476   | \$ 102,646   | \$ 188,837   | \$ 248,818   | 142.4%     | 31.8%      |
| <b>Days of Fund Balance</b>               | 30.00        | 16.52        | 30.55        | 40.64        | 146.0%     | 33.0%      |

**CITY OF RICHARDSON  
REVENUE BY DETAIL  
GOLF FUND**

|  | <u>ACTUAL</u>           | <u>BUDGET</u>           | <u>ESTIMATE</u>         | <u>BUDGET</u>           | <u>VARIANCE</u>      |                      |
|--|-------------------------|-------------------------|-------------------------|-------------------------|----------------------|----------------------|
|  | <u>FY 2011-12</u>       | <u>FY 2012-13</u>       | <u>FY 2012-13</u>       | <u>FY 2013-14</u>       | <u>BUD to BUD</u>    | <u>EST to BUD</u>    |
| <b><u>Golf Revenue</u></b>               |                         |                         |                         |                         |                      |                      |
| Green Fees                               | \$ 1,789,398            | \$ 1,960,533            | \$ 1,700,305            | \$ 1,794,226            | \$ (166,307)         | \$ 93,921            |
| Cart Fees                                | 69,101                  | 70,500                  | 354,886                 | 393,476                 | 322,976              | 38,590               |
| Restaurant                               | 43,883                  | 45,005                  | 40,096                  | 39,452                  | (5,553)              | (644)                |
| Merchandise Sales                        | 15,894                  | 15,800                  | 15,753                  | 14,196                  | (1,604)              | (1,557)              |
| Driving Range                            | -                       | -                       | 23,001                  | 26,220                  | 26,220               | 3,219                |
| Lessons                                  | -                       | -                       | 7,028                   | 9,700                   | 9,700                | 2,672                |
| Miscellaneous                            | 92,545                  | 20,000                  | 16,560                  | 17,532                  | (2,468)              | 972                  |
| Transfer In - Capital Projects/Equipment | 88,527                  | -                       | 100,000                 | -                       | -                    | (100,000)            |
| Transfer In - General Fund               | 170,000                 | 160,000                 | -                       | -                       | (160,000)            | -                    |
| Interest Earnings                        | 76                      | 58                      | 80                      | 76                      | 18                   | (4)                  |
| <b>Total</b>                             | <b>\$ 2,269,424</b>     | <b>\$ 2,271,896</b>     | <b>\$ 2,257,709</b>     | <b>\$ 2,294,878</b>     | <b>\$ 22,982</b>     | <b>\$ 37,169</b>     |
| <br><b>Grand Total Golf Fund</b>         | <br><b>\$ 2,269,424</b> | <br><b>\$ 2,271,896</b> | <br><b>\$ 2,257,709</b> | <br><b>\$ 2,294,878</b> | <br><b>\$ 22,982</b> | <br><b>\$ 37,169</b> |

## **2013-14 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.) program.
  - 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 Solid Waste Services, and Water and Sewer Funds
  - Other developer-financed or special project capital funding
  - Tax Increment Financing (TIF) revenue of the City
  - Court Technology Funds
  - 911 Wireless 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 & Energy Management Grants

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

- Following the favorable passage of the \$66 million 2010 G.O. Bond referendum in May 2010, the City of Richardson has been active with implementation for these capital projects.
- As explained to the voters in the referendum information, a required \$0.06 property tax rate for debt only would be required if all propositions passed.
- With the completion of the Series 2010 bond sale and the development of the subsequent 2010-2011 budget, the debt service tax rate was adjusted by the \$0.06 in the 2010-2011 budget.

- The subsequent issues (Series 2011, 2012, and 2013) returned to very nominal programs for capital replacements for the General and Solid Waste funds, scheduled fire apparatus upgrade, and the ongoing Utility C.I.P. program only.
- The Series 2013 issue was a combined \$8.435 million C.O. program, with a \$20.7 million bond refunding program to achieve more favorable interest rates and provide a total debt service savings of \$3.1 million.

| <b>Series 2013: 2012-2013 Debt Issuance Program– All Funds</b> |   |   |                           |
|--|---|---|---------------------------|
| <b>Funding 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      |
| \$0.755 million  | C.O.  | General Fund Fire Equipment – 8 yr.                     | General Debt Service      |
| \$0.750 million  | C.O.  | General Fund Capital - Fire Training/EOC Suppl.– 20 yr. | General Debt Service      |
| \$3.000 million  | C.O.  | Water and Sewer C.I.P. – 20 yr.                         | Utility Fund Debt Service |
| \$1.030 million  | C.O.  | Solid Waste Services Capital Equipment – 8 yr.          | Solid Waste Debt Service  |
| <b>\$8.435 million</b>   | <b>Total</b>  |   |                           |
|  | <i>A \$20.7 million Bond Refunding Program was also an element of the Series 2013 Issue</i> |   |                           |

## **2013-2014 Capital Improvement Program AND RELATED DEBT SERVICE PLAN**

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- The key focuses for the capital program in 2013-2014 are:
  - The annual short term C.O. Program to sustain a timely and organized replacement of capital equipment
  - The issuance of a \$1.2 million C.O. for land acquisition related to key city facility expansion needs.
  - Continued implementation of the large 2010 \$66 million G.O. capital program in keeping with the project construction sequence and strategy discussions provided by the City Council.
  - 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. Implementation of these capital projects is a multi-year effort. The scope of these projects was also very forward-looking, providing key facility and infrastructure upgrades to provide benefits for decades to come. Noteworthy accomplishments in FY 2012-2013 include important sidewalk, streets and alley infrastructure and the opening of Fire Station #4, the Richardson Gymnastics Center, Durham Park, and the Heights Recreation and Aquatics Centers.
- The capital program for 2013-2014 includes moving \$0.0025 from the debt rate to the operations rate for street maintenance enhancements. This change along with enhanced General Fund allocations will allow for the dedication of 1.5 pennies of the property tax rate to street maintenance providing \$1.54 million in funding for 2013-2014. The increase in dedicated funding for street maintenance will increase 50% or \$500,000 from 2012-2013.
- There is the anticipated option to payoff approximately \$1.8 million of callable debt related to the 2004 Bond issue. Doing so would realize an approximate savings of \$330,000 over the next 7 years as a result of this early redemption opportunity.

- Below is a reference table of the debt tax rate actions for the recent fiscal years and for the coming FY 2013-2014 Fiscal Year.

| Year    | Debt Rate  | Operations Rate | TOTAL     |
|---------|------------|-----------------|-----------|
| 2009-10 | \$0.21235  | \$0.36281       | \$0.57516 |
| 2010-11 | *\$0.27235 | \$0.36281       | \$0.63516 |
| 2011-12 | \$0.27235  | \$0.36281       | \$0.63516 |
| 2012-13 | \$0.27235  | \$0.36281       | \$0.63516 |
| 2013-14 | \$0.26985  | \$0.36531       | \$0.63516 |

\* Six cent revision for 2010 G.O. program 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 2013-2014:
  - For 2013-2014, this updated model has factored the currently anticipated **2.0%** property tax roll increase.
  - This plan was updated on a tax base outlook that considers a conservative growth of **1%** for 2015-2020.
  - 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.
- 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 of some future modest tax base growth to meet the next few years’ new obligations. The debt tax rate begins to show a steady/gradual decline, 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 2013-2014.

**Series 2014: 2013-2014 Proposed Debt Issue Activities**

- The proposed Series 2014 Debt Issuance program will continue to be modest compared to prior efforts, maintaining our capital program for 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/emergency apparatus upgrades, and the ongoing Utility C.I.P. program.
- The creation of capital for land acquisition related to key city facility expansion.
- For the Series 2014 bond issue, the proposed components are:
  - The 4-year C.O. element provides the funding for the routine general fleet and equipment replacement requirements of the General Fund.

- The 8-year C.O. element will provide for the next scheduled fire equipment replacements: a replacement Quint Unit, an Ambulance replacement and a Special Events Vehicle replacement.
- A 10-year C.O. to allow for land acquisition related to city facility expansion.
- The 8-year C.O. element will provide for the needed Solid Waste heavy equipment, containers, and fleet replacements.
- The following debt issuance plan for 2013-2014 (“Series 2014”) summarizes the proposed \$6.122 million debt elements:

| <b>Series 2014: 2013-2014 Debt Issuance Program <u>Under Evaluation</u> – 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     |
| \$0.995 million   | C.O.             | General Fund Fire Equipment – 8 yr.                           | General Debt Service     |
| \$1.200 million   | C.O.             | General Fund Capital – City Facility Land Acquisition -10 yr. | General Debt Service     |
| \$ 1.027 million  | C.O.             | Solid Waste Services Capital Equipment – 8 yr.                | Solid Waste Debt Service |
| <b>\$ 6.122 million</b>   | <b>Total</b>     |   |                          |

**Summary**

- The debt management program continues to meet required financial policy requirements.
- Our history and practice of this debt review process has been an important element of the rating agency’s positive review of the City of Richardson.

**2014 Planning - Base Case  
CITY OF RICHARDSON, TEXAS**

Does not Include any Hotel/Motel Tax Revenues or Golf Revenues; Includes Early Payoff of 2004 Taxable GO Refunding Bonds  
Projected Growth Rates (2% for FYE 2014, 1% for FYE 2015, 1% for FYE 2016, 1% for FYE 2017, 1% for FYE 2018, and 1% for FYE 2019)  
\$5,095,000 issued in 2014, \$3,915,000 issued in 2015, \$3,890,000 issued in 2016, \$3,960,000 issued in 2017, \$3,900,000 issued in 2018 and \$3,220,000 issued in 2019

| FYE                       | Projected Taxable Assessed Valuation (1) | Projected % of Growth | Net Outstanding Debt Payable from Tax Levy (2) | Net Effect Early Redemption of 2004 GO REF | Series 2014 \$2.9M - 4 Yr \$995K 8 Yr \$1.2M - 10 Yr at 4.70% | Series 2015 \$2.9M - 4 Yr \$1.015M 8 Yr at 4.70% | Series 2016 \$2.9M - 4 Yr \$990K 8 Yr at 4.70% | Series 2017 \$2.9M - 4 Yr \$1.060M 8 Yr at 4.70% | Series 2018 \$2.9M - 4 Yr \$1M 8 Yr at 4.70% | Series 2019 \$2.9M - 4 Yr \$320K 8 Yr at 4.70% | Less: Projected Interest Earnings | Proposed Total Debt Service | Required Tax Rate for All Debt (3) |
|---------------------------|--|-----------------------|--|--|---|--|--|--|--|--|-----------------------------------|-----------------------------|------------------------------------|
| 2013/14                   | \$ 10,247,644,031                        | 2.00%                 | \$ 25,886,339                                  | \$ 1,770,860                               |   |  |  |  |  |  | \$ (5,000)                        | \$ 27,652,199               | \$ 0.26984                         |
| 2014/15                   | 10,350,120,471                           | 1.00%                 | 27,221,239                                     | (399,910)                                  | \$ 1,110,252  |  |  |  |  |  | (5,000)                           | 27,926,580                  | 0.26982                            |
| 2015/16                   | 10,453,621,676                           | 1.00%                 | 26,507,566                                     | (397,765)                                  | 1,109,540   | \$ 963,058                                       |  |  |  |  | (5,000)                           | 28,177,408                  | 0.26955                            |
| 2016/17                   | 10,558,157,892                           | 1.00%                 | 24,176,014                                     | (394,810)                                  | 1,104,890   | 964,838  | \$ 956,618                                     |  |  |  | (5,000)                           | 26,802,550                  | 0.25386                            |
| 2017/18                   | 10,663,739,471                           | 1.00%                 | 24,044,201                                     | (386,180)                                  | 1,117,890   | 959,770  | 959,015  | \$ 965,888                                       |  |  | (5,000)                           | 27,655,584                  | 0.25934                            |
| 2018/19                   | 10,770,376,866                           | 1.00%                 | 23,228,949                                     | (260,250)                                  | 307,810   | 962,823  | 954,183  | 971,835  | \$ 957,245                                   |  | (5,000)                           | 27,117,594                  | 0.25178                            |
| 2019/20                   | 10,878,080,635                           | 1.00%                 | 22,196,231                                     | (261,885)                                  | 305,825   | 153,265  | 957,470  | 966,533  | 959,485                                      | \$ 856,042                                     | (5,000)                           | 26,127,965                  | 0.24019                            |
| 2020/21                   | 10,878,080,635                           |                       | 20,309,747                                     |  | 303,370   | 152,038  | 153,030  | 969,350  | 959,535                                      | 857,108  | (5,000)                           | 23,699,177                  | 0.21786                            |
| 2021/22                   | 10,878,080,635                           |                       | 15,305,199                                     |  | 305,328   | 155,458  | 151,803  | 159,558  | 962,588                                      | 855,800  | (5,000)                           | 17,890,732                  | 0.16447                            |
| 2022/23                   | 10,878,080,635                           |                       | 14,459,289                                     |  | 150,340   | 153,525  | 150,340  | 162,978  | 153,030                                      | 857,730  | (5,000)                           | 16,082,232                  | 0.14784                            |
| 2023/24                   | 10,878,080,635                           |                       | 14,117,462                                     |  | 153,525   |  | 153,525  | 161,045  | 151,803                                      | 47,285   | (5,000)                           | 14,779,644                  | 0.13587                            |
| 2024/25                   | 10,878,080,635                           |                       | 13,447,079                                     |  |   |  |  | 163,760  | 150,340                                      | 50,288   | (5,000)                           | 13,806,466                  | 0.12692                            |
| 2025/26                   | 10,878,080,635                           |                       | 10,957,051                                     |  |   |  |  |  | 153,525                                      | 48,173   | (5,000)                           | 11,153,749                  | 0.10253                            |
| 2026/27                   | 10,878,080,635                           |                       | 5,959,955                                      |  |   |  |  |  |  | 46,058   | (5,000)                           | 6,001,013                   | 0.05517                            |
| 2027/28                   | 10,878,080,635                           |                       | 5,962,309                                      |  |   |  |  |  |  |  | (5,000)                           | 5,957,309                   | 0.05476                            |
| 2028/29                   | 10,878,080,635                           |                       | 5,961,647                                      |  |   |  |  |  |  |  | (5,000)                           | 5,956,647                   | 0.05476                            |
| 2029/30                   | 10,878,080,635                           |                       | 5,962,400                                      |  |   |  |  |  |  |  | (5,000)                           | 5,957,400                   | 0.05477                            |
| 2030/31                   | 10,878,080,635                           |                       | 216,119  |  |   |  |  |  |  |  | (5,000)                           | 211,119                     | 0.00194                            |
| 2031/32                   | 10,878,080,635                           |                       | 194,950  |  |   |  |  |  |  |  | (5,000)                           | 189,950                     | 0.00175                            |
| 2032/33                   | 10,878,080,635                           |                       | 50,844   |  |   |  |  |  |  |  | (5,000)                           | 45,844                      | 0.00042                            |
| Totals 2013/14 - 2032/33: |  |                       | <u>\$ 286,164,589</u>                          | <u>\$ (329,940)</u>                        | <u>\$ 5,968,769</u>   | <u>\$ 4,464,783</u>                              | <u>\$ 4,435,983</u>                            | <u>\$ 4,520,945</u>                              | <u>\$ 4,447,550</u>                          | <u>\$ 3,618,482</u>                            | <u>\$ (100,000)</u>               | <u>\$ 313,191,160</u>       |                                    |

**Assumptions:**

- (1) The 2013/14 value is certified and includes \$ \_\_\_\_\_ of values in dispute and excludes \$ \_\_\_\_\_ of TIF values.
- (2) Issues subsequent to 2013 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