

City Council Work Session Handouts

July 27 – 28, 2020

- I. REVIEW AND DISCUSS FISCAL YEAR 2020-2021 BUDGET FOR OPERATIONS, CAPITAL IMPROVEMENTS, AND DEBT SERVICE

FY20-21: Advancing our Missions Through the COVID Storm:

City Council Budget Workshop
July 27, 2020



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What a Journey!

- ***“FY20-21: Advancing Our Missions Through the COVID Storm”*** is a suggested theme for this new fiscal year’s budget to reflect the incredibly unique and profound challenges that the COVID-19 global pandemic is presenting locally as we still seek to deliver the City’s core service missions and community aspirations.



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The COVID Storm: An Evolving Impact



- The “Storm’s” mid-fiscal year arrival (2019-2020) created a half year/half year initial fiscal impact: Oct.-March v. April – Sept. Full fiscal year impacts were buffered.
- FY 2020-2021 Budget is the first full fiscal year of budgetary impacts.
- The changing nature of so many factors, policies, and manifestations are making work planning very challenging.
 - In some cases, impacted “cycles” have not yet been felt.
- Clearly, a multi-year outlook must be factored into decisions. Flexibility, contingent plans, reserves and agile management must prevail in this season.



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Advancing the Missions



- *Sustain and Restore*: Even as we factor the evolving features of this public health crisis, Advancing the Missions conveys our desire to seek purpose and productivity in these challenging times:
 - foster a sustaining strategy with prudent trimming and refinements to best utilize scarcer resources while focusing on safety, yet preserving our foundational service resources to foster the fullest future restoration
 - keep momentum on key development missions that will aid our local recovery
 - explore the opportunities that may be present in a dampened economy & restricted environment
 - continue our attention to infrastructure and capital asset renewals



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July 27-28: Suggested Retreat Approach

- We will build on the COVID Briefings and “Deep Dives” of the prior months City Council work sessions
- We utilize this retreat to assess the over-arching strategy and dynamics expected for the 2020-2021 fiscal year, and beyond.
- We’ll advise on the unique property tax appraisal status that has been impacted by COVID, as well as it’s relation to recent state legislative guidance.
- 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 August.
- A key goal of this retreat is to again confirm the suggested strategies and approaches for completing the current fiscal year and developing the next year’s budget as we have already been discussing in prior briefings.

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FY20-21 Budget Workshop

- **Tonight’s Focus:**
 - Opening Comments
 - Economic Outlook
 - Budget Philosophy and Approach
 - City Work Plan
 - General Fund Overview
- **Night 2 Focus:**
 - Capital and Debt Planning
 - Water/Sewer Fund
 - Solid Waste Fund
 - Golf Fund
 - Hotel/Motel Fund
 - Concluding Thoughts

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Budget Development Requirements/Guidelines

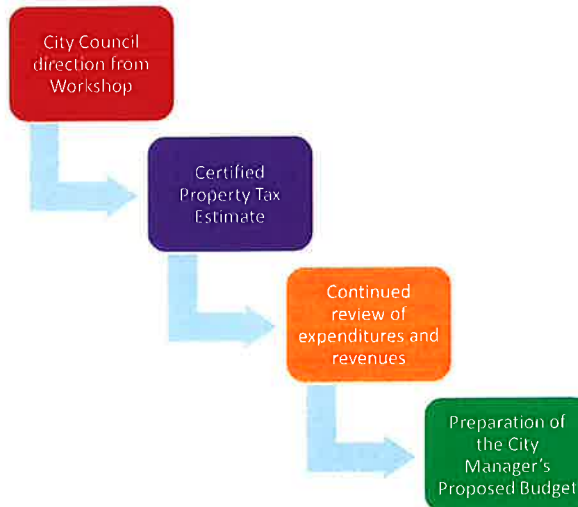


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July/August Budget Preparation Steps



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Economic Outlook



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FY2020-2021: “Through the COVID Storm”

2019-2021 City Council Strategy: “Manage City finances effectively and efficiently”

Challenges/“Storms”:

- May 2019 – Senate Bill 2 passes, FY 20-21 impacts/preparation
- October 20, 2019 – Tornado damages southeast Richardson
- March 2020 – COVID-19 impacts the entire World

April 20th and May 18th City Council Briefings presented the City’s strategies for handling these challenges in both FY19-20 and FY20-21



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Multi-Year Economic Challenges Nationally*

- The unemployment rate increased from 3.5% to 14.7% in April, representing an increase of 25 million people
 - The unemployment is forecast to average 11.5% in 2020 and 9.3% in 2021
 - Enhanced unemployment benefits are expected to end the week of July 25, 2020, unless extended by Congress**
- Real (inflation-adjusted) consumer spending fell 17% from February to April 2020
- The U.S. Gross Domestic Product is projected to fall by 5.6% in 2020, before growing by 2.8% in 2021
- The U.S. added more than \$3 trillion in public debt in the past four months
- Companies filing for Chapter 11 bankruptcy have increased by 26% from 2019

* Congressional Budget Office
** Texas Workforce Commission

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Multi-Year Economic Challenges Texas and DFW Area

- In May, the Federal Reserve Bank of Dallas reported that Texas economic activity has fallen sharply in wake of COVID-19, shaking business and consumer confidence
 - As of June 18, 2020, employment in Texas had contracted by 9.6% (1.25 million jobs) since February
 - 74% of service firms and 65% of manufacturers reported falling output/revenues
 - Construction contracts decreased by 13.9%
 - Existing home sales in Texas fell by 4.5%
- It is forecast that Texas will underperform the U.S. in job and output growth due to the state's outsized share of vulnerable industries – such as air transportation and food services – as well as prolonged weakness in the oil and gas sector*
- Texas Comptroller is projecting a \$4.6 billion deficit, with the pandemic and lower oil prices resulting in \$11 billion in lost State revenue
- In mid-July, 28% of Southwest Airlines employees volunteered to take buyouts and extended leaves of absences to avoid furloughs due to COVID-19. American Airlines was preparing to send out furlough

* Federal Reserve Bank of Dallas, May 7, 2020

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Non-Economic Uncertainties

- Ever changing re-opening orders and guidance
- The public's willingness to attend large gatherings when permitted
- The ability of entertainers, exhibitors, vendors, etc. needed to host events
- Congruency of devoting resources to events when other basic services are being curtailed

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Budget Philosophy and Approach

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FY20-21 Budget Approach

- Understanding and analyzing the multi-year impact of many key economic uncertainties, led the City staff to develop a multi-year approach to the FY20-21 budget
- City of Richardson principles for the FY20-21 Budget:
 - We seek to sustain “base services” that are dependable and helpful to a stressed community
 - We seek to model the same austerity and sacrifice in our actions that is impacting our stakeholders
 - As we are able, we are a flywheel and stimulus for the recovery
 - Devise sustaining techniques for the key foundational services and programs that are valued municipal services

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FY20-21 Budget Approach

The FY20-21 City Manager’s Budget Approach aspires to achieve key objectives:

- Multi-year budgeting approach to prepare for dampening of commercial values and the unpredictability of key revenue sources
- Building fund balance and select reserves to assist with economic uncertainties
- Sustaining efforts to invest in the City’s infrastructure and neighborhoods
- If warranted, implementing a careful and measured restoration strategy

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FY20-21 Budget Approach Results in Key Decisions

- **Intensify revenue analysis**
 - Review and update revenues each month
 - Utilize multi-year revenue forecasts to examine future impacts
 - Conservatively forecast key revenue sources due to economic uncertainties
- **Focus on core essential services and maintaining key infrastructure**
 - Suspend hiring except for critical positions
 - Continue to modify service delivery methods to ensure that citizens and employee remain safe
- **Consider options**
 - Transitioning a few select expenses to other funds
 - Postponing specific events/programs for safety and congruency

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City Work Plan and Implications of Budget Approach

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FY20-21 City Work Plan and Attentions

- The development of the FY 2020-2021 City Work Plan continues to be focused on:
 - Providing core City services
 - Investing in the City’s infrastructure
 - Supporting neighborhoods
 - Assisting in the community’s recovery
 - Preparing for the future

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Neighborhood Initiatives

Multi-Year
Neighborhood
Park Maintenance
Strategies

Dedicated Funding
for Alley Repairs

Street
Maintenance
Strategies

Matching Fund
Beautification
Program

Home
Improvement
Incentive Program

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Neighborhood Initiatives

FY20-21 Key Initiatives:

Neighborhood Parks Maintenance Strategies:

- Funding for neighborhood park improvements at 9 different parks and one median project

Dedicated Alley Funding:

- Dedicated funding for 83 alley segment repair projects

Street Maintenance Strategies:

- One residential area – Canyon Creek
- Collector street repairs – E. Buckingham, S. Glenville and N. Collins
- Arterial street repairs – Arapaho, Centennial

Matching Fund Beautification Program:

- Matching funds for five neighborhood projects

Home Improvement Incentive Program:

- Funding for 146 homes in FY20-21

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FY21 Proposed Neighborhood Park Improvements

- **Trail Improvements: \$33,000**
 - Breckinridge
- **Backstop Improvements: \$30,000**
 - Berkner
- **ADA Improvements: \$55,000**
 - Breckinridge Park "C"
- **Median Landscaping: \$20,000**
 - Spring Valley Road east
- **Irrigation System Improvements: \$190,580**
 - Duck Creek, Creek Hollow
- **Sports Field Maintenance Enhancements: \$84,000**
 - Richland, Huffhines, Woodland, Creek Hollow, Yale, Heights

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FY20-21 Proposed Neighborhood Park Improvements



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FY19-20 Parks and Recreation Year-Ending Attentions

- Parks Capital Improvements Planning
 - Trident Property master planning
 - Update of assessments on all parks
- Park Vista Drive rehabilitation at Keffler Ballpark

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Infrastructure Initiatives



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Infrastructure Initiatives Streets, Alleys, Traffic

Note: Funding for dedicated infrastructure maintenance, economic development and Equipment Replacement Fund are currently not indexed

FY20-21 Streets and Alleys Key Initiatives:

- Sustained funding of preventative maintenance through penny tax
- Increased focus on collectors through penny tax
- Funding for asphalt overlay program as a bridging strategy through penny tax
- Continued focus on alley repairs through penny tax

FY20-21 Traffic Signs, Traffic Markings Key Initiatives:

- Implementation of traffic operations central system software
- Upgrade of traffic detection equipment at 43 intersections
- Replace traffic regulatory and warning signs as needed in Zone 1
- Refresh bike line markings on Yale from Belt Line to Campbell

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Infrastructure Initiatives Water Fund and Drainage Fund

FY20-21 Water Key Initiatives

- Assessment of Copper Ridge, Collins and Renner elevated storage
- Completion of Northside Water Tower construction
- Waterline replacements for 2015 Bond Program Street Projects
- Meter replacement program

FY20-21 Sewer Key Initiatives:

- Continuation of CMOM initiatives
- Prairie Creek condition assessment
- Spring Creek Basin condition assessment
- Cottonwood basin rehabilitation
- Construction of sewer projects

FY20-21 Drainage Key Initiatives:

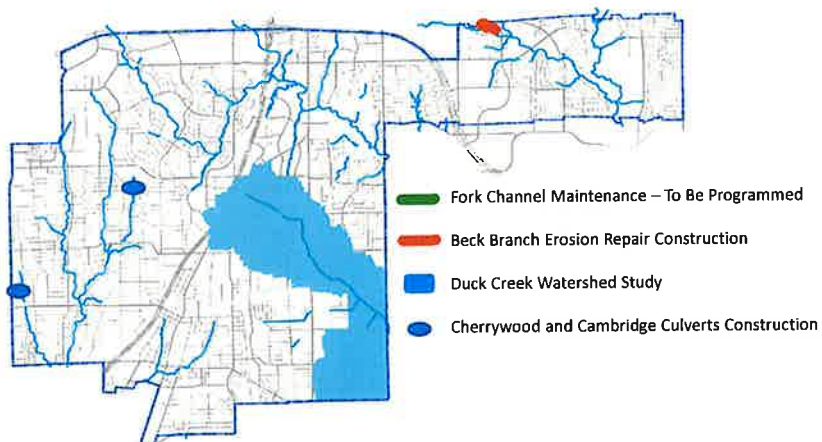
- Completion of Duck Creek watershed stream assessment
- Completion of design and design/construction of flood prevention projects
 - Beck Branch Erosion
 - Cherrywood and Cambridge Culverts

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FY 20-21 Drainage Key Initiatives



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What's Currently Incorporated Into the Budget

The following broad categories provide essential City services to residents and businesses and are currently included in the FY20-21 Budget:

- Core city services and departmental programs
- Maintenance of critical infrastructure
- Funding for filled positions or positions that the City is currently recruiting for or that provide core city services. Sustaining a “freeze” on other open positions
- Neighborhood support services

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What's Currently Not Incorporated Into the Budget

Due to concerns regarding safety of citizens/participants, congruence with community needs and financial uncertainties, the following items are not currently included in the FY20-21 Budget:

- CARES funding for COVID-19 support (update to be provided in Fall 2020 after funding details are finalized)
- Funding for “frozen positions”
- Recommended but not required maintenance of facilities/infrastructure
- Compensation adjustments for City employees
- Community events
- Restoration of most departmental expenditure reductions for core services

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Community Events versus Departmental Programs

- **Community Events**
 - Gatherings that appeal to a broad portion of the city
 - Community events typically require multiple departments to help support an event
 - Currently not incorporated into the budget, staff working on alternate options to experience events remotely
 - Examples: Family 4th Celebration, Wildflower, Cottonwoods,
 - **Departmental Programs***
 - Offerings that appeal to a specific portion of the city
 - Departmental programs typically require only limited support outside of the department hosting the program
 - Often has revenue that offsets expenses
 - Currently incorporated into the budget
 - Examples: Daddy Daughter Dance, Police/Fire Citizens Academies.....
- * Departmental programs that are funded will need to be evaluated based on safety and congruency factors

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Restoration Strategy

- **Measured and careful restoration of non-recurring expenses could be considered as/if:**
 - Financial trends/forecasts are positive for a sustained period AND
 - Options are congruent with community conditions
- **Potential restoration options might include:**
 - Reinstatement of funding for maintenance of infrastructure
 - Select filling of City positions to fulfill core services/maintenance activities
 - Community engagement initiatives
 - Funding for select departmental budgets reductions for core services

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General Fund Overview

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Certified Tax Estimates

- In order to certify an appraisal roll, the appraisal district must resolve 95% of the total value district-wide
- If the district cannot meet this benchmark by July 25, the Chief Appraiser prepares a "Certified Tax Estimate" that must be used for budget purposes
- Due to delays in Appraisal Review Board (ARB) hearings at both appraisal districts, Certified Estimates have been provided
- These Estimates include all actual values that have been resolved and the Chief Appraiser's best estimate of the outcome of future ARB hearings
- A true Certified Roll will be provided at a future date as ARB hearings are resolved and may result in better taxable values if the Chief Appraiser's estimates were too conservative
 - DCAD expected late August
 - CCAD expected mid-September

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Estimated Tax Rolls

	2019 Tax Year	2020 Tax Year	Change
DCAD	\$10,537,549,812	\$8,518,128,026	(\$2,019,421,786)
CCAD	7,577,535,894	8,220,000,000	642,464,106
Values in Dispute	227,175,512	1,545,960,352	1,318,784,840
Total Tax Values	\$18,342,261,218	\$18,284,088,378	(\$58,172,840)
TIF Values	(1,839,066,377)	(2,078,813,281)	(239,746,904)
Total for Gen Fund/Debt	\$16,503,194,841	\$16,205,275,097	(\$297,919,744)

- The 2020 values reflect a **1.81%** decrease from 2019
- Conservative estimates surrounding increased Values in Dispute (VID) drive this year's value loss
- An additional \$600 million in appraised value could be restored to the roll later in the fall when ARB hearings are completed

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Property Tax – Senate Bill 2

- Senate Bill 2 established a 3.5% tax cap, with protective exceptions for communities that have experienced a disaster
- The 3.5% cap does not include taxes on:
 - New construction
 - Property added to the roll due to an expiring abatement agreement
- Staff is working to finish calculating the voter-approval rate
- Given the loss in taxable value based on Certified Estimates, it is unlikely the City will trigger the 3.5% cap
- Even with these losses, the City will propose keeping the tax rate the same at \$0.62516/\$100 valuation

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Property Tax Rate Considerations: Preserving Options

- SB 2 allows for any difference between a proposed tax rate that is lower than the 3.5% voter-approval rate to be banked for up to three years (i.e. 3-year rolling sum) and applied to a future tax year
 - There is **no requirement** to use any banked amount

- SB 2 disaster provisions triggered by the pandemic allow the City Council to direct staff to calculate the voter-approval rate at 8% instead of 3.5%
 - Authorizing this relief **does not require** adoption of a rate above 3.5%, just gives the **flexibility** to do so
 - This provision is valid for two additional tax years and possibly a third depending on how taxable values compare to the current year's values
 - A resolution could be placed on the August 3 agenda for further consideration

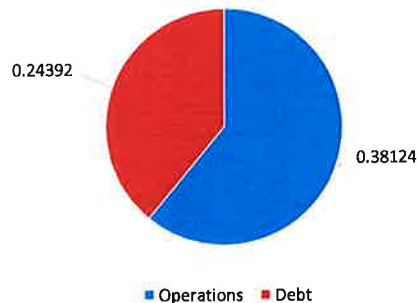
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General Fund - Property Tax

\$0.62516 Tax Rate



- No change in the tax rate proposed
- Currently projecting a 1.81% decrease for FY20-21 due to a loss in value caused by significant Values in Dispute
 - Declines in future years likely due to ongoing pandemic impacts
- Property taxes make up 47.5% of General Fund revenues

Senior Tax Exemption:

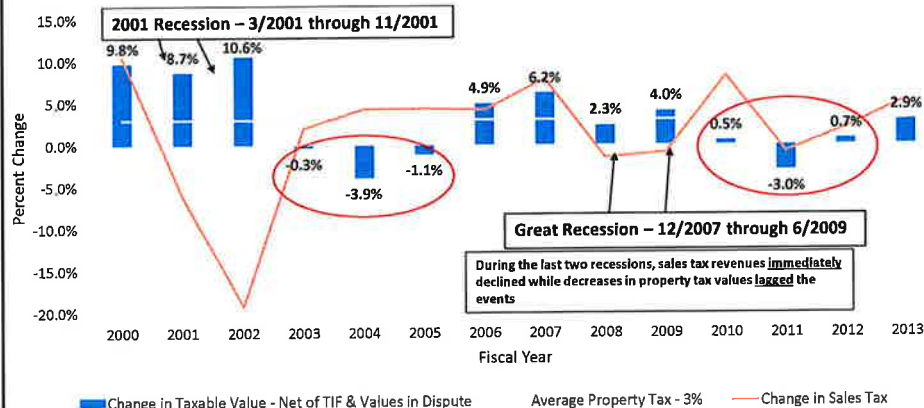
- Maintained at \$100,000
- Goal is to maintain a 30% protection objective

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Change in Taxable Value & Sales Tax Fiscal Year 2000 through 2013



FY20-21 Budget Assumptions Revenue

The FY20-21 City Manager's Proposed Budget was developed using the following key assumptions:

- **Sales Tax Revenue:**
 - Cautionary approach due to uncertainty of COVID-19's impact on the community and businesses
 - Anticipating reduced sales tax for the next several months compared to prior year receipts
 - Estimating gradual recovery of economic activity resulting in increased sales tax revenue starting in 2021
- **Other General Fund Revenue:**
 - Conservative recovery in other revenue sources that are based on economic activity or user fees

Why Aren't Sales Tax Collections Worse?*

- Congressional fiscal stimulus packages have insulated some citizens (keeping workers on payroll, providing enhanced unemployment)
- Purchase of expensive, work-at-home technology
- Consumer hoarding “sped” up some sales
- Interest rates were reduced
- New sales tax from remote sellers
- Our unique mixture of business to business “essential” services and products (i.e. technology, insurance)

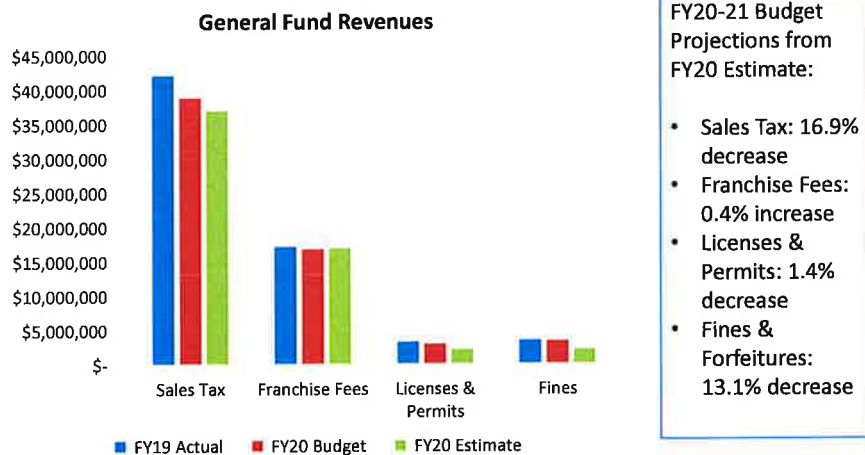
* Texas Taxpayers and Research Association

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General Fund Revenues



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FY20-21 Budget Assumptions Expenditures

The FY20-21 City Manager’s Proposed Budget was developed using the following key assumptions:

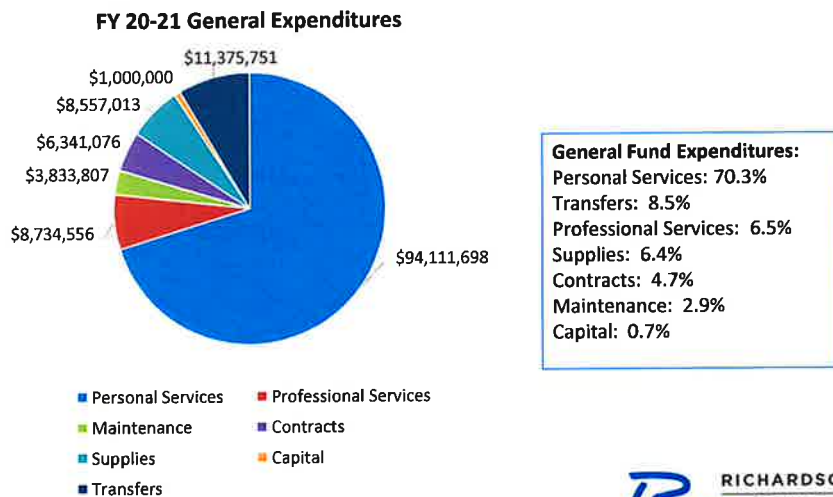
- General Fund Expenditures:
 - Restrained departmental operating expenditures focusing on essential services
 - A 6.7% reduction in operating expenditures from FY19-20 Budget to FY20-21 Budget
 - Sustained efforts to invest in the City’s key infrastructure and support neighborhoods
 - Attentiveness to capital planning to lay a foundation to reinvest in infrastructure and community assets in the future
 - No compensation adjustment budgeted at this time
 - No large community events budgeted until we have:
 - Congruence with community conditions
 - Confidence in the General Fund financial assumptions
 - Solid understanding of the future of events with COVID-19 safety measures

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FY20-21 Proposed General Fund Expenditures



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Preview of July 28th Budget Discussions

- Capital and Debt Planning
- Water/Sewer Fund
- Solid Waste Fund
- Golf Fund
- Hotel Fund

- Opportunity for City Council to share thoughts regarding development of the FY21 budget



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Evening Closing Thoughts

- We have been well-served by prior policy and approaches going into this challenge.
- We trust that the techniques of aggressive monitoring, condition reassessments, and flexibility have been emphasized as the key tools that will guide our fiscal planning for this next year.



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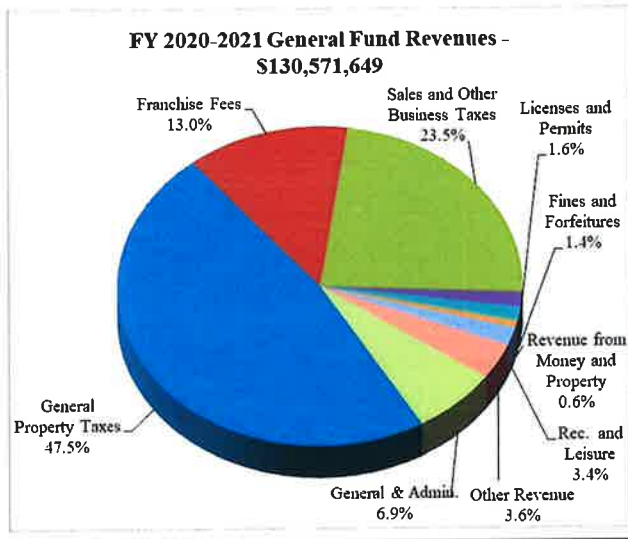
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General Fund

The General Fund is the largest of the City's five operating funds, accounting for most of the City's financial resources except those required for debt or specifically attributable to the enterprise funds. The General Fund provides for basic city services such as public safety, parks and administration.

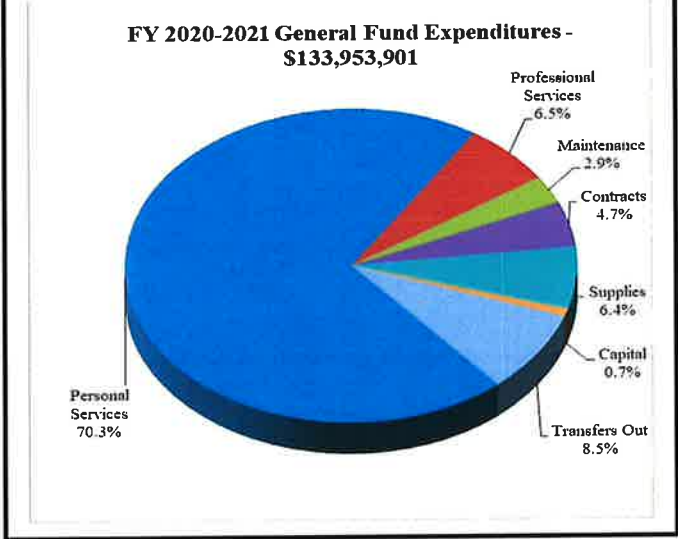
Sources

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 84.0% 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 70.3% 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

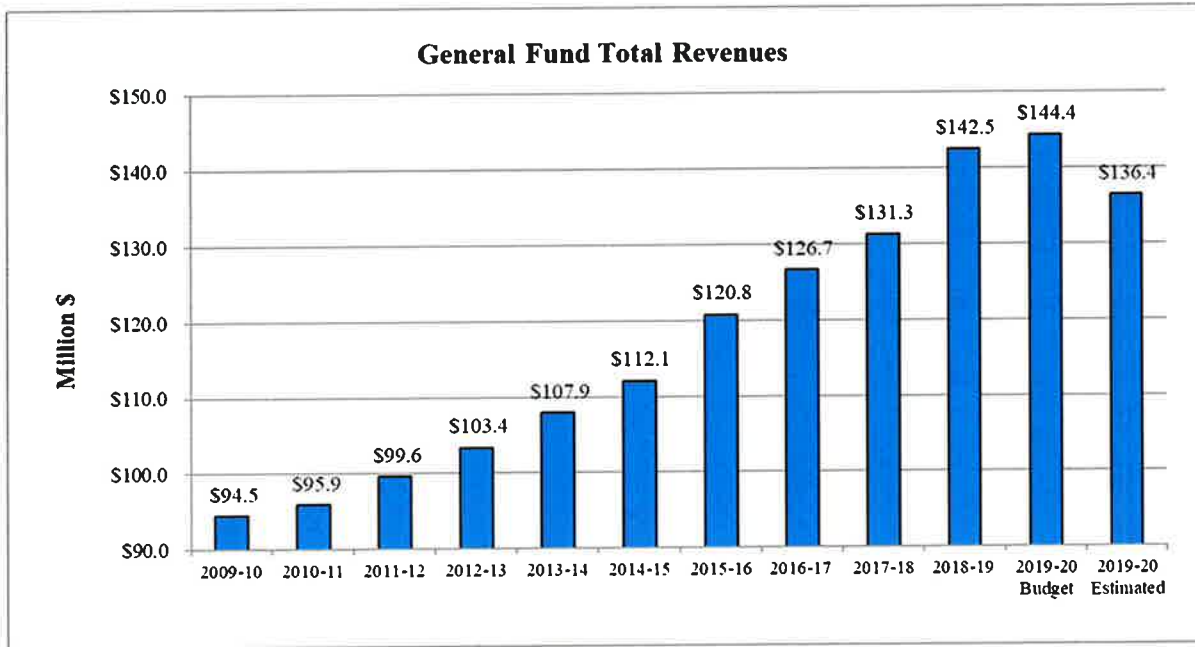
The General Debt Service Fund hosts the revenue and expenses for general debt service obligations. The primary source of revenue is general property taxes and expenditures include the annual debt services payments for outstanding debt not financed through other debt service funds.

GENERAL FUND

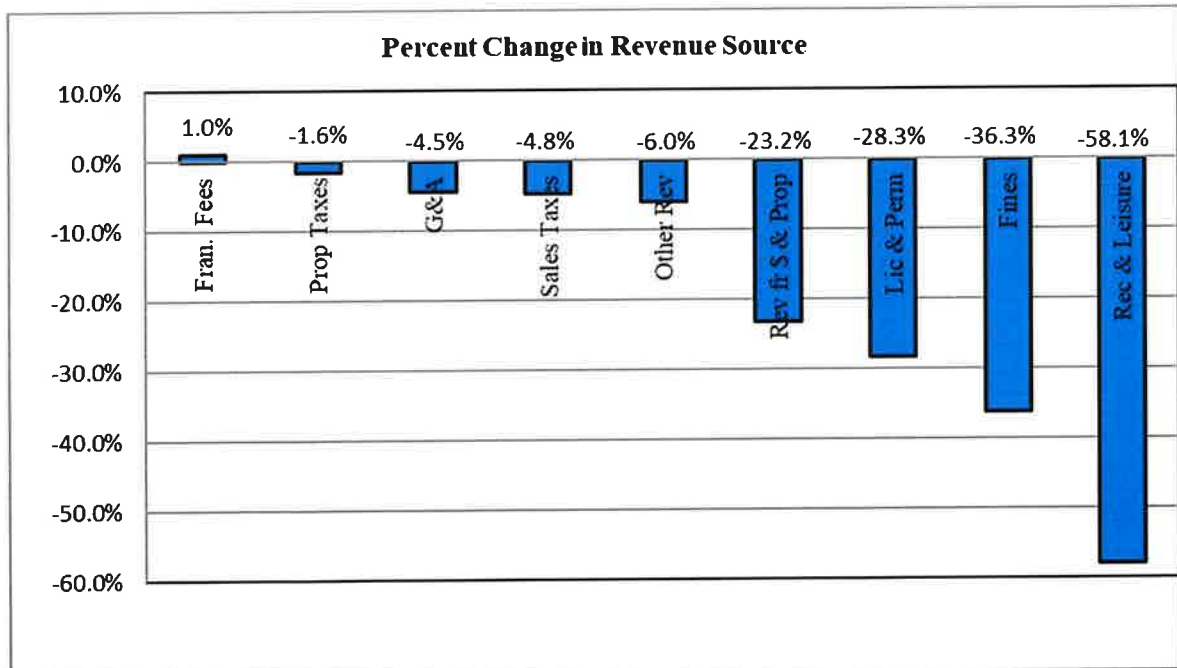
2019-2020 Year End Estimate

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 \$136.4 million or (\$8.1 million) below the original budget projections.



- Of the 9 major categories of revenue sources, only Franchise Fees is expected to be at or above original revenue projections while the remaining 8 categories are expected to be at or lower than original budget estimates.



General Property Taxes

- Property Tax revenues for FY 2019-2020 were predicated on a citywide assessed value tax base of \$16.5 billion which included a July 2019 Certified Tax Base of \$18.1 billion, \$227.2 million of values in dispute still outstanding at the time of DCAD roll certification and a reduction of (\$1.8 billion) for the Tax Increment Financing Districts. Year-end estimates call for total collections, including prior year taxes and penalties of \$62.3 million for General Fund operations, a decrease of (\$1.0 million). 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 estimate does not yet include a possible \$250,000 that may be recorded in the 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 the debt service fund receives is property taxes and the interest it earns, this year-end balancing treatment is required to maintain 30 days in fund balance. The necessity of the transfer will be determined after all revenue is collected at year-end.

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 \$173,000 over the original budget of \$16.7 million. The largest increases are expected in the telecommunication franchise of \$262,000 and cable services of \$254,000. The largest decrease of (\$189,000) is expected in the natural gas franchise fee followed by declines in water and sewer of (\$138,000). The two remaining fees, solid waste services and electric, combine for a decrease of (\$15,000).

Sales Taxes

- Total Sales and Other Business Taxes were budgeted at \$38.8 million for FY 2019-2020. Due to the anticipated economic effects of the pandemic, actual collections are anticipated to end the year at \$36.9 million. Sales Tax is expected to decrease (\$1.8 million) from original budget while Mixed Beverage and Bingo Tax combined will end (\$92,000) below original budget of \$647,000.

License and Permits

- License and Permits are expected to finish the year (\$823,000) below the original budget of \$2.9 million. As you can see in the charts on the next page, apart from the number of Residential and Non-Residential Alterations, all measures are decreasing from last year in both the number and value of permits. The rise in the Alterations and Additions is primarily due to the October tornado event.

No. Of Permits Comparison				
	YTD 2017-2018	YTD 2018-2019	YTD 2019-2020	% Change FY19– FY20
New Buildings				
Residential	80	62	45	-27.42%
Non-residential	55	47	43	-8.51%
Subtotal	135	109	88	-19.27%
Additions & Alterations				
Residential	1164	957	1264	32.08%
Non-Residential	267	273	280	2.56%
Subtotal	1,431	1,230	1,544	25.53%
Total	1,566	1,339	1,632	21.88%

Permit Valuation Comparison				
	YTD 2017-2018	YTD 2018-2019	YTD 2019-2020	% Change FY19– FY20
New Buildings				
Residential	\$61,700,332	\$204,345,428	\$88,332,608	-56.77%
Non-residential	\$197,871,004	\$126,963,187	\$115,446,657	-9.07%
Subtotal	\$259,571,336	\$331,308,615	\$203,779,265	-38.49%
Additions & Alterations				
Residential	\$21,977,329	\$23,836,278	\$36,374,116	52.60%
Non-Residential	\$105,140,543	\$99,315,984	\$69,348,170	-30.17%
Subtotal	\$127,117,872	\$123,152,262	\$105,722,286	-14.15%
Total	\$386,689,208	\$454,460,877	\$309,501,551	-31.90%

Fines and Forfeits

- Revenue from Fines and Forfeits are expected to be (\$1.2 million) under the original budget of \$3.3 million.

Revenue from Money/Property

- Revenue from Money/Property, which includes interest earnings and the Civic Center revenues, is expected to end the year (\$257,000) below the original budget of \$1.1 million. Civic Center operations were suspended March 13, 2020 due to the COVID-19 pandemic.

Recreation and Leisure Services

- With event cancellations and temporary closures of recreation facilities, revenue received from Recreation and Leisure Services is expected to end the year (\$2.3 million) below the original budget of \$4.0 million.

Other Revenues

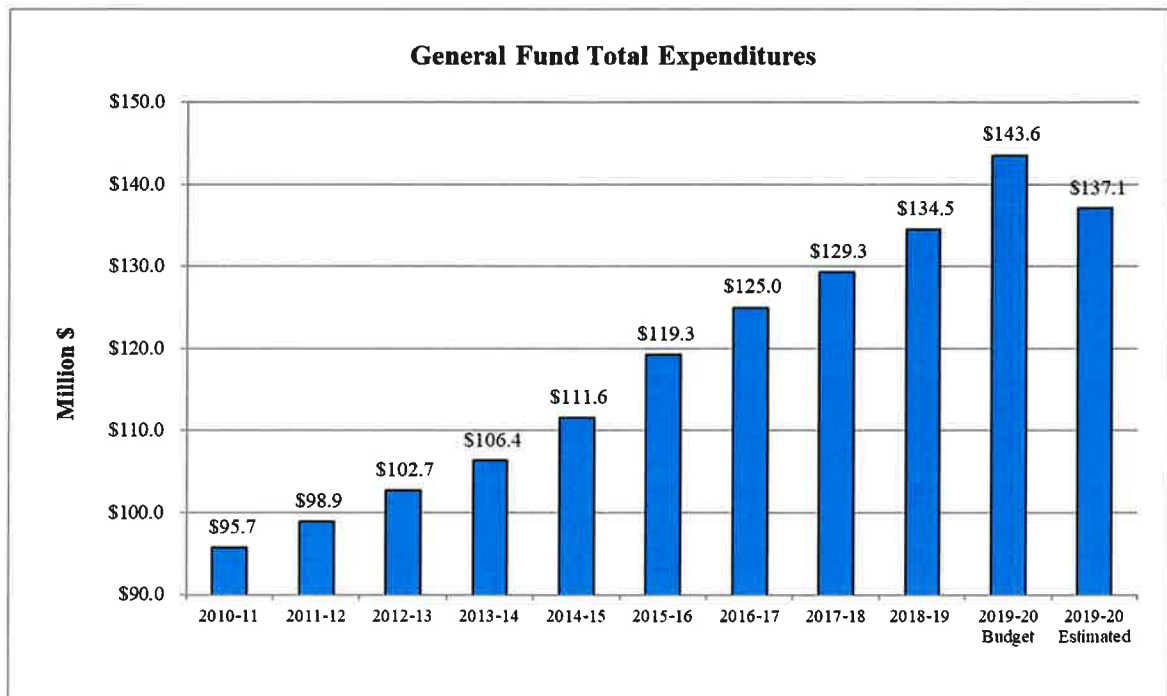
- The Other Revenues category is expected to end the year at \$4.6 million, a decrease of (\$297,000) from the original budget. The largest decrease, (\$448,000) is in the 9-1-1 Fees. As with the telephone line franchise fee, more people are discontinuing their landline service to their home.

General & Administrative

- The General and Administrative (G&A) Transfer revenue category is expected to end the year (\$420,000) below the original budget of \$9.3 million. The Hotel Motel Tax Fund G&A Transfer of \$350,000 will be suspended to help offset the loss of revenue in that fund. As is normal practice, the transfer from the Hotel Motel Tax Fund to support CVB operations in the General Fund will be tuned to match their year-end expense.

Expenditures

- Total Expenditures and Transfers for the General Fund are estimated to end the year at \$137.1 million or (\$6.5 million) below the original budget.



- In active response to the pandemic, departments have submitted year-end estimated operating expenditures totaling \$125.1 million, a decrease of (\$7.1 million) from original budget.
- Through cost cutting and strategically freezing 31 full time and 11 part time vacant positions, departments have recognized (\$5.2 million) or -5.3% in savings in the Personal Services category.
- Professional Services decreases (\$541,000) or 5.5% from the original budget of \$9.9 million. Reductions of note included (\$40,000) savings in dues, (\$40,000) in third party building inspections and (\$100,000) by deferring the bridge rail program. Remaining savings was achieved through cost cutting measures across the departments.
- The Maintenance account group decreases (\$357,000) from its original budget position of \$4.9 million. Much of the savings was achieved by strategically deferring some minor and routine facility maintenance.
- Contracts are expected to end the year (\$468,000), or -5.4% below the original budget. This includes \$1.2 million in disaster relief expenses (both tornado and pandemic) offset by savings from the cancellation of the Wildflower! Art and Music Festival.
- Supplies decrease (\$530,000) or -5.4% from the original budget. The savings is attributable to three major expenses;
 - Lower fuel prices (\$298,000)
 - Light and Power (\$213,000)
 - Natural Gas (\$46,400)
- Operating Transfers Out is estimated to end the year \$600,000 over budget due to an anticipated need in the Hotel Motel Tax Fund. As briefed to the City Council on July 13, and discussed later in this presentation, we are anticipating a dramatic decline in revenues in the Hotel Motel Tax Fund related to the pandemic. As mentioned in that briefing, the recovery

for that market could take multiple years. This transfer will bolster the fund balance for the coming fiscal year and help insure the financial stability of the fund. If the recovery takes longer than expected, additional support from the General Fund may be necessary over the short-term planning horizon.

Fund Balance

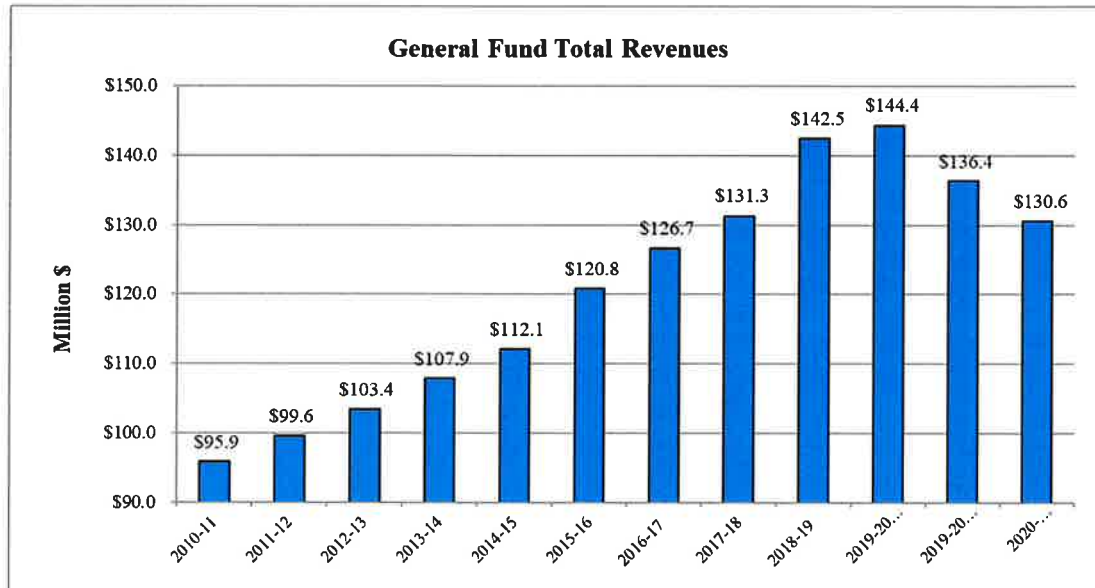
- Fund balance is estimated to end the year at 79.4 days in compliance with the financial policy for the General Fund, 9.1 days of fund balance above the 70.3 days at original budget.
 - The ending fund balance is net of the remaining \$2.0 million of the original \$4.0 million reserve for the October 2019 tornado in Southeast Richardson

GENERAL FUND

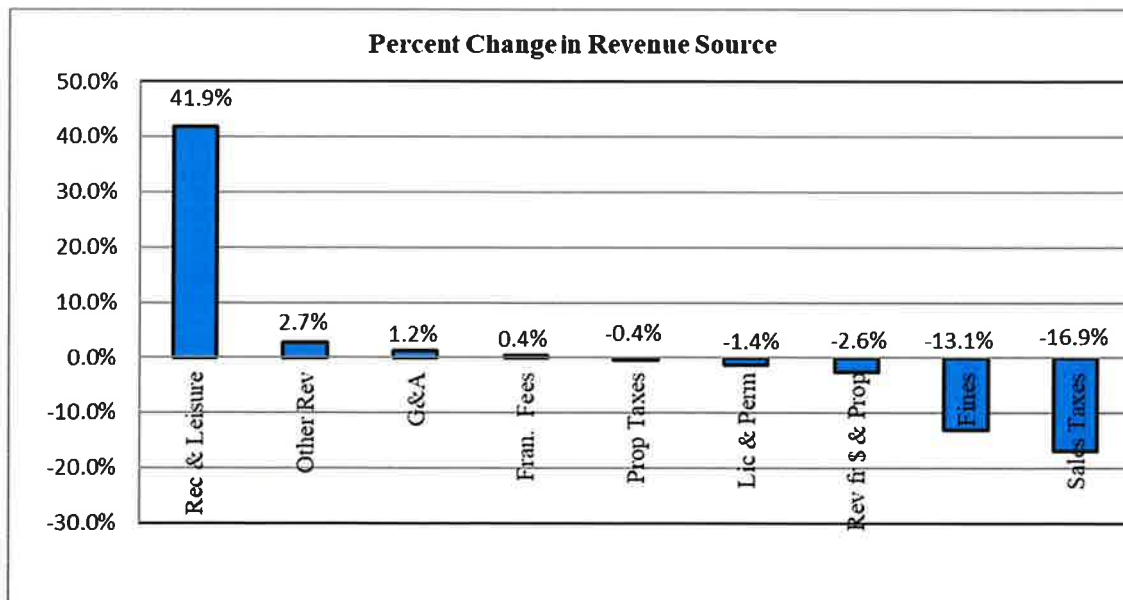
2020-2021 Budget

Revenues

- Total Revenues for the General Fund of \$130.6 million, a decrease of (\$5.8 million) from the estimated year-end revenues of \$136.4 million.



- Of the nine major revenue categories, revenue from Property Tax, Sales Tax and Franchise Fees comprise 84.0% of all projected General Fund revenues for 2020-2021. Of the nine revenue sources, 4 are budgeted above year end estimates while the remaining 5 are at or below year-end estimates for 2019-2020.



Property Taxes

- The FY 2020-2021 budget is based on an Estimated Certified 2020 Tax Roll of \$16.7 billion plus \$1.5 billion of Values in Dispute minus TIF values of (\$2.1 billion) for a net taxable value of \$16.2 billion, a decrease of -1.81%.

	Certified 2019	Estimated Certified 2020	\$ Change	% Change
Certified	\$18,115,085,706	\$ 16,738,128,026	\$(1,376,957,680)	-7.60%
VID	\$ 227,175,512	\$ 1,545,960,352	\$ 1,318,784,840	580.51%
TIF 1	\$ (879,416,749)	\$ (1,002,701,706)	\$ (123,284,957)	14.02%
TIF 2	\$ (830,447,820)	\$ (895,264,244)	\$ (64,816,424)	7.80%
TIF 3	\$(129,201,808)	\$ (180,847,331)	\$ (51,645,523)	39.97%
Total	\$16,503,194,841	\$ 16,205,275,097	\$ (297,919,744)	-1.81%

- Property Tax Revenues for operations are projected at \$61.8 million reflecting a (\$1.1 million) decrease from budgeted 2019-2020 Property Tax Revenues.
- 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.

DCAD 2020 Tax Roll – Percent of Parcels Reappraised			
	2018	2019	2020
Residential	90%	49%	34%
Commercial	48%	50%	58%
BPP	100%	100%	100%
All	89%	58%	47%

- Using the projected value, each 1% of the 2020 tax roll is worth about \$1.0 million of tax revenue. Each \$0.01 cent of the tax rate is worth about \$1.6 million. These estimates are before their debt/operations splits. These will adjust slightly as a certified roll is resolved.
- The City Council kept the Over 65 and Disabled Persons tax exemption at \$100,000 for the second year. The exemption will maintain the goal of providing a 30% tax benefit and save those receiving the exemption an average of \$625 a year in City property taxes.
 - The average value of a senior's home would have to increase by 11% before the \$100,000 exemption fell below the 30% financial policy goal.
 - At \$100,000, the exempted taxes are estimated to total \$5,310,734 with an incremental cost to the City of \$179,911 over last year.
 - Operations = \$109,715 and Debt Service = \$70,196
- The current FY 2019-2020 tax rates for our comparative cities are presented in the following table.

Current 2019-2020 Adopted Rates				
City	2019 Tax Rate	2019 Homestead	2019 Over 65	2019 Over 65 Freeze
Frisco	\$0.446600	10%	80,000	No
Plano	\$0.448200	20%	40,000	Yes
Allen	\$0.489000	N/A	50,000	No
McKinney	\$0.515600	N/A	65,000	No
Carrollton	\$0.589970	20%	60,000	No
Irving	\$0.594100	20%	45,000	No
AVERAGE	\$0.617718		60,846	
Arlington	\$0.624000	20%	60,000	Yes
Richardson	\$0.625160	N/A	100,000	No
Grand Prairie	\$0.669998	1%	45,000	Yes
Mesquite	\$0.734000	N/A	65,000	Yes
Fort Worth	\$0.747500	20%	40,000	Yes
Garland	\$0.769600	8%	51,000	No
Dallas	\$0.776600	20%	90,000	No

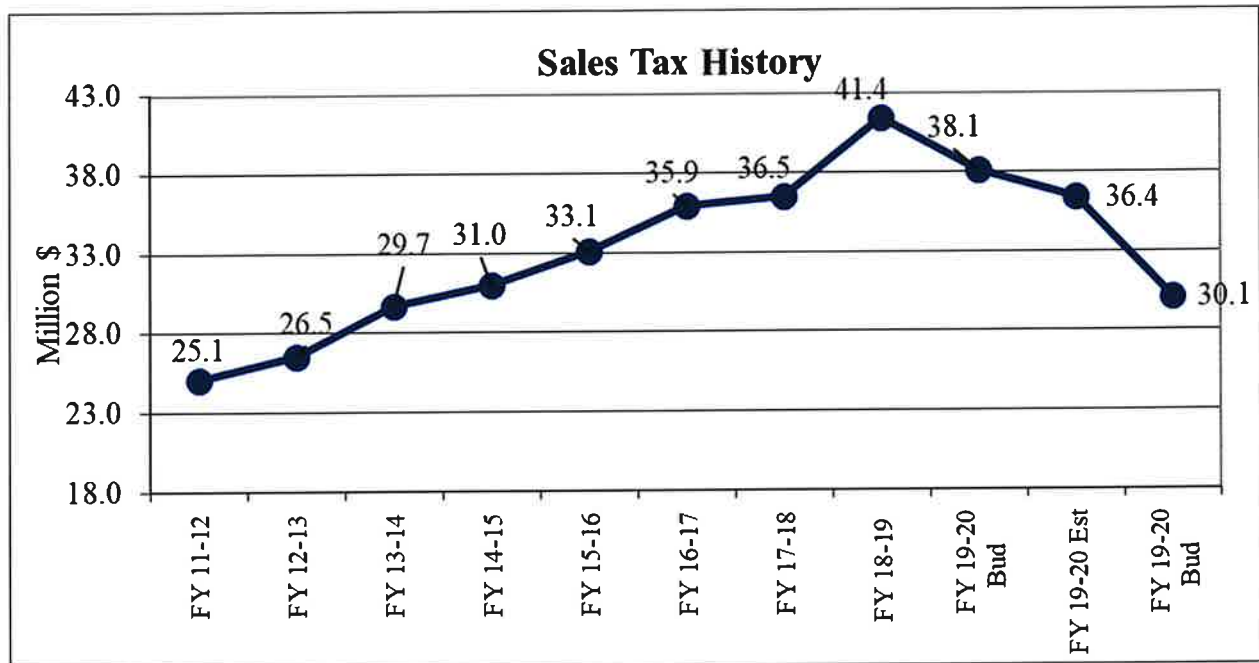
Franchise Fees

- Franchise Fees are projected at \$17.0 million for FY 2020-2021, an increase of \$66,000 from estimated year-end, with minor increases and decreases in the category.

Sales and Other Business Taxes

- Sales and Other Business Taxes are projected at \$30.7 million for FY 2020-2021 reflecting a decrease of (\$6.3 million) from estimated year-end revenues. We are cautiously anticipating dampened economic activity as we continue to work through the effects of Covid-19 in the coming year.

	Significant State Audit			Budget	Significant State Audit		
	Base Actual	Adjustments	Actual		Base Actual	Adjustments	Actual
NOV	\$ 3,584,617	\$ 171,044	\$ 3,755,661	\$ 3,527,224	\$ 3,165,747	\$ -	\$ 3,165,747
DEC	3,001,514	220,382	3,221,896	3,032,257	3,570,256	309,109	3,879,365
JAN	2,722,005	-	2,722,005	2,628,520	3,268,343	(482,544)	2,785,799
FEB	3,850,030	523,253	4,373,283	4,131,437	5,452,102	241,789	5,693,891
MAR	3,396,228	(528,830)	2,867,398	2,880,890	3,001,072	169,868	3,170,940
APR	2,569,406	557,266	3,126,672	2,603,716	2,503,738	282,346	2,786,084
MAY	3,554,607	-	3,554,607	3,664,104	3,757,012	-	3,757,012
JUN	2,781,398	402,588	3,183,986	2,820,652	2,996,868	139,314	3,136,182
JUL	2,731,801	220,854	2,952,655	2,876,919	3,079,993	178,166	3,258,159
Cumulative	\$28,191,606	\$ 1,566,557	\$29,758,163	\$28,165,719	\$30,795,131	\$ 838,048	\$31,633,179
AUG	3,809,223	258,450	4,067,673	3,657,880	-		
SEP	3,428,036	477,403	3,905,439	3,204,939	-		
OCT	3,017,350	677,220	3,694,570	3,107,195	-		
TOTAL	38,446,215	2,979,630	41,425,845	38,135,733	30,795,131	838,048	31,633,179



- Mixed Beverage and Bingo receipts are anticipated to remain flat from the current year-ending position.

License and Permits

- License and Permits are projected to remain flat at \$2.1 million with only minimal changes in each category.

Fines and Forfeits

- Fines and Forfeits are expected to decrease (\$277,000) to \$1.8 million.

Revenue from Money and Property

- Both Interest Earnings and Civic Center revenue decline -2.6%, or (\$22,000) from their year-end position on \$851,000.

Recreation and Leisure Services

- Recreation and Leisure Services revenues are budgeted at \$2.4 million, an increase of \$704,000. Most of the increase is based on an anticipated increase in summer activities next year.

Other Revenue

- Projected at \$4.7 million or \$123,000 over estimated year-end for FY 2019-2020 with modest increases across most categories.

General and Administrative/Transfers

- Total revenue from G&A Transfers is projected at \$9.0 million, an increase of \$111,000 from FY 2019-2020. This increase is tied to inflation as outlined in the indirect cost study by MGT America.

Expenditures

Total Expenditures and Transfers for the General Fund are projected at \$134.0 million, a decrease of (\$3.1 million) or -2.3% from the FY 2019-2020 year-end estimates and a decrease of (\$9.6 million), or -6.7% from the original FY 2019-2020 budget.

- **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 \$94.1 million, an increase of 0.4% from the year-end estimate of \$93.7 million and account for 76.8% of the total General Fund daily operating budget.
 - No salary adjustments are requested at this time.
- **Non-Personnel Operations** – For FY 2020-2021, Non-Personal Services operating line items are currently proposed at \$28.5 million, a decrease of (\$3.0 million) or -9.4% from year end.
 - **Professional Services** – Decrease (\$643,000) or -6.9% from the year end while maintaining due to some maintenance expenses being charged to the TIF Fund for work performed within its boundaries.
 - \$1.6 million for Parks and Recreation maintenance contracts, a decrease of (\$317,000) from year end.
 - \$778,000 for Information Technology Cloud Computing including Office 365, as well as other functions like accommodating off-site data storage and disaster recovery functionality. This is increase of \$43,000
 - **Maintenance** – This category will decrease (\$747,000) or -16.3% for FY 2019-2020 through strategic postponed or deferment of routine maintenance.
 - Traffic will receive \$510,000 for signs, markings, signal systems and lighting. This represents a (\$170,000) decrease from year-end.
 - Facility Maintenance will receive \$122,000 for minor facility repairs and upgrades as needed throughout the year representing a (\$200,000) decrease from year-end.
 - Parks staff continues to be attentive to park planning and grant opportunities for future park needs.
 - **Contracts** – Decrease (\$1.8 million) or -22.2% from year end. Areas of decrease include;
 - FY 2019-2020 includes \$1.2 million for tornado relief and COVID-19 expenses that will not be expected in FY 2020-2021.
 - The cancellation of Special Events for FY 2020-2021 account for another (\$635,000) decline from year-end estimates. As previously briefed to City Council, these events could be reactivated if proper progress is made with the pandemic.
 - The Home Improvement Incentive Program budget will increase \$6,000 based on the participation of 146 residents and the preliminary values from the appraisal districts. This amount may change once the true value impacts of the properties are assessed. Established by the City Council in February of 2007, the purpose of the Home Improvement Incentive Program is to positively affect the value of the City's housing stock by encouraging reinvestment in residential neighborhoods. Since the program's inception, over 1,716 projects have applied to take part in the program. Because of these projects, over \$112.4 million dollars has been added to the tax roll. Of that total, just over 421 projects have invested over \$100,000 each back into residential housing stock.

- **Supplies** – Decrease (\$750,000) from year end due substantially to the exclusion of \$434,000 of the prior year encumbrances from year end 2019-2020.
 - The remaining decreases are spread across multiple line items in most departments.
- **Capital** – Increases \$1.0 million from year-end for screening wall repair related to the October 2019 tornado event. Funding for this project is provided through the year-end reserve for disaster recovery set aside in FY2018-2019.
- **Street Rehabilitation** – For the last 23 years, the City has set aside dedicated funding for the Street Rehabilitation program. For FY 2020-2021 this funding will provide \$3.8 million, the same amount as last year.
- **Alley Rehabilitation** – In FY 2016-2017, the City began setting aside dedicated funding for the Alley Rehabilitation program. For FY 2020-2021 this funding will provide \$1.5 million, the same amount as last year.
- **Information Technologies and Traffic Initiatives** – For the second year in a row, a dedication of \$1.85 million for annual I.T. and Traffic technology upgrades.
- **Economic Development** – This dedication will provide \$825,000 for economic development work in the upcoming year.
- **Parks Maintenance** – Beginning in FY 2018-2019, the City began setting aside dedicated funding for parks maintenance projects. FY 2020-2021, this amount is \$413,000, the same as last year.
- **Equipment Replacement Fund** – FY2020-2021 will be the third year of a pay as you go strategy for General Fund related machinery and equipment. This year's dedication to that effort is projected to be \$2.9 million.
- **Fund Balance** – The proposed budget ends the year 77.5 days, or 17.5 days over the Council prescribed 60.0 days of fund balance and builds an additional 1.5 days of fund balance above the FY 2018-2019 position of 75.9 days.

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

	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	BUD to BUD	EST to BUD
Beginning Designated Fund Balance	\$ 23,986,031	\$ 26,797,078	\$ 27,978,542	\$ 29,805,177	11.2%	6.5%
Reserve for Encumbrances	531,487	-	541,051	-	N/A	-100.0%
Reserve for Disaster Recovery	-	-	4,000,000	2,000,000	N/A	-50.0%
Adjusted Beginning Fund Balance	\$ 24,517,518	\$ 26,797,078	\$ 32,519,593	\$ 31,805,177	18.7%	-2.2%
Revenues						
General Property Taxes	\$ 57,178,216	\$ 63,348,865	\$ 62,306,183	\$ 62,079,885	-2.0%	-0.4%
Franchise Fees	17,110,594	16,718,902	16,892,162	16,958,248	1.4%	0.4%
Sales and Other Business Taxes	42,076,560	38,783,040	36,919,412	30,672,253	-20.9%	-16.9%
Licenses and Permits	3,162,860	2,908,521	2,085,777	2,056,104	-29.3%	-1.4%
Fines and Forfeitures	3,400,923	3,310,699	2,107,971	1,831,326	-44.7%	-13.1%
Revenue from Money and Property	1,235,946	1,108,025	850,870	828,972	-25.2%	-2.6%
Recreation and Leisure	3,890,521	4,010,045	1,680,891	2,384,821	-40.5%	41.9%
Other Revenue	5,624,003	4,921,935	4,624,851	4,747,738	-3.5%	2.7%
General and Administrative Charges	8,811,239	9,322,204	8,901,781	9,012,302	-3.3%	1.2%
Total Revenues	\$ 142,490,862	\$ 144,432,237	\$ 136,369,898	\$ 130,571,649	-9.6%	-4.3%
Total Available Funds	\$ 167,008,380	\$ 171,229,315	\$ 168,889,491	\$ 162,376,826	-5.2%	-3.9%
Expenditures						
Personal Services	\$ 93,277,159	\$ 98,892,825	\$ 93,691,422	\$ 94,111,698	-4.8%	0.4%
Professional Services	9,669,927	9,917,646	9,377,067	8,734,556	-11.9%	-6.9%
Maintenance	4,145,373	4,938,417	4,581,257	3,833,807	-22.4%	-16.3%
Contracts	8,320,093	8,619,705	8,151,674	6,341,076	-26.4%	-22.2%
Supplies	9,024,865	9,837,528	9,307,143	8,557,013	-13.0%	-8.1%
Capital	77,834	-	-	1,000,000	N/A	N/A
Total Expenditures	\$ 124,515,251	\$ 132,206,121	\$ 125,108,563	\$ 122,578,150	-7.3%	-2.0%
Transfers Out						
Street Rehabilitation	\$ 3,840,383	\$ 3,840,383	\$ 3,840,383	\$ 3,840,383	0.0%	0.0%
Alley Rehabilitation	1,536,153	1,536,153	1,536,153	1,536,153	0.0%	0.0%
Parks Maintenance	768,077	412,580	412,580	412,580	0.0%	0.0%
Special Projects	2,000,000	-	-	-	N/A	N/A
Information Tech and Traffic Initiatives	-	1,850,000	1,850,000	1,850,000	0.0%	0.0%
Economic Development	1,228,923	825,160	825,160	825,160	0.0%	0.0%
Transfer - Hotel/Motel Fund Support	-	-	600,000	-	N/A	-100.0%
Equipment Replacement Fund	600,000	2,911,475	2,911,475	2,911,475	0.0%	0.0%
Total Transfers Out	\$ 9,973,536	\$ 11,375,751	\$ 11,975,751	\$ 11,375,751	0.0%	-5.0%
Total Expenditures and Transfers	\$ 134,488,787	\$ 143,581,872	\$ 137,084,314	\$ 133,953,901	-6.7%	-2.3%
Revenue Over/(Under)	\$ 8,002,075	\$ 850,365	\$ (714,416)	\$ (3,382,252)	-497.7%	373.4%
Reserve for Encumbrances	\$ 541,051	\$ -	\$ -	\$ -	N/A	N/A
Reserve for Disaster Recovery	4,000,000	-	2,000,000	-	N/A	-100.0%
Ending Designated Fund Balance	\$ 27,978,542	\$ 27,647,443	\$ 29,805,177	\$ 28,422,925	2.8%	-4.6%
Days of Fund Balance	75.93	70.28	79.36	77.45	10.2%	-2.4%

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

	ACTUAL FY 2018-19	BUDGET FY 2019-20	ESTIMATE FY 2019-20	BUDGET FY 2020-21	VARIANCE	
					BUD to BUD	EST to BUD
<u>General Property Taxes</u>						
Current Taxes	\$ 56,822,075	\$ 62,916,780	\$ 62,022,089	\$ 61,780,991	\$ (1,135,789)	\$ (241,098)
Prior Taxes	20,097	120,679	25,200	150,000	29,321	124,800
Penalties and Interest	336,043	311,406	258,894	148,894	(162,512)	(110,000)
Total	\$ 57,178,216	\$ 63,348,865	\$ 62,306,183	\$ 62,079,885	\$ (1,268,980)	\$ (226,298)
<u>Franchise Fees</u>						
Electric	\$ 7,669,646	\$ 7,870,536	\$ 7,860,712	\$ 7,900,016	\$ 29,480	\$ 39,304
Telecommunications	2,475,479	1,938,242	2,200,694	2,090,659	152,417	(110,035)
Gas	1,195,357	1,273,722	1,084,656	1,090,079	(183,643)	5,423
Cable Television	1,100,732	611,492	865,193	856,541	245,049	(8,652)
Water & Sewer	3,962,560	4,297,580	4,159,216	4,288,185	(9,395)	128,969
Solid Waste Services	706,820	727,330	721,691	732,768	5,438	11,077
Total	\$ 17,110,594	\$ 16,718,902	\$ 16,892,162	\$ 16,958,248	\$ 239,346	\$ 66,086
<u>Sales and Other Business Taxes</u>						
Sales Tax	\$ 41,425,845	\$ 38,135,733	\$ 36,364,082	\$ 30,114,146	\$ (8,021,587)	\$ (6,249,936)
Mixed Beverage Tax	607,182	613,952	530,217	532,868	(81,084)	2,651
Bingo Tax	43,533	33,355	25,113	25,239	(8,116)	126
Total	\$ 42,076,560	\$ 38,783,040	\$ 36,919,412	\$ 30,672,253	\$ (8,110,787)	\$ (6,247,159)
<u>License and Permits</u>						
Building Permits	\$ 1,702,276	\$ 1,512,399	\$ 863,352	\$ 880,619	\$ (631,780)	\$ 17,267
Food Establishment Permits	278,100	285,753	218,855	165,000	(120,753)	(53,855)
Animal License & Shelter Fees	42,181	44,057	36,279	36,642	(7,415)	363
Alarm Fees	230,208	233,656	163,201	155,041	(78,615)	(8,160)
Apartment Inspection Fee	210,392	212,497	220,909	223,118	10,621	2,209
Rental Registration	247,875	249,341	231,292	232,448	(16,893)	1,156
Miscellaneous License and Permits	270,176	169,137	158,314	166,230	(2,907)	7,916
Construction Inspection Fees	37,252	59,493	44,075	44,516	(14,977)	441
Contractor Fees	144,400	142,188	149,500	152,490	10,302	2,990
Total	\$ 3,162,860	\$ 2,908,521	\$ 2,085,777	\$ 2,056,104	\$ (852,417)	\$ (29,673)
<u>Fines and Forfeitures</u>						
Municipal Court	\$ 3,322,014	\$ 3,202,784	\$ 2,082,689	\$ 1,803,516	\$ (1,399,268)	\$ (279,173)
Library Fines	78,909	107,914	25,282	27,810	(80,104)	2,528
Total	\$ 3,400,923	\$ 3,310,699	\$ 2,107,971	\$ 1,831,326	\$ (1,479,373)	\$ (276,645)
<u>Revenue from Money and Property</u>						
Interest Earnings	\$ 881,062	\$ 814,525	\$ 686,539	\$ 689,972	\$ (124,553)	\$ 3,433
Civic Center Use	354,884	293,500	164,331	139,000	(154,500)	(25,331)
Total	\$ 1,235,946	\$ 1,108,025	\$ 850,870	\$ 828,972	\$ (279,053)	\$ (21,898)

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

	ACTUAL FY 2018-19	BUDGET FY 2019-20	ESTIMATE FY 2019-20	BUDGET FY 2020-21	VARIANCE	
					BUD to BUD	EST to BUD
<u>Recreation and Leisure Services</u>						
Season Swim Passes	\$ 56,405	\$ 67,000	\$ -	\$ 55,000	\$ (12,000)	\$ 55,000
Pool Fees	202,336	209,000	17,000	198,000	(11,000)	181,000
Swim Program	139,407	130,500	38,500	138,300	7,800	99,800
Tennis Fees	174,658	162,500	99,300	138,100	(24,400)	38,800
Classes/Entrance Fees	833,019	849,000	505,525	713,000	(136,000)	207,475
Athletic Fees	373,614	378,500	142,431	181,000	(197,500)	38,569
Gymnastic Fees	810,235	797,100	493,061	740,750	(56,350)	247,689
Arts Festivals	412,920	420,500	229,033	-	(420,500)	(229,033)
Wildflower Festival	604,778	746,500	-	-	(746,500)	-
Older Adults	190,311	206,500	98,950	157,300	(49,200)	58,350
Miscellaneous	92,838	42,945	57,091	63,371	20,426	6,280
Total	\$ 3,890,521	\$ 4,010,045	\$ 1,680,891	\$ 2,384,821	\$ (1,625,224)	\$ 703,930
<u>Other Revenue</u>						
Ambulance	\$ 2,753,070	\$ 2,166,978	\$ 2,103,758	\$ 2,166,871	\$ (107)	\$ 63,113
Miscellaneous	1,161,844	1,144,352	1,323,718	1,363,430	219,078	39,712
R.I.S.D. Participation	614,424	388,596	388,596	392,482	3,886	3,886
Auction & Storage	34,680	71,954	107,136	109,279	37,325	2,143
9-1-1	1,059,985	1,150,055	701,643	715,676	(434,379)	14,033
Total	\$ 5,624,003	\$ 4,921,935	\$ 4,624,851	\$ 4,747,738	\$ (174,197)	\$ 122,887
<u>General and Administrative Charges</u>						
G & A Water & Sewer Fund	\$ 4,258,082	\$ 4,536,189	\$ 4,536,189	\$ 4,611,531	\$ 75,342	\$ 75,342
G & A Golf Operations	101,686	104,228	104,228	106,834	2,606	2,606
G & A Solid Waste Operations	2,277,784	2,335,079	2,335,079	2,394,656	59,577	59,577
G & A Hote/Motel Fund	350,000	350,000	-	-	(350,000)	-
Transfer - Drainage Fund Operational Support	828,861	828,861	828,861	828,861	-	-
Transfer - Hotel/Motel Tax - C.V.B.	317,826	392,847	322,424	295,420	(97,427)	(27,004)
Transfer - Wireless Fund	450,000	550,000	550,000	550,000	-	-
Transfer - Child Safety Fund	50,000	50,000	50,000	50,000	-	-
Transfer - Special Revenue Fund Close Out	2,000	-	-	-	-	-
G & A TIF	175,000	175,000	175,000	175,000	-	-
Total	\$ 8,811,239	\$ 9,322,204	\$ 8,901,781	\$ 9,012,302	\$ (309,902)	\$ 110,521
Grand Total General Fund	\$ 142,490,862	\$ 144,432,237	\$ 136,369,898	\$ 130,571,649	\$ (13,860,588)	\$ (5,798,249)

FY20-21: Advancing our Missions Through the COVID Storm:

City Council Budget Workshop
July 28, 2020



1

FY20-21 Budget Development

Night 2 Focus:

- Capital and Debt Planning
- Water/Sewer Fund
- Solid Waste Fund
- Golf Fund
- Hotel/Motel Fund
- Concluding Thoughts

2



2

Capital and Debt Planning

3



3

Series 2021 Debt Factors

- Stewardship of AAA bond rating from Moody's and Standard & Poor's
- Continued conservative property value growth and interest rate modeling assumptions
- Focus on completion of 2015 GO Bond Program projects
- Annual equipment/infrastructure needs for Fire, IT, Solid Waste, Water & Sewer
- Supplemental project considerations
- Capacity planning for future GO Bond Programs

MOODY'S

AAA

S&P Global



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2015 G.O. Bond Program



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Series 2021 Proposed

Purpose	Type	Amount
2015 GO Bond Program 20-Yr	GO	\$13.3 million
General Government Supplement 4/10/15/20-Yr	CO	\$24.145 million
IT Equipment 4-Yr	CO	\$1.20 million
Fire Equipment 8-Yr	CO	\$0.24 million
Water & Sewer CIP 15/20-Yr	CO	\$14.09 million
Solid Waste Equipment 8-Yr	CO	\$1.205 million
	Total	\$54.18 million



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Future Bond Program Planning

The 2015 Bond Program was a six year program providing funding for projects through 2021. To best prepare for discussions about a future bond program, City staff presented a work plan on July 20th for consideration:

The Future Bond Program Work Plan includes:

- City Council direction on timing and priorities
- Review of recommendations from key studies (i.e. street conditions) on City infrastructure/facilities
- City Council review and discussions about potential propositions
- City Council finalizing propositions and calling for an election
- Public education
- Bond election

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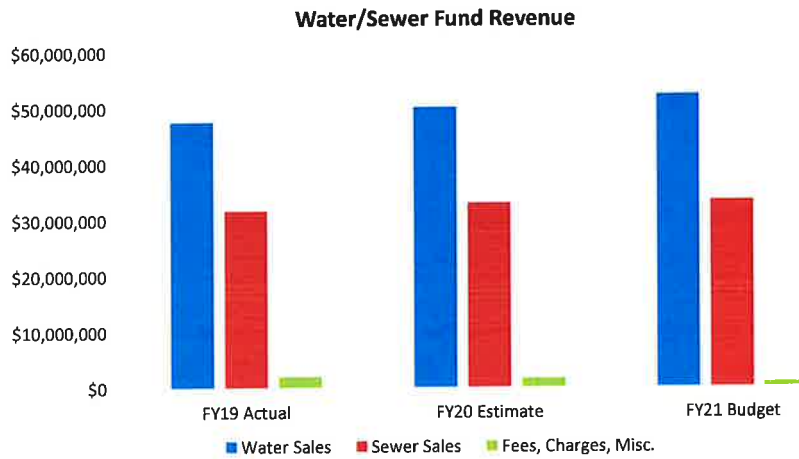
Water/Sewer Fund

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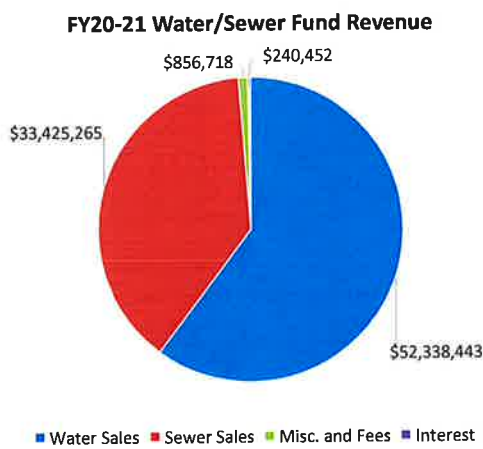
FY20-21 Proposed Water/Sewer Fund



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FY20-21 Proposed Water/Sewer Fund



Water/Sewer Fund Expenditures:

- Maintenance: 66.3%
- Transfers Out: 10.9%
- Personal Services: 8.1%
- Debt Service: 7.8%
- Prof. Services: 4.0%
- Contracts: 1.4%
- Supplies: 1.2%
- Capital: 0.2%

Key Elements:

- No fee adjustments
- FY21 Days of Fund Balance: 96.64 days



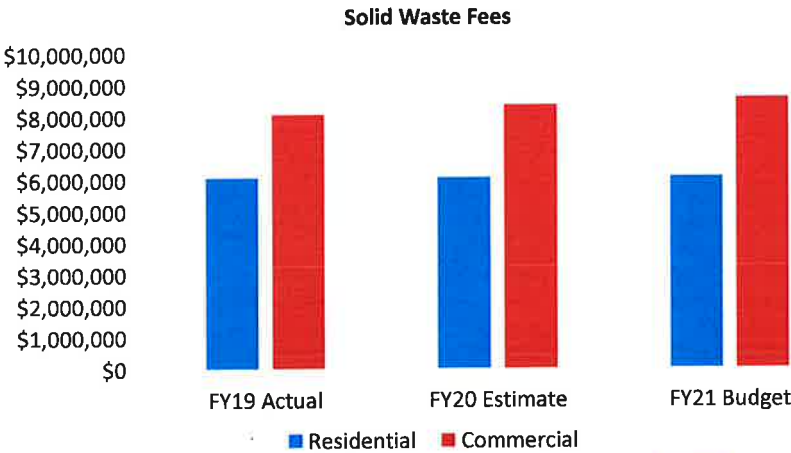
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Solid Waste Fund

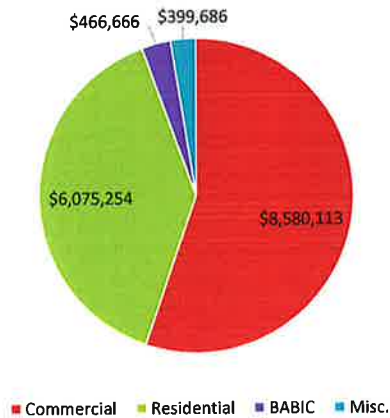


FY20-21 Proposed Solid Waste Fund



FY20-21 Proposed Solid Waste Fund

FY20-21 Solid Waste Fund Revenue



Solid Waste Expenditures:

- Personal Services: 35.5%
- Maintenance: 27.9%
- Transfers: 20.2%
- Debt Service: 8.6%
- Contracts: 3.5%
- Prof. Services: 2.7%
- Supplies: 1.6%

Key Elements:

- FY21 Days of Fund Balance: 94.08 days
- No residential fee changes and no general commercial fee changes
- Consideration of minimal fee change for select commercial special services for consistency

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FY20-21 Proposed Solid Waste Fee Changes Select Commercial Services

- Proposal to update select special services fees for commercial solid waste services to better align with the pricing of the City's other comparable services and allow the City to remain at the market average within the Metroplex:
 - Increasing the fee for off-schedule special collections
 - Matching the disposal fee for temporary open top containers with permanent open top containers
 - Increasing the fee for blocked containers
- FY20-21 estimated revenue: \$98,428

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Golf Fund

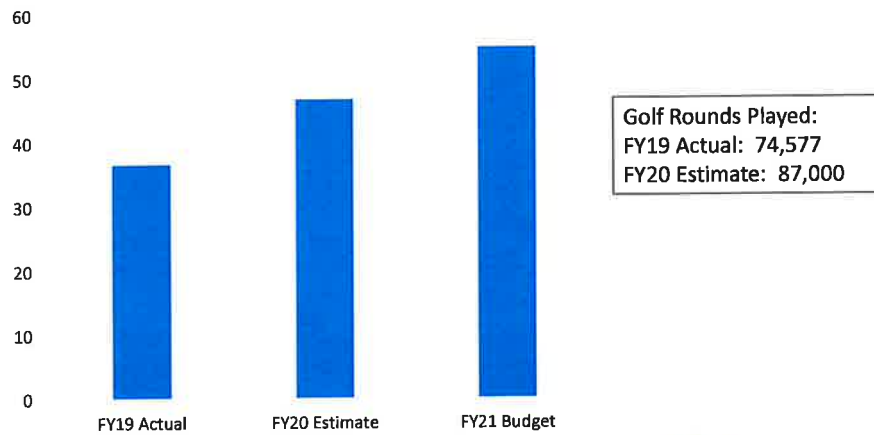


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FY20-21 Proposed Golf Fund

Golf Fund - Days of Fund Balance



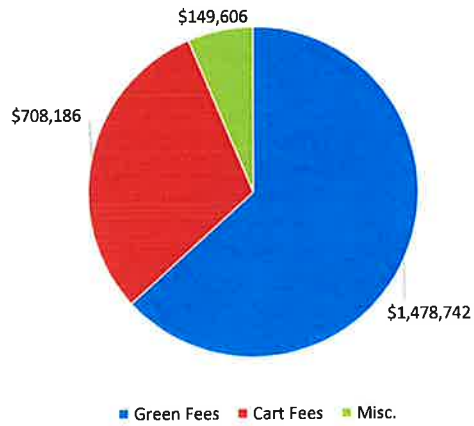
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FY20-21 Proposed Golf Fund

FY20-21 Golf Fund Revenue



Golf Fund Expenditures:

- Personal Services: 51.9%
- Supplies: 16.5%
- Maintenance: 10.7%
- Prof. Services: 9.8%
- Contracts: 6.4%
- Transfers: 4.6%

Key Elements:

- FY21 Days of Fund Balance: 54.96 days
- Establishment of Golf Rate Stabilization Reserve
- Replacement of Golf Maintenance Equipment: \$190,600



Hotel/Motel Tax Fund



FY20-21 Proposed Hotel/Motel Fund

- Challenging environment for both hospitality and performing arts industries
 - Total revenue with the fund is budgeted to decrease 74% from the FY20 budget
 - Hotel Occupancy Tax is projected to decline 64% from the FY20 budget
- Occupancy in the U.S. hotel industry is projected to increase in 2021
 - Richardson hotels are prepared to move forward when occupancy returns
- Eisemann Center is working with arts organizations on options for hosting performing arts offerings in a “modified environment”

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FY20-21 Proposed Hotel/Motel Fund

- Multi-year Recovery Strategy
 - In FY20, a General Fund transfer of \$600,000 is proposed to maintain the stability of the fund
 - Conservatively budgeting revenues
 - Hotel/motel occupancy tax
 - Eisemann Center revenue
 - Working closely with hotels on recovery strategies
 - Reducing expenditures to focus on critical needs
 - Suspending Eisemann Center Presents season for FY2020-2021
 - Reducing arts grants funding
 - If actual revenues are higher than projected, consider “incremental restoration” options

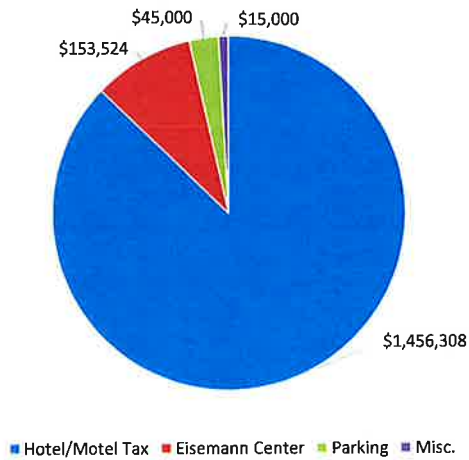
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FY20-21 Proposed Hotel/Motel Fund

FY20-21 Hotel/Motel Fund Revenue



Hotel/Motel Expenditures:

- Eisemann Center: 75.5%
- Transfers: 10.0%
- Parking Garage: 7.5%
- Arts Grants: 6.2%
- Misc: 0.6%

Key Elements:

- FY21 Fund Balance: \$835,317

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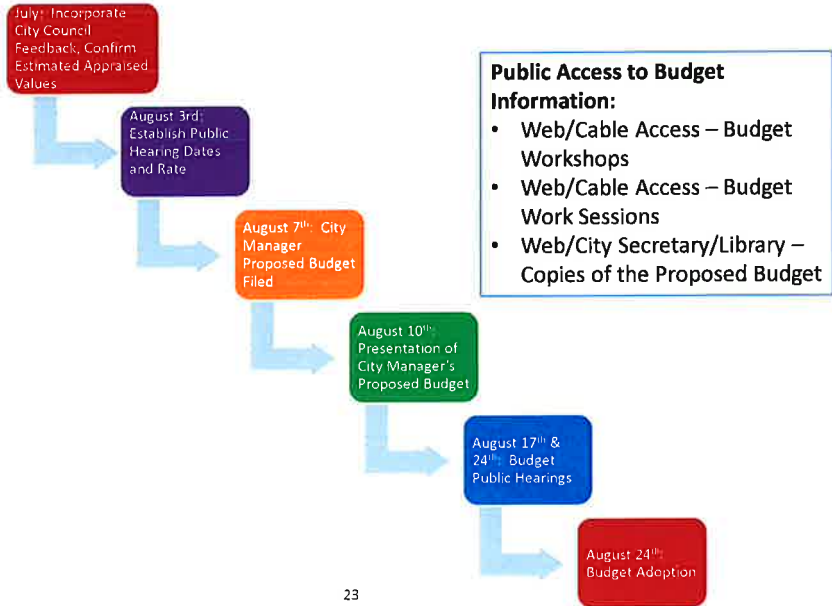
Concluding Thoughts

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Budget Workshop Summary



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Summary

- Our budget development calendar will be active for the next six weeks, and will factor any better insights about the new year as they can be determined before adoption.
 - We anticipate periodic post-adoption updates, as needed.
- We suspect more than the usual impacts will occur over these next many months that may further challenge our fiscal plan, but we are prepared.
 - Likely elements include: Ongoing Health/Government COVID Policy declarations, treatment/vaccine dynamics, compounding impacts of other seasonal maladies, support system stresses, local/state/national economic changes, Fall political campaigns and election impacts, ongoing financial market reactions, labor and material markets, emotional fatigue, etc.



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Summary



- The “Certified Estimate” element of property taxation for this next year will be closely monitored.
 - The City Manager’s August 10th presentation may not have some detailing elements of the tax roll if the “Estimate” status is still in place.
- Staff has appreciated the ongoing dialogue and briefing environment that has been engaged these past several months. It has shaped our suggested budgetary and service approach for this new fiscal year.



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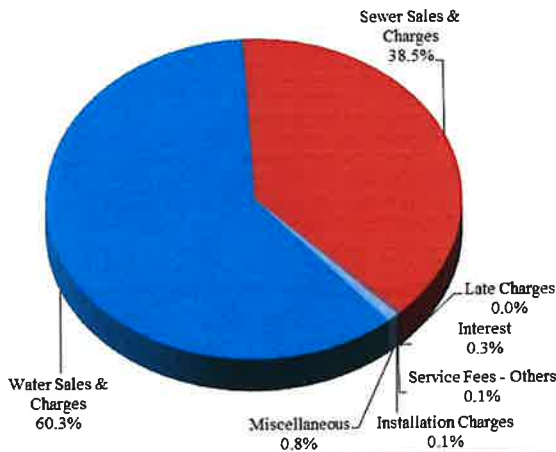
Water and Sewer Fund

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

Sources

The services provided by the Water and Sewer Fund are financed through 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 the expenditures related to providing water and wastewater services.

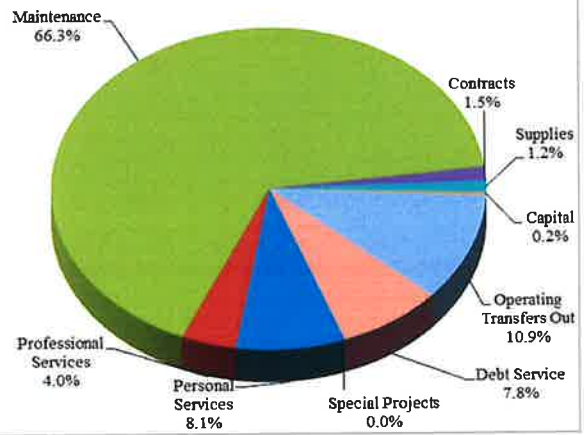
FY 2020-2021 Water and Sewer Fund Revenues - \$86,860,878



Uses

The expenditures of the Water and Sewer Fund are related 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 the North Texas Municipal Water District (NTMWD) and sewer services from the NTMWD, the City of Dallas and the City of Garland account for 63.6% of the fund's total expenditures.

FY 2020-2021 Water and Sewer Fund Expenditures - \$86,078,834



Fund Balance

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

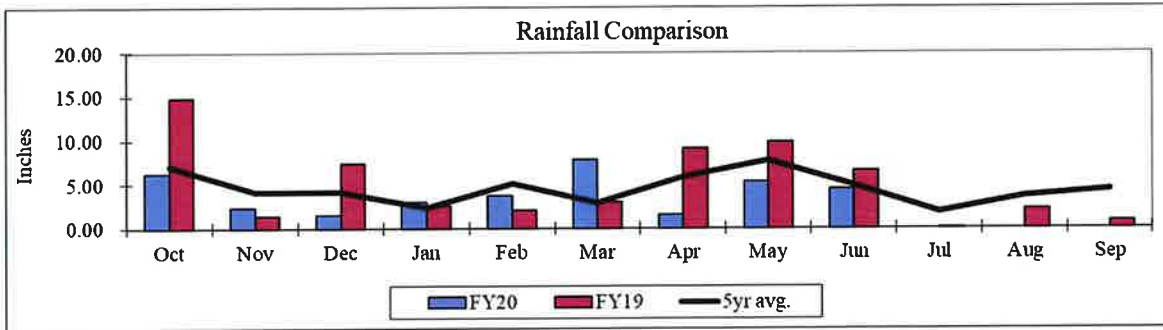
Water and Sewer Debt Service Fund

The Water and Sewer Debt Service Fund hosts the revenue and expenditures required to meet the City's utility debt service obligations. The primary source of revenue for the fund 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 certificated of obligation.

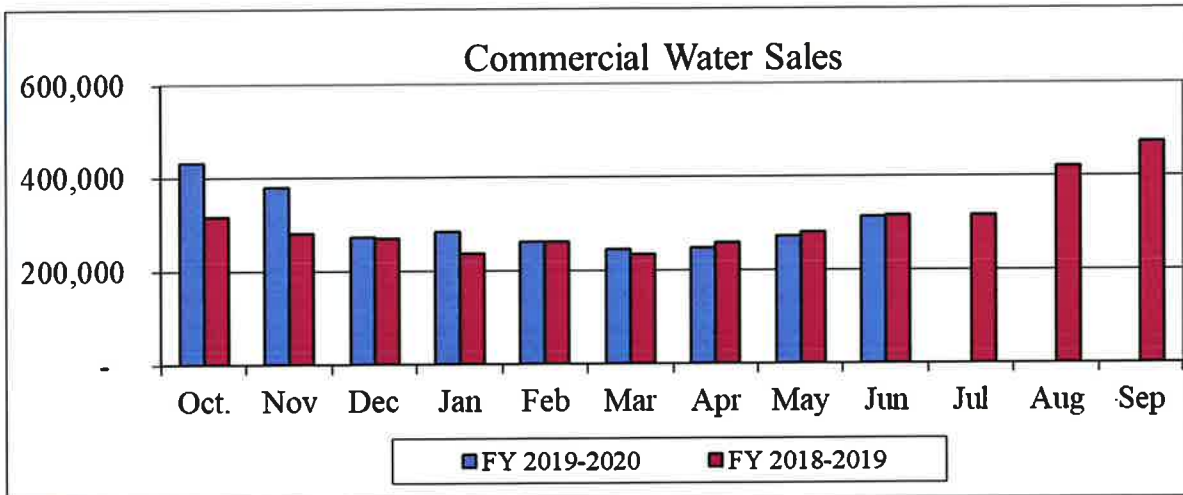
WATER AND SEWER FUND
2019-2020 Year End Estimate

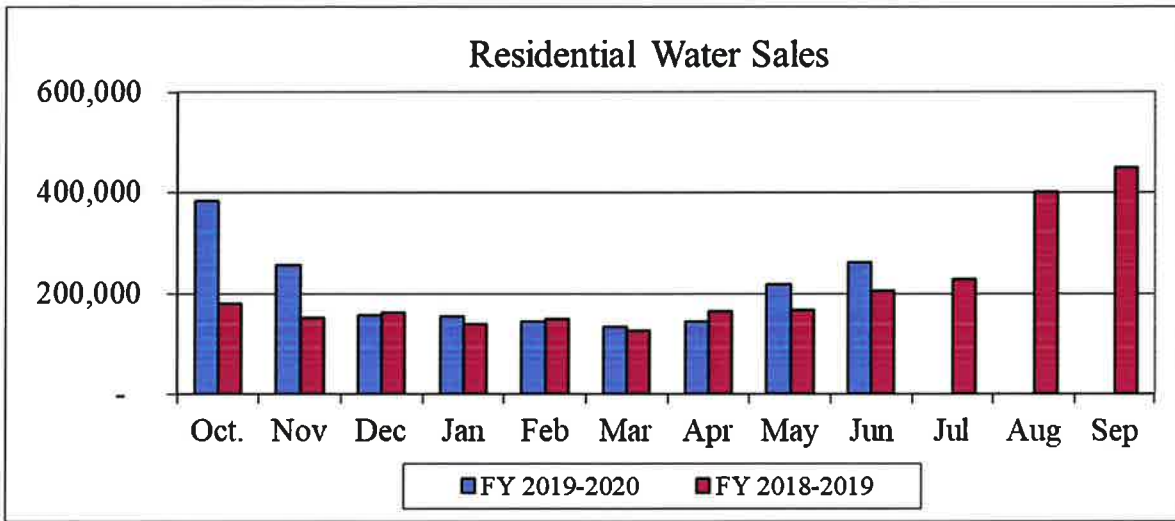
Revenues

- 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. Consumption constrained by water conservation stage restrictions impact sales as well. Considering continued increasing costs for water and sewer wholesale services, as well as fluctuating demand, the City Council passed a 7.5% increase in response to the continued rate pressures in this fund. The following year-end projections are based on the new customer rate, nine months of actual consumption and projected summer usage.
- Revenue projections are expected to decrease of (\$3.1 million) or -3.5% at year-end from the original budget of \$87.8 million.
- Through the end of June this year, the City received 36.0” of rainfall compared to the YTD for FY 2018-2019 of 56.7” and the five-year average rainfall of 44.1”.

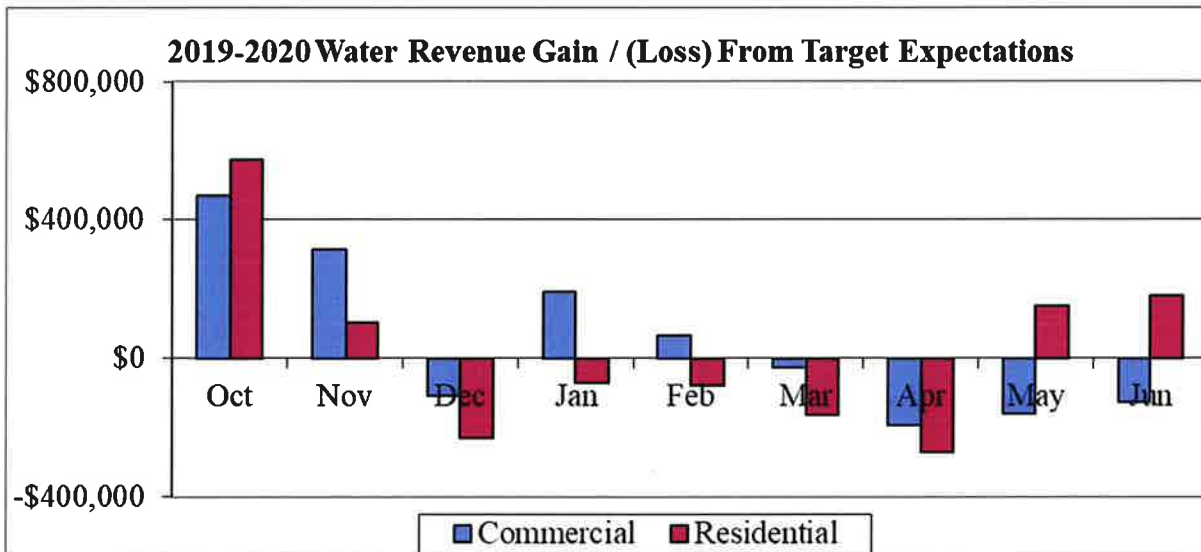


- The following graphics compare current year consumption with last year. Through the end of June, commercial consumption is up 10.3% from last year while residential is up 28.2%.





- This graph measures revenue gain/ (loss) from the expected budget targets for each month this year. When all the variances are added together, water sales are \$618,000 over budget targets.



- The following chart illustrates the changes to our tier structure that have resulted from the NTMWD increases to the wholesale rate over the last ten years.

Fiscal Year	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
NTMWD/1,000 gal.	\$ 1.37	\$ 1.49	\$ 1.70	\$ 1.87	\$ 2.06	\$ 2.29	\$ 2.53	\$ 2.78	\$ 2.92	\$ 2.99
% Increase	9.60%	8.70%	14.80%	10.00%	10.16%	11.17%	10.48%	9.88%	5.04%	2.40%

City Rates										
Minimum	\$ 7.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
0-11,000 gallons	\$ 2.95	\$ 3.22	\$ 3.63	\$ 4.03	\$ 4.41	\$ 4.76	\$ 5.15	\$ 5.64	\$ 6.15	\$ 6.61
11,001-20,000	\$ 3.19	\$ 3.48	\$ 3.93	\$ 4.36	\$ 4.77	\$ 5.15	\$ 5.58	\$ 6.11	\$ 6.66	\$ 7.16
20,001-40,000	\$ 3.33	\$ 3.63	\$ 4.10	\$ 4.55	\$ 4.98	\$ 5.38	\$ 5.82	\$ 6.37	\$ 6.94	\$ 7.46
40,001-60,000	\$ 3.87	\$ 4.22	\$ 4.77	\$ 5.29	\$ 5.79	\$ 6.25	\$ 6.77	\$ 7.41	\$ 8.08	\$ 8.68
Over 60,000	\$ 4.05	\$ 4.41	\$ 4.99	\$ 5.53	\$ 6.06	\$ 6.54	\$ 7.08	\$ 7.75	\$ 8.45	\$ 9.08
% Increase	0.00%	9.00%	13.00%	10.90%	9.50%	8.00%	8.25%	9.50%	9.00%	7.50%

- Year-end revenue projections for Water Sales of \$50.2 million are expected to below original budget by (\$2.7 million).

- Sewer Sales are projected to end the year down (\$50,000) or -0.2% from the original budget of \$33.1 million.
- Late Charges, Interest Earnings, Service Fees, Installation Fees and Miscellaneous revenue combine for a decrease of (\$306,000) from original budgets totaling \$1.9 million. Most of the decline is as a result of late fees being waved in response to the current pandemic.

Expenditures

- Overall, expenditures and transfers are projected to end the year (\$2.0 million) below the original budget of \$85.5 million.
- Personal Services will realize (\$639,000) in savings due to 5 frozen positions and normal vacancies experienced throughout the year
- Professional Services is expected to end the year (\$1.4 million) below the original budget of \$3.8 million as various projects were deferred until the full impact of the pandemic on the fund can be evaluated.
- The Maintenance category is expected to finish the year (\$25,000) below the original budget of \$56.1 million.
- The entirety of the \$125,000 overage in the Supplies Category is due to the inclusion of \$277,000 in prior-year encumbrances, the majority of which involves the completion of last year's CMOM studies and analysis.
- With a combined budget of \$1.5 million, Contracts and Capital show a combined increase of \$44,000.

Fund Balance

- Fund Balance is projected to be 96.3 days at year-end, in compliance with the City Council approved Financial Policy for the Water and Sewer Fund of "90 Days in Fund Balance".

WATER AND SEWER FUND

2020-2021 Proposed

In a letter dated May 31, 2020 the North Texas Municipal Water District notified the City the expected wholesale water rate for FY 2020-2021 will remain unchanged from the current \$2.99 per thousand gallons.

The District sent a letter dated June 29, 2020 notifying the City of increases to the cost of wastewater treatment at the Regional Wastewater System and the Upper East Fork Interceptor System of 4.4% and 6.7% respectively. The total wastewater services costs owed the district increases \$812,000 from year-end. Combined with the slight increase from Dallas and savings expected from Garland, the total wastewater service costs increase \$775,000 this fiscal year.

Revenues

Projected revenues for FY 2020-2021 are based on no change to the City's current water and sewer retail rates.

Fiscal Year	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
NTMWD/1,000 gal.	\$ 1.49	\$ 1.70	\$ 1.87	\$ 2.06	\$ 2.29	\$ 2.53	\$ 2.78	\$ 2.92	\$ 2.99	\$ 2.99
% Increase	8.70%	14.80%	10.00%	10.16%	11.17%	10.48%	9.88%	5.04%	2.40%	0.00%
City Rates										
Minimum	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
0-11,000 gallons	\$ 3.22	\$ 3.63	\$ 4.03	\$ 4.41	\$ 4.76	\$ 5.15	\$ 5.64	\$ 6.15	\$ 6.61	\$ 6.61
11,001-20,000	\$ 3.48	\$ 3.93	\$ 4.36	\$ 4.77	\$ 5.15	\$ 5.58	\$ 6.11	\$ 6.66	\$ 7.16	\$ 7.16
20,001-40,000	\$ 3.63	\$ 4.10	\$ 4.55	\$ 4.98	\$ 5.38	\$ 5.82	\$ 6.37	\$ 6.94	\$ 7.46	\$ 7.46
40,001-60,000	\$ 4.22	\$ 4.77	\$ 5.29	\$ 5.79	\$ 6.25	\$ 6.77	\$ 7.41	\$ 8.08	\$ 8.68	\$ 8.68
Over 60,000	\$ 4.41	\$ 4.99	\$ 5.53	\$ 6.06	\$ 6.54	\$ 7.08	\$ 7.75	\$ 8.45	\$ 9.08	\$ 9.08
% Increase	9.00%	13.00%	10.90%	9.50%	8.00%	8.25%	9.50%	9.00%	7.50%	0.00%

- Revenue from Water Sales and Charges is programmed at \$52.3 million representing a 4.3% increase from year-end and is a return to normal weather patterns as well as maintaining twice a week watering for the full year.
- Sewer Sales are budgeted at \$33.4 million or 1.2% above year-end.
- Remaining revenues combined decrease (\$477,000) based on a budget of \$1.1 million. The decline is the result of continuing to waive Late Fees for outstanding charges.

Expenditures

- Expenditures and Transfers are proposed at \$86.1 million representing an increase of \$2.7 million or 3.2% over year-end estimates.
- The Maintenance category is the largest operational expenditure in this fund and includes the costs of water and sewer services. The City is not expecting to set a new "minimum purchase" and no change to the wholesale water rate from the NTMWD is anticipated at this time. For FY 2020-2021 the total cost of wholesale water is \$32.9 million.

Water Purchases				
	2017-2018	2018-2019	2019-2020	2020-2021
Minimum Purchase	11.0 billion	11.0 billion	11.0 billion	11.0 billion
Projected Sales	7.1 billion	6.1 billion	6.3 billion	6.7 billion
Actual Purchase	8.7 billion	7.8 billion	N/A	N/A
Purchase as a % of Contract	79.1%	70.1%	N/A	N/A
Wholesale Cost	\$29,720,230	\$30,820,711	\$32,947,740	\$32,947,740
Rebate per 1,000 Gals.	\$0.40	\$0.42	N/A	N/A
Total Rebate	\$913,454	\$1,355,677	N/A	N/A
Rebate as a % of Total Cost	3.1%	4.4%	N/A	N/A

- Sewer treatment services are expected to increase \$775,000 over the year end estimates of \$21.0 million. These increases are due to the combination of the rate increases from our service providers mentioned earlier and projected flows in the sewer basins.
- Together, the wholesale cost of water and sewer treatment services account for \$54.8 million or 63.6% of the total expenses.
- Personal Services is proposed at \$7.0 million, an increase or 5.2% over year-end estimates.
- Professional Services of \$3.5 million, represents an increase \$1.1 million from year-end estimates and reflects a conservative re-activation of projects deferred in FY 2019-2020 as a result of the pandemic.
- Contracts increase \$33,000 or 2.7% from the year end estimate of \$1.2 million.
- Supplies of \$1.0 million will decrease (\$207,000) due to the inclusion last year of \$277,000 in prior year encumbrances. The largest expenses in this category is electricity at \$633,000.
- Continuing the “pay-as-you-go” initiative, \$195,000 of capital equipment/vehicle replacements.
- Operating Transfer Out sees an increase of \$204,000 including a \$129,000 increase in Franchise Fee and a \$75,000 increase the General and Administrative charge. The BABIC Transfer remains unchanged at \$467,000. The increase in the Franchise Fee is based on estimated sales of water and sewer services while the increase in G&A is based on the MGT America Cost of Service Study.
- The debt service transfer increases \$375,000 to \$6.7 million to cover debt obligations for this fund.

Fund Balance

- Fund Balance is projected at 96.6 days, in compliance with the City Council approved Financial Policy for the Water and Sewer Fund of “90 Days in Fund Balance”.

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

	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	BUD to BUD	EST to BUD
Beginning Designated Fund Balance	18,354,369	15,627,779	\$ 20,198,561	\$ 22,007,972	40.8%	9.0%
Reserve for Encumbrances	1,810,727	-	460,265	-	N/A	-100.0%
Adjusted Beginning Fund Balance	\$ 20,165,096	\$ 15,627,779	\$ 20,658,826	\$ 22,007,972	40.8%	6.5%
Revenues						
Water Sales & Charges	\$ 47,599,008	\$ 52,883,083	\$ 50,165,788	\$ 52,338,443	-1.0%	4.3%
Sewer Sales & Charges	31,652,199	33,068,521	33,018,528	33,425,265	1.1%	1.2%
Late Charges	883,837	910,929	509,442	-	-100.0%	-100.0%
Interest Earnings	343,863	282,170	233,449	240,452	-14.8%	3.0%
Service Fees - Others	62,105	65,824	53,679	55,289	-16.0%	3.0%
Installation Charges	72,355	34,986	74,955	77,204	120.7%	3.0%
Miscellaneous	655,088	587,036	703,131	724,225	23.4%	3.0%
Total Revenues	\$ 81,268,455	\$ 87,832,549	\$ 84,758,972	\$ 86,860,878	-1.1%	2.5%
Total Available Funds	\$ 101,433,551	\$ 103,460,328	\$ 105,417,798	\$ 108,868,850	5.2%	3.3%
Expenditures						
Personal Services	\$ 6,248,421	\$ 7,273,736	\$ 6,634,752	\$ 6,977,489	-4.1%	5.2%
Professional Services	3,754,148	3,829,233	2,418,990	3,477,614	-9.2%	43.8%
Maintenance	51,953,616	56,114,653	56,089,246	57,097,413	1.8%	1.8%
Contracts	1,048,386	1,222,414	1,217,874	1,251,024	2.3%	2.7%
Supplies	1,920,555	1,090,539	1,215,888	1,009,297	-7.4%	-17.0%
Capital	279,291	292,547	341,005	194,615	-33.5%	-42.9%
Total Expenditures	\$ 65,204,417	\$ 69,823,122	\$ 67,917,755	\$ 70,007,452	0.3%	3.1%
Operating Transfers Out						
General and Administrative Charges	\$ 4,258,082	\$ 4,536,189	\$ 4,536,189	\$ 4,611,531	1.7%	1.7%
Franchise Fees	3,962,560	4,297,580	4,159,216	4,288,185	-0.2%	3.1%
BABIC Program	466,666	466,666	466,666	466,666	0.0%	0.0%
Total Operating Transfers Out	\$ 8,687,308	\$ 9,300,435	\$ 9,162,071	\$ 9,366,382	0.7%	2.2%
Total Exp. And Oper. Transfers Out	\$ 73,891,725	\$ 79,123,557	\$ 77,079,826	\$ 79,373,834	0.3%	3.0%
Transfers Out						
Debt Service	\$ 6,133,000	\$ 6,330,000	\$ 6,330,000	\$ 6,705,000	5.9%	5.9%
Special Projects	750,000	-	-	-	N/A	N/A
Total Transfers Out	\$ 6,883,000	\$ 6,330,000	\$ 6,330,000	\$ 6,705,000	5.9%	5.9%
Total Expenditures and Transfers	\$ 80,774,725	\$ 85,453,557	\$ 83,409,826	\$ 86,078,834	0.7%	3.2%
Revenue Over/(Under)	\$ 493,730	\$ 2,378,992	\$ 1,349,146	\$ 782,044	-67.1%	-42.0%
Reserve for Encumbrances	\$ 460,265	\$ -	\$ -	\$ -	N/A	N/A
Ending Designated Fund Balance	\$ 20,198,561	\$ 18,006,771	\$ 22,007,972	\$ 22,790,016	26.6%	3.6%
Days of Fund Balance	91.27	76.91	96.31	96.64	25.6%	0.3%

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

	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	BUD to BUD	EST to BUD
<u>Water and Sewer Revenue</u>						
Water Sales & Charges	\$ 47,599,008	\$ 52,883,083	\$ 50,165,788	\$ 52,338,443	\$ (544,640)	\$ 2,172,655
Sewer Sales & Charges	31,652,199	33,068,521	33,018,528	33,425,265	356,744	406,737
Rate Stabilization	-	-	-	-	-	-
Late Charges	883,837	910,929	509,442	-	(910,929)	(509,442)
Interest Earnings	343,863	282,170	233,449	240,452	(41,718)	7,003
Service Fees - Others	62,105	65,824	53,679	55,289	(10,535)	1,610
Installation Charges	72,355	34,986	74,955	77,204	42,218	2,249
Miscellaneous	655,088	587,036	703,131	724,225	137,189	21,094
Total	\$ 81,268,455	\$ 87,832,549	\$ 84,758,972	\$ 86,860,878	\$ (971,671)	\$ 2,101,906
Grand Total Water and Sewer Fund	\$ 81,268,455	\$ 87,832,549	\$ 84,758,972	\$ 86,860,878	\$ (971,671)	\$ 2,101,906

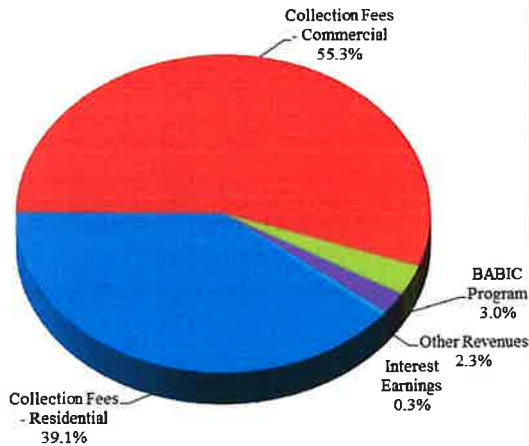
Solid Waste Services Fund

The Solid Waste Services Fund, an enterprise fund, provides for residential and commercial solid waste collection services, including recycling and brush and bulky item collection.

Sources

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

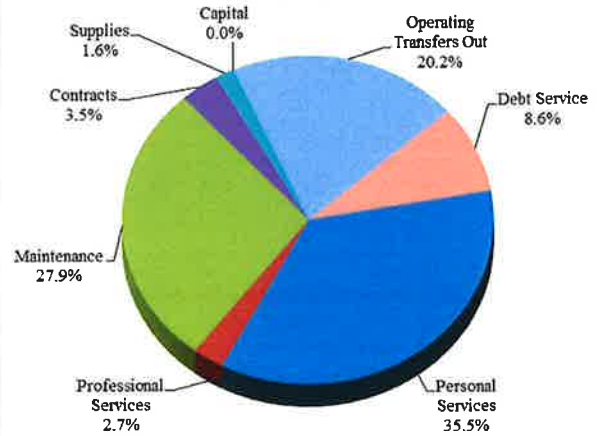
FY 2020-2021 Solid Waste Fund Revenues - \$15,521,719



Uses

Expenditures for daily operations and disposal fees charged by the North Texas Municipal Water District (NTMWD) are hosted in the Solid Waste Services Fund. Disposal fees comprise 25.9% of the overall expenditures of the fund.

FY 2020-2021 Solid Waste Fund Expenditures - \$15,517,956



Fund Balance

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

Solid Waste Services Debt Service Fund

The Solid Waste Services Debt Service Fund hosts the revenue and expenditures required to meet solid waste related debt service obligations. The primary source of revenue for the fund is a transfer of revenues from the Solid Waste Services 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 certificated of obligation.

SOLID WASTE SERVICES FUND

2019-2020 Year End Estimate

Revenues

- Solid Waste revenues are projected to end the year even with their original budget of \$15.3 million.
- Residential Collections are expected to end the year (\$40,000) or -0.7% below the original budget of \$6.1 million.
- Commercial Collections are expected to be down (\$73,000) or -0.9% from the original budget of \$8.4 million.
- The remaining revenues combined are expected to increase \$112,000 from the original budget of \$747,000. Most of the increase is due to higher than anticipated auction revenue from the sale of solid waste vehicles and equipment.

Expenditures

- Total Expenditures and Transfers are expected to end the year even with the \$15.1 million programmed for FY 2019-2020.
- Personal Services is projected to finish the year (\$20,000) or -0.4% below the original budget of \$5.2 million.
- Professional Services is projected to finish the year \$64,000 or 19.7% above with the original budget of \$322,000 and reflects an increase in the processing contract for recycle materials.
- The Maintenance category is expected to increase \$19,000 from the original budget of \$4.3 million as a result of a slight increase in BABIC compositing costs which is partially being offset by a slight decrease in disposal costs.
- Contracts is projected to finish the year \$6,000 or 1.2% above the original budget of \$526,000. A \$17,000 increase in liability insurance costs is being offset by multiple reductions throughout the category.
- Supplies are expected to finish the year (\$52,000) or -17.1% below the original budget of \$307,000 as the City deferred purchases in anticipation of reduced revenue as a result of the current economic conditions.
- The debt service and general and administrative transfers remain unchanged from the original budget while the franchise fee decrease of (\$6,000) is based on a small decrease in revenue.

Fund Balance

- Days in Fund balance are expected to end the year with 96.4 days, in compliance with the adopted financial policy of “60 days building towards 90 days.”

SOLID WASTE SERVICES FUND

2020-2021 Proposed

Revenues

- Total revenues are projected to be \$229,000 over year-end estimates.
- Residential Collection Fees are projected to increase \$6,000 or 0.1% from their estimated year-end position of \$6.1 million with no increase to Residential Collections fees proposed at this time.
- The City raised the monthly residential collection fee by \$3.00 per month for the FY 2016-2017 budget due to rising costs for service. The current monthly residential fee is \$21.00 including tax and \$15.56 including tax for seniors. The City receives the pre-tax amounts of \$19.40 and \$14.37 per month respectively.
- As seen in the graphic below, the “true cost” of residential service is expected to be \$27.92 per month. This means commercial fees continue to subsidize residential collection by \$8.52 per month (excluding sales tax), or \$102.24 a year for each resident in the City.

Residential Cost Breakdown				
	Actual	Budget	Estimate	Budget
	2018-19	2019-20	2019-20	2020-21
Operating Cost	\$8.22	\$8.52	\$8.57	\$9.24
Disposal Costs	4.04	4.21	4.18	4.22
BABIC	3.10	3.01	2.90	2.94
Recycling	3.65	3.71	3.80	4.00
G&A and Fran. Fees	5.07	5.20	5.18	5.31
Debt	2.36	2.36	2.36	2.21
	<u>\$26.44</u>	<u>\$27.02</u>	<u>\$27.00</u>	<u>\$27.92</u>

- Commercial revenues are expected to increase 2.6% or \$215,000 from year end estimates. This includes multiple adjustments to secondary Commercial fees such as blocked container fees, setup and delivery fees and off schedule collection fees. Temporary open-top fees are also being adjusted to match those of permanent open-tops. In addition, we are assuming minor growth in service as the economy improves later in the year.
- 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.
- The Other Revenue category is projected to increase 1.5% or \$5,000.
- Interest Earnings are expected to increase 6.0% or \$3,000 based on anticipated earnings.

Expenditures

- Total expenditures and transfers are proposed at \$15.5 million, an increase of \$385,000 or 2.5% over the year-end estimate of \$15.1 million.
- Personal Services increase \$352,000 or 6.8% over year-end estimates and reflects full staffing and a modification to the pay plan for Drivers/Loaders in order to improve recruitment efforts.
- Professional Services are projected to increase \$33,000 or 8.6% from the year-end estimate. This increase reflects the increase in the processing contract for recycle materials.
- The Maintenance category is projected to increase \$16,000 or 0.4% from the year-end estimate as a result of a slight increase in projected tonnage taken to the landfill.

- Contracts and Supplies, with a combined budget of \$789,000, increase \$2,000 from year end.
- The General and Administrative transfer increases \$60,000 as a result of the indirect cost allocation study performed by MGT of America.
- The Franchise Fee increases \$11,000 based on a slight increase in revenue.
- The Debt Service Transfer of \$1.3 million is (\$88,000) lower than year-end estimate and represents the current payment due on equipment debt issuance.

Fund Balance

- FY 2020-2021 fund balance is proposed at 94.1 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 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	BUD to BUD	EST to BUD
Beginning Designated Fund Balance	\$ 4,116,876	\$ 3,935,818	\$ 3,833,027	\$ 3,995,972	1.5%	4.3%
Reserve for Encumbrances	5,152	-	3,265	-	N/A	-100.0%
Adjusted Beginning Fund Balance	\$ 4,122,028	\$ 3,935,818	\$ 3,836,292	\$ 3,995,972	1.5%	4.2%
Revenues						
Collection Fees - Residential	\$ 6,064,687	\$ 6,109,011	\$ 6,069,185	\$ 6,075,254	-0.6%	0.1%
Collection Fees - Commercial	8,071,707	8,437,580	8,364,643	8,580,113	1.7%	2.6%
BABIC Program	466,666	466,666	466,666	466,666	0.0%	0.0%
Other Revenues	327,146	225,000	347,654	352,869	56.8%	1.5%
Interest Earnings	55,530	54,912	44,167	46,817	-14.7%	6.0%
Total Revenues	\$ 14,985,736	\$ 15,293,169	\$ 15,292,315	\$ 15,521,719	1.5%	1.5%
Total Available Funds	\$ 19,107,764	\$ 19,228,987	\$ 19,128,607	\$ 19,517,691	1.5%	2.0%
Expenditures						
Personal Services	\$ 5,116,061	\$ 5,176,005	\$ 5,156,095	\$ 5,508,325	6.4%	6.8%
Professional Services	354,475	322,056	385,628	418,634	30.0%	8.6%
Maintenance	4,168,849	4,300,000	4,319,323	4,334,980	0.8%	0.4%
Contracts	586,371	526,326	532,539	536,676	2.0%	0.8%
Supplies	235,112	306,770	254,280	251,917	-17.9%	-0.9%
Capital	-	-	-	-	N/A	N/A
Total Expenditures	\$ 10,460,868	\$ 10,631,157	\$ 10,647,865	\$ 11,050,532	3.9%	3.8%
Operating Transfers Out						
General and Administrative Charges	\$ 2,277,784	\$ 2,335,079	\$ 2,335,079	\$ 2,394,656	2.6%	2.6%
Franchise Fees	706,820	727,330	721,691	732,768	0.7%	1.5%
Total Operating Transfers Out	\$ 2,984,604	\$ 3,062,409	\$ 3,056,770	\$ 3,127,424	2.1%	2.3%
Total Exp. And Oper. Transfers Out	\$ 13,445,472	\$ 13,693,566	\$ 13,704,635	\$ 14,177,956	3.5%	3.5%
Transfers Out						
Debt Service	\$ 1,426,000	\$ 1,428,000	\$ 1,428,000	\$ 1,340,000	-6.2%	-6.2%
Special Projects	400,000	-	-	-	N/A	N/A
Total Transfers Out	\$ 1,826,000	\$ 1,428,000	\$ 1,428,000	\$ 1,340,000	-6.2%	-6.2%
Total Expenditures and Transfers	\$ 15,271,472	\$ 15,121,566	\$ 15,132,635	\$ 15,517,956	2.6%	2.5%
Revenue Over/(Under)	\$ (285,736)	\$ 171,603	\$ 159,680	\$ 3,763	-97.8%	-97.6%
Reserve for Encumbrances	\$ 3,265	\$ -	\$ -	\$ -	N/A	N/A
Ending Designated Fund Balance	\$ 3,833,027	\$ 4,107,421	\$ 3,995,972	\$ 3,999,735	-2.6%	0.1%
Days of Fund Balance	91.61	99.14	96.38	94.08	-5.1%	-2.4%

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

	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	BUD to BUD	EST to BUD
<u>Solid Waste Services Revenue</u>						
Collection Fees - Residential	\$ 6,064,687	\$ 6,109,011	\$ 6,069,185	\$ 6,075,254	\$ (33,757)	\$ 6,069
Collection Fees - Commercial	8,071,707	8,437,580	8,364,643	8,580,113	142,533	215,470
Rate Stabilization	-	-	-	-	-	-
BABIC Program	466,666	466,666	466,666	466,666	-	-
Other Revenues	327,146	225,000	347,654	352,869	127,869	5,215
Interest Earnings	55,530	54,912	44,167	46,817	(8,095)	2,650
Total	\$ 14,985,736	\$ 15,293,169	\$ 15,292,315	\$ 15,521,719	\$ 228,550	\$ 229,404
Grand Total Solid Waste Services Fund	\$ 14,985,736	\$ 15,293,169	\$ 15,292,315	\$ 15,521,719	\$ 228,550	\$ 229,404

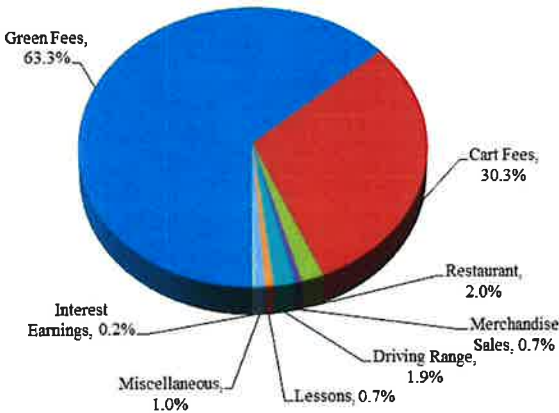
Golf Fund

The Golf Fund, a special revenue fund, accounts for the administration, operations, 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 an annual basis drive the revenues of the fund. The number of rounds played is affected by weather as well as by competition in the regional golf market.

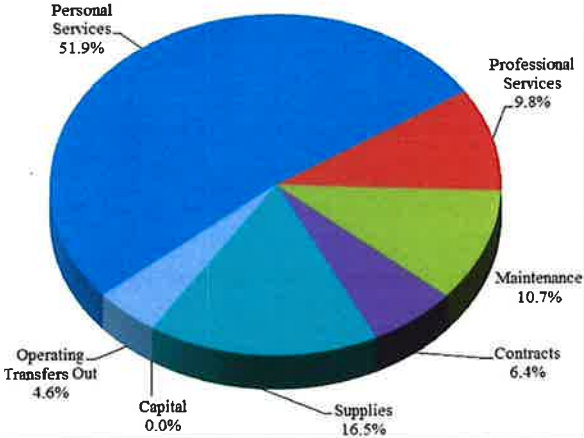
FY 2020-2021 Golf Fund Revenues - \$2,336,534



Uses

Expenditures include expenses related to daily operations, course maintenance, fleet maintenance and replacement, as well as special projects. Personnel Services account for 51.9% of all expenditures in the Golf Fund.

FY 2020-2021 Golf Fund Expenditures - \$2,308,866



Fund Balance

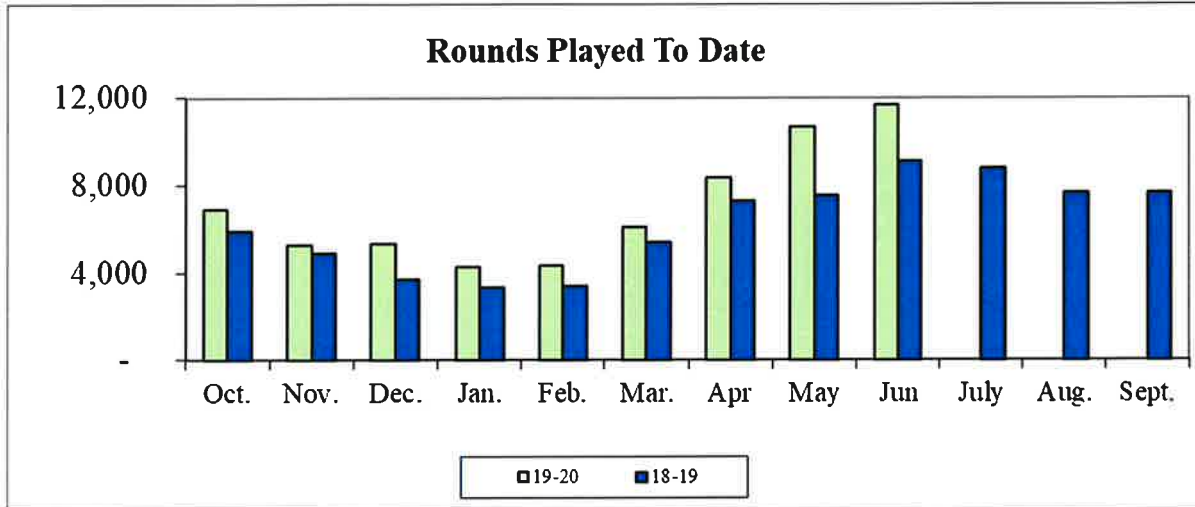
The established target Fund Balance for the Golf Fund is 30 days of expenditures, building to 60 days.

GOLF FUND

2019-2020 Year End Estimate

Revenues

- Revenues for the Golf Fund are expected to end the year \$298,000 or 13.0% above the budgeted \$2.3 million.
- Green Fees are expected to finish the year \$209,000 or 13.6% above the original budget of \$1.5M. YTD Rounds played of 62,878 are 12,365 above the YTD 50,513 played last year.



- Cart Fees are projected at \$701,000 at year end representing a \$68,000 increase from the original budget.
- Revenue from the remaining operations sources totaling \$154,000 represents an increase of \$21,000 at year end and includes a \$21,000 insurance reimbursement for damage to the entry wall.

Expenditures

- Total Golf Fund Expenditures and Transfers are expected to end the year at \$2.5 million, an increase of \$179,000 from the original budget.
- All expenditure categories are expected to be below expectations but does include \$21,000 for the repair of Sherrill Park's entry wall which was offset by the insurance reimbursement mentioned above.
- Also included is a \$200,000 transfer to rate stabilization for the Golf Fund. The availability of these funds will be evaluated at year-end based on the Golf Fund's performance.

Fund Balance

- Given the projected revenue and expenditure performance, the days in fund balance in the Golf Fund will end the year at 46.8 days in compliance with the Council approved financial policy of "30 days building to 60."

GOLF FUND

2020-2021 Proposed

Revenues

- Revenues for the Golf Fund are projected at \$2.3 million for FY 2020-2021 representing a decrease of \$258,000 over year-end.
 - Green fees of \$1.5 million represents a reduction of (\$261,000) from year-end and reflects a conservative projection of rounds played and includes no change to the current fee structure.
 - Cart Fees are projected to increase \$7,000.
 - The remaining revenues of \$150,000 decrease (\$4,000) from the year end position due to the insurance reimbursement received in FY 2019-2020.

Expenditures

- Total Expenditures and Transfers for the Golf Fund are proposed at \$2.3 million, a decrease of (\$186,000) as a result of removing the one-time transfer out projected in FY 2019-2020.
- Personal Services increase \$14,000 from year end estimates.
- The remaining operational expenditures decrease \$3,000 from year-end estimates of \$1.0M.
- The General and Administrative transfer increases \$3,000 as a result of the indirect cost allocation study performed by MGT of America.

Fund Balance

- Given the projected revenue and expenditure performance, the fund balance should end the year with 55.0 days in compliance with the Council approved financial policy of “30 building to 60 days”.

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

	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	BUD to BUD	EST to BUD
Beginning Designated Fund Balance	\$ 165,207	\$ 194,375	\$ 220,714	\$ 319,989	64.6%	45.0%
Reserve for Encumbrances	-	-	162	-	N/A	-100.0%
Adjusted Beginning Fund Balance	\$ 165,207	\$ 194,375	\$ 220,876	\$ 319,989	64.6%	44.9%
Revenues						
Green Fees	\$ 1,478,148	\$ 1,531,008	\$ 1,739,697	\$ 1,478,742	-3.4%	-15.0%
Cart Fees	625,626	632,919	701,174	708,186	11.9%	1.0%
Restaurant	38,394	39,155	41,623	45,785	16.9%	10.0%
Merchandise Sales	14,701	16,904	14,639	15,225	-9.9%	4.0%
Driving Range	46,634	48,639	43,367	45,535	-6.4%	5.0%
Lessons	16,916	15,505	16,107	16,751	8.0%	4.0%
Miscellaneous	29,023	11,496	34,532	22,604	96.6%	-34.5%
Transfer In - General Fund	-	-	-	-	N/A	N/A
Interest Earnings	2,323	1,173	3,598	3,706	215.9%	3.0%
Total Revenues	\$ 2,251,765	\$ 2,296,800	\$ 2,594,737	\$ 2,336,534	1.7%	-10.0%
Total Available Funds	\$ 2,416,972	\$ 2,491,175	\$ 2,815,613	\$ 2,656,523	6.6%	-5.7%
Expenditures						
Personal Services	\$ 1,143,050	\$ 1,199,430	\$ 1,185,192	\$ 1,198,983	0.0%	1.2%
Professional Services	238,203	222,275	222,225	225,990	1.7%	1.7%
Maintenance	234,654	245,888	244,000	247,888	0.8%	1.6%
Contracts	127,549	149,964	141,979	147,171	-1.9%	3.7%
Supplies	350,954	394,500	377,000	382,000	-3.2%	1.3%
Capital	-	-	21,000	-	N/A	-100.0%
Total Expenditures	\$ 2,094,410	\$ 2,212,057	\$ 2,191,396	\$ 2,202,032	-0.5%	0.5%
Operating Transfers Out						
General and Administrative Charges	\$ 101,686	\$ 104,228	\$ 104,228	\$ 106,834	2.5%	2.5%
Rate Stabilization	-	-	200,000	-	N/A	-100.0%
Total Operating Transfers Out	\$ 101,686	\$ 104,228	\$ 304,228	\$ 106,834	2.5%	-64.9%
Total Exp. And Oper. Transfers Out	\$ 2,196,096	\$ 2,316,285	\$ 2,495,624	\$ 2,308,866	-0.3%	-7.5%
Total Expenditures and Transfers	\$ 2,196,096	\$ 2,316,285	\$ 2,495,624	\$ 2,308,866	-0.3%	-7.5%
Revenue Over/(Under)	\$ 55,669	\$ (19,485)	\$ 99,113	\$ 27,668	-242.0%	-72.1%
Reserve for Encumbrances	\$ 162	\$ -	\$ -	\$ -	N/A	N/A
Ending Designated Fund Balance	\$ 220,714	\$ 174,890	\$ 319,989	\$ 347,657	98.8%	8.6%
Days of Fund Balance	36.68	27.56	46.80	54.96	99.4%	17.4%

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

	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	BUD to BUD	EST to BUD
Golf Revenue						
Green Fees	\$ 1,478,148	\$ 1,531,008	\$ 1,739,697	\$ 1,478,742	\$ (52,266)	\$ (260,955)
Cart Fees	625,626	632,919	701,174	708,186	75,267	7,012
Restaurant	38,394	39,155	41,623	45,785	6,631	4,162
Merchandise Sales	14,701	16,904	14,639	15,225	(1,679)	586
Driving Range	46,634	48,639	43,367	45,535	(3,104)	2,168
Lessons	16,916	15,505	16,107	16,751	1,246	644
Miscellaneous	29,023	11,496	34,532	22,604	11,108	(11,928)
Transfer In - General Fund	-	-	-	-	-	-
Interest Earnings	2,323	1,173	3,598	3,706	2,533	108
Total	\$ 2,251,765	\$ 2,296,800	\$ 2,594,737	\$ 2,336,534	\$ 39,734	\$ (258,203)
Grand Total Golf Fund	\$ 2,251,765	\$ 2,296,800	\$ 2,594,737	\$ 2,336,534	\$ 39,734	\$ (258,203)

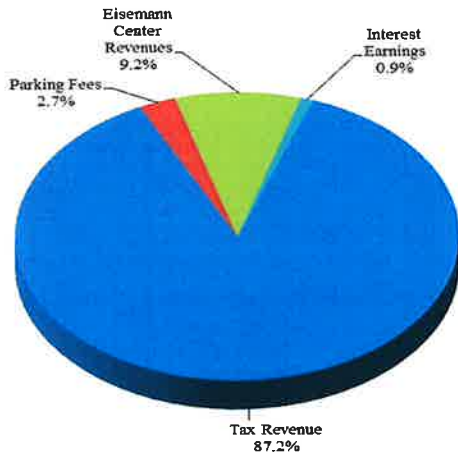
Hotel Motel Tax Fund

The Hotel Motel Tax Fund, a special revenue fund, accounts for the administration, operations and maintenance of the Charles W. Eisemann Center, parking garage, Convention and Visitors Bureau 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 and the funding of cultural activities. The fund also hosts the operating revenues received from user fees charged for the use of the Eisemann Center and the Parking Garage.

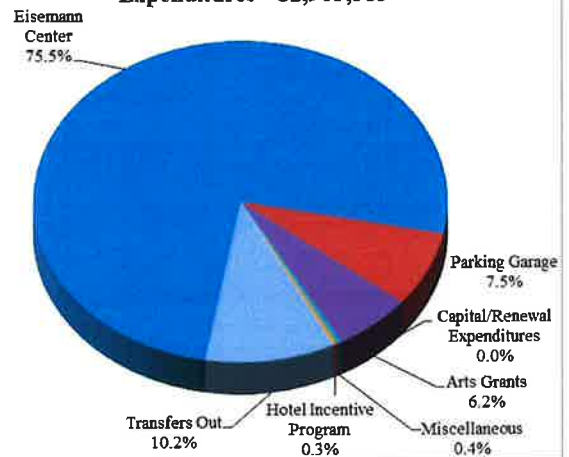
FY 2020-2021 Hotel/Motel Tax Fund Revenues - \$1,669,832



Uses

Daily operations at the Eisemann Center and the Parking Garage account for 83.0% of the expenditures in the Hotel Motel Tax Fund. Resources for the Convention and Visitors Bureau and local arts grants are also allocated in the Hotel Motel Tax Fund.

FY 2020-2021 Hotel/Motel Tax Fund Expenditures - \$2,905,583



Fund Balance

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

HOTEL MOTEL TAX FUND

2019-2020 Year End Estimate

Revenues

- Based on 9 months of revenue receipts and projected activities for the 3 remaining months, the Hotel Motel Tax Fund year-end revenues are projected to end the year (\$2.4 million) or -36.2% below the budgeted position of \$6.5 million for 2019-2020.

Hotel/Motel Tax Receipts

- Hotel Motel Tax Receipts are a factor of both room rate and occupancy levels. From October to May 2020 (latest available data), the occupancy rate is down (18.73%). ADR (average daily rate) is down (\$14.86), while RevPAR (revenue per available room) is down (\$25.81).

Year	Occupancy Rate	Average Daily Rate	RevPAR
Oct-May FY19	66.44%	\$101.26	\$67.28
Oct-May FY20	47.71%	\$86.40	\$41.47

- Hotel/Motel Tax Receipts are anticipated to end the year (\$1.8 million) below the 2019-2020 budget projection of \$4.1 million.

Hotel Property	Actual	Budget	Estimate	Variance
	FY 2018-19	FY 2019-20	FY 2019-20	Bud to Est
Aloft CityLine	\$ 330,644	\$ 349,969	\$ 171,629	\$ (178,340)
Cambria Richardson	-	-	39,142	39,142
Como Motel	18,060	17,236	15,218	(2,018)
DoubleTree Hotel	556,481	537,184	273,648	(263,536)
Drury Plaza	-	-	20,465	20,465
Econo Lodge	58,234	55,332	39,530	(15,802)
Extended Stay of America	63,318	70,440	47,483	(22,957)
Hampton Inn	193,696	205,266	94,535	(110,731)
Hawthorne Suites	54,913	54,452	41,811	(12,641)
Hilton Garden Inn	267,354	261,757	128,789	(132,968)
Holiday Inn	181,918	171,152	108,867	(62,285)
Hyatt Regency	529,880	493,097	264,490	(228,607)
Hyatt House	166,019	149,066	98,367	(50,699)
Marriott Courtyard - Galatyn	219,655	202,519	90,254	(112,265)
Marriott Courtyard - Spring Valley	248,507	242,459	125,751	(116,708)
Marriott Renaissance	782,903	708,306	386,085	(322,221)
Marriott Residence Inn	176,618	171,986	83,079	(88,907)
Marriott Springhill Suites	171,654	161,515	84,345	(77,170)
Super 8	59,036	58,837	43,963	(14,874)
WaterWalk	27,460	37,749	42,333	4,584
Wingate by Wyndham	137,272	123,450	65,083	(58,367)
National Corporate Housing	221	96	86	(10)
Estates of Richardson	1,024	1,442	356	(1,086)
ApartmentJet	-	-	410	410
Gold Nest	-	-	426	426
Total	\$ 4,244,866	\$ 4,073,310	\$ 2,266,145	\$ (1,807,165)

- Payments are one month behind activity (i.e. May stays make up June's hotel tax payments).

- Staff will continue to monitor the local hotel market to better understand the fluctuations in hotel revenue.

Remaining Revenues

- Total Eisemann Center revenues are expected to be down (\$986,000) or -46.3% below budget.
- Eisemann Center revenues are expected to be (\$536,000) below a budget of \$1.3 million.
 - 87 offerings at the Eisemann Center have been canceled from March 1-July8, 2020
 - 19 future offerings at the Eisemann Center that have already been canceled for 2020
 - 8 client events are still on the schedule through September 30th
 - 88% of Richardson arts grant organizations have canceled offerings since March 1st
- Revenues for the Eisemann Presents Series are expected to be down (\$450,000) below a budget of \$875,000.
 - 7 Eisemann Center Presents performances have been canceled since March 1st
- Parking Garage revenues are anticipated to finish the year down \$127,00 below its budgeted position of \$238,000.
- Due to the current economic conditions, a \$600,000 transfer in from the General Fund is proposed to maintain the stability of the fund. The need for this transfer will be reevaluated at year-end.

Expenditures

- Total Expenditures and Transfers for 2019-2020 are projected to end the year (\$1.3 million) below the original budget \$6.4 million.
- Eisemann Center Operations reflect a year end estimate (\$304,000) below the \$3.5 million budget.
- Eisemann Center Presents Series will finish the year down (\$204,000).
- Parking Garage expenditures are projected to end the year (\$133,000) below budget.
- Capital Renewal expenses are estimated at \$98,000
 - \$86,000 for work related to the Eisemann drainage study that was begun in FY 2018-2019
 - \$12,000 for concrete bollards and pavers that were ordered but not received in FY 2018-2019
- The category Other Uses is expected to end the year down (\$20,000) from budget
 - Arts grants have been reduced by (\$15,000)
- The transfer for C.V.B will be adjusted to match their final expenditures
- The G&A transfer that was budgeted at \$350,000 for FY 2019-2020 will not be made this year.

Fund Balance

- The Hotel Motel Tax Fund balance is anticipated to end the year at \$2.1 million. There is no formal designated fund balance policy for the Hotel Motel Tax Fund.

HOTEL MOTEL TAX FUND

2020-2021 Proposed

Revenues

- Total Revenues for the Hotel/Motel Tax Fund are projected at \$1.7 million for next year, reflecting an -59.8% decrease in overall revenues from year-end.

Hotel/Motel Tax Receipts

- For 2020-2021, Hotel/Motel Tax Receipts are budgeted at \$1.5 Million.

Hotel Property	Actual	Budget	Estimate	Budget
	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21
Aloft CityLine	\$ 330,644	\$ 349,969	\$ 171,629	\$ 66,372
Cambria Richardson	-	-	39,142	41,099
Como Motel	18,060	17,236	15,218	15,978
DoubleTree Hotel	556,481	537,184	273,648	182,432
Drury Plaza	-	-	20,465	30,698
Econo Lodge	58,234	55,332	39,530	41,507
Extended Stay of America	63,318	70,440	47,483	49,857
Hampton Inn	193,696	205,266	94,535	51,365
Hawthorne Suites	54,913	54,452	41,811	43,065
Hilton Garden Inn	267,354	261,757	128,789	85,859
Holiday Inn	181,918	171,152	108,867	57,900
Hyatt Regency	529,880	493,097	264,490	176,327
Hyatt House	166,019	149,066	98,367	49,184
Marriott Courtyard - Galatyn	219,655	202,519	90,254	45,127
Marriott Courtyard - Spring Valley	248,507	242,459	125,751	83,834
Marriott Renaissance	782,903	708,306	386,085	193,043
Marriott Residence Inn	176,618	171,986	83,079	58,066
Marriott Springhill Suites	171,654	161,515	84,345	41,380
Super 8	59,036	58,837	43,963	46,162
WaterWalk	27,460	37,749	42,333	43,179
Wingate by Wyndham	137,272	123,450	65,083	53,574
National Corporate Housing	221	96	86	-
Estates of Richardson	1,024	1,442	356	300
ApartmentJet	-	-	410	-
Gold Nest	-	-	426	-
Total	\$ 4,244,866	\$ 4,073,310	\$ 2,266,145	\$ 1,456,308

Parking Garage Revenues

- Parking Garage fees are projected at \$45,000, a decrease of (\$66,000) from year-end

Eisemann Center Revenues

- Eisemann Center revenues are projected at \$154,000 reflecting a (\$988,000) decrease from estimated year-end and reflects minimal Eisemann Center and Eisemann Center Presents offerings for the 2020-2021.

Expenditures

- Total Expenditures and Transfers for FY 2020-2021 are proposed at \$2.9 million reflecting a (\$2.2 million) decrease from current year-end expenditures.
- The Eisemann Center expenditures decrease (\$1.7 million) from year-end.
 - The Eisemann Center's daily operations decrease (\$1.1 million).
 - Eisemann Center Presents Series expenditures decrease (\$622,000).
- Parking Garage Expenditures are proposed at \$218,000, representing a decrease of (\$177,000) from year-end and represents minimum operational and contractual expenses for the structure.
- No capital/renewal projects are proposed at this time.
- Arts Grants funding are programmed at \$180,000 for the 2020-2021 budget, reflecting a reduction of (\$180,000) from FY 2019-2020.
- Miscellaneous expense of \$11,000 includes audit expenses, arts website maintenance and smaller miscellaneous expenses.
- The Transfer to General Fund – CVB matches the department budget at \$295,000.
- The Hotel/Motel G&A transfer to the General Fund will be forgone for FY 2020-2021.

Fund Balance

The Fund Balance is projected to end the year at \$835,000.

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

	ACTUAL FY 2018-19	BUDGET FY 2019-20	ESTIMATE FY 2019-20	BUDGET FY 2020-21	VARIANCE	
					BUD to BUD	EST to BUD
Beginning Designated Fund Balance	\$ 2,302,796	\$ 1,811,065	\$ 2,222,144	\$ 2,071,068	14.4%	-6.8%
Reserve/Eisemann Center Roof	450,000	725,000	725,000	-	-100.0%	-100.0%
Reserve/Spring Creek Portals	450,000	-	-	-	N/A	N/A
Reserve for Encumbrances	24,642	-	122,213	-	N/A	-100.0%
Adjusted Beginning Fund Balance	\$ 3,227,438	\$ 2,536,065	\$ 3,069,357	\$ 2,071,068	-18.3%	-32.5%
Revenues						
Tax Revenue	\$ 4,244,866	\$ 4,073,310	\$ 2,266,145	\$ 1,456,308	-64.2%	-35.7%
Parking Fees	239,005	238,000	111,382	45,000	-81.1%	-59.6%
Eisemann Center Revenues	2,019,781	2,127,000	1,141,225	153,524	-92.8%	-86.5%
Transfer In - General Fund Support	-	-	600,000	-	N/A	-100.0%
Interest Earnings	79,054	70,000	30,872	15,000	-78.6%	-51.4%
Total Revenues	\$ 6,582,706	\$ 6,508,310	\$ 4,149,624	\$ 1,669,832	-74.3%	-59.8%
Total Available Funds	\$ 9,810,144	\$ 9,044,375	\$ 7,218,981	\$ 3,740,900	-58.6%	-48.2%
Operating Expenditures						
Eisemann Center	\$ 4,328,995	\$ 4,406,054	\$ 3,898,370	\$ 2,193,710	-50.2%	-43.7%
Parking Garage	436,878	527,838	395,092	218,253	-58.7%	-44.8%
Total Operating Expenditures	\$ 4,765,873	\$ 4,933,892	\$ 4,293,462	\$ 2,411,963	-51.1%	-43.8%
Capital/Renewal Expenditures						
Eisemann Center	\$ 163,394	\$ -	\$ 36,330	\$ -	N/A	-100.0%
Eisemann Campus Renewal Project	613,185	300,000	61,997	-	-100.0%	-100.0%
Parking Garage	10,978	-	-	-	N/A	N/A
Total Capital/Renewal Expenditures	\$ 787,557	\$ 300,000	\$ 98,327	\$ -	-100.0%	-100.0%
Other Uses						
Arts	\$ 375,000	\$ 375,000	\$ 360,000	\$ 180,000	-52.0%	-50.0%
Miscellaneous	138,831	68,200	66,200	10,700	-84.3%	-83.8%
Hotel Incentive Program	5,700	10,000	7,500	7,500	-25.0%	0.0%
Total Other Uses	\$ 519,531	\$ 453,200	\$ 433,700	\$ 198,200	-56.3%	-54.3%
Total Exp. And Other Uses	\$ 6,072,961	\$ 5,687,092	\$ 4,825,489	\$ 2,610,163	-54.1%	-45.9%
Transfers Out						
Transfer to General Fund - C.V.B.	\$ 317,826	\$ 392,847	\$ 322,424	\$ 295,420	-24.8%	-8.4%
General and Administrative Charges	350,000	350,000	-	-	-100.0%	N/A
Total Transfers Out	\$ 667,826	\$ 742,847	\$ 322,424	\$ 295,420	-60.2%	-8.4%
Total Expenditures and Transfers	\$ 6,740,787	\$ 6,429,939	\$ 5,147,913	\$ 2,905,583	-54.8%	-43.6%
Revenue Over/(Under)	\$ (158,081)	\$ 78,371	\$ (998,289)	\$ (1,235,751)	-1676.8%	23.8%
Reserve/Eisemann Center Roof	\$ 725,000	\$ 1,000,000	\$ -	\$ -	-100.0%	N/A
Reserve for Encumbrances	122,213	-	-	-	N/A	N/A
Ending Designated Fund Balance	\$ 2,222,144	\$ 1,614,436	\$ 2,071,068	\$ 835,317	-48.3%	-59.7%

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

	<u>ACTUAL</u> FY 2018-19	<u>BUDGET</u> FY 2019-20	<u>ESTIMATE</u> FY 2019-20	<u>BUDGET</u> FY 2020-21	<u>VARIANCE</u>	
					BUD to BUD	EST to BUD
<u>Tax Revenue</u>						
Aloft CityLine	\$ 330,644	\$ 349,969	\$ 171,629	\$ 66,372	\$ (283,597)	\$ (105,257)
Cambria Richardson	-	-	39,142	41,099	41,099	1,957
Como Motel	18,060	17,236	15,218	15,978	(1,258)	760
DoubleTree Hotel	556,481	537,184	273,648	182,432	(354,752)	(91,216)
Drury Plaza	-	-	20,465	30,698	30,698	10,233
Econo Lodge	58,234	55,332	39,530	41,507	(13,825)	1,977
Extended Stay of America	63,318	70,440	47,483	49,857	(20,583)	2,374
Hampton Inn	193,696	205,266	94,535	51,365	(153,901)	(43,170)
Hawthorne Suites	54,913	54,452	41,811	43,065	(11,387)	1,254
Hilton Garden Inn	267,354	261,757	128,789	85,859	(175,898)	(42,930)
Holiday Inn	181,918	171,152	108,867	57,900	(113,252)	(50,967)
Hyatt Regency	529,880	493,097	264,490	176,327	(316,770)	(88,163)
Hyatt House	166,019	149,066	98,367	49,184	(99,882)	(49,183)
Marriott Courtyard - Galatyn	219,655	202,519	90,254	45,127	(157,392)	(45,127)
Marriott Courtyard - Spring Valley	248,507	242,459	125,751	83,834	(158,625)	(41,917)
Marriott Renaissance	782,903	708,306	386,085	193,043	(515,263)	(193,042)
Marriott Residence Inn	176,618	171,986	83,079	58,066	(113,920)	(25,013)
Marriott Springhill Suites	171,654	161,515	84,345	41,380	(120,135)	(42,965)
Super 8	59,036	58,837	43,963	46,162	(12,675)	2,199
WaterWalk	27,460	37,749	42,333	43,179	5,430	846
Wingate by Wyndham	137,272	123,450	65,083	53,574	(69,876)	(11,509)
National Corporate Housing	221	96	86	-	(96)	(86)
Estates of Richardson	1,024	1,442	356	300	(1,142)	(56)
ApartmentJet	-	-	410	-	-	(410)
Gold Nest	-	-	426	-	-	(426)
Total	\$ 4,244,866	\$ 4,073,310	\$ 2,266,145	\$ 1,456,308	\$ (2,617,002)	\$ (809,001)
<u>Parking Fees</u>						
Parking Garage	\$ 239,005	\$ 238,000	\$ 111,382	\$ 45,000	\$ (193,000)	\$ (66,382)
Total	\$ 239,005	\$ 238,000	\$ 111,382	\$ 45,000	\$ (193,000)	\$ (66,382)
<u>Eisemann Center Revenue</u>						
Fees	\$ 908,733	\$ 920,000	\$ 517,884	\$ 100,000	\$ (820,000)	\$ (417,884)
Ticket Sales and Surcharges	255,127	235,000	151,393	-	(235,000)	(151,393)
Concessions	20,942	22,000	11,858	-	(22,000)	(11,858)
Eisemann Presents Revenue	752,432	875,000	424,758	53,524	(821,476)	(371,234)
Miscellaneous	82,547	75,000	35,332	-	(75,000)	(35,332)
Total	\$ 2,019,781	\$ 2,127,000	\$ 1,141,225	\$ 153,524	\$ (1,973,476)	\$ (987,701)
<u>Transfers In</u>						
General Fund Support	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ (600,000)
Total	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ (600,000)
<u>Interest Earnings</u>						
Interest Earnings	\$ 79,054	\$ 70,000	\$ 30,872	\$ 15,000	\$ (55,000)	\$ (15,872)
Total	\$ 79,054	\$ 70,000	\$ 30,872	\$ 15,000	\$ (55,000)	\$ (15,872)
Grand Total Hotel/Motel Tax Fund	\$ 6,582,706	\$ 6,508,310	\$ 4,149,624	\$ 1,669,832	\$ (4,838,478)	\$ (2,478,956)

EISEMANN CENTER EXPENDITURE DETAIL

	<u>ACTUAL</u> FY 2018-19	<u>BUDGET</u> FY 2019-20	<u>ESTIMATE</u> FY 2019-20	<u>BUDGET</u> FY 2020-21	<u>VARIANCE</u>	
					BUD to BUD	EST to BUD
<u>Eisemann Center Expenditures</u>						
Eisemann Center	\$ 3,323,810	\$ 3,531,054	\$ 3,227,286	\$ 2,144,430	\$ (1,386,624)	\$ (1,082,856)
Eisemann Center Presents	1,005,185	875,000	671,084	49,280	(825,720)	(621,804)
Total Eisemann Center Expenditures	\$ 4,328,995	\$ 4,406,054	\$ 3,898,370	\$ 2,193,710	\$ (2,212,344)	\$ (1,704,660)