

**City of Richardson
Budget Calendar
Fiscal Year 2009-2010 - ADOPTION ON SEPTEMBER 14, 2009**

April 1- May 1	Dallas Central Appraisal District & Collin Central Appraisal District prepare to mail notices of appraised value
May	City to receive Preliminary Values from appraisal districts
Fri. May 8	Departmental revenue projections, budgets and all support documentation due to the Budget Office
May 18 - June 15	Departmental budget presentations to Budget Team
June/July	Budget Team begins making revised revenue and expenditure forecasts
Thurs., July 16	Post notice of City Council Budget Retreat
Mon., July 21 - Thurs., July 23	City Council Budget Retreat - 5:30pm
Mon., July 27	Certified tax rolls received by the City
Week of July 27-31	Calculation of effective and rollback tax rates (including uploading & balancing data from CADs)
Thur., Aug. 6	Publish "Effective and Rollback Tax Rates (ETR)" (or Publish "ETR" at same time as the "Notice of Public Hearings")
Fri., Aug. 7	City Manager files budget w/City Secretary for public review (by August 15, 2009) (Budget Public Hearing must be at least 15 days after filing of Budget w/City Secretary) Post notice of City Council Meeting, for discussion of tax rate, setting public hearing and to take a record vote on tax rate.
Mon., Aug 10	City Council Budget Workession- Discuss tax rate, set public hearing on tax rate & take record vote on tax rate AND set Date & Place of Public Hearing on Budget. (Public hearings required if proposed rate will exceed the lower of the rollback rate or the effective tax rate)
Fri., Aug 14	"Notice of Public Hearing on Budget"
Sun., Aug 16	Publish "Notice of Public Hearings on Tax Increase" (At least 7 days before 1st Public Hearing on tax rate)
Mon., Aug 17	Internet & CITV "Notice of Public Hearings on Tax Increase" (Posted at least 7 days immediately before the 1st hearing on the tax rate & until 2nd public hearing is concluded)
Fri., Aug 21	Post notice of City Council Meeting, for public hearings on budget and tax rate
Mon., Aug 24	City Council - Hold Public Hearing on Budget and 1st Public Hearing on tax rate (2nd Public Hearing required at least 3 days after the 1st Public Hearing)
Mon., Aug. 24	Newspaper deadline for "Notice of Tax Revenue Increase" #1 (NTRI, formerly "Notice of Vote on Tax Rate")
Thur., Aug 27	Publish (1 of 2) "Notice of Tax Revenue Increase" (NTRI)
Fri., Aug. 28	Post notice of City Council Meeting, for 2nd public hearing on tax rate.
Mon., Aug 31	City Council Special Session - Hold 2nd Public Hearing on tax rate (Adopt tax rate within 7 - 14 days) Newspaper deadline for "Notice of Tax Revenue Increase" #2 (NTRI, formerly "Notice of Vote on Tax Rate")
Thur., Sept. 3	Publish (2 of 2) "Notice of Tax Revenue Increase" (NTRI)
Fri., Sept. 4	Internet & CITV "Notice of Tax Revenue Increase" (NTRI) (post at least 7 days prior to vote on tax rate)
Mon., Sept 7	Labor Day - No Meeting, City offices closed
Fri., Sept 11	Post notice of City Council Meeting, adoption of budget and property tax rate
Mon., Sept 14	City Council Meeting - Vote to Adopt Budget and Property Tax Rate for FY2009-2010 (Must be 7-14 days after the 2nd Tax Public Hearing OR "NTRI" must be published a third time) Actual time, 14 days - therefore, a third "NTRI" is not required.

2009-2010 Budget Overview

Overview

- The 2009-2010 budget may be best summarized as a “**Reflective Budget**”. The work plan and resource requirements for this next fiscal year for the City of Richardson have been carefully developed to **reflect** this time of austerity and constraint. This budget **mirrors** an awareness of the challenging times that the economy has placed on personal and corporate resources.
- This budget has also sought to **reflect** the significant dynamics that are active in the Richardson community. These **reflection** include:
 - the economic constraints present in the community, but a strong expectation that due to the features of the Richardson economy, a renewal and restoration will be forthcoming as we maintain good practices and preserve basic services
 - the comprehensive list of City Council Goals and Initiatives that continue to be advanced with existing resources – or be strategized and planned to best assess any requirement for new resources
 - the need to maximize the use of this down-cycle with effective planning and visioning for key development and redevelopment areas of the community
 - a careful examination of some Richardson services as they are priced and offered to non-Richardson guests, particularly as other communities make their budgetary adjustments
 - the preparatory steps for any future capital re-investment bond program
 - an employee workforce that is sensitive to the community and understands the shared-sacrifices that all are making to sustain our personal, corporate, and civic livelihood in this economy.
- Active “gathering” processes occur throughout the year, with input and ideas from the community, advisory boards, and the city organization being noted and factored into the budget development effort.
- As mentioned above, a significant input source has been the recent City Council Goal and Initiative statements that set the course and direction for City operations. Even as these are pending final confirmation, the main themes and directions are evident and clear.
- Responses to the following key policy and operational questions have guided the development of this budget preparation and development process:
 1. What impacts have this last year of economic turmoil had on the local economy and the related revenue outlook for municipal operations?
 2. How can a meaningful plan of municipal services be crafted that continues to advance the City Council’s goals as we face curtailed resources?

3. What service and planning activities are most likely to be in high demand during this economic climate?
 4. What are the proportional and measured adjustments that can occur to match the economic climate, yet allow a quick and responsive recovery as resources become available?
 5. How do we offer stability and assurance through our municipal services to our residential and corporate citizens such that Richardson remains the “community of choice”?
 6. How do we make the most of this economic and development climate to be best-positioned for recovery and renewal?
 7. How do we sustain the municipal operation during these times to remain viable and vibrant as an employer of talented public service professionals in a competitive regional environment?
 8. Are there new or modified revenues to gain a better balance of resource for municipal operations?
- The significant service delivery policies are evident in the operating and debt service budgets, and the large portion of this presentation and exhibits reflect on those funds. As required, all municipal resources and funds are completed and provided in the budget filing documentation, as required by City Charter.

2009-2010 Budget Development Objectives

- The following 2009-2010 budget development objectives emerge from the variety of community input sources maintained by the City Council and next progression steps of our multi-year initiatives:
 - Establish a budget and **work plan within the existing or fee-based enhanced revenue resources, without a property tax rate increase.**
 - Maintain the alignment of staff and resources to achieve the **fullest implementation of the City Council Goal initiatives**, specifically progress in comprehensive planning, neighborhood integrity and renewal, infrastructure enhancements, retail revitalization, and fiscal management.
 - As a key element of the Council Goals, continue the **timely implementation of the 2006 G.O. Bond Program and initiate the preparation steps to allow a full assessment of the viability for a 2010 G.O. Bond Program.**
 - Continue **implementation of a Tax Increment Finance (TIF) District** for public/private partnerships in high quality redevelopment.
 - Devote the necessary planning and engineering resources to **foster the emerging transit-oriented development attention around the DART Rail Stations** at Spring Valley, Arapaho Center, Galatyn Park, Bush Turnpike, and future opportunities along the DART’s Cottonbelt rail corridor.

- Develop the planning review steps and initiate the priority actions for the first phase of the **Special Study Areas** identified in the recently adopted Comprehensive Plan.
- Continue to **maximize the economic development recruitment and retention opportunities** that are evident in the economy through the City/Chamber Economic Development partnership. Maintain the balanced work plan of commercial and retail redevelopment initiatives.
- **Continue the Neighborhood Services initiatives** enhanced over these last few years, including the Neighborhood Assessment program, Apartment and Rental Inspection, and continued emphasis on code administration.
- Maintain the city's **leadership posture in local and regional transportation improvements**, including DART rail service and future alignments, local congestion mitigation, related air quality aspects, tollway, HOV, and highway improvements, and the related funding dynamics under discussion.
- Closely **monitor the planning and fiscal aspects of water supply management** by the NTMWD, including water conservation, new regional supply strategies, public awareness campaigns, and the related rate adjustment impacts.
- **Continue the City's role in energy management** of fuel and electricity as we support LEED methodologies in design and operations and also support the air quality improvement aspects associated with these objectives in our facilities and equipment fleet.
- **Sustain the master planning and development strategy efforts** for Arapaho Center TOD, and Spring Valley TOD - Westside. Continue the Trail planning process and seek interlocal coordination for strong regional linkages as trail system.
- **Continue communication enhancements with the community** through technology improvements and other outreach initiatives.
- **Continue to close cooperation with the RISD and PISD** as this strong alliance for economic development and positive community impacts is essential.
- Support the **cooperative community missions of MRMC and UTD** in allied partnership relations that can positively impact the Richardson community in economic and service quality terms.

An Overview of the Budget Balancing Strategy

- The techniques for balancing the municipal budget can vary greatly and some techniques are better suited to certain budget performance circumstances. The City of Richardson has been acknowledge by the rating agencies for using conservative budget estimating techniques, actively maintaining fund balances and budget management vigilance.
- The nature of the City's operational departments also impact budget management techniques. The enclosed table at the end of the section is instructional. You'll see

that over half of the General Fund expenditures are devoted to three departmental areas: Police, Fire, and Parks. Viewed by another analysis, we note how intensive the personnel expense element is in key departments such as Police, Fire, Library and our Inspection operations that have 90% of their expenditures as personnel costs. The experience loss, training investment, and delay and expense of recruitment will always cause us to be cautious about involuntary personnel reductions to meet perceived relatively short-lived revenue deficiencies.

- In addition to our expenditure reviews, we will continue to review fee-based revenue enhancements that better place the feature of some municipal services with the users of that service. Though it is known that these fees and rate revenue make-up only a portion of the General Fund revenue picture, we believe that a periodic review avoids developing large gaps of difference in fee-based revenue recovery that would pose other challenges by making larger, but infrequent, revisions.

2009-2010 Key Budget Elements

- Summarized below are several key features of this proposed 2009-2010 Budget. These are all more fully described in the respective fund overviews:

Property Tax

- No tax rate increase is proposed.
- With the City Council's action in June 2008 to review and amend the Senior Exemption amount from \$50,000 to \$55,000, the property tax revenue forecast has factored this tax savings benefit. The certified appraisal information for 2009-2010 did not adversely impact the targeted 30% exemption protection contemplated in the City Council's Financial Policy. Other Senior Taxation relief considerations as mentioned in the City Council's draft Initiatives can be evaluated at a future date, as any revision and implementation will not impact this coming 2009-2010 budget, but begins with subsequent fiscal years.
- We will continue the appropriate tax increment allocations for the adopted Tax Increment Financing (TIF) zone as we can assess the tax rolls and evaluate the incremental growth since the 2006 base year.

Sales Tax

- Sales taxes continue to be a revenue source that rapidly reflects the economic direction of the community as the city moves in and out of recessionary cycles. Its availability and magnitude provide relief to property tax dependency, providing about 24% of the General Fund resources from just this one revenue. In times past, this resource has carried nearly 40% of the General Fund's resource composition.
- Fiscal Year 2009-2010 projections of \$22.2 million in sales tax remains less than the \$22.6 million amount experienced in Fiscal Year 1998-99, over 11 years ago.
- We have reported the generally "flat or slightly declining" trend in sales tax for the current 2008-2009 year. The occasional state audit adjustments have been

favorable overall for this current fiscal year, but are removed from trend forecasting to allow a better base-to-base assessment.

- The trend pattern for forecasting the 2009-2010 sale tax revenue is cautious and is braced for a continued weak performance with a -2% base-to-base reduction.

Fees

- The City Council's Goals and Initiatives confirm an important fiscal management objective of utilizing user fees when appropriate and through benchmarking efforts to confirm that these fees are contemporary in their amounts to offset the general property tax burden.
- In addition to the ongoing monitoring of key rate and user fees associated with our Water and Sewer and Solid Waste Funds, a comprehensive review of other general user fees was initiated by the departments involving General Fund operations. While many have either been recently updated or are currently within market position, several fees area are proposed for adjustment:
 - Swimming Class Fees
 - Wildflower Festival Ticket Pricing
 - EMS Base Rate and Mileage Fees
 - Police Alarm Fees for Commercial Accounts
 - Pet Registration Fees
 - Civic Center Fees
- We are also proposing the initiation of several new fees for specific services. Though "new" for Richardson, our benchmarking reviews suggest these fees are well-established within the area market and will now assist to offset the costs of our more active services in these areas:
 - Recreation Center Fees
 - Non-Resident Swimming Fees
 - Park Pavillion Rentals
 - Non-residential (Dallas) Library Fee
 - Building Inspection Single Family Rental Inspection Fee
 - Fire Department False Alarm Fee
- These fee adjustment considerations are more fully detailed in the General Fund narrative section.

Debt Issuance & Capital Funding

- A debt issue program of \$10 million across all funds is proposed, as we continue only a short notes program for equipment replacements and the annual Utility CIP program.

- Depending on the City Council’s assessment over the next seven months, and voter approval in May 2010, a new General Obligation Bond program would add to this \$10 million issue amount and be sold in a July 2010 timeframe.
- Through the prior tax rate adjustment for the 2006 G.O. Bond program, and the performance of the tax base and debt management of our variable rate debt segment, all General Debt service obligations are met with this current tax rate position. Rate performance as proposed in other funds will meet their debt obligations for 2009-2010.

The Utility CIP program continues with the next \$5 million C.O. utility capital commitment as we sustain our utility infrastructure and support timely line rehabilitations in conjunction with the Neighborhood Street CIP redevelopment.

Staffing & Compensation

- We will continue our budget management efforts which include “freezing” or delay-hiring City personnel for 2009-2010.
- During the 2008-2009 Fiscal Year, 12 staff positions across multiple departments were frozen as vacancies occurred, and the forecast for 2009-2010 will involve a continued employment freeze. Minimum manning requirements in both Police and Fire Departments will continue to be met in 2009-2010.
- No compensation adjustments are proposed in this 2009-2010 budget; suspending any market adjustments, pay plan step migration, or across-the-board adjustments. This is a significant, but measured proposal, reflecting a likely posture of many area municipalities and reflecting the need to suspend one of the key expenditure drivers of the operating budgets. This proposal also forestalls any needed furloughs, pay reductions, or reductions in force as we current assess our conditions.
- Much like the timetable of the initial development and growth era for this Richardson community has us now focused on meeting the expenses of infrastructure replacements, we are in an era of stronger Texas Municipal Retirement System (TMRS) actuarial expense obligations as we meet the retirement plan obligation of the police, fire and other employees that have retired after decades of service to the community. This is an era that will remain for the next few years as we move through this rate curve and meet the actuarially-determined expense requirements. The use of better actuarial methods over these last years will assure that the plan remains sound for employees and remains a key attractor for public safety and municipal professional personnel recruitment.
- For 2009-2010, no adjustments to health insurance rate structure for employees with dependents and retirees of the City are proposed, as we continue to monitor this program carefully. Recall that employee and retiree rate categories were significantly adjusted as we began this current 2008-2009 fiscal year. While the national trend in medical expenses continue to bring pressure on this plan, the City will utilize a planned portion of its CORPlan reserves to provide the City’s needed adjustment for 2009-2010 as we evaluate any plan or rate changes for 2010-2011.

Summary Budget Highlights

Key highlights of this draft 2009-2010 budget include:

- No property tax rate increase is included in this budget.
- A -2.0% reduction factor in sales tax from this year’s experience is forecasted.
- Following the City Council’s recent policy guidance, several general fee adjustments appear are proposed, as well as the introduction of some new fees.
- No adjustment in Water and Sewer rates is proposed.
- No adjustments to Golf rates are proposed.
- No adjustments to Solid Waste rates are proposed.
- No compensation adjustments. A reduction in many supply, service, and contract expenditures have been made to meet a reduced revenue outlook. Reductions in training and travel have also been made in this budget proposal.
- The debt issue for the annual Utility CIP is continued as we maintain our active city utility infrastructure and support coordinated utility service line upgrades with the street maintenance programs.
- As a rule-of thumb reference for this 2009-2010 budget, each 1% of the tax roll has a \$575,000 impact, and each \$0.01 of the tax rate has a \$991,000 impact.
- As reflected in the fund summaries, targeted fund balances have been maintained in all of the major operating funds including 60 days in the General Fund and 60 days in the Solid Waste Services Fund, and efforts to build towards a 90 day position in the Utility Fund have been achieved and maintained. The Golf Fund sustains a position above its 30 day fund balance base posture, even as the economy impacts that service. The Hotel Motel Tax Fund shows the impact of reduced hospitality activity and adjustment are proposed to keep the key programs in that fund sustained.
- Capital and debt planning continues to be a portion of the annual budget review process. The capital program is largely focused on implementation, and therefore proposes only a routine property notes debt program of \$10 million across all funds for 2009-2010, plus the amount of any new G.O. Bond program that the Council may initiate and voters ratify in May 2010. The following base debt issuance plan for 2009-2010 summarizes the proposed debt elements:

Series 2010: 2009-2010 Planned Debt Issuance Program – All Funds			
Amount	Bond Type	Purpose	Debt Service
\$2,715,000	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$915,000	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$1,370,000	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$5,000,000	C.O.	2009-2010 Water and Sewer C.I.P.	Utility Fund Debt Service
\$10,000,000	Total		

Summary

- We believe this proposed 2009-2010 budget reflects a strong awareness to the economic circumstances facing our community.
- We are highly sensitive to the challenges this economy is having on our residents and business community. High attention has been devoted to curtailing expenditures to avoid any property tax rate pressure and minimizing any rate changes to the minimum amounts necessary to achieve our financial and service responsibilities.
- Municipal employees are bearing a significant portion of the budget balancing strategy for 2009-2010 as we suspend compensation increases, and continue to freeze employment vacancies.
- This budget will require the continue vigilance of fiscal monitoring as we navigate this challenging economy and we expect a continued dialogue throughout the year to monitor the performance.
- Through the significant curtailment of expenditures, and the use of selected user fee adjustments, we propose to sustain an effective work program to meet the Council's 2009-2011 Goals and Initiatives.

DEPARTMENT	ESTIMATED FY 2008-2009	BUDGET FY 2009-10	% of Total	Cummulative %
Police	\$20,517,425	\$20,587,848	22.5%	22%
Fire	\$16,622,201	\$16,905,517	18.4%	41%
PARD - (Civic Center, Community Events, CVB, Admin, Maintenance, Older Adults, Pools, Recreation, Tennis)	\$12,946,440	\$13,112,137	14.3%	55%
Finance - (Acct., Admin., Fleet, Mun. Court, Purchasing, Tax)	\$7,656,237	\$7,904,682	8.6%	64%
Public Services - Facilities Services and Streets	\$6,401,961	\$6,606,832	7.2%	71%
Non-Departmental	\$6,233,878	\$6,243,062	6.8%	78%
Development Services - (Traffic & Transportation, Development & Engineering, Planning)	\$4,467,022	\$4,376,725	4.8%	83%
Information Services	\$3,620,625	\$3,635,423	4.0%	87%
Library	\$3,116,942	\$3,231,381	3.5%	90%
General Government	\$1,723,939	\$1,729,191	1.9%	92%
Building Inspection	\$1,357,936	\$1,392,580	1.5%	93%
Neighborhood Services	\$1,349,197	\$1,452,911	1.6%	95%
Health - (Health and Animal Control)	\$1,343,311	\$1,254,334	1.4%	96%
Engineering - Capital Projects	\$1,099,803	\$1,127,454	1.2%	98%
Human Resources	\$784,940	\$822,126	0.9%	99%
Citizens' Information Services	\$434,785	\$435,545	0.5%	99%
Citizens' Information TV	\$333,800	\$327,891	0.4%	99%
City Secretary	\$216,661	\$229,033	0.2%	100%
Budget	\$155,250	\$160,918	0.2%	100%
Emergency Management	\$134,304	\$151,850	0.2%	100%
Total	\$90,516,657	\$91,687,440	100.0%	

DEPARTMENT	ESTIMATED FY 2008-2009	BUDGET FY 2009-10	Personal Services	Personal Services % of Budget
Police	\$20,517,425	\$20,587,848	\$19,884,091	97%
Engineering - Capital Projects	\$1,099,803	\$1,127,454	\$1,066,440	95%
Fire	\$16,622,201	\$16,905,517	\$15,938,448	94%
General Government	\$1,723,939	\$1,729,191	\$1,611,329	93%
Library	\$3,116,942	\$3,231,381	\$2,980,084	92%
Building Inspection	\$1,357,936	\$1,392,580	\$1,282,313	92%
Budget	\$155,250	\$160,918	\$148,059	92%
Health - (Health and Animal Control)	\$1,343,311	\$1,254,334	\$1,127,733	90%
Human Resources	\$784,940	\$822,126	\$713,794	87%
Citizens' Information TV	\$333,800	\$327,891	\$269,470	82%
Development Services - (Traffic & Transportation, Development & Engineering, Planning)	\$4,467,022	\$4,376,725	\$3,282,046	75%
Emergency Management	\$134,304	\$151,850	\$110,851	73%
Neighborhood Services	\$1,349,197	\$1,452,911	\$1,002,030	69%
City Secretary	\$216,661	\$229,033	\$156,489	68%
PARC - (Civic Center, Community Events, CVB, Admin, Maintenance, Older Adults, Pools, Recreation, Tennis)	\$12,946,440	\$13,112,137	\$8,294,355	63%
Information Services	\$3,620,625	\$3,635,423	\$2,239,493	62%
Public Services - Facilities Services and Streets	\$6,401,961	\$6,606,832	\$3,988,704	60%
Finance - (Acct., Admin., Fleet, Mun. Court, Purchasing, Tax)	\$7,656,237	\$7,904,682	\$4,386,332	55%
Citizens' Information Services	\$434,785	\$435,545	\$237,894	55%
Non-Departmental	\$6,233,878	\$6,243,062	\$1,398,064	22%
Total	\$90,516,657	\$91,687,440	\$70,118,019	76%

COMBINED 2009-2010 BUDGET

Overview

Combined Budget				
	2008-2009 Estimated	2009-2010 Budget	Est./Bud.	%
Beginning Fund Balances	\$36,727,349	\$37,528,233	\$800,884	2.2%
Revenues	\$173,255,876	\$174,023,978	\$768,102	0.4%
Expenditures	\$172,454,992	\$175,840,035	\$3,385,043	2.0%
Ending Fund Balances	\$37,528,233	\$35,712,177	(\$1,816,056)	-4.8%

GENERAL FUND

Overview

General Fund Budget				
	2008-2009 Estimated	2009-2010 Budget	Est./Bud.	%
Beginning Fund Balances	\$15,785,119	\$15,799,292	\$14,173	0.1%
Revenues	\$92,051,110	\$92,678,801	\$627,691	0.7%
Expenditures	\$92,036,937	\$92,678,801	\$641,864	0.7%
Ending Fund Balances	\$15,799,292	\$15,799,292	\$0	0.0%

Revenues

- Total Revenues for the General Fund are projected to be \$92.7 million or 0.7% higher than estimated year-end revenues for 2008-2009. Property Taxes and Sales Taxes comprise 64.0% of overall General Fund Revenues. With the inclusion of Franchise Fees, the top 3 revenue sources make up 77.6% of total revenues. Revenues have been projected conservatively in keeping with City Council adopted financial policies.
- During the summer of 2009, staff conducted a review of all fees charged by the City of Richardson. Many fees were already at market level with no significant room for adjustment. Some, however, could be increased and or implemented while maintaining our competitive edge in the respective market. Generating an estimated \$465,000 of new revenue, each of these fee proposals is discussed below:
 - **Municipal Court – \$60,000.** As is provided by statute, the Municipal Court charges \$4.00 for each conviction. The funds are directed to the Municipal Court Technology Fund as specified by law. Over the years, that fund, as seen in the fund summaries attached to this budget, developed a fund balance of approximately \$1 million. With sufficient funds to serve the needs of that fund, staff proposed reducing the fee from \$4.00 to \$2.00. This change will allow the remaining \$2.00 to flow back to the General Fund for the foreseeable future.
 - **Police Department - \$21,000.** - Increasing the commercial alarm permit from \$30 annually to \$50.

- **Fire Department – \$63,500**
 - **\$8,500** – The Richardson Fire Department (RFD) responds to almost 9,000 calls for service each year. In 2008 this included 1,003 false or mistaken alarms, of this number, 59 locations received more than three (3) responses. The majority of multiple alarms to the same location are usually due to a system malfunction or lack of proper notification when a system is taken out for service. The RFD responds to all alarms to investigate the cause. The assumption has to be that a fire or smoke condition caused the alarm to activate. The City of Richardson has not charged a fee for responding to false alarms since 2005. Under this proposal, the Fire Department would institute a policy of allowing 3 free “runs” followed by 3 runs at \$50 each, then a flat rate of \$200 for each false alarm to the same address after that. Seven of our area cities have a similar program.
 - **\$55,000** – Propose a 5% increase for ambulance fees. This amount helps us keep pace with allowable fees reimbursed by insurance carriers.
- **Building Inspection – \$110,000.** The proposal recommends adding a \$50 annual fee to the rental registration program to help defray the costs of that program.
- **Parks And Recreation Department - \$190,000**
 - **\$101,000** – Wildflower Festival ticket prices have not been adjusted since 2005 for the single day ticket, and 2008 for the resident ticket and 3 day passes. This proposal would raise single day tickets for residents from \$7.50 to \$10, single day tickets at the gate from \$15 to \$20 and three day passes from \$25 to \$30. Children’s tickets will remain unchanged at \$3 for 5 to 12 year olds with children under 5 admitted free of charge.
 - **\$55,000** – Huffhines Recreation Center would charge Yearly membership as follows - Resident Youth \$25, Adult \$45, Senior \$25, Family \$100....Non-Resident Youth - \$50, Adult \$90, Senior \$50, Family \$200, Corporate \$70. Daily pass fee of \$3, \$5, \$6, \$10.
 - **\$7,000** – Non-Resident Daily Swim Fees are proposed at \$4. The proposed charge to non-residents for daily admission is comparable to the current charges at comparable pools across the Metroplex, with \$1 being the lowest (Irving) and \$6 being the highest (Farmers Branch).
 - **\$7,000** – Summer Swim Classes (lessons) would increase \$45 to \$50 per two week session. Swim classes range from \$36 to \$75 per session across the Metroplex.
 - **\$10,000** – Civic Center fees would be increased \$25-\$200, per day depending upon the room. Example: room rates will increase from \$150 to \$175 for a half day for the conference rooms and increase from \$1,800 to \$2,000 for a full day in the Grand Hall on weekends.
 - **\$10,000 (400 reservations)** - A Pavilion Reservation Fee is proposed at \$25.00 for a minimum of 2 hours and \$10 an hour for each additional hour. We do not currently charge a fee for pavilion reservations. The lowest in the area is \$15 an hour in Allen while the highest is \$100 an hour in Carrollton.
- **Animal Control - \$20,000** – A two tier increase in animal tags Increase pet registration fees to \$5.00 annually for neutered/spayed pets and \$10.00 annually for intact pets. Registration of senior citizen’s pets will remain free.

Property Taxes

- The proposed 2009-2010 tax rate of \$0.57516 per \$100 assessed valuation reflects no change from the 2008-2009 tax rate.
- Based on the Certified Tax Rolls received from both DCAD and CCAD, assessed valuation decreased -0.3% from \$9.9 billion to \$9.88 billion. This is the first decrease after four years of increase which preceded three years of decline in overall assessed valuation in ten years.
- The following table reflects the comparative listing of percentage change in overall assessed valuations for the 10 largest Metroplex communities and selected area cities.

2009 Certified Tax Roll Comparisons	
August 2009	
Entity	% Change
Allen	4.01%
Richardson (CCAD)	2.20%
Frisco	1.31%
McKinney	0.71%
Collin County	0.69%
Richardson (Total)	-0.30%
Fort Worth	-1.18%
Plano	-1.34%
Richardson (DCAD)	-1.50%
Grand Prairie	-2.72%
Dallas County	-3.09%
Carrollton	-3.12%
Arlington	-3.13%
Dallas	-3.36%
Irving	-3.43%
Garland	-3.63%
Mesquite	-6.00%

- 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 2009 Tax Roll – Percent of Parcels Reappraised			
	2007	2008	2009
Residential	53%	39%	29%
Commercial	66%	94%	89%
BPP	100%	100%	100%
All	61%	53%	45%

- The chart below reflects the proposed 2009-2010 property tax revenues between General Fund operations and debt service.

Property Tax Revenue			
	Budget	Estimated	Budget
	2008-2009	2008-2009	2009-2010
Certified Assessed Value	\$9,914,847,711	\$9,914,847,711	\$9,884,098,045
Operations & Maintenance (GF)	\$36,064,015	\$35,652,558	\$36,257,814
Debt Service (DS)	\$21,108,001	\$20,875,813	\$21,221,430
Total	\$57,172,016	\$56,528,371	\$57,479,244

- The projected Property Tax rate split shown below assumes a -0.3% decrease in certified assessed valuation plus \$155.8 Million of “Values in Dispute”, that could be added to the certified roll once the cases have been finalized and allows for deduction of the Tax Increment Finance District values of \$46.3 million.

	2008	2009	% Difference
Certified	\$9,914,847,711	\$9,884,098,045	-0.31%
Values In Dispute	\$113,478,862	\$155,765,645	37.26%
TIF	(\$88,133,200)	(\$46,254,199)	-47.52%
Total Taxable Value	\$9,940,193,373	\$9,993,609,491	0.54%

- Operations & Maintenance (O&M)* - The 2009-2010 O&M portion of the tax rate is unchanged from last year at \$0.36281.
- Debt Service* - The portion of the rate used for repayment of debt reflects the current requirements net of interest earnings estimated for 2009-2010 and balances the fund to 30 days.

Property Tax Rate Split		
	2008-2009	2009-2010
Operations & Maintenance (O & M)	\$0.36281	\$0.36281
Debt Service	\$0.21235	\$0.21235
Total	\$0.57516	\$0.57516

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

2008-2009 Tax Rate Calculations			
	Rate	Difference	Revenue
2008-2009 Rate	\$0.57516	-	-
Rollback Rate	\$0.59525	\$0.02009	\$1,996,985
Effective Rate	\$0.56389	(\$0.01227)	(\$1,219,662)

- Previous tax rate reductions and redirections have included:
 - 1¢ reduction - 1995-1996 Budget.
 - 1¢ reserved for street rehabilitation - 1996-1997 Budget.
 - Sustained 1¢ reserved for street rehabilitation - 1997-1998 Budget.
 - Sustained 1¢ reserved for street rehabilitation – 1998-1999 Budget.
 - Sustained 1¢ reserved for street rehabilitation – 1999-2000 Budget.
 - Sustained 1¢ reserved for street rehabilitation – 2000-2001 Budget.
 - Sustained partial 1¢ reserve for street rehabilitation – 2001-2002 Budget.
 - Sustained partial 1¢ reserve for street rehabilitation – 2002-2003 Budget.
 - 3.4¢-cent increase – 2002-2003 Budget.
 - 4.7¢ cent increase - 2004-2005 Budget
 - Sustained partial 1¢ reserve for street rehabilitation – 2005-2006 Budget
 - 5¢ tax increase in support of the 2006 Bond Program - returned to 1¢ reserve for street rehabilitation in the 2006-2007 Budget
 - Maintained a 1¢ reserve for street rehabilitation – 2007-2008 Budget
 - Maintained a 1¢ reserve for street rehabilitation – 2008-2009 Budget
 - Maintained a 1¢ reserve for street rehabilitation – 2009-2010 Budget
- After sustaining the lowest tax rate for over 20 years, Richardson moved to the second lowest tax rate position in 2002-2003. Richardson’s proposed property tax rate of \$0.57516 for 2009-2010 will continue to compare favorably among the top ten largest cities in the Metroplex, in spite of not providing a homestead exemption, as do 7 of 10 cities.
- A 1¢ tax rate generates \$991,361 for the 2009-2010 Budget. Many jurisdictions have yet to publicly review their 2009-2010 tax rates; however, we have had some indication of movements in tax rates for those noted below.

Tax Rates in Other Jurisdictions		
	Current	Reported Rate Change
Jurisdiction	Tax Rate	(cents)
Frisco	\$0.45	NC
Plano*	\$0.49	\$0.02
Irving*	\$0.54	NC
Allen	\$0.56	NC
<i>RICHARDSON</i>	<i>\$0.58</i>	NC
McKinney	\$0.59	NC
Carrollton*	\$0.62	NC
Mesquite	\$0.64	NC
Arlington*	\$0.65	NC
Grand Prairie	\$0.67	NC

Garland**	\$0.70	\$0.01
Dallas*	\$0.75	Under Review
Fort Worth*	\$0.86	NC
PISD***	\$1.33	\$0.06
RISD****	\$1.34	NC
Dallas Co. Equalization Fund*	\$0.00	\$0.00
DCCCD*	\$0.09	\$0.01
CCCCD	\$0.09	(\$0.00)
Dallas County*	\$0.23	NC
Collin County	\$0.24	(\$0.00)
Dallas County Hospital District*	\$0.25	NC

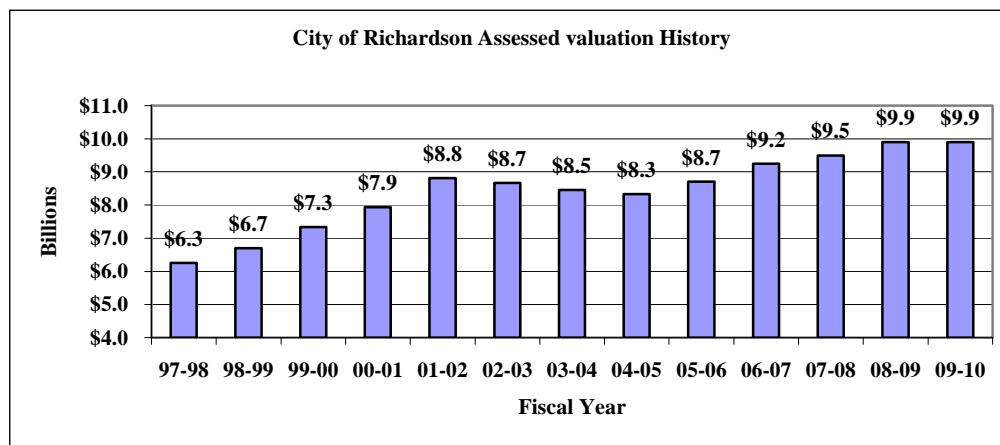
* - Provides Homestead Exemption - 20%

** - Provides Homestead Exemption – 5%

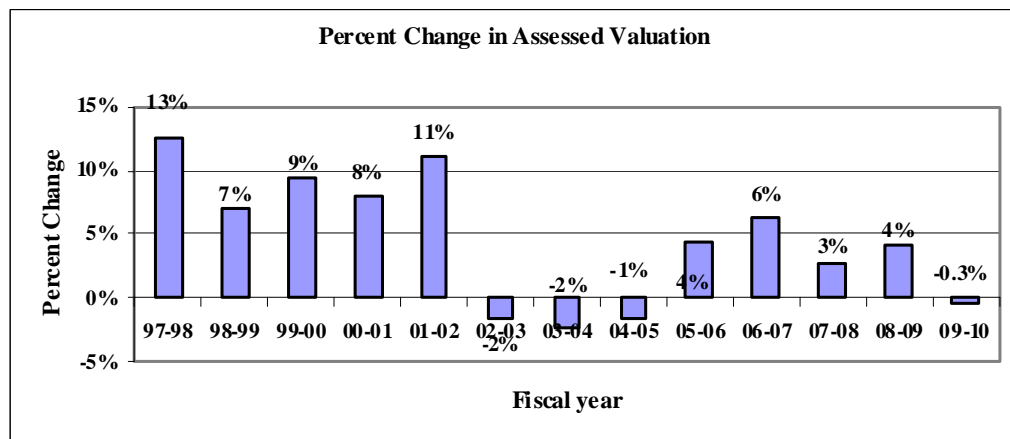
*** - Provides Homestead Exemption – \$15,000

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

Assessed Valuation



- The 2009 certified assessed valuation of \$9.9 billion represents a decrease of -0.3% or (\$31 million) in value from the 2008 certified tax roll. Each 1% growth in value generates \$574,792 in revenue using the proposed rate of \$0.57516.
- The 2009 tax roll reflects the first decrease after four years of increase which preceded three years of decline in overall assessed valuation in ten years.



- New improvements of \$208.3 Million are included in the 2009 roll and equate to approximately 2.1% of the total roll. These improvements represent 0.9% of the Richardson portion of DCAD roll and 4.6% of the Richardson portion of the CCAD roll.

Valuation Including New Improvements			
District	2009 Certified Roll	2009 New Improvements	%
CCAD	\$3,275,889,668	\$149,713,029	4.6%
DCAD	\$6,608,208,377	\$58,560,947	0.9%
Total	\$9,884,098,045	\$208,273,976	2.1%

- New improvements included in the 2009 DCAD roll are (\$21.7 million) or -27.1% less than the new improvements included in the DCAD roll for 2008 while new improvements included in the 2009 CCAD roll are up \$92.9 million or 163.8% over new improvements included in the CCAD roll for 2008. The total increase in new improvements is \$71.3 million or 52.0% more than the 2008 tax roll new growth of \$137 million.

	2008 New Improvements	2009 New Improvements	Difference	Percent
CCAD	\$56,756,927	\$149,713,029	\$92,956,102	163.8%
DCAD	\$80,246,560	\$58,560,947	(\$21,685,613)	(27.0%)
Total	\$137,003,487	\$208,273,976	\$71,270,489	52.0%

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

Roll Increase - Market Value					
	2008	%	2009	%	% Change
Improvements	\$7,091,247,998	61.9%	\$6,966,711,254	60.8%	-1.8%
Land	\$2,752,863,250	24.0%	\$2,791,607,426	24.3%	1.4%
Business & Personal Property	\$1,613,423,234	14.1%	\$1,708,610,248	14.9%	5.9%
Total	\$11,457,534,482	100.0%	\$11,466,928,928	100.0%	0.1%

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

Roll Increase – Taxable Values								
	Residential	% Change	Commercial	% Change	BPP	% Change	Total	% Change
2000	\$3,295,007,597	12.5%	\$2,821,302,816	6.4%	\$1,817,122,606	3.3%	\$7,933,433,019	8.1%
2001	\$3,556,206,861	7.9%	\$3,110,180,887	10.2%	\$2,141,535,354	17.9%	\$8,807,923,102	11.0%
2002	\$3,820,030,932	7.4%	\$3,089,714,225	-0.7%	\$1,755,517,943	-18.0%	\$8,665,263,100	-1.6%
2003	\$4,169,788,247	9.2%	\$2,827,745,763	-8.5%	\$1,460,920,007	-16.8%	\$8,458,454,017	-2.4%
2004	\$4,311,934,417	3.4%	\$2,663,396,379	-5.8%	\$1,356,666,064	-7.1%	\$8,331,996,860	-1.5%
2005	\$4,529,783,318	5.1%	\$2,755,659,510	3.5%	\$1,418,623,768	4.6%	\$8,704,066,596	4.5%
2006	\$4,578,470,728	1.1%	\$3,271,227,051	18.7%	\$1,394,937,977	(1.7%)	\$9,244,635,756	6.2%
2007	\$4,712,070,464	2.9%	\$3,386,900,716	3.5%	\$1,437,536,180	3.1%	\$9,536,507,360	3.2%
2008	\$4,742,302,167	0.6%	\$3,605,732,317	6.5%	\$1,566,813,227	9.0%	\$9,914,847,711	4.0%
2009	\$4,699,651,917	-0.9%	\$3,525,971,862	-2.2%	\$1,658,474,266	5.9%	\$9,884,098,045	-0.3%
Change in Values From 2001 to 2009								
	\$1,143,445,056	32.2%	\$415,790,975	13.4%	(\$483,061,088)	(22.6%)	\$1,076,174,943	12.2%

Tax Roll Comparison					
	2008		2009		
	\$Mil	%	\$Mil	%	% Change
Residential	\$4,742,302,167	47.8%	\$4,699,651,917	47.5%	-0.9%
Commercial	\$4,553,498,730	45.9%	\$4,559,679,913	46.1%	0.1%
Industrial	\$445,599,118	4.6%	\$440,745,577	4.5%	-1.1%
Undeveloped	\$173,447,696	1.7%	\$184,020,638	1.9%	6.1%
Total	\$9,914,847,711	100%	\$9,884,098,045	100%	-0.3%

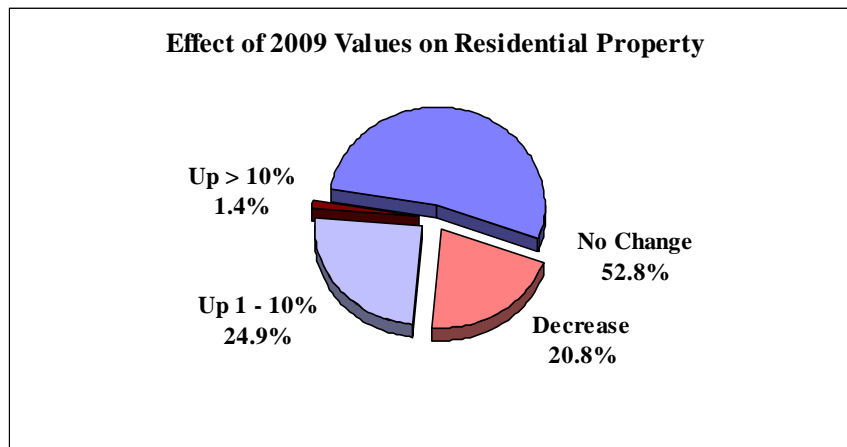
Percent of Total Value				
Tax Year	Residential	Commercial	BPP	Total
2000	42%	35%	23%	100%
2001	40%	36%	24%	100%
2002	44%	36%	20%	100%
2003	49%	34%	17%	100%
2004	52%	32%	16%	100%
2005	52%	32%	16%	100%
2006	50%	35%	15%	100%
2007	49%	36%	15%	100%
2008	48%	36%	16%	100%
2009	47%	36%	17%	100%

Top Ten Taxpayers		
	Taxable Value	% of Total Taxable Value
1. AT&T	\$218,034,238	2.21%
2. Nortel Networks	\$147,084,114	1.49%
3. Bank of America	\$128,856,152	1.30%
4. Verizon	\$120,969,799	1.22%
5. CISCO Systems	\$120,770,594	1.22%
6. Texas Instruments	\$103,529,363	1.05%
7. KDC-Galatyn Investments I LP	\$103,053,949	1.04%
8. IBM	\$102,386,818	1.04%
9. Equastone	\$65,067,940	0.66%
10. Oncor	\$55,903,145	0.57%
Total	\$1,165,656,112	11.79%
Total 2009 Taxable Value	\$9,884,098,045	

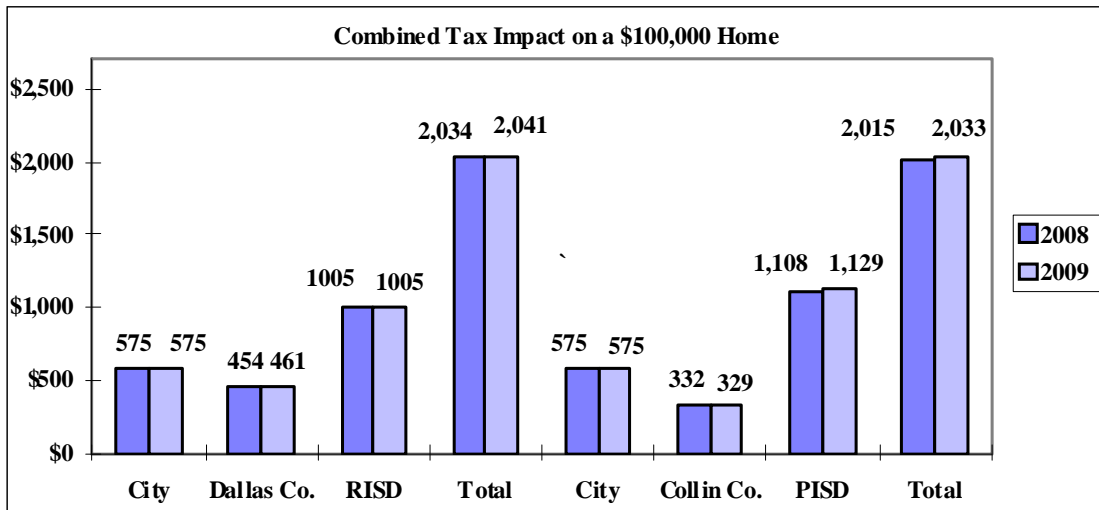
Impact

- Approximately 74% of all residential property received either no change or a decrease in their assessed valuation. 25% received an increase of less than 10%. Approximately 1% received an increase of greater than 10%, which includes residential new construction.

Number Residential Properties Affected by Valuation				
Impact	2008-2009		2009-2010	
	# Properties	% of Total Res. Properties	# Properties	% of Total Res. Properties
No Change	12,390	44.4%	14,663	52.8%
Decrease	4,008	14.4%	5,774	20.8%
Up 1-10%	9,999	35.8%	6,923	25.0%
Up>10%	1,507	5.4%	402	1.4%
Total Res. Properties	27,904	100.0%	27,762	100.0%



- The combined taxes on a \$100,000 home in Dallas County are expected to increase \$7 to \$2,041, while the combined taxes for a \$100,000 home in Collin County are expected to be \$2,033, an increase of \$18 from 2008.



Senior Tax Exemption

- During the 2007-2008 Fiscal Year, Council approved a resolution that increased the exemption for senior citizens and disabled persons from \$50,000 to \$55,000. This modification was intended to provide tax relief for senior citizens of approximately 30% of the value of the average home.
- Based on information contained in the Certified Tax Rolls, this goal has been maintained for the 2009 tax year. The average home value for a Senior Citizen is \$178,961, and exempting \$55,000 from taxation provides approximately a 30% benefit.

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

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

- In 2005-2006, Council modified the City's Financial Policies to protect this benefit from being eroded in future years. Section VI, C provides that Council will review

this exemption on an annual basis during the budget process, with a goal to maintain a tax benefit of approximately 30% of the average home value.

- The number of senior property tax exemptions (for persons 65 and older, disabled persons, and surviving spouses) increases by 261, representing 23.6% of total residential properties for 2009-2010. The revenue impact of the recently revised \$55,000 exemption for 2009-2010 is \$2.1 million.

Senior Citizen Exemptions			
Year	Number	Total Residential Properties	% of Total
2002-2003	5,479	25,938	21.1%
2003-2004	5,617	27,288	20.6%
2004-2005	5,630	27,453	20.5%
2005-2006	5,737	27,625	20.8%
2006-2007	5,923	27,749	21.4%
2007-2008	6,095	27,947	22.3%
2008-2009	6,302	27,904	22.6%
2009-2010	6,563	27,762	23.6%

Franchise Fees

- Franchise Fees are proposed at \$12.6 million for 2009-2010, an increase of \$186,000 or 1.5% over estimated year-end. The increase is spread modestly across all franchise fees.

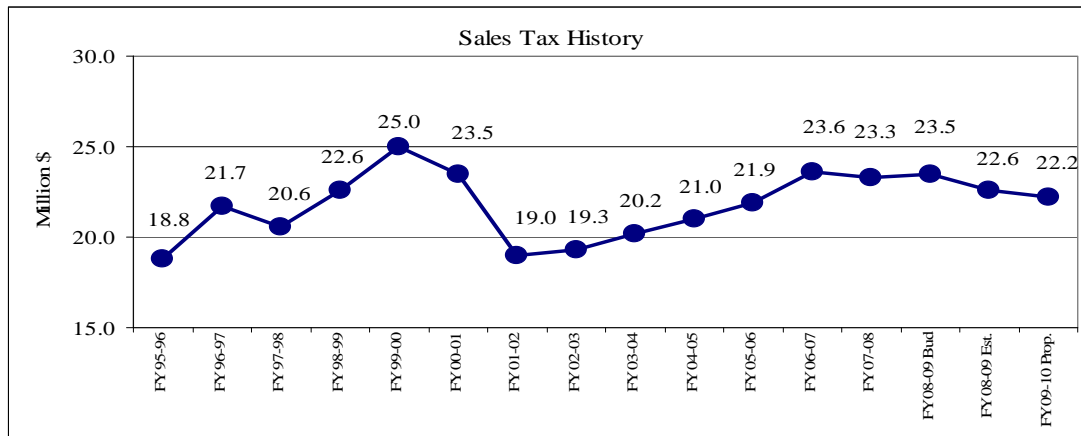
Sales and Other Business Taxes

- Sales and Other Business Taxes are projected at \$22.6 Million for next year reflecting a decrease of (\$448,000) or -1.9% from estimated year-end revenues. Mixed Beverage and the Bingo tax are proposed at a 1% growth or \$4,000 over year-end. Sales Tax, the largest of the three in this category, is projected to decrease of (\$452,000) or -2.0% from year-end estimates based on current trends.

2008-2009 Estimated	Projected Growth Rate	2009-2010 Budget
\$22,611,903	-2.00%	\$22,159,664

- Each quarter, the City receives a report from the State Comptrollers Office detailing the individual sales tax remitters who pay more than \$25,000 in state sales tax during the prior twelve months. For the latest report, the City had an average of 2,700 remitters per month. Out of that, the top 10 of both retail and high tech account for 20% to 50% of the total amount we receive in any given month.
- Our Top 10 Retail sales tax payers account for between 10% and 20% of our monthly totals and have contributed between \$1.5 million to \$2.5 million annually for the last three years.

- Our Top 10 High Tech companies account for 10% to 30% of our monthly totals and have contributed between \$1.5 million and \$2.5 million annually for the last three years. The majority of our sales tax collections are the result of “business to business” sales.



License and Permits

- License and Permits is projected to increase \$183,000 from the year-end estimate of \$1.4 Million. The majority of the increase is due to \$151,000 in fee adjustments described above. These include the rental registration fee proposed at \$110,000, increasing commercial alarm permits to \$50 annually, and a new two tiered program for animal registration expected to generate \$20,000. The remaining \$32,000 increase reflects flat to modest growth across the other items in the category.

Fines and Forfeits

- Fines and Forfeits are expected to increase \$98,000 or 2.6% from the 2008-2009 estimated year-end position of \$3.8 Million. The revenue in this category is received through the Municipal Court and Library. Court fines are expected to increase \$97,000.

Revenue from Money and Property

- Interest earnings continue the slow performance evidenced over the last couple of years and are expected to decrease another (\$7,000) or -2.0% this year. If the economy begins the expected recovery this year, interest earnings will rise by year-end. Bookings at the Civic Center continue to reflect the communities need for affordable meeting space. With minimal expected growth in use and the increased fees proposed above, revenue is expected to increase \$13,000.

Recreation and Leisure Services

- Recreation and Leisure Services revenues are budgeted at \$3.2 Million, an increase of \$290,000 over 2008-2009 year-end estimates. Almost 65% of this increase comes from the new or enhanced fees discussed above. The remaining increase represents the return of the newly renovated ball fields to the athletic program as well as minor increases in the remaining categories.

Other Revenue

- Projected at \$4.0 million or \$157,000 above estimated year-end for 2008-2009, the Other Revenue category reflects the proposed changes to the billing policy for ambulance fees and the proposed false alarm fees.

General and Administrative/Transfers

- Total revenue from G & A Transfers is projected at 7.4 Million or a decline of (\$72,000) from FY 2008-2009 year-end estimates. In addition to the standard inflation and operational adjustments to the Water and Sewer, Solid Waste and Golf transfers, we will see a decline of (\$110,000) as the transfer from the Child Safety Fund is no longer available. For the last two years, the City has been able to partially offset the cost of the Police Department provided School Crossing Guards for R.I.S.D. through the utilization of excess fund balance in the Child Safety Fund. The City will allow that fund to rebuild an excess fund balance for a couple of years before making this transfer again.

REVENUES

(Variances of \$50,000 or greater – 2008-2009 Estimated to 2009-2010 Budgeted)

Property Taxes		\$226,948
Current Taxes	\$605,256	
Prior Taxes	(\$327,586)	
Penalties and Interest	(\$50,722)	
Franchise Fees		\$185,761
Electric	\$54,756	
Water and Sewer	\$66,619	
Sale and Other Business Taxes		(\$448,185)
Sales Tax	(\$452,238)	
License and Permits		\$183,155
Rental Registration	\$110,450	
Fines & Forfeits		\$98,375
Municipal Court	\$96,694	
Recreation and Leisure		\$289,856
Classes/Entrance Fees	\$105,371	
Athletic Fees	\$143,481	
Wildflower Festival	(\$53,007)	
Other Revenue		\$157,029
Ambulance Fees	\$89,477	
General and Administrative		(\$71,887)
Transfer – Child Safety Fund	(\$110,000)	

Expenditures

Total Expenditures and Transfers for the General Fund are projected at \$92.7 million or 0.7% above the 2008-2009 year end estimates of \$92.0 million. Operating Expenditures, which exclude transfers, are projected at \$91.7 million reflecting a \$870,000 or 1.0% increase beyond year-end estimates.

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

- **Personal Services** – Personnel is always the largest expense and most valuable resource for an organization whose primary purpose is the provision of services to the public. Personal Services are presented at \$70.1 million, an increase of \$628,000 or 0.9% higher than year-end estimate of \$69.5 million. The key personnel issues addressed in this proposal, include:
 - **Full Year Funding of Pay Initiatives Begun Last Year** - including the 2008-2009 funded movement within pay ranges and last years 2% merit increase.

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

- **Continued Funding for the Employee Retirement Program** – The City of Richardson, unlike many of the newer outer tier suburbs, experienced rapid growth and expansion during the 60's, 70's and 80's. City Staff, in particular Police and Fire had to expand along with a growing population. The City is proud of, and well served by the tenure and experience our employees bring to their jobs. Of the 977 employees currently on payroll, 149 or 15% have over 20 years service while another 133, or 13.6% have over 15 years experience with the City. Together, they account for 29% of our full time staff. We remain committed to fully funding our retirement system for these, and indeed all our employees.
- **Frozen Positions** – This savings includes freezing twelve authorized positions; 1 Programmer/Analysts in I.S., 1 Planning Technician, 1 Facilities Custodian, 1 Fleet Materials Technician, 1 Fleet PM Technician, 2 Police Records Technicians, 3 Police Calltakers, 1 Assistant Director of Health and 1 Code Enforcement Officer.

- ***Huffhines Recreation Center*** – Facility Services receives \$85,000 as part of a planned use of contract custodial services for routine cleaning of the Service Center and Library. This will allow current staff to be reassigned to the new recreation facility to provide the full level of service expected for a facility of this caliber. In addition, current levels of service will improve at both the Senior Center and the Heights Recreation center.
- ***PARD Maintenance*** – Two currently vacant Maintenance Helper II positions will be filled in FY 2009-2010. The city is in the final stages of renovation for the soft-ball complexes at Huffhines and Breckinridge. These facilities were taken off-line in 2006-2007 reducing maintenance needs for this department. With their re-opening this Fall, these positions will be necessary to provide the required maintenance on the soft-ball complexes.
- ***Communications*** - Funding has been included in the Proposed Budget for the possible addition of a Director of Communications. This position would oversee the City's multi-faceted communications initiatives in keeping with the recent City Council Goal's discussion. By adding this position the City will be able to be more effective, efficient and strategic with its communication efforts. There will be a future City Council briefing on communications during which the addition of this position will be further detailed.
- ***CORplan – Health Insurance*** No changes are proposed to the CORPlan for 2009-2010. In 2004-2005, the City's CORPlan health insurance plan initiated a multi-part revision plan. A revision in the care network was awarded to Blue Cross Blue Shield of Texas here in Richardson. Employee and employer premiums were modified, as well as increases in deductibles and out-of-pocket changes. These changes restored the CORPlan fund balance, and enabled a reduction in the City's participation by \$250,000 for 2005-2006.
- In 2008-2009, with rising pressure on the costs of providing health care services, the City adjusted contributions through increases in employee contributions and a planned portion of CORPlan revenues for 2008-2009 to avoid reducing coverage for employees and retirees. No additional City funds were budgeted for CORPlan for 2008-2009.
- For 2009-2010, every effort has been made to insure that CORPlan continues to provide a high level of service at a reasonable cost to the employee and retiree compared to current market conditions. The City will manage continued rising costs in this \$10.7 million annual fund by utilizing available fund reserves this year, with an eye toward making changes to the plan next year. Currently, the City pays 70% of plan costs with the employees paying 30%.

	Budget 2001-2002	Proposed 10/1/2009	Prop 2009-2010 vs. Bud 2001-2002	
			Cumulative #	Cumulative %
City Secretary	1	1	0	0%
General Government	9	8	(1)	-11%
Budget	1	1	0	0%
Community Events	5	2	(3)	-60%
Convention and Visitors Services	0	2	2	N/A
Emergency Management	0	1	1	N/A
Neighborhood Services	0	14	14	N/A
Information Services	22	23	1	5%
Accounting	11	10	(1)	-9%
Finance Administration	5	3	(2)	-40%
Purchasing	7	5	(2)	-29%
Tax	3	3	0	0%
Municipal Court	15	14	(1)	-7%
Human Resources	6	7	1	17%
Civic Center	3	2	(1)	-33%
Police	259	249	(10)	-4%
Fire	151	150	(1)	-1%
Capital Projects Engineering	11	10	(1)	-9%
Planning	7	7	0	0%
Development and Engineering	6	4	(2)	-33%
Building Inspection	26	15	(11)	-42%
Streets	37	34	(3)	-8%
Traffic and Transportation	30	25	(5)	-17%
Facilities Services	31	30	(1)	-3%
Parks - Administration	9	10	1	11%
Parks - Recreation	11	10	(1)	-9%
Parks - Older Adults	4	3	(1)	-25%
Parks - Tennis	1	1	0	0%
Parks - Maintenance	68	52	(16)	-24%
Library	36	35	(1)	-3%
Citizens Information Television	4	3	(1)	-25%
Franchise and Regulatory Affairs	2	0	(2)	-100%
Citizens Information Services	4	3	(1)	-25%
Health	16	6	(10)	-63%
Animal Services	0	10	10	N/A
Fleet Services	26	22	(4)	-15%
Customer Service	14	14	0	0%
Public Services Administration	3	3	0	0%
GIS	2	3	1	50%
Water Operations	15	14	(1)	-7%
Water Production	10	12	2	20%
Meter Shop	7	7	0	0%
Sewer Treatment	2	2	0	0%
Sewer Collection	9	10	1	11%
Construction	16	14	(2)	-13%
Solid Waste - Residential	47	42	(5)	-11%
Solid Waste - Recycling	1	6	5	500.0%
Solid Waste - BABIC	0	10	10	N/A
Solid Waste - Commercial	10	12	2	20%
Eisemann Center	15	26	11	73%
Golf	18	16	(2)	-11%
Mail Service	2	1	(1)	-50%
Records Management	1	1	0	0%
Warehouse	3	2	(1)	-33%
Capital Projects	18	15	(3)	-17%
CORPlan	2	2	0	0%
Grant Fund	1	0	(1)	-100%
Total	1,023	987	(36)	-3.5%

Non-Personal Services

- All businesses, indeed all households, face rising commodity prices for everything from paper to fuel. Through judicious reductions in many smaller accounts, the City of Richardson is able to maintain funding for key services, or provide additional funding to handle these increases where necessary. While spread widely throughout the organization, below is a small sampling of the many smaller increases required for daily operation;
 - **Fuel** - expected to increase \$160,000 from year-end despite lower overall usage and a cessation of the take home vehicle program for those workers subject to after hours call-out.
 - **Facility Maintenance** – With few exceptions, our facilities are aging and must be maintained in a manner that provides a safe environment for our citizens and employees. An additional \$50,000 is included for to handle cost increases as well as increased demand.
 - **Advertising** – The City is required to publish legal notices and other documents in local newspapers. The proposed increase is \$50,000 next year, \$30,000 of which is requested for the enhanced marketing effort in the Convention and Visitors Bureau.
 - **Printing** – Paper and printing services increase \$50,000. Again, the majority of this increase or \$33,000 is requested for the enhanced marketing efforts through the Convention and Visitors Bureau.

Facility Maintenance

- \$471,000 is proposed for facility maintenance projects utilizing operating and short-term C.O.’s. The operations funding includes \$225,000 for technical maintenance contracts including; fire security systems, jail door locks, generator service, elevator maintenance, re-lamping City facilities, CCTV and smaller technical issues as they arise. City-wide HVAC repairs and maintenance are proposed at \$61,000 while \$100,000 is proposed for building improvement/maintenance projects. This is an increase of \$50,000 from last year and recognizes that, with few exceptions, City facilities are aging and in greater need of maintenance. Just over \$85,000 of short-term CO’s will be used for improving City facilities alarm and fire suppression systems.

Facility Services		
	CO's	Operating Budget
Municipal Facilities Alarm Improvements	\$85,248	
Routine Technical Maintenance Contracts		\$224,700
HVAC Repairs and Maintenance		\$61,000
Facility Repair and Maintenance		\$100,000

Park and Recreation

- For 2009-2010, a total of \$999,330 of park improvements, maintenance projects and equipment/vehicle replacements are planned using our traditional \$2.7 million annual CO's. The operating budget contains \$513,590 of funding for routine maintenance throughout the park system.

	CO's	Operating Budget
Botanical		\$189,692
Irrigation System Maintenance		129,702
Electrical System Maintenance		118,000
Land		32,501
Plumbing Systems Repair		43,695
Hi Speed Rotary Mower - Replacement (2)	\$180,000	
5 Ton Dump Truck - Replacement (1)	134,000	
5 Ton Dump Truck - Replacement (1)	134,000	
Matching Fund Beautification	107,400	
Water Truck (2000 Gallon) - Replacement (1)	82,000	
Pool Liner Replacement/Resurfacing - Canyon Creek	69,000	
Water Cannon - Replacement (1)	38,000	
Garden Tractor - Replacement (1)	36,000	
Tennis Court Resurfacing (10)	33,000	
Pavilion Roof Replacements - Neighborhood Parks (4)	33,000	
Workman Utility Cart - Replacement (1)	20,000	
Tree Well Imp. - Performance Drive (Phase I)	20,000	
Mower - Replacement (2)	20,000	
Field Liner - Replacement (1)	17,000	
Tractor/Mower - Replacement (1)	16,000	
Soccer Goal Replacement	15,000	
Picnic Tables and Benches (22)	14,300	
Aerator - Replacement (1)	11,000	
Iron Fence at Terrace - Replacement	8,830	
Pool Furniture Replacement	6,000	
Relocation of Arapaho Splash Equipment	4,800	
Totals	\$999,330	\$513,590

- Over the last 15 years, much of the increase in maintenance has been handled using contract services. This has allowed the division to maintain an acceptable rotation of grounds maintenance on parks, medians, roadsides, and public properties. Privatization of the following projects/responsibilities are presently being contracted out:

Landscape Maintenance:	Others:
Median landscape maintenance	Street sweeping
US 75 landscape maintenance	Parks restroom cleaning
Pool landscape maintenance	Water management of five swimming pools
Duck Creek Park landscape maintenance	Street banner program
Memorial Park landscape maintenance	Arboricultural Services

Fire Station #5 landscape maintenance	
Public Safety Complex landscape maintenance	
DART right-of-way landscape maintenance	
Ruth Young Park landscape maintenance	
Renner Parkway landscape maintenance	
Bluett Cemetery landscape maintenance	

	Budget 2008-2009	Proposed 2009-2010
Street Sweeping Contract	\$332,802	\$259,386
Median Beautification Maintenance Contract	\$298,871	\$313,815
Landscape Maintenance	\$373,619	\$355,597
Arboricultural Services	\$143,000	\$103,557
Parks Restroom Cleaning	\$52,400	\$54,753
Street Banner Program	\$22,000	\$26,400
Total	\$1,222,692	\$1,113,508

Public Safety Enhancements

Police Department –

- ***Vehicles*** - Replacement of 12 pursuit vehicles and 2 crime prevention vehicles are proposed for funding in the CO equipment list.

Police Department Capital Equipment	
Patrol vehicles (12)	\$372,060
Crime prevention Units(2)	\$42,168
Total	\$414,228

- ***Tactical Equipment*** – \$12,000 of body armor replacement is included in the \$74,000 proposed for uniform replacement. Funding for these is provided through the operations fund.

Fire Department –

- ***Vehicles*** – \$905,000 has been proposed to replace a 2001 Quint fire suppression apparatus for \$775,000 and 2005 ambulance for \$130,000. The replaced units will be moved to front-line reserve status, while the oldest of each type will be removed from service and sold at auction.
- ***Tactical Equipment*** – Rescue tools and hose replacement are proposed at \$37,200 while another \$17,000 is requested for the replacement of 1 Bunker Gear Washer Extractor and 1 Bunker Gear Dryer to comply with NFPA Standard 1851. The department will purchase 4 power lift cots for ambulance use at \$46,000 and a water rescue boat for \$3,900 as well as a replacement narcotics locker for \$18,000.

- Physical Assessment** - The annual firefighter physical exams provided by the City through Concentra Medical Centers include a urinalysis, blood work including PSA for male firefighters, EKG, audiogram, vision screening, TB test, pulmonary function test, chest X-ray (2 views), body fat composition, and physician's physical examination. Mammograms for female firefighters are done through the annual CORPlan offering. Firefighters over the age of 40 receive either an annual stress test administered by the Heartplace or a heart/lung electron beam tomography (EBT) performed by ViaScan of Las Colinas. The test selection is based on physician's recommendation along with individual needs and choice. If the EBT is performed then the chest X-rays are redundant and not recommended. The EBT is much more detailed than a standard chest X-ray and involves additional radiation exposure.
 - The standard physical costs \$340.00 per person
 - Heart/Lung Scan EBT is offered to firefighters over 40
 - A standard physical with the EBT costs \$573.00 and the chest x-ray is eliminated from the standard physical.
 - Standard Physical with EKG and stress test is \$515.00
- \$1,038,040 of capital items is included on the proposed short-term CO's list for use in Fire Services.

	4 Year CO's	8 year CO's
Quint - Replacement (1)		\$775,000
Ambulance - Replacement (1)		130,000
Powered Lift Cots for Ambulances (4)	45,940	
Narcotics Locker	18,000	
3" Blitz Fire Monitor Nozzles (6)	16,200	
Fire Hose Replacement	10,000	
Bunker Gear Washer/Extractor	10,000	
Bunker Gear Dryer	7,000	
Vehicle Extraction Stabilization Equipment (1)	6,000	
Kitchen Furniture at Station 1	6,000	
Confined Space Tripod Rescue Kit (1)	5,000	
Office Furniture for Battalion Chief	5,000	
Water Rescue Boat - Replacement (1)	3,900	
Total	\$133,040	\$905,000

Street Repair and Rehabilitation

- For the last fourteen years, the City dedicated a portion of the total tax rate to street rehabilitation. This year, we again dedicate a full one-cent of the tax rate or \$991,361. This funding will allow for ongoing street leveling, crack sealing and “clean sweep” projects. Along with \$330,000 of operations funds, this will keep our commitment funded at over \$1.3 million.

- For FY 2009-2010, the city is continuing the two-pronged focus on street maintenance, begun in 2006-2007, through utilization of increased operations funding and the CIP program. In operations, \$335,000 is proposed for FY 2009-2010. This funding will be used in three ways. The traditional concrete repair program will again be funded at \$200,000. The asphalt repair program will receive \$125,000, while the Screening Fence Repair Program is budgeted at \$5,000. Routine street repair funding is also included in the proposed operating budget.

	Actual 2007-2008	Estimated 2008-2009	Proposed 2009-2010
Street Rehabilitation Fund	\$955,364	\$994,019	\$991,361
Operating Budget			
Misc. Street & Alley Concrete Repairs	\$147,730	\$195,000	\$200,000
Misc. Asphalt Overlay Projects	\$76,447	\$112,000	\$125,000
Screening Fence repairs	\$37,318	\$5,230	\$5,000
Subtotal Operating Budget	\$261,495	\$312,230	\$330,000
Total Street Rehab and Operating	\$1,216,859	\$1,306,249	\$1,321,361

- Street vehicle and equipment replacements totaling \$364,000 are proposed for funding as a part of the equipment CO's.

4 Yard Side Dump Truck with Spreader - Replacement (2)	\$194,000
14 Yard Dump Truck with Spreader - Replacement (1)	134,000
2 Yard Dump Truck with Spreader - Replacement (1)	36,000
Total	\$364,000

Traffic Safety

- The Traffic Safety Fund was established in March 2006 when Richardson began the operation of red light cameras. City code and state law requires the creation of the Traffic Safety Fund and specifies revenues generated from red light cameras can only be used for the costs of operating the enforcement system, public traffic or pedestrian safety programs, traffic enforcement, and intersection improvements. Additionally, Senate Bill 1119 requires the City to return to the State 50% of revenue generated from the cameras after the cost of operating the camera system is subtracted. For FY 2009-2010, the Traffic Safety Fund is able to absorb \$315,000 of expenses from the Police and Traffic Departments that would otherwise have to be funded in the General Fund. These items include signs, markings, signal and video camera maintenance, as well as overtime and supplies for traffic safety emergency issues for the Police Department. All expenditures from this fund are in compliance with allowable uses according to state law. An additional \$150,000 will be provided for system maintenance in the operations fund for a total of \$465,000 in traffic safety improvements and maintenance.

	Operations	Traffic Safety Fund
Traffic Signs	\$15,000	\$60,000
System Design and Traffic Counts	0	55,000
Signal System and Lights Main.	50,000	50,000
Street Light Maintenance	10,000	50,000
Video Cameras/Maintenance	20,000	30,000
Barricades	5,000	20,000
Police Traffic Enforcement Supplies	0	18,125

Police Traffic Overtime	0	13,542
Markings	50,000	10,000
Professional Training	150	8,000
Total	\$150,150	\$314,667

Short-term CO's

- In addition to the expenditures proposed in the base operating budget for the General Fund, \$2.7 Million of 4 year and \$905,000 of 8 year public property Certificates of Obligation (CO's) are proposed to fund major General Fund infrastructure maintenance, technology improvement, public safety and miscellaneous equipment purchases and replacement initiatives for 2009-2010

Proposed Short-term CO's - Series 2010		
Amount	Length	Initiatives Funded
\$2,700,000	4-year	Infrastructure maintenance, technology improvement, and miscellaneous equipment purchases and replacement
\$905,000	8-year	Fire Suppression Equipment and Ambulance replacement

General Fund Department	Request	4 Yr. Debt Financed	8 Yr. Debt Financed
Police			
Patrol Vehicles - Replacement (12)	\$372,060	\$372,060	
Crime Prevention Vehicles - Replacement (2)	\$42,168	\$42,168	
Subtotal Police	\$414,228	\$414,228	
Fire			
Fire Hose Replacement	\$10,000	\$10,000	
3" Blitz Fire Monitor Nozzles (6)	\$16,200	\$16,200	
Powered Lift Cots for Ambulances (4)	\$45,940	\$45,940	
Vehicle Extraction Stabilization Equipment (1)	\$6,000	\$6,000	
Confined Space Tripod Rescue Kit (1)	\$5,000	\$5,000	
Quint - Replacement (1)	\$775,000		\$775,000
Ambulance - Replacement (1)	\$130,000		\$130,000
Water Rescue Boat - Replacement (1)	\$3,900	\$3,900	
Bunker Gear Washer/Extractor	\$10,000	\$10,000	
Bunker Gear Dryer	\$7,000	\$7,000	
Kitchen Furniture at Station 1	\$6,000	\$6,000	
Cardiac Monitor Grant Match	\$85,428		
Office Furniture for Battalion Chief	\$5,000	\$5,000	
Narcotics Locker	\$18,000	\$18,000	
Subtotal Fire	\$1,123,468	\$133,040	\$905,000
Streets			
4 Yard Side Dump Truck with Spreader - Replacement (1)	\$97,000	\$97,000	
4 Yard Side Dump Truck with Spreader - Replacement (1)	\$97,000	\$97,000	
14 Yard Dump Truck with Spreader - Replacement (1)	\$134,000	\$134,000	
2 Yard Dump Truck with Spreader - Replacement (1)	\$36,000	\$36,000	

2 Yard Dump Truck with Spreader - New (1)	\$36,000		
Subtotal Streets	\$400,000	\$364,000	
Traffic and Transportation			
Traffic Signal Rehabilitation - Phase II	\$60,000	\$60,000	
Truck Mounted Post Puller - Replacement (1)	\$4,000	\$4,000	
Sign Post Driver/Drill - Replacement (1)	\$5,000	\$5,000	
Utility Trailer - Replacement (1)	\$12,000	\$12,000	
1 Ton Flatbed Truck - Replacement (1)	\$42,000	\$42,000	
Traffic Calming Program - Phase II	\$75,000	\$75,000	
Subtotal Traffic	\$198,000	\$198,000	
Facilities Services			
1/2 Ton Pickup Truck - Replacement (1)	\$20,000	\$20,000	
Repair and Rehabilitate Miss Belle's House	\$27,500		
Municipal Facility Alarm Improvements	\$85,248	\$85,248	
Parking Lot Lighting Upgrade - City Hall/Library Campus	\$140,000		
Replace Overhead Doors - Central Fire Station	\$35,000		
Subtotal Facilities Services	\$307,748	\$105,248	
PARD - Recreation			
Cottonwood Park Electricity for Festivals	\$61,000		
Subtotal PARD - Recreation	\$61,000		
PARD - Older Adults			
Enlarge Senior Center Fitness Room	\$32,000		
Shuttle Bus - Replacement (1)	\$101,000		
Stacking Chairs - Replacement (60)	\$5,400		
Subtotal PARD - Older Adults	\$138,400		
PARD - Pools			
Pool Furniture Replacement	\$6,000	\$6,000	
Demolish Baby Pool - Cottonwood	\$15,000		
Shade Structure at Canyon Creek - New	\$15,000		
Iron Fence at Terrace - Replacement	\$8,830	\$8,830	
Pool Liner Replacement/Resurfacing - Canyon Creek	\$69,000	\$69,000	
Security Lighting at Terrace - Replacement	\$77,547		
Relocation of Arapaho Splash Equipment	\$4,800	\$4,800	
Subtotal PARD - Pools	\$196,177	\$88,630	
PARD - Tennis			
Tennis Court Resurfacing (10)	\$33,000	\$33,000	
Shade Structure - New (2)	\$10,600		
Subtotal PARD - Tennis	\$43,600	\$33,000	
PARD - Maintenance			
Matching Fund Beautification	\$107,400	\$107,400	
Planting Bed Repairs along US75	\$25,000		

Safety Surface for Playgrounds (2)	\$25,000	
Old Matching Fund Beautification Repairs	\$30,000	
Booster Pumps (2)	\$68,000	
Weather Stations (2)	\$40,000	
Tree Well Improvements - Performance Drive (Phase I)	\$20,000	\$20,000
Mulch along US75	\$15,000	
Repainting of Galatyn Light Poles	\$12,500	
Performance Drive Serpentine Wall Repair	\$275,000	
Tree Well Improvements - Performance Drive (Phase II)	\$20,000	
Tree Well Improvements - Performance Drive (Phase III)	\$21,000	
Tree Well Improvements - Performance Drive (Phase IV)	\$21,000	
Lake Fountain Features and Aerification - Galatyn Woodland	\$30,000	
Lake Fountain Features and Aerification - Fire Station 5	\$17,000	
Lake Fountain Features and Aerification - Crowley Park	\$40,000	
Lake Fountain Features and Aerification - Breckinridge Park	\$75,000	
Soil for Athletic Field - Breckinridge Park	\$300,000	
Pavilion Roof Replacements - Neighborhood Parks (4)	\$66,000	\$33,000
Bridge - Breckinridge Park	\$250,000	
Greenhouse Interior Road Repairs	\$20,000	
Greenhouse Entry Road Repairs	\$100,000	
Steel Storage Building at Breckinridge Park	\$11,000	
Picnic Tables and Benches (22)	\$14,300	\$14,300
Soccer Goal Replacement	\$15,000	\$15,000
Loader/Backhoe - Replacement (1)	\$88,000	
Garden Tractor - Replacement (1)	\$36,000	\$36,000
Field Liner - Replacement (1)	\$17,000	\$17,000
Mower - Replacement (2)	\$20,000	\$20,000
Hi Speed Rotary Mower - Replacement (2)	\$180,000	\$180,000
Water Cannon - Replacement (1)	\$38,000	
Tractor/Mower - Replacement (1)	\$16,000	\$16,000
Workman Utility Cart - Replacement (1)	\$20,000	\$20,000
Water Cannon - Replacement (1)	\$38,000	\$38,000
Water Cannon Hose - Replacement	\$13,000	
Hi Speed Rotary Mower - Replacement (1)	\$90,000	
Reel Mower - New (2)	\$113,000	
Front Load Implement - New (1)	\$10,000	
Aerator - Replacement (1)	\$11,000	\$11,000
Pressure Washer with Trailer - New (1)	\$15,000	
Mini Excavator - New (1)	\$29,000	
Wheel Loader - New (1)	\$170,000	
Mezzanine - New (1)	\$39,500	

5 Ton Dump Truck - Replacement (1)	\$134,000	\$134,000	
Water Truck (2000 Gallon) - Replacement (1)	\$82,000	\$82,000	
5 Ton Dump Truck - Replacement (1)	\$134,000	\$134,000	
12 Foot Cargo Van - Replacement (1)	\$46,000		
Subtotal PARD - Maintenance	\$2,957,700	\$877,700	
Library			
Books	\$400,000	\$400,000	
Subtotal Library	\$400,000	\$400,000	
CITV			
Van - Replacement (1)	\$23,000	\$23,000	
Subtotal CITV	\$23,000	\$23,000	
Animal Services			
Enclose East Courtyard	\$100,000		
Animal Services Truck - Replacement (1)	\$42,000	\$42,000	
Update Flooring	\$3,150	\$3,150	
Subtotal Animal Services	\$145,150	\$45,150	
Fleet			
Floor Scrubber	\$15,000	\$15,000	
Subtotal Fleet	\$15,000	\$15,000	
Total	\$6,423,471	\$2,681,996	\$905,000

Fund Summary – Key Reductions and Additions

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

- **Personal Services:**

- ***12 Frozen Positions described above*** – (\$641,000) - These positions are not included in this proposal. The policy of freezing vacancies will continue as long as economic conditions warrant.
- ***Movement within approved pay plan ranges*** – (\$500,000) - Approximately 51% of all city personnel are at the top of their pay range. The remaining 49% have room to grow within their approved pay plan ranges. Historically the annual movement has been on a 5% growth step that can be earned for each year service until the top of the pay range is reached, usually within a 4-5 year period, which is a consistent pay plan program utilized in public safety across the Dallas-Fort Worth Metroplex.
- ***Market Adjustment*** – (\$693,000) - Since 1995-1996, the City has proactively reviewed approved pay ranges to insure market compatibility once these ranges have been coordinated with the merit package in an effort to recruit and retain high quality employees.

- **Non-Personal Services Line Items** – Projected expenditures for all General Fund categories beyond Personal Services are submitted with a total increase of \$161,000 or 0.7% against year-end estimates.
- **Training – (\$79,900)** The City funds two types of training for its employees. The first is training required for earning and maintaining professional licensure or certification. The second is considered professional development training. This training is necessary for staff development, but not required. For FY 2009-2010, an effort has been made reduce all training to that required for licensure or certification.
- **Professional Services –\$35,000** – This category accounts for outside professional consulting, legal services and service contracts. Savings in two primary areas, Planning and the Tax Office, combine with AV performing better than anticipated in July allow us to reactivate some PARD contract maintenance. The Tax office realizes a decrease in the fees paid to the delinquent tax attorney due to an increase in 2008-2009 as a result one large delinquent tax account. The Planning Department will also see (\$150,000) of savings for a special area study that will be handled through the T.I.F. The area to be studied is located in the T.I.F. It therefore is the appropriate place for the expense. This allows the City to partially reactivate some planned reductions in the pace of contract mowing rotations, tree moving and trimming, parks restroom cleaning and hand trimming.
- **Maintenance – \$68,000** – Minor reductions across the fund, combined with the movement of \$315,000 of expenses to the Traffic Safety allows the City to absorb maintenance contract increases of \$43,000 for our computer hardware and software while providing the aforementioned \$50,000 for building maintenance issues. This is one of the categories affected by the movement of Traffic Department expenses to the Traffic Safety Fund.
- **Contracts – \$210,000** – For shorthand purposes, we call this category Contracts. It's comprised of accounts that hold expenditures for other professional services such as phone, advertising, liability/property insurance at a city-wide level, and printing just to name a few. The single largest increase here is the Home Improvement Incentive Program. This program expense is expected to end the year around \$84,000. The 2009-2010 increases that amount \$106,000 to \$190,000 based on Neighborhood Services estimates.
- **Supplies – (\$71,000)** – This category accounts for expenses related to the various supplies used by the General Fund Departments. This is also where prior-year encumbrances are recorded. These encumbrances are simply items that were ordered but not received in the prior year. Accounting regulations require us to record those expenses in the year in which the item is received. Funding for these items is set aside in the year they were ordered. That amount is shown as a reserve of fund balance at the bottom of that year. At the beginning of the next, funding is already available to account for the cost of the item without affecting the current years' budget. So, when we back-out the \$301,000 of prior year encumbrances, for which funding is already available, this category actually increases \$230,000. Basically, the amount of fuel increase discussed above.

- In consideration of the financial challenges we face with declining revenues, Departments were asked to identify ways to save costs while preserving core services and service levels. Some of the ideas brought forward and implemented in this proposal include . . .
 - Reducing supplies and equipment replacements.
 - Open Pools one hour less per day (1-8 instead of 1-9pm)
 - Reducing the number and scope of community festivals and events.
 - Eliminate Sounds of Class
 - Eliminate Great Fountain Plaza
 - Reducing the frequency of street sweeping and street power washing.
 - Reducing the amount plant replacements and chemical applications within parks and around city facilities.
 - Reduce mowing rotations around water towers and lift stations.
 - Reduce dust abatement in parking lots at Breckinridge.
 - Reduce fertilizer applications.
 - Reduce plant replacement.
 - Reduce wildflower plantings (will not see a significant visual difference).
 - Reduce sweet gum replacement at Galatyn by 50%.
 - Eliminate summer track program.
 - Eliminate marionette program.

Operations Line Item Expenditures Excluding Transfers (Variances in Excess of \$25,000) 2008-2009 Estimated – 2009-2010 Proposed		
General Fund Line Item Expenditure Increase		\$869,522
1102-2999	Personal Services	\$628,289
	1101- Supervision	\$180,101
	1102 – Clerical	\$99,602
	1103 - Operations Hourly	\$118,534
	1201 - Part-Time	(\$101,871)
	1202 - Seasonal Part-Time	(\$26,210)
	1203 – Contractual Labor	(\$34,835)
	1301- Overtime	(\$310,488)
	2101 - Insurance – Personnel	(\$27,837)
	2201 – FICA	\$160,493
	2301 – TMRS	\$842,247
	2401 – Tuition Reimbursement	(\$35,000)
	2601 – Worker’s Compensation	(\$115,000)
	2921 – Training	(\$79,900)
	2941 - Compensated Absences - Sick	(\$35,000)
	2942 – Compensated Absences – Vacation	(\$85,000)
3201-3499	Professional Services	\$34,561
	3399 – Contractual Services – Others	\$172,670
	3498 – Attorney Collection Fees	(\$40,000)
	3499 – Other Professional Services	(\$100,168)
4101-4599	Maintenance	\$67,771
	4332 – Signs	(\$45,797)
	4333 – Markings	\$40,000
	4334 – Street Lighting	(\$35,000)
	4505 – Building Improvements	\$49,900

	4532 – Street and Alley Concrete	\$35,502	
5201-5999	Contracts		\$210,115
	5211 – Equipment and Vehicle Premiums	\$44,665	
	5299 – Other Premiums	\$47,545	
	5401 - Advertising	\$50,821	
	5501 – Printing, Binding and Copying	\$44,313	
	5801 – Travel	(\$27,677)	
	5944 – Sounds of Class	(\$35,000)	
	5981 – Wildflower! Festival	(\$53,500)	
	5982 – Family Fourth	(\$10,000)	
	5984 – Fountain Plaza Festival	(\$35,000)	
	5987 – Economic Development Agreements	\$155,758	
	5995 – Bank Charges	(\$25,000)	
6101-6562	Supplies		(\$71,214)
	6198 – Other General Operating	\$33,445	
	6531 – Fuel	\$159,987	
	6999 - Prior Year Encumbrances	(\$301,255)	
7102-7499	Capital		\$0

- Listed below are \$4.4 million of Expanded Programs requested but not included in the proposed 2009-2010 General Fund Budget.

City Secretary	Assistant City Secretary Position - Records	\$59,516
Community Events	Community Events Supervisor	\$57,465
	Community Events Brochure	\$2,550
Information Services	Upgrade PBX System	\$170,000
	Replace Internal WI-FI Networks at City Buildings	\$50,000
	Replace Web Filtering Software	\$80,000
	Network Switch Replacement - City Hall, PD and Municipal Court	\$354,000
	Data Switch Replacement - City Hall, PD and Huffhines Rec. Center	\$40,000
	911/RMS Software Replacement	\$200,000
	Replacement of Building Inspections IVR System	\$42,500
	Web Content Management System	\$65,000
	COR Website Redesign	\$75,000
	Agenda Creation System	\$35,000
Civic Center	Interior Painting of Building	\$130,000
	Grand Hall Floor and Additional Electrical	\$48,000
	Kitchen and Storage Rework	\$134,000
	Break-Area Redesign	\$45,000
	Upgrade Concourse Directional Mapping	\$7,500
	Artwork Replacement	\$100,000
	Interior Plant and Tree Replacement	\$12,919
Police	Police Officers (6)	\$476,385
	Public Safety Officers (5)	\$281,308

	Public Safety Telecommunicator Supervisor	\$68,131
Fire	Ambulance and 9 Firefighters at Station #3	\$716,095
	Public Education/Inspector	\$68,910
Traffic	Emergency Traffic Signal Trailers	\$36,000
	Cab and Chassis Bucket Truck	\$96,000
	Watch Room Personnel	\$45,044
	Materials Dump Trailer	\$8,000
Facilities Services	Custodian Staff for New Recreation Center (3)	\$85,000
	Facilities Specialist - Buildings (1)	\$73,054
Parks Administration	P/T Receptionist/Clerk Typist	\$11,778
	Superintendent of Urban Forestry	\$78,097
	Conceptual Master Plan - Glenville New Land	\$30,000
Parks Recreation	Recreation Coordinator - Huffhines Recreation Center	\$59,112
Parks Older Adults	Older Adult Coordinator	\$59,487
Parks Maintenance	Ballfield Staff (2)	\$72,009
	Replacement of Eliminated Staff (3)	\$108,014
Library	Library Clerk	\$40,627
	Study Tables and Chairs for Reference Area	\$18,240
CITV	Digital Camera Package	\$30,236
	Redo the Video "Food Fear"	\$12,000
	Council Chamber AV Replacement	\$37,000
	Council Chamber Screen Replacement	\$24,000
	Outsourcing 20/20 Editing Project	\$10,000
Health	Environmental Health Specialist	\$79,224
Animal Control	Kennel Attendant	\$41,761
	Shelter Receptionist	\$35,989
	Purchase Vaccine for All Adoptable Pets	\$13,975
	Replace Interior Metal Doors with Glass Storefront	\$4,900
Total		\$4,428,826

Fund Balance

- The 2009-2010 Budget maintains the financial policy of a 60-day fund balance as reflected in the adopted financial policies.

General Fund

	Actual	Budget	Estimated	Proposed
	2007-2008	2008-2009	2008-2009	2009-2010
Beginning Fund Balance	\$15,131,227	\$15,463,364	\$15,785,119	\$15,799,292
Total Revenues	\$91,903,955	\$93,981,664	\$92,051,110	\$92,678,801
Total Funds Available	\$107,035,232	\$109,445,028	\$107,836,229	\$108,478,093
Total Expenditures	\$88,394,749	\$92,987,372	\$90,817,918	\$91,687,440
Total Transfers	\$2,855,364	\$994,019	\$1,219,019	\$991,361
Total Expend. & Transfers	\$91,250,113	\$93,981,391	\$92,036,937	\$92,678,801
Ending Fund Balance	\$15,311,043	\$15,463,636	\$15,799,292	\$15,799,292
Days in Fund Balance	61.24	60.06	62.66	62.22

General Debt Service Fund

General Debt Service Fund

	Actual	Budget	Estimated	Proposed
	2007-2008	2008-2009	2008-2009	2009-2010
Beginning Fund Balance	\$2,116,127	\$1,701,788	\$1,806,740	\$1,984,238
Total Revenues	\$21,418,025	\$22,239,146	\$22,374,376	\$21,607,176
Total Funds Available	\$23,534,152	\$23,940,934	\$24,181,116	\$23,591,414
Total Expenditures	\$21,727,412	\$22,124,077	\$22,196,878	\$21,773,501
Ending Fund Balance	\$1,806,740	\$1,816,857	\$1,984,238	\$1,817,913
Days in Fund Balance	30.35	30.00	32.63	30.47

2009-2010 Capital Improvement Program and Debt Service Plan Overview

Background & Overview

- The City closely coordinates the Capital Improvement Plan (CIP) and the related debt service planning with the annual Operating Budget development. The benefit of this coordination provides:
 - A comprehensive budget plan that balances ongoing operational and maintenance requirements with the needs of infrastructure rehabilitation (streets, water and sewer lines, and public facilities) and other capital development programs.
 - Confirmation of the desired “balance” of attention and resource allocation between debt and operations as changes in funding sources and service demands impact the City, and require adjustments.
 - Clarifies the City’s ongoing financial plans and assurance of debt service commitments to bond holders and rating agencies for existing and future planned debt issues.
 - Provide updated timeframes and schedules for anticipated improvements to citizens, developers, and other agencies.
- Funding resources for the City’s capital program occur through a variety of sources, both of local city origin and from other agencies, and can be a dynamic process within the fiscal year. The City has taken an active posture in seeking parks and transportation grants, and has sought partnership opportunities with the Dallas County and Collin County bond programs. A more recent impact has been the emerging federal government’s role in “stimulus-related” grant funding. Among others, the City’s CIP resources include:
 - Annual short-term property notes.
 - General Capital Special Projects from year ending transfers, when available.
 - General Obligation (G.O.) & Certificate of Obligation (C.O.) Bond funding.
 - Utility Special Capital Projects from year ending transfers, when available.
 - Self-supporting enterprise debt for the Golf, Solid Waste Services, and Water and Sewer Funds
 - Other developer-financed or special project capital funding.
 - Tax Increment Financing (TIF)
 - Court Technology Funds
 - Federal and/or State Transportation Grants
 - Dallas County Parks and Trail Pay As You Go Program.
 - Dallas County Capital Program Pay As You Go Program.
 - Collin County Bond Program – Open Space and Transportation

- Texas Parks and Wildlife
- Federal/State Homeland Security Grants
- Philanthropy Gifts & Sponsorship Funding
- Federal or State Pass-Through Stimulus Grants
- In compliance with the City Charter, the City maintains a listing of “capital projects that should be considered” within the five succeeding years. This required listing has been provided as part of the City Manager’s budget filing document.
 - It is not exhaustive list and has not yet necessarily been evaluated with preliminary engineering, design, phasing or other steps of preparation that would ultimately be provided before any formal funding consideration.
 - Funding consideration of projects from non-local sources such as grants and other agency (Counties/State) sponsorship can also impact project consideration and inclusion.
 - This listing is preliminary and preparatory to the City Council practice of establishing funding strategies through periodic General Obligation (G.O.) Bond Programs for voter consideration, among other funding methods. Typically, a multi-month review process will be undertaken to refine this enclosed listing and confirm project priorities before any bond authorization activation. Recent G.O. programs included referenda in 1997 and 2006.
 - The City Council has requested a review process and related debt capacity assessment towards the viability of a possible May 2010 G.O. referendum. This report listing will be augmented and refined as part of that formal preparation assessment during the Fall of 2009.
- We have also prepared the required outstanding bond indebtedness with related debt features and other debt obligation report required by the City Charter which is also provided as part of the City Manager’s budget filing document.

An Active Current Capital Improvement Program and Future Capital Planning

- As the City Council can recall from the periodic CIP status reports, the City is actively completing the 2006 \$55 million dollar General Obligation (G.O.) Bond program and related CIP projects. The 2006 G.O. program was a comprehensive list of projects that was allocated across the following four referendum proposition categories:

Propositions

1) Street Improvements	\$32.21 Million
2) Park & Recreational Facilities	\$ 8.94 Million
3) Municipal Public Buildings	\$ 4.10 Million
4) <u>Neighborhood Vitality Projects</u>	<u>\$ 9.75 Million</u>
Total	\$55.00 Million

- This last referendum election was held on Saturday, May 13, 2006. **Each of the four propositions passed. The average approval rate for the four propositions was 80%.**

- Key capital improvement and debt management factors that are active in this current program are:
 - A desire to move quickly on project implementation and to **sell the entire new authorization at one time**, with the commensurate debt tax rate impact immediately implemented. This resulted in the \$0.05 tax rate adjustment in the 2006-2007 budget.
 - The **continued annual issuance of short term property notes for General Fund equipment** and fire apparatus replacement, and accommodation within the debt service capacity plans.
 - The use of **conservative tax base growth** assumptions to provide flexibility for future economic conditions.
 - When appropriate, the use of a **refunding/restructuring** to stabilize the outstanding debt service obligation and gain savings within good fiscal planning parameters.
- To compliment this intensive street maintenance capital renewal effort, the 2006-2007 General Fund fully restored the \$0.01 street maintenance account. This is sustained in this proposed 2009-2010 budget. This further strengthens the maintenance efforts to prolong the quality of our street system, and allow greater interim maintenance on those streets not yet addressed by capital bond projects.
- The Capital Projects staff continues to be active in the timely implementation of the 2006 Bond Program and the few remaining elements of any prior bond programs. As recently reported in the June 15 status briefing, 80% of the 2005 and 2006 G.O. Bond projects are now completed or are in the “bidding/construction” phase. It’s anticipated that by May 2010, 95% of these projects will be completed or under construction.

Advance Steps of Preparation for the Next G.O. Bond Program

- Even as we are active in completing the 2006 G.O. Bond Program, key planning and preparation has already been requested towards the City Council’s preparation of the next G. O. referendum and voter consideration.
- At a June 9, 2008 Work Session and subsequent updates, the Council reviewed the capital budget preparation steps and the Uniform Election Date calendar for the next few years. A **tentative G.O. referendum election date of May 8, 2010** was identified and a series of further assessment and preparation activities were established. The key preparation elements and schedule sequencing was charted:

- The impact of the current favorable cost of construction
- The bond market and the prevailing interest rate market for municipal debt
- Debt capacity elements and considerations of a property tax rate change for debt
- The current and emerging capital project needs of the community
- The opportunity to “leverage” local resources with grants and funding from others to lower the net cost of capital projects
- The timetable of interagency commitments for capital project obligations

Two key activities are underway to gather required information for this work plan:

- An updated inventory of all major infrastructure systems
- The preparation of an updated debt capacity and debt service strategy assessment, with the assistance of our financial advisors and in the context of the anticipated property tax appraisal certified roll in late July.
- To assist in an orderly consideration of these elements, City staff is preparing a sequence of briefings that will begin more intently following the 2009-10 budget adoption process of August and September.
- The Series 2009 bond sale, conducted in April, **reconfirmed the City’s outstanding bond rating posture of AAA from Standard and Poor’s and Aa1 from Moody’s Investor Services.** Among other commentary, S&P favorably noted the City’s effective techniques for capital planning, the strength of the economic development initiatives to foster the local property tax base, general financial management, and the ability to respond actively to the economic challenges that emerged in mid-2008.

	General Obligation			Revenue Bonds		
	S&P	Moody's	Fitch	S&P	Moody's	Fitch
Richardson	AAA	Aa1	NA	AA-	A1	NA
Allen	AA+	Aa2	NA	AA+	A2	NA
Arlington	AA+	Aa2	AA	AA	Aa3	AA+
Carrollton	AA	Aa2	AA+	AA	Aa3	AA
Dallas	AA+	Aa1	NA	AAA	Aa2	NA
Fort Worth	AA+	Aa2	AA	AA	Aa2	AA+
Frisco	AA	Aa2	NA	NA	NA	NA
Garland	AA+	NA	AA+	AA	BA	AA
Grand Prairie	AA	Aa3	AA	NA	Aa3	AA
Irvng	AAA	Aaa	NA	AA	Aa2	NA
McKinney	AA+	Aa2	NA	AA+	Aa3	NA
Mesquite	AA	Aa3	NA	AA	A1	NA
Plano	AAA	Aaa	AAA	NA	NA	NA

- With the prior issuance in 2006 of the large G.O. Bond authorization, the annual debt issuance in the subsequent years has been devoted to the short-term capital note requirements and the annual Utility CIP capital needs financed with C.O.’s. The annual amounts have totaled across all funds at about \$10-15 million.

- The components of the recent \$11.8 million Series 2009 Bond sale of this current fiscal year are summarized below:

Series 2009: 2008-09 Debt Issuance Program All Funds			
Amount	Bond Type	Purpose	Debt Service
\$2.70 million	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$0.72 million	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$1.98 million	C.O.	General Fund Fiber Optic Program – 14 yr.	General Debt Service
\$1.40 million	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$5.00 million	C.O.	2008-2009 Water and Sewer C.I.P.	Utility Fund Debt Service
\$11.80 million	Total		

2009-2010 Capital Improvement Program And Debt Service Plan

- The key focuses for the capital program in 2009-10 are:
 - The continued **implementation** through active construction management of the last projects of Series 2005 and the Series 2006 CIP projects.
 - Assessing and responding to the **change in revenue performance** for debt service.
 - The issuance of a **basic debt issue program** that provides the routine Water & Sewer Utility Capital funding and equipment replacement funding.
 - The **active preparation steps** for a possible G.O. Bond referendum in May 2010.
- The debt management attention has been focused on maintaining our General Debt Service fund balances (30 days), even as our allocated property tax collection for debt service has under-performed. Ongoing appraisal reviews and related appraisal litigation has yielded reductions from the 2008 certified roll which was used to establish the property tax revenue intended for general debt service.
 - For the current 2008-2009 year, the property tax allocation to debt service is below budget by \$232,188. A supplemental \$225,000 is proposed to be transferred in from the General Fund during this current fiscal year to resolve this shortfall and not allow a fund balance reduction.
 - Likewise, the impact of reduced Hotel Motel tax revenues will not sustain a \$1,000,000 annual transfer to the General Debt Service Fund to assist with the Eisemann Center debt at this time. This transfer has been reduced to \$800,000 for 2008-2009 and will be budgeted at \$350,000 for 2009-2010.
 - The mid-year confirmation of a \$336,000 federal reimbursement grant for fire equipment will allow the City to use the grant revenue to offset the related debt service for this equipment that had already been advanced and incurred. A

\$336,000 credit will be placed in the 2008-2009 year-ending debt service accounting for this grant offset.

- Of particular note is the effort that has been made in debt service management to **maintain the same debt service tax rate** component of \$0.212 for 2009-2010, even as:
 - the property tax base growth trend has been dampened to reflect the current economic outlook
 - Hotel-Motel tax revenue support to General Debt service must be curtailed to reflect dampened revenues for 2009-2010
- Below is a reference table of the debt tax rate dynamics for the two prior fiscal years and for the coming FY 2009-2010. Under current assumptions, no tax rate adjustment is required for 2009-2010.

Year	Debt Rate	Operations Rate	TOTAL
2007-08	\$0.21235	\$0.36281	\$0.57516
2008-09	\$0.21235	\$0.36281	\$0.57516
2009-10	*\$0.21235	\$0.36281	\$0.57516

* Proposed

- The General Debt Service Debt Outlook plan evaluated the impact of the following factors in providing the debt management plan for 2009-2010:
 - For 2009-2010, the model has factored the certified roll and related Values-In-Dispute aggregate amount of \$9.993 billion as the in tax base for the next fiscal year.
 - Curtailed Hotel-Motel tax revenue support to the General Debt Service fund has been made for 2009-2010 at \$350,000, and at \$500,000 for 2010-2011. These are reductions from the targeted level of \$1 million. Restoration is still a debt management goal, as revenue collection will allow.
 - This plan was updated on a tax base outlook that considers a modest and cautious recovery of 0% for 2010-2011, 1% for 2011-2012, and 2% for 2012-2013.
 - The outlook years also factor the continuation of the City’s short-term notes program for capital replacements and periodic fire apparatus upgrades to assure their baseline consideration.
 - Annual savings from favorable bond refunding, and from better than forecasted bond interest rates such as the April 2009 experience, have been factored across the future years as planned.
 - Importantly, this updated debt plan shows **no anticipated “spikes” in debt tax rate requirements for existing debt under the assumptions above**, and shows a steady/gradual decline in debt obligations, as future tax base growth strengthens the impact of each tax penny, and older debt obligations are retired.
 - Based on the expectation of a debt-tax rate increase for any new G.O. program in 2010 of an amount that has not yet been established, no added tax rate adjustment has been factored. **The tax rate impact of a new Series 2010 would**

be added to this schedule – beginning in 2010-2011 if Series 2010 is sold immediately following a May 2010 favorable election.

- The City will continue to monitor all debt management assumptions over 2009-2010.
- City Councils have expressed the desire to periodically develop future G.O. Bond programs in the style of the recent 2006 program. This approach is to size the issue amount around a plan to quickly sell all of the authorization after voter approval and rapidly initiate the work program. This requires an immediate tax rate increase for the added debt service obligation.
 - **An informal rule-of-thumb for the debt sizing considerations will be about \$10 million for every new debt service penny** (ie. one added penny on the debt tax rate will provide \$10 million of capital project funding capacity). An active evaluation underway may refine this funding estimate during the Fall of 2009. The nature of this recent CIP program and the conservative planning parameters utilized to manage our existing debt will set the best stage for the consideration of the next G.O. program in the future.

2009-2010 Debt Issue Activities

- The proposed Series 2010 Bond Issue program will likely have two elements:
 - Continuation of the City’s short-term notes program for capital replacements for each fund, scheduled fire apparatus upgrade, and the ongoing Utility C.I.P. program.
 - Consideration of an added General Obligation component that would arise from the CIP development program outlined before, and favorable passage of that G.O. referendum in May 2010. *This element is pending the City Council’s Fall 2009 confirmation to proceed with May 2010 G.O. preparation.*
- With the prospects of a May 8, 2010 G.O. Bond referendum, the City would likely delay the normal February – April issuance activities and consolidate this effort with any new G.O. authorization into a late-June to July consolidated issue package. This would also be timely to the property tax rate ratification that would be required for the 2010-2011 budget adoption related to the new bond program.
- The following debt issuance plan for 2009-2010 summarizes the proposed \$10 million debt elements:

Series 2010: 2009-2010 Planned Debt Issuance Program – All Funds			
Amount	Bond Type	Purpose	Debt Service
\$2,715,000	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$915,000	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$1,370,000	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$5,000,000	C.O.	2009-2010 Water and Sewer C.I.P. – 20 yr.	Utility Fund Debt Service
\$10,000,000	Total*	<i>(* Total is before any added amount for a new G.O. Bond Program)</i>	

Summary

- The debt management program continues to meet required financial policy requirements, even with debt revenue challenges.
- The ability to sustain current debt requirements establishes a good base for any new G.O. CIP that the City may seek.
- In addition to the current C.I.P., the 2009-2010 Fiscal Year will be an active time of preparation for consideration and adoption of the next G.O. Bond program.

Reference: General Obligation Bonds Authorized but Unissued

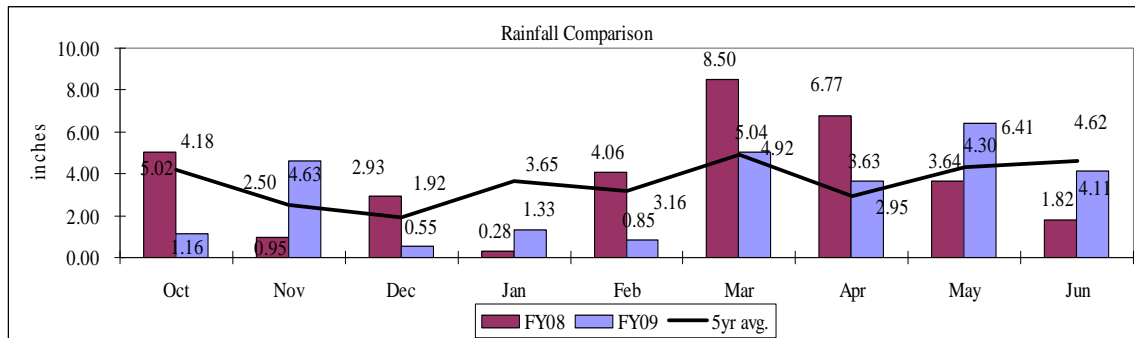
May 13, 2006 Bond Election			
	Amount	G.O. Series	Authorized But
	Authorized	2006 Sale	Unissued
Streets and Drainage Proposition	\$32,210,000	\$32,210,000	\$0
Parks & Recreation Facilities Proposition	8,940,000	8,940,000	0
Municipal Buildings Proposition	4,100,000	4,100,000	0
Neighborhood Vitality Proposition	9,750,000	9,750,000	0
Total Series 2006	\$55,000,000	\$55,000,000	\$0
Note: (1) All bonds that were authorized by the May 2006 elections were sold in July 2006			

December 6, 1997 Bond Election			
	Amount	Amount	Authorized But
	Authorized	Previously Issued	Unissued
Streets and Drainage Proposition	\$33,428,959	\$33,425,000	\$3,959
Sidewalks and Bridges Proposition	7,445,209	7,445,000	209
Parks & Recreation Facilities Proposition	17,948,716	14,910,000	3,038,716
Public Buildings Proposition	10,176,435	19,175,000	1,435
Total Series 1997	\$77,999,319	\$74,955,000	\$3,044,319
(1) Bonds are sold in increments of \$5,000, and because the original propositions were not put on the ballot in amounts divisible by \$5,000, there will be a residual amount that remains in all the propositions. Thus, the propositions for Streets and Drainage, Sidewalks and Bridges, and Public Buildings have been completely issued. There is \$3,038,716 remaining in the PARD			

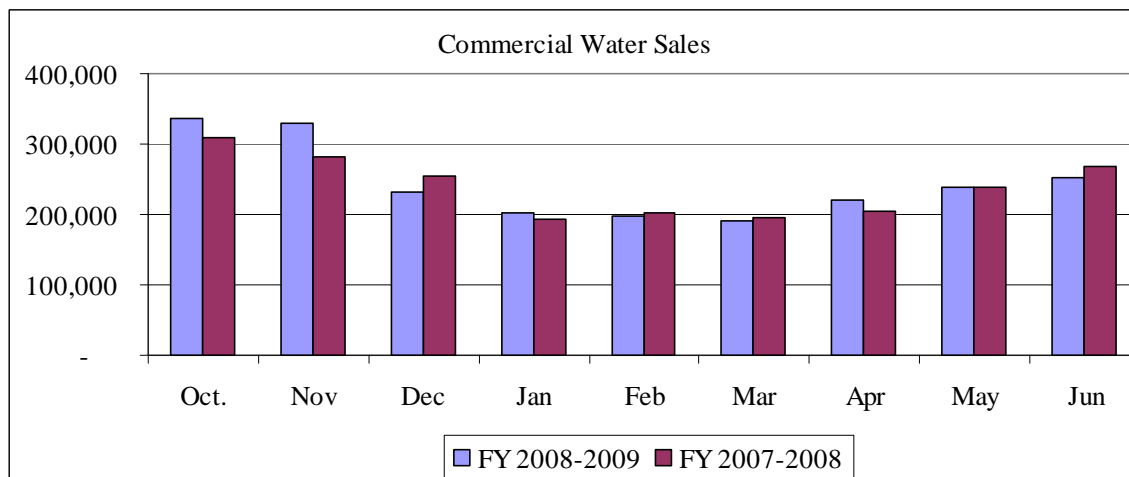
WATER AND SEWER FUND

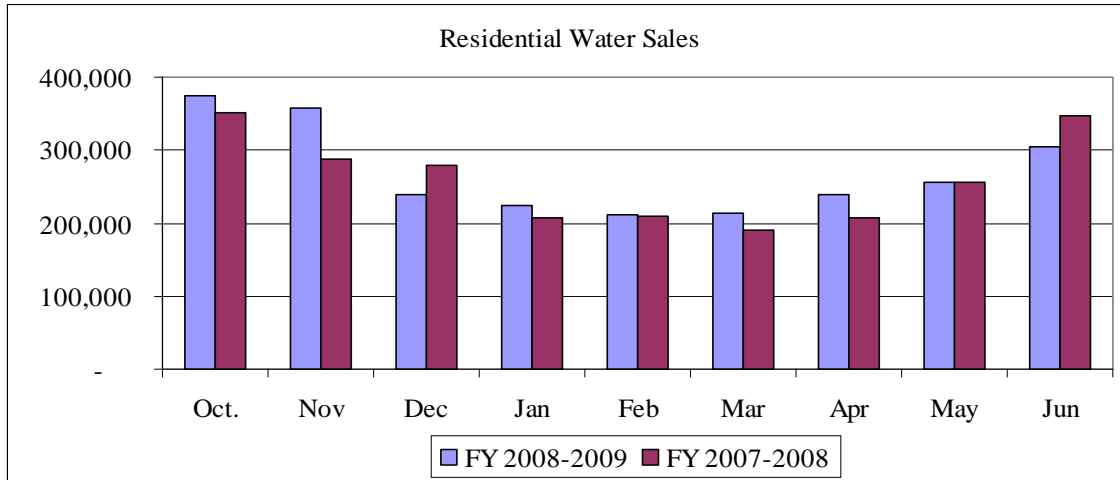
FY 2008-2009 Year-End

- Revenue in the water and sewer fund is a function of the rate structure and expected sales of service. Sales are affected by several factors including weather, consumption patterns, and vacancy rates in commercial and residential properties.
- In an effort to deal with increasing wholesale water and sewer services costs and fluctuating demand, the Council passed a mid-summer rate increase of 15.50% in FY 2007-2008 followed by a 9.5% increase for sewer at the beginning of FY 2008-2009. Combined with a return to more normal consumption patterns, these two actions will allow the fund to achieve a 90 day fund balance position by FY 2008-2009 year-end.
- Early summer revenue predictions for water sales call for an increase of \$360,000 over original budget while sewer is expected to be down (\$448,000) due to slightly lower than expected sales in the months when the winter average is calculated.
- Through the end of June this year, the City received 27.7” compared to the YTD for FY 2007-2008 of 34.0” and the five-year average of 32.2”.

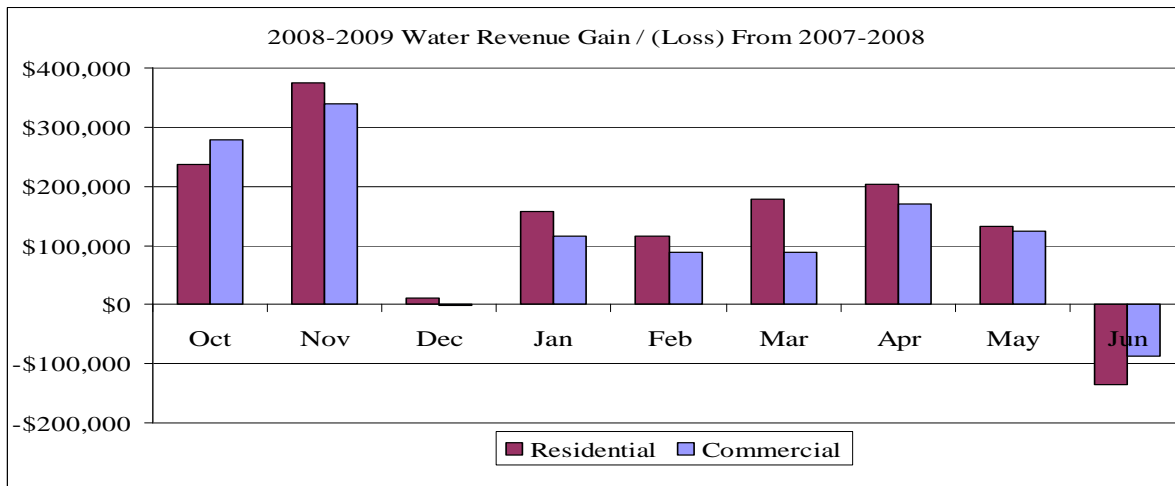


- The following graphics compare current year consumption with last year. Through the end of June, commercial sales are up 2.4% over last year while residential sales are up 3.8%.





- This graph measures revenue gain/(loss) from the prior year. With slightly increased water and sewer sales, the graphic illustrates that only the month of June was below the prior year. This follows the rainfall pattern for both years. In May and June of last year, the City received 5.5' while this year saw 10.5', an increase in rainfall of 91%.



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

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

- In total, revenues for the Water and Sewer Fund are expected to end the year \$165,000 or even with the original budget.
- Overall, expenditures and transfers are projected to end the year \$135,000 or even with the original budget of \$42.8 million.

Fund Balance

- Fund Balance is projected to be 91.89 days at year-end, in accordance with the Council approved Financial Policy for the Water and Sewer Fund

2009-2010 Revenues

- Projected revenues for FY 2009-2010 are based on a five-year average of consumption. That period included the back to back phenomenon of a record setting rainfall and a record setting drought. The other three years in the calculations are considered to be “normal” in their consumption patterns. No rate increase is warranted at his time, despite facing a 5.9% increase in wholesale water costs and smaller adjustments from our sewer treatment providers.

Residential Municipal Cost Comparison For \$183,082 Homestead Fiscal Year 2008-2009 (as of April 2009)							
	Annual Property Taxes	Annual Water Charge	Annual Sewer Charge	Annual Solid Waste Fee	Annual Drainage Fee	Total Annual Charges	% of Richardson Total
CITY							
Frisco	\$824	\$439	\$312	\$130	-	\$1,705	83%
Plano*	\$694	\$334	\$505	\$146	\$40	\$1,719	84%
Irving*	\$792	\$428	\$239	\$237	\$48	\$1,744	85%
Carrollton*	\$905	\$440	\$252	\$234	-	\$1,831	90%
Arlington*	\$949	\$387	\$374	\$146	\$33	\$1,889	92%
Allen	\$1,018	\$427	\$352	\$186	\$36	\$2,019	99%
Richardson	\$1,053	\$492	\$282	\$216	-	\$2,043	100%
Grand Prairie*	\$1,193	\$458	\$332	\$180	\$30	\$2,193	107%
Mesquite	\$1,172	\$477	\$329	\$195	\$36	\$2,209	108%
McKinney	\$1,072	\$518	\$414	\$200	\$33	\$2,237	109%
Dallas*	\$1,095	\$422	\$451	\$273	\$48	\$2,289	112%
Garland*	\$1,178	\$422	\$449	\$235	\$29	\$2,313	113%
Fort Worth*	\$1,252	\$499	\$393	\$237	\$68	\$2,449	120%
Average	\$1,015	\$442	\$360	\$201	\$31	\$2,049	
Richardson % (Below) Above Average	3.7%	11.3%	(21.7%)	7.5%	N/A	(0.3%)	

NOTES:

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

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

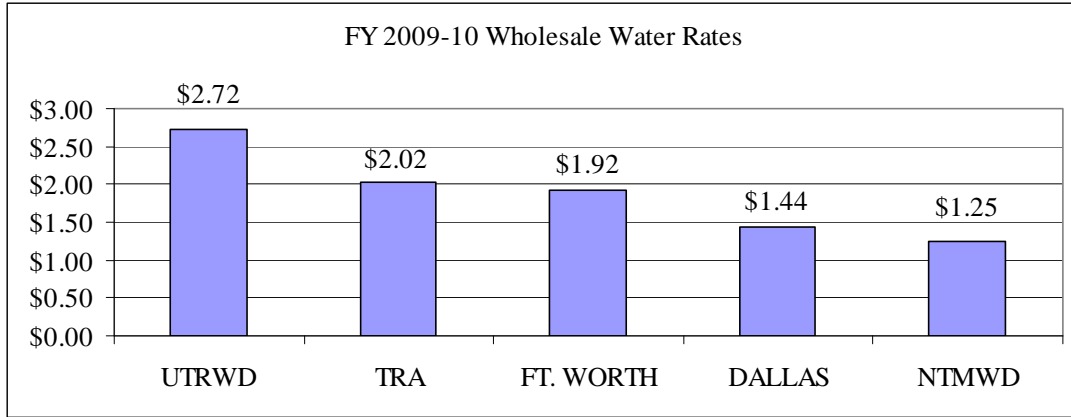
2. Water = Average residential consumption of 8,000 gallons from October to May and 18,000 from June to September.
3. Sewer = Average residential consumption based upon the water consumption as calculated using the individual cities' billing ordinance. Some cities calculate a maximum charge based on maximum gallons, some use a winter months average.
4. Solid Waste = Monthly residential charge including sales tax.
5. Drainage fees are based upon a 9,000 sq. ft. lot or 2,000 sq. ft. house as appropriate for the entity
6. Mesquite uses a 1/2 cent sales tax used in lieu of ad valorem tax.

- Revenue from Water Sales and Charges is programmed at \$27.7 million representing a 3.8% increase from year-end and is based on an average consumption year.
- Sewer Sales are budgeted at \$16.2 million or 2.1% over year-end. This includes the same basic assumptions as water sales.
- Late charges rise slightly to \$489,000.
- Interest continues to decrease as a reflection of the current market situation. For FY 2009-2010, we are anticipating \$84,000 representing a decrease of -4.8% from year end.
- Remaining revenues should see moderate increases.

Rainfall	
2000-2001	44.72 inches
2001-2002	39.45 inches
2002-2003	32.14 inches
2003-2004	43.57 inches
2004-2005	33.77 inches
2005-2006	23.86 inches
2006-2007	58.04 inches
2007-2008	40.06 inches
2008-2009	38.31 inches

2009-2010 Expenditures

- Expenditures and Transfers are proposed at \$44.8 million representing an increase of \$1.9 million or 4.3% over year-end estimates. Nearly 70% of the increase is attributed to water and sewer services contract increases.
- The Maintenance category is the largest operational expenditure in this fund and includes the costs of water and sewer services. The City is not expecting to set a new “minimum purchase”, however we will be charged an additional \$0.07/1,000 in the price of wholesale water from the NTMWD. This is a positive change from our July retreat where we were expecting a NTMWD increase of \$0.12/1,000 gallons. This represents an increase of \$771,000 or 5.9% over last year and a 56.0% increase in the price of wholesale water since FY 2001-2002. For FY 2009-2010, the total cost of wholesale water increases to \$13,774,139 representing 31.0% of the total expenses in this fund.



Water Purchases - NTMWD water year ends in July				
	2006-2007	2007-2008	2008-2009	2009-2010
Minimum Purchase	11.0 billion	11.0 billion	11.0 billion	11.0 billion
Projected Consumption	7.0 billion	6.7 billion	7.3 billion	7.5 billion
Actual Consumption	6.5 billion	8.1 billion	8.2 billion	N/A
Consumption as a % of Contract	59.1%	74%	74.5%	N/A
Budgeted Wholesale Cost	\$11,239,698	\$11,900,856	\$13,002,787	\$13,774,139
Rebate per 1,000 Gals.	\$0.30	\$0.42	N/A	N/A
Total Rebate	\$954,867	\$1,228,032	N/A	N/A
Rebate as a % of Total Cost	8.5%	10.3%	N/A	N/A

Rainfall	
2000-2001	44.72 inches
2001-2002	39.45 inches
2002-2003	32.14 inches
2003-2004	43.57 inches
2004-2005	33.77 inches
2005-2006	23.86 inches
2006-2007	58.04 inches
2007-2008	40.06 inches
2008-2009	38.31 inches

	Actual		Planned	Planned but Update Pending			
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Fiscal Year	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Wholesale Price	\$ 1.08	\$ 1.18	\$ 1.25	\$ 1.43	\$ 1.57	\$ 1.70	\$ 1.83
% Increase	5.88%	9.26%	5.93%	14.40%	9.79%	8.28%	7.65%
Minimum Purchase	11 billion	11 billion	11 billion	11 billion	11 billion	11 billion	11 billion
Budgeted Cost	\$11,900,856	\$13,002,787	\$13,774,139	\$15,757,615	\$17,300,318	\$18,732,829	\$20,165,339
\$ increase	\$ 661,158	\$ 1,101,931	\$ 771,352	\$ 1,983,476	\$ 1,542,703	\$ 1,432,511	\$ 1,432,510

- Sewer treatment services are expected to increase \$453,000 over the year end estimate of \$9.2 Million. Final cost estimates from our service providers call for the

following increases; the NTMWD will increase \$160,000, the City of Garland increases \$154,000 and the City of Dallas is expected to increase \$138,000.

- Together, the wholesale cost of water and sewer treatment services account for \$23.5 million or 52.3% of the total expenses.
- Since FY 2000-2001, growth in this fund has been driven by increasing costs for wholesale water and sewer services and the debt program, which represents 52.0% and 9.8% of the funds expenditures respectively. Daily operational expenses have only grown 39.0% in 10 years, or on average, less than 3.5% per year.

Expenditures	FY 2000-2001 Actual	FY 2009-2010 Proposed	% Average Yearly Growth	% Growth FY 2000-2001 to FY 2009-2010
Operations	\$11,515,439	\$16,046,487	3.9%	39.3%
Wholesale Water	7,588,501	13,774,139	8.2%	81.5%
Sewer Treatment	6,975,362	9,690,778	3.9%	38.9%
Capital	873,717	473,865	(4.5%)	(45.8%)
Special Projects	0	\$375,000	10.0%	100.0%
Debt Service	2,447,278	4,430,900	8.1%	81.0%
Total Costs	\$29,400,297	\$44,791,169	5.2%	52.3%

Water Purchases and Sewer Treatment Costs			
	2008-2009 Budget	2008-2009 Estimated	2009-2010 Budget
Water-NTMWD	\$13,002,787	\$13,002,787	\$13,774,139
Sewer-Regional System	\$3,265,835	\$3,265,835	\$3,265,835
Sewer-Upper East Fork	\$1,354,207	\$1,354,207	\$1,514,424
Sewer-Dallas	\$2,308,256	\$2,308,256	\$2,446,751
Sewer-Garland	\$2,309,508	\$2,309,508	\$2,463,768
Sewer Total	\$9,237,806	\$9,237,806	\$9,690,778
Total Water & Sewer	\$22,240,593	\$22,240,593	\$23,464,917

Water and Sewer Rates					
	NTMWD Water Rate	Regional System Sewer Rate (NTMWD)	Upper Spring Creek Sewer Rate (NTMWD)	Cottonwood Creek Sewer Rate (Dallas)	Duck Creek Sewer Rate (Garland)
08-09 Budget	\$1.18		\$1.75	\$2.1251	\$1.97
08-09 Estimated	\$1.18		\$1.75	\$2.1251	\$1.90
09-10 Budget	\$1.25		\$1.75	\$1.9239	\$2.16
% Est./Prop.	5.9%		0.00%	(-9.47%)	13.68%
% Basins Flow			36%	35%	29%

- Personal Services is proposed at \$5.7 million, an increase of 4.5% over year-end estimates. The increase of \$242,000 includes full year funding of pay initiatives begun last year.
- Professional Services shows an increase of 1.5% or \$10,000. With minor decreases in other areas, the City is able to absorb the \$71,000 increase in the fee the City pays to the Texas Council on Environmental Quality (TCEQ) to be a service provider for water and sewer. This category also maintains \$125,000 for the Household hazardous Waste program and \$100,000 for continued inflow and infiltration studies.
- Contracts shows a minor increase of \$32,000 over year end and is made up of small increases across several line items.
- Supplies show a decrease of (\$185,000) from year-end estimates due to the inclusion of \$234,000 in prior year encumbrances in 2008-2009 year-end estimates. The remaining line items consist of minor increases and decreases from their year-end positions.

Vehicles and Equipment

- Continuing the “pay-as-you-go” initiative, \$474,000 of capital equipment is proposed in operations. Three annual operations programs will be funded through the annual Certificates of Obligation program due to the life expectancy of those repairs, including; \$544,000 for water line replacement, \$177,000 for repair of utility cuts and \$358,000 for the reconstruction of sanitary sewers.

Capital Equipment	
Creek Annual Repair Program (CARP)	\$150,000
Water Main Replacement Material	68,027
3/4 Ton Pickup Truck - Replacement (2)	58,000
Self Propelled Concrete Saw - Replacement (1)	44,000
1 Ton Pickup Truck - Replacement (1)	36,000
Hybrid SUV - Replacement (1)	30,000
New Meters and Settings	26,000
New Water Service Connections	19,096
Service Connections	16,000
Two-Way Cleanout Material	14,000
Handheld Wands and Charger (6)	6,342
Ring Saw (2)	5,400
Wet and Dry Vac (50 Gallon) - New (1)	1,000

Infrastructure Maintenance

- **Water & Sewer Maintenance Projects** – For FY 2009-2010, the paving cuts, sanitary sewer reconstruction, and water line replacement programs total \$1.1 million and will be funded through the use of Certificates of Obligation.

Water, Sewer, & Erosion Maintenance Projects 2009-2010	
Water Projects	
Paving Cuts Program	\$177,383
415-437 Winding Brook Ln.	\$79,304
371-377 Birch Ln.	\$45,548

1000-1008 Blue Ridge Pl.	\$48,923
601-641 Rorary Dr.	\$68,048
400-505 Mossbrook Dr.	\$90,463
800-816 Edgefield Dr.	\$75,361
1214-1228 Cypress Dr.	\$68,093
1801-1901 Normandy Dr.	\$68,048
Total Water Projects	\$721,171
Sewer Projects	
1100 Greenway	\$48,000
700-900 N. Grove	\$176,000
800-900 Blue Lake	\$84,000
Manhole Rehab	\$50,000
Total Sewer Projects	\$358,000

- Operating Transfers Out totals \$6.9 Million and includes the yearly transfers for General and Administrative costs, the water and sewer share of the BABIC Program, the Franchise Fee, and a Special Projects Transfer of \$375,000. This Special Projects Transfer will only be made at year-end 2009-2010 if revenue and expenditure performance make it available, and would be used for unfunded infrastructure improvements. Till then, it serves as an insulating buffer in the event revenues do not perform as expected due to lower than anticipated sales of service.

Operations Line Item Expenditures 2008-2009 Estimated to 2009-2010 Proposed (Variances in Excess of \$25,000)		
Overall Water & Sewer Fund Operating Expenditure Increase		\$1,326,551
1102-2999	Personal Services	\$242,258
	1103 – Operations Hourly	\$73,592
	2301 – TMRS	\$86,744
3201-3499	Professional Services	\$9,587
	3399 – Contractual Services	\$43,238
	3499 – Other Professional Services	(\$34,028)
4101-4599	Maintenance	\$1,437,005
	4111 - Water – NTMWD	\$771,351
	4134 – Sewer Upper East Fork	\$160,217
	4141 – Sewer - Dallas	\$138,495
	4142 – Sewer – Garland	\$154,260
	4351 – Meters and Settings	\$268,000
	4358 – Standpipes and Reservoirs	(\$60,990)
5201-5999	Contracts	\$32,089
	5999 – Other Unclassified	\$83,783
6101-6562	Supplies	(\$184,714)
	6195 – Computer Software	\$38,916
	6999 - Prior Year Encumbrances	(\$234,282)
7102-7499	Capital	(\$209,674)
	7401- Machinery & Equipment	(\$116,220)
	7521 - Vehicles	(\$112,000)

Fund Balance

- Fund Balance is budgeted at 90.64 days in compliance with the financial policy of 90 days in fund balance.

Water & Sewer Fund				
	Actual	Budget	Estimated	Proposed
	2007-2008	2008-2009	2008-2009	2009-2010
Beginning Fund Balance	\$8,360,081	\$7,107,452	\$9,992,834	\$10,811,677
Total Revenues	\$40,602,494	\$43,597,681	\$43,763,128	\$45,102,313
Total Funds Available	\$48,962,575	\$50,705,132	\$53,755,962	\$55,913,990
Operating Expenditures	\$27,952,081	\$32,212,981	\$32,250,228	\$33,576,779
Operating Transfers.	\$7,153,430	\$6,401,974	\$6,499,707	\$6,783,490
Debt Service Transfer	\$3,864,230	\$4,194,350	\$4,194,350	\$4,430,900
Total Expend. & Transfers	\$38,969,741	\$42,809,305	\$42,944,285	\$44,791,169
Ending Fund Balance	\$9,752,873	\$7,895,827	\$10,811,677	\$11,122,821
Days in Fund Balance	91.35	67.32	91.89	90.64

Water & Sewer Fund Debt Service

- Fiscal Year 2009-2010 operations can purchase all needed replacement capital equipment without the issuance of C.O.'s.
- The Utility CIP program proposes a \$5.0 million C.O. issue to fund Water & Sewer System improvements and replacements.

Water and Sewer Series 2010 CIP	
2010 Waterline Replacements	\$1,155,000
2010 Manhole Rehabilitation	60,000
2010 Inline Sewer Rehabilitation	545,000
2010 Water Meter Replacement	425,000
Glenville Tank Rehabilitation (Exterior)	880,000
East Side Ground Storage Tank Rehabilitation	970,000
UTD Water Tower Design	365,000
Utility System Security Phase IV	600,000
Total	\$5,000,000

Water & Sewer Debt Service Fund				
	Actual	Budget	Estimated	Proposed
	2007-2008	2008-2009	2008-2009	2009-2010
Beginning Fund Balance	\$337,275	\$381,348	\$394,503	\$391,447
Total Revenues	\$3,910,013	\$4,204,330	\$4,250,488	\$4,433,929
Total Funds Available	\$4,247,288	\$4,585,678	\$4,644,991	\$4,825,376
Total Expenditures	\$3,852,785	\$4,237,370	\$4,253,544	\$4,457,970
Ending Fund Balance	\$394,503	\$348,308	\$391,447	\$367,406

SOLID WASTE SERVICES FUND

FY 2008-2009 Year-End

- Solid Waste revenues are projected to end the year (\$177,000) or -1.4% below their original budget of \$12.5 million.
- Residential Collections are tracking down (\$23,000) or -0.4% from the programmed \$5.2 million. For FY 2008-2009, the budget passed a residential rate increase of \$1.85 per month or 12.5%. The new rate, including tax, was raised to \$18.00/month.
- Commercial Collections are tracking up \$84,000 or 1.3% from an original budget of \$6.4 million.
- Total Expenditures and Transfers are expected to end the year (\$336,000) or -2.7% below the \$12.3 million programmed for FY 2008-2009.
- Days in Fund balance are expected to end the year with 97.59 days, in compliance with the adopted financial policy of “60 days building towards 90 days”.

2009-2010 Revenues

- Total revenues are projected to be \$163,000 or 1.3% over year-end estimates.
- Commercial Collections Fees are expected to increase 2.0% or \$129,000 over year-end estimate, with Residential Fees increasing 0.5% or \$26,000.
- The 2009-2010 proposed budget anticipates very conservative growth in both residential and commercial revenue collections, which will be able to sustain the fund without any rate increases at this time. However a review of the City’s solid waste collection rates is in its final stages which will be reviewed with Council upon completion later in the fiscal year.
- The following chart shows the actual cost of service. With a rate of \$18.00/month and a true cost of \$23.29, its clear Commercial Collections subsidizes Residential Collection over \$5.00 per resident each month.

Residential Cost Breakdown				
	Actual	Budget	Estimate	Budget
	FY 2007-08	FY 2008-09	FY 2008-09	FY 2009-10
Operating Cost	\$7.51	\$7.99	\$7.74	\$8.35
Disposal Costs	4.94	5.17	4.70	4.76
BABIC	2.10	2.19	2.41	2.61
Recycling	1.82	1.61	1.73	1.85
G&A and Fran. Fees	4.64	4.99	4.69	4.74
Debt	1.24	1.12	1.11	0.98
	\$22.25	\$23.08	\$22.39	\$23.29

City	Current Rate	Weekly	Manual	Sr. Discount	Outsourced	Recycling	Fee Increase
		P/U's					
Frisco	\$10.83	1		N	Private	Weekly	TBD
Arlington	\$11.21	2	X	N		Weekly	TBD
Plano	\$12.18 - 68 gal. cart	1		N		Bi-Weekly	None Planned
Allen	\$14.71	1		N	Private	Bi-Weekly	TBD
Grand Prairie	\$15.03	2	X	\$1.00		Weekly	TBD
Plano	\$16.35 - 95 gal. cart	1		N		Bi-Weekly	None Planned
McKinney	\$16.63	1		N	Private	Weekly	None Planned
Richardson	\$18.00	2	X	20%		Weekly	None Planned
Mesquite	\$18.60	2	X	N		Weekly	TBD
Carrollton	\$19.46	1		N	Private	Bi-Weekly	None Planned
Garland	\$19.58	1		N		Bi-Weekly	None Planned
Irving	\$19.76	2	X	20%		Weekly	None planned
Dallas	\$22.71	2		N		Bi-Weekly	\$0.64 decrease but
AVERAGE	\$16.54						p/u changed to 1x wk

- The BABIC transfer from the Water and Sewer fund will remain at \$467,000. This allocation acknowledges the water supply protection provided by the BABIC program.
- Other Revenue increases \$6,000 from year-end estimates, which is comprised of minor adjustments throughout the category.
- Interest Earnings represent a continuation of current market conditions and is expected to increase 13.3% or \$2,000.

2009-2010 Expenditures

- Total expenditures and transfers are proposed at \$12.4 million, an increase of \$363,000 or 3.0% over the year-end estimate of \$12.0 million.
- Personal Services increase \$324,000 or 8.0% over year-end estimate and includes the full year impact of pay initiatives begun last year.
- Professional Services increases 16.6% or \$2,000 from the year-end estimate. This increase represents minor adjustments throughout the category.
- The Maintenance category is projected to increase \$59,000 or 1.4% over the year-end estimate due to anticipated growth in tonnage and in the disposal fees charged by NTMWD.
- The Contracts category increases \$39,000 or 17.6% above the over the year-end estimate of \$219,000. The majority of this increase is due to increases in property and risk insurance premiums.
- The Debt Service Transfer decreases (\$82,000) from year-end in accordance with the debt requirement for FY 2009-2010.

Capital

- A proposed issuance of \$1.4 million in CO's will provide capital items for the continued provision of solid waste collection services.

Capital Items	
Rear Loaders (5)	\$725,000
Frontloader (1)	\$225,000
Roll-Off Truck (1)	\$159,000
8 YD. Containers (60)	\$72,000
Hybrid SUV (2)	\$52,000
34 Cubic Yard Self-Contained Compactor (1)	\$38,000
Compactor Power Units (10)	\$33,000
30 YD. Containers (5)	\$27,500
Automatic Vehicle Lubrication System (4)	\$22,000
4 YD. Containers (60)	\$12,000

Operations Line Item Expenditures (Variances in Excess of \$25,000) 2008-2009 Estimated – 2009-2010 Proposed		
Overall Solid Waste Fund Operating Expenditure Increase		\$414,791
1102-2999	Personal Services	\$324,307
	1103 – Operations Hourly	\$71,691
	1203 – Contractual Labor	\$67,626
	2301 – TMRS	\$56,703
	2601 – Workers Compensation	\$85,000
3271-3499	Professional Services	\$2,266
4101-4599	Maintenance	\$58,790
	4201 - Disposal Costs – NTMWD	\$58,730
5201-5999	Contracts	\$38,527
	5999- Other Unclassified	\$29,939
6101-6999	Supplies	(\$9,099)

Fund Balance

- FY 2009-2010 fund balance is proposed at 97.70 days. This achieves the goal established in the adopted financial policy of 60 days building towards 90.

Solid Waste Services Fund				
	Actual 2007-2008	Budget 2008-2009	Estimated 2008-2009	Proposed 2009-2010
Beginning Fund Balance	\$2,912,105	\$2,905,548	\$2,906,676	\$3,206,860
Total Revenues	\$11,565,529	\$12,471,110	\$12,293,951	\$12,456,670
Total Funds Available	\$14,477,634	\$15,376,658	\$15,200,627	\$15,663,530
Total Expenditures	\$8,158,868	\$8,795,688	\$8,616,234	\$9,031,025
Total Operating Transfers. Out	\$2,613,286	\$2,818,148	\$2,661,950	\$2,691,347
Total Other Transfers	\$798,804	\$715,583	\$715,583	\$633,900
Total Expend. & Transfers	\$11,570,958	\$12,329,419	\$11,993,767	\$12,356,272
Ending Fund Balance	\$2,906,651	\$3,047,239	\$3,206,860	\$3,307,258
Days in Fund Balance	91.66	90.21	97.59	97.70

Debt Service

- The Debt Service Transfer decreases (\$82,000) from year-end in accordance with the debt requirement for FY 2009-2010.

HOTEL MOTEL TAX FUND

Year-End FY 2008-2009

- Based on 9-months of revenue receipts and projected activities for the 3 remaining months, the Hotel Motel Tax Fund year-end revenues are tracking (\$480,000) or -8.3% below their budgeted position of \$5.8 Million for 2008-2009. Eisemann Center revenues are projected to end the year up by \$292,000 or 14.7%, while Hotel-Motel taxes are expected to end the year down (\$755,000) or -21.1% from its budgeted position. Interest Earnings are also projected to see a decline of (\$13,000) or -47.0% by year-end.
- The local Hotel/Motel market is currently experiencing the effects of the world-wide recession, which follows five consecutive years of growth in occupancy taxes collected. Hotel/Motel Tax Receipts are anticipated to end the year (\$755,000) or -21.1% lower than the 2008-2009 budget projection of \$3.6 Million. A breakdown of the receipts by property is provided below.

Hotel Property	Actual 2007-2008	Budget 2008-2009	Estimated 2008-2009
Marriott Renaissance	\$707,150	\$694,327	\$600,335
Hyatt Regency/The Richardson	\$602,130	\$630,645	\$439,085
Radisson Hotel	\$471,587	\$477,807	\$286,660
Holiday Inn	\$315,250	\$358,599	\$275,974
Hilton Garden Inn	\$6,375	\$185,000	\$208,668
Marriott Courtyard - Galatyn	\$218,012	\$215,994	\$178,214
Marriott Courtyard - Spring Valley	\$215,041	\$211,857	\$177,704
Hampton Inn	\$199,925	\$200,905	\$158,232
Residence Inn	\$175,769	\$179,556	\$151,169
Hyatt Summerfield	\$126,749	\$107,109	\$113,566
Homestead Suites	\$90,490	\$91,188	\$76,735
Super 8	\$56,073	\$59,201	\$52,674
Econo Lodge	\$35,860	\$36,555	\$32,954
Continental Inn	\$43,007	\$37,250	\$25,825
Hawthorne Suites	\$68,361	\$69,435	\$23,592
Como Motel	\$19,333	\$19,391	\$18,637
Charles Thompson & Associates	\$0	\$0	\$132
Equity Corporate Housing	\$225	\$200	\$0
TOTAL	\$3,351,337	\$3,575,018	\$2,820,156

- Hotel Motel Tax Receipts are a factor of both room rate and occupancy levels. From January to May 2009, both the occupancy and average daily rates among Richardson properties were down from the same time period last year.

Year	Occupancy Rate	Average Daily Rate	RevPAR
Jan-May 2008	62.0%	\$92.93	\$57.72
Jan-May 2009	48.23%	\$91.02	\$43.74

- Total Eisemann Center revenues are expected to be up \$292,000 or 14.7% above budget. The majority of this increase is attributable to an increase in the Eisemann Center Presents revenue of \$397,000, reflecting an exceptional 2008-2009 Eisemann Center Presents season. The remaining Eisemann Center Revenues are expected to end the year down from its budgeted position of \$1.1 Million by (\$105,000) or -9.7% as result of lower rental activity.
- Parking Garage revenues are anticipated to finish the year down (\$4,000) or -2.0% from its budgeted position of \$180,000.
- Total Expenditures and Transfers for 2008-2009 are projected to end the year on target with the original budget of \$5.8 Million.
- Eisemann Center year end expenditures are anticipated to be up \$184,000 or 5.1% from budget, which is attributed to the exceptional Eisemann Center Presents season and is offset by the increased revenue previously discussed.
- Parking Garage expenditures are projected to end the year down (\$7,000) or -1.4%.
- The remaining expenditures in the Fund will be on target with the original allocations.
- The Debt Service Transfer decreases (\$200,000) from budget in order to insulate the fund from further declines in revenues.
- The Hotel Motel Tax Fund balance is anticipated to end the year at \$464,000.

2009-2010 Revenues

- Total Revenues for the Hotel/Motel Tax Fund are projected at \$5.0 Million for next year, reflecting a -5.4% decline in overall revenues.

Hotel/Motel Tax Receipts

- For 2009-2010, Hotel/Motel Tax Receipts of \$2.8 million are based very conservative growth assumptions and reflects a 1.0% increase of estimated 2008-2009 Receipts.

Hotel Property	Actual 2007-2008	Budget 2008-2009	Estimated 2008-2009	Budget 2009-2010
Marriott Renaissance	\$707,150	\$694,327	\$600,335	\$606,338
Hyatt Regency/The Richardson	\$602,130	\$630,645	\$439,085	\$443,476
Radisson Hotel	\$471,587	\$477,807	\$286,660	\$289,527
Holiday Inn	\$315,250	\$358,599	\$275,974	\$278,734
Hilton Garden Inn	\$6,375	\$185,000	\$208,668	\$210,755
Marriott Courtyard - Galatyn	\$218,012	\$215,994	\$178,214	\$179,996
Marriott Courtyard - Spring Valley	\$215,041	\$211,857	\$177,704	\$179,481
Hampton Inn	\$199,925	\$200,905	\$158,232	\$159,814
Residence Inn	\$175,769	\$179,556	\$151,169	\$152,681
Hyatt Summerfield	\$126,749	\$107,109	\$113,566	\$114,702
Homestead Suites	\$90,490	\$91,188	\$76,735	\$77,502
Super 8	\$56,073	\$59,201	\$52,674	\$53,201
Econo Lodge	\$35,860	\$36,555	\$32,954	\$33,284
Continental Inn	\$43,007	\$37,250	\$25,825	\$26,083
Hawthorne Suites	\$68,361	\$69,435	\$23,592	\$23,828
Como Motel	\$19,333	\$19,391	\$18,637	\$18,823
Charles Thompson & Associates	\$0	\$0	\$132	\$132
Equity Corporate Housing	\$225	\$200	\$0	\$0
TOTAL	\$3,351,337	\$3,575,018	\$2,820,156	\$2,848,356

Parking Garage Revenues

- Parking Garage fees are projected at \$180,000, an increase of \$4,000 or 2.0% over year-end.

Eisemann Center Revenues

- Eisemann Center revenues are projected at \$2.0 Million reflecting a (\$318,000) or -14.0% decrease from estimated year-end. The 2009-2010 Eisemann Center Presents Revenues are projected to be (\$387,000) or -30.0% down from the year end estimate for 2008-2009, bringing the category in line with a more historic performance schedule. The remaining Eisemann Center revenues are based on conservative growth factors resulting in a \$69,000 or 7.0% increase over their estimated year end position. This represents only a 3.3% or \$36,000 increase from the 2008-2009 adopted budget.

2009-2010 Expenditures

Expenditures

- Total Expenditures and Transfers for 2009-2010 are proposed at \$5.1 Million reflecting a \$592,000 decrease from current year-end expenditures.
- The Eisemann Center expenditures decrease -4.3% or (\$166,000) below year-end. Eisemann Center operations are proposed to increase \$111,000, while Eisemann Center Presents expenditures are budgeted to decrease (\$277,000).

- Within the Eisemann Center operating expenses are increased expenditures for Personal Services (\$58,000), Other Professional Services (\$19,000) and Printing, Binding and Copying (\$19,000).

Eisemann Center - (Daily Operations & Eisemann Center Presents)			
	BUDGET 2008-2009	ESTIMATED 2008-2009	BUDGET 2009-2010
Revenues	\$1,978,417	\$2,270,082	\$1,952,350
Expenditures	\$3,619,417	\$3,823,801	\$3,657,789
Revenues Over/(Under)	(\$1,641,000)	(\$1,553,719)	(\$1,705,439)

- Parking Garage Expenditures increase 5.1% from \$475,000 to \$499,000 based on the Parking Garage Services agreement.

Parking Garage			
	BUDGET 2008-2009	ESTIMATED 2008-2009	BUDGET 2009-2010
Parking Fees	\$180,000	\$176,317	\$179,843
Expenditures	\$481,689	\$475,148	\$499,154
Revenues Over/(Under)	(\$301,689)	(\$298,831)	(\$319,311)

- The transfer to the General Debt Service decreases to \$350,000 from the year-end estimate of \$800,000 and the 2008-2009 budget of \$1,000,000. This is being done to further insulate the fund from declines in revenues.
- The Fund Balance is projected to be \$313,000.

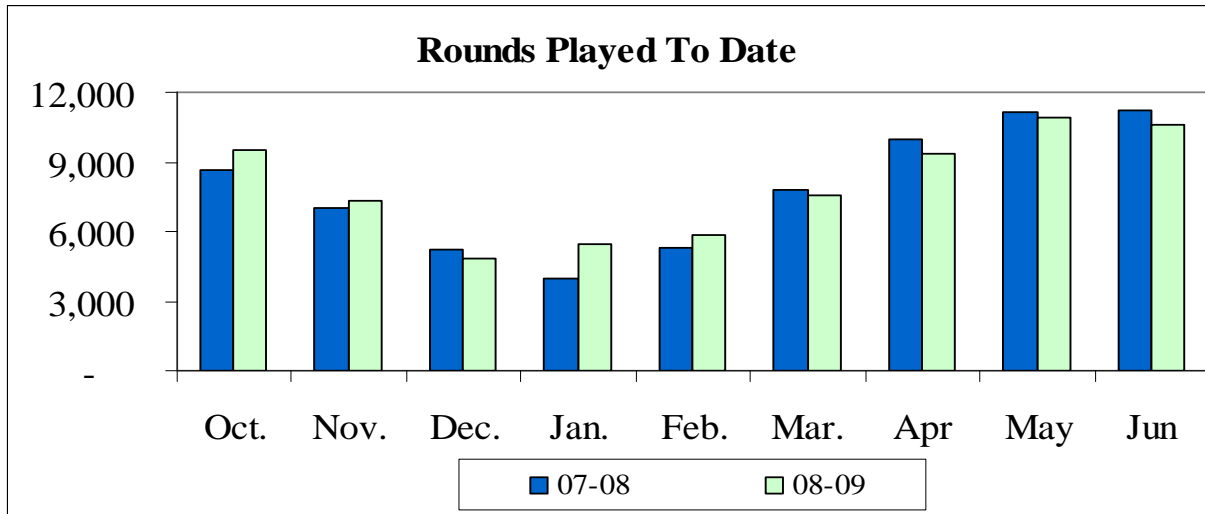
Fund Balance

Hotel Motel Tax Fund				
	Actual 2007-2008	Budget 2008-2009	Estimated 2008-2009	Proposed 2009-2010
Beginning Fund Balance	\$859,460	\$886,054	\$922,078	\$464,434
Total Revenues	\$5,340,959	\$5,761,631	\$5,281,505	\$4,995,563
Total Funds Available	\$6,200,419	\$6,647,685	\$6,203,583	\$5,459,997
Total Expend. & Transfers	\$5,278,341	\$5,761,306	\$5,739,149	\$5,147,143
Ending Fund Balance	\$922,078	\$886,379	\$464,434	\$312,854

GOLF FUND

Year-End FY 2008-2009

- Revenues for the Golf Fund are expected to end the year (\$141,000) or -6.3% below the budgeted \$2.2 million.
- Course Fees are expected to finish the year at \$2.0 million, down (\$138,000) or -6.4% below the budgeted amount. Rounds played of 71,227 are up 897 or 1.3% from this time last year. While rounds are up, revenues are down due to the days and times of rounds played. Full rate, or "rack rate", rounds are down 17.5% from last year while discounted rate rounds are up 13.8%. This is indicative of the price sensitivity we would expect during an economic downturn. Additionally, rounds in 2009 are down in March, April, May and June compared to 2008. Lower rounds in these months are primarily due to seasonal rain and storms that occurred during weekends over the Spring months. Weekend rain and storms also significantly affected the reduction in full rate rounds, because these rounds predominantly occur on Saturday and Sunday.



SHERRILL PARK COURSE RATES					
<u>Green Fee Weekday</u>			<u>Green Fee Weekend</u>		
Course #1	Mon. - Fri.	\$24.00	Course #1	Sat. & Sun.	\$34.00
Course #2	Mon. - Fri.	\$20.00	Course #2	Sat. & Sun.	\$28.00
<u>Twilight 11:30 a.m.</u>			<u>Twilight 11:30 a.m.</u>		
Course #1	Mon. - Fri.	\$18.00	Course #1	Sat. & Sun.	\$24.00
Course #2	Mon. - Fri.	\$14.00	Course #2	Sat. & Sun.	\$18.00
<u>Twilight 3:00 p.m.</u>			<u>Twilight 3:00 p.m.</u>		
Course #1	Mon. - Fri.	\$16.00	Course #1	Sat. & Sun.	\$18.00
Course #2	Mon. - Fri.	\$12.00	Course #2	Sat. & Sun.	\$14.00
<u>Twilight 6:00 p.m.</u>			<u>Twilight 6:00 p.m.</u>		
Course #1	Mon. - Fri.	\$12.00	Course #1	Sat. & Sun.	\$14.00
Course #2	Mon. - Fri.	\$8.00	Course #2	Sat. & Sun.	\$10.00
<u>Non-Resident Seniors/Juniors</u>					
Course #1	Mon. - Fri.	\$16.00			
Course #2	Mon. - Fri.	\$14.00			
	Richardson Resident Punch Card	\$200			
	Richardson Senior Punch Card	\$100			
<u>Golf Carts</u>					
9 Holes	\$10.00	(\$5.00 per person)			
18 Holes	\$18.00	(\$9.00 per person)			

- Revenue from the golf course restaurant is projected to finish the year up \$4,500 or 10.3% above the budgeted \$44,000.
- Total Golf Fund Expenditures and Transfers are expected to end the year at \$2.2 million. This represents a decrease of (\$44,000) or -2.0% from the original budget for FY 2008-2009. Savings have been realized in three expenditure categories including Professional Services, Maintenance and Capital. The largest of these savings is in Capital expenditures where we will delay standard tree replacement and minor cart path repairs until revenues return. The debt service payment remains unchanged at \$609,000.
- Given the projected revenue and expenditure performance, the days in fund balance in the Golf Fund will end the year at 45.07, in compliance with the Council approved financial policy of 30 days building to 60.

FY 2009-2010 Revenues

- Revenues for the Golf Fund are projected at \$2.2 million for FY 2009-2010. This represents a 3.7% growth in anticipated revenues over year-end estimates and is based on an estimated of 100,000 rounds played. No green fee increases are recommended at this time.

FY 2009-2010 Expenditures

- Total Expenditures and Transfers for the Golf Fund are proposed at \$2.2 million, an increase of \$63,000 or 2.9% from year-end estimates.
- Personal Services will increase 3.2% or \$30,000 from year-end and includes full year funding of pay initiatives begun last year.
- Professional Services are proposed to decrease (\$3,400) or -8.1% from year-end and includes a \$5,000 reduction in the tree trimming and pruning contract.
- Maintenance decreases (\$16,000) or -16.8% and includes a \$10,000 reduction in the maintenance costs for smaller equipment (alternative sources of maintenance will be explored) and an (\$8,000) reduction in irrigation system maintenance. Staff has reviewed this request with Sherrill Park staff and does not see a significant impact to course operations through these reductions. Enough funds remain to tend to all foreseeable issues in these two accounts.
- Contracts increase \$18,000 or 27.0% due to a new in 08-09 property/liability policy which provides more comprehensive coverage than the previous policy.
- Supplies decrease (\$9,900) or -3.0% and includes decreased botanical services minor increases for the cost of electricity and fuel.
- Proposed Expenditures also includes \$56,000 of pay as you go capital including \$10,000 for tree replacement and \$46,000 for the replacement of a greensmower, a rough mower, and a utility vehicle.

Fund Balance

- Given the projected revenue and expenditure performance, the days in fund balance of 30.54 will be in line with Council approved “30 building to 60” days.

Golf Fund				
	Actual 2007-2008	Budget 2008-2009	Estimated 2008-2009	Proposed 2009-2010
Beginning Fund Balance	\$326,121	\$456,436	\$366,944	\$270,302
Total Revenues	\$2,158,124	\$2,233,604	\$2,092,524	\$2,170,484
Total Funds Available	\$2,484,245	\$2,690,040	\$2,459,468	\$2,440,786
Total Expenditures	\$1,364,302	\$1,532,225	\$1,488,018	\$1,552,171
Total Transfers Out	\$752,999	\$701,377	\$701,148	\$700,184
Total Expend. & Transfers	\$2,117,301	\$2,233,602	\$2,189,166	\$2,252,355
Ending Fund Balance	\$366,944	\$456,438	\$270,302	\$188,431
Days in Fund Balance	63.26	74.59	45.07	30.54

Debt Service

- A debt service transfer from golf revenues of \$608,948, combined with \$445 of interest will cover the planned debt payment of \$609,393 for 2009-2010. This is the ninth year of debt service payment related to the \$6.3 million issuance of Series 2001 C.O.'s for the renovation of Course II.

2009-2010 Budget Trends and Outlook

Fully Using Every Season

- We are faced with a dampened economic environment, yet perceive that the local Richardson economic “fundamentals” are still very viable, relevant, and promising. We are also active in assessing any new dynamics that will be fueling the next economic recovery. The themes of energy efficiency, effective resource utilization, economic renewal and sustainable lifestyles will be strong hallmarks of the next economy. Richardson location, features, and character well position us to achieve great things in the emerging economic renewal.
- With our history of making the best use of each economic era, we challenge ourselves with the question: **What is the best use of this time to plan and prepare as we await economic recovery? How have we positioned the City of Richardson organization to sustain quality community services during these times and to foster the quickest and fullest economic recovery?**
- The City Council’s Initiatives and this budget work plan contain significant components to respond to these economy-sensitive planning questions. Key elements include:
 - A strong focus on implementation steps of the recently updated Comprehensive Plan, including follow-up studies and planning assessments for some of the Enhancement/Redevelopment Study areas
 - Evaluation of the timing and consideration of the components for a future General Obligation Bond Program to continue public infrastructure reinvestments
 - Continue our planning research and policy development on Transit-Oriented Development
 - Ongoing partnership considerations with the University of Texas at Dallas to maximize this important local economic generator
 - Continued assessment of the necessary tools to stimulate redevelopment and reinvestment, including incentives and financing support strategies for acquisition, property consolidations, demolition, and renewed infrastructure.
 - Continued attention through the Economic Development Partnership in the retention challenges of current Richardson companies and the ongoing efforts at business recruitments and relocation inquiries.

Key Economic Development Consideration for the Future

- We will be active in supporting these key external developments as they continue to move towards completion and assist in stimulating economic renewal:
 - **Blue Cross Blue Shield New Campus** – Construction activity is coming towards an on-time completion as Koll Development finishes the 34-acre, 1.1 million sq.ft. Phase I campus development at Lookout at U.S.75. This project

will have a profound employment impact as 2,500 employees are retained in Richardson and this site expands to it 5,000 employee capacity. Future development on the remaining site is available for later phases. Related to this completion will be the vacating of their current Spring Valley/U.S.75 campus and other lease office spaces.

- **Nortel** – The currently active financial reorganization of Nortel will be closely tracked as divisional units of business are transitioned or sold. We are particularly interested in the implementation plan for the key Nortel business groups recently purchased by Ericsson and Avaya. Nortel's 2001-2002 Telecom Corridor presence with 14,000 local employees to their current 4,500 level has been important to track and assess the next direction for these real estate assets and the highly-skilled workforce.
- **PGBT at U.S.75 Transit Oriented Development Planning** – The continued planning and implementation momentum for DART's Cottonbelt Rail corridor will increase the planning attention to this rail corridor's interchange with DART's Light Rail Red Line along U.S.75. A focal point of this interchange is the Bush/190 DART Station area. Station-area rail planning as well as updated transit oriented land use planning, roadway and trail development planning will enhance the development potential for this area.
- **Arapaho Center TOD** – Real estate interest around this station and the adjacent 110-acre **Collins Tech Park** area is providing new development interest and attention to this area. Late 2009 activity may initiate the start of active attention in real estate consolidation and master planning considerations for the important transit-oriented area.
- **University of Texas at Dallas** – The significant \$500 million of facility investments by UT Dallas will continue during 2009, with some of the key housing and teaching facilities opening for campus use. Related to these current investments are significant planning efforts underway to expand the campuses orientation northward and formalize its orientation with DART's future Cottonbelt Rail Corridor development and station locations.
- **Methodist Regional Medical Center** – The recent transition of the Richardson Regional Medical Center facilities with Methodist Health Systems contemplates additional Renner Campus development as well as increased patient activities at the MRMC Campbell Rd. campus. Early operating performance under this new structure have been favorable, even in light of the challenging economy.
- **Brick Row** – During 2008-09, demolition was completed on the former 330 unit Green Valley Apartment complex and former residential parcels. During 2009, the site is active with townhome lot development, drainage channel redevelopment, new utility infrastructure and multifamily residential and retail development. The 2-acre urban park will next be completed as well as new trail connections through the site and with the adjacent DART station. All of

this is on the east side of the Spring Valley DART station, adding momentum to further western redevelopment towards US75.

- **Eastside** – The construction completion and emerging residential and commercial activation of this site will certainly establish this area as a formidable destination location. Commercial leasing has been active, given the economic climate. This site, developed by Post Properties, Fobare Investments and Greenway Development blended both Mixed Use and transit oriented development concepts in this infill development.

Likely Trend Topics for the 2010-2011 Budget

- Our internal focus will continue on tracking the restoration of the City's tax base in appraisal values. Residential values for Richardson have remained fairly steady and we see no signs that would weaken this portion of our tax base. Commercial values may still have some negative adjustment for 2010, as leases are being re-priced and more recent lease renewal term are granting conditions and rates that will affect income-based commercial building values. Whether the aggregate values are net positive for 2010 will be watched closely. We know that a portion of the 2009 Collin County appraisals related to the new Blue Cross facilities that are completing construction will be adjusted as the final building value is determined in 2010 and the tax reduction incentive begins activation next year.
- The City employee's compensation program will need careful review in the 2010-2011 budget as we will have completed this next 2009-2010 budget with no market or merit compensation adjustments. Ongoing costs pressures of the City's health insurance program will need close attention, as well as assessing any impacts of the current national policy review on health care provision and any changing responsibilities of employers.
- We will also need to track closely the cumulative impact of a multi-year employment freeze on the municipal operation and service delivery. Maintaining a positive work environment for remaining employees that are taking on extra duties will be important.
- We will continue towards the completion of the 2006 G.O. bond program with the last of the projects underway this Fall 2009 and early 2010. The current economy has actually helped with favorable bids and some project savings, though we must be vigilant that our bidding contractors can perform and are financially capable for our municipal projects. We know that these capital investments not only improve our community assets, but also add to the current "economic stimulus" efforts that government investments make in the economy.
- If the completion of the City Council's Fall 2009 review for a May 2010 G.O. Bond election is a decision to proceed, the tax rate revision for the new G.O. Bond debt would commence with the 2010-2011 budget adoption.
- The City will be active in completing the rate preparation efforts for implementing a Drainage Utility Fee to be implemented during 2009-2010. With a partial year

implementation over this next year, the first full year of this new fund and its drainage activity would be in the 2010-2011 budget process.

- We will continue to track the wholesale water and sewer rate plan for the North Texas Municipal Water District as they continue their capital improvements and water supply development efforts. These cost pressures and the dynamic weather patterns will shape any requirements for a Utility rate change. The City Council has expressed a preference for more frequent/less intensive adjustments rather than larger/delayed rate changes. We will assess that condition as we approach 2010-2011 budget development.

Summary

- The City of Richardson is an integrated part of the community and seeks to **reflect** and support the challenges presented by the current economic cycle.
- The City has a mission in this economy to minimize adverse cost pressures on residences and business, even as the organization is impacted by the very same pressures. Quality municipal services are often stressed during these economic times as many will trim optional or discretionary expenses and rely on our parks system for their recreation and vacations, our library for their reference and literature needs, and our public safety services for their health and safety need.
- Our renewed AAA municipal bond rating and related rating commentaries confirm that the budget development and monitoring tactic utilized by the City are effective and among the best practices. We will remain vigilant during 2009-2010 as we navigate some continue economic and related budgetary uncertainties.
- We believe that the spirit of optimism and positive missions in this 2009-2010 budget also is a **reflection** of the strong leadership of our City Council and committed citizenry and business community.