NEWS RELEASE

For Release: Aug. 7, 2009
CONTACT: Rick McGarry, CIS Coordinator, City of Richardson, 972-744-4106

2009-2010 BUDGET OVERVIEW

The City of Richardson combined 2009-2010 Budget for the General Fund, Water and Sewer Fund, Solid Waste Services Fund, Hotel/Motel Tax Fund, Golf Fund, Internal Service Funds, and Special Revenue Funds, including related debt service funds and net of interfund transfers is proposed at $175,840,035. This represents an increase of $3,385,043 or 2.0% from the 2008-2009 Estimated Expenditures of $172,454,992. The combined budget appropriations for 2009-2010 are reflected on the Summary of Combined Revenues and Expenditures for the General Fund, Water and Sewer Fund, Solid Waste Services Fund, Hotel/Motel Tax Fund, Golf Fund, Internal Service Funds and Special Revenue Funds and related debt service funds.

Key highlights of the proposed 2009-2010 Budget include:

- No property tax rate increase is included in this budget and 2009 certified property tax assessments reflect a .3% decrease in overall assessed valuations.
- An anticipated 2.0% decrease in Sales Tax.
- Several fee adjustments, as well as, the introduction of some new resident and non-resident fees to offset the cost of certain services.
- No increase in Water and Sewer rates.
- No increase in commercial or residential Solid Waste rates.
- No increase in Golf rates.
- No compensation adjustments for city employees.

- Reductions 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 Capital Improvement Program is continued as we maintain our active city utility infrastructure and support coordinated service line upgrades with the street maintenance programs.

General Fund

The General Fund portion of the proposed 2009-2010 Budget is programmed at $92,678,801. Proposed 2009-2010 expenditures and transfers represent a $641,864 or 0.7% increase over 2008-2009 Estimated Expenditures of $92,036,937.

Increases and decreases by Department between the proposed 2009-2010 Budget and 2008-2009 Estimated Expenditures for the General Fund are illustrated on page 8 of the Proposed Budget, exclusive of debt financed capital equipment.

General Fund Revenues

The proposed tax rate for the support of the 2009-2010 General Fund expenditures is submitted at a rate of $0.57516 per $100 of assessed valuation reflecting no increase from the 2008-2009 tax rate. Apportionment of the proposed $0.57516 per $100 of assessed valuation rate is $0.36281 for operations and maintenance to be used toward daily operating expenses and $0.21235 for debt service based on 100% valuation.

This tax rate is predicated on certified tax roll estimates of $6,608,208,377 for Dallas County and $3,275,889,668 for Collin County for a 2009 total certified roll of $9,884,098,045 reflecting a decrease of $30,749,666 or -0.3% from the 2008 final certified tax roll. The submitted 2009-2010 Budget is based on these taxable value estimates plus $155,765,645 of taxable values in dispute still pending with Dallas County Appraisal District and Collin County Appraisal District and less the Tax Increment Financing (TIF) District increment of $46,254,199.

Remaining revenue projections are based primarily on historical trends, conservative growth indicators and a review of user fees. Fee increases are proposed for ambulance services, alarm permit fees, animal registration fees, and admission fees to the annual Wildflower! Festival.

New fees are proposed for single-family rental registrations, false fire alarms and park pavilion reservations and for use of the soon to be completed new Huffhines Recreation Center.

In addition there are new non-resident fees proposed for admission to the City's five swimming pools, the Senior Center and for use of the library by non-residents who live in cities that charge Richardson residents for use of their libraries. These fee adjustments and additions represent $464,500 of the revenues projected for the General Fund for the proposed 2009-2010 Budget which are anticipated to be $627,691 or 0.7% above the 2008-2009 Estimated Revenues. Sales Tax for 2009-2010 is projected at $22,159,664 reflecting a ($452,239) or -2.0% decrease from 2008-2009 Year-end Estimated Revenues.

Water and Sewer Fund

The proposed 2009-2010 Budget for the Water and Sewer Fund including debt service is submitted at $44,791,169. This represents an increase of $1,846,884 or 4.3% from the 2008-2009 Estimated Expenditures. Included in the proposed expenditures for the 2009-2010 Water and Sewer Fund is $13,774,139 associated with the minimum water purchase requirement from the North Texas Municipal Water District, representing 30.75% of the total expenses and transfers in this fund. The proposed budget for the purchase of water anticipates a $0.07 per thousand gallons or 5.93% increase in wholesale water rates from North Texas Municipal Water District (NTMWD) in accordance with their multi year financial plans. Preliminary estimates for sewer services indicate an expected increase $452,972 over the year-end estimate of $9,237,806. Increases in the cost of sewer services are expected from the NTMWD/$160,217, the City of Garland/$154,260 and the City of Dallas/$138,495 as they strive to meet their budgetary requirements. Beyond the proposed operational expenditures, funding of $4,430,900 is required for the debt service requirements associated with our ongoing multi-year utility capital improvement program. Increases and decreases by departments between the proposed 2009-2010 Budget and 2008-2009 Estimated Expenditures are illustrated on page 12 of the Proposed Budget, exclusive of debt financed capital.

Water and Sewer Revenues

Proposed Water and Sewer Fund Revenues of $45,102,313 reflect an increase of $1,339,185 or 3.1% from the 2008-2009 estimate based on current consumption trends. No rate increases are proposed for water and sewer services. As the new fiscal year begins, tracking water and sewer sales and consumption patterns will continue to be a top priority.

Solid Waste Services Fund

The 2009-2010 Budget for the Solid Waste Services Fund is proposed at $12,356,272 representing a 3.0% or $362,505 increase from the 2008-2009 Estimated. The disposal fees paid to NTMWD are budgeted at $58,730 over the year-end estimate due to an anticipated increase in the cost per ton of disposal charged by NTMWD. Necessary vehicle and container replacements are also included in the proposed 2009-2010 Budget for the Solid Waste Services Fund.

Solid Waste Fund Revenues

Solid Waste Revenues are programmed at $12,456,670 for 2009-2010, an increase of 1.3% over 2008-2009 Estimated. No adjustments to commercial or residential Solid Waste rates are proposed for the coming Fiscal Year.

Hotel/Motel Tax Fund

The 2009-2010 Budget for the Hotel/Motel Tax Fund is proposed at $5,147,143, which is a decrease of ($592,006) or -10.3% from 2008-2009 Estimated. The proposed budget reflects funding for the eighth full year of operations for the Charles W. Eisemann Center for Performing Arts and Corporate Presentations as well increased support for Convention and Visitors Services and continued support of the annual arts grants program.

Hotel/Motel Tax Revenues

Total Revenues for the Hotel/Motel Tax Fund are projected at $4,995,563 for 2009-2010 reflecting a ($285,942) or -5.4% decrease from Estimated 2008-2009. With the local hotel/motel market reflecting the nationwide trend in travel and tourism, hotel/motel tax receipts are not expected to increase significantly for 2009-2010 based on current trends for hotel occupancy and average daily rates. Hotel motel tax receipts are projected at $2,848,356 reflecting an increase of $28,200 above Estimated 2008-2009. In addition to hotel motel tax receipts, the Hotel Motel Tax Fund also hosts fees associated with the use of the City’s Parking Garage at Galatyn Park Urban Center and the Eisemann Center. Parking fees are projected at $179,743 reflecting 2.0% growth while Eisemann Center fees are projected at $1,952,350 or $166,012 lower than Estimated 2008-2009. Eisemann Center revenue projections for 2009-2010 are based primarily on current bookings for facility use next fiscal year and revenues associated with the Eisemann Center Presents program. The 2009-2010 Eisemann Center Presents programming is conservatively projected to have $277,373 less in revenue than the 2008-2009 Eisemann Center Presents programming due to the difference in the number and types of shows to be presented from one year to the next. The programming expenditures are also reduced and are in balance with the projected revenue.

Golf Fund

Total Expenditures and Transfers for the Golf Fund for fiscal year 2009-2010 are proposed at $2,252,355 reflecting an increase of 2.9% or $63,189 over estimated 2008-2009. Sherrill Park Golf Course continues to face the challenge of a highly competitive golf market throughout North Texas. Operational expenditures for 2009-2010 are proposed with minimal increases beyond Estimated 2008-2009.

Golf Fund Revenues

Golf Fund Revenues are projected at $2,170,484 based on an estimated 100,000 rounds and represents an increase of 3.7% or $77,960 from year-end receipts. This projection assumes a normal weather pattern as well as a return to more weekday and weekend rounds. No fee changes are proposed at Sherrill Park Golf Course.

Fund Balances

As reflected in the proposed 2009-2010 Budget, 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 adjustments are proposed to keep the key programs in that fund sustained.