

City Council Work Session Handouts

August 29, 2016

- I. Review and Discuss the West Campbell Road Auxiliary Lane Project
- II. Review and Discuss the Investment Policy
- III. Review and Discuss Update on Cityline Park and Collins Park

Public Hearing

- IV. FY 2016-2017 Proposed Budget



West Campbell Road Auxiliary Lane Project

City Council Briefing
August 29, 2016

City of Richardson
Traffic & Transportation



Presentation Outline

- Background and History
- Current Scope
- Funding / Budget
- Status / Schedule
- Next Steps



Background / History

- Early 2000's – a Campbell Road tunnel project under US75 was fully funded between Collins and Glenville Drive.
- Mid 2000's – The Tunnel project was cancelled due to property owner concerns. Some of the federal funding was retained on other local projects.
- Projects receiving funds included the Galatyn Overpass, Duck Creek Trail and Campbell Road turn lanes on both sides of US75.
- The Eastbound Campbell Road auxiliary lanes between US75 and Greenville Avenue were added as part of the Eastside development construction process.
- The remaining Federal funds (\$900k) have been in place but awaiting a specific project and local funding match.



Current Scope

- Add a Westbound Auxiliary Lane from US75 to Collins Blvd.
- Add SB LT lane on US75 Frontage Road shared with the existing U-Turn Lane.
- Extend SB Right-turn Lane on US75 FR if possible within existing ROW.
- Extend EB Left-turn Lane at Collins Blvd.
- Upgrade traffic signals and barrier free ramps for ADA compliance.
- Additional traffic signal midblock at Gateway under review.



Campbell – US75 to Collins



Add WB RT Island;
Extend EB LT Lane;
Upgrade Signal &
BFRs for ADA

Potential New
Traffic Signal
Location

Extend SB RT Lane;
Add SB LT Lane;
Add RT Island;
Upgrade Signal and
BFRs for ADA

Add WB Auxiliary Lane From US75 to Collins

Estimated Cost: \$1.155M
Federal CMAQ Funding: \$900k
City Share: \$255k (2015 Bond Program)

Funding / Budget

- Total Estimated Cost = \$1,155,000
 - Federal CMAQ Funds = \$900,000
 - City Share = \$255,000 (2015 Bond Program)



Status / Schedule

- July 2016 - Council approved Resolution for TxDOT's Advance Funding Agreement (AFA) which was executed by City Manager.
- Currently awaiting receipt of the State Letter of Authority (SLOA) and Federal Project Authorization and Agreement (FPAA) from TxDOT.
- October to December 2016 – Design Consultant selection per TxDOT process
- January 2017 - Start design (8 to 9 months)
- May to October 2017 - Right of Way Acquisition and utility relocations
- November 2017 – Construction letting (6 to 9 months)
- Fall 2018 – Estimated Completion



Next Steps

- Work with TxDOT on Design Consultant selection process
- Develop preliminary design plans for coordination and outreach to impacted property owners.



Executive Summary
Investment Policy Renewal
August 29, 2016

Background

The State's Public Funds Investment Act ("PFIA") and the City's investment policy require that the governing body annually review and ratify the investment policy and strategies of the City. This item is normally placed on your agenda in the fall.

- The Investment Officers and Committee monitor the City's investment policy and overall program by reviewing federal and state legislation, accounting standards, market conditions, quality/performance of brokers and financial institutions, and training requirements.
- When necessary, Staff makes recommendations to change the policy and presents the policy to the City Council for their review.
- The Texas Legislature did not meet this year, so no changes are required based on updates to legislation.

Current Investment Environment

- The investment policy has served the City well during the current economy.
- Ongoing Flight to Quality –
 - Global economic uncertainty continues to linger, as most recently demonstrated by the United Kingdom's vote to leave the European Union.
 - The Federal Reserve has continued to keep rates near their historic lows.

Investment Policy Award

The City received the Government Treasurers Organization of Texas ("GTOT") Certificate of Distinction for the ninth time in March of 2015. This award recognizes the development and maintenance of a high-quality investment policy. The investment policy is reviewed and evaluated every two years for the Certificate. We will submit this Policy to GTOT and anticipate receiving this award again in 2017.

Staffing Change

The City's long-time Treasury Accountant is retiring at the end of August. Once this position has been filled, Council action will be required to add an authorized user to some of the City's investment accounts. Staff will place these resolutions on future agendas in the coming months.

Recommended Changes

No changes are being recommended at this time.

Required Guidelines

The Investment Policy provides the required guidelines that staff follows in investing the City's money. The major guidelines include:

- Investment Objectives
 - Safety
 - Liquidity
 - Yield – Benchmark is the 91-day T-Bill
- Authorized Investments
 - US Treasury and Agency Instruments
 - Investment Pools & Money Market Funds that are rated AAA
 - Certificates of Deposits – Collateralized or FDIC insured
 - No Mortgage-Backed Securities are allowed as an investment
- Diversification
 - Maintain liquidity by staggering maturities
 - Only 25% of the portfolio can be invested in any individual Local Government Investment Pool or Money Market Fund.
 - Limit of 50% in CDs
- Authorized Brokers/Dealers
 - 6 Institutional Brokers – take bids for securities
 - 4 Local Government Investment Pools
 - Texpool, TexStar, Texas Term, Lone Star Govt. Overnight
 - 2 Money Market Mutual Fund companies (Federated, Invesco)
- Safekeeping (Holding of our Securities)
 - Safekeeping Agreement with the Safekeeping Bank
 - Delivery vs. Payment (Investments delivered to safekeeping before money sent)
- Current Collateralization
 - Deposits & CD's – 102% - high-quality securities held by Federal Reserve Bank or Federal Home Loan Bank
 - Letters of Credit
 - No Mortgage-Backed Securities are allowed for collateral
- Quarterly Reports
 - Included on the City's web site

Recommendation

Staff recommends approval of the Investment Policy as it currently stands. The resolution will be placed on the consent agenda for the meeting on September 12, 2016.

Attachment

- Resolution approving Investment Policy

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHARDSON, TEXAS, ADOPTING THE CITY OF RICHARDSON INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT “A”; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE CITY AND THAT EXHIBIT “A” RECORDS ANY CHANGES TO EITHER THE INVESTMENT POLICY OR INVESTMENT STRATEGIES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, TEX. GOV'T CODE, the City Council of the City of Richardson, Texas, by resolution adopted an investment policy; and

WHEREAS, Section 2256.005, Tex. Gov't Code, requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHARDSON, TEXAS:

SECTION 1. That the City of Richardson Investment Policy, attached hereto as Exhibit “A,” be and the same is hereby adopted and shall govern the investment policies and investment strategies for the City, and shall define the authority of the investment official of the City from and after the effective date of this Resolution.

SECTION 2. That the City Council of the City of Richardson has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit “A” hereto.

SECTION 3. That all provisions of the resolutions of the City of Richardson, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 4. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said Resolution which shall remain in full force and effect.

SECTION 5. That this Resolution shall become effective immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Richardson, Texas, on this the _____ day of September, 2016.

CITY OF RICHARDSON, TEXAS

MAYOR

ATTEST:

CITY SECRETARY

APPROVED AS TO FORM:

PETER G. SMITH, CITY ATTORNEY
(PGS:8-4-16:TM 78164)

Exhibit “A”

City of Richardson Investment Policy

ARTICLE I PURPOSE AND NEED FOR POLICY

Chapter 2256 of the Government Code, as amended from time to time by the Texas State Legislature (“Public Funds Investment Act”) requires each city to adopt rules governing its investment practices and to define the authority of the investment official. The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and prudent fiscal management of the City of Richardson funds.

ARTICLE II SCOPE

The Investment Policy applies to the investment and management of all funds under direct authority of the City of Richardson.

- A. These funds are accounted for in the City’s Annual Financial Report and include the following:
- (1) the General Fund;
 - (2) Special Revenue Funds;
 - (3) Capital Project Funds;
 - (4) Enterprise Funds;
 - (5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
 - (6) Debt Service Funds, including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately; and
 - (7) Any new fund created by the City unless specifically exempted from this policy by the City or by law.

This investment policy shall apply to all transactions involving the financial assets and related activity of all the foregoing funds.

- B. This policy excludes:
- 1) Employee Retirement and Pension Funds administered or sponsored by the City.
 - 2) Defeased bond funds held in trust escrow accounts.

C. Review and Amendment

The City Council is required by state statute and by this investment policy to review this investment policy and investment strategies not less than annually and to adopt a resolution or an ordinance stating the review has been completed and recording any changes made to either the policy or strategy statements.

**ARTICLE III
PRUDENCE**

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- (2) whether the investment decision was consistent with the written investment policy of the City.

All participants in the investment program will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transaction that might impair public confidence in the City's ability to govern effectively. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public trust. Nevertheless, the City recognizes that in a marketable, diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment rate of return.

Investment officials, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for market price changes, provided that these deviations from expectations are reported immediately to the Director of Finance, the Chief Financial Officer, the City Manager and the City Council of the City of Richardson, and that appropriate action is taken by the investment officials and their oversight managers to control adverse developments.

**ARTICLE IV
OBJECTIVES**

A. Preservation and Safety of Principal

Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value.

B. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

C. Yield

The investment portfolio of the City shall be designed to meet or exceed the average rate of return on 91-day U.S. treasury bills throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio. Legal constraints on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment officials will seek to maximize the yield of these funds in the same manner as all other City funds. However, if the yield achieved by the City is higher than the arbitrage yield, positive arbitrage income will be averaged over a five year period, netted against any negative arbitrage income and the net amount shall be rebated to the federal government as required by federal regulations.

**ARTICLE V
RESPONSIBILITY AND CONTROL**

A. Delegation

Management responsibility to establish written procedures for the operation of the investment program consistent with this investment policy has been assigned to the Chief Financial Officer by the City Manager. The Chief Financial Officer has delegated this responsibility to the Director of Finance. The Director of Finance has delegated this responsibility to the Treasurer & Revenue Manager. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. The Treasurer & Revenue Manager may delegate the daily investment responsibilities to either an internal investment official or an external investment advisor in combination with an internal investment official. The Treasurer & Revenue Manager and/or his/her representative(s) will be limited by conformance with all federal regulations, ordinances, and the statements of investment strategy.

B. Subordinates

All persons involved in investment activities shall be referred to as "Investment Officials." No person shall engage in an investment transaction except as provided under the terms of this policy, the procedures established by the Treasurer & Revenue Manager and the explicit authorization by the City Manager to withdraw, transfer, deposit and invest the City's funds. The City Council, by resolution, has authorized the City Manager to appoint these individuals. The Director of Finance and the Treasurer & Revenue Manager shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials.

C. Internal Controls

Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by investment officials. Controls deemed most important would include: control of collusion, separation of duties, third-party custodial safekeeping, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, and documentation of and rationale for investment transactions.

In conjunction with the annual independent audit, a compliance audit of management controls on investments and adherence to the Investment Policy and the Investment Strategy shall be performed by the City's independent auditor.

D. Ethics and Conflicts of Interest

An investment officer of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship with the Texas Ethics Commission and the City Council. For purposes of this section, an investment officer has a personal business relationship with a business organization if:

- (1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- (3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

Investment officials of the City shall refrain from personal and business activities involving any of the City's custodians, depositories, broker/dealers or investment advisors which may influence the officer's ability to conduct his duties in an unbiased manner. Investment officials will not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the City's business for personal investment decisions, will in all respects subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchase and sales and will keep all investment advice obtained on behalf of the City and all transactions contemplated and completed by the City confidential, except when disclosure is required by law.

E. Investment Training Requirements

The Director of Finance, the Treasurer & Revenue Manager, and the Investment officials shall attend at least one ten hour training session relating to their investment responsibilities within 12 months after assuming their duties. In addition to this ten hour requirement, each

investment officer shall receive not less than eight hours of instruction in their investment responsibilities at least once during each two year period that begins on October 1st and consists of the two consecutive fiscal years after that date. The investment training session shall be provided by an independent source approved by the investment committee. For purposes of this policy, an “independent source” from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the City of Richardson may engage in an investment transaction. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the Texas State Public Funds Investment Act. A list will be maintained of the number of hours and conferences attended for each investment official and a report of such information will be provided to the Investment Committee.

ARTICLE VI AUTHORIZED INVESTMENTS

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities.
- B. Direct obligations of the State of Texas or its agencies and instrumentalities.
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, or the United States or its instrumentalities.
- D. Obligations of states, agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent.
- E. Joint Investment Pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas:
 - (1) and such Certificates of Deposit are:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their successors; or
 - b. Secured by obligations described in Article VI, sections A through D above.
 - (2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

Certificates of Deposit brokered by an authorized broker/dealer that has its main office or a branch office in Texas who contractually agrees to place the funds in federally insured

depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

- G. Fully collateralized repurchase or reverse repurchase agreements, including flexible repurchase agreements (flex repo), with a defined termination date secured by a combination of cash and obligations of the United States or its agencies and instrumentalities pledged to the City held in the City's name by a third party selected by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The securities received for repurchase agreements must have a market value greater than or equal to 103 percent at the time funds are disbursed. All transactions shall be governed by a Master Repurchase Agreement between the City and the primary government securities dealer or financial institution initiating Repurchase Agreement transactions.

The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

- H. No-load money market mutual funds if the mutual fund:
- (1) Is registered with and regulated by the Securities and Exchange Commission;
 - (2) Has a dollar-weighted average stated maturity of 90 days or fewer; and
 - (3) Includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.
 - (4) Provides the City with a prospectus and other information required by the SEC Act of 1934.
- I. Investment instruments not authorized for purchase by the City of Richardson include the following:
- (1) Banker's Acceptances;
 - (2) "Bond" Mutual Funds;
 - (3) Collateralized Mortgage Obligations of any type; and
 - (4) Commercial Paper, except that the City can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.
- J. If an investment in the City's portfolio becomes an unauthorized investment due to changes in the Investment Policy or the Public Funds Investment Act, or an authorized investment is rated in a way that causes it to become an unauthorized investment, the investment officials of the City shall review the investment and determine whether it would be more prudent to hold the investment until its maturity, or to redeem the investment. Officials shall consider the time remaining until maturity of the investment, the quality of the investment, and the quality and amounts of any collateral which may be securing the investment in determining

the appropriate steps to take. Investment officials shall monitor financial news resources to confirm ratings for each investment that is required to maintain a minimum rating, and document the current rating on a monthly basis.

ARTICLE VII PORTFOLIO AND INVESTMENT ASSET PARAMETERS

A. Bidding Process for Investments

It is the policy of the City to require competitive bidding for all investment transactions (securities and bank C.D.'s) except for:

- (1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and
- (2) treasury and agency securities purchased at issue through an approved broker/dealer.

At least three bids or offers must be solicited for all other investment transactions. In a situation where the exact security being offered is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price of the security. Security swaps are allowed as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

B. Maximum Maturities

The City of Richardson will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase.

C. Maximum Dollar-Weighted Average Maturity

Under most market conditions, the composite portfolio will be managed to achieve a one-year or less dollar-weighted average maturity. However, under certain market conditions investment officials may need to shorten or lengthen the average life or duration of the portfolio to protect the City. The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City shall be three years.

D. Diversification

The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy and the securities markets. In establishing specific diversification strategies, the following general policies and constraints shall apply.

- (1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.
- (2) To attain sufficient liquidity, the City shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

- (3) The following maximum limits, by instrument, are established for the City's total portfolio:
- U.S Treasury Notes/Bills 100%
 - U.S. Government Agencies & Instrumentalities..... 100%
 - U.S. Treasury & U.S. Agency Callables..... 25%
 - Certificates of Deposit 50%
 - Repurchase Agreements (*See D. (4) below*)..... 50%
 - Money Market Mutual Funds (*See D.(5) below*)..... 100%
 - Local Government Investment Pools (*See D.(5) below*)..... 100%
 - State of Texas Obligations & Agencies 25%
 - Obligations of states, agencies, cities and other political subdivisions of any state 25%
- (4) The City shall not invest more than 50% of the investment portfolio in repurchase agreements, excluding bond proceeds and reserves.
- (5) The City shall not invest more than 25% of the investment portfolio in any individual money market mutual fund or government investment pool.
- (6) The investment committee shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government Obligations. The investment committee shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

**ARTICLE VIII
AUTHORIZED BROKER/DEALERS
AND FINANCIAL INSTITUTIONS**

- A. Investment officials will maintain a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to provide investment services to the City. These firms may include:
- (1) all primary government securities dealers; and
 - (2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15C3-1(uniform net capital rule), and who meet other financial credit criteria standards in the industry.

The investment officials may select up to six firms from the approved list to conduct a portion of the daily City investment business. These firms will be selected based on their competitiveness, participation in agency selling groups and the experience and background of the salesperson handling the account. The approved broker/dealer list will be reviewed and approved along with this investment policy at least annually by the investment committee.

- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the investment officials with the following:
- (1) Audited financial statements;
 - (2) Proof of National Association of Securities Dealers (N.A.S.D.) certification, unless it is a bank;

- (3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City; and
- (4) An executed written instrument, by the qualified representative, in a form acceptable to the City and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the City and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

ARTICLE IX SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS

All security transactions, including collateral for repurchase agreements entered into by the City shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exceptions to DVP settlement shall be wire transactions for money market funds and government investment pools. The safekeeping or custody bank is responsible for matching up instructions from the City's investment officials on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities will be held by a third party custodian designated by the investment officials and evidenced by safekeeping receipts or statements. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place which clearly defines the responsibilities of the safekeeping bank.

ARTICLE X COLLATERAL

The City's depository bank shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required in the City's bank depository contract.

A Market Value

The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An authorized City representative will approve and release all pledged collateral. The securities comprising the collateral will be marked to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the City will be sent reports monthly.

B Collateral Substitution

Collateralized investments often require substitution of collateral. The Safekeeping bank must contact the City for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.

C Collateral Reduction

Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from the City to reduce Collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.

D Letters of Credit

Letters of Credit, as defined in Article VI (A), are acceptable collateral for Certificates of Deposit. Upon the discretion of the City, a Letter of Credit can be acceptable collateral for City funds held by the City's bank depository.

**ARTICLE XI
INVESTMENT REPORTS**

A. Reporting Requirements

The investment officials shall prepare a quarterly investment report in compliance with section 2256.023 of the Public Funds Investment Act of the State of Texas. The report shall be submitted to the City Council and the Investment Committee within 45 days following the end of the quarter.

B. Investment Records

An investment official designated by the Treasurer & Revenue Manager shall be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by an accountant. Information to maintain the investment program and the reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers, financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.

C. Auditor Review

The City's independent external auditor must formally review the quarterly investment reports annually to insure compliance with the State of Texas Public Funds Investment Act and any other applicable State Statutes.

**ARTICLE XII
INVESTMENT COMMITTEE**

A. Members

An Investment Committee, consisting of the City Manager or his designee, the Director of Finance, the Treasurer & Revenue Manager, the Controller, and an appointed investment

official, shall review the City's investment strategies and monitor the results of the investment program at least quarterly. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be authorized to invite other advisors to attend meetings as needed.

B. Scope

The Investment Committee shall include in its deliberations such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the City's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, review and approval of training providers and compliance with the investment policy. The Investment Committee will also advise the City Council of any future amendments to the investment policy that are deemed necessary or recommended.

C. Procedures

The investment policy shall require the Investment Committee to provide minutes of investment information discussed at any meetings held. The committee should meet at least annually to discuss the investment program and policies.

**ARTICLE XIII
INVESTMENT STRATEGY STATEMENTS**

The City of Richardson portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value among asset groups shall be analyzed and pursued as part of the investment program within the restrictions set forth by the investment policy.

The City of Richardson maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

A. Operating Funds

Suitability - All investments authorized in the Investment Policy are suitable for Operating Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less. Constant \$1 NAV investment pools and money market mutual funds shall be an integral component in maintaining daily liquidity. Investments for these funds shall not exceed an 18-month period from date of purchase.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91 day Treasury bill.

B. Reserve and Deposit Funds

Suitability - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund from investments with a low degree of volatility. Except as may be required by the bond ordinance specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Reserve and Deposit Funds shall be the 91 day Treasury bill.

C. Bond and Certificate Capital Project Funds and Special Purpose Funds

Suitability - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than five years. The dollar-weighted average maturity of bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate Capital Project Funds and Special Purpose Funds shall be the 91 day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

D. Debt Service Funds

Suitability - All investments authorized in the Investment Policy are suitable for Debt Service Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the 91 day Treasury bill.



Parks Projects Update

City Council Meeting - August 29, 2016

City of Richardson
Parks & Recreation Department



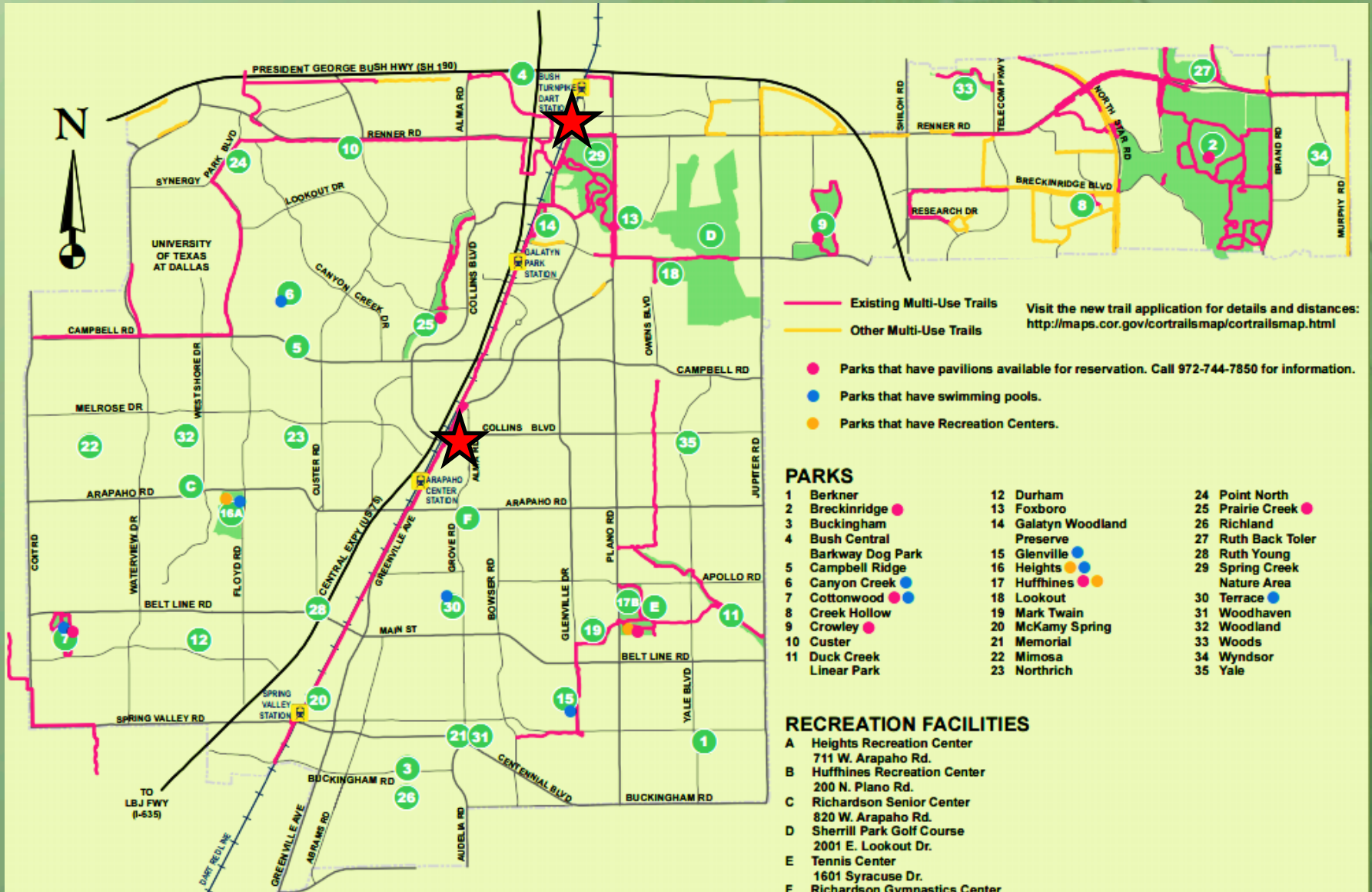
8/29/2016



Presentation Overview

- **Status Update: CityLine Park, Collins Park**
- **Key Facts**
- **Key Features**
- **Site Photos**
- **Next Steps**

Project Locations



CityLine Park



Conceptual Perspective View - Looking South

CityLine Park Key Facts

- CityLine Park is located at 3451 Routh Creek Parkway, at Renner Rd. and Routh Creek Pkwy
- Partnership agreement between the CityLine developer, KDC, and the City of Richardson
- Park location provides an extension of the Central Trail and the Spring Creek Nature Area
- CityLine Park will serve an expected daytime workforce of 12,000 and 8,000 new residents in the CityLine Development at full build-out
- The name “CityLine Park” was recommended by the Parks Commission on January 12, 2016 and approved by the City Council on February 22, 2016

CityLine Park Key Features

- Approx. 3.5 acres of green space for passive recreation
- Concrete Trail – extension of the Central Trail; connects with the CityLine DART station
- Elevated boardwalk with seating area
- Architecturally unique pavilion
- Monarch butterfly friendly landscape plants
- Rustic, wooden pedestrian bridge
- Benches and drinking fountain
- Decomposed granite trail and bio-swale

CityLine Park



Pavilion – looking south

CityLine Park



Pedestrian Bridge with Granite Trail

CityLine Park



Elevated Boardwalk with Seating Area
Looking South

CityLine Park



Granite Trail – Looking North



Corten Steel Park Sign

CityLine Park

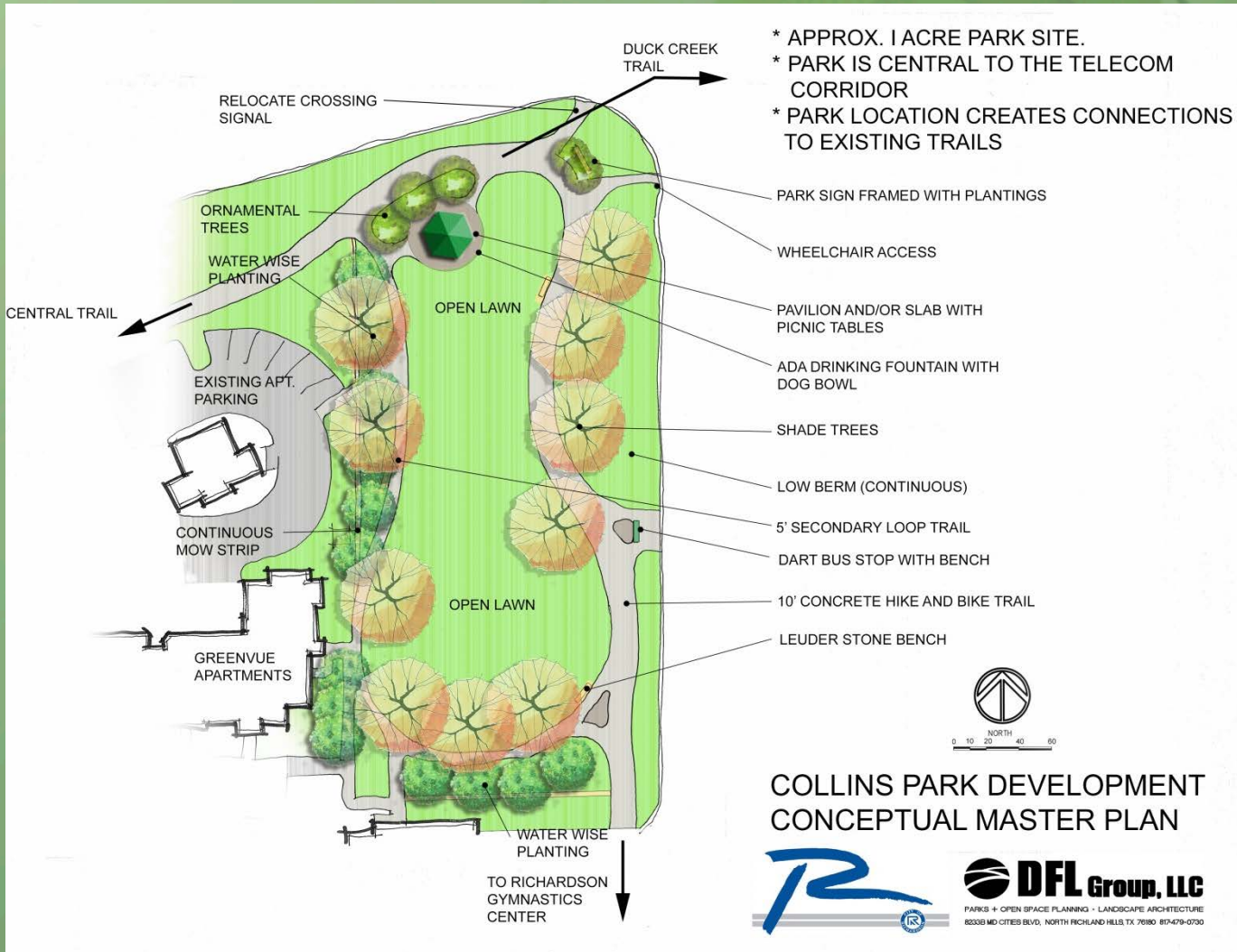


Bio-swale Area



Wetlands Area Under Boardwalk

Collins Park



COLLINS PARK DEVELOPMENT CONCEPTUAL MASTER PLAN



Conceptual Masterplan

Collins Park – Key Facts

- Collins Park is located at 650 Collins Blvd., at the intersection of Collins and Alma
- Partnership agreement between the developers of the adjacent Greenvue Apartments, Embrey Builders, and the City of Richardson
- The Collins Park location is a connection point between the Central Trail and the future Duck Creek Trail Extension
- Collins Park is a very urban site. It's geographically centered within the City of Richardson and serves a large area that has no other parks
- The name "Collins Park" was recommended by the Parks Commission on January 12, 2016 and approved by the City Council on February 22, 2016

Collins Park Key Features

- Approx. 1 acre of open space
- Concrete loop trail - 2/10th mile
- Pavilion with picnic tables
- Butterfly Garden - in support of Monarch butterfly conservation
- Benches and drinking fountain
- Seating for an existing DART bus stop

Collins Park



← To Duck Creek Trail

To Central Trail →

Collins Park



Pavilion and Butterfly Garden - Looking North

Collins Park



Next Steps

- CityLine Park is substantially complete and a dedication event has been scheduled for Saturday, September 17, at 9:00 am, at the park pavilion.
- Collins Park is substantially complete. A Dedication Event will be scheduled later in Fall, 2016.



Direction 16-17: *The Intersection of Opportunity and Mission*

2016-2017 Fiscal Year
City of Richardson, Texas
Municipal Budget Presentation



City Council Budget Presentation
August 29, 2016

Still True for 16-17:

Stacked Initiatives, Sustained Attention

- The key themes of recent budgets continue to be:
 - Enhanced infrastructure maintenance
 - Public Safety facility and staff enhancements
 - Economic Development funding
 - Enhanced customer and City experiences



Strong Budget Support to the Key Initiatives

- Reduce tax rate by a full cent to \$0.62516/\$100 valuation
 - A \$1.3 million reduction in tax revenue
- Commit to Maintenance.
 - Move to 2.5 pennies dedicated to Street Maintenance
 - Dedication of a ½ penny of the tax rate to an Alley Rehabilitation program
 - Sustain Year 4 Strategies for key maintenance activities: walls, bridges, markings, etc.
 - Increased water distribution and sewer collection systems maintenance strategies
 - New initiatives for facilities and aquatics maintenance
- Continue with Police and Fire Staffing Initiatives
- Increasing resources for Economic Development dedication to 8/10 of a penny
- Accelerate and consolidate the Police/Fire Campus redevelopment in a timely/single project



FY 2016-2017 Combined Budget

Combined Budget				
	2015-2016 Estimated	2016-2017 Budget	Est./Bud.	%
Beginning Fund Balances	\$53,802,836	\$54,286,732	\$483,896	0.9%
Revenues	\$239,919,942	\$255,983,192	\$16,063,250	6.7%
Expenditures	\$239,436,046	\$251,064,930	\$11,628,884	4.9%
Ending Fund Balances	\$54,286,732	\$59,204,994	\$4,918,262	9.1%

FY 2016-2017 General Fund

General Fund Budget				
	2015-2016 Estimated	2016-2017 Budget	Est./Bud.	%
Beginning Fund Balances	\$19,303,680	\$20,128,412	\$824,732	4.3%
Revenues	\$119,914,671	\$123,442,420	\$3,527,749	2.9%
Expenditures	\$119,089,939	\$123,279,216	\$4,189,277	3.5%
Ending Fund Balances	\$20,128,412	\$20,291,615	\$163,203	0.8%

FY 2016-2017

General Fund Revenue Overview

- \$3,528,000 or 2.9% increase
 - Property Taxes increase \$4,388,000
 - Franchise Fees increase \$467,000
 - Sales Tax decrease (\$402,000)
 - License and Permits decrease (\$1.0 million)
 - Remaining Revenues increase \$114,000

Required Budget Narrative:

“This budget will raise more total property taxes than last year’s budget by \$9,528,563 (12.18%) and of that amount \$1,120,018 is tax raised from new property added to the tax roll this year.”

- This specific language is required by the Local Government Code, section 102.005(b). This calculation represents a comparison of certified tax rolls and ***includes*** TIF values. In practice, appraised value in the TIF areas are segregated into separate funds and not included in the General Fund O&M and Debt portions of property tax revenue.
- This revenue is generated through growth in new value and the reappraisal of existing properties.

Property Tax Increase Explained: \$9.5 million

Increase in Property Tax Revenue **\$ 9,528,563**

Item Description	Amount	Remaining Increase
Tax Increment Financing Fund #1 Increase	\$ 690,569	\$ 8,837,994
Tax Increment Financing Fund #2 Increase	961,273	7,876,721
Tax Increment Financing Fund #3 Increase	56,019	7,820,702

Public Safety Initiatives		
Debt Service - Public Safety Campus Acceleration	3,661,607	
Full year impact of new Public Safety Positions hired in FY16 (3 Fire Fighters, 4 APO and 1 Evidence Tech)	700,000	
Additional 2% pay plan increase for Public Safety	693,734	
Year Two Body Camera Agreement	161,430	
Partial Yr. FY 17 Funding for 3 APO's and 1 Fire Mgt Tech	88,000	
Sub Total Public Safety Initiatives	\$ 5,304,771	2,515,931

Street/Alley Rehabilitation Initiatives		
Street Rehab \$0.02 value increase	287,354	
Street Rehab Supplement	652,542	
Alley Rehabilitation	652,542	
Sub Total Street/Alley Rehabilitation Initiatives	\$ 1,592,438	923,493

Increase in Economic Development Dedication **347,183** **576,310**

General Maintenance		
Cottonwood Pool Pump House and Bath House Rehabilitation	198,830	
General PARD Facility Maintenance	81,030	
Traffic signal systems, markings and street light maintenance	40,000	
Sub Total General Maintenance	\$ 319,860	256,450

Library Books	100,100		156,350
Electricity and Natural Gas	115,950	\$	40,400

2016 Certified Tax Roll Comparison

2016 Certified Tax Roll Comparisons	
August 2016	
Entity	% Change
Richardson CCAD	17.61%
Frisco	14.92%
Richardson Total	14.23%
McKinney	12.59%
Richardson DCAD	12.14%
Collin County	11.98%
Garland	11.28%
Grand Prairie	11.02%
Allen	10.28%
Dallas County	10.12%
Dallas	10.04%
Mesquite	9.62%
Fort Worth	9.36%
Plano	9.28%
Irving	8.36%
Carrollton	7.74%
Arlington	6.90%

Assessed Valuation

- Total assessed valuation assumes a 14.2% increase in certified assessed valuation plus \$51.9 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 Financing Districts values of (\$991.6 million).

	2015	2016	% Difference
Certified	\$12,248,037,292	\$13,990,521,446	14.2%
Values In Dispute	\$73,115,057	\$51,898,700	(29.0%)
Tax Increment Financing District 1	(\$390,724,254)	(\$507,436,918)	29.9%
Tax Increment Financing District 2	(\$306,204,021)	(\$464,866,265)	51.8%
Tax Increment Financing District 3	(\$10,156,750)	(\$19,280,075)	89.8%
Taxable Value for General Fund Debt and O/M	\$11,614,067,324	\$13,050,836,888	12.4%

Property Tax Rate		
	2015-2016	2016-2017
Operations & Maintenance (O & M)	\$0.38031	\$0.37031
Debt Service	\$0.25485	\$0.25485
Total	\$0.63516	\$0.62516

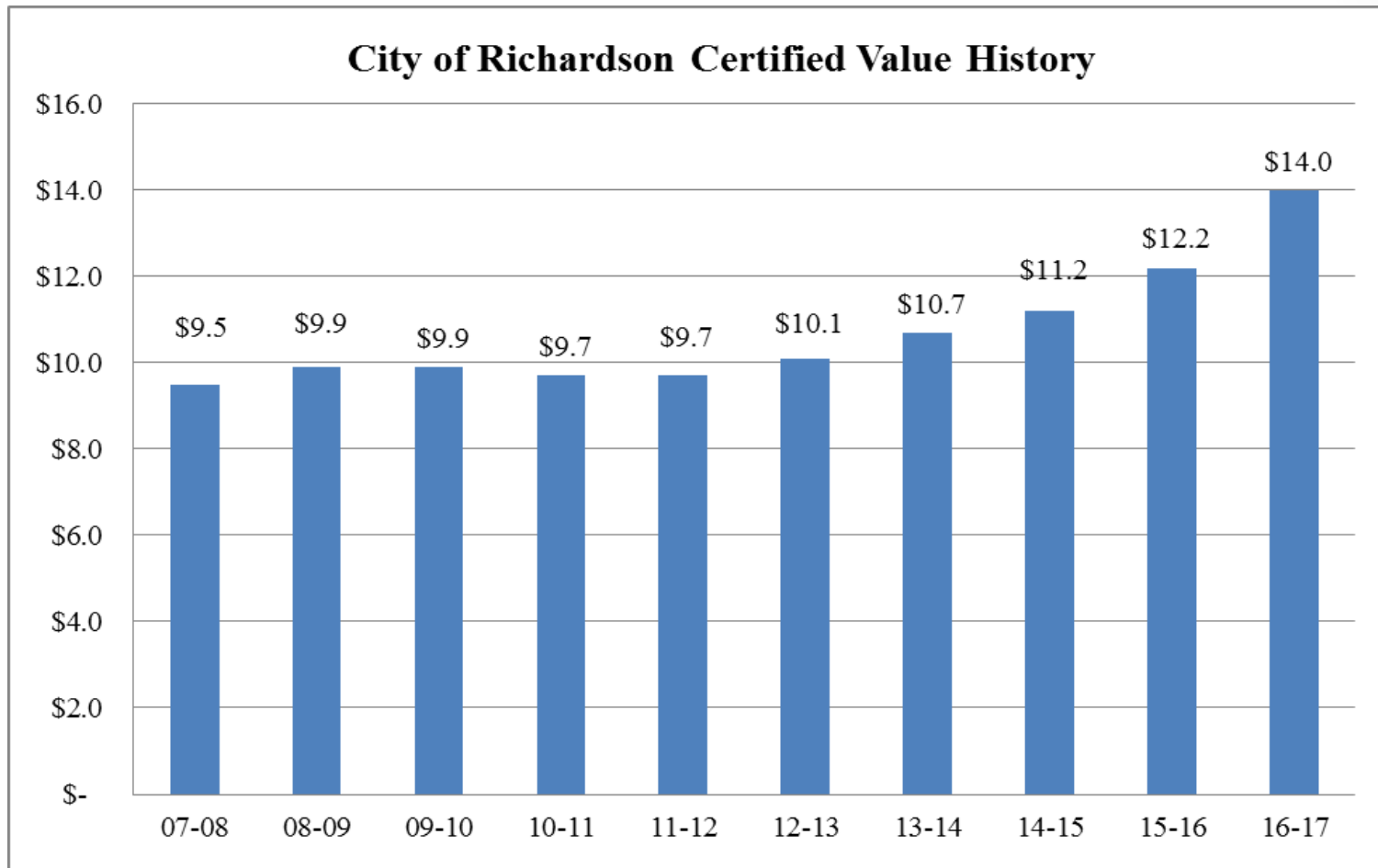
Tax Rate Calculations

2016-2017 Tax Rate Calculations			
	Rate	Difference	Revenue
2016-2017 Rate	\$0.62516	-	-
Rollback Rate	\$0.63570	\$0.01054	\$1,375,558
Effective Rate	\$0.57794	(\$0.04722)	(\$6,162,605)

- The tax rate adoption ordinance will refer to what is “effectively an 8.17 percent increase in the tax rate”. This is the percent change of the proposed tax rate (\$0.62516) above the effective rate (\$0.57794).

2015-2016 Tax Rate Calculations			
	Rate	Difference	Revenue
2015-2016 Rate	\$0.63516	-	-
Rollback Rate	\$0.63659	\$0.00143	\$166,081
Effective Rate	\$0.60638	(\$0.02878)	(\$3,342,529)

FY 2016-2017 Assessed Valuation



Percent of Total Value

Percent of Total Value				
Tax Year	Residential	Commercial	BPP	Total
2016	41%	39%	20%	100%
2015	42%	40%	18%	100%
2014	43%	39%	18%	100%
2013	44%	37%	19%	100%
2012	46%	36%	18%	100%
2011	48%	34%	18%	100%
2010	49%	34%	17%	100%
2009	47%	36%	17%	100%
2008	48%	36%	16%	100%
2007	49%	36%	15%	100%
2006	50%	35%	15%	100%
2005	52%	32%	16%	100%

Change In Residential Market Valuations

Number Residential Properties Affected by Valuation				
	2015-2016		2016-2017	
Impact	# Properties	% of Total Res. Properties	# Properties	% of Total Res. Properties
No Change	5,494	19.5%	1,846	6.48%
Decrease	1,206	4.3%	405	1.42%
Increase 0% - 5%	8,587	30.4%	4,115	14.44%
Increase 6% - 10%	6,742	23.9%	7,637	26.80%
Increase >10%	6,180	21.9%	14,490	50.86%
Total Res. Properties	28,209	100.0%	28,493	100.0%

Average Senior Home Value

Average Senior Home Value Statistics						
Tax Year	Qualifying Parcels	% Change From Year to Year	Senior Exempt.	Average Senior Home Market Value	% Change From Year to Year	% of Total Value
2016	7,883	2.37%	\$70,000	\$229,526	13.52%	30.50%
2015	7,700	1.36%	\$60,000	\$202,187	7.98%	29.68%
2014	7,597	2.23%	\$60,000	\$187,251	3.88%	32.04%
2013	7,431	2.17%	\$55,000	\$180,265	0.93%	30.51%
2012	7,273	4.32%	\$55,000	\$178,609	-0.10%	30.79%
2011	6,972	3.00%	\$55,000	\$178,788	0.40%	30.76%
2010	6,769	3.14%	\$55,000	\$178,079	-0.49%	30.89%
2009	6,563	4.14%	\$55,000	\$178,961	0.49%	30.73%
2008	6,302	3.40%	\$55,000	\$178,094	2.60%	30.88%
2007	6,095	2.90%	\$50,000	\$173,581	2.95%	28.80%
2006	5,923	3.24%	\$50,000	\$168,609	2.98%	29.65%
2005	5,737	1.90%	\$30,000	\$163,726	5.19%	18.32%

FY 2016-2017

General Fund Expenditures

Classification of General Fund Expenditures		
	Proposed Budget	Percent of Total
<u>Operating Expenditures</u>		
Personal Services	\$ 89,252,071	72.40%
Professional Services	9,393,342	7.62%
Maintenance	4,198,991	3.41%
Contracts	6,712,029	5.44%
Supplies	8,564,635	6.95%
Capital	198,830	0.16%
<u>Total Operating Expenditures</u>	\$ 118,319,898	95.98%
Transfers Out	\$ 4,959,318	4.02%
<u>Total Operating Expenditures and Transfers</u>	\$ 123,279,216	100.00%

Key Budget Elements for 2016-2017: Public Safety Initiatives

- The FY 2016-2017 Budget includes several efforts to enhance public safety resources including:
 - Acceleration of capital funding for public safety campus projects that were approved in the 2015 Bond Program
 - Additional funding now includes Fire Station 1
 - Funding for body cameras and related technology
 - Enhanced staffing resources for both Fire & Police departments in the FY 2016-2017 budget:
 - Three patrol officers
 - Fire management code technician
 - Competitive compensation support:
 - Includes merit based step program
 - Merit based, market adjustment of 2%



Key Budget Elements for 2016-2017: Maintenance Activities - General Fund

Streets

Proposed budget includes 2.5 cents of property tax for:

- Two collector streets, three neighborhoods zones and a preventive maintenance program

Screening Walls & Bridge Railings

Proposed budget includes funding for:

- Ten bridges will be repaired and enhanced
- City owned walls, entry features and bridges will be painted and washed on a rotational basis

Traffic Signs & Pavement Markings

Proposed budget includes funding for:

- Small street name signs in two zones
- Markings on streets repaired via rehab program
- Updating one bike lane and adding one mile of bike lane

Initiate a New Alley Maintenance Initiative

- Provide new ½ penny of property tax for alley repair



Key Budget Elements for 2016-2017: Maintenance Activities – General Fund

	FY13-FY14 Actual	FY 14-15 Actual	FY15-FY16 Actual	FY16-FY17 Proposed
Street Maintenance Strategy	\$1,985,000	\$2,465,000	\$2,616,000	\$3,262,709
Alley Rehabilitation	-	-	-	\$652,542
Misc. Street and Alley Concrete Repair	\$476,274	\$664,051	\$995,000	\$552,500
Screening Walls	\$120,000	\$120,000	\$50,000	\$40,000
Bridge Railings	\$225,000	\$320,000	\$300,000	\$300,000
Pavement Markings	\$250,000*	\$300,000*	\$350,000*	\$400,000*
Street Name Sign Replacement	\$100,000*	\$100,000*	\$100,000*	\$100,000*
TOTAL	\$3,156,274	\$3,969,051	\$4,411,000	\$5,307,751

* Includes funding from the Traffic Safety Fund

Key Budget Elements for 2016-2017: Maintenance Activities - Facilities and Aquatics

Facilities Services Renewal/Replacement Strategy:

The FY2016-2017 Proposed Budget includes funding for:

- Preventative maintenance/service Contracts/corrective maintenance
- Facility condition assessment
- HVAC system unit replacements
- Eisemann Center improvements

Aquatics Maintenance Strategy:

The FY 2016-2017 Proposed Budget includes funding for:

- Aquatics maintenance needs
- Aquatics reinvestment items

Funding commitment of \$1.5 million

- \$340,000 over FY16 and more than double the \$645,000 for FY15



2015 GO Bond Program & CO Supplement

- This budget accelerates the annual GO bond issuance amounts for the Police Campus and adds a CO supplement to include the design and construction of Fire Station #1 for a fully complete Public Safety Campus
- Provides for construction to begin in the fall of 2017 as opposed to the fall of 2020 as proposed in the original bond issuance plan.

Fiscal Year Issued	Advanced Serial Sale Issuances	Fire Station #1 & Advanced Serial Sales	Difference
2015-2016	8,500,000	8,500,000	0
2016-2017	20,340,000	38,140,000	17,800,000
2017-2018	40,915,000	44,615,000	3,700,000
2018-2019	18,115,000	20,315,000	2,200,000
2019-2020	14,940,000	14,940,000	0
2020-2021	12,190,000	12,190,000	0
Total	115,000,000	138,700,000	23,700,000

FY 2016-2017 Capital Improvement Plan

Series 2017: 2016-2017 Debt Issuance Program – All Funds

Amount	Bond Type	Purpose	Debt Service
\$2.9 million	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$1.0 million	C.O.	Information Technology Equipment – 4 yr.	General Debt Service
\$1.05 million	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$6.1 million	C.O.	Streets & Drainage Supplement – 20 yr.	General Debt Service
\$17.8 million	C.O.	Public Safety Campus Supplement – 15 to 20 yr.	General Debt Service
\$20.34 million	G.O.	2015 G.O. Bond Program (Yr 2 Projects) – 20 yr.	General Debt Service
\$3.825 million	C.O.	Water and Sewer C.I.P. – 15 to 20 yrs.	Utility Fund Debt Service
\$0.94 million	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$ 53.955 million	Total		

FY 2016-2017

Water and Sewer Fund Revenues

- On June 6, 2016, the Executive Director of the North Texas Municipal Water District gave Council an update on the District's Water Supply Plan and other initiatives.
 - A copy of that presentation and video of his remarks are available on-line at www.cor.net.
- This budget is built on:
 - The cost increase for wholesale water, wastewater and maintenance needs presented by the District
 - An increased emphasis on the City's CMOM program aimed at addressing aging infrastructure through enhanced inflow and infiltration (I&I) abatement efforts and general system maintenance
- Projected revenues for FY 2016-2017 are based on an 8.25% rate increase for both the water and sewer retail rates. The increase would go into effect with the first billing in November of 2016.

FY 2016-2017

Water and Sewer Fund Expenditures

- Expenditures and Transfers are proposed at \$70.5 million representing an increase of \$5.6 million or 8.6% over year-end estimates.
 - Together, the wholesale cost of water and sewer treatment services account for \$41.7 million or 59.1% of the total expenses.
 - This proposal sets aside \$3.6 million in operational funds (an increase of \$2.6 million from year-end) to continue the CMOM work begun last year.
 - Centennial Water Tower rehabilitation for \$1.3m. (CO funded)
 - New line installation, meter and valve replacement as well as system-wide renewal/rehabilitation projects for \$2.6m (CO funded)
- The debt service transfer increases \$76,000 to \$5.6 million to cover debt obligations for this fund.
- Fund Balance is projected at 90.3 days in compliance with the Council approved policy of 90 days.

FY 2016-2017

Solid Waste Fund

- Total revenues are projected to be \$1.3 million over year-end estimates.
- Residential Collections include a proposed \$3 per month increase from the current \$18 per month to the proposed \$21 per month. The Senior Discount remains at 26% or a total proposed of \$15.56 per month.
- Commercial Collections Fees are expected to increase 5.6% or \$416,000 from year end estimates. This represents a 10% increase in both Open Top and Compactor service as well as a 3% increase in Front Load fees.
- Total expenditures and transfers are proposed at \$14.6 million, an increase of \$856,000 or 6.2% over the year-end estimate of \$13.8 million.
- FY 2016-2017 fund balance is proposed at 94.4 days

FY 2016-2017 Golf Fund

- Revenues for the Golf Fund are projected at \$2.4 million for FY 2016-2017 representing an increase of \$199,000 or 9.2% over year-end.
- Total Expenditures and Transfers for the Golf Fund are proposed at \$2.2 million, an increase of \$160,000 from year-end.
- Given the projected revenue and expenditure performance, the fund balance should end the year with 63.7 days, 3.7 days in excess of the Council approved “30 building to 60” days.

FY 2016-2017

Hotel/Motel Tax Fund

- Total Revenues for the Hotel/Motel Tax Fund are projected at \$7.0 million for next year, reflecting a 7.9% increase in overall revenues.
- Total Expenditures and Transfers for 2016-2017 are proposed at \$6.8 million reflecting a \$1,700 increase from current year-end expenditures.

Homeowner Impact of 2016-2017 Budget

- As submitted, this budget will have the following impacts to the average homeowner in the City of Richardson
 - Property tax increase as a result of higher valuation and decreased tax rate = **\$107**
 - Water and Sewer Rate change = **\$81**
 - Solid Waste change = **\$36**
 - Total impact to average homeowner = **\$224 per year**
- Over 65 and Disabled Persons exemption
 - Property tax increase as a result of higher valuation, \$10,000 exemption increase and decreased tax rate = **\$82**
 - Water and Sewer Rate change = **\$81**
 - Solid Waste change = **\$27**
 - Total impact for Over 65 and Disabled Persons = **\$190 per year**

Summary

- The 2016-17 budget will be the **fourth** year of an intensive focus on enhanced infrastructure maintenance.
- Prior budgets initiated articulate plans and dedicated funding strategies to foster enhanced street, traffic, and roadside amenity maintenance.
 - This 2016-17 budget adds the next year in this initiative and significantly enhances the plan for water/sewer utility infrastructure.
 - This plan continues to be strong on enhanced infrastructure maintenance, Public Safety facility and staff enhancements, Economic Development funding and enhanced customer and City experiences while balancing:
 - Reducing the tax rate for our residents and businesses
 - Continuing to reinvest in the City's infrastructure
 - Increasing Public Safety resources

Next Steps

- Budget Adoption on September 12, 2016 will include the following action items;
 1. Tax Rate Ordinance
 2. Budget Ordinance
 3. Ratification of Property Tax Increase *
 4. Water and Sewer Rate Ordinances **
 5. Solid Waste Services Rate Resolution **
 6. Health Dept. Food Establishment Fee Resolution **
 7. Development Services Inspection/Review Fee Resolution **
 8. Capital Projects Overtime Inspection Fee Resolution **

* Includes required language

** Consent agenda item

