

City Council Work Session Handouts

August 15, 2022

I. FY 2022-2023 Proposed Budget

BUDGET PRESENTATION

FY 2022-2023
PROPOSED BUDGET

AUGUST 15, 2022

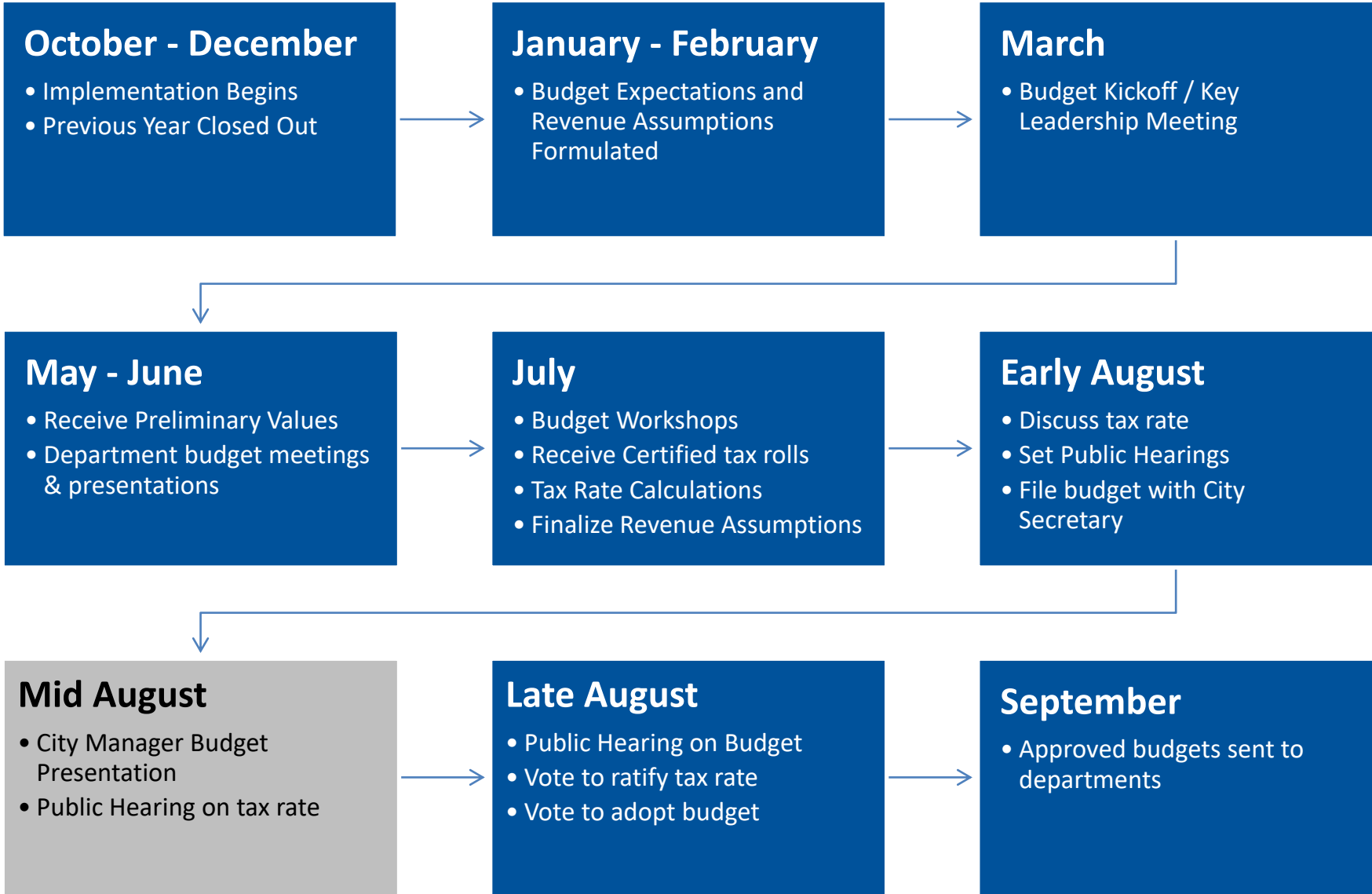


RICHARDSON

TEXAS



BUDGET DEVELOPMENT PROCESS



BUDGET PRESENTATION OVERVIEW

~ECONOMIC & OTHER FACTORS INFLUENCING BUDGET DEVELOPMENT

~KEY FOCUS AREAS

~GENERAL FUND HIGHLIGHTS

~OTHER FUND HIGHLIGHTS

~CAPITAL & DEBT PLANNING

~TOTAL BUDGET

~FINAL THOUGHTS



ECONOMIC AND OTHER FACTORS INFLUENCING BUDGET DEVELOPMENT



ECONOMIC AND OTHER FACTORS

- **Rising Interest Rates:** Rising interest rates mean higher borrowing costs for families and businesses, as well as for local governments and school districts.
- **Inflation:** With high inflation rates, the cost of capital projects and routine service delivery has increased significantly.
- **Russia's invasion of Ukraine:** These events are creating additional upward pressure on inflation and are weighing on global economic activity.
- **Supply Chain issues:** Labor issues and the recent COVID-related lockdowns in China have added to supply chain disruptions. Even as these COVID lockdowns begin to ease and products begin to flow, there is rising concern that the supply for gases required for chip manufacturing may be restricted by recently imposed sanctions on Russia. According to a recent Federal Reserve survey, most Texas manufacturers feel that supply chain issues have not improved.

Fed Raises Rates by 0.75 Percentage Point, Largest Increase Since 1994

Wall Street Journal

No peak yet for inflation as nation hits a new 40-year high of 9.1%

Dallas Morning News

U.S. inflation expected to keep running hot: Traders see 4 straight months of roughly 9% or higher CPI readings

Market Watch

Texans view state's economic growth as good but feel higher prices' pinch

CBS News

ECONOMIC AND OTHER FACTORS

- **Increase in COVID-19 Cases:** There is continued concern about the impact of the rise in COVID-19 cases on manufacturing levels, the supply chain and on the labor market.
- **Consumer Confidence:** This economic indicator measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Recent surveys both nationally and locally indicate that consumer confidence is shrinking. This is typically an indication that consumers will begin to spend less, which could cause a slowdown in the overall economy.
- **Recruitment and Retention Issues:** Demand for workers has recovered, but the number of willing workers has not. The number of people who have or want a job has stagnated since May 2020.....but the demand for workers has returned to 99% of pre-pandemic levels.

The most unusual job market in modern American history, explained

The Washington Post

The Texas economy is still growing, but optimism is waning

Houston Chronicle

The Great Resignation: Why more Americans are quitting their jobs than ever before

CBS News

Government Wage Growth Lags Private Sector by Largest Margin on Record

Article by Mike Maciag (February 7, 2022)

Competition for jobs drives down labor force participation.

DMN - July 24, 2022

LOCAL IMPACTS – INFLATION

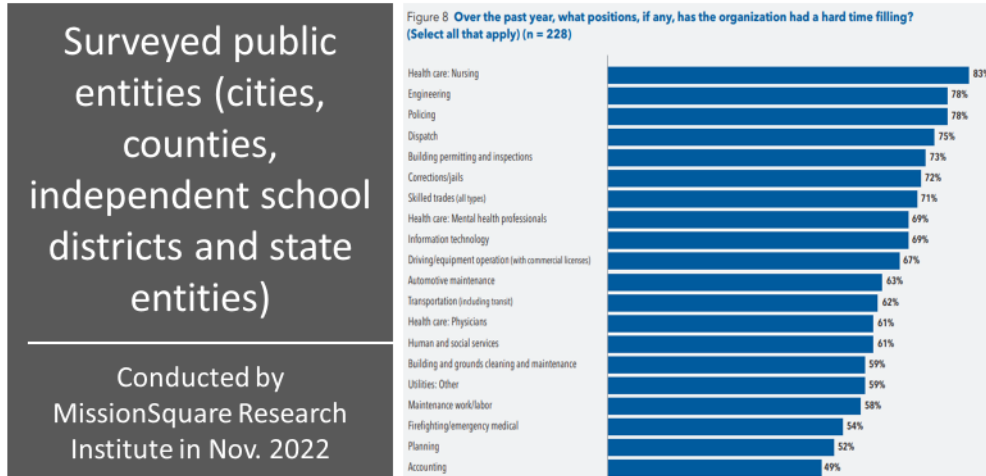
Description	FY2019 Actual	FY2023 Projection	% Change
Tahoe (Police patrol unit)	\$47,498	\$52,656	10.86%
Pumper Truck (Fire)	\$730,932	\$997,744	36.50%
Ambulance (Fire)	\$221,273	\$306,000	38.29%
Hi-Speed Turf Mower (Parks)	\$105,000	\$165,000	57.14%
1/2 Ton Pick-up	\$21,969	\$40,227	83.11%
Unleaded Fuel (price per gallon)	\$2.27	\$3.42	50.66%
Diesel Fuel (price per gallon)	\$2.32	\$4.05	74.57%
Insurance - Buildings	\$229,008	\$400,707	74.98%
Fertilizer - 15-5-10 bulk	\$537	\$905	68.53%
Pre-Galvanized Square Tubing, 1-3/4" x 1-3/4"	\$1.82	\$4.50	147.25%
Laptop Computers	\$1,040	\$4,334	316.73%
Day labor contract hourly rate	\$14.86	\$21.29	43.27%
Electrician Services - per hour	\$46.35	\$53.50	15.43%

Description	FY2019 Actual	FY2023 Projection	% Change
Cost of 1,000 gallons water	\$2.92	\$3.39	16.10%
Cost of 1,000 gallons Sewer treatment – Regional	\$2.14	\$2.54	18.69%
Cost of 1,000 gallons Sewer Treatment - Upper East Fork	\$1.47	\$1.76	19.73%
10' Curb Inlet	\$5,500	\$6,814	23.89%
20" Gate Valve	\$36,256	\$42,049	15.98%
20" Line Stop	\$38,406	\$57,990	50.99%
Manhole Frame and Cover	\$2,140	\$2,675	25.00%
Valve Box	\$478	\$2,719	468.83%
21" Reinforced Concrete Pipe (per linear foot)	\$111	\$118	6.31%
24" Reinforced Concrete Pipe (per linear foot)	\$120	\$130	8.33%
12" PVC Pipe (per foot)	\$7	\$23	214.46%
1" METER	\$248	\$268	8.06%
2" METER	\$556	\$631	13.49%
1/2 Ton Pick-up	\$21,969	\$40,227	83.11%
Unleaded Fuel (price per gallon)	\$2.27	\$3.42	50.66%
Diesel Fuel (price per gallon)	\$2.32	\$4.05	74.57%

Description	FY2019 Actual	FY2023 Projection	% Change
Rearloader (Solid Waste)	\$156,553	\$270,000	72.47%
Front Loader (Solid Waste)	\$283,734	\$360,000	26.88%
Knuckleboom Truck (Solid Waste)	\$190,760	\$310,000	62.51%
Diesel Fuel (price per gallon)	\$2.32	\$4.05	74.57%
Blue Bags (per roll)	\$3.20	\$5.45	70.31%
Day labor contract hourly rate	\$14.86	\$21.29	43.27%

LOCAL IMPACTS – LABOR FORCE

SURVEY ON DIFFICULT-TO-FILL POSITIONS



DEPARTMENTS WITH HIGHEST LEVEL OF VACANCIES

AS OF JUNE 15, 2022

PUBLIC SERVICES

Division	Authorized	Vacancies	Rate
Solid Waste - Residential	43	10	23.26%
Solid Waste - BABIC	12	0	0.00%
Solid Waste - Commercial	13	2	15.38%
Streets	35	7	20.00%
Custodial Services	23	5	21.74%
Solid Waste - Recycling	8	2	25.00%
Administration	2	0	0.00%
Water Operations	15	4	26.67%
Water Production	20	0	0.00%
Meter Shop	6	0	0.00%
Sewer Collection	10	6	60.00%
Construction Rehab	7	3	42.86%
TOTAL	194	39	20.10%

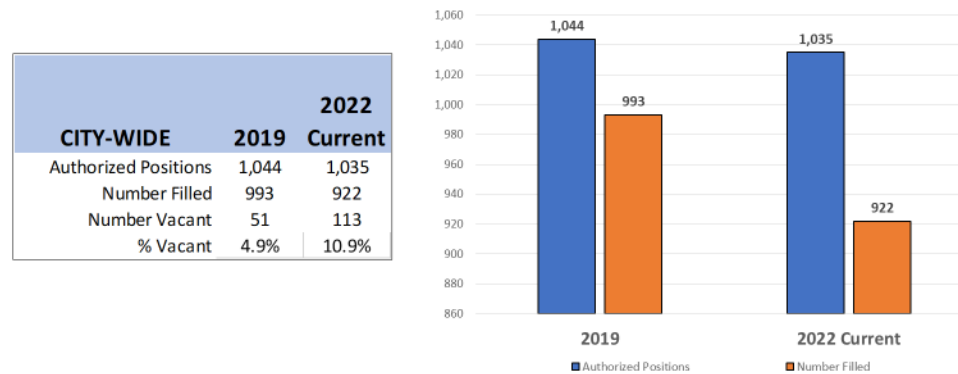
FINANCE

Division	Authorized	Vacancies	Rate
Accounting	14	2	14.29%
Purchasing	5	2	40.00%
Customer Service	15	1	6.67%
Fleet Services	22	5	22.73%
TOTAL	56	10	17.86%

PARKS & RECREATION

Division	Authorized	Vacancies	Rate
Maintenance	50	11	22.00%
TOTAL	50	11	22.00%

PRE-PANDEMIC VS. POST-PANDEMIC VACANCIES



RECRUITMENT

APPLICATION TRAFFIC

General Positions	2019	2022 Current
Custodial Supervisor	13	5
Custodian	227	25
Fleet Technician II	22	2
Heavy Equipment Operator	88	13
Driver/Loader	274	35
Solid Waste Loader	191	16
Maintenance Helper II	212	47
Traffic Signal Tech II	24	3
Accounts Payable Rep	640	53
Public Safety Positions	2019	2022 Current
Apprentice Police Officer	1,228	-
Police Officer	-	257
911 Operator	1,039	70
TOTAL APPLICATIONS	3,958	526

KEY FOCUS AREAS



KEY FOCUS AREA DRIVERS

- **City Council Goals and Strategies**
- *City Council Feedback during “Deep Dives”*
- City Manager’s Organizational Assessment
- Boards and Commissions Input
- Homeowner/Neighborhood Association Meetings
- Institutional Partners
- Business and Development Community
- Planning Studies and Special Initiatives
- City Assessments and Evaluations
- External Assessments and Evaluations

City Council Tactics

Perform comprehensive compensation analysis/recommendations on an annual basis to sustain market competitiveness

Develop customized recruitment and retention strategies for difficult to fill positions

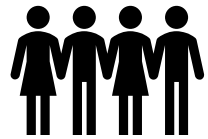
Further implementation of legacy software systems

Evaluate replacement of city-wide radio system

Continue to build on multi-year infrastructure maintenance strategies

Begin efforts to activate additional emergency medical services at Station #6

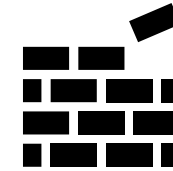
FY 2022-2023 KEY BUDGET FOCUS AREAS



Recruitment
and Retention



Public Safety




Infrastructure

COMPETITIVE N. TEXAS JOB MARKET

City of Garland
5,101 followers
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Today is the **LAST** day to submit your application for Police ...see more




LAST DAY TO APPLY!

Like Comment Sha

City of Allen
4,620 followers
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Are you looking for your next career move? The City of Allen ...see more



HIRING EVENT

City of Frisco TX - City Hall • 🌐
3d • 🌐

The City of Frisco is recruiting for a Director of Public Works. Potential candidates can learn more about the position at this link: <https://lnkd.in/gwVK3yxV>
Apply at this link: friscotexas.gov/jobs
#citygovernment #friscotx #jobalert #recruiting #resume #publicworks #director

City of Plano, Texas Government • Follow
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We're looking for a fantastic Permit Services Supervisor to join #teamPlano! This role supervises and directs work activities of support staff, performs complex special projects and assists in developing and tracking departmental budget. Does this sound like an excellent fit for you? Apply today: <https://bit.ly/3zvNEre>

FEATURED JOB
Director of Public Works
FRISCOTEXAS.GOV



TeamPlano
WE ARE TEAM PLANO AND
WE'RE HIRING
plano.gov/jobs



City of Dallas
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REMINDER: Onsite interviews are conducted every ...see more

Hiring Truck Drivers

The City of Dallas is currently hiring for Sanitation Truck Driver positions
Onsite interviews conducted every Wednesday with same day job offers to eligible candidates

Applicants **must** apply online to be considered for an onsite interview

Class A CDL- starting at \$20.50
Class B CDL- starting at \$20.00

- 40 hours a week and overtime
- Drive Locally
- Weekends off

For more information or to apply visit www.governmentjobs.com/careers/dallas or click the link in our bio

Sanitation

City of Grand Prairie
3,560 followers
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Job Alert!
...see more

GRAND PRAIRIE POLICE DEPARTMENT

DETENTION IS NOW HIRING

Hourly Salary
\$17.00 - \$24.73

We're seeking individuals who have:

- A drive to succeed
- Courage to achieve their goals
- Determination to uphold the Grand Prairie Police Department's Core Values: Commitment, Pride, Respect

City of Dallas
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Searching for a job or new career? The City of Dallas ...see more

NOW HIRING

Environmental Specialist III- Incident Response

Requirements for Environmental Specialist III-Incident Response position:

Experience
Four (4) years' experience in two (2) or more of the following environmental areas: site assessment/inspection, waste management, hazardous material handling, spill response, chemical analysis, pretreatment inspections, air quality control, or soil/water/air/groundwater sample collection.

Education Equivalencies (For Experience):

- An Associate's degree in an architectural, engineering, environmental or life science field will substitute for one (1) year of the required experience.
- A Bachelor's degree in a stated field will substitute for two (2) years of the required experience.
- A Master's degree in a stated field will substitute for three (3) years of the required experience.

Knowledge, Skills, and Abilities (position specific, required)

- Knowledge of city, state, and federal environmental codes, ordinances, rules, regulations and standards
- Ability to deal/work with other employees and the public in a professional and tactful manner.

Join the City of Dallas Team!
For more information or to Apply visit www.governmentjobs.com/careers/dallas

STRATEGIES IMPLEMENTED TO RECRUIT & RETAIN TALENT

- Market adjustments for various classifications (for Police, Fire, General employees)
 - Salary ranges adjusted based on wages of competitors and/or because difficult to fill positions
- “Living Wage” Adjustment of \$15.21/hour for FT positions (based on MIT for Dallas County - 2021)
- Alleviated significant salary compression issues for some difficult to fill positions
- Increased auto allowances for positions that drive significant miles to fulfill duties
- Adjusted vacation leave accruals for new hire employees

- Make A Difference Campaign & Social Media
- Telecommuting Policy (with approval of director)
- Ability to work 4–10-hour days (with approval of director)
- No increase in medical insurance premiums
- Lateral Entry program for Fire and Police
- Recruitment and referral incentives
- Various job fairs and “hiring-on-the-spot” process for seasonal employees
- Departments pay for the cost for employee training and testing for CDLs

COR MARKET BASED SALARY COMPARISONS

PUBLIC SAFETY PAY SURVEY COMPARISONS

P O L I C E	JOB TITLE	Rank at	% COR	Rank at	% COR
		MINIMUM	MINIMUM Pay Below Rank #4	MAXIMUM	MAXIMUM Pay Below Rank #4
	Police Officer	5 of 13	-1.90%	10 of 13	-1.84%
	Police Sergeant	6 of 12	-2.77%	10 of 12	-2.62%
	Police Lieutenant	7 of 12	-1.47%	9 of 12	-2.26%
	Police Captain	5 of 7	-0.44%	4 of 7	-

F I R E	JOB TITLE	Rank at	% COR	Rank at	% COR
		MINIMUM	MINIMUM Pay Below Rank #4	MAXIMUM	MAXIMUM Pay Below Rank #4
	Apprentice Firefighter	3 of 5	0.00%	3 of 5	0.00%
	Firefighter	6 of 13	-4.05%	9 of 13	-2.86%
	Driver/Engineer	8 of 13	-3.33%	5 of 13	-0.04%
	Fire Captain	10 of 13	-5.90%	11 of 13	-3.49%
	Fire Battalion Chief	9 of 13	-4.90%	9 of 13	-2.35%



GENERAL EMPLOYEE PAY SURVEY COMPARISONS

JOB TITLE	Rank at	% COR	Rank at	% COR
	MINIMUM	MINIMUM Pay Below Rank #4	MAXIMUM	MAXIMUM Pay Below Rank #4
Custodial Supervisor	6 of 7	-8.00%	6 of 7	-15.50%
Custodian	1 of 12	-	9 of 12	-13.00%
Water System Operator	6 of 12	-3.20%	7 of 12	-4.00%
Fleet Technician II	6 of 12	-2.00%	8 of 12	-6.50%
Heavy Equipment Operator	2 of 13	-	11 of 13	-10.37%
Light Equipment Operator	5 of 11	-2.30%	8 of 11	-8.00%
Driver/Loader	4 of 6	-	6 of 6	-10.90%
Solid Waste Loader	3 of 5	-	5 of 5	-10.70%
Maintenance Helper I	2 of 13	-	11 of 13	-9.50%
Maintenance Helper II	3 of 13	-	8 of 13	-4.80%
Traffic Signal Technician II	7 of 13	-4.00%	5 of 13	-1.80%
Accounts Payable Rep	8 of 13	-5.90%	7 of 13	-7.00%



LIVING WAGE

DALLAS COUNTY LIVING WAGE



The hourly “living wage” calculation is based on MIT study which shows the amount an individual must earn to support his/herself within the area denoted.

CITY EMPLOYEES

14% of full-time job titles fall below

- 68 full-time employees

68% of permanent part-time job titles fall below

- 145 part-time employees



SUMMARY OF RECOMMENDED COMPENSATION ADJUSTMENTS



Sworn Police Personnel:

Merit-Based Market Adjustment: A 6% pay adjustment for up to 270 total positions - \$1,420,762

Scheduled Steps: Steps for up to 171 sworn and 61 civilian positions - \$182,029



Sworn Fire Personnel:

Merit-Based Market Adjustment: A 6% pay adjustment for up to 175 total positions - \$1,079,089

Scheduled Steps: Steps for up to 170 sworn positions - \$138,408



General Employees:

Merit-Based Market Adjustment: Up to a 6% pay adjustment for general employees - \$2,478,521

Living Wage increase for full-time and part-time - \$520,093

Total recommended Pay Plan Adjustments - \$5,818,902

PUBLIC SAFETY PAY SURVEY COMPARISONS (AFTER ADD 6%)

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JOB TITLE	Rank at MINIMUM	% COR MINIMUM Pay BELOW Rank #4	% COR MINIMUM Pay <u>ABOVE</u> Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay BELOW Rank #4	% COR MAXIMUM Pay <u>ABOVE</u> Rank #4
Police Officer	3 of 13	0%	0.3%	3 of 13	0%	3.8%
Police Sergeant	2 of 12	0%	2.8%	2 of 12	0%	2.1%
Police Lieutenant	2 of 12	0%	3.6%	2 of 12	0%	1.7%
Police Captain	2 of 7	0%	3.7%	1 of 7	0%	3.4%

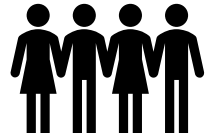
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JOB TITLE	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	% COR MINIMUM Pay <u>ABOVE</u> Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4	% COR MAXIMUM Pay <u>ABOVE</u> Rank #4
Apprentice Firefighter	2 of 5	0%	62.1%	1 of 5	0%	30.1%
Firefighter	4 of 13	0%	0.0%	1 of 13	0%	2.6%
Driver/Engineer	2 of 13	0%	2.0%	1 of 13	0%	5.8%
Fire Captain	4 of 13	0%	0.0%	3 of 13	0%	1.8%
Fire Battalion Chief	3 of 13	0%	0.9%	2 of 13	0%	3.5%

RETIREMENT PROGRAM ENHANCEMENT

- Enhance current retirement program to a 20-year retirement eligibility vs. a 25-year eligibility.
 - All 12 comparable cities are a 20-year retirement eligibility City
 - Richardson will be the only major city in the area with a 25-year retirement eligibility
- 20-year retirement should assist in recruitment efforts
 - Public Safety lateral transfer programs
- Cost to implement is \$479,465
- If approved, implementation would be 1/1/2023
- Per State Law, a public hearing is scheduled for August 22, 2022, to facilitate this change

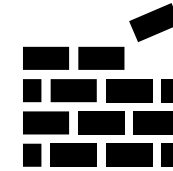
FY 2022-2023 KEY BUDGET FOCUS AREAS



Recruitment
and Retention



Public Safety



Infrastructure

PUBLIC SAFETY

An additional \$4.14 million in operating funds dedicated to RPD FY23 compared to FY 22

- Police

- The addition of three (3) new Police Officers for the Patrol Division
 - \$404,992
- Replacement of Patrol and other Police Support Vehicles
 - \$706,019
- An additional undercover vehicle for the Criminal Investigations Division, a Prisoner Transport Van, and a Tactical Vehicle for SWAT
 - \$468,285
- Funding for additional ballistic shields
 - \$108,040
- Reclassify Equipment Control Coordinator to Sergeant
 - \$55,136
- Jail Control Update
 - \$21,998
- Link Analysis Software
 - \$17,995
- iPhone Sworn Expansion
 - \$19,860
- Celbrite License/Kit for CID
 - \$6,860

PUBLIC SAFETY

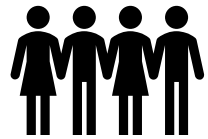
An additional \$3.13 million in operating funds dedicated to RFD FY23 compared to FY22

- Fire
 - 9 positions, equipment to activate Ambulance #6
 - \$824,838
 - Replacement of Fire Engine #6 and Ambulance #31
 - \$1,366,000
 - Replacement of a Command Staff Vehicle
 - \$60,000
 - One Additional Fire Management Tech and a Part-Time Fire Inspector
 - \$112,467
 - Replacement of fire equipment such as fire hose, nozzles and ropes
 - \$98,000
 - Fitness Equipment at Stations 4, 5, 6 and the Training Center
 - \$125,001
 - RMS Software Replacement
 - \$60,000
 - Peer Support Team Conference and Class
 - \$15,000

PUBLIC SAFETY

- Emergency Management
 - Includes year 1 of a multi-year transition of moving a Preparedness and Resilience Coordinator position from the Federal Grant Fund to the General Fund
 - Emergency Operations Center laptop replacement/upgrade project
- Radio System Replacement
 - \$17,000,000 is being made available through the City's capital program for updates to the City's radio system

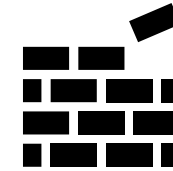
FY 2022-2023 KEY BUDGET FOCUS AREAS



Recruitment
and Retention



Public Safety



Infrastructure

INFRASTRUCTURE



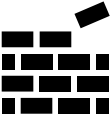
- Continued implementation the 2021 GO Bond Program
 - \$52,385,000 for Year 2 in FY23
- Water and Wastewater Maintenance and Capital Projects
 - \$22,400,000 in a combination of debt and cash funding
- Drainage Fee and Drainage Initiatives
 - \$2,905,000 in FY23
- Traffic Management Initiatives
 - \$1,014,490 for traffic system maintenance and upgrades
 - Includes an additional \$250,000 for pavement markings and street sign replacement
 - Includes and additional \$21,000 for street light maintenance
- Street and Alley Penny Maintenance Initiatives
 - Street dedication of \$4,653,327 or an increase of \$157,359
 - \$50,0000 increase in preventative maintenance
 - Alley dedication of \$1,861,331 or an increase of \$62,944
- Parks Maintenance Initiatives
 - Dedication of \$465,333 or an increase of \$15,736
- Facility Maintenance Initiatives
 - Dedication of \$465,333 or an increase of \$15,736
 - One-time enhance allocation of \$250,000 for special facilities initiatives
- Screening Walls, Entry Features and Bridges
 - Repair and Maintenance - \$300,000 or an increase of \$210,000

ECONOMIC DEVELOPMENT & REDEVELOPMENT INITIATIVES

- Funds new Economic Development Department (GF)
- Ongoing support for the Richardson Chamber of Commerce (GF)
- Increases the City's Dedication for Economic Development Initiatives by \$496,804 from FY22
- Includes \$250,000 for special events and other programs in the special development areas (Richardson IQ, The CORE District, etc.) that promote the areas and celebrate the City's diversity (GF)
- Includes \$416,000 for operations and programming at the IQ-HQ (TIF) and Main Street
- Includes \$250,000 for consulting and other strategic engagements associated with the Arapaho Center Station redevelopment (TIF)
- \$500,000 is dedicated to building modernization grants for retail and small business (TIF)
- Home Improvement Incentive Program funded at \$2,007,231, an increase of \$489,346
- Supports the updating of the City's Comprehensive Plan
- Includes full year funding of two positions UNFROZEN mid FY2021-2022
 - Planning Projects Manager - Planning
 - Planner I – Development and Engineering



FY 2022-2023 KEY BUDGET FOCUS AREAS SUMMARY

	FY 23 Additional General Fund Revenue	\$17.0M
	Recruitment and Retention (not including Public Safety)	\$2.9M
	Public Safety (Including Compensation and Recruitment)	\$7.3M
	Infrastructure	\$811K
	Required to Maintain 90 Days of Fund Balance	\$3.5M
	Remainder	\$2.5M

GENERAL FUND HIGHLIGHTS

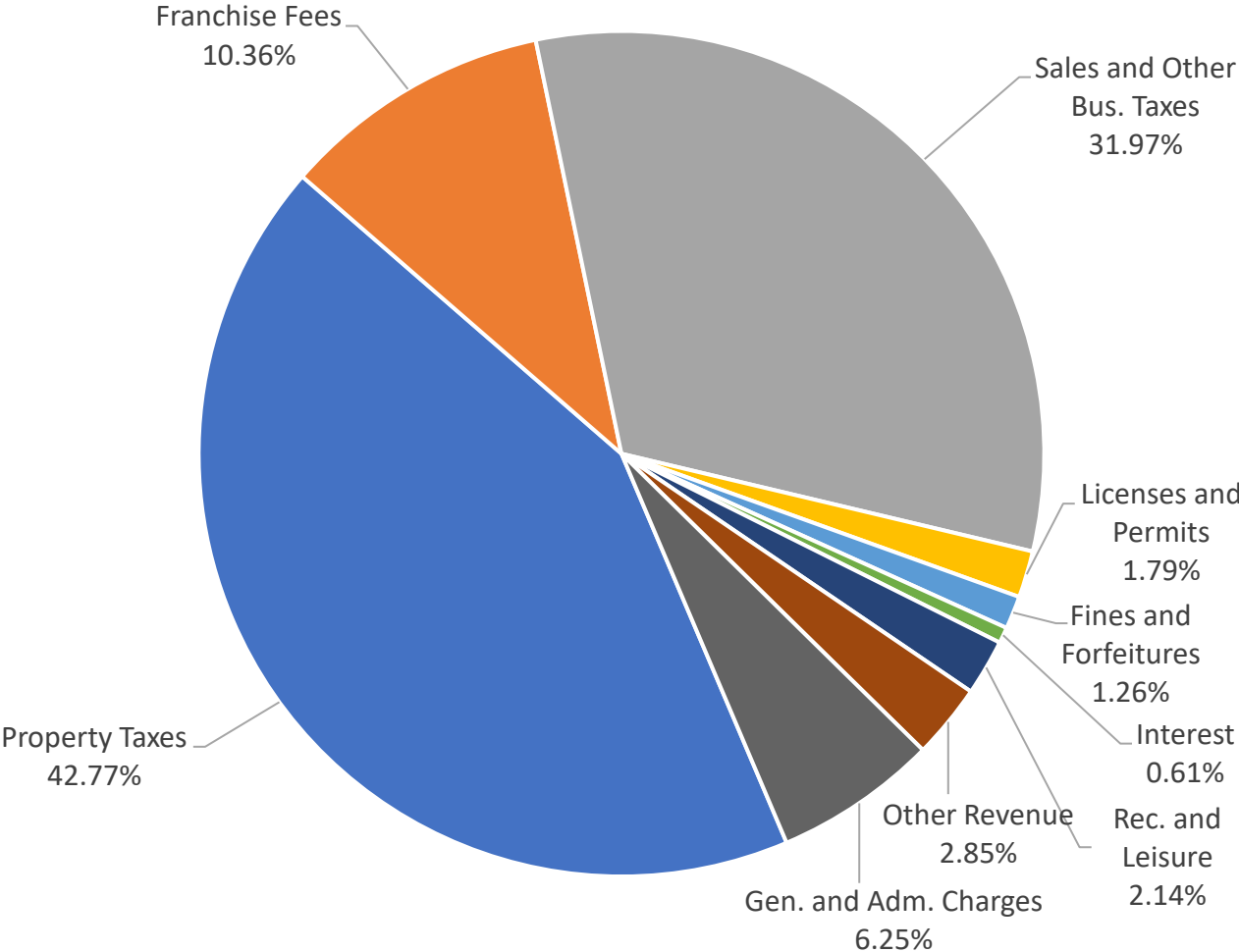


GENERAL FUND REVENUES

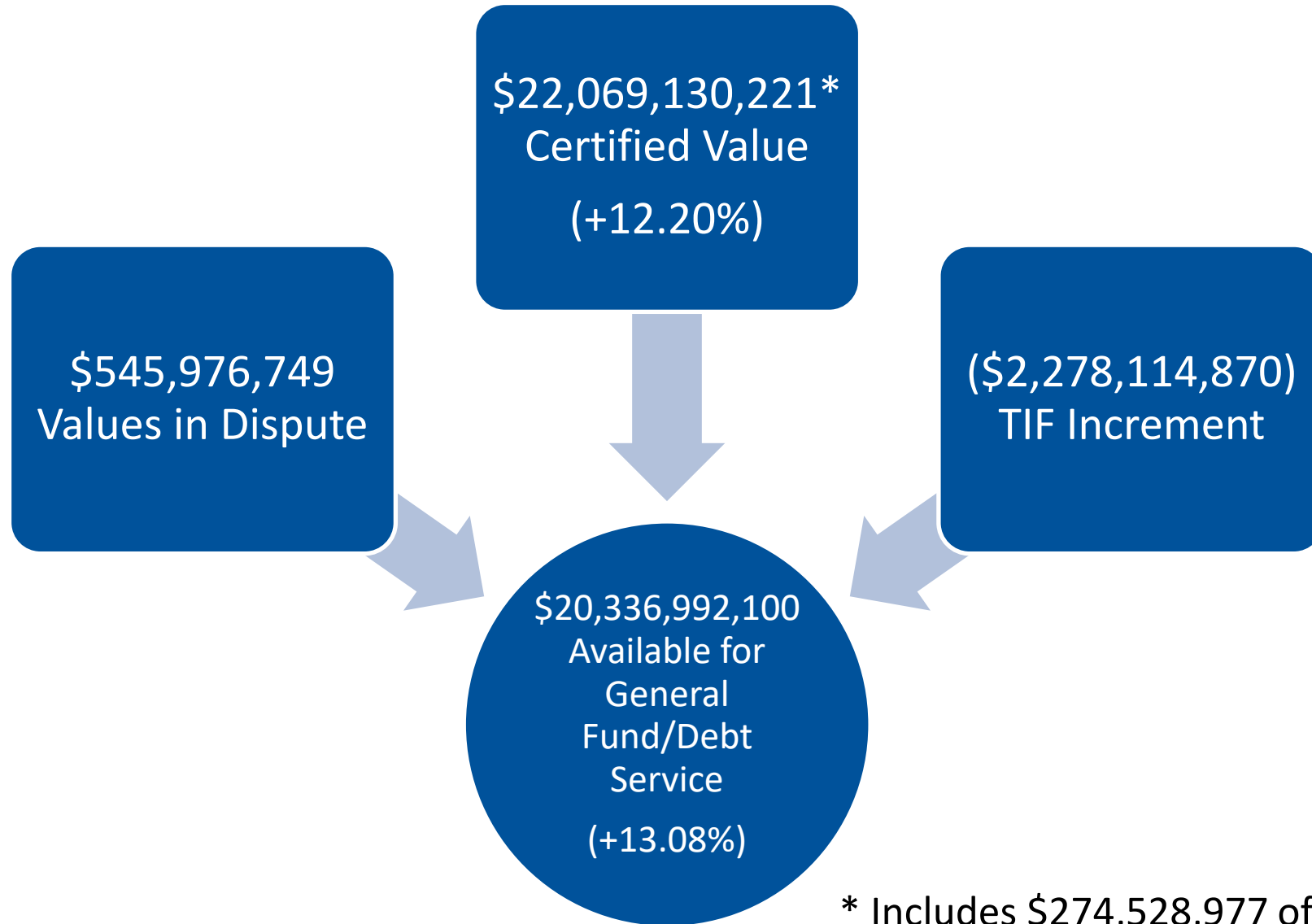
FY 2022-2023 PROJECTED REVENUES \$164,218,143

FY23 REVENUES ARE PROJECTED TO INCREASE \$16.95 MILLION FROM PRIOR YEAR BUDGET

- Property Taxes: 3.4% growth from previous year
 - Current Taxes based on 2.9% increase
- Franchise Fees: 3.6% increase from previous year
- Sales & Other Business Taxes: 2.0% growth over FY22 base collections
- Other: Overall increase of 3.9%



CERTIFIED TAX ROLL



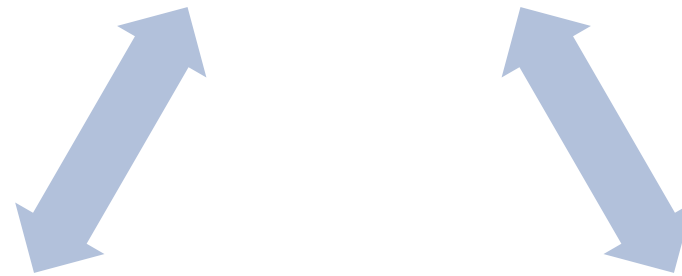
TAX ROLL IMPACTS

- 92% of residential accounts saw a market value increase of at least 10%
- 69% of residential accounts qualified for the homestead cap limiting taxable increases to 10%

Average Home Values

- Market – \$401,810 (+26.28%)
- Taxable – \$326,132 (+15.19%)

- Current senior exemption of \$105,000 equates to a 25.94% protection against market value
- Total senior accounts dropped by 2.62% - first recorded drop in totals



Residential/Commercial Value Split

- 40.03% Residential
- 59.97% Commercial

Taxable Roll Change

- Residential +9.73%
- Commercial +16.78%
- BPP +6.71%

TAX RATE OVERVIEW

- The tax rate is split into two rates:
 - A Maintenance & Operations (“M&O”) Rate that goes to the General Fund for general spending
 - A Debt Rate that goes to the Debt Service fund to pay outstanding debt
- Once the tax rate is proposed and a hearing is set, the Debt Rate is locked due to certification and publication requirements and can’t be changed.
- The M&O Rate can be lowered prior to final adoption.
- The No New Revenue Rate is a hypothetical rate that generates approximately the same revenue as in the prior year.
- The Voter Approval Rate is the highest rate that a City Council can adopt without a mandatory ratification election.
- The Adjusted Voter Approval Rate includes an Unused Increment Rate.
 - The Unused Increment is calculated as the Voter Approval Rate less the adopted tax rate for the given tax year.
 - The Unused Increment is based on a rolling three-year amount, with the oldest banked amount dropping off in the fourth year.
 - The City banked \$0.04181 in FY 2021, the first year of calculation, and \$.00659 in FY 2022 (\$0.0484 total)

TAX RATE OVERVIEW

Current Tax Rate

- \$0.37721 M&O
- \$0.23795 Debt
- \$0.61516 Total

No New Revenue Rate

- \$0.33156 M&O
- \$0.20661 Debt
- \$0.53817 Total

Voter Approval Rate

- \$0.34316 M&O
- \$0.21779 Debt
- \$0.56095 Total

Adjusted Voter Approval Rate*

- \$0.39156 M&O
- \$0.21779 Debt
- \$0.60935 Total

*Include Unused Increment of \$0.0484.

- Staff is recommending adopting the Voter Approval Rate (Proposed Rate)
- No Unused Increment is recommended, saving future resources in case of an economic downturn in FY 2024.

PEER COMPARISONS

- Last year, Richardson’s tax rate ranked 7th lowest among peer cities but was \$0.006799 above the average rate of \$0.61516
- The current peer city average tax rate is expected to decrease once other cities adopt their rates this year.
 - All cities in North Texas experienced record tax value increases

City	FY 2021-2022 Tax Rate
Plano	\$0.446500
Frisco	\$0.446600
Allen	\$0.470000
McKinney	\$0.497655
Richardson (Proposed Rate)	\$0.560950
Carrollton	\$0.582500
Irving	\$0.594100
Average	\$0.608361
Richardson (Current)	\$0.615160
Arlington	\$0.619800
Grand Prairie	\$0.664998
Mesquite	\$0.708620
Fort Worth	\$0.732500
Garland	\$0.756965
Dallas	\$0.773300

RESIDENTIAL IMPACTS

- Maintaining current tax rate of \$0.61516 would require November ratification election.
- All elements of City Manager’s budget presented July 25-26 are funded with the adoption of the Proposed Rate of \$0.56095.
- The Proposed Rate is a \$0.05421 decrease (8.81%)

Rate	Value	Average Resident Tax Increase	Average Senior Tax Increase
Current Rate	\$0.61516	\$264.54 (15.19%)	\$179.61 (13.74%)
Adjusted Voter Approval Rate	\$0.60935	\$245.59 (14.10%)	\$165.57 (12.66%)
Proposed Rate	\$0.56095	\$87.74 (5.04%)	\$48.57 (3.71%)
No New Revenue Rate	\$0.53817	\$13.45 (0.77%)	\$(6.50) (-0.50%)

RESIDENTIAL TAX BILLS

- Based on the FY23 Average Taxable Value for the City of Richardson of \$326,132
- All tax rates shown are proposed by the governing bodies except for Collin County, which has not proposed a rate yet.
- Final adopted rates may be lower than proposed rates.

Entity	Tax Rate	Amount	% of Total
City of Richardson	\$0.560950	\$1,829	27.0%
Richardson ISD	\$1.347000	\$3,415	50.5%
Dallas County	\$0.222946	\$582	8.6%
Dallas College	\$0.115899	\$302	4.5%
Parkland Hospital	\$0.235800	\$615	9.0%
School Equalization Fund	\$0.010000	\$26	0.4%
Total	\$2.492595	\$6,769	100.0%

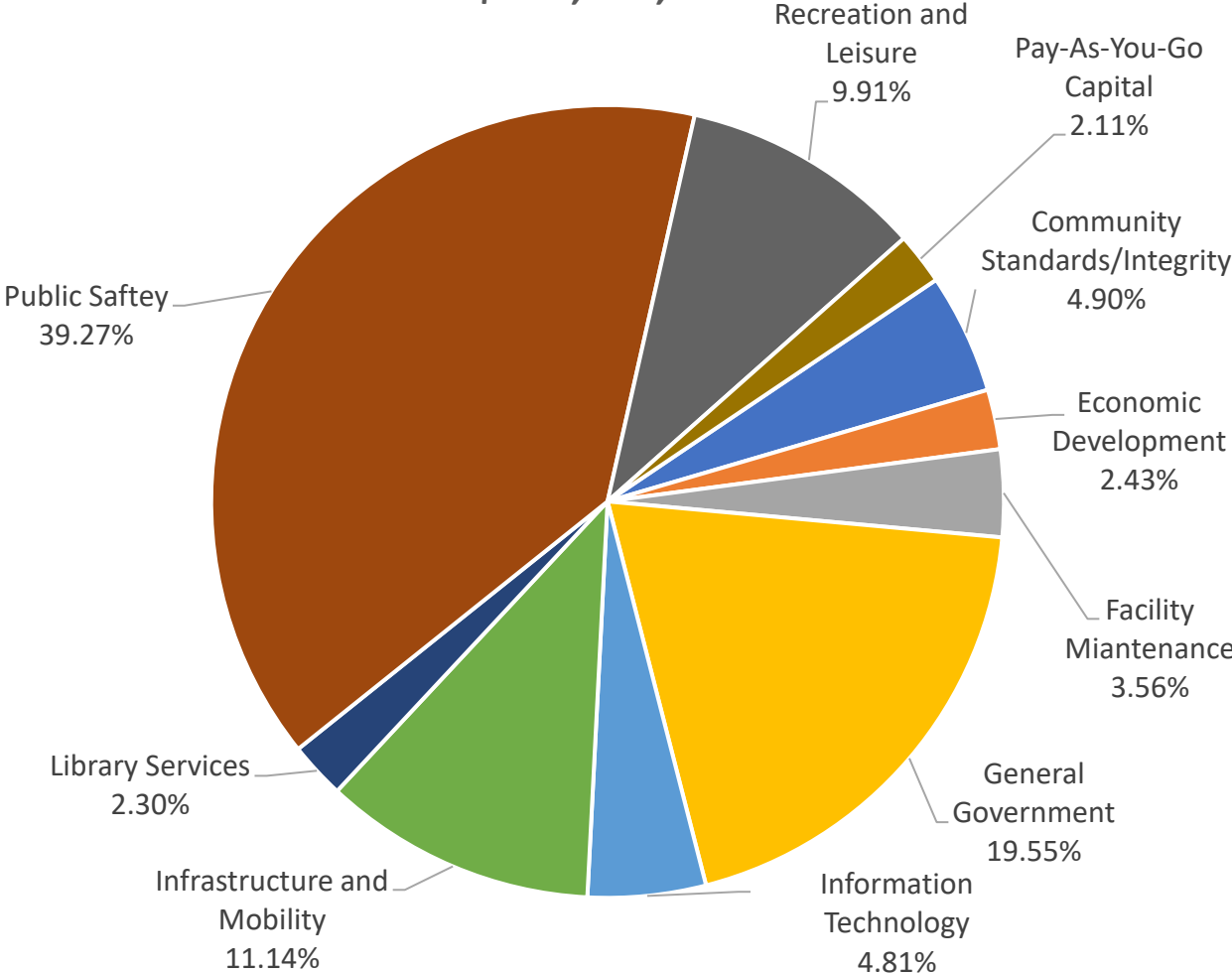
Entity	Tax Rate	Amount	% of Total
City of Richardson	\$0.560950	\$1,829	29.2%
Plano ISD	\$1.279350	\$3,661	58.4%
Collin County	\$0.168087	\$521	8.3%
Collin College	\$0.081220	\$261	4.1%
Total	\$2.089607	\$6,272	100.0%

GENERAL FUND EXPENDITURES

FY23 EXPENDITURES OF **\$163.21 MILLION** REPRESENT AN INCREASE **\$14.23 MILLION** FROM THE FY22 BUDGET

- Community and Neighborhood Services: increase of \$1,270,142 or 18.9%
- Economic Development and Redevelopment Initiatives: increase of \$1,628,358 or 69.5%
- Facility Maintenance: increase of \$1,044,540 or 21.9%
- General Government: decrease of (\$340,685) or (1.1%)
- Information Technology: increase of \$829,952 or 11.8%
- Infrastructure: increase of \$1,543,760 or 9.3%
- Library Services: increase of \$385,200 or 11.4%
- Public Safety: increase of \$7,304,925 or 12.9%
- Recreation and Leisure: increase of 743,380 or 4.8%

FY 2022-2023 PROJECTED EXPENDITURES
\$163,208,611



GENERAL GOVERNMENT



Total funding decreases (\$340,685) to \$31,911,722

- Includes internal General Fund services like administration, budget, accounting and finance, human resources, communications and fleet services
- Includes the addition of a part-time Community Arts Coordinator and a Community Engagement position
- Includes funding to continue enhancing culturally diverse programming and event opportunities, including the Mayor's Committee on Diversity & Inclusion
- Includes funding for strategies to broaden the diversity of applicants on boards and commissions
- Funding included for an enhanced CARES Program
- Includes funding for the City's 150th Anniversary Celebration
- Also includes funding for city-wide expenses such as insurance premiums and radio and phone system fees and maintenance
 - Includes an additional \$160,000 for enhanced cyber security insurance
- Fleet Services increases \$979,963
 - Fuel costs are projected to increase \$567,542 or 56.61%
 - \$1,200,000 is being made available for outside fleet repairs
 - \$462,000 is being made available for non-stock parts
 - Includes \$95,000 for bay floor repairs and the painting of the Fleet area

General Government

City Secretary

General Government

Budget

Non-Departmental

Finance - Accounting

Finance - Administration

Finance - Purchasing

Finance - Tax

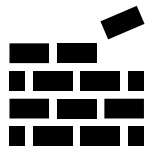
Finance - Municipal Court

Human Resources

Citizens' Information TV

Citizens' Information Services

Fleet Services



COMMUNITY & NEIGHBORHOOD SERVICES

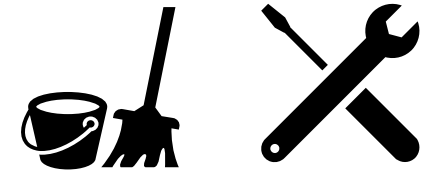


Total funding increases \$1,270,142 to \$7,997,689

- Home Improvement Incentive Program funded at \$2,007,231, an increase of \$489,346
- Ongoing funding for homeowner and neighborhood association support programs
- Funding for new neighborhood, commercial and multi-family code enforcement program updates (recommendations still under development)
- Increased funding for contracted building inspections is included in this budget in response to recruitment challenges faced by the department
 - Offset by understaffing in the department
 - If the department is successful in filling vacancies, funding will be reallocated from the professional services category to personal services as needed
- Includes full-year funding for one Animal Services Clerk/Tech position added mid-FY22 and one new Animal Services Officer
- Includes an additional \$30,000 for contracted veterinarian services and \$5,922 for the upgrade of the outdoor cameras at the Animal Shelter
- Ongoing support for the Network of Community Ministries and Counseling Place



FACILITY MAINTENANCE



Total funding increases \$1,044,540 to \$5,808,207

- Consolidated into one department
 - Previously under Engineering/Capital Projects and Public Services
- Includes funding for ongoing upgrades to access controls and security systems at city facilities
- Includes \$323,472 for contracted facility inspections and maintenance services
 - Includes elevator, generator and fire panel inspections and cooling tower cleaning
- Includes funding for a previously frozen Facility Project Manager position
- Includes the funding of one Administrative Secretary position previously frozen
- Includes \$329,160 for routine facility maintenance
- Includes an additional one-time dedication of \$250,000 for enhanced facility maintenance for items deferred due to the pandemic
- Includes \$465,333 for enhanced repair and maintenance projects
 - Includes security upgrades and overhead door maintenance, as well as the replacement of the gym floor at the Huffhines Recreation Center
- Includes \$875,000 for electric and \$150,000 for heating costs
- Includes \$1,550,159 for in-house custodial services and \$426,886 for contracted custodial services

Facility Maintenance

Facility Maintenance

Custodial Services

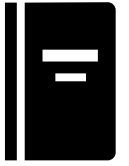
Facility Maintenance Tax Rate Dedic.

INFORMATION TECHNOLOGY

Total funding increases \$829,952 to \$7,855,816

- Includes funding for one new Assistant Director position that was added mid-year FY22
- Includes \$1,004,800 for Cloud based services
- Includes \$1,016,711 for software license agreements and maintenance
- Includes \$433,566 for hardware maintenance
- Provides \$1,850,000 towards the replacement of the City's legacy computer systems and upgrades to the technology backbone of the City's traffic system
- Dedicates \$1,395,998 to the replacement of computer and network hardware
 - An increase of \$195,998 from FY22



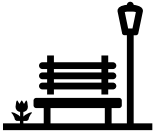


Total funding increases \$385,200 to \$3,758,247

- Provides funding for the Library's modified operations at a temporary site as the Library prepares for improvements that were passed as part of the 2021 Bond Program
- Includes funding to continue enhancing culturally diverse programming and event opportunities
- Discontinues late fees to ensure fair access to materials (library services best practice)
- Includes living wage for all permanent part-time library staff
- Includes \$56,650 for subscription services
- Provides \$375,000 through the Capital Replacement Fund for additional books and materials



RECREATION AND LEISURE



Total funding increases \$743,380 to \$16,177,184

- Funding for all traditional community events
- Includes living wage for all permanent part-time staff
- Full programming at Heights and Huffhines Recreation Centers and the Senior Center
- Anticipates Pools returning to full operations at the four community pools and the Heights Aquatics Center
- Support the increased activity at the Tennis Center
- Adds one gymnastics coach, replacing two part-time gymnastics coach positions
 - Staff is having more success recruiting full-time candidates
 - Lack of coaches is resulting in lagging revenue
- Transitions the funding of the CVB to the Hotel/Motel Tax Fund
 - Previously funded in the General Fund and supported by a transfer in from the Hotel/Motel Tax Fund
- Includes continued funding of the Parks Maintenance Fund
- Includes an additional \$890,616 in funding through the capital replacement fund for equipment and vehicle replacements

Recreation and Leisure

Community Events
Civic Center
Parks-Administration
Parks-Recreation
Parks - Heights Recreation Center
Parks - Huffhines Recreation Center
Parks-Older Adults
Parks-Pools
Parks-Tennis
Parks-Gymnastics
Parks-Maintenance
Parks Maintenance Tax Rate Dedic.

SUMMARY OF CHANGES FROM BUDGET WORKSHOP TO BUDGET FILING

General Fund

- Certified values grew 13.08% from FY22
- Tax rate reduction of \$0.05421, in compliance with the limits set by SB2
 - Operations portion is reduced by \$0.03405
 - Revenue Impact:
 - \$1.95 million or 2.88% increase from FY22
 - (\$422,842) decrease from the Budget Workshop
- The fee recommendations presented at the Budget Workshop are now included in the filed budget
 - An additional \$205,628 in revenue
- Economic development expenses in Non-Departmental decreased \$160,000 as a result of the lower tax rate
- Previous tax rate penny dedications have been capped at 3.5% growth
- The General Fund is budgeted at 90.34 days of fund balance for FY23

OTHER OPERATING FUND HIGHLIGHTS

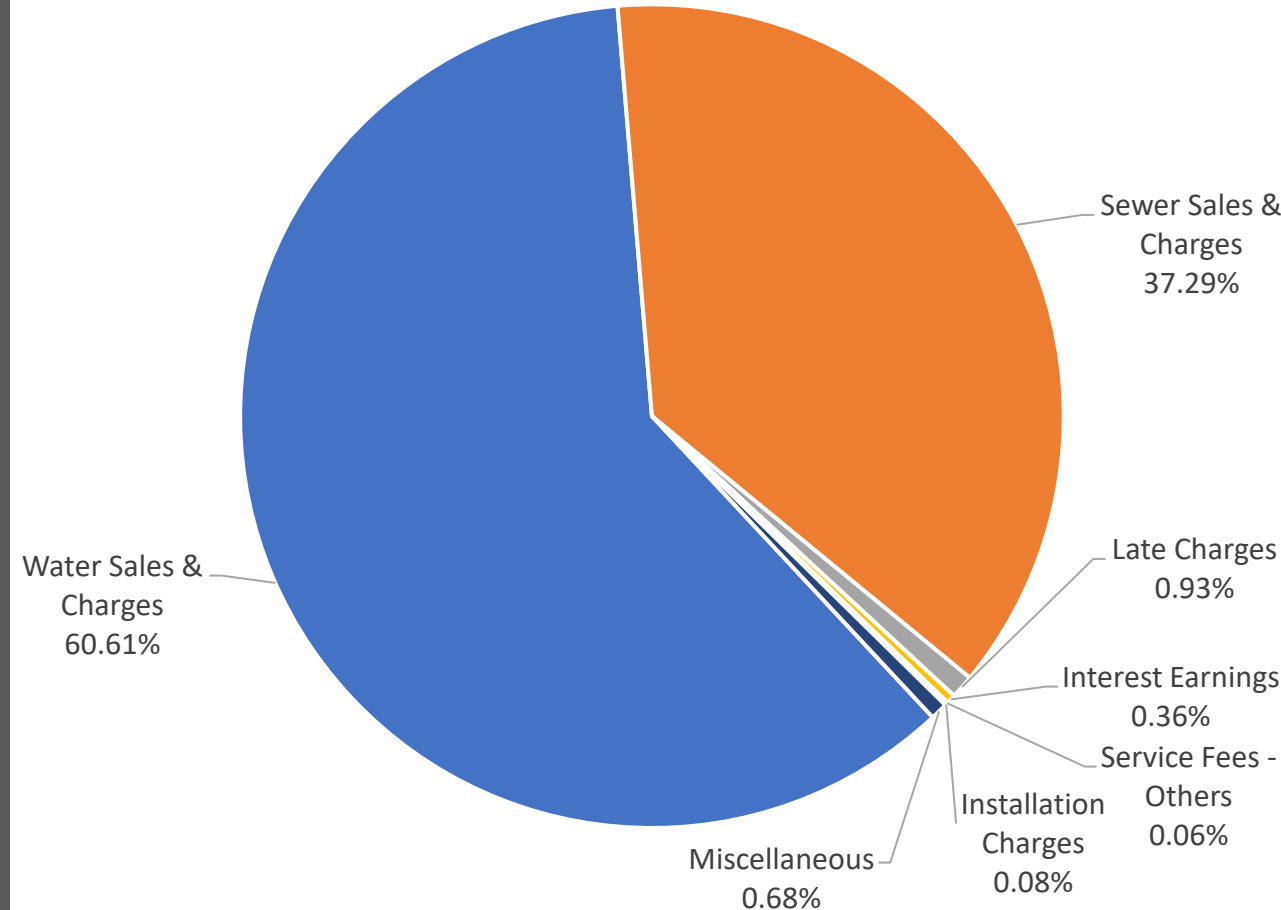


WATER & SEWER FUND REVENUES

FY23 REVENUES ARE PROJECTED TO INCREASE **\$5.79 MILLION** FROM PRIOR YEAR BUDGET

- **WATER SALES & CHARGES:**
 - Includes a 1.9% rate increase
 - Sales based on a normal water year and conservative growth assumptions
- **SEWER SALES & CHARGES:**
 - Includes a 1.9% rate increase
 - Flows based on conservative growth assumptions
- **SERVICE FEES - OTHER:**
 - Includes reconnect fees and charges to install of two-way cleanouts
- **MISCELLANEOUS:**
 - Includes auction and antenna license revenue

FY 2022-2023 PROJECTED REVENUES **\$97,780,288**

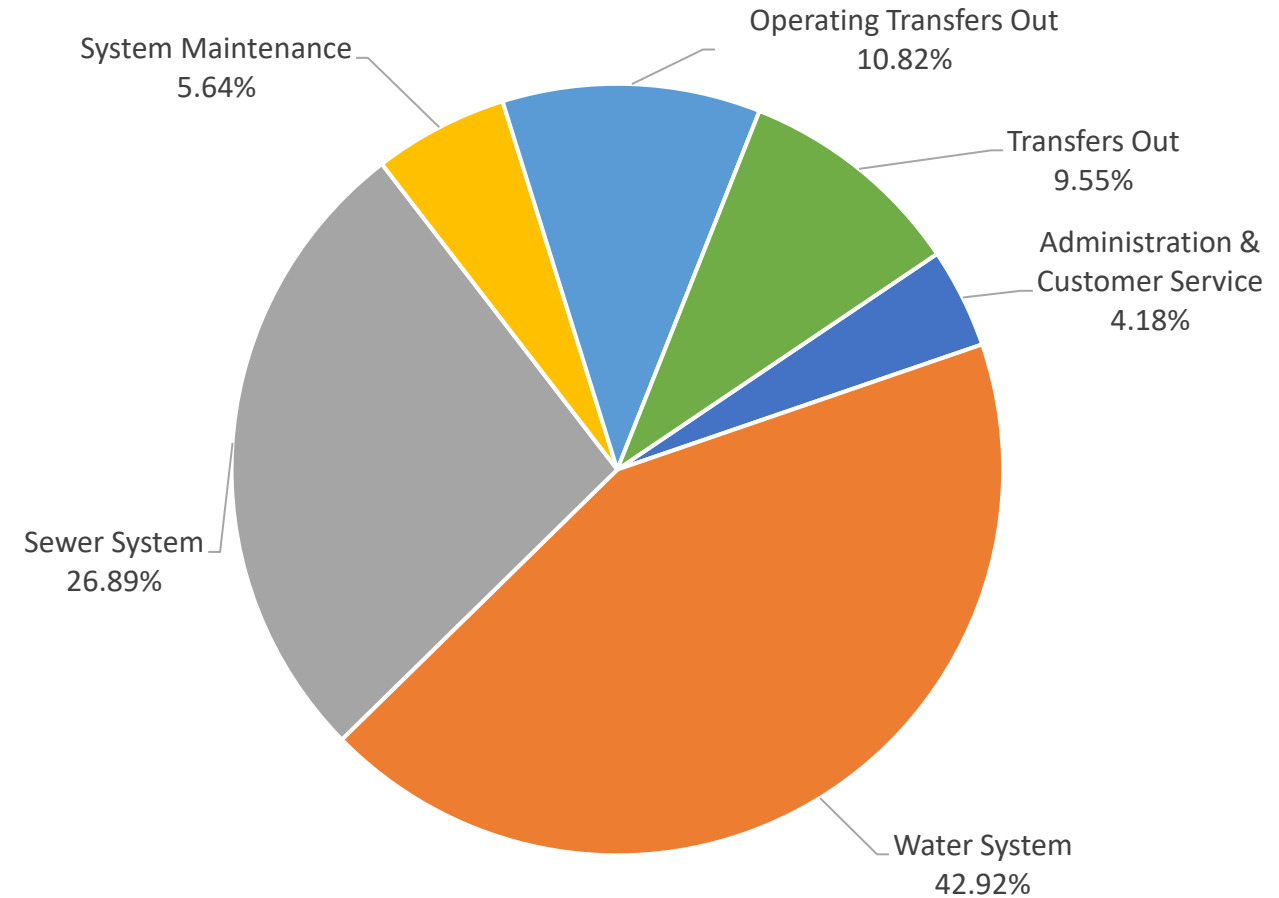


WATER & SEWER FUND EXPENDITURES

FY23 EXPENDITURES OF **\$95.26 MILLION** REPRESENT AN INCREASE **\$6.10 MILLION** FROM THE FY22 BUDGET

- Administration and Customer Service: decrease of (\$10,168) or (0.3%)
- Sewer System: increase of \$1,883,787 or 7.9%
- System Maintenance: increase of \$123,449 or 2.4%
- Water System: increase of \$3,572,405 or 9.6%
- Operating Transfers Out (G&A and Franchise Fees): increase \$502,037 or 5.1%
- Transfers Out (Debt Service and Pay-As-You-Go Capital Support): increase of \$25,000 or 0.3%

FY 2022-2023 PROJECTED EXPENDITURES
\$95,259,125



WATER & SEWER FUND HIGHLIGHTS

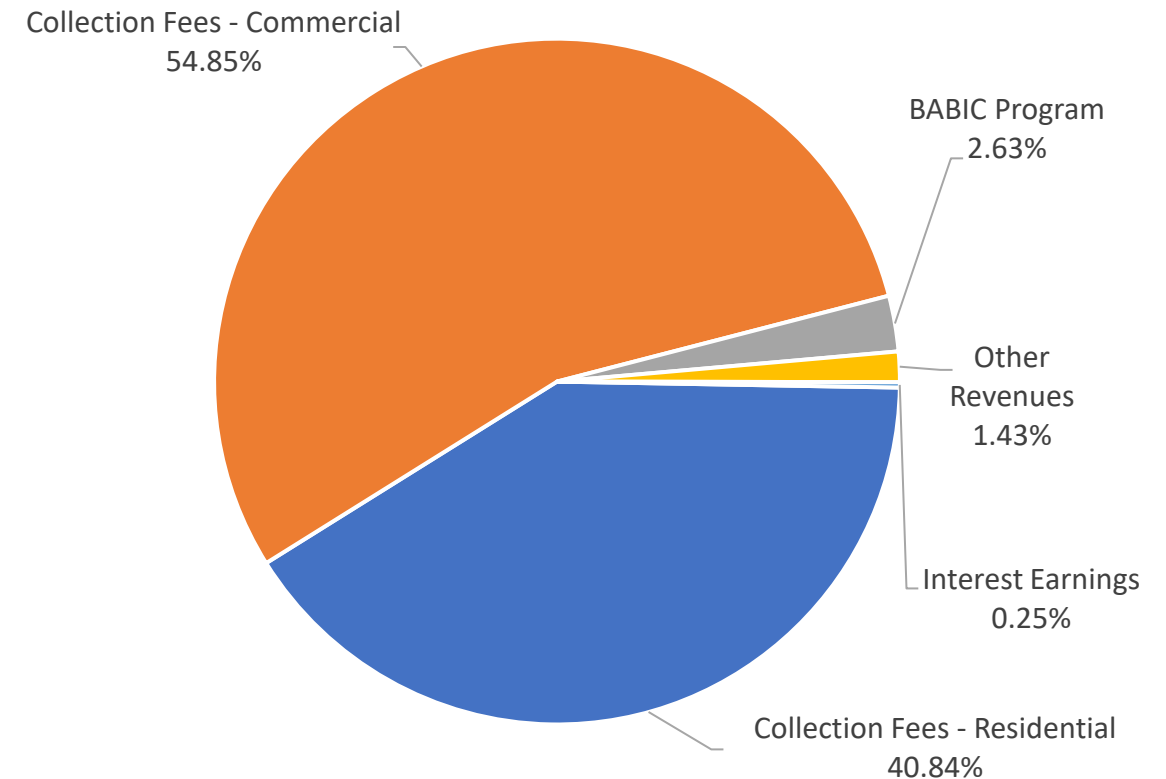
- Includes a 1.9% increase to water and sewer rates
- Wholesale water rates from NTMWD increase 13.4%, with a reduction in the City's "take" from 10.97B to 10.64B gallons
- Wholesale sewer costs increase from all three providers
- \$22.4 million in capital projects through a combination of debt and pay-as-you-go funding
- 6% merit-based market pay plan adjustments for water and wastewater staff
- Significant increases in fuel and diesel
- Maintains fund balance at 90 days

SOLID WASTE FUND REVENUES

FY23 REVENUES ARE PROJECTED TO INCREASE
\$1.85 MILLION FROM PRIOR YEAR BUDGET

- Collection Fees - Residential:
 - Includes a \$3.00 per month (including tax) rate increase
- Collection Fees - Commercial :
 - No commercial rate increase is recommended at this time

FY 2022-2023 PROJECTED REVENUES \$17,762,534

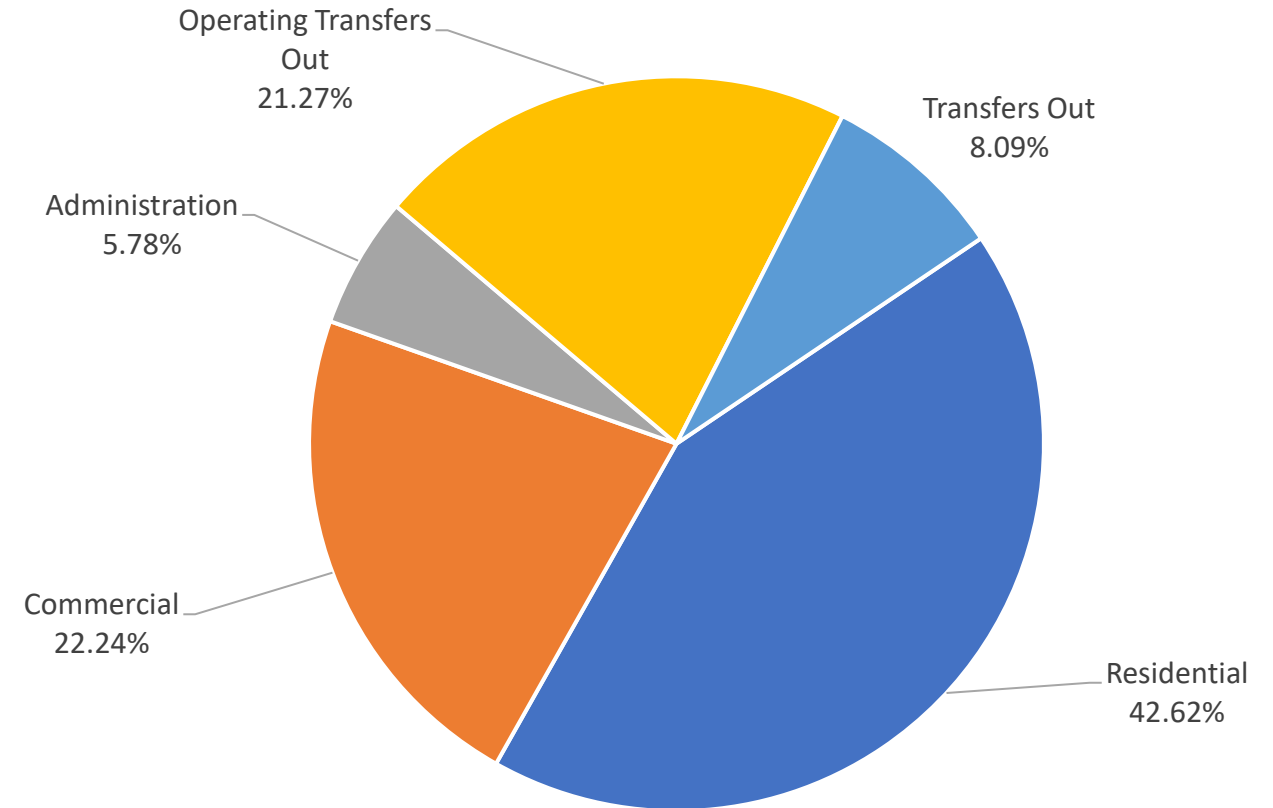


SOLID WASTE SERVICES FUND EXPENDITURES

FY23 EXPENDITURES OF **\$17.46 MILLION** REPRESENT AN INCREASE **\$1.61 MILLION** FROM THE FY22 BUDGET

- Administration: decrease of (\$64,834) or (6.0%)
- Commercial Services: increase of \$148,027 or 4.0%
- Residential Services: increase of \$1,042,552 or 16.3%
- Operating Transfers Out (G&A and Franchise Fees): increase \$441,972 or 13.5%
- Transfers Out (Debt Service): increase of \$45,000 or 3.3%

FY 2022-2023 PROJECTED EXPENDITURES
\$17,460,040



SOLID WASTE SERVICES FUND HIGHLIGHTS

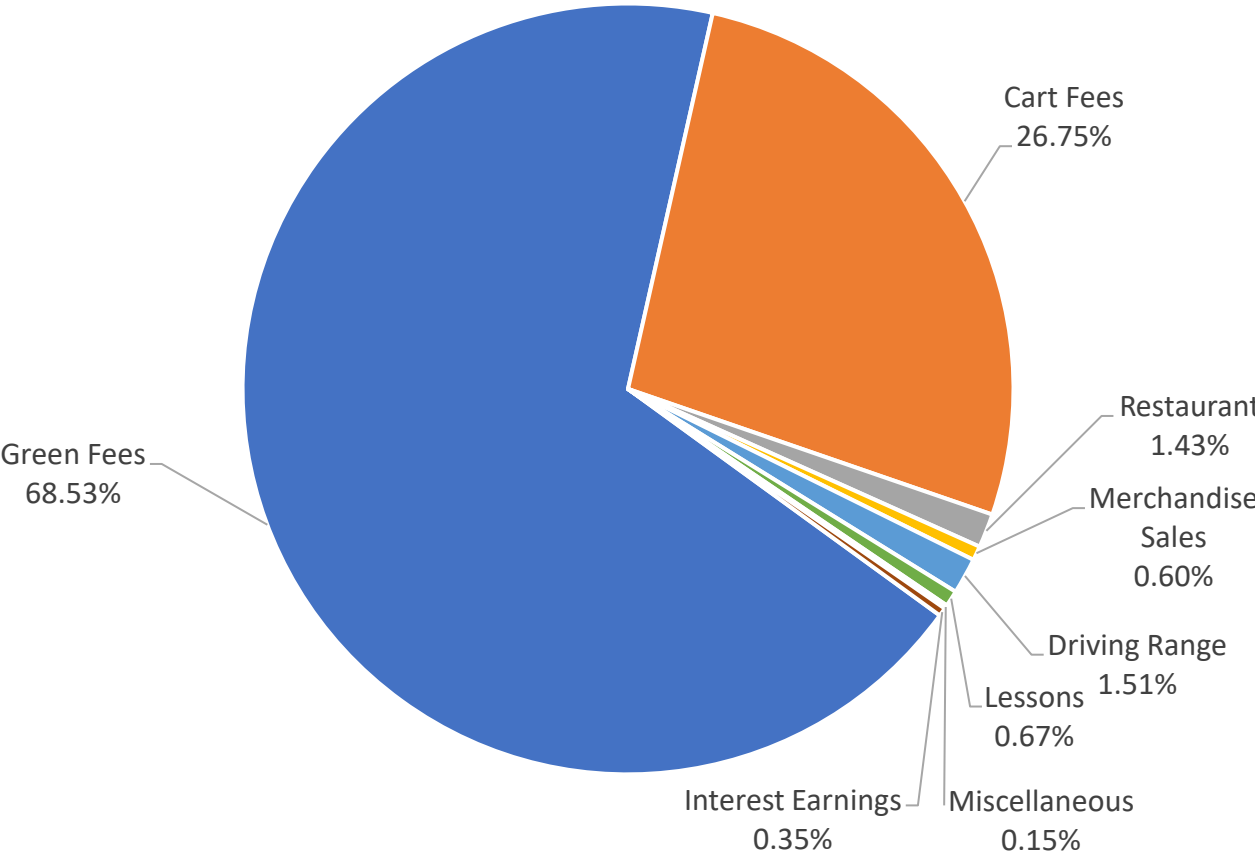
- Includes a \$3.00 (including tax) per month rate change proposed for residential customers to cover
 - Last increased in FY 2016-17
- \$2.1 million for Solid Waste equipment in short-term CO funding
- 6% merit-based market pay plan adjustments for solid waste staff
- Increased cost of temporary workers
- Significant increases in fuel and diesel
- Maintains fund balance goal of 90 days

GOLF FUND REVENUES

FY23 REVENUES ARE PROJECTED TO INCREASE \$413 THOUSAND FROM PRIOR YEAR BUDGET

- Green Fees:
 - Based on conservative rounds played
 - Includes a \$2.00 increase to Course #1 Green Fees
- Cart Fees:
 - Based on conservative rounds played
 - Reflects the updated golf professional contract, in which the City's portion decreased from 80% to 70%
 - Includes a \$2.00 increase to cart fees

FY 2022-2023 PROJECTED REVENUES \$2,825,595

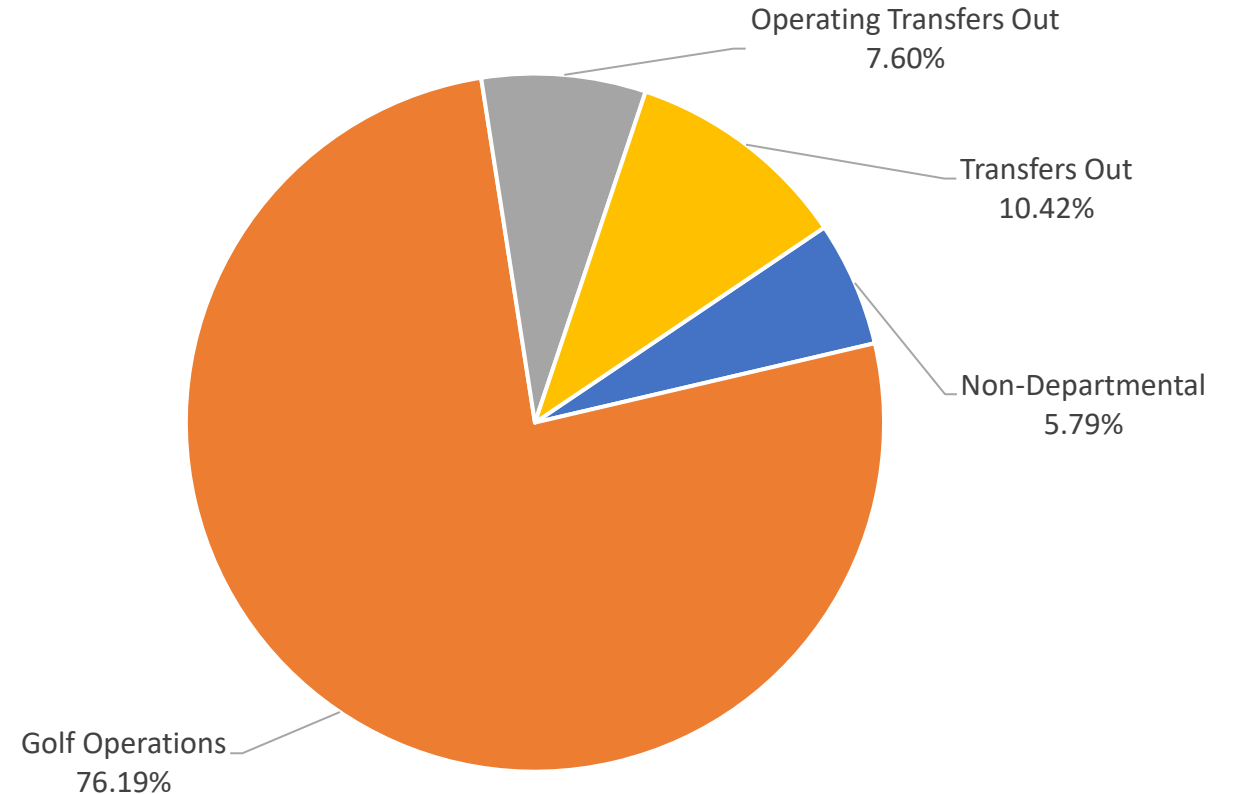


GOLF FUND EXPENDITURES

FY23 EXPENDITURES OF **\$2.83 MILLION** REPRESENT AN INCREASE **\$365 THOUSAND** FROM THE FY22 BUDGET

- Golf Operations: increase of \$82,061 or 4.0%
- Non-Departmental: decrease of (\$12,862) or (7.3%)
- Operating Transfers Out (G&A): increase \$103,075 or 91.9%
- Transfers Out (Golf Reserve): increase of \$193,000 or 189.2%

FY 2022-2023 PROJECTED EXPENDITURES
\$2,831,365



GOLF FUND HIGHLIGHTS

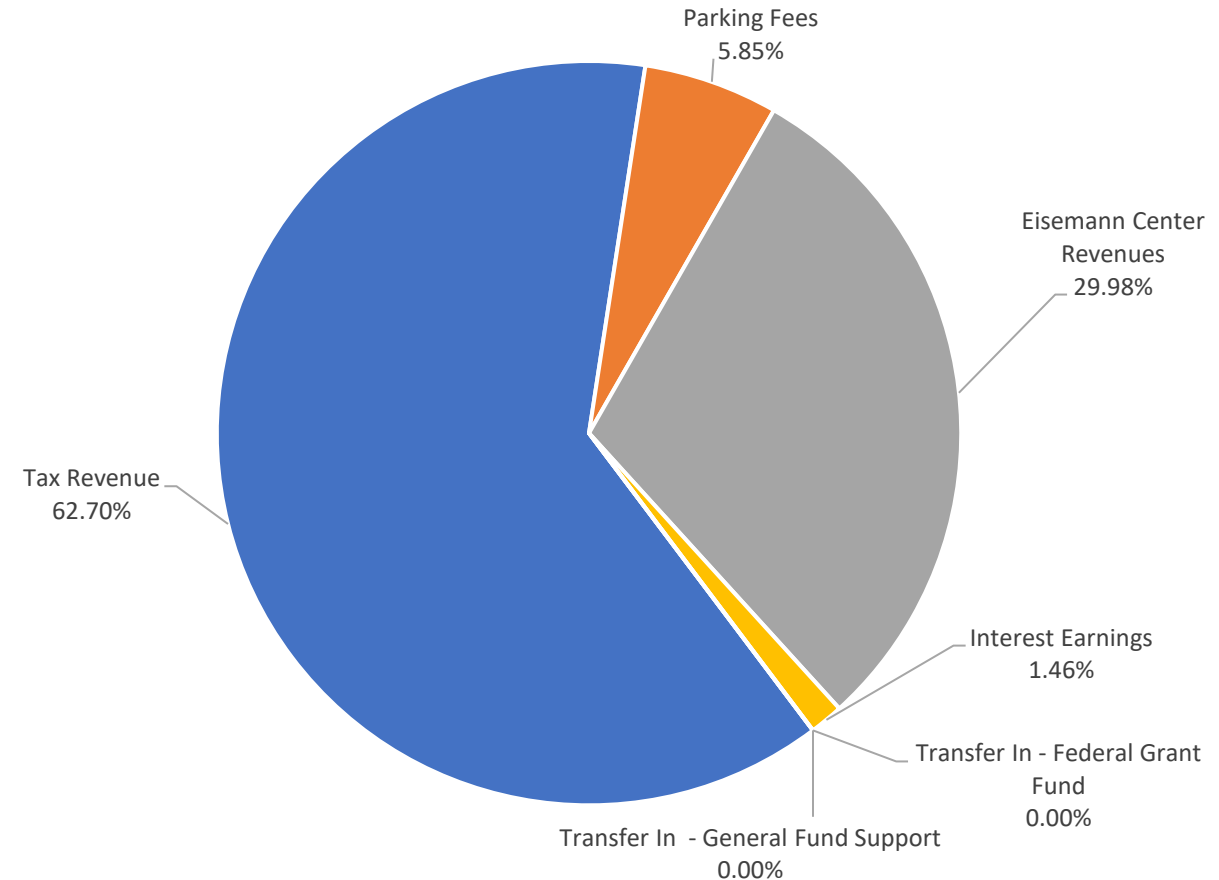
- Includes a \$2.00 increase to Green Fees on Course #1 and \$2.00 increase to Cart Fees
 - The revenue from these fee changes increases the transfer out to the Golf Capital Reserve Fund by \$150,000 to \$295,000
 - Bringing the total available for pay-as-you-go capital investment to \$1.6 million
- 6% merit-based market pay plan adjustments for City staff
- Increases in irrigation and botanical supplies, as well as for fuel
- Provides \$177,000 for equipment replacements and other capital improvements
- Maintains fund balance goal of 60 days

HOTEL/MOTEL TAX FUND REVENUES

FY 2022-2023 PROJECTED REVENUES \$5,535,206

FY23 REVENUES ARE PROJECTED TO INCREASE
\$1.60 MILLION FROM PRIOR YEAR BUDGET

- TAX REVENUE:
 - Based on a gradual recovery to pre-COVID receipts
- PARKING FEES:
 - Based on anticipated Eisemann Center activity and the scheduled rent from the Renaissance

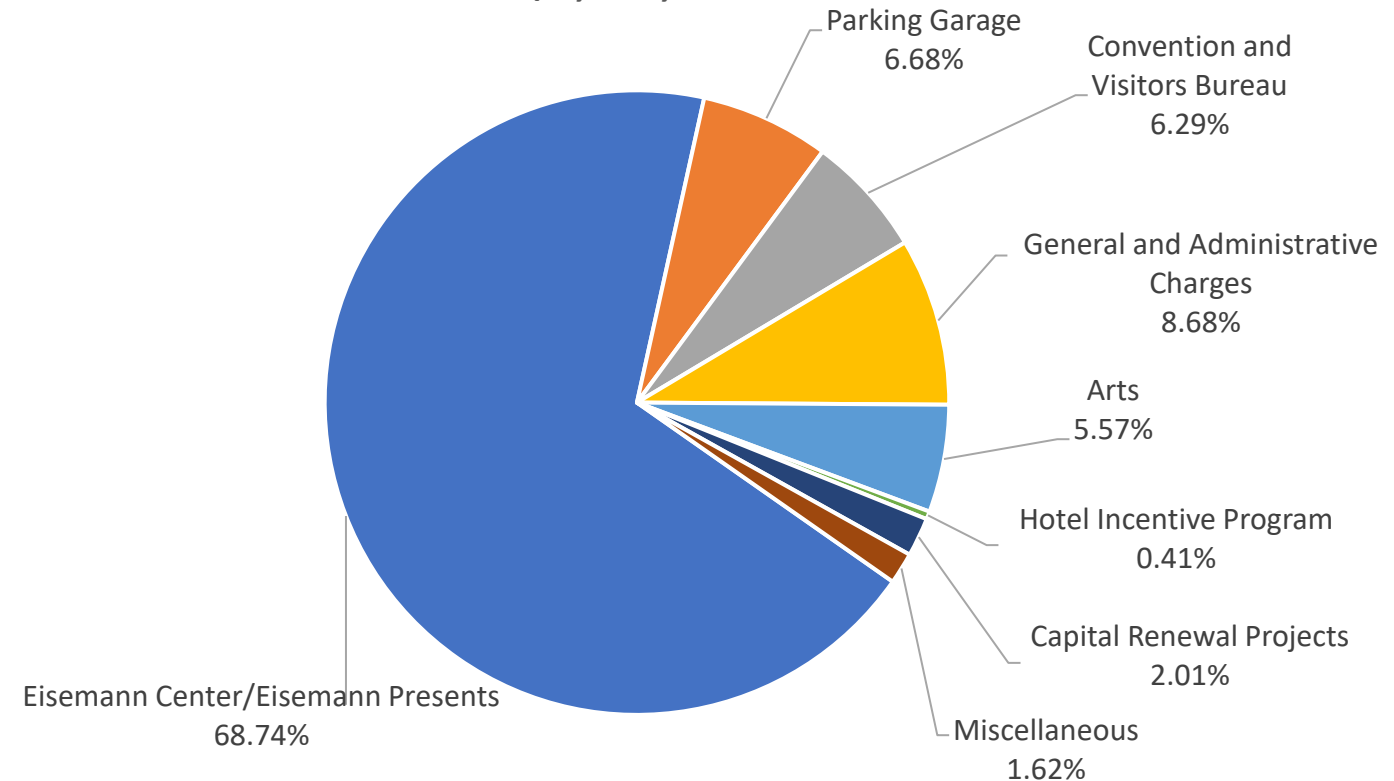


HOTEL/MOTEL TAX FUND EXPENDITURES

FY23 EXPENDITURES OF **\$5.48 MILLION** REPRESENT AN INCREASE **\$2.18 MILLION** FROM THE FY22 BUDGET

- Arts Grants: increase of \$85,000 or 38.6%
- Capital Renewal: increase of \$110,000 (not funded in FY22 Budget)
- Convention and Visitors Bureau: increase of \$20,033 or 6.2%
- Eisemann Center/Eisemann Center Presents: increase of \$1,273,945 or 51.2%
- Hotel Incentive Program: increase of \$13,500 or 150.0%
- Miscellaneous: increase of \$77,983 or 712.2%
- Parking Garage: increase of \$122,791 or 50.6%
- Transfers Out (G&A): increase of \$475,416 (not funded in FY22 Budget)

FY 2022-2023 PROJECTED EXPENDITURES
\$5,476,043



HOTEL/MOTEL TAX FUND HIGHLIGHTS

- Improved Hotel/Motel Tax revenue as the hospitality industry continues its recovery from the impacts of the COVID-19 pandemic
- Improved rental and attendance at the Eisemann Center and for Eisemann Presents
- 6% merit-based market pay plan adjustments for City staff
- Increases Art Grants funding by \$85,000
- Includes funding for short term rental registration consulting services
- Makes funding available for capital renewal projects at the Eisemann Center and the Parking Garage

SUMMARY OF CHANGES FROM BUDGET WORKSHOP TO BUDGET FILING

Water and Sewer Fund

- The recommended Industrial Pretreatment Permit has been added to the budget
 - An additional \$145,983 in revenue
- Amount dedicated to the fund's pay-as-you-go capital infrastructure program increased from \$1.60 million to \$1.75 million
- The Water and Sewer Fund is budgeted at 90.24 days of fund balance for FY23

Solid Waste Services Fund

- No Change
- The Solid Waste Services Fund is budgeted at 90.17 days of fund balance for FY23

Golf Fund

- The fee recommendations presented at the Budget Workshop are now included in the filed budget
 - An additional \$172,330 in revenue
- The budgeted transfer out to the Golf Capital Reserve Fund increased from \$145,000 to \$295,000
 - Bringing the total available for capital investment to \$1.6 million
- The Golf Fund is budgeted at 60.21 days of fund balance for FY23

Hotel/Motel Tax Fund

- No Change

OTHER FUND HIGHLIGHTS

Pages 54 through 90 of the filed budget represents the remaining funds for the City of Richardson including the **Special Revenue, Internal Service** and **Capital Funds**

- **Tax Increment Financing Funds** (pages 72-74) AV growth of 15.3% from FY22 to \$2.28 billion, generating \$12.8 million in property tax revenue
 - This tax revenue, in combination with Collin and Dallas County participation revenue and prior year fund balance, allows for the funding of \$21.6 million of incentives and programs for FY23
- The **Economic Development Fund** (page 84) was established in FY15 and is funded by a transfer from the General Fund
 - For FY23 that amount is \$1.4 million, an increase of \$496,804 from FY22
- The **Drainage Fund** (page 61) is programmed at \$4.3 million and includes a \$0.50 per month increase to residential drainage fee and a \$0.014 per square foot increase to the monthly commercial drainage fee
 - Per State Law, a public hearing is scheduled for September 26, 2022, to facilitate this change
 - Total impact of the fee increases is \$385,000, which will be dedicated to restoring the projects portion of the program
 - Includes \$1,145,000 for contractual services including storm drain inspection and cleaning, street sweeping, channel maintenance and litter abatement
 - Includes \$1,235,000 for flood prevention and storm drain improvement projects
 - Includes \$1,372,000 for the completion of prior year projects

CAPITAL AND DEBT PLANNING



FY 2022-2023 DEBT PLAN ISSUANCE FACTORS

- Debt plan continues to use conservative interest rates ranging from 4.75% to 5.50% for future issuance
 - Series 2022 actual interest costs – 3.37% General Obligation Bonds, 3.31% Certificates of Obligation
- Taxable values – model assumes growth capped at 3.50% for FY 2022-2023 and no future growth until Fiscal Year 2028
- Assumes Fiscal Year 2024 CO issuance for Library and City Hall Renovation alternate phases #1-4 if desired
- Maintains capacity for future GO Bond Programs similar in size to the 2021 Bond Program
- Water debt issuance reduced by \$7.32 million of American Rescue Plan (ARP) grant funds
- In the current interest rate environment, a refunding transaction is unlikely but will be reevaluated in the spring

FY 2022-2023 PROPOSED DEBT ISSUANCE

Purpose	Life	Type	Amount
2021 GO Bond Program (Year 2)	20-Yr	GO	\$52,385,000
General Government Radio System	15-Yr	CO	\$17,000,000
Water/Wastewater Infrastructure	15/20-Yr	CO	\$15,080,000
Golf Course Renovations	20-Yr	CO	\$9,000,000
Solid Waste Equipment	8-Yr	CO	\$2,110,000
Fire Equipment	8-Yr	CO	\$1,370,000
		Total	\$96,945,000

TOTAL BUDGET



TOTAL BUDGET

The City's total budget for FY 2022-2023 is **\$354,486,879**

- An increase of \$23,698,460 or 7.2% from FY22

	ACTUAL 2020-21	BUDGET 2021-22	ESTIMATE 2021-22	BUDGET 2022-23	VARIANCE	
					BUD to BUD	EST to BUD
Expenditures and Transfers Out						
Operating Funds						
General Fund	\$ 158,666,683	\$ 148,982,594	\$ 159,054,141	\$ 163,208,611	9.5%	2.6%
Water and Sewer Fund	83,996,284	89,162,615	93,165,253	95,259,125	6.8%	2.2%
Solid Waste Services Fund	15,357,858	15,847,323	16,175,979	17,460,040	10.2%	7.9%
Golf Fund	2,829,113	2,466,091	2,852,674	2,831,365	14.8%	-0.7%
Hotel/Motel Tax Fund	3,054,037	3,297,375	4,514,372	5,476,043	66.1%	21.3%
Internal Service Funds	17,406,152	18,207,271	19,071,622	18,692,449	2.7%	-2.0%
Special Revenue Funds	25,508,911	37,411,500	36,516,130	38,932,477	4.1%	6.6%
Total Operating Funds	\$ 306,819,038	\$ 315,374,769	\$ 331,350,171	\$ 341,860,110	8.4%	3.2%
Debt Service Funds						
General Debt Service Fund	\$ 39,454,673	\$ 45,285,196	\$ 45,285,196	\$ 44,487,268	-1.8%	-1.8%
Water and Sewer Debt Service Fund	6,680,945	7,038,040	7,038,040	7,333,934	4.2%	4.2%
Solid Waste Services Debt Service Fund	1,347,026	1,366,675	1,366,675	1,411,532	3.3%	3.3%
Total Operating Funds	\$ 47,482,644	\$ 53,689,911	\$ 53,689,911	\$ 53,232,734	-0.9%	-0.9%
Total Expenditures and Transfers Out	\$ 354,301,682	\$ 369,064,680	\$ 385,040,082	\$ 395,092,844	7.1%	2.6%
Less Interfund Transfers	\$ (37,344,629)	\$ (38,276,261)	\$ (38,071,694)	\$ (40,605,965)	6.1%	6.7%
Net Expenditures	\$ 316,957,053	\$ 330,788,419	\$ 346,968,388	\$ 354,486,879	7.2%	2.2%

FINAL THOUGHTS



GENERAL FUND HIGHLIGHTS

- Certified values grew 13.08% from FY22
- Tax rate reduction of \$0.05421, in compliance with the limits set by SB2
 - Operations portion is reduced by \$0.03405
- Senior tax exemption increased to \$105,000
- Maintaining fund balance at 90 days
- Sales tax revenue projected to increase/restore from the prior year base budget by 2%
- Add 9 new firefighters to staff Ambulance #6 and 3 new police officers to the patrol division
- Create a Department of Economic Development
- Increase the economic development fund dedication by \$496,804
- Dedicate \$4.7 million to street maintenance and \$1.9 million to alley maintenance, a 3.5% increase from FY22
- Dedicate \$465,333 to parks and facilities multi-year maintenance strategies
- Increase funding for traffic markings, signs and street light maintenance
- Increase funding for screening wall, entry feature and bridge maintenance by \$210,000
- \$3.4 million in funding for capital replacement fund; \$1.4 million in funding for the IT replacement fund
- \$1.85 million in funding for the replacement of the City's legacy IT systems and for upgrades to the traffic management system
- 6% merit-based market pay plan adjustments for all employees and public safety steps
- Increase the minimum starting salary for full-time and permanent part-time positions to \$17.82
- Transition from 25-year retirement eligibility to 20-year eligibility

OTHER FUND HIGHLIGHTS

Water and Sewer Fund

- 1.9% rate increase to water and sewer rates
- 13.4% increase in wholesale water rates from NTMWD, with a reduction in the City's "take" from 10.97B to 10.64B gallons
- Increases in sewer treatment costs from all three providers
- \$22.4 million in capital projects through a combination of debt and pay-as-you-go funding
- 6% merit-based market pay plan adjustments for water and wastewater staff
- Maintains fund balance goal of 90 days

Solid Waste Fund

- \$3.00 (including tax) per month rate increase to the residential solid waste rate
 - Last increased in FY 2016-2017
- \$2.1 million for Solid Waste equipment in short-term CO funding
- 6% merit-based market pay plan adjustments for solid waste staff
- Increased cost of temporary workers
- Significant increases in fuel and diesel
- Maintains fund balance goal of 90 days

OTHER FUND HIGHLIGHTS






Golf Fund

- Includes a \$2.00 increase to Course #1 Green Fees and a \$2.00 increase to Cart Fees
 - Additional revenue will be used to increase the Golf Capital Reserve Fund
 - Bringing the total available for pay-as-you-go capital investment to \$1.6 million
- 6% merit-based market pay plan adjustments for City staff
- Provides \$177,000 for capital purchases and minor course improvements
- Maintaining fund balance at 60 days

Hotel/Motel Tax Fund

- Hotel occupancy tax projected to increase 36.1% compared to the FY22 Budget due to encouraging signs in the hospitality industry
- Eisemann Center revenues projected to increase 49.9% compared to the FY22 Budget due to improved rental and attendance at the Eisemann Center and for Eisemann Presents
- 6% merit-based market pay plan adjustments for City staff
- Increases Arts Grants Funding by \$85,000
- Reinstating G&A transfer to the General Fund, as well as provides for funding for capital improvements

TYPICAL TAXPAYER IMPACT STATEMENT

Description		FY 2021-22 Cost	FY 2022-23 Proposed Cost	Annual Dollar Change	Typical Ratepayer Assumptions:
	Property Tax (City Portion)	\$1,742	\$1,829	\$87	FY22 Avg Taxable Value = \$283,129 FY23 Avg Taxable Value = \$326,132
	Water Charges	\$1,034	\$1,052	\$18	8,000 gal/month - Oct-May; 18,000 gal/month – Jun-Sep
	Sewer Charges	\$550	\$559	\$9	Based on 98% of water usage (7,840 per month)
	Drainage Fee	\$45	\$51	\$6	Flat monthly rate of \$4.25 per household
	Residential Solid Waste	\$252	\$288	\$36	Flat monthly rate of \$24 per household
Total:		\$3,623	\$3,779	\$156	

NEXT STEPS



August 22nd:

- Public Hearing on Tax Rate
- Public Hearing of 20 Year Retirement



August 29th:

- Public Hearing on Budget
- Budget Adoption



September 26th:

- Public Hearing on Drainage Fee



RICHARDSON

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