

City Council Work Session Handouts

August 22, 2022

- I. FY 2022-2023 Proposed Budget and Tax Rate
- II. Public Hearing for Amendments to the Texas Municipal Retirement System

BUDGET PRESENTATION

FY 2022-2023
PUBLIC HEARING

AUGUST 22, 2022

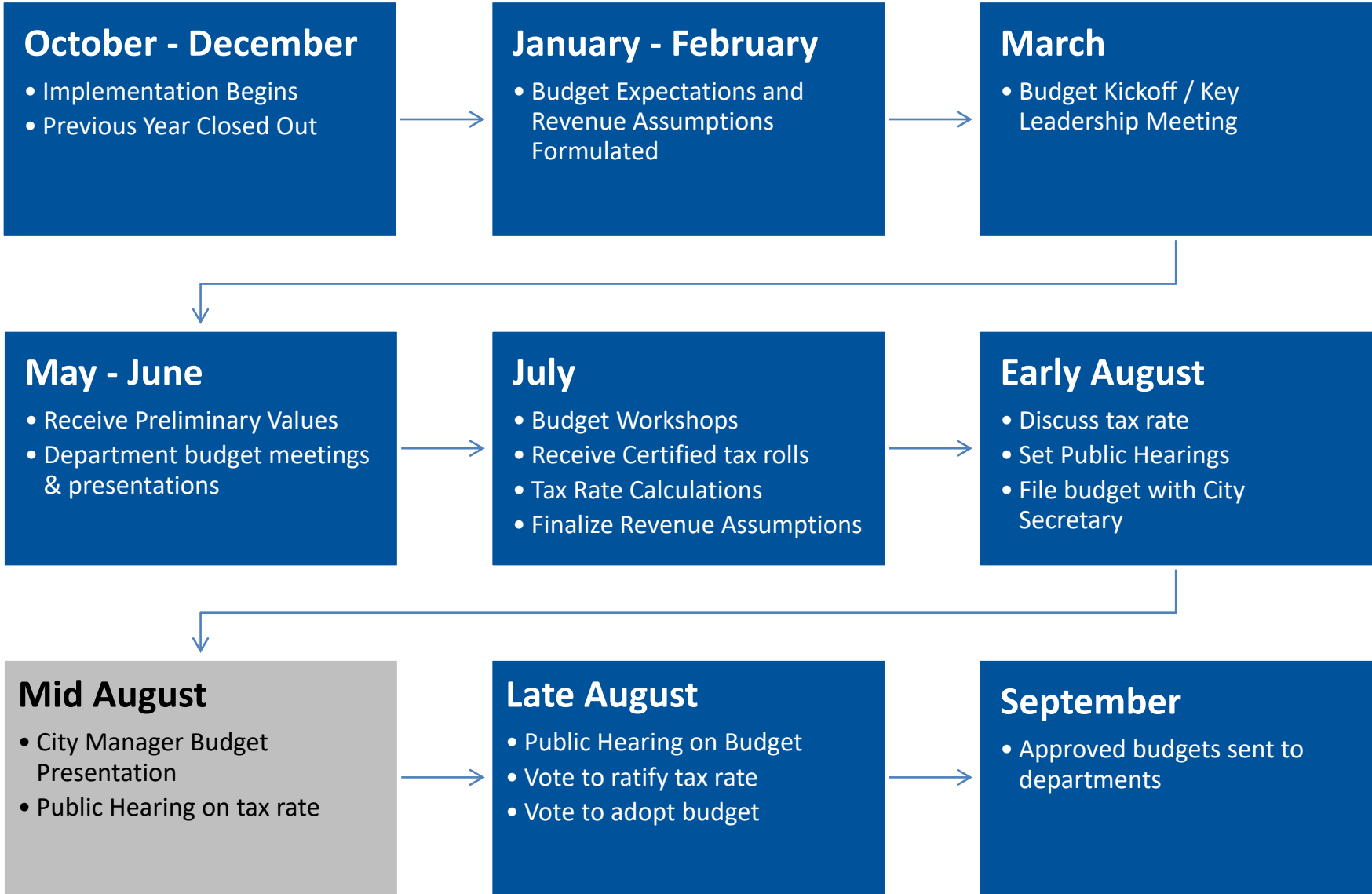


RICHARDSON

TEXAS



BUDGET DEVELOPMENT PROCESS



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

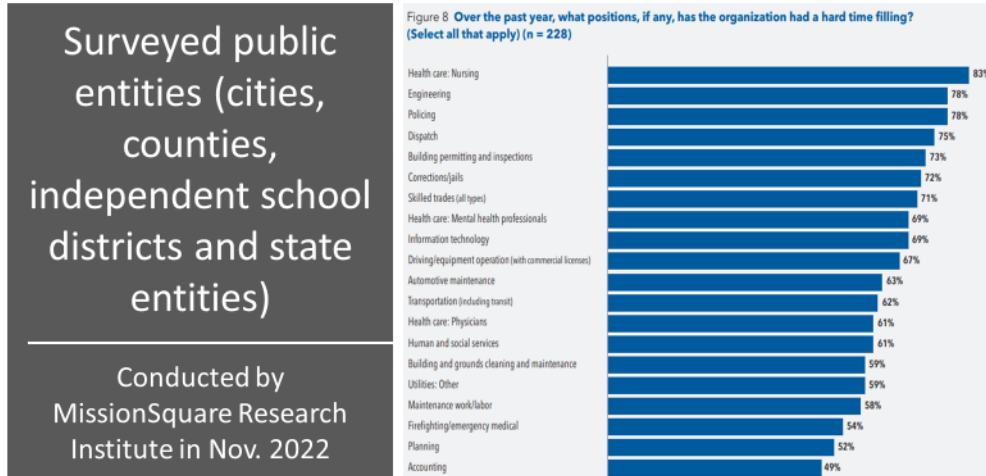
Description	FY2019 Actual	FY2023 Projection	% Change
Tahoe (Police patrol unit)	\$47,498	\$52,656	10.86%
Pumper Truck (Fire)	\$730,932	\$997,744	36.50%
Ambulance (Fire)	\$221,273	\$306,000	38.29%
Hi-Speed Turf Mower (Parks)	\$105,000	\$165,000	57.14%
1/2 Ton Pick-up	\$21,969	\$40,227	83.11%
Unleaded 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

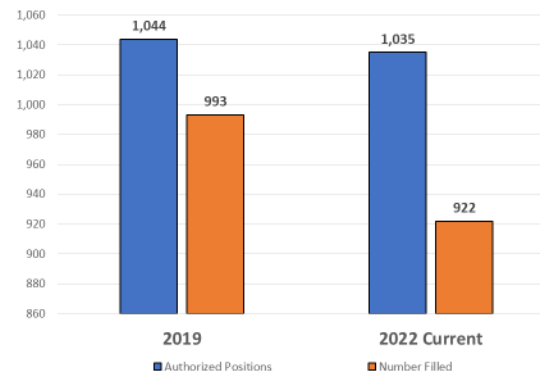
Division	Authorized	Vacancies	Rate
Accounting	14	2	14.29%
Purchasing	5	2	40.00%
Customer Service	15	1	6.67%
Fleet Services	22	5	22.73%
TOTAL	56	10	17.86%

PARKS & RECREATION

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

PRE-PANDEMIC VS. POST-PANDEMIC VACANCIES

CITY-WIDE	2019	2022 Current
Authorized Positions	1,044	1,035
Number Filled	993	922
Number Vacant	51	113
% Vacant	4.9%	10.9%



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 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

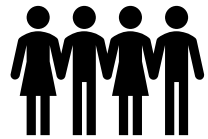
Further implementation of legacy software systems

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

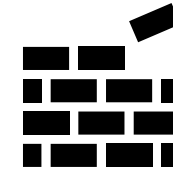
FY 2022-2023 KEY BUDGET FOCUS AREAS



Recruitment
and Retention



Public Safety




Infrastructure

COMPETITIVE N. TEXAS JOB MARKET

City of Garland
5,101 followers
4d • 🌐

Today is the **LAST** day to submit your application for Police ...see more



LAST DAY TO APPLY!

Like Comment Share

City of Allen
4,620 followers
2d • Edited • 🌐

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
1h • 🌐

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
42,263 followers
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REMINDER: Onsite interviews are conducted every Wednesday with same day job offers to eligible candidates ...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
1w • 🌐

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
42,263 followers
2d • 🌐

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

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	MAXIMUM	MAXIMUM
		Pay Below Rank #4	Pay Below Rank #4	Pay Below Rank #4	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	MAXIMUM	MAXIMUM
		Pay Below Rank #4	Pay Below Rank #4	Pay Below Rank #4	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	MAXIMUM	MAXIMUM
	Pay Below Rank #4	Pay Below Rank #4	Pay Below Rank #4	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



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

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

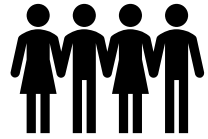
Living Wage increase for full-time and part-time - \$520,093

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

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

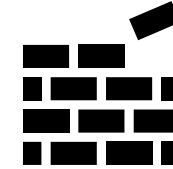
FY 2022-2023 KEY BUDGET FOCUS AREAS



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

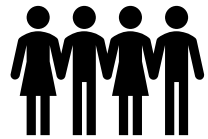
An additional \$3.13 million in operating funds dedicated to RFD FY23 compared to FY22

- 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

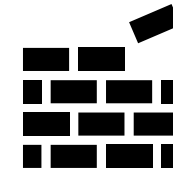
FY 2022-2023 KEY BUDGET FOCUS AREAS



Recruitment
and Retention



Public Safety



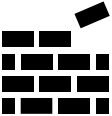


Infrastructure

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

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

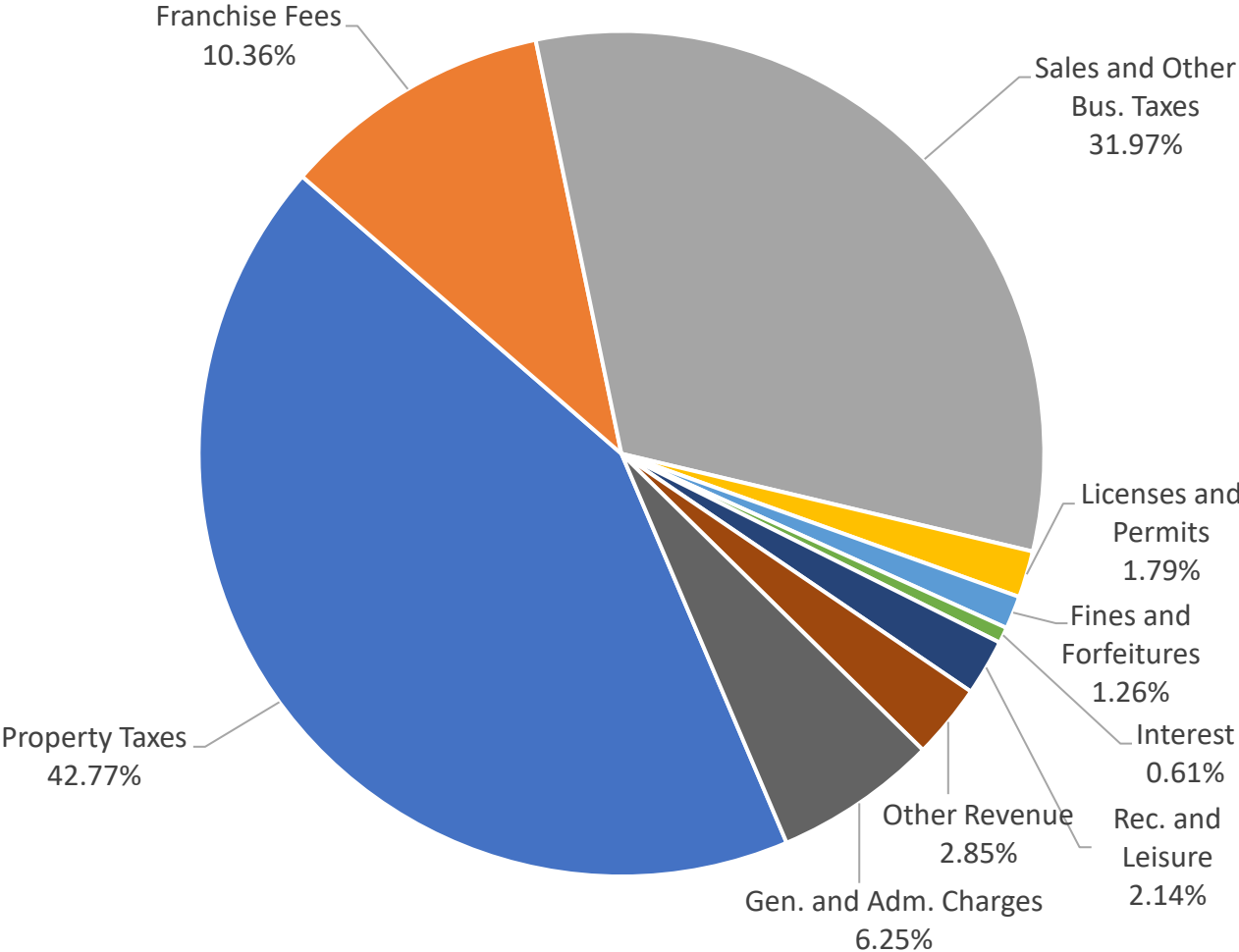


GENERAL FUND REVENUES

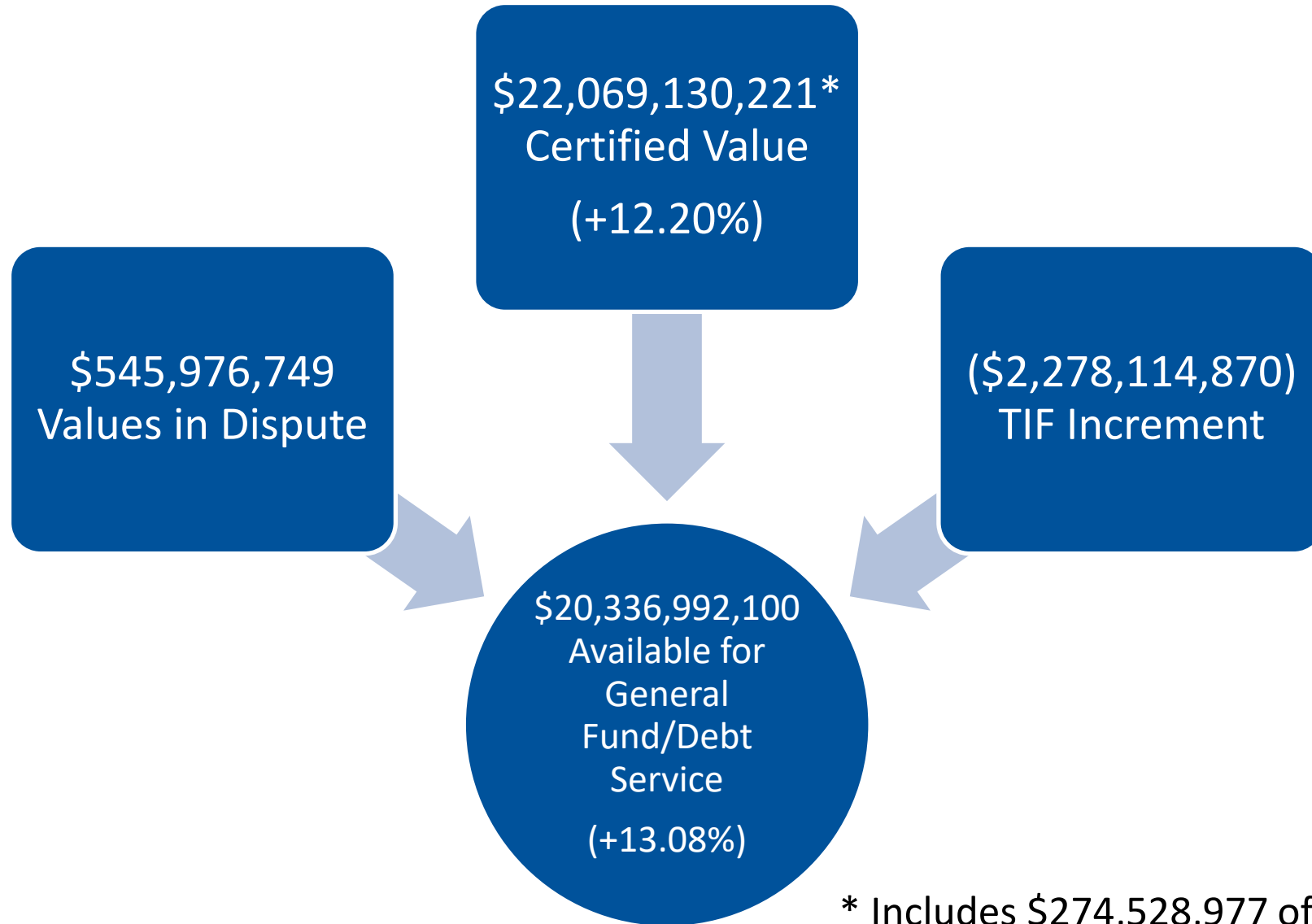
FY 2022-2023 PROJECTED REVENUES \$164,218,143

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



* Includes \$274,528,977 of "New Construction"

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

Current Tax Rate	No New Revenue Rate	Voter Approval Rate	Adjusted Voter Approval Rate*
<ul style="list-style-type: none">• \$0.37721 M&O• <u>\$0.23795 Debt</u>• \$0.61516 Total	<ul style="list-style-type: none">• \$0.33156 M&O• <u>\$0.20661 Debt</u>• \$0.53817 Total	<ul style="list-style-type: none">• \$0.34316 M&O• <u>\$0.21779 Debt</u>• \$0.56095 Total	<ul style="list-style-type: none">• \$0.39156 M&O• <u>\$0.21779 Debt</u>• \$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 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%

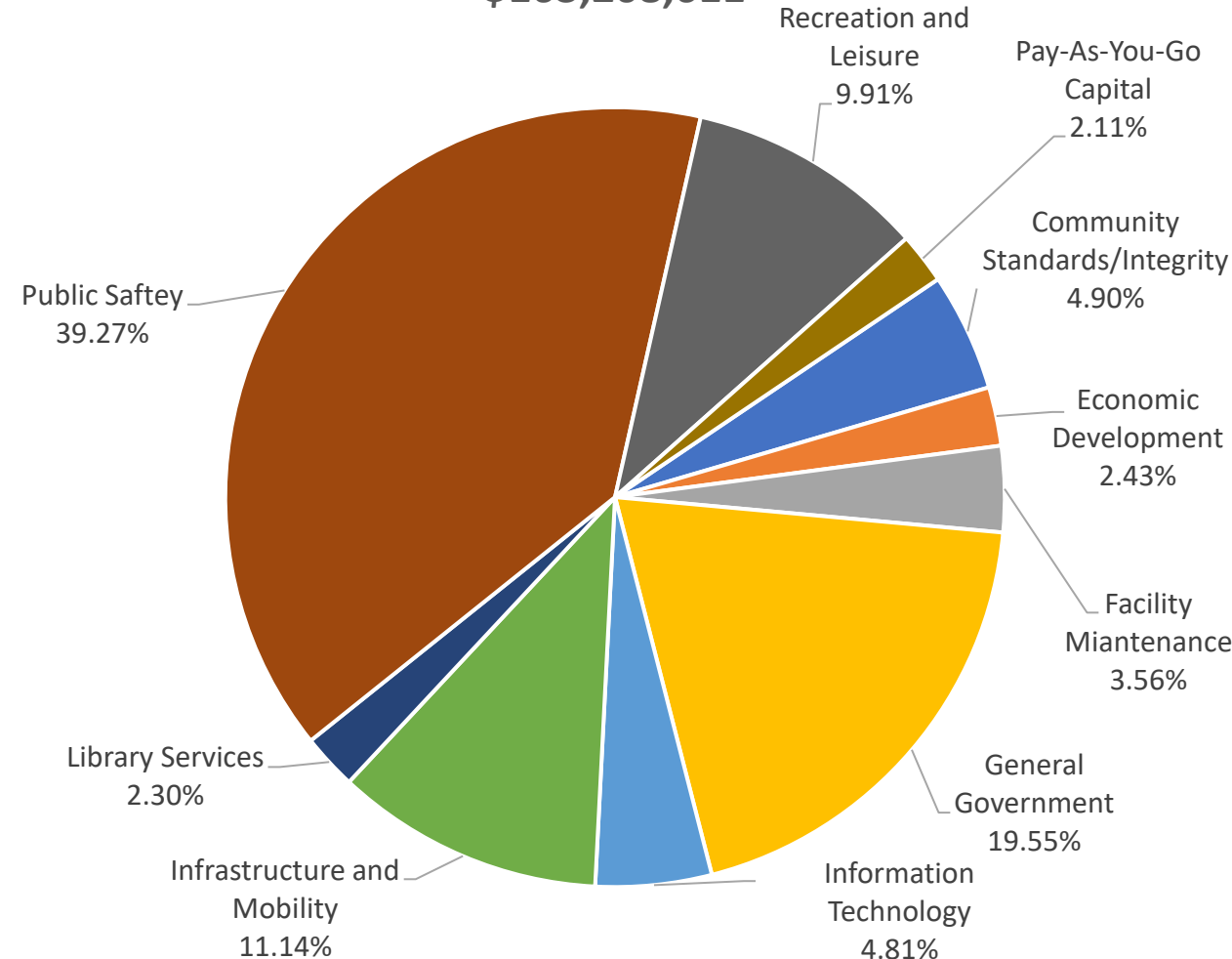
Entity	Tax Rate	Amount	% of Total
City of Richardson	\$0.560950	\$1,829	29.2%
Plano ISD	\$1.279350	\$3,661	58.4%
Collin County	\$0.168087	\$521	8.3%
Collin College	\$0.081220	\$261	4.1%
Total	\$2.089607	\$6,272	100.0%

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



OTHER OPERATING FUND HIGHLIGHTS



WATER & SEWER FUND HIGHLIGHTS

FY 2022-2023 Projected Revenues \$97,780,288 | FY 2022-2023 Projected Expenditures \$95,259,125

- 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
- Fund pays a 5% franchise fee to the General Fund based on the revenue from the sale of water and for sewer services
 - For the use of City rights-of-ways such as streets, alleys and medians
 - Helps cover the maintenance and repair of those rights-of-ways
 - Consistent with best practices and with how the City calculates franchise fees for other utility providers
 - Electric: 4% of gross receipts plus \$0.002738 per kilowatt hour
 - Gas and Cable/Video: 5% of gross receipts
- Maintains fund balance at 90 days

SOLID WASTE SERVICES FUND HIGHLIGHTS

FY 2022-2023 Projected Revenues \$17,762,534 | FY 2022-2023 Projected Expenditures \$17,460,040

- 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
- Fund pays a 5% franchise fee to the General Fund based on residential and commercial solid waste revenues
 - For the use of City rights-of-ways such as streets, alleys and medians
 - Helps cover the maintenance and repair of those rights-of-ways
 - Consistent with best practices and with how the City calculates franchise fees for other utility providers
 - Electric: 4% of gross receipts plus \$0.002738 per kilowatt hour
 - Gas and Cable/Video: 5% of gross receipts
- Maintains fund balance goal of 90 days

GOLF FUND HIGHLIGHTS

FY 2022-2023 Projected Revenues \$2,825,595 | FY 2022-2023 Projected Expenditures \$2,831,365

- 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 HIGHLIGHTS

FY 2022-2023 Projected Revenues \$5,535,206 | FY 2022-2023 Projected Expenditures \$5,476,043

- 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

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

CAPITAL AND DEBT PLANNING



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%

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 29th:

- Public Hearing on Budget
- Budget Adoption



September 26th:

- Public Hearing on Drainage Fee



RICHARDSON

T E X A S



RICHARDSON

TEXAS

PUBLIC HEARING

CONSIDER CHANGING RETIREMENT ELIGIBILITY FROM
25 YEARS OF SERVICE TO 20 YEARS OF SERVICE

AUGUST 22, 2022



TEXAS MUNICIPAL RETIREMENT SYSTEM

- The Texas Municipal Retirement System (“TMRS”) is a statewide retirement system that cities may elect to join.
 - There are 902 participating cities across Texas and Richardson joined TMRS in 1959.
- Each city chooses from a set of benefit options, and has its own reported assets, liabilities and funded ratio.
- Plan assets are pooled for investment purposes and TMRS administers all investment activities, benefits administration and member services.
- TMRS is a hybrid cash-balance defined benefit plan rather than a traditional formula-based defined benefit plan.
 - Benefits are based on the participant’s account balance at retirement, not earnings or salary.

20-YEAR RETIREMENT ELIGIBILITY

- Richardson is one of only 122 cities (out of 902) that require 25 years of service for retirement eligibility.
- Richardson is the largest employer in the state that still maintains the 25-year requirement.
 - Wichita Falls (pop. 102,316) and Farmers Branch (pop. 35,991) are the next two largest employers in the state with the 25-year requirement.
- Since retirement is based on the participant's account balance, most employees wait until they have at least 25 years of service before retiring.
- Public Safety staff would benefit from the additional flexibility for 20-year eligibility given the nature of their jobs
- Adopting this benefit will assist in recruitment efforts (lateral transfer programs)

ACTUARIAL ANALYSIS & IMPACTS

- TMRS conducted an actuarial analysis and this benefit change will have minimal impacts:
 - Unfunded Actuarial Liability increases from \$44.2 million to \$46.9 million
 - Funded Ratio decreases from 92.8% to 92.4%.
 - Fiscal Year 2022-2023 cost to implement is \$479,465
- Recent turnover and historic vacancy levels make this benefit enhancement possible as part of this year's budget process.

NEXT STEPS

- Conduct tonight's public hearing
- An Ordinance will be included on the August 29, 2022 Council Agenda for consideration