

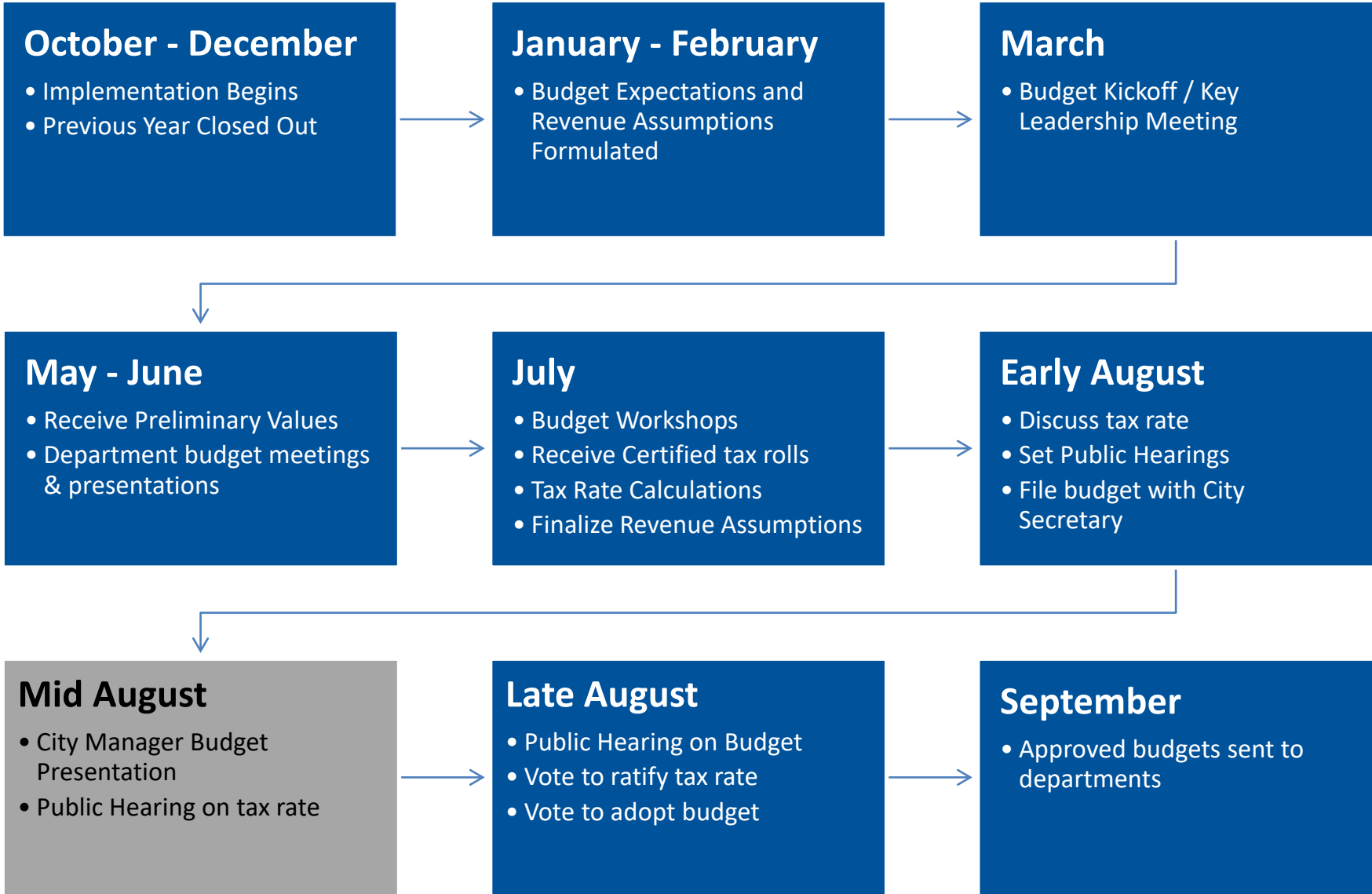
# BUDGET PRESENTATION

FY 2023-2024 BUDGET

AUGUST 14, 2023



# BUDGET DEVELOPMENT PROCESS



# FY 2023-2024 BUDGET DEVELOPMENT PROCESS – IMPORTANT DATES

- **June 5, 2023:**
  - North Texas Municipal Water District (NTMWD) Annual Report
  - Water and Wastewater Council Briefing
- **June 19, 2023:**
  - Dallas Area Rapid Transit (DART) Annual Report
  - Transportation and Mobility Council Briefing
- **July 10, 2023:**
  - Streets and Alleys Council Briefing
  - Facilities and Fleet Council Briefing
- **July 17, 2023:**
  - Parks Maintenance Council Briefing
  - Information Technology Council Briefing
  - Drainage Program Council Briefing
- **July 24-25, 2023:**
  - Budget Workshop
- **August 7, 2023:**
  - Tax Rate Briefing

Briefings can be found at: [www.cor.net/government/boards-commissions-meetings/city-council/city-council-regular-meeting-documents](http://www.cor.net/government/boards-commissions-meetings/city-council/city-council-regular-meeting-documents)

# FY 2023-2024 BUDGET PRESENTATION OVERVIEW

- Factors Impacting Budget Development
- Key Budget Focus Areas
  - Employee Recruitment and Retention
  - Public Safety
  - Infrastructure
- General Fund Highlights
  - Property Tax Rate Recommendation
- Other Fund Highlights
- Capital and Debt Planning
- Total Operating Budget
- Final Thoughts



# FACTORS IMPACTING BUDGET DEVELOPMENT



# ECONOMIC AND OTHER FACTORS



## RISING INTEREST RATES

Higher borrowing costs for families and businesses, as well as for local governments and school districts, has limited spending and investment and cooled the housing market.



## CONSUMER BEHAVIOR

Consumer confidence continues to decline, resulting in lower spending habits.



## INFLATION

The cost of capital projects and routine service delivery has increased significantly over the last 24 months.



## GLOBAL SUPPLY CHAIN

Manufacturing continues to be impacted by global events, as well as by material and labor shortages in certain sectors.



## RECRUITMENT & RETENTION

Demand for workers has recovered, but the number of willing workers has not.

# LOCAL IMPACTS – RISING INTEREST RATES

Type of Rate	July 2021	July 2022	July 2023	Two-Year Change
90-Day T-Bill	0.05%	2.51%	5.49%	10,880.00%
30-Year Treasury	1.88%	3.17%	3.91%	107.98%
30-Year Mortgage	2.78%	5.54%	6.78%	143.88%
20-Year GO (City)*	1.58%	3.37%	3.68%	132.91%

\* As of Spring Issuance

- Rising interest rates have made the cost of borrowing more expensive for households, businesses and the City
- This could result in negative future impacts to spending (sales tax), reinvestment (property tax growth) or the cost of financing the bond program.



# LOCAL IMPACTS – INFLATION

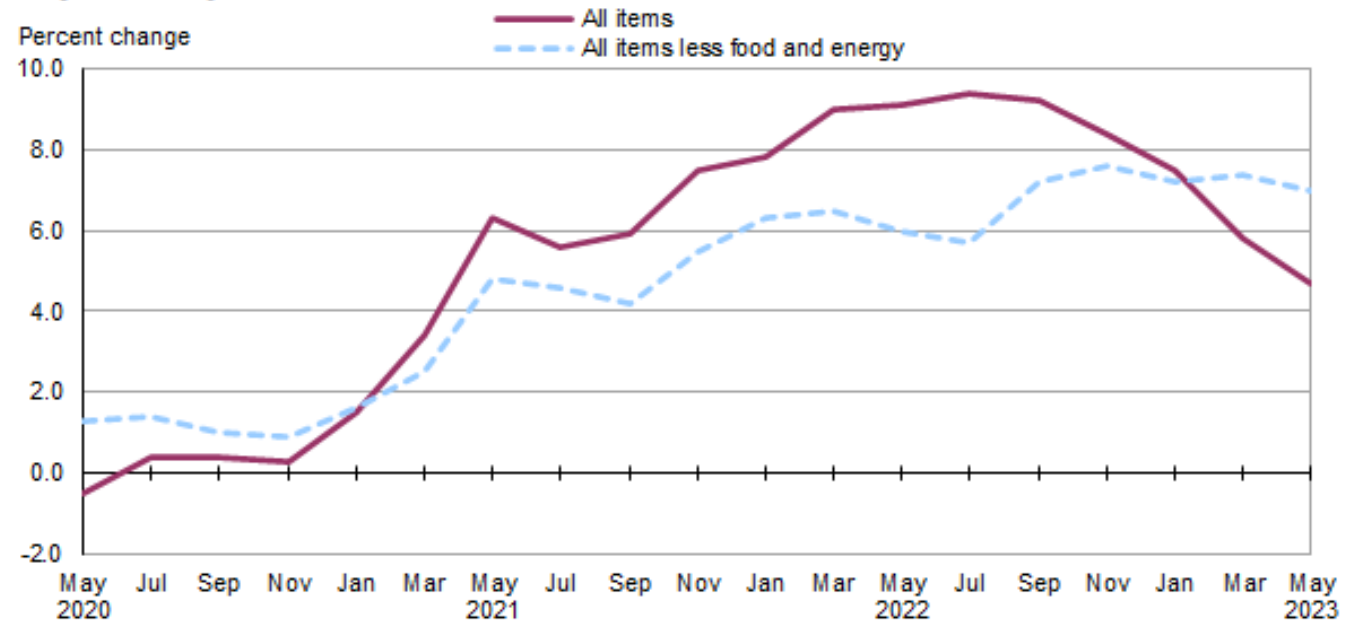
## Consumer Price Index, Dallas-Fort Worth-Arlington area – May 2023

Area prices advanced 0.8 percent in April and May, largely due to an increase in the indexes for owners' equivalent rent of residences and used cars and trucks

- Over the last 12 months, the CPI-U advanced 4.7 percent
- The index for all items less food and energy rose 7.0 percent, and food prices increased 8.2 percent over the year
- Energy prices fell 17.5 percent, largely due to declining prices for gasoline

The **Consumer Price Index (CPI)** is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Chart 1. Over-the-year percent change in CPI-U, Dallas-Fort Worth-Arlington, TX, May 2020–May 2023



Source: U.S. Bureau of Labor Statistics.



# LOCAL IMPACTS – INFLATION

	FY2023	FY2024	Amount of Change	% of Change
PPE - Fire	\$3,234	\$4,089	\$855	26.44%
1/2 Ton Pick-Up Truck	\$40,227	\$49,987	\$9,760	24.26%
Zero-Turn Mower	\$18,400	\$21,000	\$2,600	14.13%
Sidewalk Replacement (per square foot)	\$9	\$10	\$1	6.67%
2" Asphalt Overlay (per ton)	\$165	\$177	\$12	7.50%
8" Concrete Pavement (per square yard)	\$110	\$118	\$8	7.50%
9" Concrete Pavement (per square yard)	\$120	\$129	\$9	7.50%
Barrier Free Ramps (each)	\$2,500	\$2,687	\$187	7.48%
8" Water Main (per linear foot)	\$100	\$108	\$8	8.00%
Electric Service Calls - Outside Repair	\$1,041	\$1,250	\$209	20.08%
Lock and Gate Service Calls - Outside Repair	\$812	\$1,200	\$388	47.78%
Plumbing Service Calls - Outside Repair	\$836	\$900	\$64	7.66%
Traffic Control Cabinet	\$18,130	\$19,600	\$1,470	8.11%
Traffic Signal Controller	\$2,860	\$3,300	\$440	15.38%
Day Labor (per hour)	\$21.29	\$24.95	\$3.66	17.19%
Insurance - Buildings	\$400,707	\$603,923	\$203,216	50.71%

# LOCAL IMPACTS – LABOR SHORTAGES

**Departments struggle to fill ranks across county:  
Police agencies are desperate to hire but say few  
want the job**

[Dallas Morning News](#) (June 8, 2023)

**Inflation spurs push on minimum wage**

[Associated Press](#) (April 20, 2023)

**Hey, Budding Accountants: Governments Need You – A  
shortage of accountants and auditors has left dozens of  
municipalities without credit ratings...**

[www.governing.com](#) (June 6, 2023)

**Competition for Teen workers is increasing in  
tight labor markets, and so is their pay**

[Dallas Business Journal](#) (June 8, 2023)

**56% of workers seeking new job, survey says -  
On their list: higher pay, more flexible hours,  
working remotely**

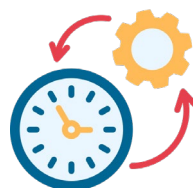
[Bankrate.com](#) (April 4, 2023)

**Labor market turnover persists: More Gen Z  
workers likely to change jobs this year**


[Associated Press](#) (May 13, 2023)

# LOCAL IMPACTS – OVERCOMING LABOR SHORTAGES


TIGHT LABOR MARKETS EQUATE TO RISING WAGES. EMPLOYEES ARE ALSO RE-EVALUATING THEIR NEEDS AND DESIRES, WHICH REQUIRES EMPLOYERS TO BE MORE CREATIVE WHEN HIRING AND RETAINING TALENT.



**57%** - Offering more flexibility about **WHEN** (part-time, flexible hours) and **WHERE** (location, hybrid, remote)




**33%** - Increasing wages across multiple fields




**33%** - Looking at new talent pools (mature workers, etc.)



**26%** - Offering joining bonuses



**24%** - Prioritizing automation for select tasks/processes



**18%** - Reducing qualification requirements

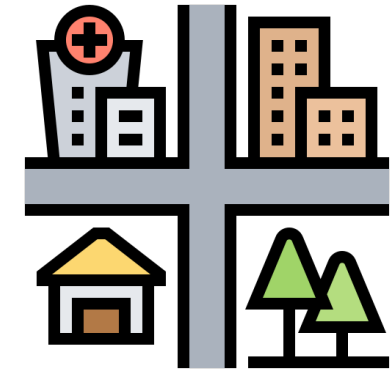
# FY 2023-2024 KEY BUDGET FOCUS AREAS



Recruitment and Retention



Public Safety



Infrastructure

# FY 2023-2024 KEY BUDGET FOCUS AREAS



**Recruitment and  
Retention**



Public Safety



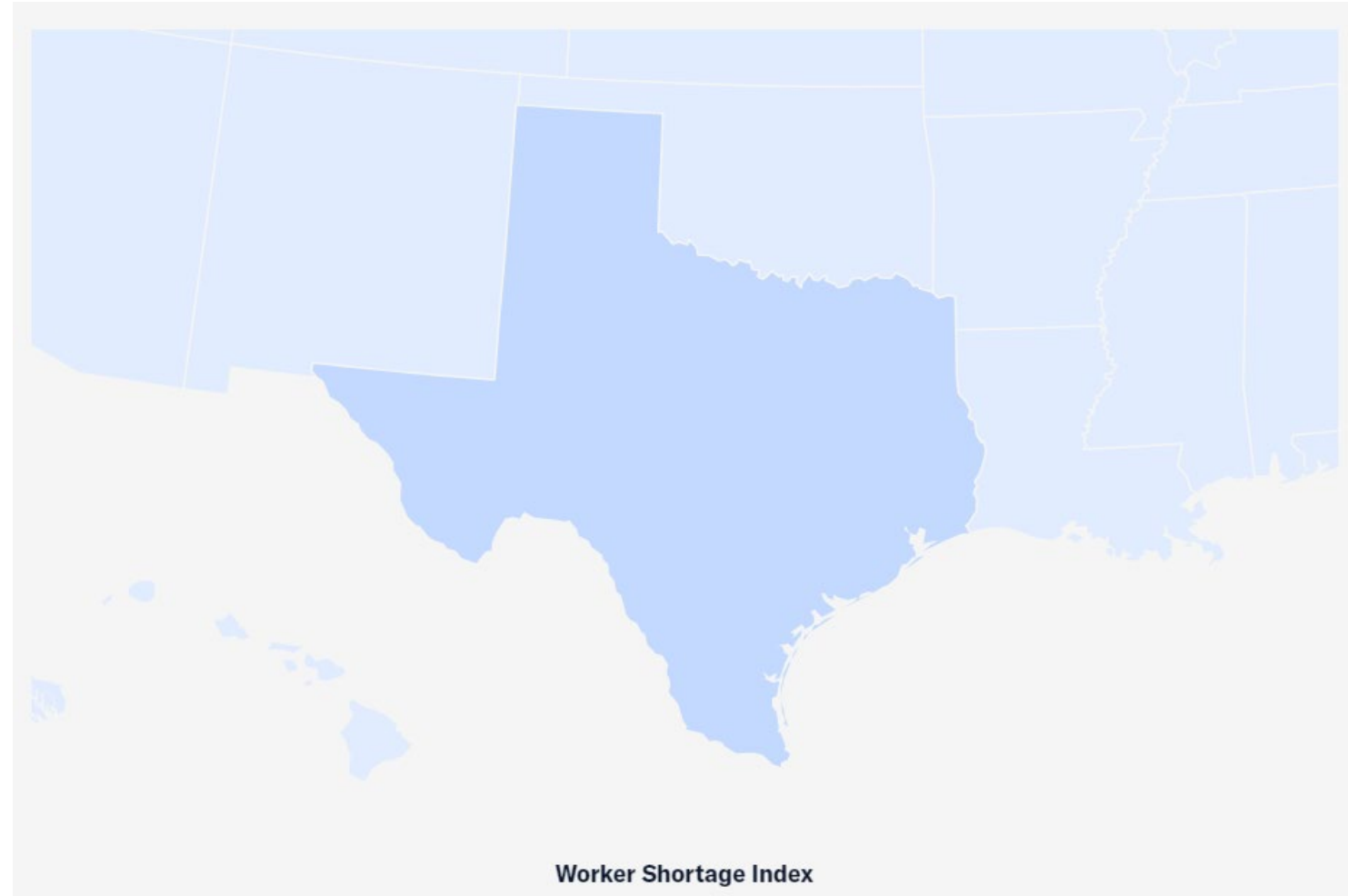
Infrastructure

# WORKER SHORTAGE INDEX

Texas has 91  
available workers for  
every 100 open jobs

Per U.S. Chamber of Commerce  
May 2, 2023

<https://www.uschamber.com/workforce/the-states-suffering-most-from-the-labor-shortage?state=tx>






# COMPETITIVE N. TEXAS JOB MARKET

**City of Allen**  
5,840 followers  
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Join the City of Allen's Park and Recreation Department ...see more

**NOW HIRING!  
RECREATION PROGRAMMER**



**CITY OF ALLEN** To apply and see all openings, visit [cityofallen.org/careers](http://cityofallen.org/careers)

**City of Carrollton**  
4,586 followers  
4d · 🌐

We're **#hiring** a new Purchasing Manager in Carrollton, Texas. Apply today or share this post with your network.

**Purchasing Manager**  
Job by City of Carrollton  
Carrollton, Texas, United States (On-site)

 4 connections work here


[View job](#)

**City of Plano**  
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Do you have a heart for serving others? Make your next career move at the City of Plano. We're looking for a Police Officer Exam Application - Plano Location to join our team. Apply today! <https://bit.ly/3ruy7Xf> #PlanoCareers

**LAUNCH YOUR CAREER**  
plano.gov/jobs

**Police Officer Exam Application - Plano Location in Plano, TX**  
app.careerarc.com · 1 min read



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Join our team and make a difference in the Celina community! ...see more

**JOIN OUR TEAM**  
celina-tx.gov/careers



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The City of Coppell is looking for a transformational leader ...see more

**WE ARE HIRING**  
COZBY LIBRARY AND COMMUNITY COMMONS  
**MANAGER**



**City of Plano**  
15,550 followers  
3d · Edited · 🌐

The City of Plano has a diversity of job types. We're looking for a Public Works Maintenance Worker I to join our team. Is it you? <https://bit.ly/43qNuNK> #PlanoCareers #PublicWorks

**LAUNCH YOUR CAREER**  
plano.gov/jobs

**Public Works Maintenance Worker I in Plano, TX**  
app.careerarc.com · 1 min read



**City of Garland**  
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Now accepting applications for Police Officer! ...see more

**JOIN OUR TEAM** **\$10,000**  
Sign On Bonus for Lateral Officers

**GARLAND POLICE DEPARTMENT**  
Salary ranges from \$72,144 - \$96,854 (effective 1/1/2023) Depending on experience

**REQUIREMENTS**  
Age 21-44 and one of the following:  
• 60 semester hours of credit from an accredited college or university  
• Two years active duty in the United States military with an honorable discharge, plus a high school diploma or GED  
• Two years of service as a full-time paid peace officer plus a high school diploma or GED  
• At least two years of continuous work experience for a local, state or federal government employer, or at least two years of experience as an emergency first responder  
Note: Applicants ages 18-20 see GarlandPolice.com for details.  
For more information contact 972-266-2058 or GPDRecruiting@GarlandTX.gov.


**GARLANDPOLICE.COM**



**City of Garland**  
6,314 followers  
2d · Edited · 🌐

Applications are now open to become a Garland Firefighter! ...see more

**We take care of you.**



**City of Plano**  
15,550 followers  
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We're hiring! Click to apply: Treasury Analyst I or Treasury Analyst II - <https://bit.ly/3DkQ8d8> #PlanoCareers

**NOW HIRING!**  
plano.gov/jobs

**Treasury Analyst I or Treasury Analyst II in Plano, TX**  
app.careerarc.com · 1 min read



**Dallas Police Department Recruiting**  
Sponsored · 🌐

The Dallas Police Department is thrilled to announce our upcoming hiring event for our pro... See more

**EXPEDITED PROFESSIONAL STAFF HIRING EVENT**  
Job Positions:

- 911 Call Taker
- Police Dispatcher
- Police Report Representative
- Communications Supervisor
- Dispatch Instructor
- Additional Professional Staff Positions

**5 August 2025** **9 AM - 2 PM**  
Dallas Police Headquarters  
1400 Botham Jean Blvd., Dallas, TX 75215  
Please view our website for additional open positions

**DALLAS POLICE DEPARTMENT**  
DALLASPOLICE.NET/JOIN-DPD





# STRATEGIES IMPLEMENTED TO RECRUIT & RETAIN TALENT

- Market adjustments for various classifications (for Police, Fire, General employees) (2022 & 2023)
  - Salary ranges adjusted based on wages of competitors and/or because difficult to fill positions (2022 & 2023)
- “Living Wage” Adjustment to \$17.82/hour for FT positions (based on MIT study of Dallas County – 2022 & 2023)
- Alleviated significant salary compression issues for some difficult to fill positions (in 2022)
- Increased auto allowances for positions that drive significant miles to fulfill duties (2022 & 2023)
- Adjusted vacation leave accruals for new hire employees (in 2022)
- Parks Department paid/reimbursed for lifeguard certification training

- Telecommuting Policy (with approval of director) (in 2022)
- Ability to work 4–10-hour days (with approval of director) (in 2022)
- No increase in medical insurance premiums
  - Increased City contribution for employee’s Health Savings Account
- Lateral Entry program for Fire and Police (since 2022)
- Increased recruitment and referral incentives for difficult to fill positions (2022 & 2023)
- Various job fairs and “hiring-on-the-spot” process for seasonal employees (2022 & 2023)
- Departments pay for the cost for employee training and testing for CDLs (2022 & 2023)

# PUBLIC SAFETY PAY SURVEY COMPARISONS

P O L I C E	JOB TITLE	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4
	Police Officer	5 of 13	-1.19%	11 of 13	-2.11%
	Police Sergeant	9 of 13	-3.80%	11 of 13	-5.83%
	Police Lieutenant	7 of 12	-2.38%	9 of 12	-2.11%
	Police Captain	6 of 10	-3.30%	6 of 10	-2.64%

F I R E	JOB TITLE	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4
	Firefighter	7 of 13	-4.90%	9 of 13	-3.23%
	Driver/Engineer	9 of 13	-2.95%	4 of 13	-
	Fire Captain	10 of 13	-6.17%	11 of 13	-3.53%
	Fire Battalion Chief	9 of 13	-4.43%	10 of 13	-1.98%

As of May 2023

# GENERAL EMPLOYEE PAY SURVEY COMPARISONS

JOB TITLE	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4
Custodian	2 of 13	-	5 of 13	-1.1%
Water System Operator	6 of 12	-2.4%	6 of 12	-4.1%
Fleet Technician II	6 of 11	-6.9%	7 of 11	-9.8%
Heavy Equipment Operator	2 of 10	-	10 of 10	-5.9%
Light Equipment Operator	6 of 10	-1.8%	9 of 10	-9.5%
Driver/Loader	4 of 7	-	6 of 7	-5.8%
Solid Waste Loader	3 of 5	-	5 of 5	-2.1%
Street Supervisor	6 of 13	-4.9%	8 of 13	-12.8%
Maintenance Helper I	4 of 12	-	9 of 12	-4.5%
Maintenance Helper II	2 of 13	-	10 of 13	-9.4%
Traffic Signal II	7 of 13	-	3 of 13	-1.8%
Senior Maintenance Tech	6 of 8	-9.3%	5 of 8	-9.5%
Construction Inspector II	6 of 12	-4.7%	9 of 12	-11.4%
Construction Inspector III	8 of 9	-13.1%	8 of 9	-10.5%
911 Dispatcher	7 of 12	-3.5%	6 of 12	-3.2%

# LIVING WAGE CALCULATION

## DALLAS COUNTY, TEXAS

	1 ADULT			
	0 Children	1 Child	2 Children	3 Children
Living Wage	\$18.24	\$35.74	\$45.15	\$58.80
Poverty Wage	\$6.53	\$8.80	\$11.07	\$13.34
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25

The living wage shown is the hourly rate that an **individual** in a household must earn to support his or herself and their family. The assumption is the sole provider is working full-time (2080 hours per year).

Source: MIT Living Wage Calculator

## CITY EMPLOYEES

7.4% of full-time job titles fall below 2023 living wage

- 97 full-time employees

39% of permanent part-time job titles fall below 2023 living wage

- 131 part-time employees



# SUMMARY OF RECOMMENDED COMPENSATION ADJUSTMENTS



## Sworn Police Personnel:

Merit-Based Market Adjustment: Up to a 6% pay adjustment for up to 270 total positions - \$1,590,109

Scheduled Steps: Steps for up to 169 sworn and 61 civilian positions - \$208,871



## Sworn Fire Personnel:

Merit-Based Market Adjustment: Up to a 6% pay adjustment for up to 175 total positions - \$1,197,281

Scheduled Steps: Steps for up to 179 sworn positions - \$222,276



## General Employees:

Merit-Based Market Adjustment: Up to a 6% pay adjustment for general employees - \$2,566,850

Living Wage increase for full-time and part-time - \$306,711

- The 6% Pay Plan adjustment puts the minimum hourly wage for full-time and permanent part-time positions at \$18.89, or \$0.65 above the Living Wage of \$18.24

Total recommended Pay Plan Adjustments - \$6,092,098

# PUBLIC SAFETY PAY SURVEY COMPARISONS (AFTER ADD 6%)

P O L I C E	JOB TITLE	Rank at MINIMUM	% COR MINIMUM Pay <u>BELOW</u> Rank #4	% COR MINIMUM Pay <u>ABOVE</u> Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay <u>BELOW</u> Rank #4	% COR MAXIMUM Pay <u>ABOVE</u> Rank #4
	Police Officer	2 of 13	0%	+2.7%	3 of 13	0%	+3.7%
	Police Sergeant	2 of 13	0%	+3.1%	4 of 13	0%	-
	Police Lieutenant	2 of 12	0%	+2.2%	2 of 12	0%	+2.5%
	Police Captain	1 of 10	0%	+2.5%	2 of 10	0%	+3.1%

F I R E	JOB TITLE	Rank at MINIMUM	% COR MINIMUM Pay <u>BELOW</u> Rank #4	% COR MINIMUM Pay <u>ABOVE</u> Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay <u>BELOW</u> Rank #4	% COR MAXIMUM Pay <u>ABOVE</u> Rank #4
	Firefighter	4 of 13	0%	-	2 of 13	0%	+1.9%
	Driver/Engineer	3 of 13	0%	+2.7%	2 of 13	0%	+4.9%
	Fire Captain	5 of 13	-0.16%	-	4 of 13	0%	-
	Fire Battalion Chief	4 of 13	0%	-	1 of 13	0%	+2.2%

# GENERAL EMPLOYEE PAY SURVEY COMPARISONS (AFTER ADD 6%)

JOB TITLE	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	% COR MINIMUM Pay ABOVE Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4	% COR MAXIMUM Pay ABOVE Rank #4
Custodian	1 of 13	-	+8.9%	3 of 13	-	+3.4%
Water System Operator	2 of 12	-	+3.3%	3 of 12	-	+1.8%
Fleet Technician II	5 of 11	-0.8%	-	5 of 11	-3.6%	-
Heavy Equipment Operator	1 of 13	-	+6.9%	4 of 13	-	-
Light Equipment Operator	3 of 10	-	+2.0%	6 of 10	-3.3%	-
Driver/Loader	3 of 7	-	+5.5%	4 of 7	-	-
Solid Waste Loader	2 of 5	-	+21%	4 of 5	-	-
Street Supervisor	3 of 13	-	+0.5%	6 of 13	-6.4%	-
Maintenance Helper I	3 of 12	-	+2.7%	4 of 12	-	-
Maintenance Helper II	1 of 13	-	+7.9%	6 of 13	-3.2%	-
Traffic Signal Tech II	2 of 13	-	+3.9%	2 of 13	-	+6.4%
Senior Maintenance Tech	5 of 8	-3.1%	-	5 of 8	-3.3%	-
Construction Inspector II	2 of 12	-	+1.2%	6 of 12	-5.1%	-
Construction Inspector III	5 of 9	-6.7%	-	8 of 9	-4.2%	-
911 Dispatcher	4 of 12	-	-	4 of 12	-	-



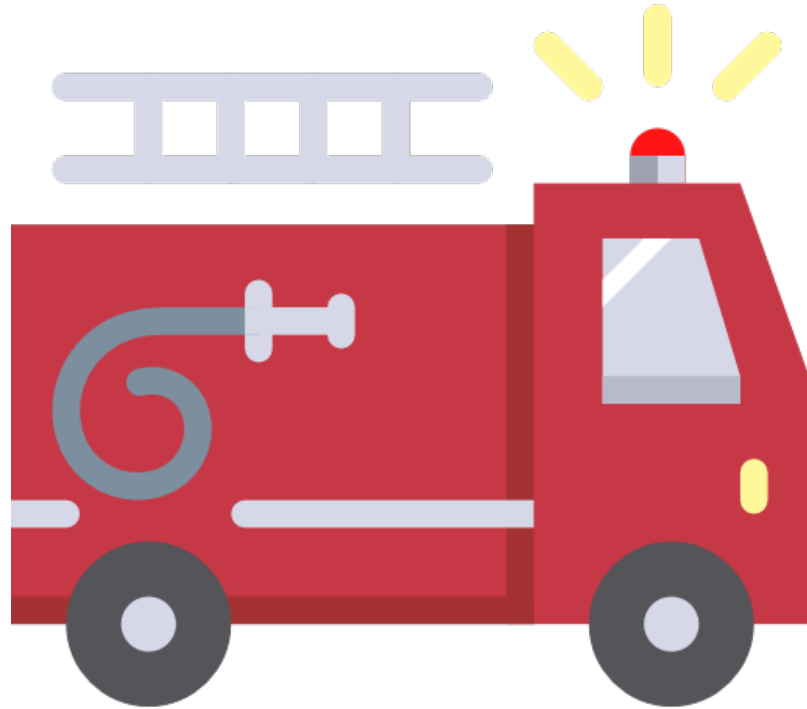
# ADDITIONAL RECRUITMENT AND RETENTION RECOMMENDATIONS

- Increase Longevity pay from \$4 per month to \$8 per month, with no cap on number of years of service
  - Currently, Longevity is paid at a rate of \$4 per month for each full year of service, effective after the first year of employment and is typically paid in November
  - Currently capped at a maximum of 25-years of service
  - FY24 additional cost is estimated to be \$614,631
- Addition of one Floating Holiday
  - Bringing total number of employee holidays to 10 per year and in line with most of our neighboring cities
  - Examples of possible uses include Presidents Day, Ramadan, Good Friday, Juneteenth, Eis al-Adha, Veterans Day, Christmas Eve, and New Years Eve

# FY 2023-2024 KEY BUDGET FOCUS AREAS



Recruitment and Retention



**Public Safety**



Infrastructure

# PUBLIC SAFETY

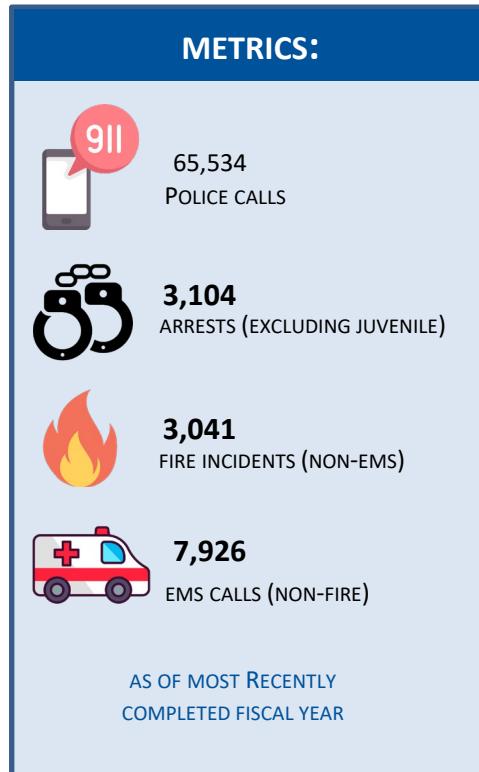
**Total funding increases \$6,338,528 to \$70,435,138**

## Continued Key Investments:

- Police services which are essential to the public's safety and well-being: \$38,491,271
- Full-service emergency response providing fire suppression, advanced emergency medical service, specialized rescue, hazardous materials response, and fire prevention/education to the community: \$31,233,002
- Preparedness and disaster resiliency of the whole community: \$710,865

## Expanded Key Investments:

- Police:
  - Mental and Physical Health Assessments: \$142,829
  - Reclassification of Patrol Officer to Lieutenant: \$29,689
  - Applicant Tracking System: \$24,604
  - Peer Support Training: \$14,050
  - Community engagement initiatives: \$10,000



## Public Safety

Emergency Management

Police

Fire

# PUBLIC SAFETY (CONTINUED)

## Expanded Key Investments:

- Fire:
  - Three additional Fire Fighters for blocking apparatus staffing: \$291,584
  - Six additional Fire Fighters for overtime reduction initiative: \$526,066
  - Two part-time Fire Inspectors for overtime reduction initiative: \$69,643
  - Mental Health Wellness Checks: \$31,900
    - Physical Wellness assessments included in previous base budgets
  - AirData Drone software: \$2,240

## Key Investments funded through the City's Capital Replacement Fund:

- Police:
  - Replacement of fifteen vehicles: \$1,060,576
  - Twenty Flock Safety Cameras: \$80,000
  - Body Worn Cameras for detention personnel: \$39,200
  - Tasers for detention personnel: \$13,141



## Public Safety

Emergency Management

Police

Fire

# PUBLIC SAFETY (CONTINUED)

## Key Investments funded through the City's Capital Replacement Fund (continued):

- Fire:
  - Replacement of Pumper Truck: \$1,227,485 (eight-year debt)
  - Replacement of Ambulance: \$377,851 (eight-year debt)
  - Replacement of two command vehicles: \$152,000
  - New vehicle for Fire Inspectors: \$32,500
  - Paratech High Pressure Rescue Air Bags: \$30,791
  - Additional Water Rescue Dry Suits: \$25,100
  - Replacement of two Swift Water Rescue Boats: \$14,700
  - Forcible Entry Door Prop: \$9,775
  - Cable Rescue Hoist: \$5,108
- Emergency Management:
  - Replacement of Emergency Operations Center security cameras: \$50,085



### Public Safety

Emergency Management

Police

Fire

# FY 2023-2024 KEY BUDGET FOCUS AREAS



Recruitment and Retention



Public Safety



Infrastructure

# INFRASTRUCTURE

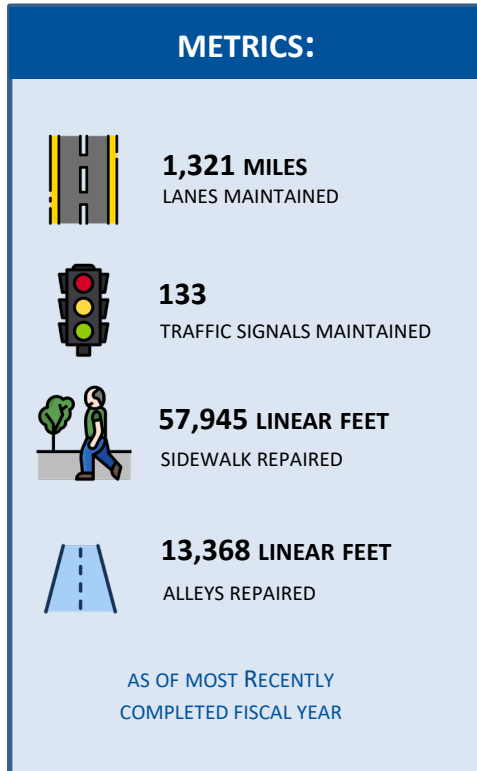
**Total funding increases \$2,984,389 to \$21,172,625**

## Continued Key Investments:

- Screening Walls, Entry Features and Bridges:
  - Repair & Maintenance: \$210,000
  - Wall Washing and Painting Program: \$120,000
- Transportation & Mobility:
  - Inflationary increases for supplies and materials: \$244,702

## Expanded Key Investments:

- Screening Walls, Entry Features and Bridges:
  - Entry Feature Washing and Repair: \$50,000
- Streets:
  - Enhanced Concrete Program (contract): \$100,000



## Infrastructure and Mobility

Engineering - Capital Projects  
Streets  
Transportation and Mobility  
Street and Alley Rehabilitation



# INFRASTRUCTURE (CONTINUED)

## Expanded Key Investments (continued):

- Continued implementation the 2021 GO Bond Program
  - \$67,530,000 for Year 3 in FY23
- Water and Wastewater Maintenance and Capital Projects
  - \$19,700,000 in a combination of debt and cash funding
- Drainage Fee and Drainage Initiatives
  - \$3,246,000 in FY24
- Street and Alley Property Tax Maintenance Initiatives
  - Street dedication of \$5,758,914 or an increase of \$1,105,587
  - Alley dedication of \$1,933,268 or an increase of \$71,937
- Parks Maintenance Initiatives
  - Dedication of \$599,442 or an increase of \$134,109
- Facility Maintenance Initiatives
  - Dedication of \$599,442 or an increase of \$134,109
  - Enhance allocation of \$250,000 for special facilities initiatives

### Infrastructure and Mobility

Engineering - Capital Projects  
Streets  
Transportation and Mobility  
Street and Alley Rehabilitation

# PAY-AS-YOU-GO INITIATIVES SUPPLEMENTS SINCE THE BUDGET WORKSHOP

Indexed Transfers Out	2023-24 WORKSHOP	2023-24 FILING	Variance
Street & Alley Rehab. Fund (Streets)	\$ 4,833,507	\$ 5,758,914	\$ 925,407
Street & Alley Rehab. Fund (Alleys)	1,933,268	1,933,268	-
Facility Maintenance Fund	483,341	599,442	116,101
Parks Maintenance Fund	483,341	599,442	116,101
Economic Development Fund	1,933,364	1,997,766	64,402
Capital Replacement Fund - Equipment	3,576,530	3,695,668	119,138
Capital Replacement Fund - IT	1,450,217	1,498,524	48,307
<b>Total</b>	<u>\$ 14,693,568</u>	<u>\$ 16,083,024</u>	<u>\$ 1,389,456</u>

# INFRASTRUCTURE (CONTINUED)

## Expanded Key Investments (continued):

- Transportation & Mobility:
  - Additional Signs & Markings (5-year cycle): \$233,000
  - Pavement Markings Program for Bike Lanes (5-year cycle): \$175,000
  - Street Lighting Maintenance: \$70,000
  - Enhanced Signal Budget: \$61,200
  - Street Policy: \$25,000
  - New pavement marking & rock breaker tools: \$11,000
  - Active Transportation Plan (ATP) Outreach Materials: \$3,000

## Key Investments funded through the City's Capital Replacement Fund:

- Streets:
  - Replacement of Skid Steer Loader with Concrete Planner: \$130,000
  - Replacement of Cab/Chassis with Platform/LG: \$75,000
  - Replacement of two Cab/Chassis with Dump Body: \$150,000
  - Replacement of ½ ton Extended Cab Pickup Truck: \$50,000
- Transportation & Mobility :
  - Replacement of Cab/Chassis with 35' Aerial: \$120,000
  - Replacement of 1.5-ton Cab/Chassis with Platform Body: \$75,000
  - Replacement of Message Board: \$20,000

# FY 2023-2024 KEY BUDGET FOCUS AREAS SUMMARY

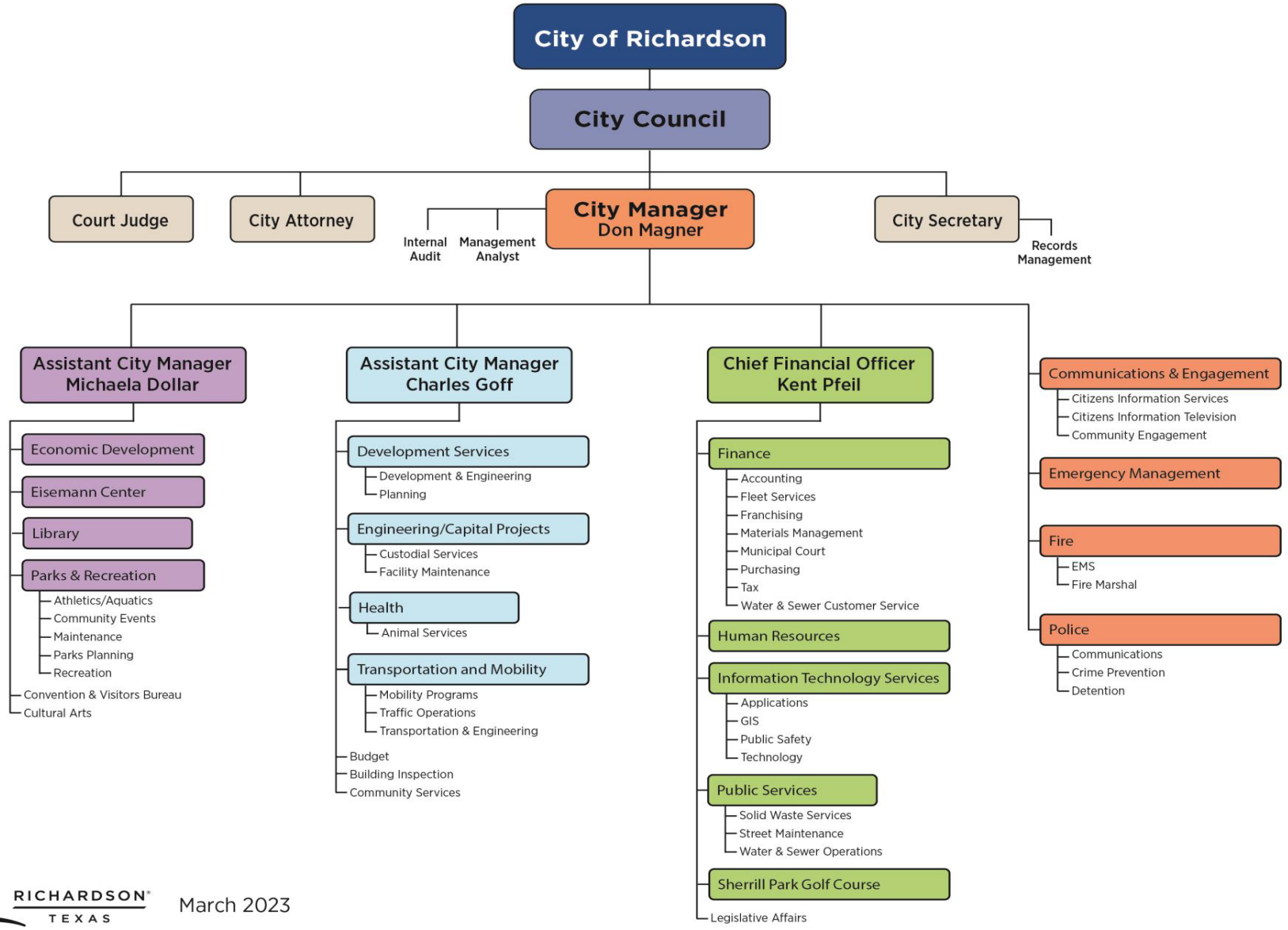


	City Manager's Proposed Budget
FY24 Additional Revenue	\$15.4M
Non-Public Safety - Recruitment and Retention	\$2.3M
Public Safety (including Recruitment and Retention)	\$4.4M
Infrastructure	\$2.4M
Required to Maintain 90 Days of Fund Balance	\$4.0M
Remainder	<b>\$2.3M</b>

# ORGANIZATIONAL CHANGES



# ORGANIZATIONAL AND STAFFING CHANGES



# ORGANIZATIONAL AND STAFFING CHANGES

- **New Facilities and Fleet Department**

- Creation of Facilities Department included in the FY 2022-2023 budget was paused due to City Hall Fire
  - Facility Services and Custodial Services will be broken out from the Engineering Department
  - Fleet Services will be moved out of the Finance Department
- Director of Facilities and Fleet position currently being recruited
- Addition of an Assistant Fleet Manager position

- **Finance Department**

- Strategies to enhance Accounting Division capacity and resiliency
  - Addition of one professional Accounting position with classification to be determined later: \$150,000
  - Additional accounting consulting assistance: \$133,000
  - Addition of one Payroll Specialist position: \$78,000

- **Capital Projects/Engineering**

- Strategies to enhance capital project oversight and recruitment of engineering talent
  - Additional of one professional Engineering position with classification to be determined later and one Engineer in Training: \$250,000

# GENERAL FUND HIGHLIGHTS



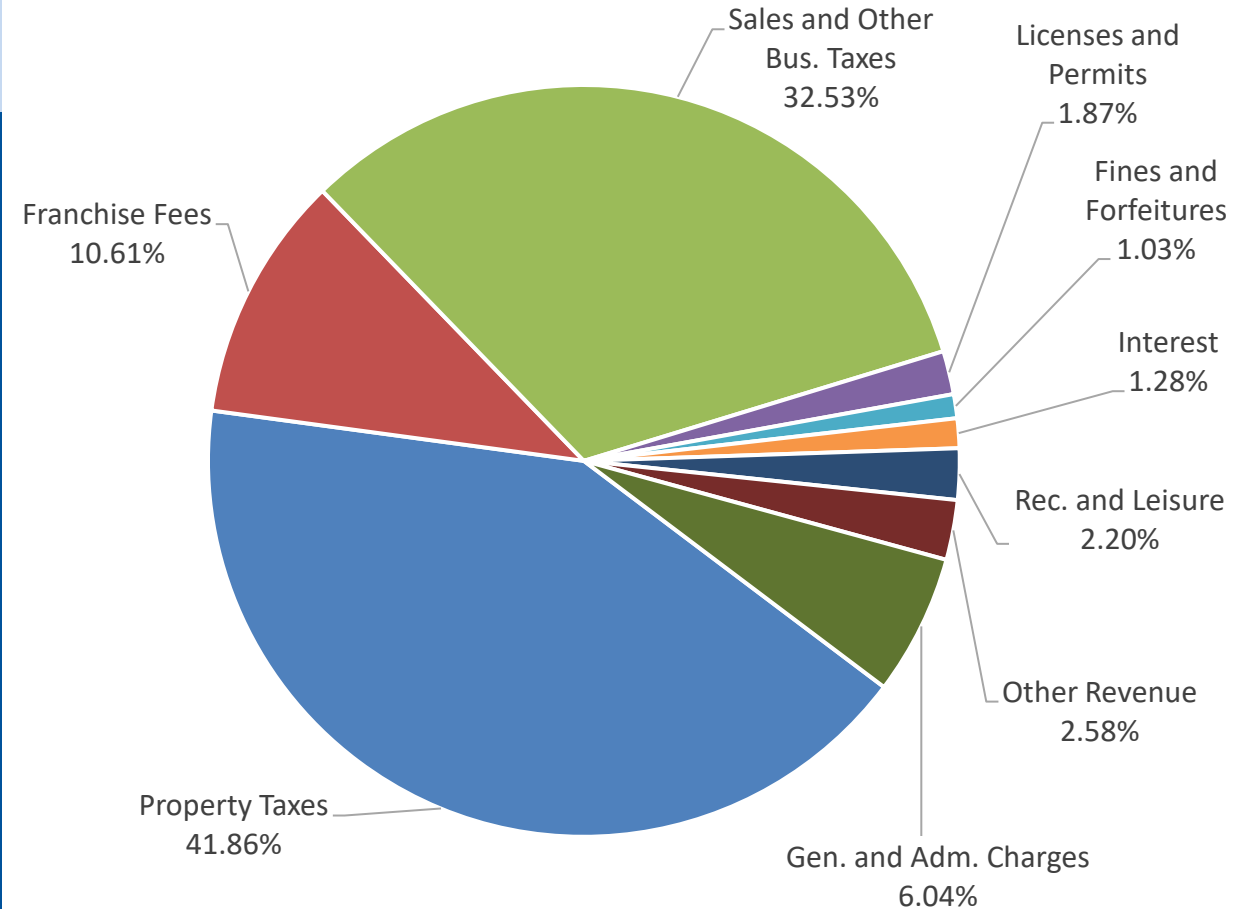


# GENERAL FUND REVENUES

FY24 REVENUES ARE PROJECTED TO INCREASE **\$15.40** MILLION TO **\$179.61** MILLION FROM PRIOR YEAR BUDGET

- Property Tax Category: 7.0% growth from previous year
  - Current Taxes increase 7.3%
  - Recommends no change to the tax rate
  - Uses \$0.01858 of the Unused Increment
- Franchise Fees: 12.1% increase from previous year
- Sales & Other Business Taxes Category: 11.3% increase from previous year
  - The Sales Tax subcategory projection is based on 2.0% growth over FY23 base collections
- Other Revenues: Overall increase of 10.1%
  - Includes \$211,592 from fee changes

FY 2023-2024 PROJECTED REVENUES  
BY CATEGORY



# GENERAL FUND REVENUES

**85%**

of General Fund revenues come from Property Taxes, Sales & Other Business Taxes and Franchise fees



**PROPERTY TAXES**

**42%**

\$75,193,587



**SALES & BUSINESS TAXES**

**33%**

\$58,429,337

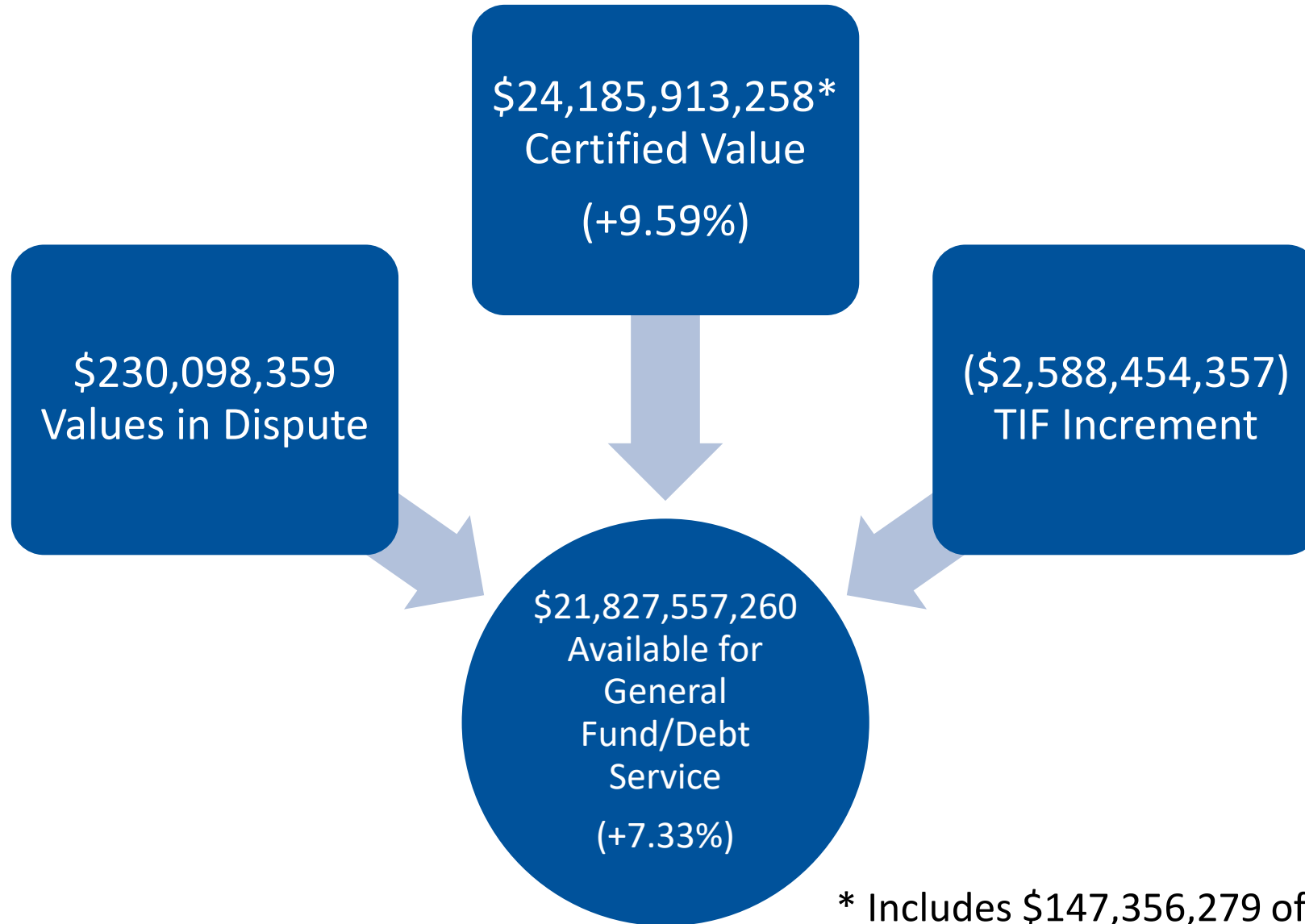


**FRANCHISE FEES**

**11%**

\$19,065,596

# CERTIFIED TAX ROLL



\* Includes \$147,356,279 of "New Construction"

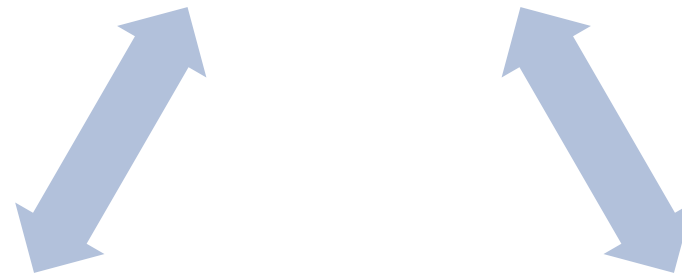
# TAX ROLL IMPACTS

- 96% of residential accounts saw a market value increase of at least 10%
- 62% of residential accounts qualified for the homestead cap limiting taxable increases to 10%

**Average Home Values**

- Market – \$431,694 (+7.44%)
- Taxable – \$351,191 (+7.68%)

- Current senior exemption of \$130,000 equates to a 29.75% protection against market value
- Total senior accounts increased by 4.17% - currently 31.28% of residential accounts



**Residential/Commercial Value Split**

- 40.87% Residential
- 59.13% Commercial

**Taxable Roll Change**

- Residential +11.89%
- Commercial +4.57%
- BPP +17.64%

# TAX RATE OVERVIEW

- **Property Tax Rate** is the adopted tax rate assessed on the taxable value of real and business personal property
  - Comprised of two components:
    - A **Maintenance & Operations Rate** that goes to the General Fund for general spending
    - A **Debt Rate** that goes to the Debt Service fund to pay outstanding debt
- **No New Revenue Rate** would generate approximately the same revenue as the prior year
- **Voter Approval Rate** is the highest rate that a City Council can adopt without a mandatory ratification election
  - This rate allows a City to collect 3.5% more revenue from property taxes than in the prior year unless the City has increment to apply to the rate
  - Increment is created when a City adopts a Property Tax Rate lower than the Voter Approval Rate
  - State Law allows for the increment to be applied to future tax rates within three years
    - After three years, any increment is forfeited
  - Published Voter Approval Rate includes the total increment available to the City

# TAX RATE OVERVIEW

## Current Tax Rate

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

## No New Revenue Rate

- \$0.31361 M&O
- \$0.19241 Debt
- \$0.50602 Total

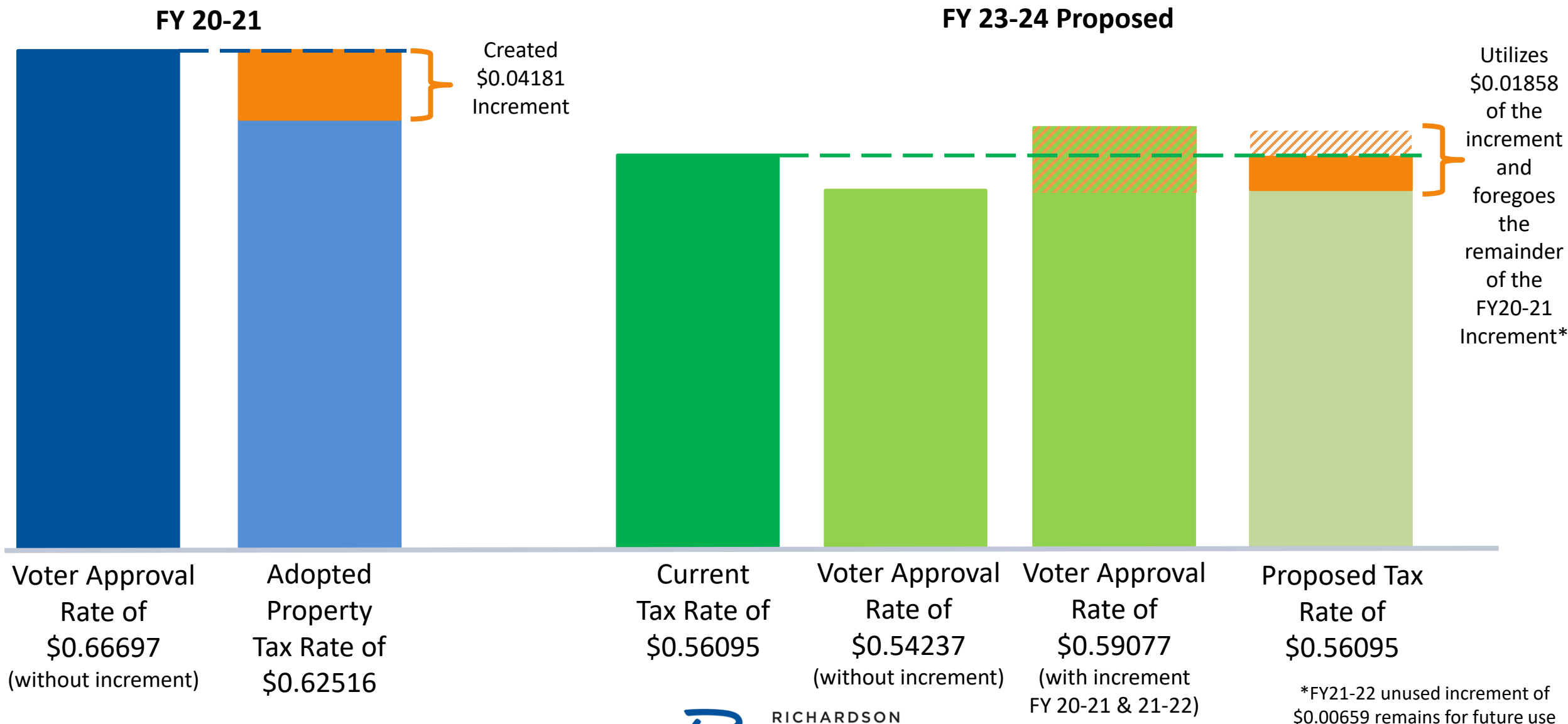
## Voter Approval Rate (without increment)

- \$0.32458 M&O
- \$0.21779 Debt
- \$0.54237 Total

## Voter Approval Rate (with increment)

- \$0.37298 M&O
- \$0.21779 Debt
- \$0.59077 Total

# FY20-21 INCREMENT AND FY23-24 PROPOSED TAX RATE



\*FY21-22 unused increment of \$0.00659 remains for future use

# PEER COMPARISONS

- Last year, Richardson’s tax rate ranked 5<sup>th</sup> lowest among peer cities and was \$0.019694 below the average rate of \$0.580644
- The current peer city average tax rate is expected to decrease once other cities adopt their rates this year
- Cities in North Texas continue to experience strong value growth

City	FY 2022-2023 Tax Rate
Dallas	\$0.745800
Garland	\$0.716692
Fort Worth	\$0.712500
Grand Prairie	\$0.660000
Mesquite	\$0.658140
Arlington	\$0.599800
Irving	\$0.589100
<b>Average</b>	<b>\$0.580644</b>
Carrollton	\$0.562500
<b>Richardson (Current/Proposed Rate)</b>	<b>\$0.560950</b>
McKinney	\$0.457485
Frisco	\$0.446600
Allen	\$0.421200
Plano	\$0.417600



# ESTIMATED RESIDENTIAL TAX BILLS

- All tax rates shown are for the prior year unless marked with a \*.
- Final adopted rates may be lower than proposed rates.
- Includes all applicable exemptions and assumes increased school exemption will be approved by voters in the fall

Entity	Tax Rate	Amount	% of Total
City of Richardson*	\$0.560950	\$1,970	30.9%
Richardson ISD*	\$1.283500	\$2,773	43.5%
Dallas County	\$0.217946	\$612	9.6%
Dallas College	\$0.115899	\$326	5.1%
Parkland Hospital	\$0.235800	\$662	10.4%
School Equalization Fund	\$0.010000	\$28	0.5%
<b>Total</b>	<b>\$2.424095</b>	<b>\$6,371</b>	<b>100.0%</b>

Entity	Tax Rate	Amount	% of Total
City of Richardson*	\$0.560950	\$1,970	34.2%
Plano ISD*	\$1.216850	\$3,057	53.0%
Collin County	\$0.152443	\$509	8.8%
Collin College*	\$0.081220	\$228	4.0%
<b>Total</b>	<b>\$2.011463</b>	<b>\$5,764</b>	<b>100.0%</b>

# OTHER REVENUES

	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	2021-22	2022-23	2022-23	2023-24	BUD to BUD	EST to BUD
Licenses and Permits	\$ 2,626,182	\$ 2,932,138	\$ 3,149,623	\$ 3,355,499	\$ 423,361	\$ 205,876
Fines and Forfeitures	1,823,364	2,072,827	1,903,303	1,851,238	(221,589)	(52,065)
Interest	449,975	998,673	2,619,017	2,292,074	1,293,401	(326,943)
Recreation and Leisure	3,259,496	3,516,566	3,703,865	3,959,867	443,301	256,002
Other Revenue	5,528,945	4,680,136	4,581,166	4,626,709	(53,427)	45,543
General and Administrative Charges	9,307,956	10,258,010	10,258,010	10,839,972	581,962	581,962
<b>Total</b>	<b>\$ 22,995,918</b>	<b>\$ 24,458,350</b>	<b>\$ 26,214,984</b>	<b>\$ 26,925,359</b>	<b>\$ 2,467,009</b>	<b>\$ 710,375</b>

**Other Revenue** collections are projected at \$26.93 million, an increase of \$2.47 million above the FY23 Original Budget

- Licenses & Permits: Based on current trends and includes \$204,065 from Building Permit fee increases
- Fines & Forfeitures: Continued low activity
- Interest: Improved market conditions
- Recreation & Leisure: Includes Community Events and standard operations at Pools, as well as \$7,527 from Gymnastics fee and Non-Resident Pool fee increases
- Other Revenue: Being impacted by increased ambulance revenue as patient transport levels return to pre-pandemic levels and lower 911 revenues due to removal of one-time revenues
- General & Administrative Charges: Based on most recent update to the City's cost allocation plan

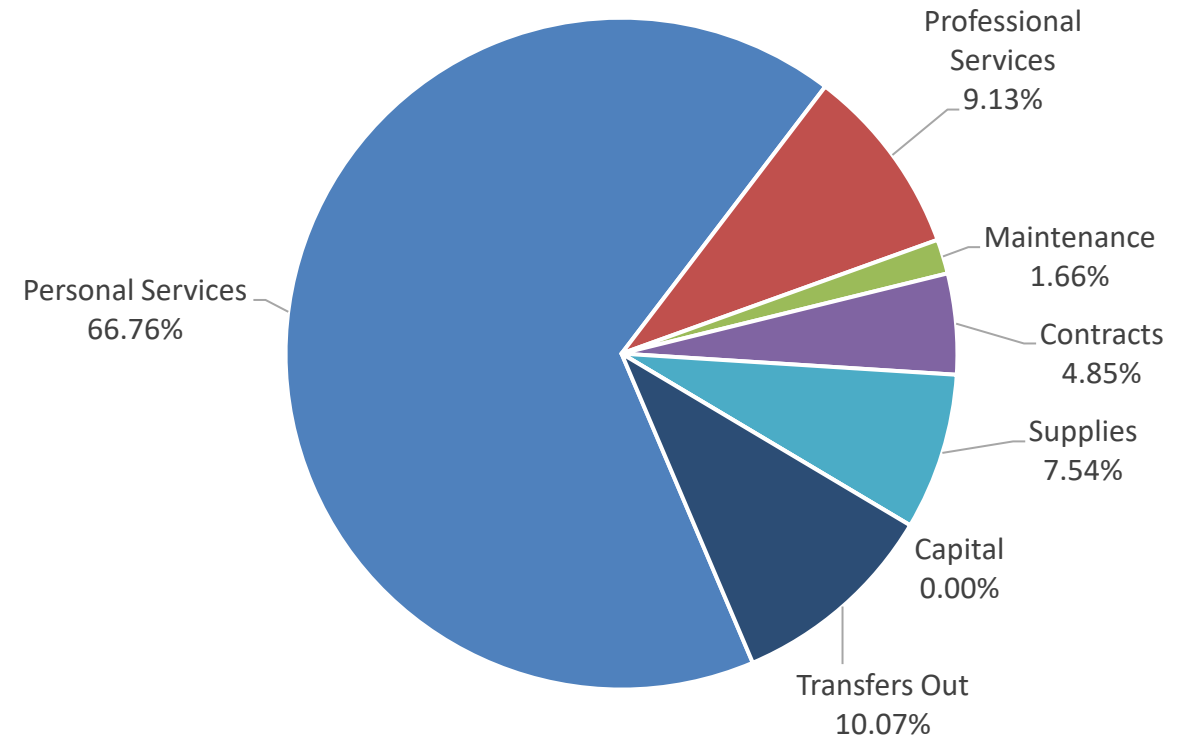


# GENERAL FUND EXPENDITURES

FY24 EXPENDITURES ARE PROJECTED TO INCREASE **\$14.92** MILLION TO **\$178.13** MILLION FROM PRIOR YEAR BUDGET

- Includes a merit-based market pay plan adjustment of up to 6% for all employees and 5% public safety steps
- Raised minimum starting salary for all full-time and permanent part-time positions to \$18.89 per hour
- Addition of 9 fire fighters
- Increase funding for traffic markings, and signs and street light maintenance
- Additional funding for screening wall, entry feature and bridge maintenance
- Increased dedications for pay-as-you-go infrastructure and equipment replacement programs
- Increased Economic Development Fund dedication

FY 2023-2024 PROJECTED EXPENDITURES BY CATEGORY



# GENERAL FUND – WHERE THE MONEY GOES

**75%**

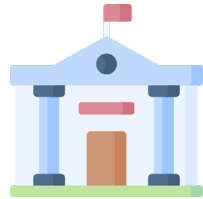
of General Fund expenditures are from Public Safety, General Government, Infrastructure & Mobility and Recreation & Leisure



**PUBLIC  
SAFETY**

**40%**

\$70,435,138



**GENERAL  
GOVERNMENT**

**14%**

\$25,246,926



**INFRASTRUCTURE  
& MOBILITY**

**12%**

\$21,172,625



**RECREATION  
& LEISURE**

**10%**

\$17,292,075

# KEY INVESTMENTS

## Community and Neighborhood Services

- Home Improvement Incentive Program: \$1,242,914
- Contract building inspections to assist the department due to continued recruitment challenges: \$782,909

## Economic Development

- Ongoing support for the Richardson Chamber of Commerce
- Special Events (Business Retention and Expansion (BRE) roundtables, IQ/CORE District Events, IQ Brews): \$285,000
- Property Tax dedication for Economic Development Initiatives increases \$601,768 to \$1,997,766

## General Government

- Funding to continue enhancing culturally diverse programming and event opportunities, including expanded community engagement strategies
- Strategies to broaden the diversity of applicants on boards and commissions
- Ongoing support for the Network of Community Ministries and Counseling Place
  - A total of \$500,000 for each, up from \$300,000 and \$312,000 respectively
- Municipal Court Security Camera Refresh: \$150,000 (Capital Replacement Fund)
- Arts Master Plan: \$100,000 (Special Projects Fund)

# KEY INVESTMENTS

## Facilities and Fleet Services

- Provides funding for the new Facilities and Fleet Department
- Contracted and In-House facility inspections and maintenance: \$1,118,832

## Library

- 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
- An additional \$3,000,000 in short-term debt to further enhance the Library project with the approval of a new City Hall in May 2023

## Information Technology

- Cyber Security Management Tools: \$254,500 (IT & Traffic Initiatives Fund)

## Recreation and Leisure

- Funding for all traditional community events
- Additional funding for various Parks programs including the reinstatement of the Wildflower! Plaza Stage: \$139,000
- Pool-Aquatics equipment replacement/repairs: \$101,000 (Capital Replacement Fund)
- Median Irrigation Conversion: \$100,000 (Capital Replacement Fund)
- Aquatics Master Plan: \$100,000 (Special Projects Fund)

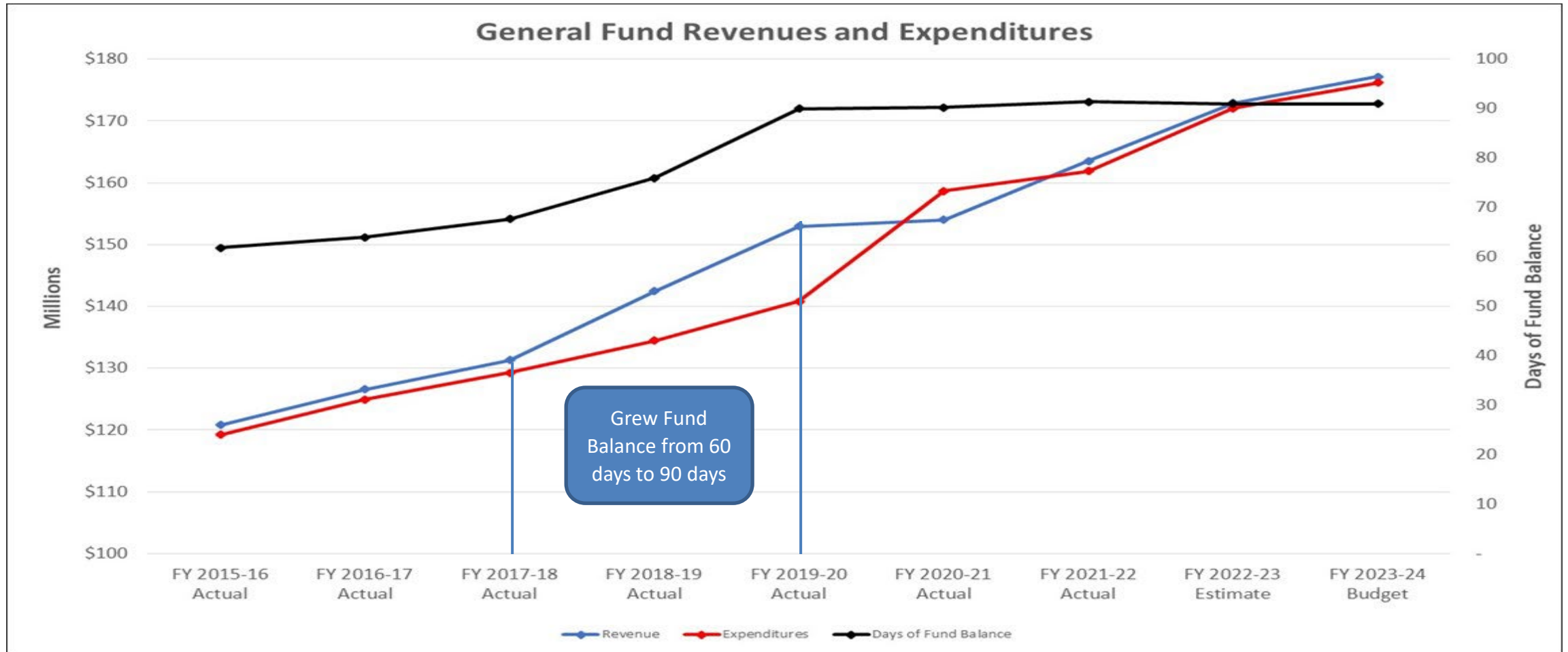
# GENERAL FUND TRANSFERS OUT

Operating Transfers Out	BUDGET 2022-23	BUDGET 2023-24	Variance	Note
Information Tech and Traffic Initiatives	\$ 1,850,000	\$ 1,850,000	\$ -	Unchanged
<b>Total</b>	<b>\$ 1,850,000</b>	<b>\$ 1,850,000</b>	<b>\$ -</b>	

Indexed Transfers Out	BUDGET 2022-23	BUDGET 2023-24	Variance	Note
Street & Alley Rehab. Fund (Streets)	\$ 4,653,327	\$ 5,758,914	\$ 1,105,587	Tied to AV Rev. Growth plus an Additional \$700,000
Street & Alley Rehab. Fund (Alleys)	1,861,331	1,933,268	71,937	Funded at the same level presented at Workshop
Facility Maintenance Fund	465,333	599,442	134,109	Tied to AV Rev. Growth plus an Additional \$100,000
Parks Maintenance Fund	465,333	599,442	134,109	Tied to AV Rev. Growth plus an Additional \$100,000
Economic Development Fund	1,395,998	1,997,766	601,768	Increased Allocation in FY24
Capital Replacement Fund - Equipment	3,443,462	3,695,668	252,206	Tied to AV Revenue Growth
Capital Replacement Fund - IT	1,395,998	1,498,524	102,526	Tied to AV Revenue Growth
<b>Total</b>	<b>\$ 13,680,782</b>	<b>\$ 16,083,024</b>	<b>\$ 2,402,242</b>	

- The City’s total Pay-As-You-Go initiatives for **FY 2023-2024** grow by **\$2,402,242** as a result of the growth in property values and supplemented using a portion of the Unused Tax Rate Increment

# FUND BALANCE



The General Fund is being budgeted at 90.90 days for FY 2023-2024, in compliance with the minimum of 90.00 days set by the City's Financial Policies



# OTHER OPERATING FUND HIGHLIGHTS

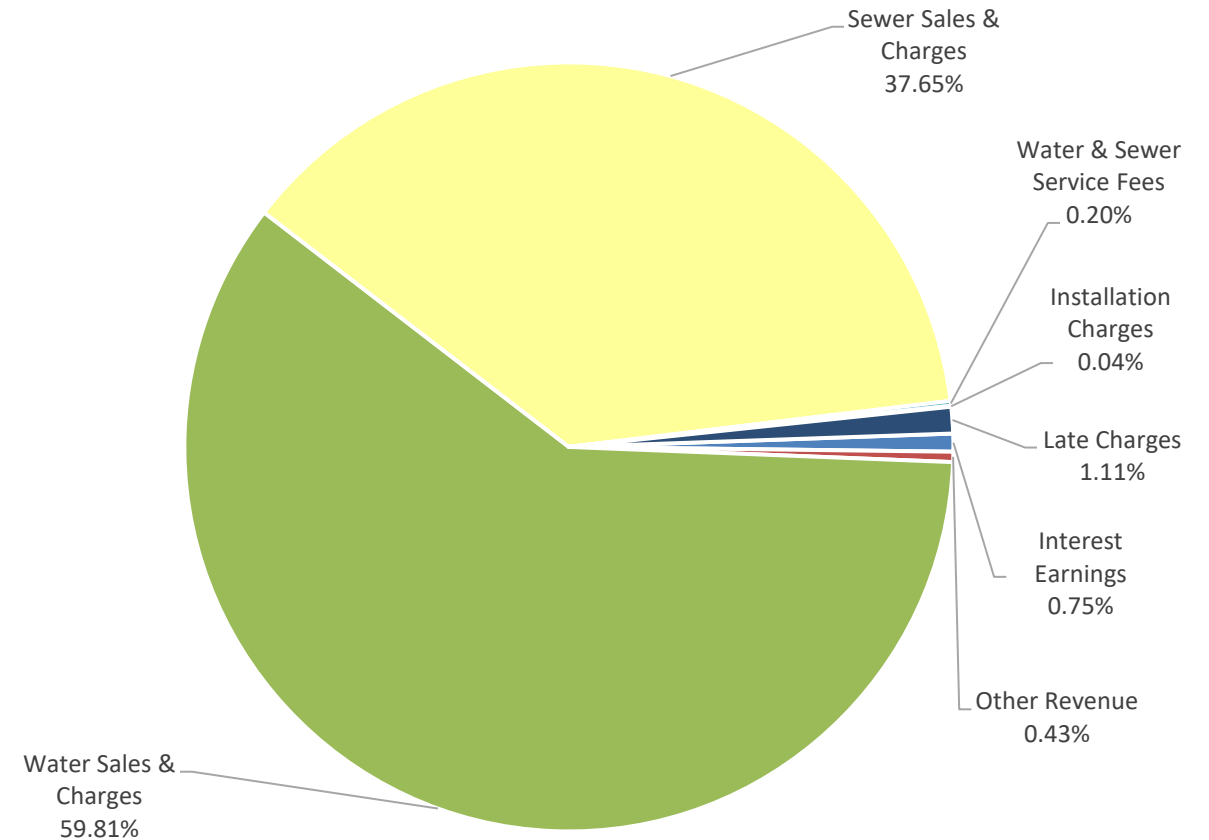


# WATER & SEWER FUND REVENUES

FY24 REVENUES ARE PROJECTED TO INCREASE  
**\$10.26** MILLION TO **\$106.05** MILLION FROM  
PRIOR YEAR BUDGET

- Water Sales & Charges
  - Includes a 3.0% rate increase
  - Make up 59.81% of revenue in the fund
- Sewer Sales & Charges
  - Includes a 3.0% rate increase
  - Makeup 37.65% of revenue in the fund
- Improved Interest Earnings
- Includes revenues from Late Fees and Installation charges

FY 2023-2024 PROJECTED REVENUES  
BY CATEGORY

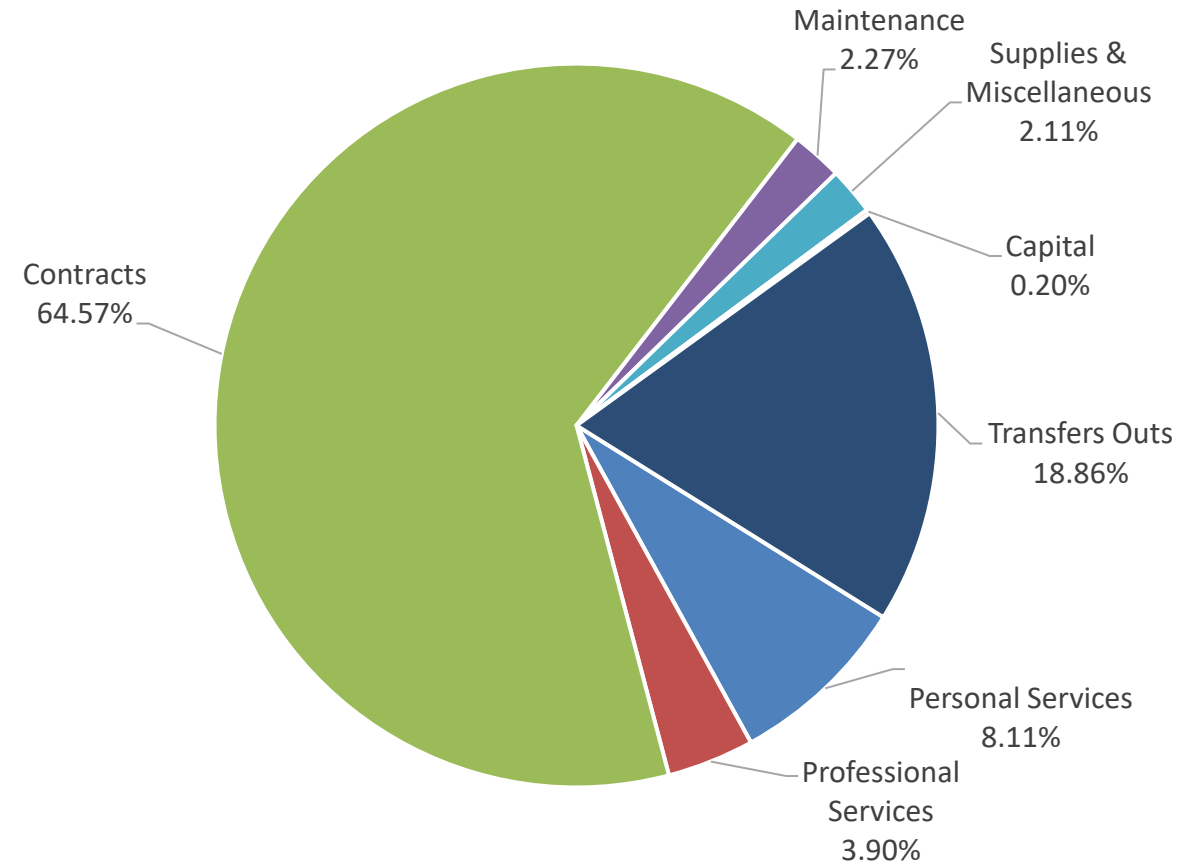


# WATER & SEWER FUND EXPENDITURES

FY24 EXPENDITURES ARE PROJECTED TO INCREASE  
**\$9.80** MILLION TO **\$105.06** MILLION FROM PRIOR YEAR BUDGET

- Includes a merit-based market pay plan adjustment of up to 6% for all employees and an enhanced longevity pay program
- Includes \$40,036,484 for the City's water contract
  - An increase of \$3,964,616
  - Makes up 38.11% of the total expenditures
- Includes \$27,765,514 for contracted sewer treatment
  - An increase of \$3,675,125
  - Makes up 26.43% of the total expenditures
- Addition of one Facility Specialist and the unfreezing of an Environmental Outreach manager and a Maintenance Helper
- Provides for routine replacement of two service vehicles

FY 2023-2024 PROJECTED EXPENDITURES  
BY CATEGORY



# FY 2023-2024 WATER & SEWER FUND HIGHLIGHTS

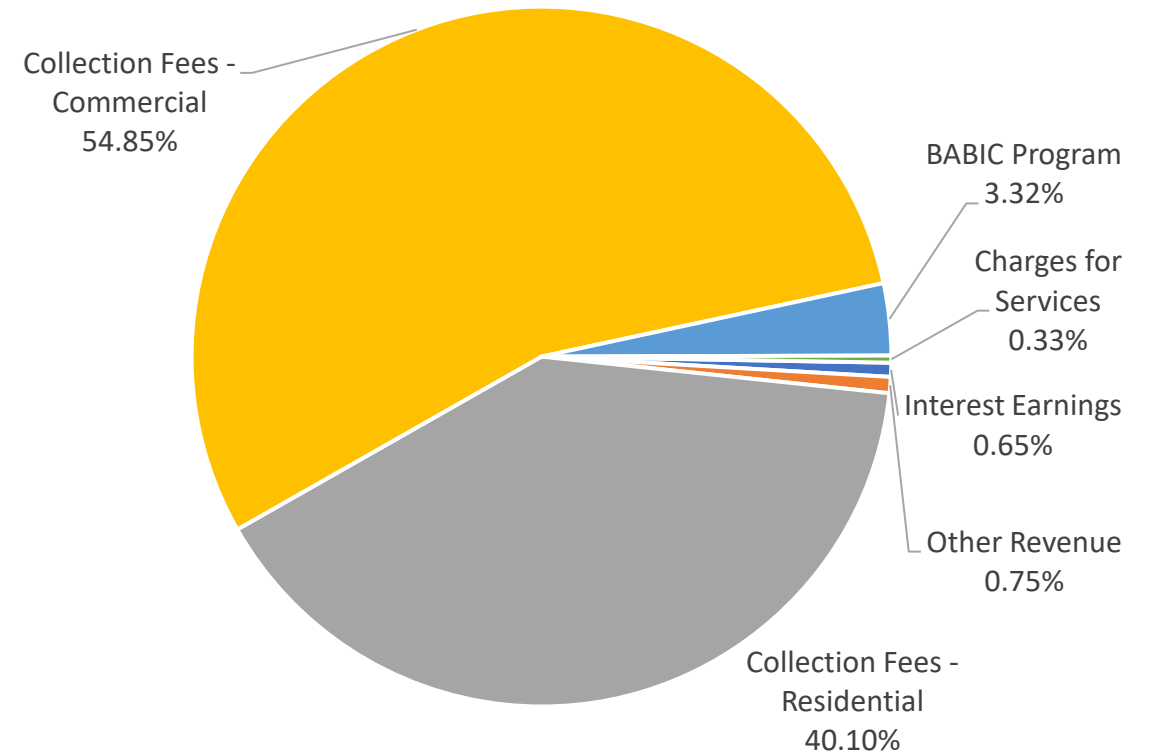
- Includes a 3.0% increase to water and sewer rates
- Wholesale water rates from NTMWD increase 11.2%
- Wholesale sewer costs increase from all three providers
- 6% merit-based market pay plan adjustments for water and wastewater staff
- Enhanced longevity pay plan as part of the City's retention initiative
- \$14.7 million in capital projects through a combination of debt and pay-as-you-go funding
- Maintains fund balance at 90.94 days

# SOLID WASTE FUND REVENUES

FY24 REVENUES ARE PROJECTED TO INCREASE  
**\$668,000** TO **\$18.43** MILLION  
FROM PRIOR YEAR BUDGET

- Residential Collection Fees
  - Includes a \$1.00 (including tax) per month rate increase
  - Maintains the 26% Senior Discount
- Commercial Collection Fees
  - Includes a 3.0% rate increase
- BABIC program support from the Water and Sewer Fund is tied to 50% of the programs total cost

FY 2023-2024 PROJECTED REVENUES  
BY CATEGORY

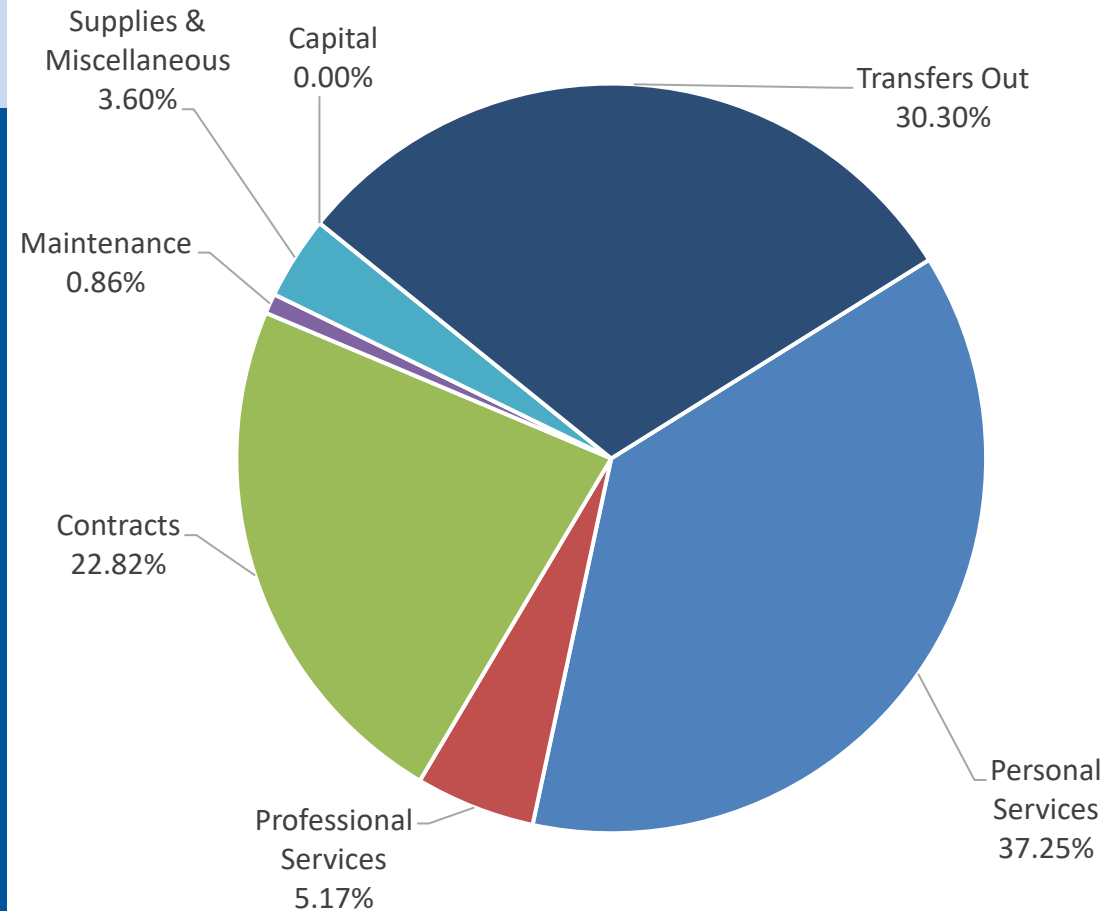


# SOLID WASTE FUND EXPENDITURES

FY24 EXPENDITURES ARE PROJECTED TO INCREASE  
**\$754,000** TO **\$18.21** MILLION FROM  
PRIOR YEAR BUDGET

- Includes a merit-based market pay plan adjustment of up to 6% for all employees and an enhanced longevity pay program
- Includes increases in the Temporary Labor Contract
- Disposal/Land Fill costs remain flat
- The City's composting contract increases \$53,000
- Provides funding for the replacement of five trucks and container replacements through the use of short-term debt

FY 2023-2024 PROJECTED EXPENDITURES  
BY CATEGORY



# FY 2023-2024 SOLID WASTE FUND HIGHLIGHTS

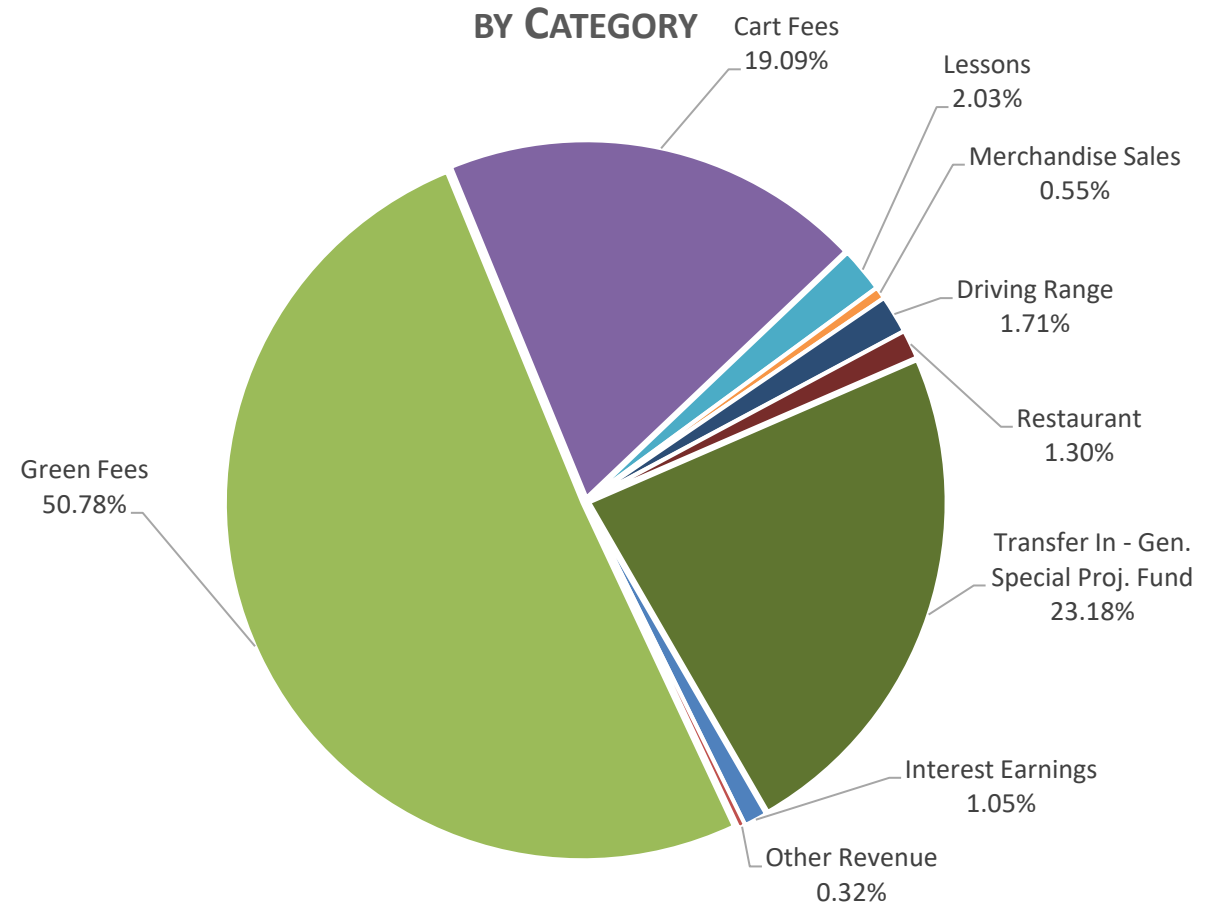
- \$1.00 (including tax) per month rate increase for residential customers, while maintaining the 26% senior discount
- 3.0% across the board commercial solid waste rate increase
- Reduced revenue from residential recycling program
- 6% merit-based market pay plan adjustments for solid waste staff
- Enhanced longevity pay plan as part of the City's retention initiative
- Increased cost of temporary workers
- Increased cost of composting program
- \$1.645 million for Solid Waste equipment in short-term CO funding
- Provides continued funding for the Solid Waste Master Plan
- Maintains fund balance at 90.37 days

# GOLF FUND REVENUES

FY24 REVENUES ARE PROJECTED TO DECREASE  
**(\$259,000)** TO **\$2.57** MILLION  
FROM PRIOR YEAR BUDGET

- Revenue projections reflect the closure of Course #2 from January 2024 through September 2024 for course renovations
- Includes no changes to course fees
  - Fees will be re-evaluated during the FY 2024-2025 budget development process for implementation after the reopening of Course #2
- Includes a Transfer In from General Special Projects Fund of \$595,000 to support the fund during the renovation of Course #2
  - Actual need for this transfer will be evaluated during the FY24 year-end close process

## FY 2023-2024 PROJECTED REVENUES



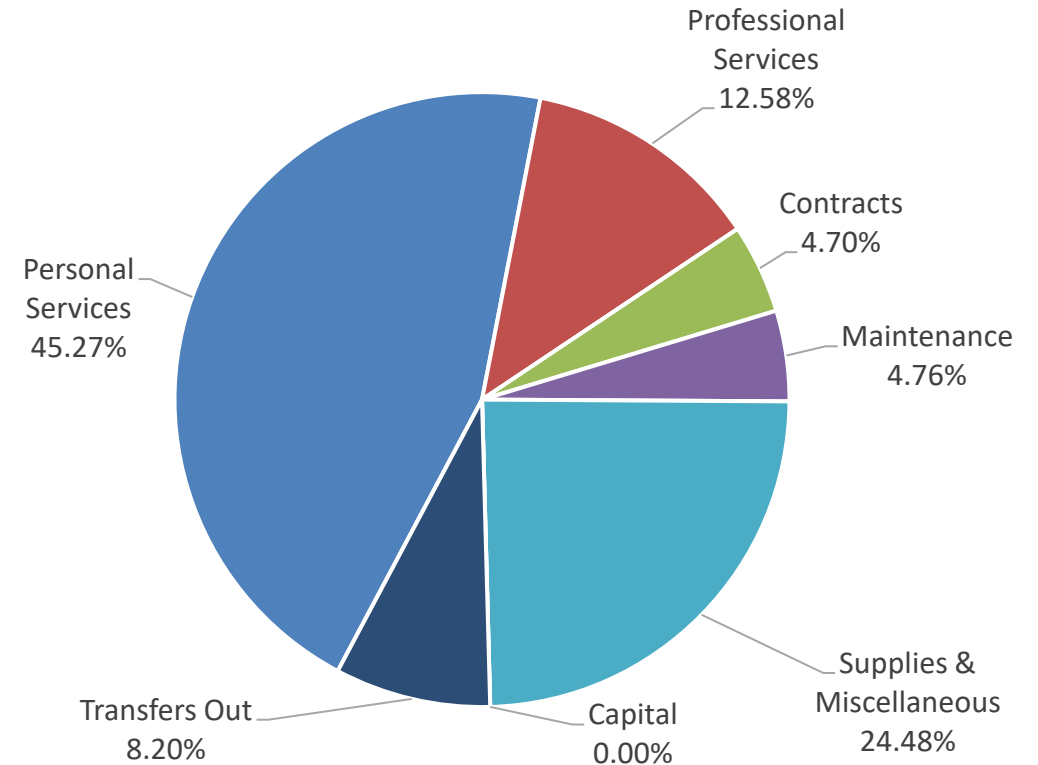


# GOLF FUND EXPENDITURES

FY24 EXPENDITURES ARE PROJECTED TO DECREASE  
**(\$39,000)** TO **\$2.79** MILLION  
FROM PRIOR YEAR BUDGET

- Includes a merit-based market pay plan adjustment of up to 6% for all employees and an enhanced longevity pay program
- Provides for maintenance for areas of Course #2 not impacted by the renovation
- Provides funding for the replacement of equipment, and cart path and fence repairs through the Capital Replacement Fund

FY 2023-2024 PROJECTED EXPENDITURES  
BY CATEGORY



# FY 2023-2024 GOLF FUND HIGHLIGHTS

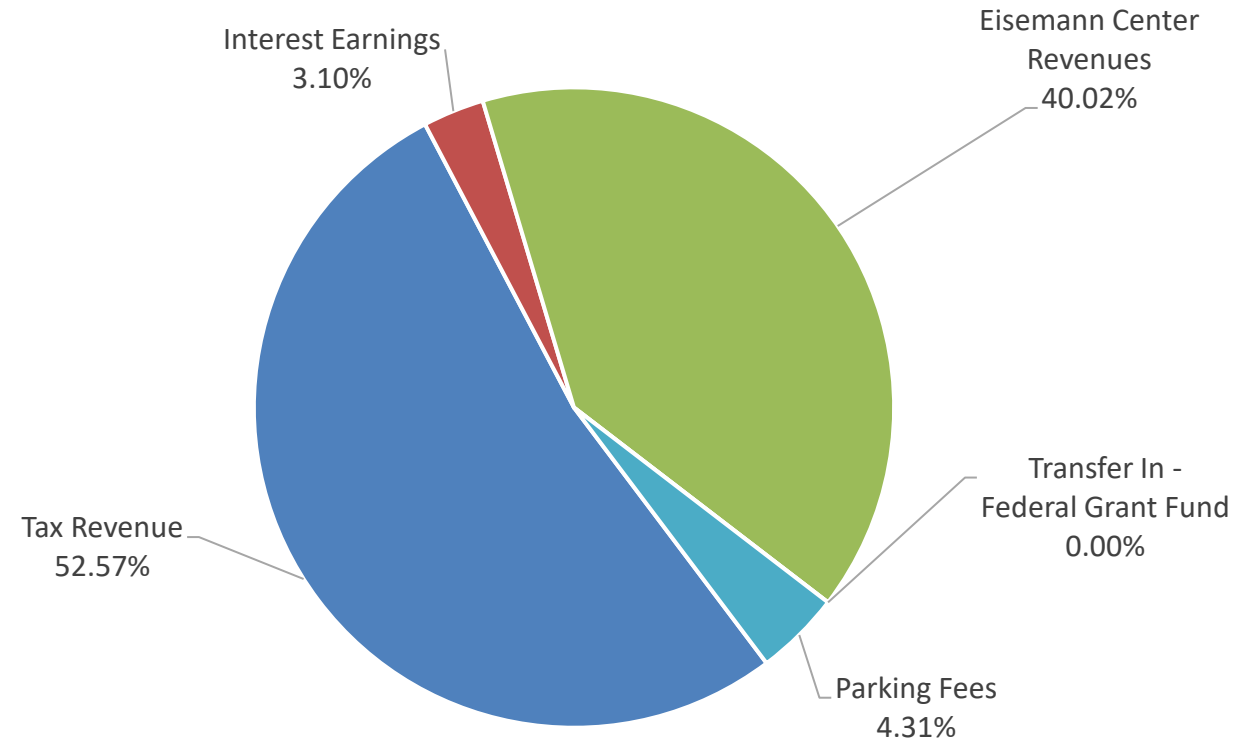
- No fee changes proposed at this time
  - Will assess again prior to Course #2 reopening
- Reflects a Transfer in from General Special Projects Fund of \$595,000 to support the fund during the renovation of Course #2
  - Actual need for this transfer will be evaluated during the FY24 year-end close process
- 6% merit-based market pay plan adjustments for golf staff
- Enhanced longevity pay plan as part of the City's retention initiative
- Includes renovation of Course #2 in 2024, focusing on greens, tees and significant drainage
- Includes continued maintenance of areas of Course #2 not impacted by the renovation
- Maintaining minimum fund balance of 60 days

# HOTEL/MOTEL TAX FUND REVENUES

FY24 REVENUES ARE PROJECTED TO INCREASE  
**\$3.36** MILLION TO **\$8.90** MILLION  
FROM PRIOR YEAR BUDGET

- Hotel/Motel Tax Revenue increase \$1.2 million for FY2022-2023 adopted budget as a result of a combination of increased occupancy and increased average daily rates
- Parking Fees are based on Eisemann Center's anticipated activity and the scheduled rental amount from the hotel per contract
- Eisemann Center related revenues are projected at \$3.56 million or an increase of \$1.9 million based on anticipated rental activity and the Eisemann Center Presents Season as presented at the May 8, 2023, Council Meeting

FY 2023-2024 PROJECTED REVENUES  
BY CATEGORY

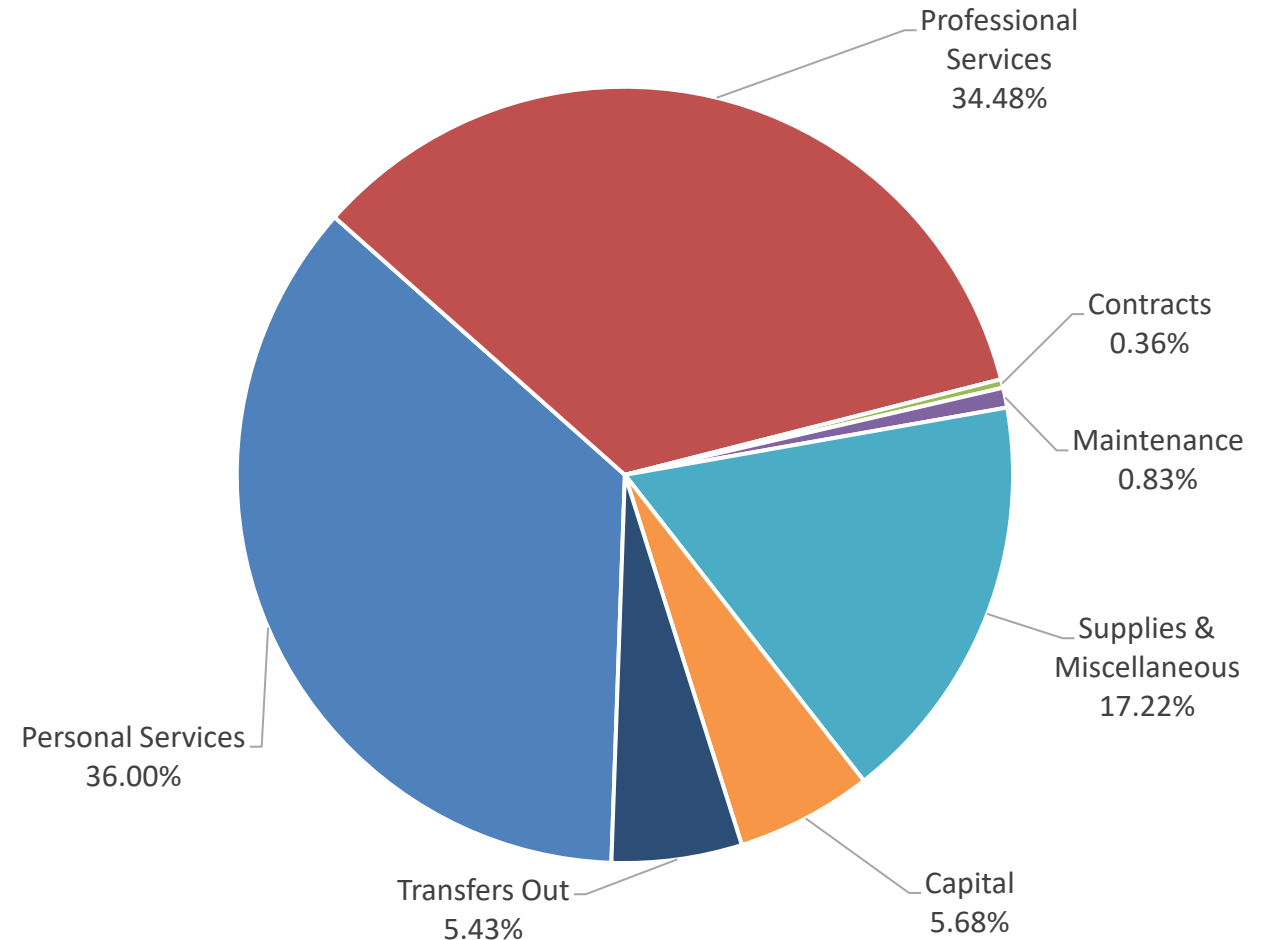


# HOTEL/MOTEL TAX FUND EXPENDITURES

FY24 EXPENDITURES ARE PROJECTED TO INCREASE **\$3.85** MILLION TO **\$9.32** MILLION FROM PRIOR YEAR BUDGET

- Includes a merit-based market pay plan adjustment of up to 6% for all employees and an enhanced longevity pay program
- Includes moving one Administrative Secretary (CVB) from the General Fund and the unfreezing of four other positions as the Eisemann Center returns to full operations after reductions resulting from the COVID pandemic
- Supports normal rental levels and a full Eisemann Center Presents season
- Provides funding for the City's Convention and Visitors Bureau

FY 2023-2024 PROJECTED EXPENDITURES BY CATEGORY



# FY 2023-2024 HOTEL/MOTEL TAX FUND HIGHLIGHTS

- Improved Hotel/Motel Tax revenue as a result of a combination of increased occupancy and increased average daily rates
- Improved rental activity
- A full Eisemann Center Presents season
- 6% merit-based market pay plan adjustments for Eisemann Center and CVB staff
- Enhanced longevity pay plan as part of the City's retention initiative
- One Administrative Secretary (CVB) moved from the General Fund and the unfreezing of four other positions as the Eisemann Center returns to full operations after reductions resulting from the COVID pandemic
- Art Grants funding of \$375,000, an increase of \$70,000
- Provides fundings for safety and security improvements such elevator and fire protection system upgrades and the replacement of exterior safety doors and security cameras at the Eisemann Center and the Parking Garage

# FY 2023-2024 OTHER FUND HIGHLIGHTS

- Pages [53 through 89](#) of the filed budget represents the remaining funds for the City of Richardson including the **Internal Service, Special Revenue, and Capital Funds**
- The **Drainage Fund** ([page 60](#)) is programmed at \$4.7 million and includes \$3.2 million in new projects for FY24
  - No change to current fees
- **Tax Increment Financing Funds** ([pages 71-73](#)) AV growth of 13.6% from FY23 to \$2.28 billion, generating \$14.5 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 \$33.4 million of incentives and programs for FY24
- The **Economic Development Fund** ([page 83](#)) was established in FY15 and is funded by a transfer from the General Fund
  - For FY24 that amount is \$2.0 million, an increase of \$601,768 from FY23

# CAPITAL AND DEBT PLANNING



# FY 2023-2024 DEBT PLAN

The FY 2023-2024 Debt Plan supports:

- Developing multi-year capital improvement plan; updated annually
- Continuing to utilize financial management strategies to maintain AAA bond rating
- Review outstanding debt annually for future refunding opportunities
- Year Three of the 2021 Bond Program
- City Hall Bond Program
- June/July “Deep Dive” Work Session briefings
  - Water/Wastewater infrastructure needs
  - Transportation & Mobility work plan
  - Streets/Alleys infrastructure needs
  - Facilities Maintenance work plan
  - Annual vehicle/equipment needs for Fire and Solid Waste department
  - Parks Maintenance work plan
  - Drainage Utility program





# FY 2023-2024 DEBT PLAN ISSUANCE FACTORS

- In the current interest rate environment, a refunding transaction is unlikely but will be reevaluated at the time of the sale
- Debt plan continues to use conservative interest rates ranging from 4.75% to 5.50% for future issuance
  - Series 2023 actual interest costs – 3.68% General Obligation Bonds, 3.48% Certificates of Obligation
- Taxable values – model assumes no future growth until Fiscal Year 2028 to account for economic uncertainties
- Assumes Fiscal Year 2024 CO issuance of \$3 million for Library enhancements to provide synergy with new City Hall
- Maintains capacity for future GO Bond Programs similar in size to the 2021 Bond Program

# FY 2023-2024 PROPOSED DEBT ISSUANCE

Purpose	Life	Type	Amount
2021 GO Bond Program (Year 3)/City Hall	20-Yr	GO	\$67,530,000
Library Supplement	20-Yr	CO	\$3,000,000
Water/Wastewater Infrastructure	15/20-Yr	CO	\$14,700,000
Solid Waste Equipment	8-Yr	CO	\$1,645,000
Fire Equipment	8-Yr	CO	\$1,610,000
		<b>Total</b>	<b>\$88,485,000</b>

# TOTAL BUDGET



# TOTAL BUDGET

	ACTUAL 2021-22	BUDGET 2022-23	ESTIMATE 2022-23	BUDGET 2023-24	VARIANCE	
					BUD to BUD	EST to BUD
<b>Expenditures and Transfers Out</b>						
<b>Operating Funds</b>						
General Fund	\$ 161,890,938	\$ 163,208,611	\$ 172,048,649	\$ 178,125,311	9.14%	3.53%
Water and Sewer Fund	93,450,193	95,259,125	101,090,786	105,059,411	10.29%	3.93%
Solid Waste Services Fund	16,139,039	17,460,040	17,360,722	18,213,924	4.32%	4.91%
Golf Fund	2,936,197	2,831,365	2,753,205	2,792,196	-1.38%	1.42%
Hotel/Motel Tax Fund	4,567,962	5,476,043	7,160,052	9,322,782	70.25%	30.21%
Internal Service Funds	16,704,623	18,692,449	18,913,336	20,209,258	8.11%	6.85%
Special Revenue Funds	22,355,355	38,932,477	33,546,864	51,507,157	32.30%	53.54%
<b>Total Operating Funds</b>	<b>\$ 318,044,306</b>	<b>\$ 341,860,110</b>	<b>\$ 352,873,614</b>	<b>\$ 385,230,039</b>	<b>12.69%</b>	<b>9.17%</b>
<b>Debt Service Funds</b>						
General Debt Service Fund	\$ 45,280,304	\$ 44,487,268	\$ 44,487,268	\$ 47,521,971	6.82%	6.82%
Water and Sewer Debt Service Fund	7,034,963	7,333,934	7,333,934	8,155,071	11.20%	11.20%
Solid Waste Services Debt Service Fund	1,365,955	1,411,532	1,411,532	1,587,787	12.49%	12.49%
<b>Total Operating Funds</b>	<b>\$ 53,681,223</b>	<b>\$ 53,232,734</b>	<b>\$ 53,232,734</b>	<b>\$ 57,264,829</b>	<b>7.57%</b>	<b>7.57%</b>
<b>Total Expenditures and Transfers Out</b>	<b>\$ 371,725,529</b>	<b>\$ 395,092,844</b>	<b>\$ 406,106,348</b>	<b>\$ 442,494,868</b>	<b>12.00%</b>	<b>8.96%</b>
<b>Less Interfund Transfers</b>	<b>\$ (37,929,432)</b>	<b>\$ (40,605,965)</b>	<b>\$ (41,082,839)</b>	<b>\$ (43,490,572)</b>	<b>7.10%</b>	<b>5.86%</b>
<b>Net Expenditures</b>	<b>\$ 333,796,097</b>	<b>\$ 354,486,879</b>	<b>\$ 365,023,509</b>	<b>\$ 399,004,296</b>	<b>12.56%</b>	<b>9.31%</b>

- The City's total budget for **FY 2023-2024** is **\$399,004,296**, which is an increase of \$44,517,417 or 12.56% from FY 2022-2023

# GENERAL FUND HIGHLIGHTS

- Total taxable values grew 7.33% from FY23
- No Change in the Property Tax Rate of \$0.56095
  - Using \$0.01858 of the \$0.04840 available Unused Increment
- Includes \$211,592 from increases to gymnastic fees, non-resident pool passes, and select building permits
- 6% merit-based market pay plan adjustments for all employees and public safety steps
- Increases the minimum starting pay to \$18.89 per hour or \$0.65 per hour above the Living Wage of \$18.24
- Longevity pay will be increases from \$4 per month to \$8 per month
- Property value growth and the use of a portion of the Unused Increment allows for the supplementing of the pay-as-you go infrastructure and equipment replacement initiatives
  - Addition of \$925,407 for Street Rehabilitation Program, additional \$116,101 for each of the Facility and Parks Maintenance initiatives, additional \$64,402 for the Economic Development Fund and an additional \$167,445 for equipment & IT replacements
- The General Fund is budgeted at 90.90 days of fund balance for FY24

# OTHER FUND HIGHLIGHTS

## **Water and Sewer Fund**

- 3.0% increase to water and sewer rates
- Wholesale water rate from NTMWD increase of 11.2%
- Wholesale sewer costs increase from all three providers
- 6% merit-based market pay plan adjustment, minimum hourly rate of \$18.89, and the enhance longevity pay plan
- The Water and Sewer Fund is budgeted at 90.94 days of fund balance for FY24

## **Solid Waste Services Fund**

- \$1 per month increase to residential rates, while maintaining the 26% senior discount, and a 3.0% increase for commercial rates
- 6% merit-based market pay plan adjustment, minimum hourly rate of \$18.89, and the enhance longevity pay plan
- The Solid Waste Services Fund is budgeted at 90.37 days of fund balance for FY24

# OTHER FUND HIGHLIGHTS






## **Golf Fund**

- Transfer in from the Special Projects Fund to support the fund while Course #2 is closed for renovations increases from \$575,000 to \$595,000
- 6% merit-based market pay plan adjustment, minimum hourly rate of \$18.89, and the enhance longevity pay plan
- The Golf Fund is budgeted at 60.64 days of fund balance for FY24

## **Hotel/Motel Tax Fund**

- All fee recommendations presented at the Budget Workshop remain as part of the filed budget
- 6% merit-based market pay plan adjustment, minimum hourly rate of \$18.89, and the enhance longevity pay plan

# TYPICAL TAXPAYER IMPACT STATEMENT

Description		FY 2022-23 Cost	FY 2023-24 Proposed Cost	Annual Dollar Change	Typical Ratepayer Assumptions:
	Property Tax (City Portion)	\$1,829	\$1,970	\$141	FY23 Avg Taxable Value = \$326,132 FY24 Avg Taxable Value = \$351,191
	Water Charges	\$1,052	\$1,081	\$29	8,000 gal/month - Oct-May; 18,000 gal/month – Jun-Sep
	Sewer Charges	\$559	\$573	\$14	Based on 98% of water usage (7,840 per month)
	Drainage Fee	\$51	\$51	\$0	Flat monthly rate of \$4.25 per household
	Residential Solid Waste	\$288	\$300	\$12	Flat monthly rate of \$25.00 per household
<b>Total:</b>		<b>\$3,779</b>	<b>\$3,975</b>	<b>\$196</b>	Equates to a 5.2% increase



# NEXT STEPS

The budget development calendar will be active for the next few weeks and will factor any better insights about the new year as they can be determined before adoption



- ✓ August 21<sup>st</sup>: Hold Public Hearing on Tax Rate
- ✓ August 28<sup>th</sup>: Hold Public Hearing on Budget and vote to ratify tax increase reflected in the budget, adopt budget and adopt property tax rate for FY 2023-2024



Periodic post-adoption updates



**RICHARDSON**

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**T E X A S**