



Press Release

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RICHARDSON CITY MANAGER PRESENTS 2017-2018 BUDGET

(Richardson, TX) – The City of Richardson’s proposed budget for the 2017-2018 fiscal year is \$265,102,751. The proposed amount represents an increase of \$11,095,085 or 4.4 percent from the 2016-2017 estimated expenditures of \$254,007,666.

Increase in funding this year is made possible in part due to strong property values experienced in the city associated with growth in the Richardson Telecom Corridor® and North Texas area. The proposed budget directly applies the impact of this recent growth towards improvements in infrastructure and resources for public safety.

Following a one cent reduction in the tax rate in 2016-2017, the proposed budget maintains the tax rate. Earlier this year the Richardson City Council also approved increasing the City’s senior property tax exemption to \$80,000 for 2017-2018 and thereafter.

“We are very proud of our city and how our growth is providing opportunities to act on many projects sought by the community,” said Richardson City Manager Dan Johnson. “This year’s budget follows the Council’s goal to continue robust contributions for infrastructure improvement and provides continued support for public safety, economic development and citizen services. We’re pleased that we have also been able to achieve this for the past few years with very little growth in operational government spending, as we continue to perform efficiently and affordably for our residential and corporate community.”

Key highlights of the Proposed 2017-2018 Budget include:

- Certified Tax Roll increase of 10.86 percent
- Maintains a tax rate of \$0.62516
- Increases the Senior Exemption from \$70,000 to \$80,000
- A total of approximately \$4.9 million in street/alley maintenance
- Sales Tax forecast of 2.75 percent above estimated “base to base” year-end 2016-2017 collections
- Eligible public safety employees will receive up to 5 percent merit-based step increases, and three percent market adjustments for all public safety employees

- Three percent merit based increase for general employees
- 9.5 percent rate adjustment in water and sewer services
- Funding of \$2.9 million of 4-year debt financing for general equipment, vehicles and projects

General Fund

The General Fund portion of the proposed 2017-2018 Budget is programmed at \$129,210,166. Proposed 2017-2018 expenditures and transfers represents \$4,729,918, a 3.8 percent increase, over 2016-2017 estimated expenditures of \$124,480,248.

Key General Fund budget initiatives include a focus on infrastructure maintenance and continuing public safety initiatives.

Increases and decreases by department between the proposed 2017-2018 Budget and 2016-2017 estimated expenditures for the General Fund are illustrated on page 4 of the Proposed Budget, exclusive of debt financed capital equipment.

A strengthened fund balance for the General Fund of 63 days is proposed.

General Fund Revenues

The proposed tax rate for the support of the 2017-2018 General Fund expenditures is submitted at a rate of \$0.62516 per \$100 of assessed valuation. Apportionment of the proposed \$0.62516 per \$100 of assessed valuation rate is \$0.37031 for operations and maintenance funds to be used toward daily operating expenses and \$0.25485 for debt service based on full valuation.

This tax rate is predicated on a certified tax roll of \$9,075,746,560 for Dallas County and \$6,434,094,065 for Collin County for a 2017 total Certified Tax Roll of \$15,509,840,625 reflecting an increase of \$1,519,319,179 or 10.86 percent from the 2016 final certified tax roll. While recent growth in property values is higher this year, the average growth in value during the past 10 years has been approximately 5.64 percent and 5.56 percent during the past 15 years. The submitted 2017-2018 Budget is based on these taxable values plus \$93,387,516 of taxable values in dispute still pending with Dallas County Appraisal District and Collin County Appraisal District and less the Tax Increment Financing (TIF) District increment of \$1,425,210,967.

Remaining revenue projections are based primarily on historical trends and conservative growth indicators. The revenues projected for the General Fund for the proposed 2017-2018 Budget represent an increase of \$4,850,054 or 3.9 percent from 2016-2017 estimated revenues. Sales Tax for 2017-2018 is projected at \$35,130,408 reflecting an increase of \$17,000 or a 0.1 percent increase from 2016-2017 year-end estimated revenues.

Water and Sewer Fund

The proposed 2017-2018 Budget for the Water and Sewer Fund including debt service is submitted at \$75,009,050. This represents an increase of \$4,375,558 or 6.2 percent from the 2016-2017 estimated expenditures. Included in the proposed expenditures for the 2017-2018 Water and Sewer Fund is \$29,633,685 associated with the water purchase requirement from the North Texas Municipal Water District, representing 39.5 percent of the total expenses and transfers in this fund.

The proposed budget for the purchase of water anticipates an additional \$0.25 per thousand gallons or \$2.8 million increase in wholesale water rates from North Texas Municipal Water District (NTMWD) in accordance with their multi-year financial plans. With rate increases expected from all three sewer treatment providers, sewer treatment services are expected to increase \$1.6 million over the year end estimate of \$14.3 million to allow for changes in flow.

Beyond the proposed operational expenditures, funding of \$5,529,000 is required for the debt service requirements associated with our ongoing multi-year utility capital improvement program. Increases and decreases by departments between the proposed 2017-2018 Budget and 2016-2017 estimated expenditures are illustrated on page 10 of the Proposed Budget, exclusive of debt financed capital.

Water and Sewer Revenues

Proposed Water and Sewer Fund revenues of \$77,075,476 reflect an increase of \$6,880,972 or 9.8 percent from the 2016-2017 estimate based on the assumption of normal consumption and normal weather patterns. A 9.5 percent rate increase is requested with this budget. The increase would go into effect with the first billing in November of 2017. As the new fiscal year begins, water and sewer sale and consumption patterns will be tracked and monitored closely.

Solid Waste Services Fund

The 2017-2018 Budget for the Solid Waste Services Fund is proposed at \$14,970,413 representing a 2.2 percent or \$321,795 increase from the 2016-2017 Estimate. The disposal fees paid to NTMWD are budgeted at \$4,309,850, a 0.4 percent increase over the year-end estimate due to a modest increase in the anticipated tonnage taken to the landfill. Necessary vehicle and container replacements are also included in the proposed 2017-2018 Budget for the Solid Waste Services Fund.

Solid Waste Fund Revenues

Solid Waste revenues are programmed at \$14,708,492 for 2017-2018, an increase of 1.3 percent from the 2016-2017 estimate.

Golf Fund

Total expenditures and transfers for the Golf Fund for fiscal year 2017-2018 are proposed at \$2,275,125 reflecting an increase of 4.8 percent above estimated 2016-2017 expenditures.

Golf Fund Revenues

Golf Fund revenues are projected at \$2,282,588 based on estimated rounds.

Hotel/Motel Tax Fund

The 2017-2018 Budget for the Hotel/Motel Tax Fund is proposed at \$6,591,660, which is a decrease of \$666,025 or 9.2 percent from 2016-2017 estimated. The proposed budget reflects funding for the sixteenth full year of operations for the Charles W. Eisemann Center for Performing Arts and Corporate Presentations, as well as support for Convention and Visitors Bureau and funding for arts initiatives.

Hotel/Motel Tax Revenues

Total revenues for the Hotel/Motel Tax Fund are projected at \$6,864,917 for 2017-2018 reflecting an increase of \$202,914 or a 3 percent increase from estimated 2016-2017. Hotel motel tax receipts are projected at \$4,350,066 reflecting a 0.2 percent increase or \$9,288 above estimated 2016-2017. In addition to hotel motel tax receipts, the Hotel Motel Tax Fund also hosts fees associated with the use of the City's Parking Garage at Galatyn Park and the Eisemann Center. Parking fees are projected at \$222,819. Eisemann Center fees are projected at \$2,226,720 or 8.7 percent above the 2016-2017 estimate. Eisemann Center revenue projections for 2017-2018 are based primarily on current bookings for facility use next fiscal year.

Fund Balances

As reflected in the fund summaries, targeted fund balances have been maintained in the General Fund (63 days) and in the Solid Waste Services Fund (90.4 days). The Water and Sewer Service Fund (84.4 days) and Golf Fund (17.2 days) are below the targeted fund balances, but with plans to rebuild these fund balances in future years.