



## Press Release

For Release: August 10, 2018

CONTACT: Greg Sowell, Director of Communications, 972-744-4218

### **RICHARDSON CITY MANAGER PRESENTS 2018-2019 BUDGET**

(Richardson, TX) – The City of Richardson’s proposed budget for the 2018-2019 fiscal year is \$283,464,544. The proposed amount represents an increase of \$11,772,670 or 4.3 percent from the 2017-2018 estimated expenditures of \$271,691,874.

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.

“One of the most important themes in this year’s budget is showing our stakeholders the policy ‘paths’ that guide where their money is being spent,” said Richardson City Manager Dan Johnson. “We acknowledge that property values have increased, and the people in Richardson want to know what added value they receive for their tax dollars. Our value proposition is using the money specifically to support infrastructure maintenance, boost public safety resources, leverage economic development opportunities and enhance the customer experience. This budget makes a direct connection to those goals to meet our City Council’s objective to make Richardson a clean, safe, vibrant and inclusive community in which residents, businesses and other stakeholders enjoy a high quality of life and are proud to call ‘home’.”

Key highlights of the Proposed 2018-2019 Budget include:

- Certified Tax Roll increase of 8.64 percent
- Maintains a tax rate of \$0.62516
- Increasing the Senior Tax Exemption from \$80,000 to \$85,000
- A total of approximately \$5.376 million in street/alley maintenance, an increase of \$473,000
- Establishing dedicated funding of \$768,077 for park maintenance projects
- Sales Tax forecast of 2.75 percent above estimated “base to base” year-end 2017-2018 collections
- 3 percent merit-based market adjustments for all public safety employees. Eligible public safety employees may also receive up to 5 percent merit-based step increases

- 3 percent merit-based increases 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 2018-2019 Budget is programmed at \$136,159,899. Proposed 2018-2019 expenditures and transfers represents \$5,900,986, a 4.5 percent increase, over 2017-2018 estimated expenditures of \$130,258,913.

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

Increases and decreases by department between the proposed 2018-2019 Budget and 2017-2018 estimated expenditures for the General Fund are illustrated on page 8 of the Proposed Budget, exclusive of debt financed capital equipment.

A strengthened fund balance for the General Fund of 66.0 days is proposed.

### General Fund Revenues

The proposed tax rate for the support of the 2018-2019 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 \$0.37413 for operations and maintenance funds to be used toward daily operating expenses and \$0.25103 for debt service based on full valuation.

This tax rate is predicated on a certified tax roll of \$9,835,628,173 for Dallas County and \$7,014,752,668 for Collin County for a 2018 total Certified Tax Roll of \$16,850,380,841 reflecting an increase of \$1,340,540,216 or 8.6 percent from the 2017 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 5.6 percent and 4.8 percent during the past 15 years. The submitted 2018-2019 Budget is based on these taxable values plus \$187,772,485 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 \$1,676,620,982.

Remaining revenue projections are based primarily on historical trends and conservative growth indicators. The revenues projected for the General Fund for the proposed 2018-2019 Budget represent an increase of \$7,194,521 or 5.5 percent from 2017-2018 estimated revenues. Sales and Other Business Taxes for 2018-2019 is projected at \$37,865,465 reflecting an increase of \$640,009 or a 1.7 percent increase from 2017-2018 year-end estimated revenues.

### Water and Sewer Fund

The proposed 2018-2019 Budget for the Water and Sewer Fund including debt service is submitted at \$81,973,145. This represents an increase of \$4,405,671 or 5.7 percent from the 2017-2018 estimated expenditures. Included in the proposed expenditures for the 2018-2019 Water and Sewer Fund is \$32,719,092 associated with the water purchase requirement from the North Texas Municipal Water District, representing 39.9 percent of the total expenses and transfers in this fund.

The proposed budget for the purchase of water anticipates an additional \$0.28 per thousand gallons or \$3.085 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 \$2.032 million over the year-end estimate of \$16.789 million to allow for rate increases and increases in flow.

Beyond the proposed operational expenditures, funding of \$6,133,000 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 2018-2019 Budget and 2017-2018 estimated expenditures are illustrated on page 12 of the Proposed Budget, exclusive of debt financed capital.

### Water and Sewer Revenues

Proposed Water and Sewer Fund revenues of \$82,384,222 reflect an increase of \$3,897,604 or 5.0 percent from the 2017-2018 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 2018. As the new fiscal year begins, water and sewer sale and consumption patterns will be tracked and monitored closely.

### Solid Waste Services Fund

The 2018-2019 Budget for the Solid Waste Services Fund is proposed at \$15,026,707 representing a 1.3 percent or \$189,014 increase from the 2017-2018 estimate. The disposal fees paid to NTMWD are budgeted at \$4,017,000, a 1.5 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 2018-2019 Budget for the Solid Waste Services Fund.

### Solid Waste Fund Revenues

Solid Waste revenues are programmed at \$14,933,660 for 2018-2019, an increase of 0.1 percent from the 2017-2018 estimate.

### Golf Fund

Total expenditures and transfers for the Golf Fund for fiscal year 2018-2019 are proposed at \$2,315,098 reflecting an increase of 3.2 percent above estimated 2017-2018 expenditures.

### Golf Fund Revenues

Golf Fund revenues are projected at \$2,361,577 based on estimated rounds.

### Hotel/Motel Tax Fund

The 2018-2019 Budget for the Hotel/Motel Tax Fund is proposed at \$6,652,804, which is an increase of \$60,205 or 0.9 percent from 2017-2018 estimated. The proposed budget reflects funding for the seventeenth 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 \$7,054,752 for 2018-2019 reflecting an increase of \$529,156 or an 8.1 percent increase from estimated 2017-2018. Hotel motel tax receipts are projected at \$4,314,151 reflecting a slight decrease from estimated 2017-2018 receipts. 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 \$230,562. Eisemann Center fees are projected at \$2,467,233 or 28 percent above the 2017-2018 estimate. Eisemann Center revenue projections for 2018-2019 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 (66.0 days), the Solid Waste Services Fund (98.15 days) and the Golf Fund (30.05 days), The Water and Sewer Service Fund (80.81 days) is below the targeted fund balance, but with plans to rebuild this fund balance in future years.

### Input and Adoption

City Council and community input regarding the City Manager's proposed budget and tax rate will continue with the presentation of the City Manager's proposed budget on Aug. 13 followed by budget public hearings scheduled for Aug. 20 and Aug. 27. Adoption of the 2018-2019 budget is scheduled for Sept. 10.