

# FY 2024-2025 BUDGET WORKSHOP

August 5<sup>th</sup> & 6<sup>th</sup>, 2024

# BUDGET WORKSHOP – DAY ONE

## August 5, 2024

- Overview of Budget Process
- Workshop Goals / Council Tactics
- Economic Factors & General Fund Revenue
- Economic Development Response
- FY 2024-2025 Key Focus Areas
- Additional Budget Considerations
- General Fund Key Programs & Services Overview
- Tax Rate Discussion
- Final Thoughts
- Discussion and Feedback



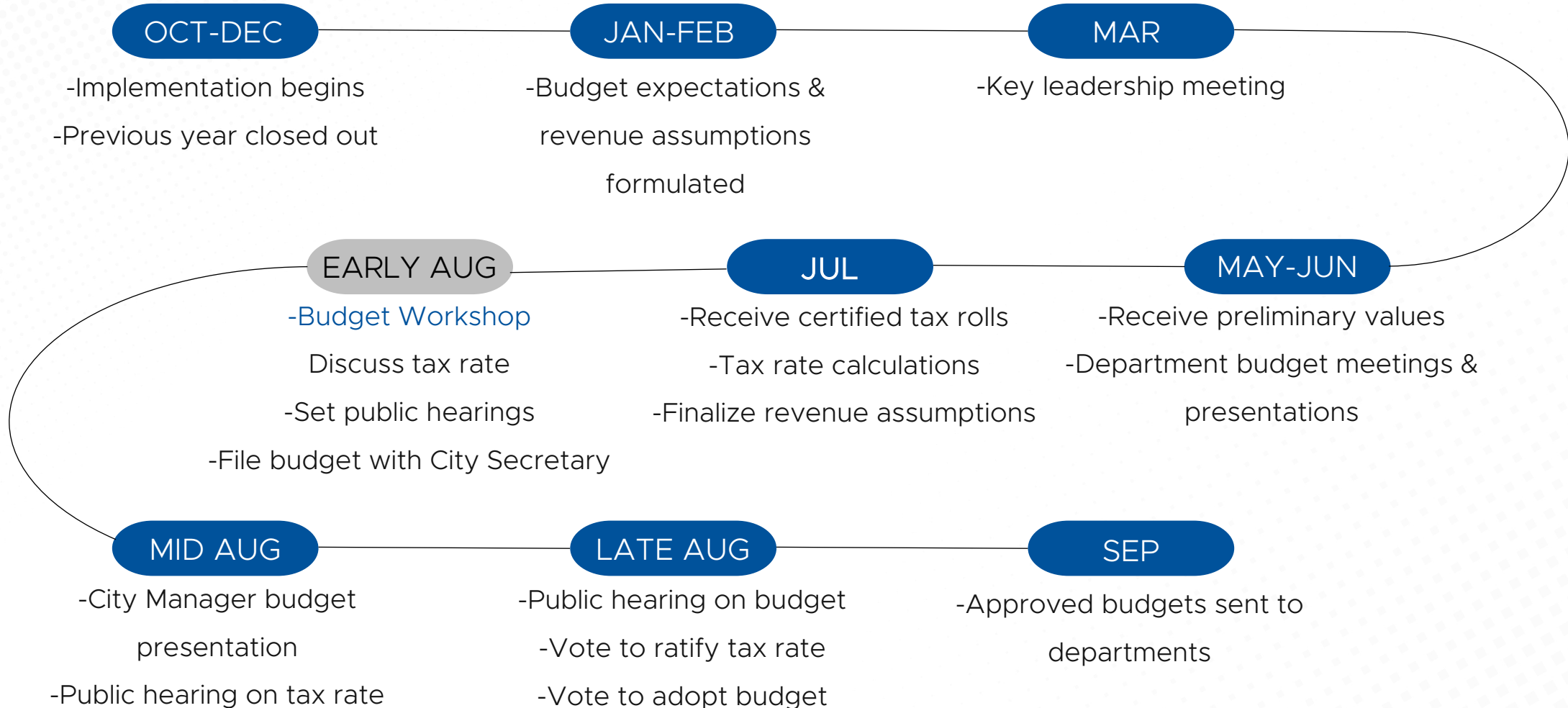
# BUDGET WORKSHOP – DAY TWO

## August 6, 2024

- Day 1 Recap / Day 2 Introduction
- Overview of Operating Fund Budgets:
  - Water and Sewer Fund
  - Drainage Fund
  - Solid Waste Fund
  - Golf Fund
  - Hotel/Motel Tax Fund
- Capital & Debt Planning
- Final Thoughts & Next Steps
- Discussion and Additional Feedback



# BUDGET DEVELOPMENT PROCESS





## WORKSHOP GOALS

- 1.** Layout the City's overall strategy for the Fiscal Year 2024-2025, building from the "deep dives" presented previously
- 2.** Provide the City Council with an opportunity to provide feedback on and discuss the direction proposed by staff
- 3.** Focus on key operating funds that speak to most of the City's annual resources. A budget for all funds will be submitted with the required filing in August
- 4.** Staff will continue to refine the fund summaries based on the Council's feedback in preparation for the August 15<sup>th</sup> filing deadline

## CITY COUNCIL TACTICS

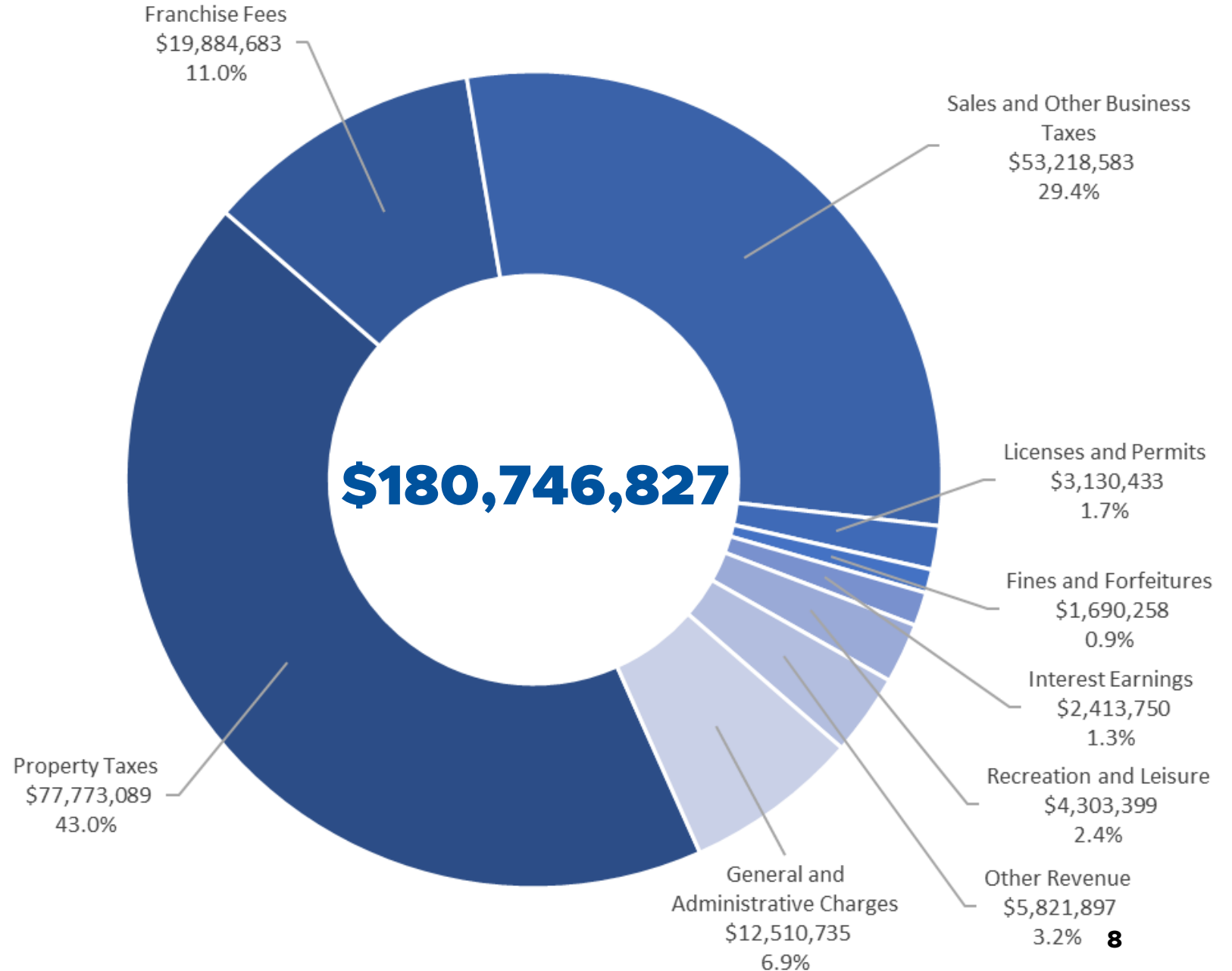
- Implement Years 3 & 4 of the 2021 Bond Program
- Perform comprehensive compensation analysis on an annual basis to sustain market competitiveness
- Continue implementation of multi-year sustainability strategies to CORPlan, which balances competitiveness with financial stability
- Prepare for annual bond issuance/bond rating agency meetings to continue capital project implementation
- Review outstanding debt annually for future refunding opportunities
- Annually evaluate property tax exemptions in conjunction with financial policies
- Evaluate utility/enterprise rate structures to stay competitive within the market and set rates to maintain a 90-day fund balance
- Maintain multi-year capital improvement plan; update annually

# ECONOMIC FACTORS & GENERAL FUND REVENUE CONSIDERATIONS

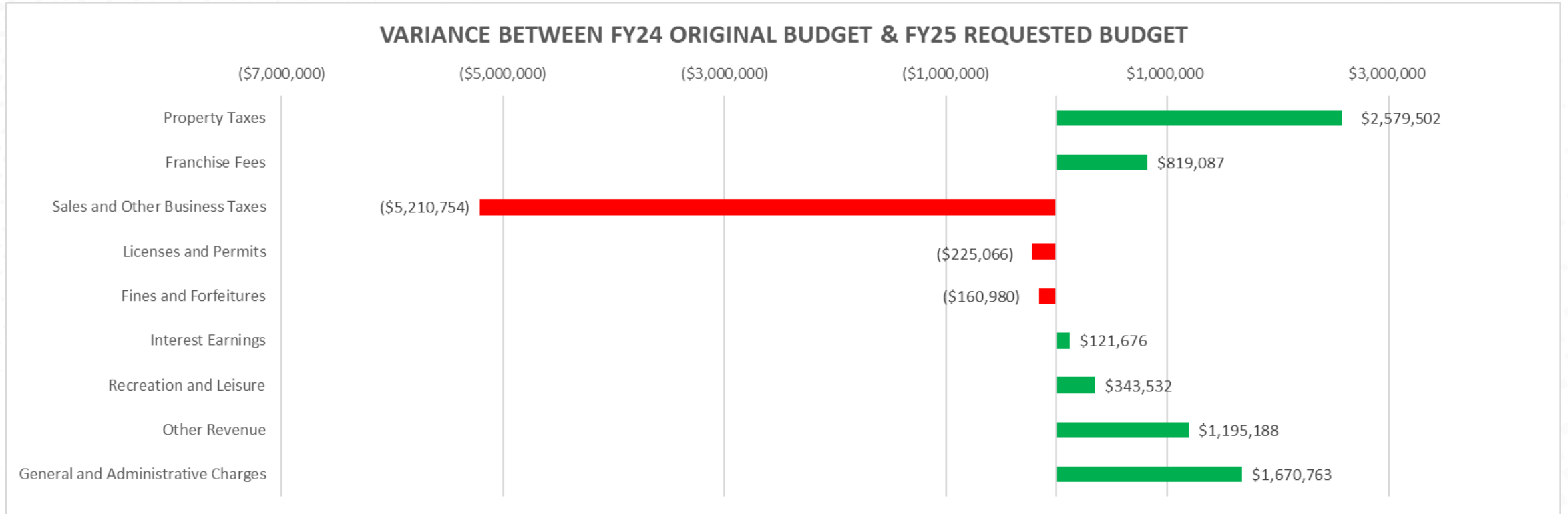
How did we get here?

# GENERAL FUND REVENUES

**72.4%** of general fund revenues derive from Property Taxes (43.0%) and Sales & Other Business Taxes (29.4%).



# GENERAL FUND – YEAR OVER YEAR CHANGE IN REVENUES



FY25 revenues are projected to increase **\$1.1 million** to **\$180.7 million** from Prior Year Budget

# ECONOMIC FACTORS IMPACTING REVENUE



**PERSISTENT  
INFLATION**



**HIGH INTEREST  
RATES**



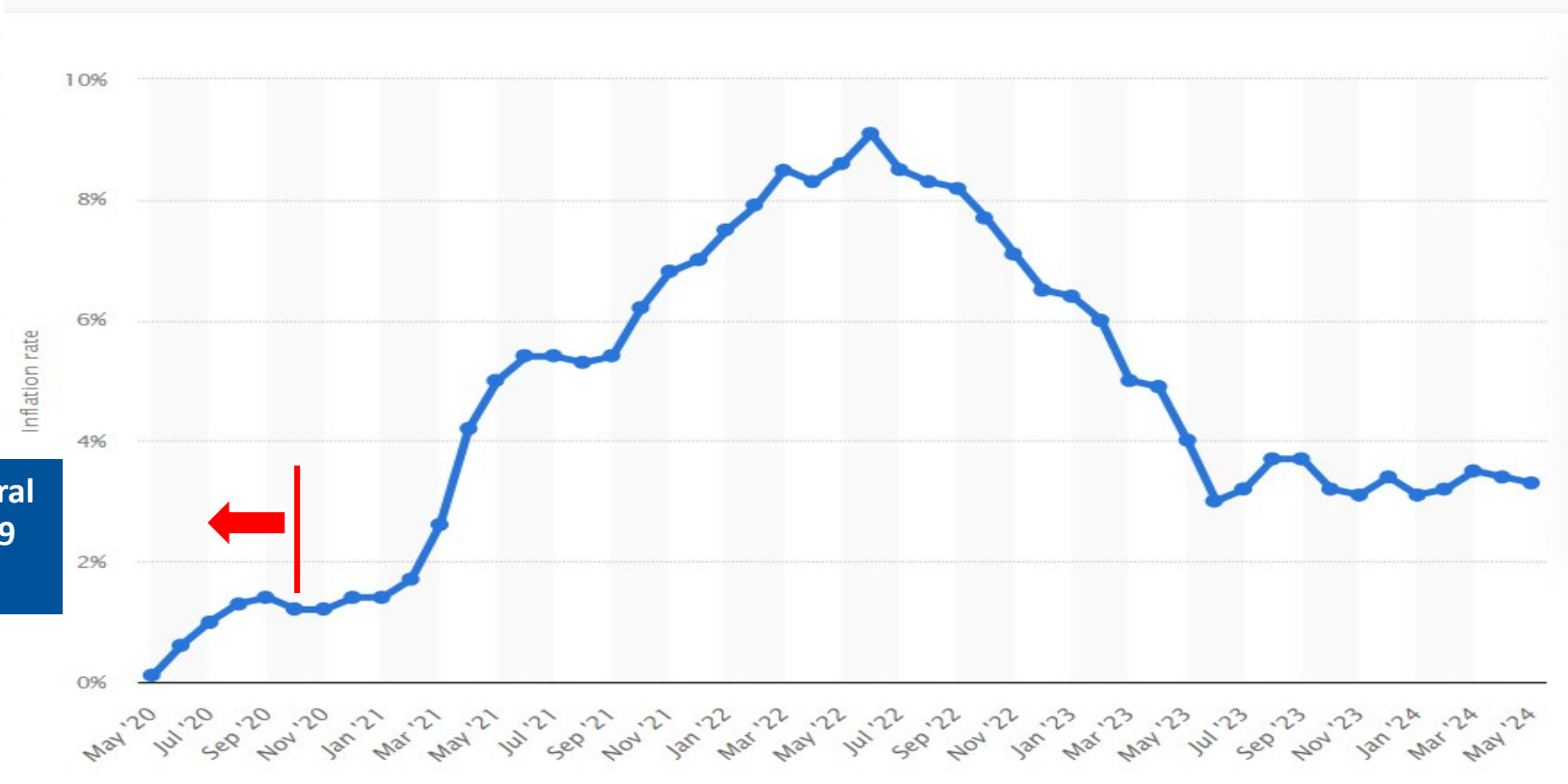
**REDUCED  
BUSINESS &  
CONSUMER  
SPENDING**



**EVOLVING  
OFFICE MARKET**



# COVID-19 IMPACT ON INFLATION

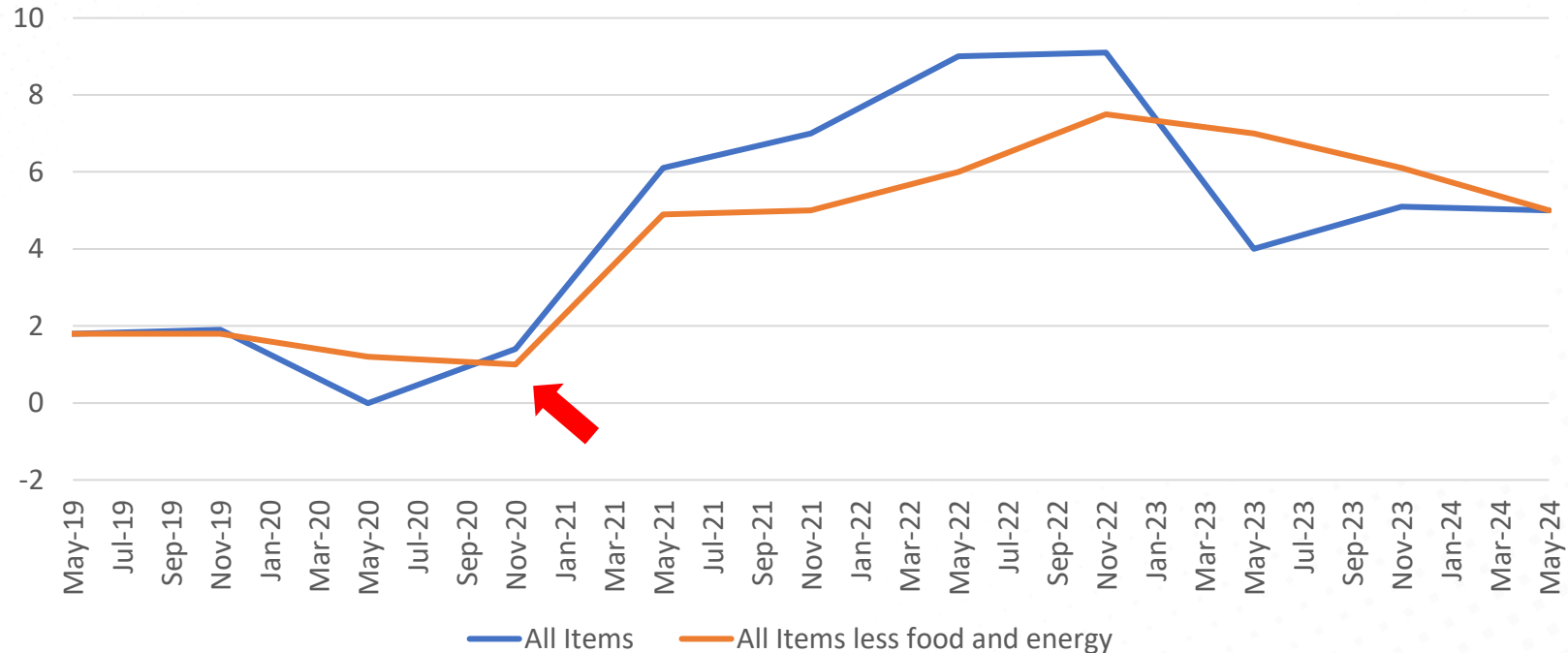


\$1.6 trillion spent by federal government on COVID-19 response in FY 2020

U.S Inflation Rate May 2020 – May 2024

# PERSISTENT INFLATION IN NORTH TEXAS

Over-the-year percent change in CPI-U, Dallas-Fort Worth-Arlington May 2019-May 2024  
 Source: U.S. Bureau of Labor Statistics



The Consumer Price Index 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

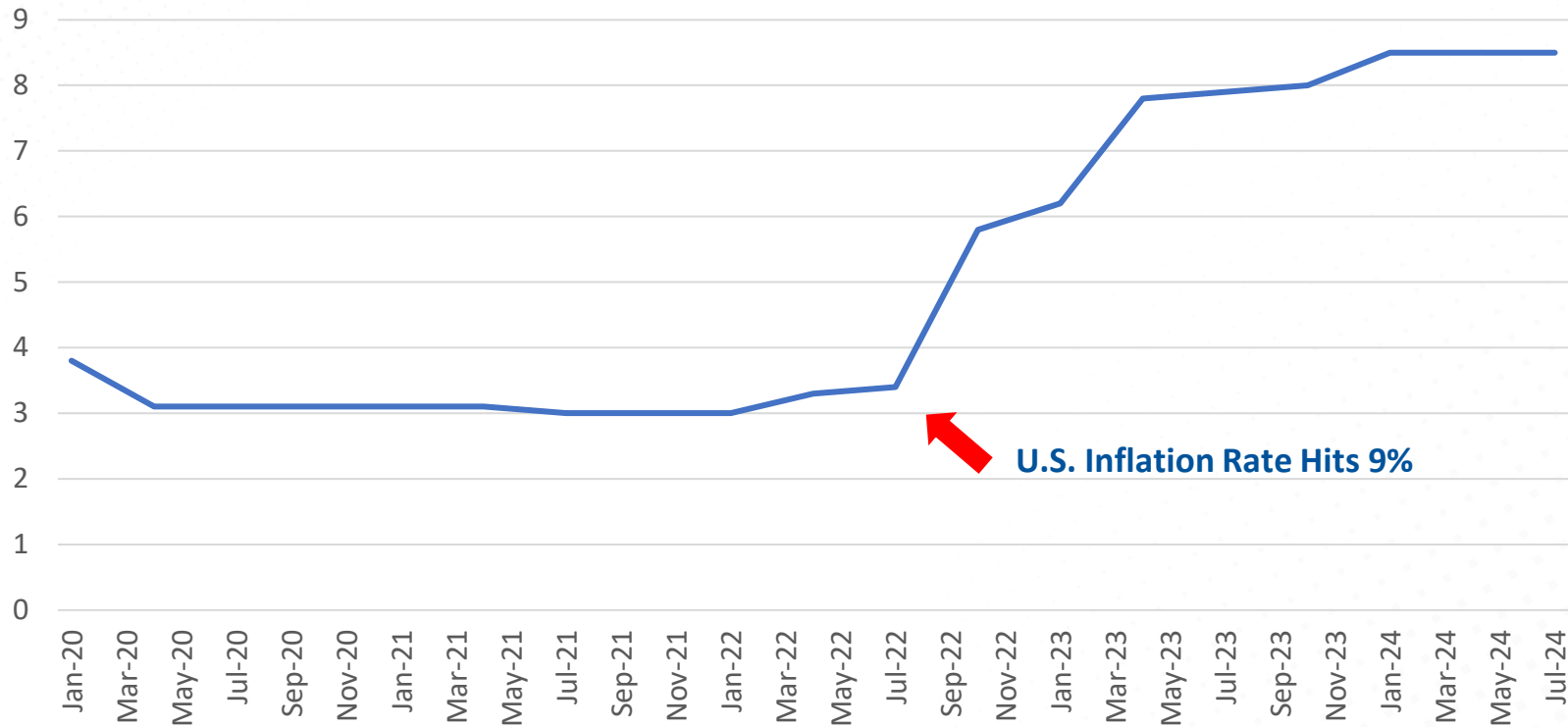
# FEDERAL FUNDS RATE HISTORY

FOMC Meeting Date	Rate Change (bps)	Federal Funds Rate
July 26, 2023	+25	5.25% to 5.50% <b>← 23yr High</b>
May 3, 2023	+25	5.00% to 5.25%
March 22, 2023	+25	4.75% to 5.00%
Feb 1, 2023	+25	4.50% to 4.75%
Dec 14, 2022	+50	4.25% to 4.50%
Nov 2, 2022	+75	3.75% to 4.00%
Sept 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.50%
June 16, 2022	+75	1.50% to 1.75%
May 5, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%

The *Federal Funds Rate* refers to the interest rate that banks charge other institutions for lending excess cash to them from their reserve balances on an overnight basis

# HIGH INTEREST RATES

Prime Rate January 2020 – July 2024



The *Prime Rate* is the interest rate commercial banks charge their most creditworthy customers

# ECONOMIC FACTORS IMPACTING REVENUE



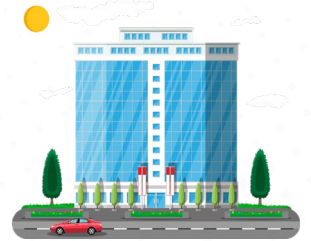
**PERSISTENT  
INFLATION**



**HIGH INTEREST  
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**REDUCED  
BUSINESS &  
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SPENDING**



**EVOLVING  
OFFICE MARKET**

# BUSINESS AND CONSUMERS REACT

- Inflation and higher interest rates have led to less spending (decreased sales tax revenue) and less investment (decreased property tax revenue) by businesses and consumers
- Both report postponing important spending decisions until economic indicators stabilize and more favorable conditions become apparent
- Businesses also report that ongoing concerns about political volatility and a potential recession are contributing to their cautious spending approach

## Harvard Business Review

Government Policy And Regulation

### Companies Need a New Approach to Investing This Election Year

by Vijay Govindarajan, Felipe B. G. Silva, and Anup Srivastava

July 29, 2024



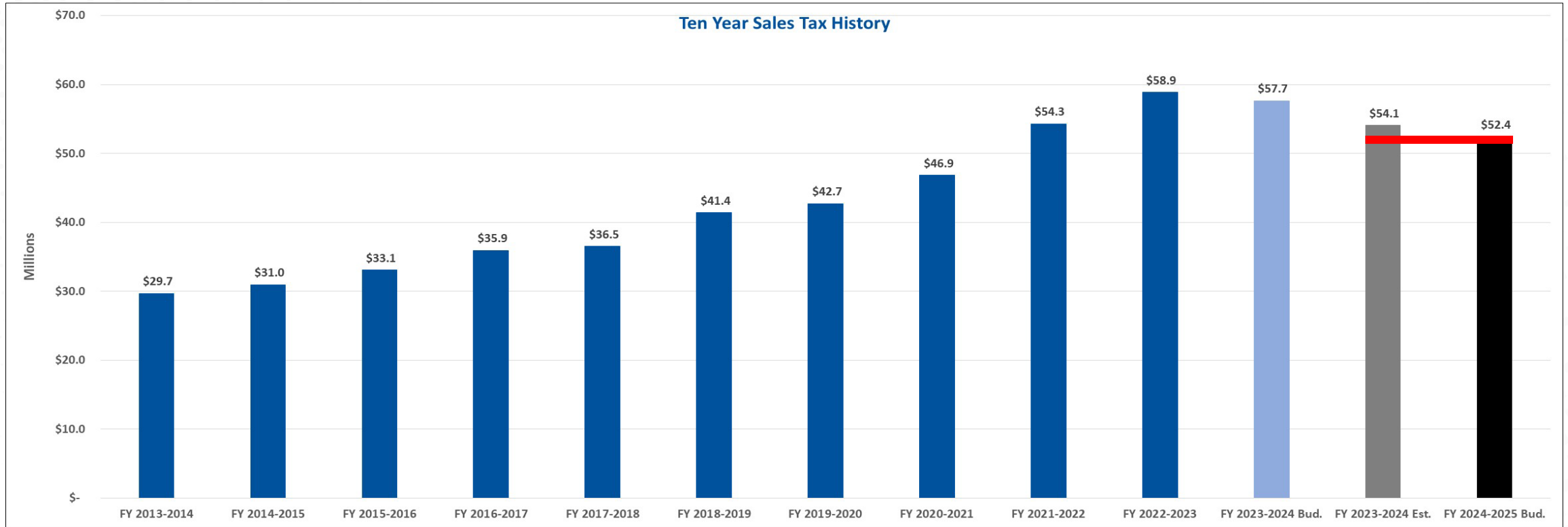
Lynne Gilbert/Getty Images

**Summary.** In the U.S., it's normal for policy uncertainty to increase before a major election, then decrease once the results are in. In any other election cycle, the predictable increase and decrease in uncertainty offers shrewd managers unique opportunities for operating... [more](#)

Election years have long been characterized by increased [policy uncertainty](#), which typically reverts to lower levels after the results become known. Opposing parties have different views on a gamut of economic policies that affect firms' [growth](#), [risks](#), and [profitability](#). This pattern of uncertainty buildup followed by its sudden post-election decline has been observed at levels across the political spectrum, including U.S. [gubernatorial](#) and [presidential](#) elections as well as [major elections](#) around the globe.



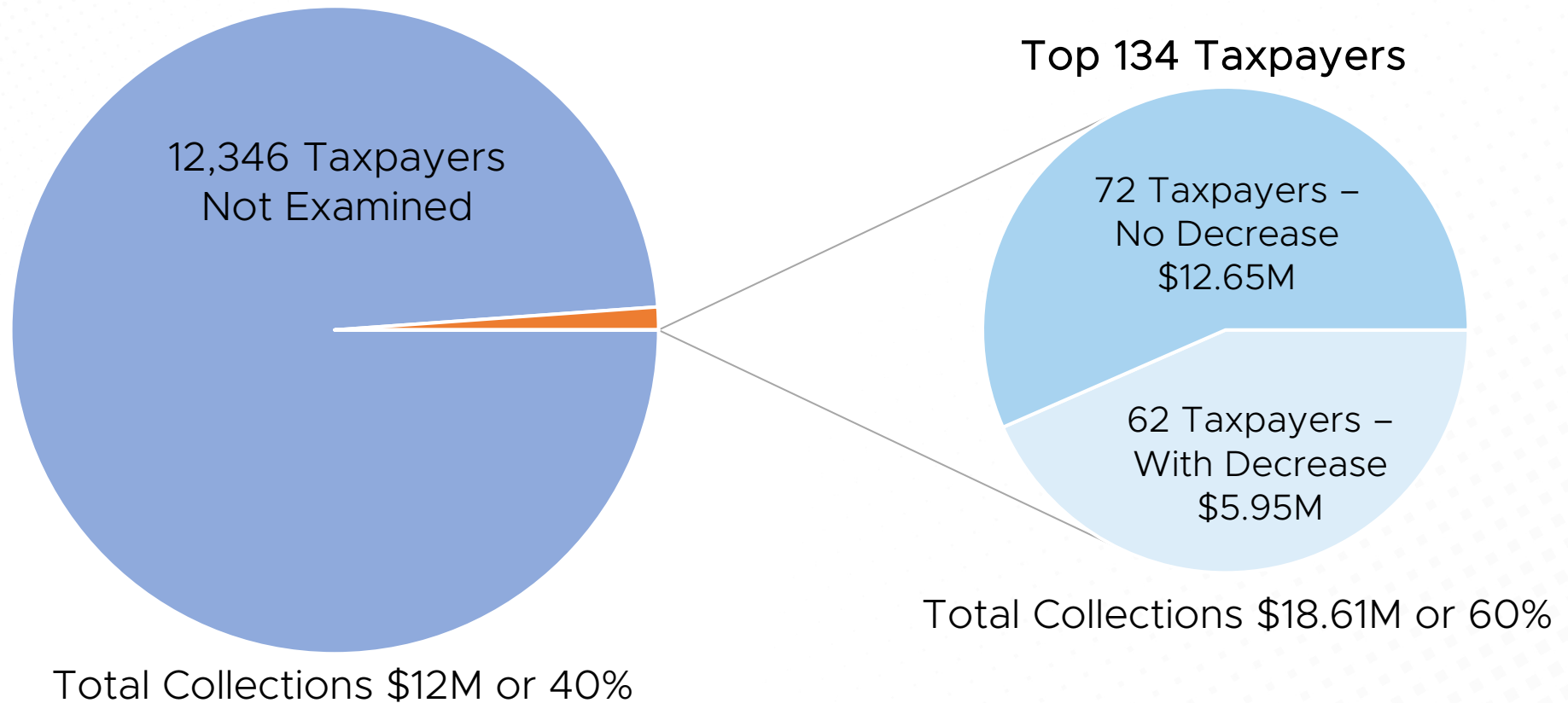
# SALES TAX REVENUE



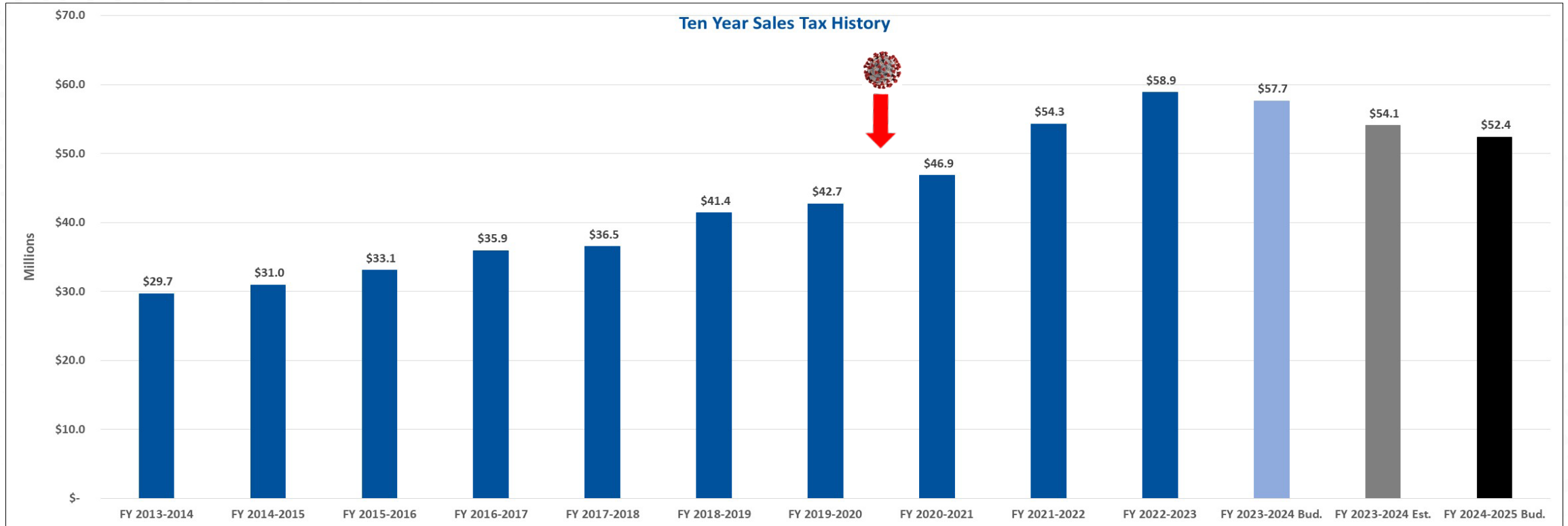
**FY24-25 Budget is  
3.1% less than  
FY23-24 Estimate**

# SALES TAX ANALYSIS

- Performed by a third-party after a \$1.9m decrease in sales/use tax for first five months of FY23-24
- Analysis sampled top 134 Sales/Use Tax depositors for the 2022, 2023 and 2024 year-to-date



# SALES TAX REVENUE – TECHNOLOGY RELATED SPENDING



Sales tax related to technology purchases increase sharply

The need for technology to work remotely greatly increased due to the pandemic

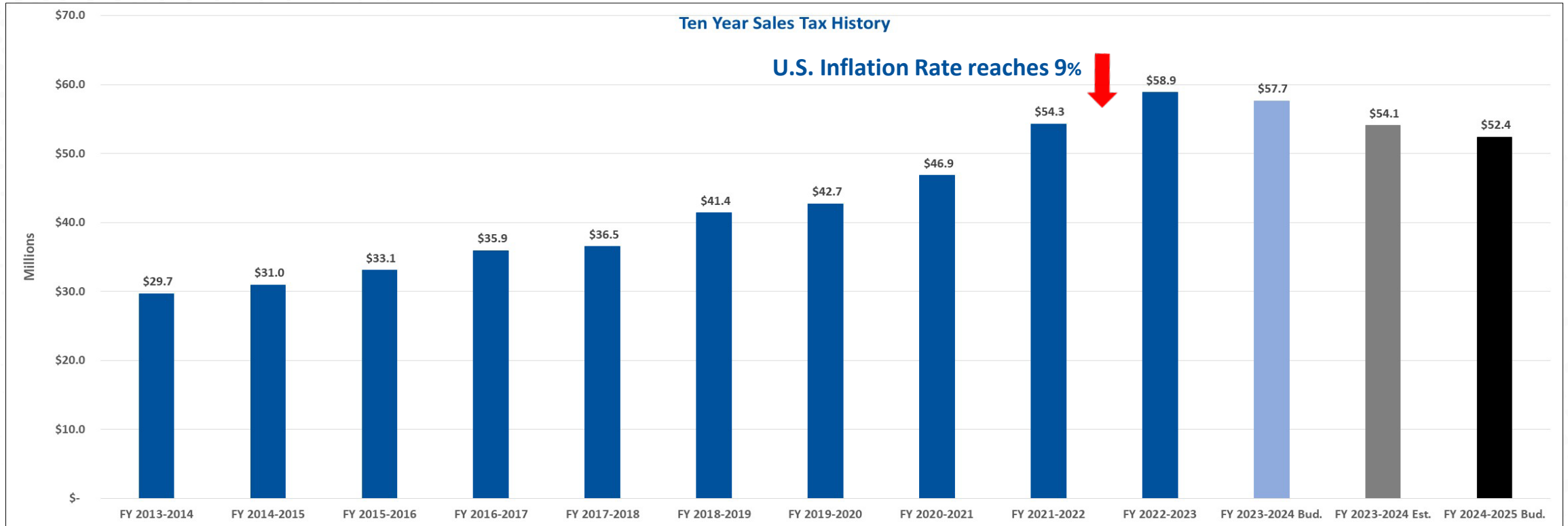
# SALES TAX REVENUE – INSURANCE RELATED SPENDING



**Sales tax related to insurance claims increased steeply**

**2020-2022 there were 30-Billion Dollar Weather Disasters resulting in ~\$80 Billion in losses in Texas**

# SALES TAX REVENUE – CONSTRUCTION RELATED SPENDING



NEWS > ECONOMIC NEWS

**The Fed's High Interest Rates  
Are Hampering Construction**

By TERRY LANE Published July 01, 2024 03:02 PM EDT

# ECONOMIC FACTORS IMPACTING REVENUE



**PERSISTENT  
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**HIGH INTEREST  
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**REDUCED  
BUSINESS &  
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**EVOLVING  
OFFICE MARKET**



# POST PANDEMIC OFFICE MARKET - “FLIGHT TO QUALITY”

- The U.S. office vacancy rate currently is at a record 19.8% (compared to 9.4% in 2019)
- In the first quarter of 2024, tenants signed leases for about 102 million square feet (about 10% below 2019)
- Houston, Dallas and Austin are the first-, second- and third-most-vacant office markets among the nation’s largest 50 metros
- There is a significant discrepancy in leasing activity between buildings constructed before and after 2015
- DFW Market
  - Buildings Older than 2015: lost 17.9 million sq ft.
  - Buildings Newer than 2015: gained 14 million sq ft.
- Businesses want exceptional places for their talent to work so they can attract them to return to the office rather than require them to return

**Less than 10% of office stock in major metros considered ‘prime’ space**

The National Observer (June 20, 2024)

**Flight-to-Quality Trend Apparent as Top-Tier Office Assets Outperform**

CBRE.com

# POST PANDEMIC OFFICE MARKET - LOAN DEFAULTS

- Today's high interest rates are particularly problematic because commercial-property owners typically borrow at least half of a building's cost
- Most of the mortgages that are coming due now were made when interest rates were much lower
- In a stable office market, many landlords would be able to pay the higher rates when refinancing
- However, the pandemic accelerated the adoption of remote work technologies, leading to decreased demand for traditional office spaces
- Owners are struggling to cope with the situation and have defaulted on billions in commercial-property loans
- Older office buildings lacking modern amenities and functionality are now exposed as uneconomical and undesirable

## Office-Loan Defaults Near Historic Levels With Billions on the Line

Wall Street Journal (April 30, 2024)

## Office Building Losses Start to Pile Up, and More Pain Is Expected

The New York Times (June 6, 2024)

# PROPERTY TAX REVENUES

Projected at **\$77.8 million**, which is an increase of **\$2.6 million** above the FY24 Original Budget

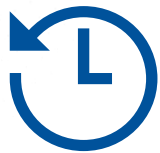
## CURRENT TAXES



Projection of **\$77.9 million** is based on 9.96% value growth from FY24

- An increase of \$3.0 million from FY 2023-2024
- **Commercial office sector values down (9.4%)**

## PRIOR TAXES



Projection of (\$350,000)

- Forecast for FY 2024-2025 is based on current trends and assumes continued higher than normal property value dispute lawsuits filed in District Court, **many related to commercial office sector**
- Assumes a continued impact of less than favorable outcomes of these lawsuits
- A decrease of (\$411,000) from FY 2023-2024

## PENALTIES & INTEREST



Projection of \$261,667 based on 5-year average

- An increase of \$32,000 from FY 2023-2024

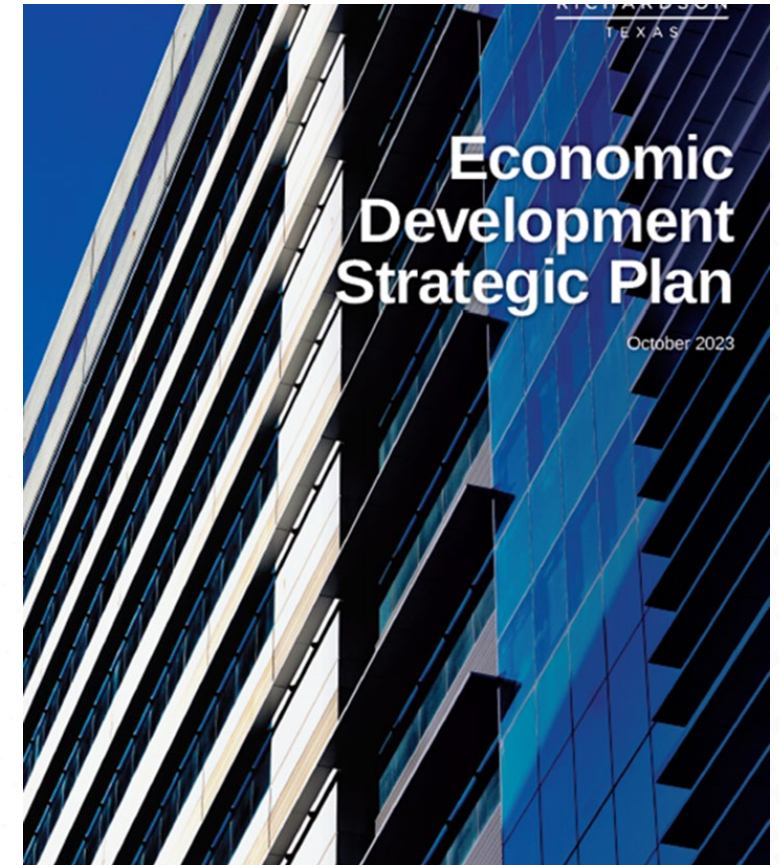
# ECONOMIC DEVELOPMENT RESPONSE

What are we doing about it?



# OFFICE & FLEX REAL ESTATE STRATEGY

- Evolving since the adoption of the economic strategic plan in 2023
  - Based on property owner focus groups, broker input sessions, tenant feedback meetings, and capital investor guidance
1. Reinvent outdated office campuses
    - Create “places” where talent wants to work by replacing outdated office buildings that can no longer compete in the market with housing, restaurants, entertainment, etc.
  2. Reinvest in strategic office buildings
    - Create “Class A” assets by investing in the modernization of buildings that are surrounded by existing amenities
  3. Reduce the tenant improvement “gap”
    - For target industry opportunities, help property owner's close deals by assisting with the high cost of tenant improvements



# OFFICE & FLEX REAL ESTATE STRATEGY



**Lang Partners eyes 297-unit complex in Richardson**  
\$38M project set to rise in suburb's growing technology district

Lang Partners' Dirk Oudt, Matt Johnson, and Kyle Oudt with 111 Spring Valley Road (Lang Partners, Google Maps)

DEVELOPMENT DALLAS

## JLB replacing Richardson office building with \$70M apartment project

390 units planned for 4-acre site north of Dallas



JLB Partners' CEO Bay Miltenberger and 2520 North Central Expressway (Facebook, Google Maps)

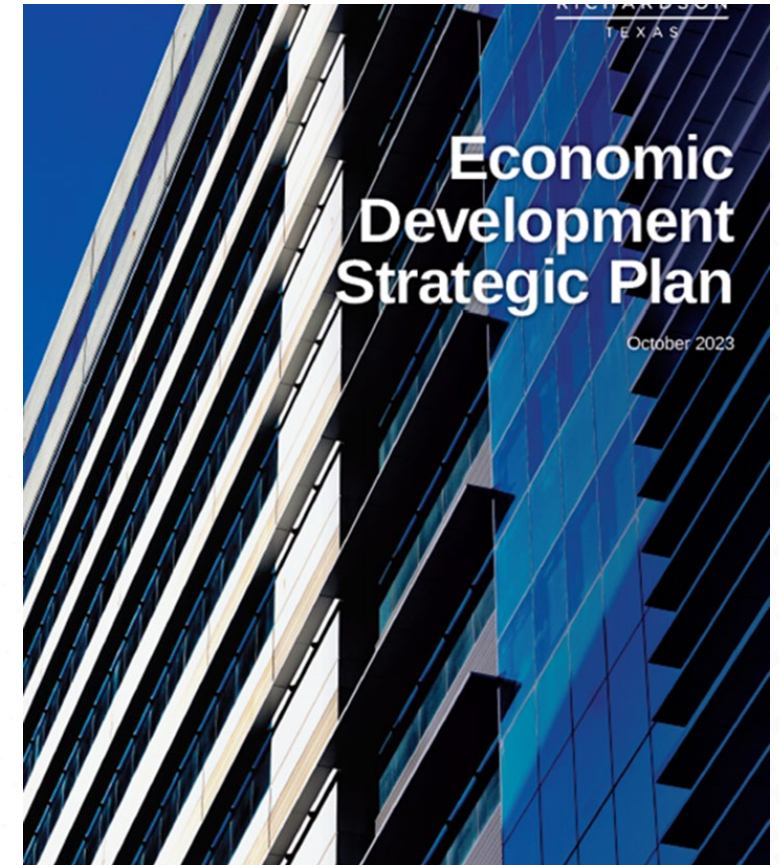
### Noteworthy Points:

- Total of 80,000 square feet of outdated office eliminated valued at \$5.7M
- Estimated value of new development: \$130M
- Both projects located near DART Red Line Station and on the Central Trail
- Both projects will bring new residents to support adjacent retail



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# OFFICE & FLEX REAL ESTATE STRATEGY - GALATYN COMMONS





# OFFICE REAL ESTATE STRATEGY – 6 MONTH REVIEW



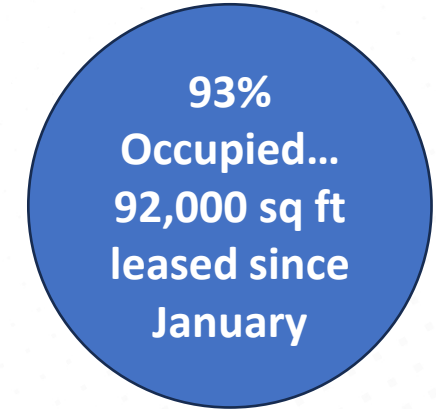
Collins Crossing  
1500 N. Greenville Ave



78,000 sq ft.



29,000 sq ft.

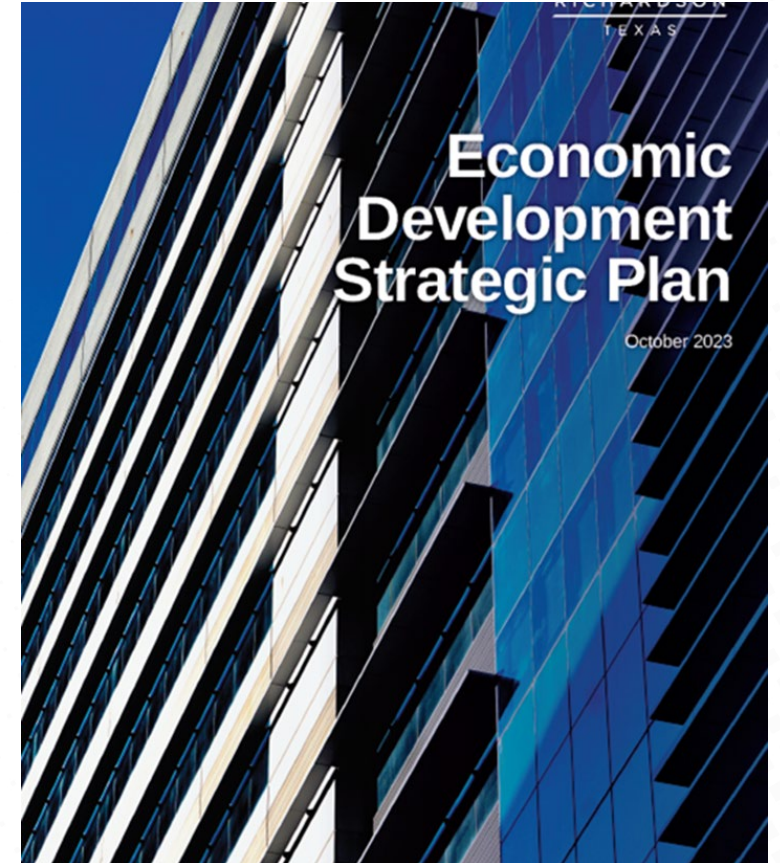


14,000 sq ft.



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# OFFICE REAL ESTATE STRATEGY – 6 MONTH REVIEW



10,000 sq ft.  
2221 Lakeside Blvd



30,000 sq ft.  
2811 Telecom Pkwy



14,000 sq ft.  
1301 W. PGBT



260,000 sq ft.  
2301 N. Greenville Ave & 1300 Lookout Drive



15,000 sq ft  
305 S. Central Expy



20,000 sq ft.  
1231 Columbia Dr



22,766 sq ft.  
2505 N. Plano Rd



# RETAIL REAL ESTATE STRATEGY

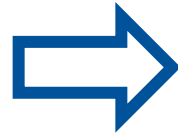
- Evolving since the adoption of the City Council Strategies in 2023
  - Based on property owner focus groups, broker input feedback meetings, small business feedback meetings, and capital investor guidance
1. Reinvent legacy shopping centers
    - Provide acquisition assistance to owner/developers who wish to revitalize legacy centers with new visions and proven tenanting strategies
  2. Reinvest in site and building façade improvement projects
    - Assist with building modernization, compliance with new regulations and modern signage strategies to increase the value of centers and attract high quality, diverse tenants
  3. Reduce obstacles for tenants to execute their vision
    - Work with high quality tenants on finish out and system upgrades so that their complete vision can be achieved



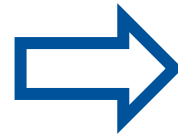
# RETAIL REAL ESTATE STRATEGY – 6 MONTH REVIEW



92%  
Leased



Min \$1M  
Phase 1  
Investment



*“Significant renovations are in the works for the 201,433-square-foot shopping center, including architectural enhancements, façade modifications, landscaping and lighting upgrades, and other improvements, Graham Irvine, managing director at JAH, said in a statement”*



## LOOKING AHEAD

- North Texas will continue to be a driving force in the world's economy
- The economic and real estate cycles we discussed today could last ~2 years
  - Will need to be especially mindful of the impact the evolving office real estate market will have in coming years as more leases expire, companies “right-size” and owners have to make difficult decisions about
  - Will need to remain vigilant until we see sales tax start to meet projections
- When conditions stabilize, Richardson will be poised to strongly rebound because of the steps we have taken to leverage market trends, establish meaningful relationships with the development community, and clearly communicate our vision which is based in real estate market realities

### **Fed Urged to Enact Emergency Rate Cut as Global Sell-Off Stokes Recession Fears**

Economist Paul Krugman argued there is a "real case for an emergency cut soon" as concerns grow that the Fed has waited too long to act.

### **An Emergency Fed Rate Cut Would Be A Mistake**

The US central bank should ease policy at its next meeting in September, rather than be bullied into acting by a slump in stock markets.

### **Emergency Fed Meeting: Is a Rate Cut Imminent?**

Chicago Federal Reserve president Austan Goolsbee refused to say if an emergency Fed meeting will happen

### **How an emergency Fed rate cut to restore market confidence might backfire**

An emergency rate cut 'could cause more panic,' strategist says

# KEY FOCUS AREAS

## KEY FOCUS AREA DRIVERS

- Current and anticipated economic factors
- City Council Goals & 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
- Adopted Plans and Special Initiatives
- City Assessments and Evaluations
- External Assessments and Evaluations



# KEY FOCUS AREAS



**RECRUITMENT  
& RETENTION**



**PUBLIC  
SAFETY**



**INFRASTRUCTURE**



**ECONOMIC  
DEVELOPMENT**

# KEY FOCUS AREAS



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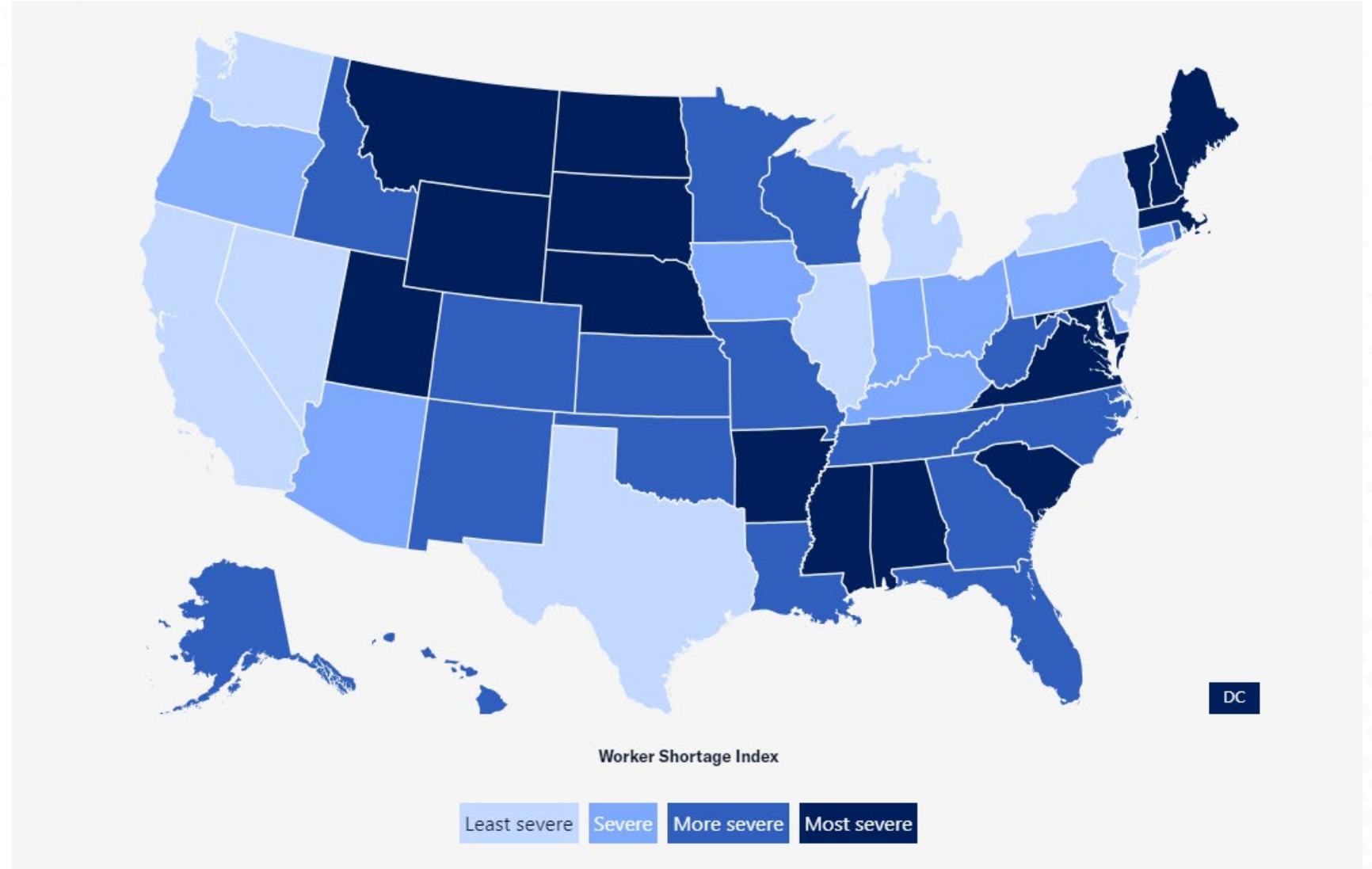
# WORKER SHORTAGE INDEX

Texas has **80** available workers for every 100 open jobs.

# 0.80

Texas's Worker Shortage Index

- Job Openings: 774,000
- Unemployed Workers: 622,845
- Labor Force Participation Rate: 64.2
- Unemployment Rate: 4.1
- Quit Rate: 2.7
- Hiring Rate: 3.8



# STRATEGIES IMPLEMENTED TO RECRUIT & RETAIN TALENT

## PAY:

- Market adjustments for various classifications (for Police, Fire, General employees) (2022 thru 2024); Salary ranges further adjusted based on wages of competitors and/or because difficult to fill positions (2022 & 2023)
- “Living Wage” Adjustment of \$18.89/hour for FT positions (based on MIT study of Dallas County – 2022 thru 2024)
- Alleviated significant salary compression issues for some difficult to fill positions (2022)
- Increased auto allowances for positions that drive significant miles to fulfill duties (2022 & 2023)
- Increased longevity pay (2023)
- Parks Department paid/reimbursed for lifeguard certification training (since 2023)
- Lateral Entry program for Fire and Police (since 2022)
- Increased recruitment and referral incentives for difficult to fill positions (2022 thru 2024)
- Increased “Box Pay” for Fire (2023)

## BENEFITS:

- Enhanced retirement eligibility benefit (2023)
- Adjusted vacation leave accruals for new hire employees (2022)
- Added new floating holiday (2024)
- No increase in medical insurance premiums (for last 7 years)
- December insurance premium holiday
- Increased City contribution for employee’s Health Savings Account (2023), enhanced medical benefits (2024)
- Departments pay for the cost for employee training and testing for CDLs (2022 thru 2024)

## WORK-LIFE:

- Telecommuting Policy (with approval of director) (2022)
- Ability to work 4–10-hour days (with approval of director) (2022)



# APPLICANT ACTIVITY

RECRUITMENT APPLICATION TRAFFIC	TOTAL APPLICATIONS BY FISCAL YEAR						
	Month	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
	<b>October</b>	350	491	587	855	438	833
	<b>November</b>	347	510	440	573	664	567
	<b>December</b>	884	524	624	345	739	538
	<b>January</b>	966	643	892	562	539	813
	<b>February</b>	932	655	388	340	580	453
	<b>March</b>	795	634	639	264	767	369
	<b>April</b>	804	302	444	214	446	817
	<b>May</b>	691	467	403	690	475	869
	<b>June</b>	715	365	651	578	659	795
	<b>July</b>	1,187	428	622	1,060	957	450
	<b>August</b>	1,360	322	599	832	1,088	
	<b>September</b>	1,240	792	636	484	595	
	<b>TOTAL</b>	<b>10,271</b>	<b>6,133</b>	<b>6,925</b>	<b>6,797</b>	<b>7,947</b>	<b>6,504</b>

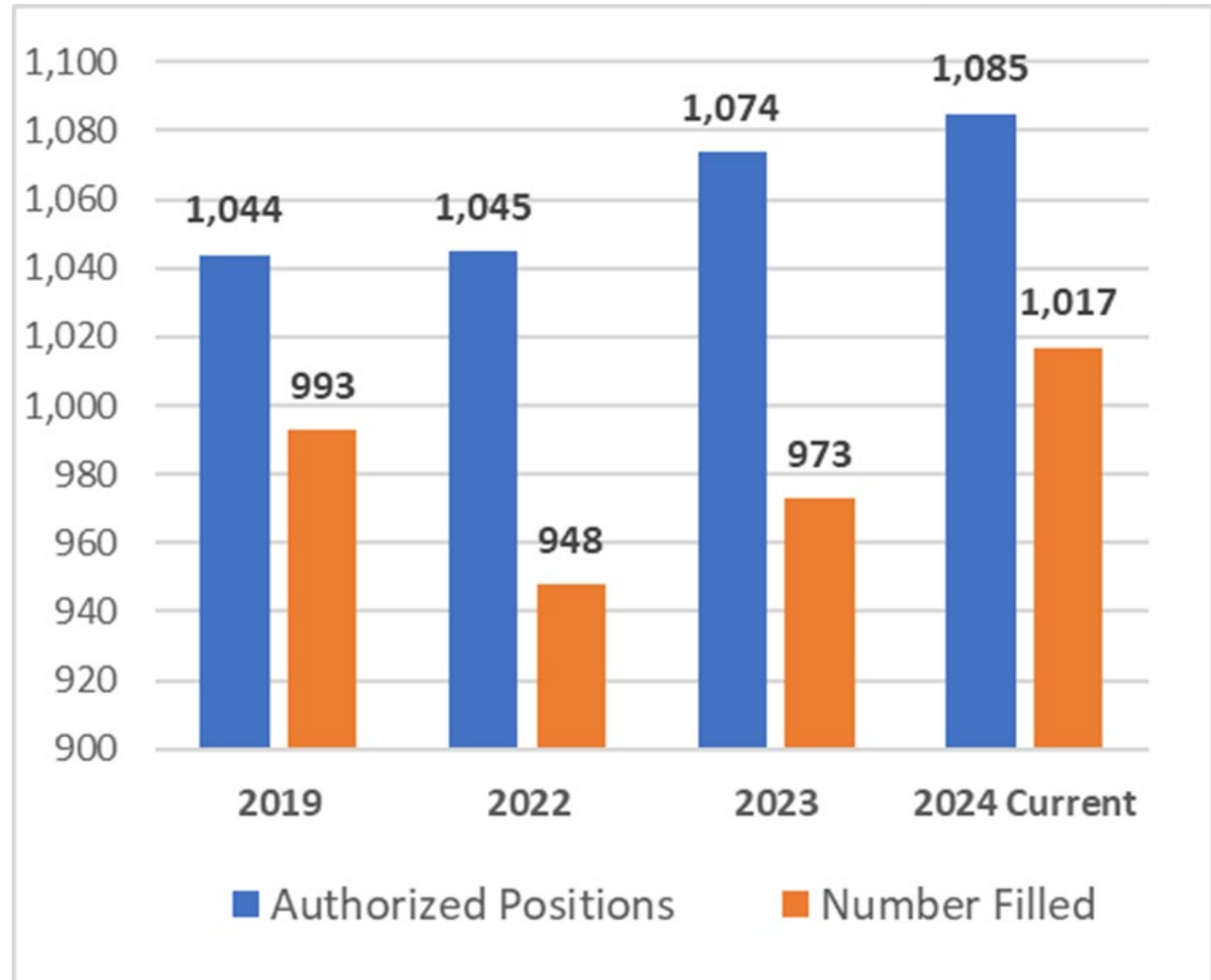
6,264 vs 6,504

# APPLICANT ACTIVITY

RECRUITMENT APPLICATION TRAFFIC	Positions	2019	2022	2023	2024 - Current
		Custodian	227	82	78
	Fleet Technician II	22	7	6	7
	Heavy Equipment Operator	88	65	81	92
	Driver/Loader	274	110	242	271
	Solid Waste Loader	191	53	50	0
	Maintenance Helper II	212	122	104	134
	Crew Chief	36	19	34	35
	Combination Inspector	77	36	42	32
	911 Operator	1,039	264	536	400
	Police Officer	1,228	641	671	483
	<b>TOTAL APPLICATIONS</b>	<b>3,394</b>	<b>1,399</b>	<b>1,844</b>	<b>1,467</b>

# PRE-PANDEMIC VS POST-PANDEMIC VACANCIES

City-Wide	2019	2022	2023	2024 Current
Authorized Positions	1,044	1,045	1,074	1,085
Number Filled	993	948	973	1,017
Number Vacant	51	97	101	76
% Vacant	4.9%	9.3%	9.4%	7.0%



# CITY DEPARTMENTS WITH HIGHEST LEVEL OF VACANCIES\*

\*Difficult to fill positions as of July 31, 2024



## PUBLIC SERVICES

Division	Authorized	Vacancies
Construction	7	1
Meter Shop	6	1
PS Administration	2	0
Sewer Collection	10	4
SW - BABIC	10	0
SW - Commercial	13	1
SW - Recycling	10	1
SW - Residential	37	6
Streets	35	3
Water Operations	15	5
Water Production	17	0
<b>TOTAL</b>	<b>162</b>	<b>22</b>



## FLEET & FACILITIES

Division	Authorized	Vacancies
Custodial Services	21	1
Facilities Maintenance	13	3
Fleet Services	23	3
Warehouse	2	1
<b>TOTAL</b>	<b>59</b>	<b>8</b>



## ENGINEERING

Division	Authorized	Vacancies
Engineering/Cap Proj	30	3
<b>TOTAL</b>	<b>30</b>	<b>3</b>



## POLICE

Police	Authorized	Vacancies
911 Dispatcher	25	1
Detention Officer	16	3
Police Officer	136	4
Public Safety Officer	4	2
Police Sergeant	22	1
<b>TOTAL</b>		<b>14</b>

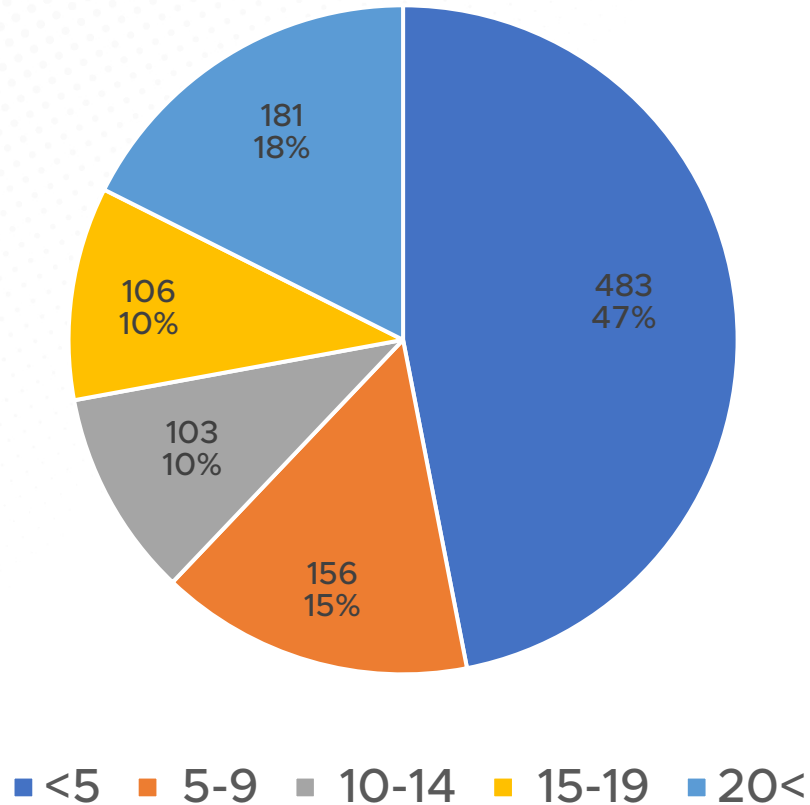


## BUILDING INSPECTION

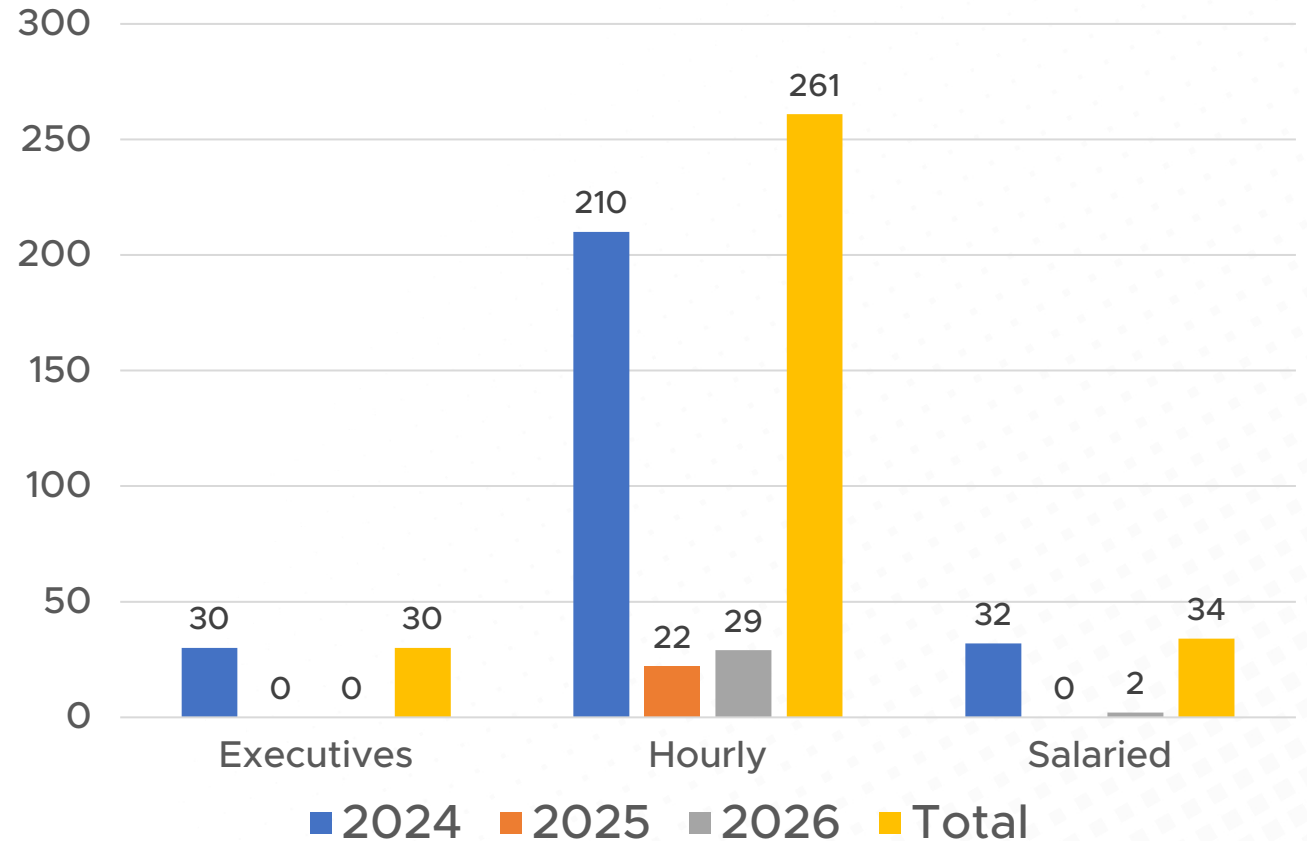
Division	Authorized	Vacancies
Building Inspection	13	4
<b>TOTAL</b>	<b>13</b>	<b>4</b>

# RETIREMENT ELIGIBILITY

Employee Years of Service



272\* Employees Eligible to Retire Today  
325 Employees Eligible to Retire by End of 2026



\*Of the 272 employees currently eligible to retire, the number of employees with 20-25 years of service is 71

# PUBLIC SAFETY PAY SURVEY COMPARISON



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	-2.70%	10 of 13	-4.11%
Police Sergeant	9 of 12	-3.33%	10 of 12	-3.72%
Police Lieutenant	7 of 13	-2.13%	8 of 13	-1.88%
Police Captain	7 of 10	-2.17%	6 of 10	-3.33%



Job Title	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4
Firefighter	8 of 13	-6.88%	9 of 13	-4.42%
Driver/Engineer	7 of 13	-4.15%	8 of 13	-1.10%
Fire Captain	10 of 13	-6.34%	10 of 13	-4.53%
Fire Battalion Chief	9 of 13	-4.05%	10 of 13	-1.91%

As of May 2024

# GENERAL EMPLOYEE PAY SURVEY COMPARISON

Job Title	Rank at MINIMUM	% COR MINIMUM Pay Below Rank #4	Rank at MAXIMUM	% COR MAXIMUM Pay Below Rank #4
Construction Inspector III	6 of 9	-6.84%	6 of 9	-3.3%
Response & Recovery Coord	4 of 11	-	7 of 11	-5.6%
Facilities Maintenance Supv	8 of 13	-12.6%	7 of 13	-10.2%
Senior Maintenance Tech	6 of 8	-4.3%	5 of 8	-7.24%
Fleet Technician III	5 of 7	-1.9%	5 of 7	-5.5%
Assistant Controller	5 of 10	-4.5%	5 of 10	-5.5%
Accountant II	6 of 11	-9.2%	6 of 11	-4.0%
Senior Accounting Tech	6 of 13	-4.2%	3 of 13	-
Customer Service Specialist	7 of 12	-3.2%	5 of 12	-1.7%
Court Specialist	7 of 10	-7.6%	8 of 10	-12.0%
Accounts Payable Rep	8 of 13	-4.4%	8 of 13	-2.9%
Senior Programmer Analyst	6 of 10	-4.6%	7 of 10	-4.9%
Sr Water Systems Operator	5 of 8	-3.9%	8 of 8	-6.5%
Light Equipment Operator	4 of 10	-	6 of 10	-4.3%
Traffic Signs/Markings Tech II	7 of 11	-5.4%	6 of 11	-2.8%



# LIVING WAGE CALCULATION

## DALLAS COUNTY, TEXAS

	1 ADULT			
	0 Children	1 Child	2 Children	3 Children
Living Wage	\$22.06	\$36.79	\$45.35	\$58.63
Poverty Wage	\$7.24	\$9.83	\$12.41	\$15.00
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

20% of full-time job titles' minimum salary falls below 2024 living wage

- 150 full-time employees

74% of permanent part-time job titles minimum salary falls below 2024 living wage

- 179 part-time employees

Implementation of the living wage would have significant budget impact and create compression issues in the City's pay plan

# RECOMMENDED COMPENSATION ADJUSTMENTS

## SWORN POLICE & FIRE PERSONNEL

Police:

- Up to a 3% merit-based pay adjustment for up to 273 total positions - \$841,017
- Scheduled Steps: Steps for 36 of 168 sworn and 26 of 63 civilian positions - \$224,891



Fire:

- Up to a 3% merit-based pay adjustment for up to 183 total positions - \$643,541
- Scheduled Steps: Steps for 70 of 178 sworn positions - \$280,145



## GENERAL PERSONNEL

Merit-Based Market Adjustment: Up to a 3% pay adjustment for general employees - \$1,624,190



The 3% Pay Plan adjustment puts the minimum hourly wage for full-time and permanent part-time positions at \$19.45

Total recommended Pay Plan Adjustments - \$3,613,784

# PUBLIC SAFETY PAY SURVEY COMPARISON

## AFTER ADD 3%



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 #5
Police Officer	4 of 13	0.0%	-	7 of 13	-1.1%	-
Police Sergeant	8 of 12	-3.0%	-	6 of 12	-0.7%	-
Police Lieutenant	4 of 13	0.0%	-	3 of 13	0.0%	+0.5%
Police Captain	3 of 10	0.0%	-	5 of 10	-0.3%	-



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 #5
Firefighter	7 of 13	-3.8%	-	8 of 13	-1.4%	-
Driver/Engineer	6 of 13	-1.1%	-	2 of 13	0.0%	+1.7%
Fire Captain	8 of 13	-3.2%	-	9 of 13	-1.5%	-
Fire Battalion Chief	6 of 13	-1.0%	-	3 of 13	0.0%	+0.3%

# GENERAL EMPLOYEE PAY SURVEY COMPARISON

## AFTER ADD 3%

Job Title	Rank at	% COR MINIMUM	% COR MINIMUM	Rank at	% COR MAXIMUM	% COR MAXIMUM
	MINIMUM	Pay BELOW Rank #4	Pay ABOVE Rank #4	MAXIMUM	Pay BELOW Rank #4	Pay ABOVE Rank #4
Construction Inspector III	5 of 9	-3.73%		5 of 9	-0.3%	
Response & Recovery Coord	4 of 11	-		7 of 11	-2.5%	
Facilities Maintenance Supv	8 of 13	-9.4%		7 of 13	-7.0%	
Senior Maintenance Tech	5 of 8	-1.2%		5 of 8	-4.1%	
Fleet Technician III	3 of 7	-	+0.7%	5 of 7	-2.5%	
Assistant Controller	5 of 10	-1.5%		5 of 10	-2.4%	
Accountant II	6 of 11	-6.0%		5 of 11	-1.0%	
Senior Accounting Tech	5 of 13	-1.1%		1 of 13	-	+3.3%
Customer Service Specialist	5 of 12	-0.2%		3 of 12	-	+1.2%
Court Specialist	6 of 10	-4.4%		8 of 10	-8.7%	
Accounts Payable Rep	7 of 13	-1.3%		4 of 13	-	-
Senior Programmer Analyst	5 of 10	-1.5%		6 of 10	-1.8%	
Sr Water Systems Operator	5 of 8	-0.8%		7 of 8	-3.4%	
Light Equipment Operator	4 of 10	-	-	5 of 10	-1.3%	
Traffic Signs/Markings Tech II	7 of 11	-2.3%		4 of 11	-	-

# KEY FOCUS AREAS



**RECRUITMENT  
& RETENTION**



**PUBLIC  
SAFETY**



**INFRASTRUCTURE**



**ECONOMIC  
DEVELOPMENT**

# PUBLIC SAFETY

## GENERAL FUND SUMMARY:

FY24 Original Budget:  
\$70,435,138

FY25 Proposed Budget:  
\$72,437,872

\$ Change: \$2,002,734

% Change: 2.8%

Departments included:  
Police, Fire,  
Emergency Management

## CONTINUED KEY INVESTMENTS:

- Police services which are essential to the public's safety and well-being: \$39,551,790
- Full-service emergency response providing fire suppression, advanced emergency medical service, specialized rescue, hazardous materials response, and fire prevention/education to the community: \$32,169,708
- Preparedness and disaster resiliency of the whole community: \$716,374



## **PUBLIC SAFETY - FIRE**

### **CAPITAL REPLACEMENT FUND:**

- Command vehicle: \$84,000
- Thermal imagers (quantity 12): \$127,184
- Rotary rescue saws (quantity 9): \$15,777
- Positive pressure ventilation fans (PPV) (quantity 5): \$28,500
- Fire training tower roll-up overhead door: \$15,000
- Fire Training Center auxiliary building misting fan system: \$8,500
- Fire tower second floor balcony sliding door assembly: \$9,000

### **SPECIAL PROJECTS FUND:**

- Station bay improvements: \$75,000

### **DEBT FINANCED:**

- Aerial Platform Truck: \$2,014,000
- M.I.C.U: \$418,000

## **PUBLIC SAFETY - POLICE**

### **CAPITAL REPLACEMENT FUND:**

- Replacement of fourteen vehicles: \$1,072,199

### **SPECIAL PROJECTS FUND:**

- Forensic Imaging System Replacement (Crime-light auto): \$45,000

### **EXPANDED KEY INVESTMENTS:**

- Thermal Drone: \$17,000
- Crime Prevention Bait Vehicle Equipment: \$14,000
- Rapid Deployment Smart Camera (UbiHub): \$5,000
- Community relations and programs: \$10,000

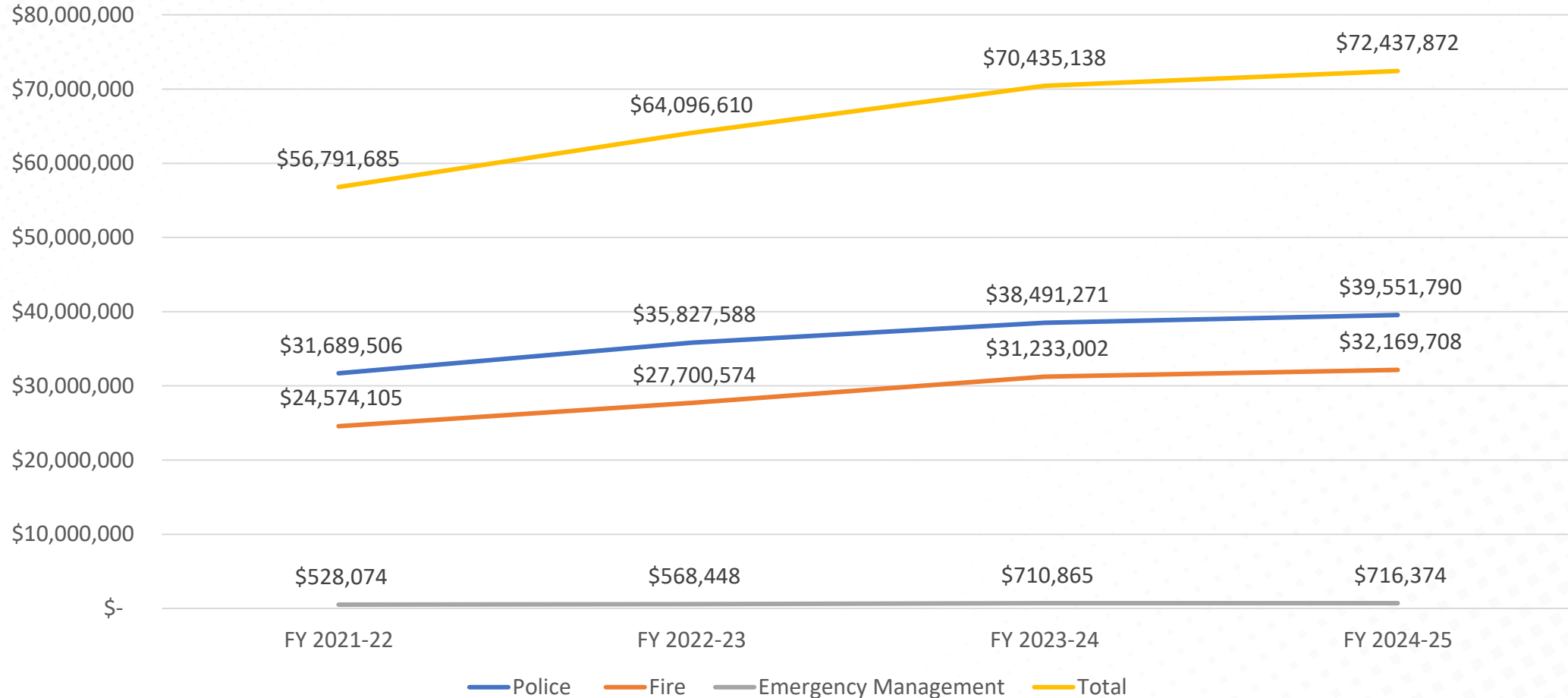
## **PUBLIC SAFETY – EMERGENCY MANAGEMENT**

### **CAPITAL REPLACEMENT FUND:**

- Additional security cameras: \$9,000

# PUBLIC SAFETY INVESTMENT

 27.6% in 3 years



# KEY FOCUS AREAS



## RECRUITMENT & RETENTION



## PUBLIC SAFETY



## INFRASTRUCTURE



## ECONOMIC DEVELOPMENT

# INFRASTRUCTURE

## GENERAL FUND SUMMARY:

FY24 Original Budget:  
\$21,172,625

FY25 Proposed Budget:  
\$21,111,609

Change: (\$61,016)

% Change: (0.3%)

Departments included:  
Engineering – Capital Projects,  
Streets, Transportation & Mobility,  
Street & Alley Rehabilitation

## CONTINUED KEY INVESTMENTS:

- Screening Walls, Entry Features and Bridges:
  - Screening Wall Maintenance: \$120,000
  - Bridge Rail Maintenance: \$150,000
- Transportation & Mobility: Inflationary increases for supplies and materials: \$99,537

## SPECIAL PROJECTS FUND :

- Transportation & Mobility: New School Zone Flashers (Renner Rd): \$35,000

# INFRASTRUCTURE

## KEY INITIATIVES:

- 2021 GO Bond Program: \$54,150,000 (Year 4)
- 2023 GO Bond Program: \$9,520,000 (Year 2)
- Water and Wastewater Maintenance and Capital Projects: \$18,852,000 in a combination of debt and cash funding
- Drainage Fee Initiatives: \$2,727,007
- Property Tax Maintenance Initiatives are indexed to grow at the same rate as the revenue from current year property taxes or 3.95% for FY 2024-2025
  - Street dedication of \$5,258,694, a decrease of (\$500,220) after the removal of the FY24 one-time supplement of \$700,000 and then indexed to property tax revenue growth
  - Alley dedication of \$2,009,613, an increase of \$76,345
  - Parks Maintenance dedication of \$623,114, an increase of \$23,672
  - Facility Maintenance dedication of \$623,114, an increase of \$23,672

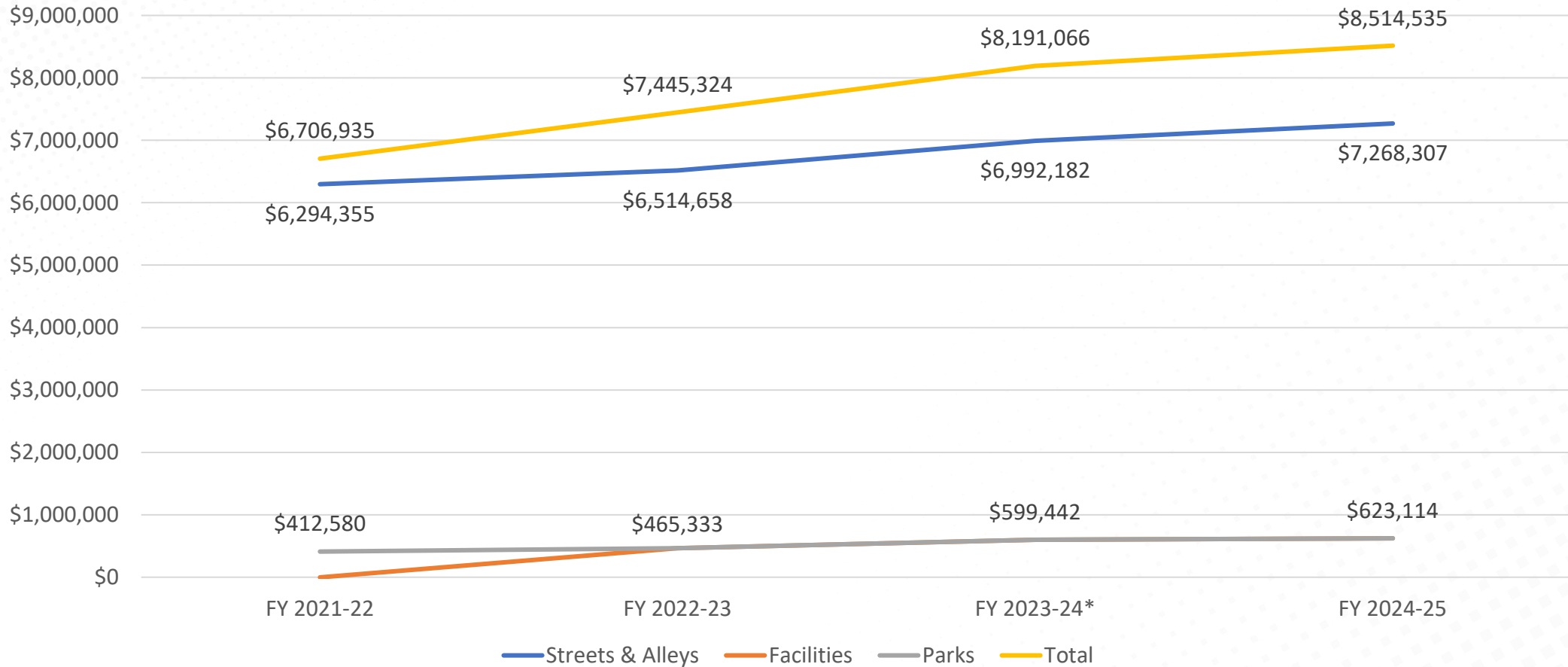
## CAPITAL REPLACEMENT FUND:

- Streets: Replacement of 2-yard dump body: \$75,000
- Transportation & Mobility: Replacement of Sign Roller Table: \$50,000



# INFRASTRUCTURE MAINTENANCE PROGRAMS

 27% in 3 years



\*Does not include one-time dedication

# KEY FOCUS AREAS



**RECRUITMENT  
& RETENTION**



**PUBLIC  
SAFETY**



**INFRASTRUCTURE**



**ECONOMIC  
DEVELOPMENT**

# ECONOMIC DEVELOPMENT

The City utilizes three primary funding sources to promote economic development

## GENERAL FUND

- Manages and coordinates specific assigned projects and programs, which include complex development and redevelopment projects, economic development activities, public/private partnerships, policy and ordinance development, and interdepartmental strategic plans and studies
- Total FY 2024-2025 proposed funding: **\$627,818**

## ECONOMIC DEVELOPMENT FUND

- Established in FY 2014-2015, the Economic Development Fund to advance development opportunities in the community
- Yearly transfers from General Fund occur through property tax dedication. FY 2024-2025 is funded at **\$2,076,659**
- Key FY 2024-2025 expenditures:
  - International Business Development: \$90,000

## TAX INCREMENT FINANCING (TIF) FUNDS

- The City has three TIF Zones that are utilized for various economic development purposes. TIF #1 was established in 2006 and TIF #2 and TIF #3 were established in 2012
- Key FY 2024-2025 expenditures from TIF #1:
  - IQHQ Enhancements: \$90,000
  - ED Personnel cost offset: \$123,000
  - CORE District Programming: \$250,000
  - Placemaking Initiatives: \$100,000

# FY 2024-2025 GENERAL FUND NEW REVENUE USES

<b>FY 2024-2025 General Fund New Revenue</b>	<b>\$ 1,132,948</b>
<b>FY 2024-2025 General Fund Use of New Revenue</b>	
Public Safety Pay Plan Adjustments and Steps	\$ 1,989,594
Non-Public Safety Pay Plan Adjustments	1,184,675
Unavoidable Inflationary Increases and Limited New Spending	840,923
Assumed Savings from Attrition	(881,770)
Departmental Cost Containments	(881,974)
Information Tech and Traffic Initiatives	(600,000)
CORPlan Contribution Adjustment	(518,500)
	<b>\$ 1,132,948</b>

# ADDITIONAL BUDGET CONSIDERATIONS

## HOTEL FUND TRANSFER

- To help ensure the stability of the Hotel/Motel Tax Fund during the hospitality downturn and temporary closure of the Eisemann Center during the COVID-19 pandemic, \$2,000,000 in excess reserves were transferred from the General Fund to the Hotel/Motel Tax Fund
  - FY 2019-2020: \$1,000,000
  - FY 2020-2021: \$1,000,000
- At that time, the recovery in the hospitality industry was expected to take multiple years
- Hotel/Motel taxes in Richardson recovered to their pre-pandemic levels in 18 months, allowing the fund to outperform the conservatively set budgets in FY 2020-2021 and FY 2021-2022
- As a result of the strong performance in the Hotel/Motel Tax Fund, \$1,000,000 will be transferred out of the Hotel/Motel Tax Fund to the General Special Projects Fund as partial repayment of that support



## USE OF HOTEL FUND TRANSFER

- The \$1,000,000 transfer out to the General Special Projects Fund will go toward funding the following:
  - Pool Resurfacing at Heights Pools: \$335,000
  - ADA Transition Plan : \$150,000
  - Housing Needs Assessment : \$135,000
  - Fire Station Bay Improvements : \$75,000
  - Forensic Imaging System Replacement (Crime-light auto) : \$45,000
  - New School Zone Flashers – Renner Road : \$35,000
  - City-Wide Cybersecurity Risk Assessment : \$25,000
  - Richardson Replants : \$200,000

## RICHARDSON REPLANTS

- In 2017, Richardson was designated as a Platinum Scenic City, in part due to the quality of our trees
- May 28, 2024, straight-line wind event caused loss of nearly 260,000 cubic yards of vegetation – including hundreds of trees throughout the City
- City Council instructed staff to develop a program to assist residents with tree restoration
- Richardson Replants will assist with the multi-year restoration plan



## RICHARDSON REPLANTS

- Year 1 Goal: Give away **1,000** trees and plant **100** trees in parks before May 28, 2025
- Fall 2024 Tree Give-Away Events
  - Huffhines Harvest Fest
  - National Night Out
  - Fall Neighborhood Leadership Meeting
  - Public Safety Expo Event
  - Texas Arbor Day
- Fall 2024 Tree Give-Away Options\*
  - Canopy Tree – Bur Oak
  - Ornamental Tree – Desert Willow
- FY24-25 Budget: \$200,000
- Exploring grant funding to supplement the program in the future



\*Options based on availability, species may change





RICHARDSON  

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TEXAS

**GENERAL FUND**

# GENERAL FUND - HIGHLIGHTS

**\$180,746,827**

Revenues

+0.60% from last fiscal year

Resources are generated by Property Taxes, Sales Taxes, Franchise Fees, Fines, Licenses, and fees for city services. Property Tax, Sales Tax and Franchise Fee revenues account for **83.4%** of all revenues in the fund.

**\$180,346,044**

Expenditures

+1.20% from last fiscal year

Operating expenditures provide support for most traditional tax-supported municipal services such as Public Safety, Parks and Recreation, Development Services, Transportation & Mobility, Library, Building Inspection, Finance, Human Resources, Health and General Administration. Personal Services account for **67.1%** of all expenditures in the fund.

**90.99 days**

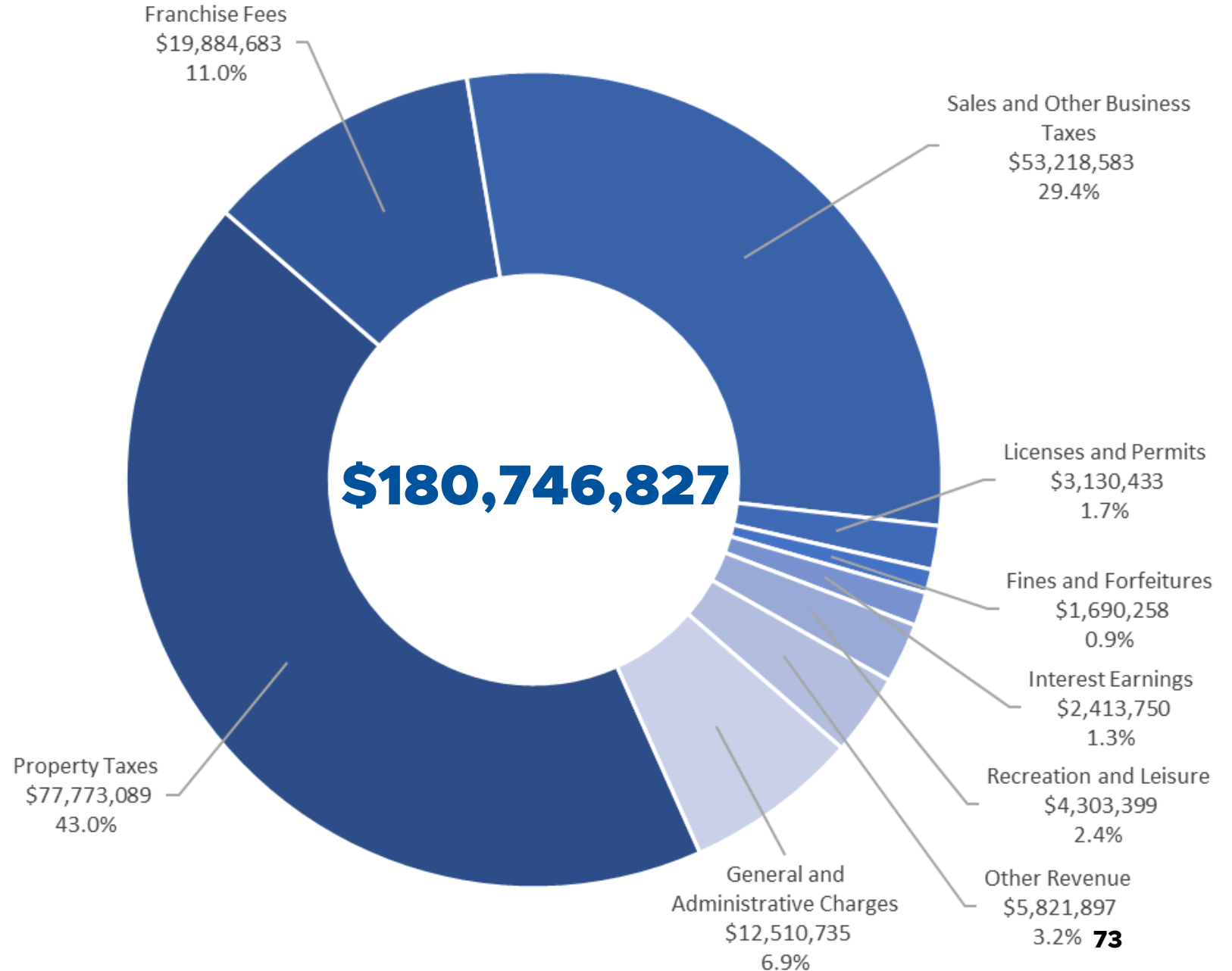
Fund Balance

+0.09 days from last fiscal year

Meets fund balance policy of 90 days

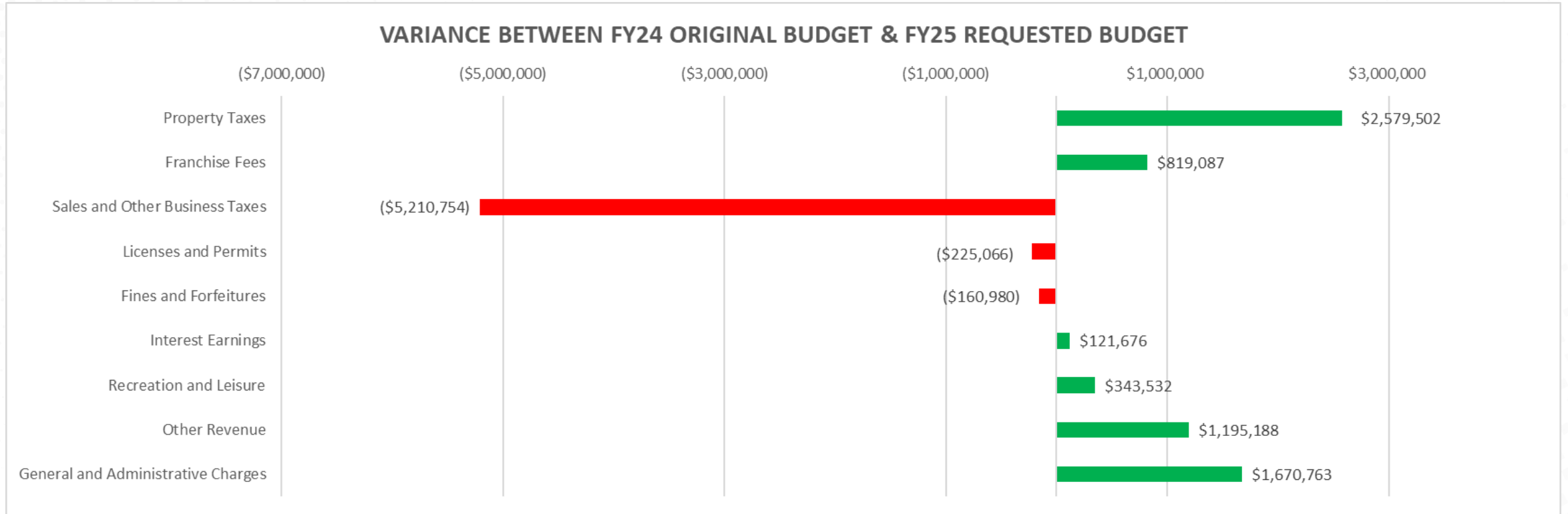
# GENERAL FUND REVENUES

**72.4%** of general fund revenues derive from Property Taxes (43.0%) and Sales & Other Business Taxes (29.4%).





# GENERAL FUND – YEAR OVER YEAR CHANGE IN REVENUES



FY25 revenues are projected to increase **\$1.1 million** to **\$180.7 million** from Prior Year Budget

# PROPERTY TAX REVENUES

Projected at **\$77.8 million**, which is an increase of **\$2.6 million** above the FY24 Original Budget

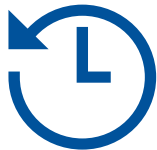
## CURRENT TAXES



Projection of **\$77.9 million** is based on **9.96% value growth** from FY24

- Assumes the maximum revenue increase allowed under SB2
- Lowers the current rate by \$0.01877, while using the available increment of \$0.00493
- An **increase of \$3.0 million** from FY 2023-2024
- One Cent is worth \$2.4 million
- 1% from FY24 Certified = \$749,034 to the General Fund
- Commercial Office sector values down (9.4%)

## PRIOR TAXES



Projection of **(\$350,000)**

- Forecast for FY 2024-2025 is based on current trends and assumes continued higher than normal property value dispute lawsuits filed in District Court, [many related to commercial office sector](#)
- Assumes a continued impact of less than favorable outcomes of these lawsuits
- A **decrease of (\$411,000)** from FY 2023-2024

## PENALTIES & INTEREST



Projection of **\$261,667** based on 5-year average

- An **increase of \$32,000** from FY 2023-2024

# FRANCHISE FEE REVENUES

Projected at **\$19.9 million** which is an increase of **\$819,087** above the FY24 Original Budget



## ELECTRIC FRANCHISE FEES

Based on a normalized year (non pandemic year) and 2.5% growth



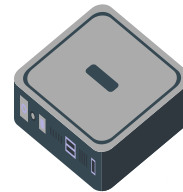
## GAS FEES

Based on a normalized year and removes the impact of the colder than normal February 2023, but does factor in recent increases in the unit cost



## TELEPHONE FRANCHISE FEES

Assumes reduced fees as residential customers continue to drop their land lines. FY23 benefitted from the reactivation of commercial accounts as workers returned to the office



## CABLE FEES

Continue to reflect the full impact of SB 1152 and the current trend of customers switching from cable service to streaming



## WATER/SEWER & SOLID WASTE FRANCHISE FEES

Based on 5.0% of sales and service fees for the use of the City's rights-of-way and is consistent with best practices

# SALES & OTHER BUSINESS TAX REVENUE

Projected at **\$53.2 million** which is a decrease of **(\$5.2) million** below the FY24 Original Budget



SALES TAX

- Budgeted at **\$52.4** million
- Based on (2.0%) decline from the FY24 Base Collections, which removes all state adjustments from total collections
  - (9.1%) reduction from FY24 budget



MIXED BEVERAGE TAX

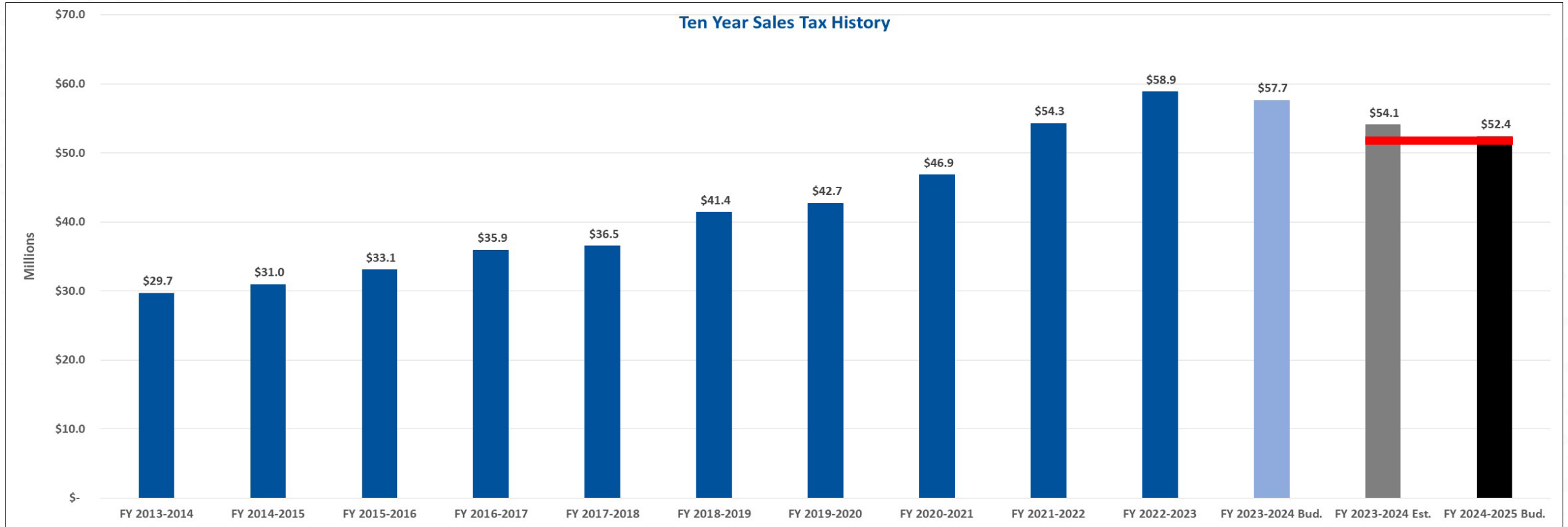
- Budgeted at **\$755,735**
- Increased \$47,222 from FY24 Budget



BINGO TAX

- Budgeted at **\$48,736**
- Decreased (\$1,502) from FY24 Budget

# SALES TAX REVENUE



**FY 24-25 Budget is  
3.1% less than FY 23-  
24 Estimate**



# OTHER REVENUES

Projected at **\$29.9 million** which is an increase of **\$2.9 million** above the FY24 Original Budget



## LICENSES & PERMITS

Based on current trends and includes \$66,325 from increases to building and development fees



## FINES & FORFEITURES

Continued low activity

## OTHER REVENUES

FY25 forecast includes increased ambulance revenue resulting from higher insurance reimbursements rates. Also includes an increase to ambulance transport fee.



## INTEREST

FY24 budget assumed multiple rate cuts by the Fed, which did not occur. FY25 forecast based on high fund balance and gradual rate cuts in 2025.



## RECREATION & LEISURE

Includes revenues from Community Events, Athletics, Recreation Centers and Senior Center, Aquatics, and from the City's Gymnastics and Tennis programs. This category includes \$108,613 in increases to Parks fees



## GENERAL & ADMINISTRATIVE CHARGES

Based on most recent update to the City's cost allocation plan

# GENERAL FUND FEE CHANGES INCLUDED\*

Fire	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Ambulance Transport Fee	Change	\$675	\$875	\$200	\$275,000	Market Based
					<b>\$275,000</b>	

Building Inspection	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Multi-Family Permit Fee	Change	\$650	\$750	\$100	\$38,400	Market Based
Single Family Permit Fee	Change	\$1,800	\$1,950	\$150	\$4,350	Market Based
Detached Building < 150 sf	Change	\$50	\$100	\$50	\$2,250	Market Based
Detached Building > 150 sf	Change	\$100	\$200	\$100	\$1,200	Market Based
Commercial Fence Permit	Change	\$50	\$100	\$50	\$700	Market Based
					<b>\$46,900</b>	

Planning	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Tree Mitigation	New	\$0	\$500	\$500	\$18,500	Need Based
Tree Removal Permit	New	\$0	\$50	\$50	\$900	Need Based
					<b>\$19,400</b>	

\* Proposed fee changes are included in presented numbers

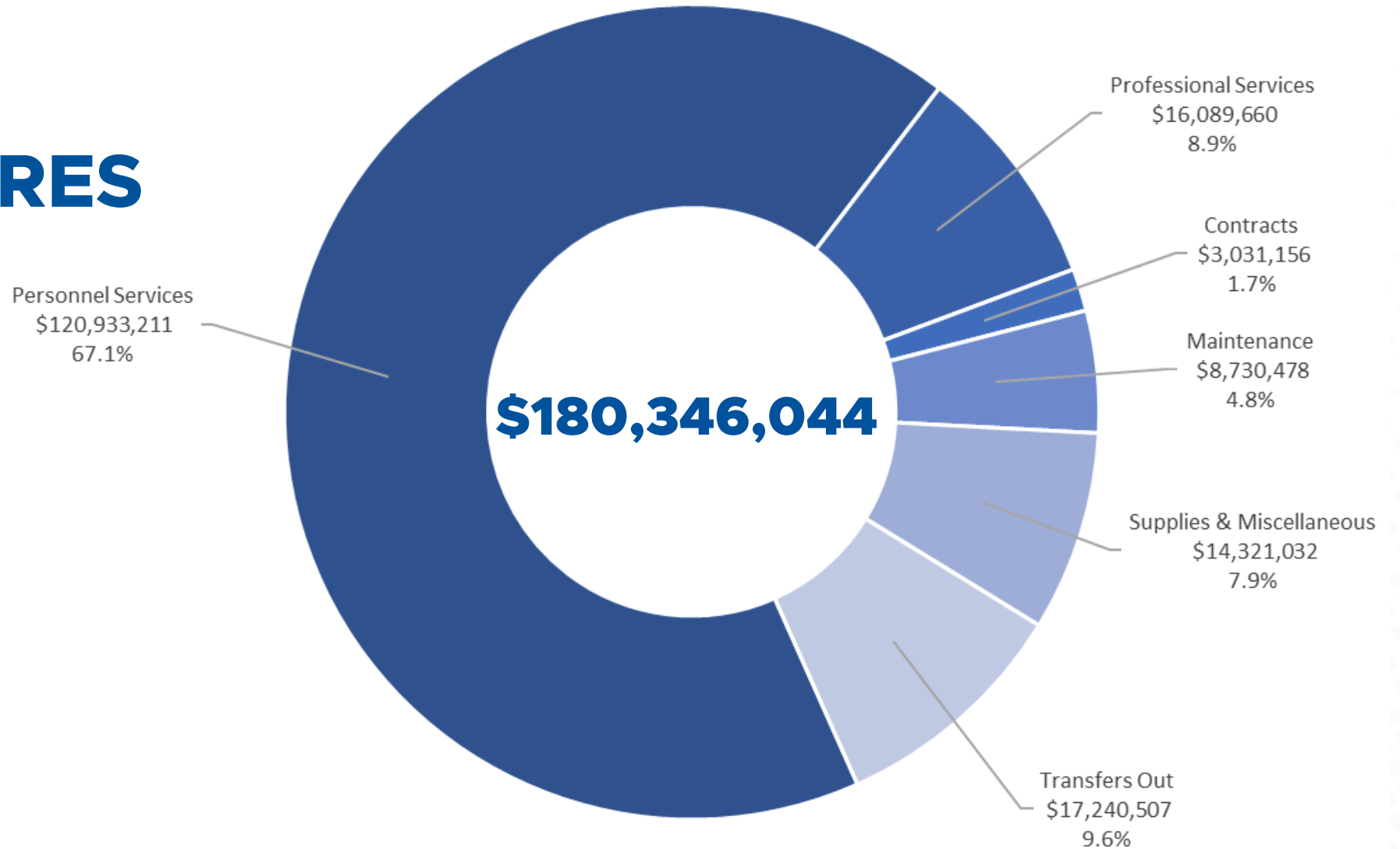
# GENERAL FUND FEE CHANGES INCLUDED\*

Parks and Recreation	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Special Use Permitting	New	\$0	\$25	\$25	\$1,250	Cost Recovery
Pavilion Rental - Resident	Change			N/A	\$3,200	Set Minimum Hours
Pavilion Rental - Non-Resident	Change			N/A	\$1,600	Set Minimum Hours
Breckinridge Fire Pit	New	\$0	\$50	\$50	\$150	Educational programs only
Playground Camp	Change	\$150	\$175	\$25	\$13,700	Cost Recovery
Kindergarten Camp	Change	\$175	\$200	\$25	\$4,675	Cost Recovery
Elementary Camp	Change	\$175	\$200	\$25	\$11,775	Cost Recovery
Teen Camp	Change	\$200	\$225	\$25	\$6,500	Cost Recovery
Recreation Center Membership - Individual	Change	Varies	Varies	17%-29%	\$30,070	Market Based
Recreation Center Membership - Family	Change	Varies	Varies	11%	\$5,565	Market Based
Recreation Center Membership - Monthly	Change	Varies	Varies	30%-50%	\$8,310	Market Based
Recreation Center Membership - Corporate	Change	\$90	\$105	\$15	\$750	Market Based
Tournament Gate Fee (per team)	Change	\$100	\$150	\$50	\$17,500	Cost Recovery
Tennis Court Fees (per person/per 1.5 hours)	Change	\$3.00	\$3.50	\$0.50	\$1,745	Market Based
Tennis Court Punch Card	Change	Varies	Varies	31%-51%	\$650	Market Based
Van Ride Rate - Senior Center	Change	\$0.25	\$0.50	\$0.25	\$1,173	Cost Recovery
					<b>\$108,613</b>	

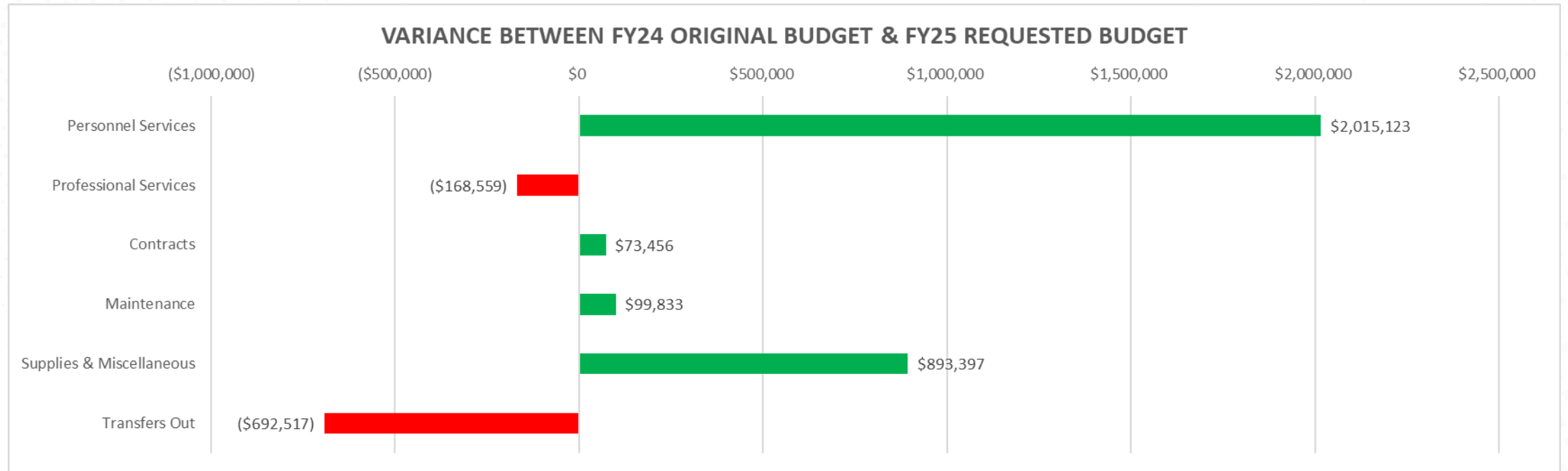
\* Proposed fee changes are included in presented numbers

# GENERAL FUND EXPENDITURES

**67.1%** of  
expenditures  
comprised of  
Personnel Services



# GENERAL FUND – YEAR OVER YEAR CHANGE IN EXPENDITURES



FY25 expenditures are projected to increase **\$2.2 million** to **\$180.3 million** from Prior Year Budget



# GENERAL FUND EXPENDITURES

WHERE THE  
MONEY GOES  
**75.3%**

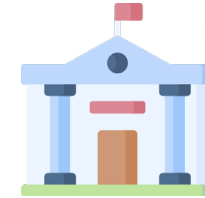
of General Fund  
expenditures are from Public  
Safety, General Government,  
Infrastructure & Mobility and  
Recreation & Leisure



PUBLIC  
SAFETY

**40.2%**

\$72.4 MILLION



GENERAL  
GOVERNMENT

**13.8%**

\$24.8 MILLION



INFRASTRUCTURE  
& MOBILITY

**11.7%**

\$21.1 MILLION



RECREATION  
& LEISURE

**9.6%**

\$17.3 MILLION

# GENERAL FUND OPERATING & OTHER TRANSFERS OUT

Budgeted at **90.99 days**, in compliance with the minimum of 90 days set by the City's financial policies



## INFORMATION TECH & TRAFFIC INITIATIVES

A decrease of (\$600,000).

As the replacement of the City's legacy computer systems shifts to utility billing, a larger portion of the program will be funded out of the Water and Sewer Fund.



## STREET & ALLEY REHAB FACILITY MAINTENANCE PARKS MAINTENANCE ECONOMIC DEVELOPMENT EQUIPMENT REPLACEMENT

Property tax dedications programmed in support of the City's pay-as-you go capital and maintenance initiatives are programmed to increase at the same rate as Property Tax revenue from Current Taxes after removing the one-time FY24 supplement of \$700,000.

# KEY PROGRAMS & SERVICES OVERVIEW



# GENERAL GOVERNMENT

## SUMMARY:

FY24 Original Budget:

\$25,246,926

FY25 Proposed Budget:

\$24,825,254

Change:

(\$421,672)

% Change: (1.7%)

Departments included:

City Secretary, General Government,  
Budget, Non-Departmental,  
Accounting, Finance Admin,  
Purchasing, Tax, Municipal Court,  
Human Resources, Citizens'  
Information Services

## CONTINUED KEY INVESTMENTS:

- Continue enhancing culturally diverse programming and event opportunities, including expanded community engagement strategies
- Strategies to broaden diversity of applicants on boards and commissions
- CARES Program funding
- City-wide expenses such as insurance premiums and radio/phone system fees and maintenance
- Ongoing support for the Network of Community Ministries and Counseling Place (\$500,000 each)
- Continued funding for enhanced recruitment efforts

## EXPANDED KEY INVESTMENTS:

- General Government/CMO: CAC Grant Application Software: \$10,000

## JUDICIAL EFFICIENCY FUND:

- Municipal Court Building Refresh (phase 2): \$43,073

# COMMUNITY & NEIGHBORHOOD SERVICES

## SUMMARY:

FY24 Original Budget:  
\$7,986,195

FY25 Proposed Budget:  
\$8,557,908

Change:  
\$571,713

% Change: 7.2%

Departments included:  
Community Services,  
Building Inspection,  
Health, Animal Control

## CONTINUED KEY INVESTMENTS:

- Community Services:
  - Home Improvement Incentive Program:  
\$1,900,000
    - Increase of \$657,086
    - Increase due to higher per project value when compared to previous years
  - Ongoing funding for homeowner and neighborhood association support programs
  - Screening Wall Washing and Painting Program:  
\$90,000
  - Graffiti Abatement Program: \$30,000



## COMMUNITY & NEIGHBORHOOD SERVICES

### CONTINUED KEY INVESTMENTS:

- Building Inspection:
  - Reduction in funding for contracted building inspections based on lower expected permit activity in FY 2024-2025:
    - Decrease of (\$94,497)

### EXPANDED KEY INVESTMENTS:

- Curb Appeal Campaign: \$5,000
- New Resident Resources: \$5,000

### SPECIAL PROJECTS FUND:

- Community Services:
  - ADA Transition Plan: \$150,000

# PLANNING AND DEVELOPMENT SERVICES

## GENERAL FUND SUMMARY:

FY24 Original Budget:  
\$1,799,154

FY25 Proposed Budget:  
\$1,760,337

Change: (\$38,817)

% Change: (2.2%)

Departments included:  
Planning,  
Development & Engineering

## CONTINUED KEY INVESTMENTS:

- Ongoing support for the City Plan Commission and Zoning Board of Adjustment
- Provides continued funding for the Comprehensive Plan update

# FACILITY & FLEET SERVICES

## SUMMARY:

FY24 Original Budget:  
\$13,119,717

FY25 Proposed Budget:  
\$13,867,507

Change:  
\$747,790

% Change: 5.7%

Departments included:

Facility Maintenance, Custodial Services, Fleet Services, Facility Maintenance Tax Rate Dedication

## CONTINUED KEY INVESTMENTS:

- Facility Maintenance:
  - Contracted facility inspections and maintenance services: \$435,000 (increase of \$69,168)
    - Includes elevator, generator and fire panel inspections and cooling tower cleaning
  - Routine facility maintenance: \$838,000
  - Property Tax Dedication for repair and maintenance projects: \$623,114
  - Electric and heating costs: \$1,000,000 and \$210,000 respectively (total increase of \$145,000)
- Custodial Services: In-house custodial services and contracted custodial services: \$1,690,987 and \$453,640 respectively
- Fleet Services: Fleet is charged with acquiring and maintaining city vehicles and equipment with a total budget of \$7,082,102

## CAPITAL REPLACEMENT FUND:

- Facility Maintenance: Replacement of cargo van: \$65,000

# INFORMATION TECHNOLOGY

## SUMMARY:

FY24 Original Budget:  
\$10,226,059

FY25 Proposed Budget:  
\$9,991,627

Change:  
(\$234,432)

% Change: (2.3%)

Departments included:  
Information Technology,  
Information Tech & Traffic Initiatives,  
Pay-as-you-go IT Replacement Program

## CONTINUED KEY INVESTMENTS:

- Cloud based services: \$1,408,904; increase of \$262,786
- Software license agreements and maintenance: \$1,145,492; increase of \$106,217
- Hardware maintenance: \$324,874
- Continued funding for the replacement of the City's legacy computer systems and upgrades to the technology backbone of the City's traffic system:
  - As the program begins to focus on the utility billing system, more of the program will be supported by the Water and Sewer Fund; \$1,250,000; decrease of (\$600,000)
- Property Tax Dedication for the replacement of computer and network hardware: \$1,557,701; programmed to increase at the same rate as Property Tax revenue from Current Taxes

## SPECIAL PROJECTS FUND:

- Cybersecurity Risk Assessment: \$25,000

# LIBRARY

## SUMMARY:

FY24 Original Budget:  
\$3,951,604

FY25 Proposed Budget:  
\$3,953,337

Change:  
\$1,733

% Change: 0.0%

Departments included:  
Library Services

## CONTINUED KEY INVESTMENTS:

- Funding for the Library’s modified operations the temporary City Hall as the Library prepares for improvements that were passed as part of the 2021 Bond Program
- Funding to continue enhancing culturally diverse programming and event opportunities
- Funding for operation of the Library Community Outreach Van
- Subscription services: \$50,420
- Continued support for the Richardson Adult Literacy Center: \$30,000

## CAPITAL REPLACEMENT FUND:

- Continues purchase of additional books and materials: \$375,000



# RECREATION AND LEISURE

## SUMMARY:

FY24 Original Budget:  
\$17,292,075

FY25 Proposed Budget:  
\$17,294,504

Change:  
\$2,429

% Change: 0.0%

Departments included:

Parks – Administration, Community Events,  
Recreation, Heights Recreation Center,  
Huffhines Recreation Center, Senior Center,  
Pools, Tennis, Gymnastics, Parks Maintenance,  
and Parks Maintenance Tax Rate Dedication

## CONTINUED KEY INVESTMENTS:

- Funding for all traditional community events
- Full programming at Heights and Huffhines Recreation Centers and the Senior Center
- Pools at full operations at the four community pools and the Heights Aquatics Center
- Support the increased activity at the Tennis Center
- Continuation of the City’s Property Tax Dedication for Parks Maintenance: \$623,114
- Matching Fund Beautification: \$25,000 funded through the Capital Replacement Fund

## RECREATION AND LEISURE

### EXPANDED KEY INVESTMENTS:

- Adaptive Adult Venture Days: \$5,262
- Adaptive Program – Camp Courageous: \$6,944
- Mimosa Park Musco Lighting Conversion: \$14,025
- Huffhines Facility-Wide Public Address and Sound System Upgrade: \$4,500

### SPECIAL PROJECTS FUND:

- Pool resurfacing – Heights lap pool, Leisure pool and Tot pool: \$335,000

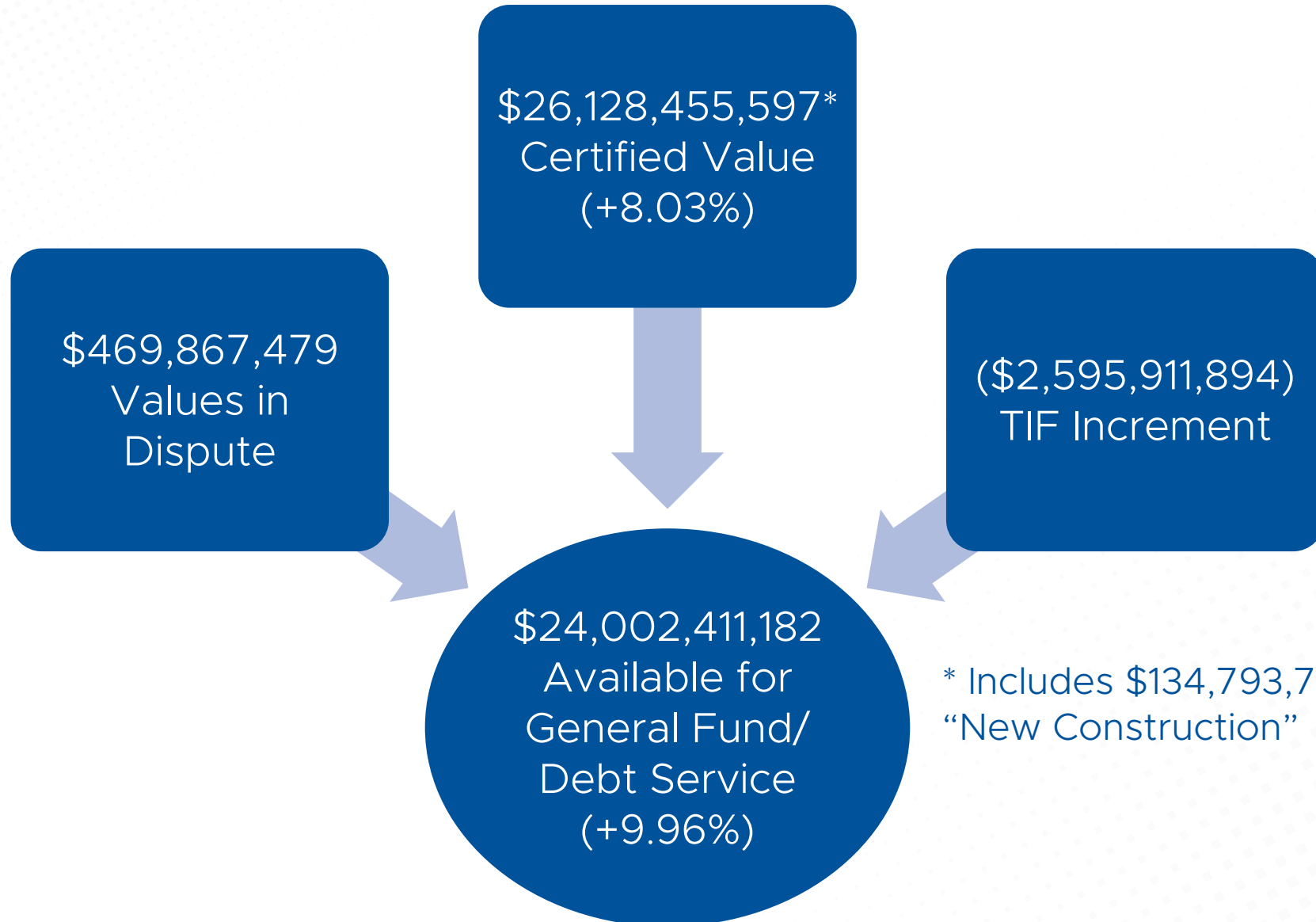
# RECREATION AND LEISURE

## CAPITAL REPLACEMENT FUND:

- Credit card readers for facilities: \$6,500
- Heights gymnasium floor resurfacing: \$14,457
- Heights treadmill replacements (qty. 5): \$56,052
- Heights new landing area installation: \$12,788
- Heights Creek Room floor replacement: \$18,000
- Huffhines stairclimber replacement (qty. 1): \$12,250
- Heights Vortex pool VFD replacement: \$9,500
- Canyon Creek Tot pool sand media filter replacement: \$6,000
- Glenville shade structure fabric replacement: \$3,000
- Heights FAC Tot pool cascade feature replacement: \$28,000
- Tennis fabric shade structure replacement: \$10,450
- Gymnastics security cameras replacement: \$36,000
- Compact SUV Hybrid replacement (qty. 1): \$36,000
- Pickup Truck (3/14 ton) replacement (qty. 5): \$300,000

# TAX RATE DISCUSSION

# CERTIFIED TAX ROLL



\* Includes \$134,793,718 of  
“New Construction”



# TAX ROLL IMPACTS

- 51.75% of residential accounts saw a market value increase of 10% or more
- 65.56% of residential accounts qualified for the homestead cap limiting taxable increases to 10%

**Average Home Values**

Market: \$475,638 (+10.18%)  
Taxable: \$387,624 (+10.37%)

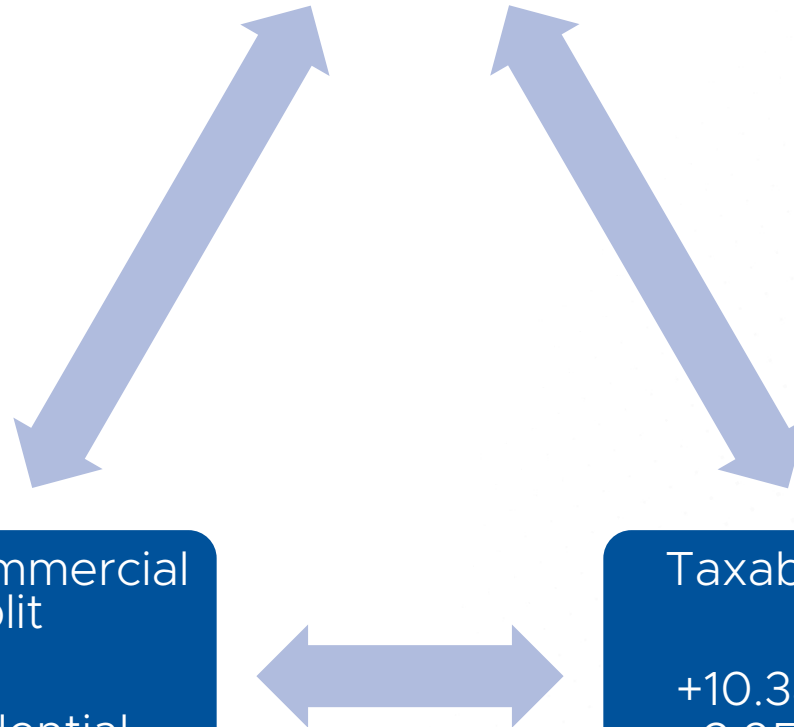
- Current senior exemption of \$145,000 equates to a 30.21% protection against market value
- Total senior accounts increased by 2.27% - currently 31.99% of residential accounts

**Residential/Commercial Value Split**

41.76% Residential  
58.24% Commercial

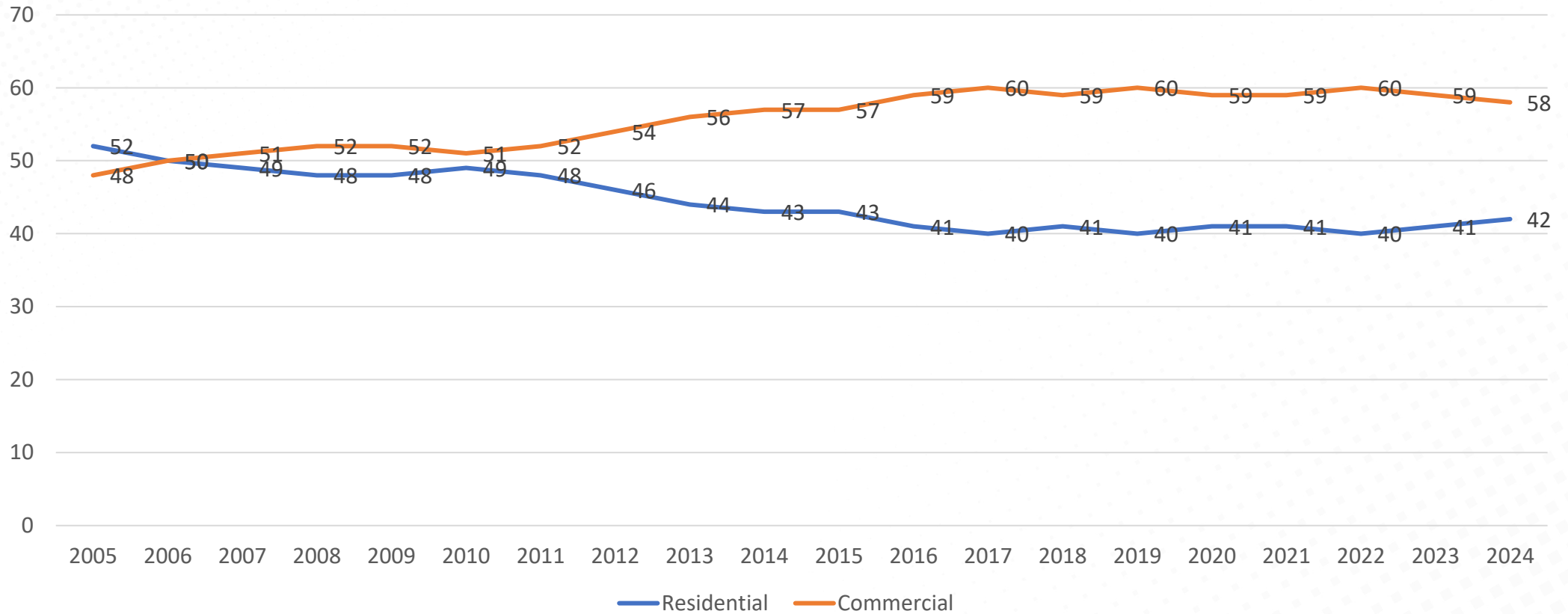
**Taxable Roll Change**

+10.38% Residential  
+3.95% Commercial  
+12.41% BPP



# TAX ROLL HISTORY

### Taxable Value History



## TAX RATE OVERVIEW

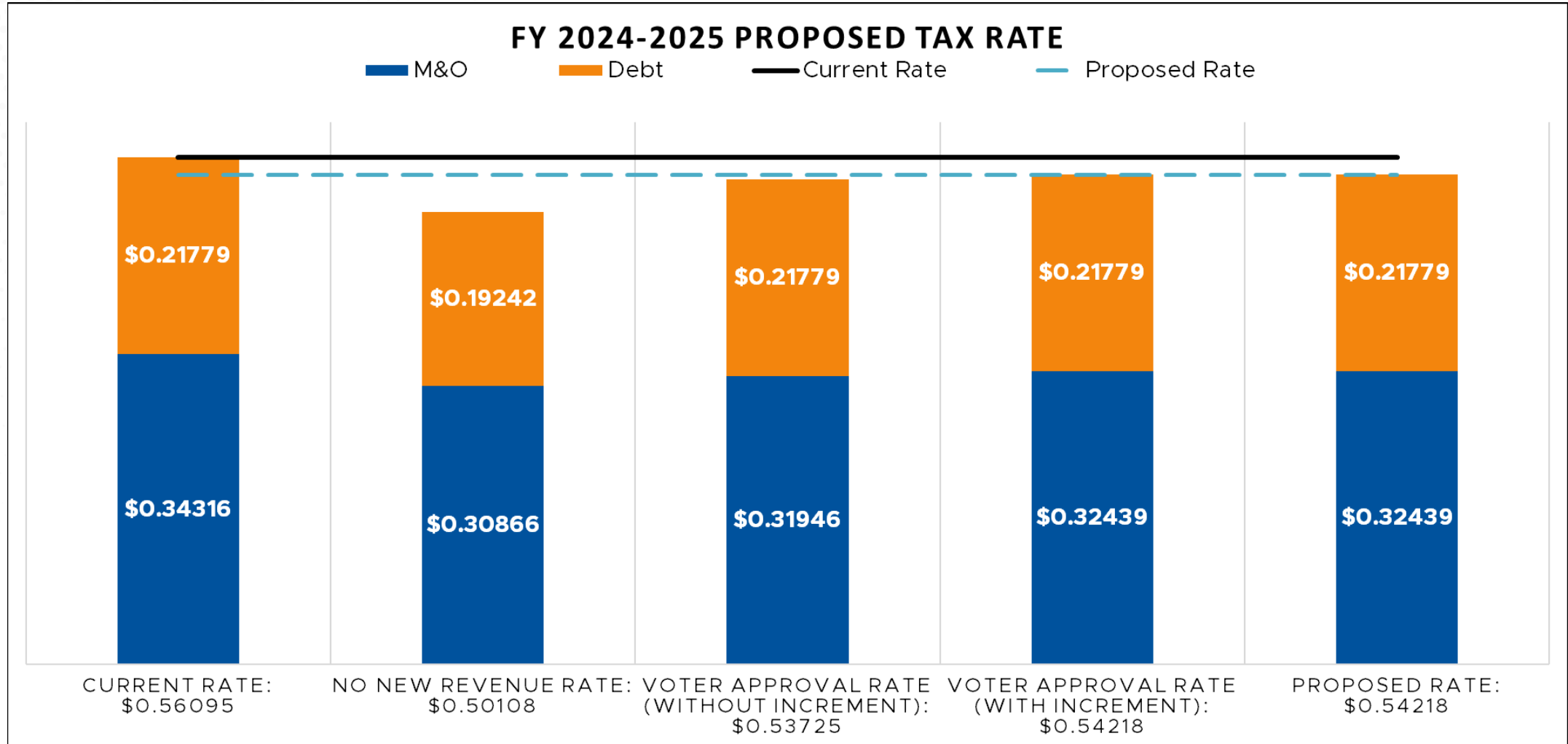
- **Property Tax Rate** is the adopted tax rate assessed on the taxable value of real and business personal property
  - Comprised of two components:
    - A **Maintenance & Operations Rate** that goes to the General Fund for general spending
    - A **Debt Rate** that goes to the Debt Service fund to 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
    - Available unused increment is \$.00493 of the tax rate based on current taxable valuation
  - 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	No New Revenue Rate	Voter Approval Rate (without increment)	Voter Approval Rate (with increment)
\$0.34316 M&O \$0.21779 Debt <hr/> \$0.56095 <b>Total</b>	\$0.30866 M&O \$0.19242* Debt <hr/> \$0.50108 <b>Total</b>	\$0.31946 M&O \$0.21779 Debt <hr/> \$0.53725 <b>Total</b>	\$0.32439 M&O \$0.21779 Debt <hr/> \$0.54218 <b>Total</b>

\* True Debt Service rate is calculated based on actual Debt Service requirements

# FY 21-22 INCREMENT AND FY 24-25 PROPOSED TAX RATE





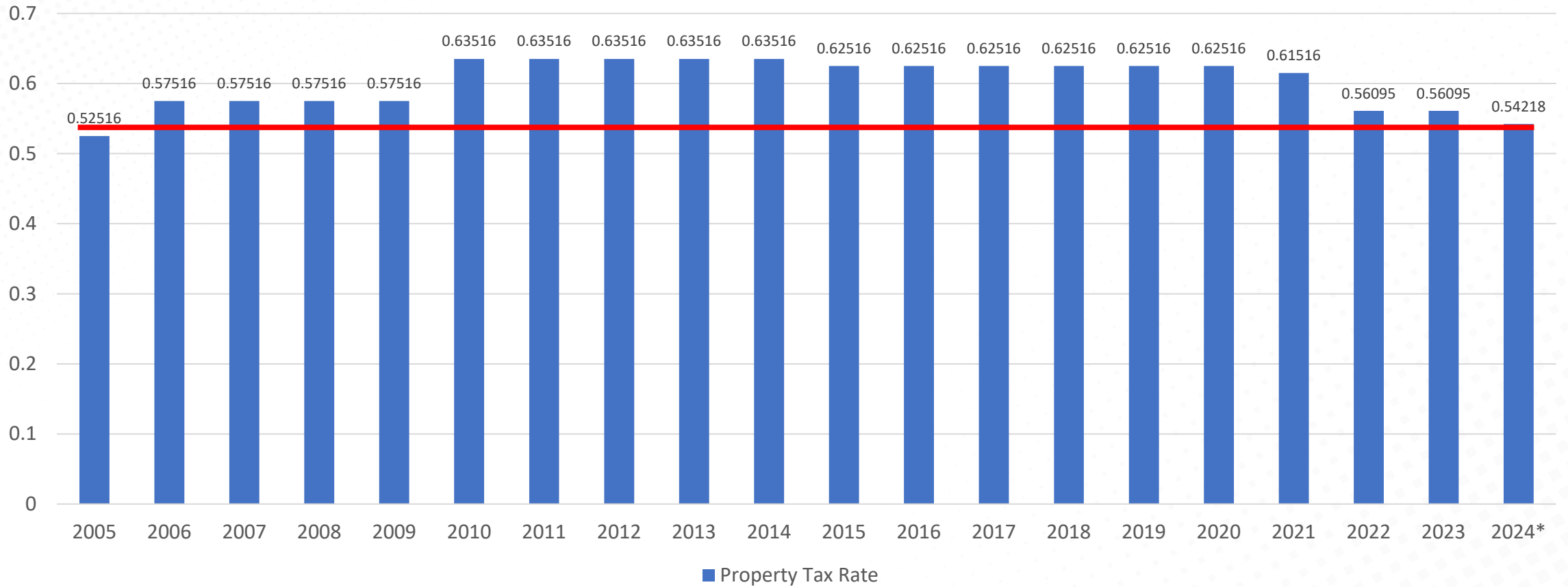
# PEER COMPARISONS

- Last year, Richardson’s tax rate ranked 6<sup>th</sup> lowest among peer cities and was \$0.011309 below the average rate of \$0.572259
- The current peer city average tax rate is expected to decrease once other cities adopt their rates this year

City	FY 2023-2024 Tax Rate
Dallas	\$0.735700
Mesquite	\$0.690000
Garland	\$0.689746
Fort Worth	\$0.672500
Grand Prairie	\$0.660000
Arlington	\$0.589800
Irving	\$0.589100
<b>Average</b>	<b>\$0.572259</b>
<b>Richardson (Current Rate)</b>	<b>\$0.560950</b>
Carrollton	\$0.553750
<b>Richardson (Proposed Rate)</b>	<b>\$0.542180</b>
Frisco	\$0.432205
McKinney	\$0.427513
Allen	\$0.420500
Plano	\$0.417600

# PROPERTY TAX RATE HISTORY

Property Tax Rate



\*Proposed Rate

# RESIDENTIAL IMPACTS

Rate	Value	Average Resident Tax Increase	Average Senior Tax Increase
Current Rate	\$0.56095	\$204.37 (10.37%)	\$145.69 (10.32%)
Voter Approval Rate (with increment) / Proposed Rate	\$0.54218	\$131.61 (6.68%)	\$93.57 (6.63%)

Tax Rate	Average Resident Bill	Average Senior Bill
Current Rate	\$2,175	\$1,557
Voter Approval Rate (with increment) / Proposed Rate	\$2,102	\$1,505
<b>Savings from Proposed Rate</b>	<b>\$73</b>	<b>\$52</b>

# 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.

Entity	Tax Rate	Amount	% of Total
City of Richardson*	\$0.542180	\$2,102	24.3%
Richardson ISD*	\$1.139900	\$4,419	51.2%
Dallas County	\$0.215718	\$836	9.7%
Dallas College	\$0.110028	\$426	4.9%
Parkland Hospital	\$0.219500	\$851	9.9%
<b>Total</b>	<b>\$2.227326</b>	<b>\$8,634</b>	<b>100.0%</b>

Entity	Tax Rate	Amount	% of Total
City of Richardson*	\$0.542180	\$2,102	29.3%
Plano ISD*	\$1.076750	\$4,174	58.2%
Collin County	\$0.149343	\$579	8.1%
Collin College	\$0.081220	\$314	4.4%
<b>Total</b>	<b>\$1.849493</b>	<b>\$7,169</b>	<b>100.0%</b>

# TAX RATE NOTICE

- Once the public hearing is called, the City is required by State law to post notice of the public hearing with the various tax rates in the Dallas Morning News
- Notice is also posted on the City’s website

## Excerpt from the notice:

The 86th Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by City of Richardson last year to the taxes proposed to be imposed on the average residence homestead by City of Richardson this year.

	2023	2024	Change
Total tax rate (per \$100 of value)	\$0.56095	\$0.54218	(\$0.01877) or -3.35%
Average homestead taxable value	\$351,191	\$387,624	\$36,433 or 10.37%
Tax on average homestead	\$1,970	\$2,102	\$132 or 6.70%
Total tax levy on all properties	\$ 136,961,617	\$ 144,210,788	\$7,249,171 or 5.29%

- Recommendation: Set public hearing on September 9, 2024, for a proposed tax rate of \$0.54218 per \$100 valuation for Fiscal Year 2024-2025



# FINAL THOUGHTS DAY ONE



# FY 2024-2025 GENERAL FUND SUMMARY

## REVENUES:

- Revenue from Current Property Taxes are projected to increase 3.95% from the FY24 Budget
  - Based on 3.5% max from Supplemental Tax Rolls allowed under SB2
  - Uses total available SB2 tax rate increment
  - Results in a \$0.01877 reduction to the tax rate
  - Includes the senior tax exemption of \$145,000
- Sales tax revenue projected to decrease from the prior year base budget by (9.1%)

## OTHER:

- Maintains fund balance at 90.99 days

## EXPENDITURES:

- 3.0% merit-based market pay plan adjustment for all employees
- Increase the minimum starting salary for full-time and permanent part-time positions to \$19.45 from \$18.71
- Continued investment in public safety via 5.0% public safety steps, capital equipment replacement, mental health care, expanded community programming
- Property Tax Dedications (Street and Alley Rehabilitation, Facility Maintenance, Parks Maintenance, Economic Development, and the City's Pay-As-You-Go Capital and IT Replacement Programs) are programmed to increase 3.95%
- \$3.84 million in funding for pay-as-you-go capital replacements and \$1.56 million for the IT replacement fund
- \$1.25 million in funding for the replacement of the City's legacy IT systems and for upgrades to the traffic management system



# FY 2024-2025 BUDGET WORKSHOP

DAY TWO

# BUDGET WORKSHOP – DAY TWO

## August 6, 2024

- Day 1 Recap / Day 2 Introduction
- Overview of Operating Fund Budgets:
  - Water and Sewer Fund
  - Drainage Fund
  - Solid Waste Fund
  - Golf Fund
  - Hotel/Motel Tax Fund
- Capital & Debt Planning
- Final Thoughts & Next Steps
- Discussion and Additional Feedback





## DAY 1 RECAP

- Several national factors continue to impact the economy
- Staff has invested significant resources into understanding the impact of these factors locally and taken prudent steps to combat their impact in Richardson
- The proposed budget reviewed yesterday continues to invest in the key focus areas of **people, public safety, infrastructure** and **economic development** while limiting impacts to the programs and services our residents and businesses depend on. The recommendation includes:
  - Property tax rate reduction of \$.01877 to \$0.542180
  - Senior Tax Exemption increase of \$15,000 to \$145,000
  - 3.95% increase in Streets, Alleys, Facilities and Parks Maintenance Programs
  - 3.95% increase in the Economic Development Fund to \$2,076,659; an increase in Economic Development Department funding of \$78,434 to \$1,280,818 (does not include the marketing position reassigned to the Communications Department)
  - \$1.9M for Home Improvement Incentive Program tax rebates
  - \$3.84 million in funding for pay-as-you-go capital replacements and \$1.56 million for the IT replacement fund
  - 3.0% merit-based market pay plan adjustment for all employees
  - An increase the minimum starting salary for full-time and permanent part-time positions to \$19.45
  - Continued investment in public safety via 5.0% public safety steps, capital equipment replacement, mental health programs, expanded community programming, etc.
  - Richardson Replants, ADA Transition Plan, Housing Needs Assessment, Citizen (CARES/CPA/CFA) and Neighborhood Association Programs, Network/Counseling Place support, Culturally Diverse Programming and Events



## DAY 2 INTRODUCTION

- Guiding principles when developing utility/enterprise fund recommendations:
  - Evaluate utility/enterprise rate structures to stay competitive within the market and set rates to maintain a 90-day fund balance – Council Tactic
  - Continue important capital investment in infrastructure and buildings
  - Continue working toward implementing full G&A recommendations
  - Plan for financial impacts of unfunded mandates and new regulations
  - Continue implementation of prior master planning efforts/prepare for implementation of new master planning efforts
  - Establish reserves to address capital maintenance needs

# FY 2024-2025 SUMMARY OF DAY 2 OPERATING FUNDS

## WATER AND SEWER FUND

- 3.0% water and sewer rate increase to cover:
  - 5.4% increase of the cost of wholesale water
  - 4.5% increase of sewer treatment costs
  - New EPA requirements associated with inspecting the system for lead and copper piping
  - Inflation pressures on operating expenses
  - Continued funding for Water Master Plan
  - 3.0% merit-based market pay plan adjustment for water and wastewater employees
  - Funding for Capital Projects:
    - Debt Funded: \$17.425 million
    - Pay-As-You-Go Funding: \$1.427 million
- Maintains fund balance at 90.99 days

## SOLID WASTE SERVICES FUND

- \$2.00 (+ tax) per month rate increase to the residential solid waste rate to cover:
  - Increased cost of temporary workers
  - Continued funding for the Solid Waste Master Plan
  - 3.0% merit-based market pay plan adjustment for solid waste employees
  - \$1.875 million for Solid Waste equipment in short-term CO funding
- Maintains fund balance at 90.99 days

# FY 2024-2025 SUMMARY OF DAY 2 OPERATING FUNDS

## HOTEL/MOTEL TAX FUND

- Hotel occupancy tax projected to increase 13.8% compared to the FY24 budget
- Eisemann Center revenues projected to increase 5.5% compared to the FY24 budget due to increased rentals and a full Eisemann Center Presents series
- FY 2023-2024 year-end reserves will be transferred to the Eisemann Facility Maintenance Fund to address deferred maintenance projects
- Transfer out to the General Special Projects Fund at the close of FY 2023-2024 in partial repayment of General Fund support during the COVID-19 pandemic
- Annual Arts Grants funding increased to \$375,000
- 3.0% merit-based market pay plan adjustment for Eisemann Center employees

## DRAINAGE FUND

- \$1.00 per month increase to the residential drainage fee to \$5.25 per month/commercial drainage fee will increase from \$0.119 per 100 square feet of impervious area to \$0.147 per 100 square feet to cover:
  - Cost of new TCEQ requirements associated with storm water management
  - Expanded capital projects annual work plan
  - Increased cost of providing services: street sweeping, litter abatement, storm drain inspection and cleaning, storm drainpipe repairs, etc.

# FY 2024-2025 SUMMARY OF DAY 2 OPERATING FUNDS

## GOLF FUND

- Several fee adjustments to better position Sherrill Park to cover operational costs, equipment needs and fund a capital maintenance reserve
- Factors in the re-opening of Course #2 after its renovation during FY 2023-2024
- Includes the replacement of key maintenance equipment and provides funding for fence and cart path repairs
- 3.0% merit-based market pay plan adjustment for Sherrill Park employees
- Maintains fund balance at 60 days
- Implementation of Phase 2 & 3 of Sherrill Park Master Plan via \$6.0 million Certificates of Obligation

# SHERRILL PARK CAPITAL PLAN

- Capital Plan approved by City Council in 2021
- Projects recently Completed or In-Progress
  - Replaced two Restrooms on Course #1
  - Course #2 Renovation
    - Scheduled for completion November 2024
- Remaining components of Capital Plan
  - Training Facility
  - Maintenance Barn





# CAPITAL PLANNING – TRAINING FACILITY

- Place at North end of driving range facing south
- Approximately 2,650 sq. ft.
- Two evaluation/hitting bays & one fitting area
- Evaluation equipment and software
- Public venue to keep top-notch instructors and provide training for students that don't have access to a country club
- Allows lessons during inclement weather
- Small conference room allows new level of teaching with in-depth consultations
- Cost estimate: \$2,200,000





# CAPITAL PLANNING – MAINTENANCE BARN

- 1973 Facility built for an 18-hole golf course
- Limited space in the work bay for parts and equipment storage
- New facility
  - Metal building
  - Approximately 5,000 sq. ft.
  - Two equipment lifts
  - Breakroom/conference room
- Keep existing facility for equipment storage
- Preliminary estimate: \$3,800,000



## SHERRILL PARK CAPITAL PROJECT FUNDING

- Cost efficiencies if Training Facility and Maintenance Barn are constructed at the same time
  - Staging and located next to each other
  - \$180,000 to \$300,000 in efficiency savings
- Funding included in Series 2024
  - Debt planning preserves capacity for future G.O bond program
  - Ability to issue \$6.0 million in Certificates of Obligation debt for both facilities



# **WATER & SEWER FUND**

# WATER & SEWER FUND - HIGHLIGHTS

**\$113,453,615**

Revenues

+7.0% from last fiscal year

The services provided by the Water and Sewer Fund are financed through user fees charged to residential and commercial customers. Water and Sewer rates are periodically reviewed and adjusted to assure that revenues collected are sufficient to fund the expenditures related to providing water and wastewater services.

**\$112,704,076**

Expenditures

+7.3% from last fiscal year

The expenditures of the Water and Sewer Fund are related to the purchase of water and sewer services from service providers, as well as water and sewer daily operations and infrastructure maintenance and renewal. The purchase of water from North Texas Municipal Water District (NTMWD) and sewer services from NTMWD, the City of Dallas and the City of Garland account for **63.2%** of the fund's total expenditures.

**90.99 days**

Fund Balance

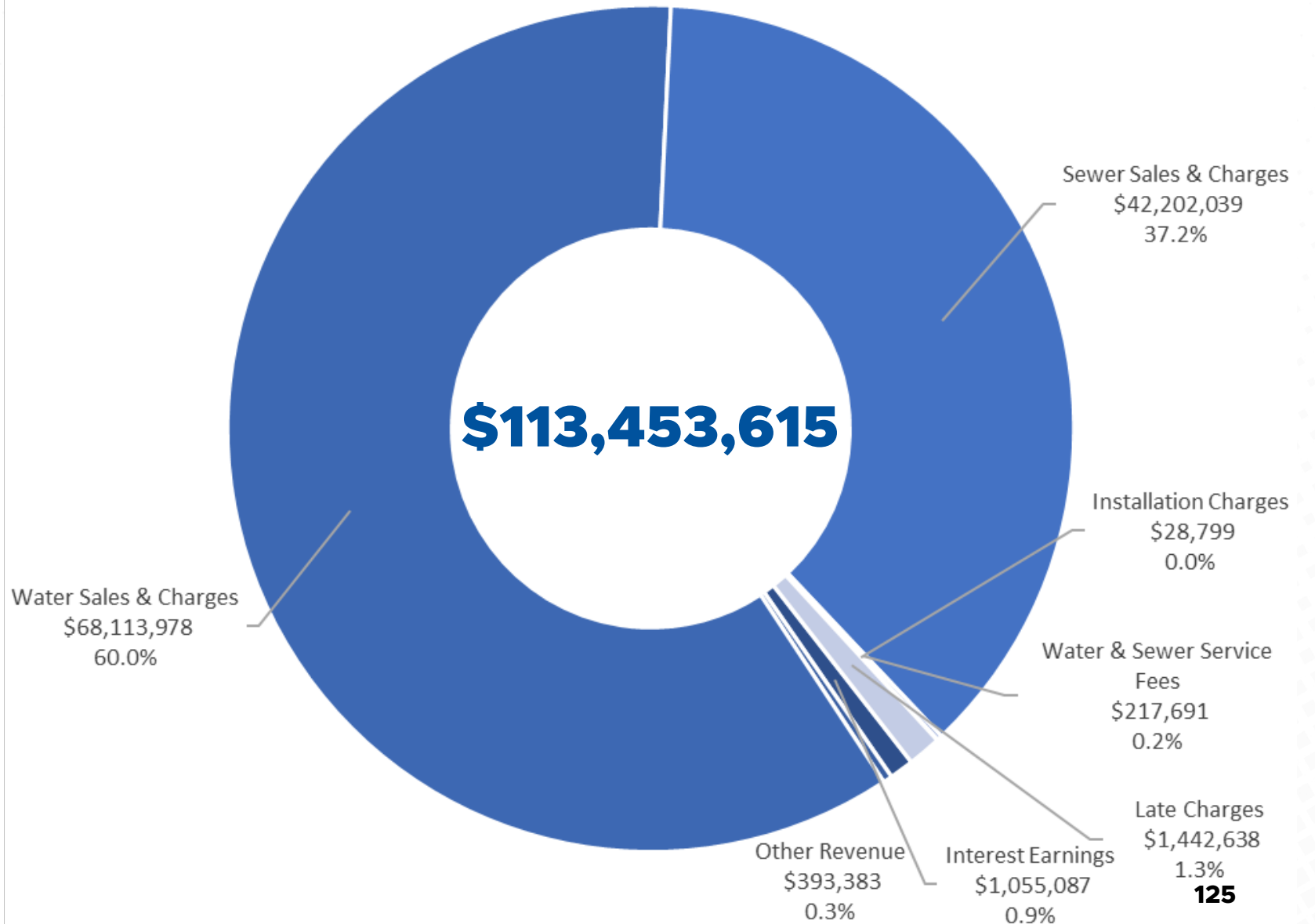
+0.05 days from last fiscal year

Meets fund balance policy of 90 days

# WATER & SEWER FUND REVENUES

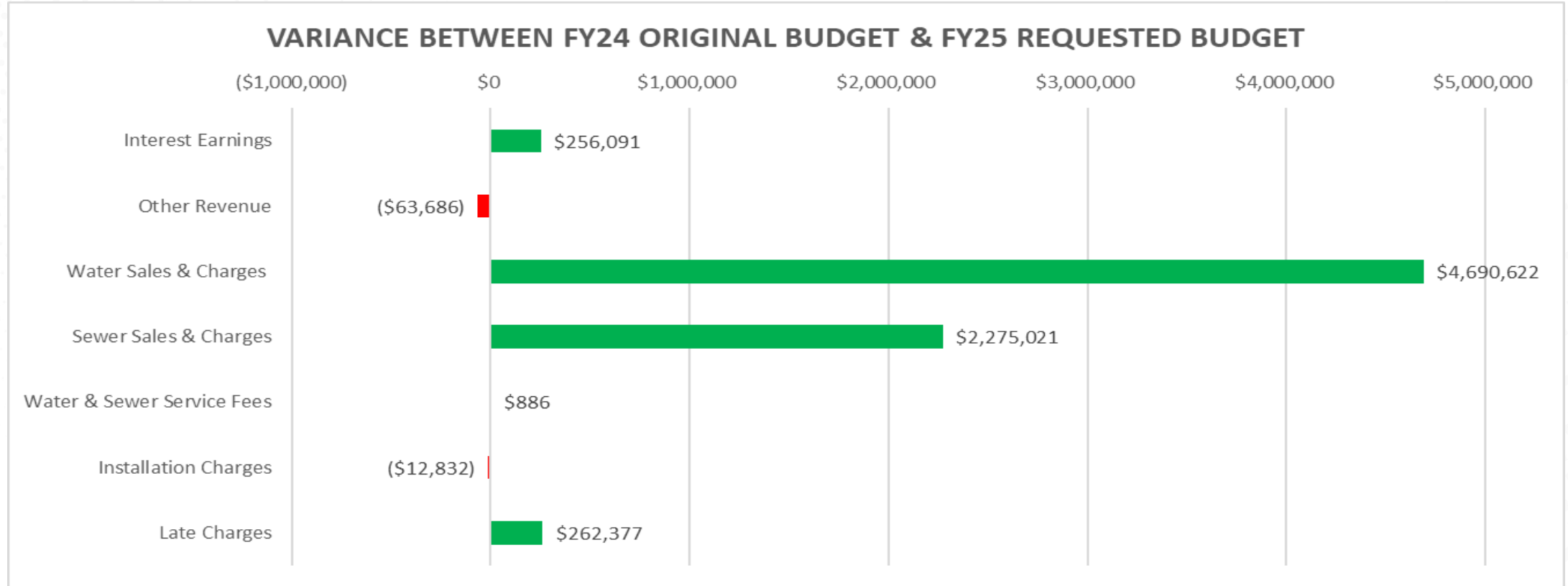
## 97.2%

revenues derive from  
Water & Sewer sales





# WATER & SEWER FUND – YEAR OVER YEAR CHANGE IN REVENUES



FY25 revenues are projected to increase **\$7.4 million** to **\$113.5 million**  
from Prior Year Budget

# WATER & SEWER FUND REVENUES

Projected at **\$113.5 million** which is an increase of **\$7.4 million** above the FY24 Original Budget



## WATER SALES

- Projection of **\$68.1 million**
- Includes a **3.0%** rate increase
  - Based on conservative residential and commercial growth assumptions, with stronger growth assumed for manufacturing



## SEWER SALES

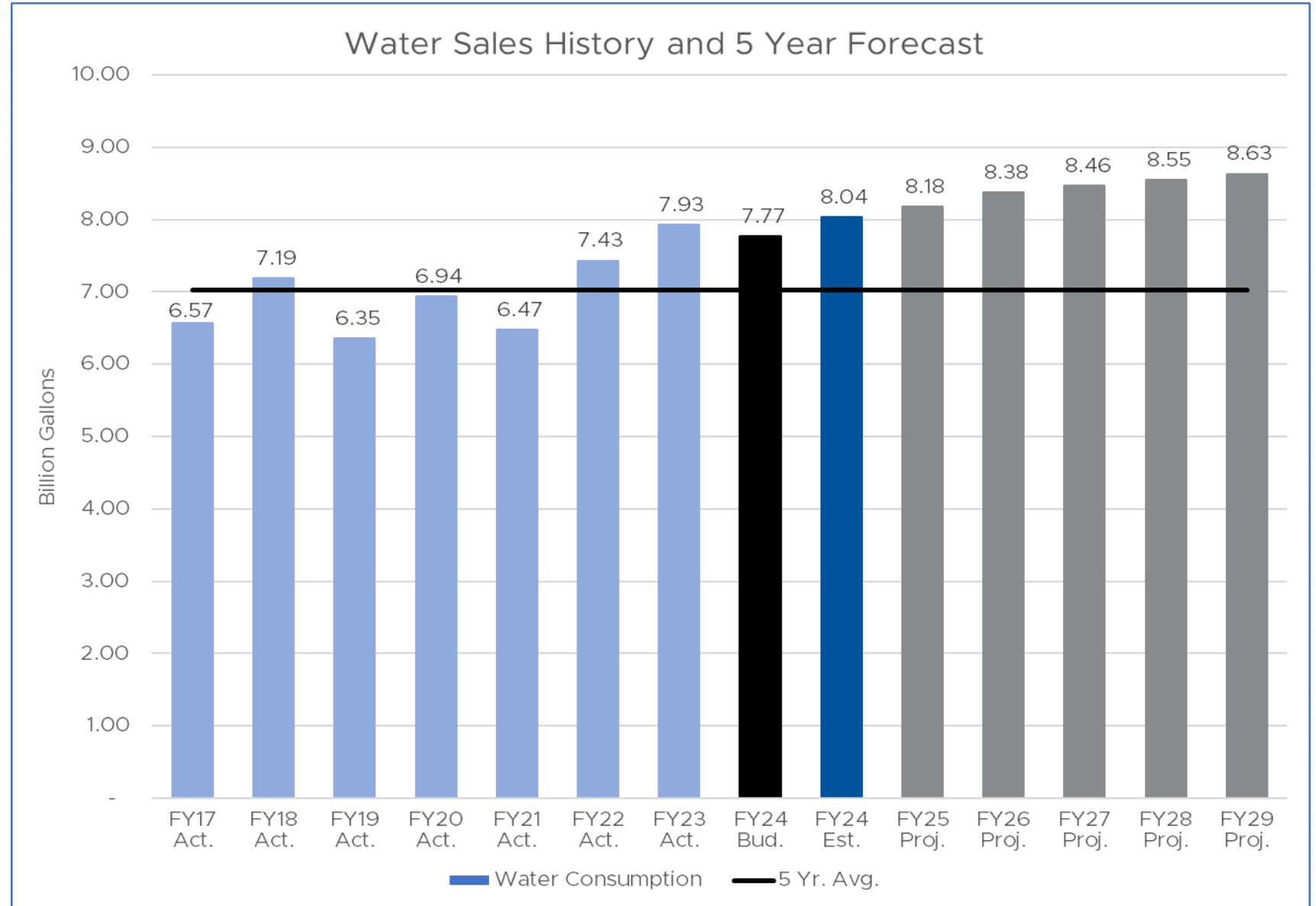
- Projection of **\$42.2 million**
- Includes a **3.0%** rate increase
  - Based on conservative growth assumptions, as well as stronger manufacturing growth



## OTHER REVENUES

- Projection of **\$3.1 million**
- Includes Interest earnings, fees and miscellaneous charges

# WATER & SEWER FUND REVENUES



## WATER & SEWER RATE INCREASE

- Projected **\$110.3 million** in revenue from Water Sales and Sewer Charges, includes a **3.0% increase** to both water and sewer rates, or **\$2.8 million** of the \$7.0 million total increase in revenue from these charges
  - The remaining revenue growth is a result of growth in the system
- Cost pressures include:
  - 5.4% increase in the cost wholesale water from NTMWD or \$2.2 million
  - 4.5% increase in the cost of sewer treatment services or \$1.2 million
    - 13.4% in the cost of sewer treatment services from NTMWD
    - Decreases in sewer charges from Dallas and Garland as a result of reduced flows being treated by the entities
  - Provides for market-based pay plan adjustments for water and wastewater staff
  - Unfunded EPA mandate related to the inspection of the system for lead and copper piping
  - Increased debt service requirement
  - Maintaining fund balance above 90.0 days

## WATER & SEWER FUND FEE CHANGES\*

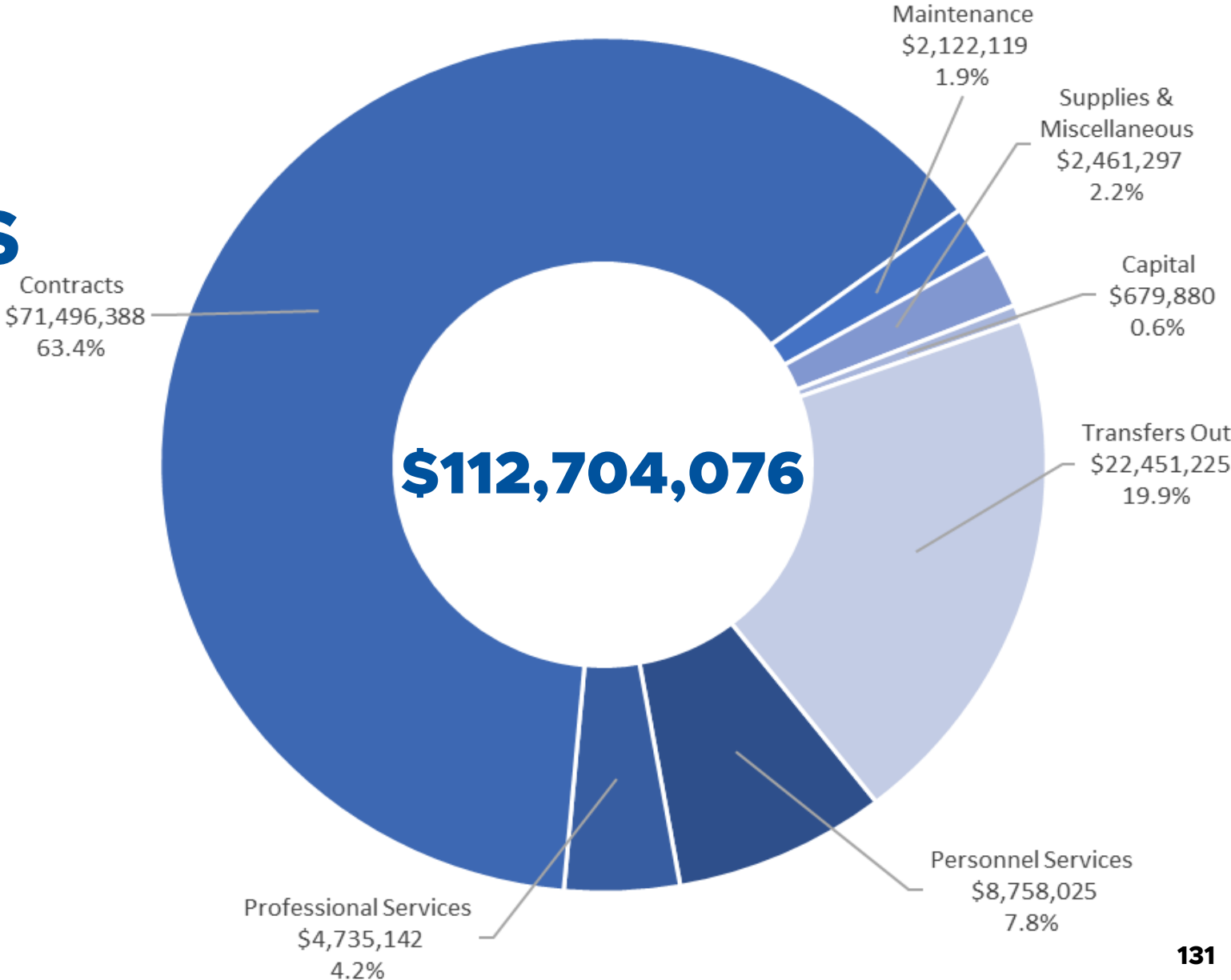
Water and Sewer Fund	Change/New	Change	Revenue Impact	Comment
Water Rates	Change	3.0%	\$1,719,589	Need Based
Sewer Rates	Change	3.0%	\$1,046,125	Need Based
			<b>\$2,765,714</b>	

\* Proposed fee changes are included in presented numbers

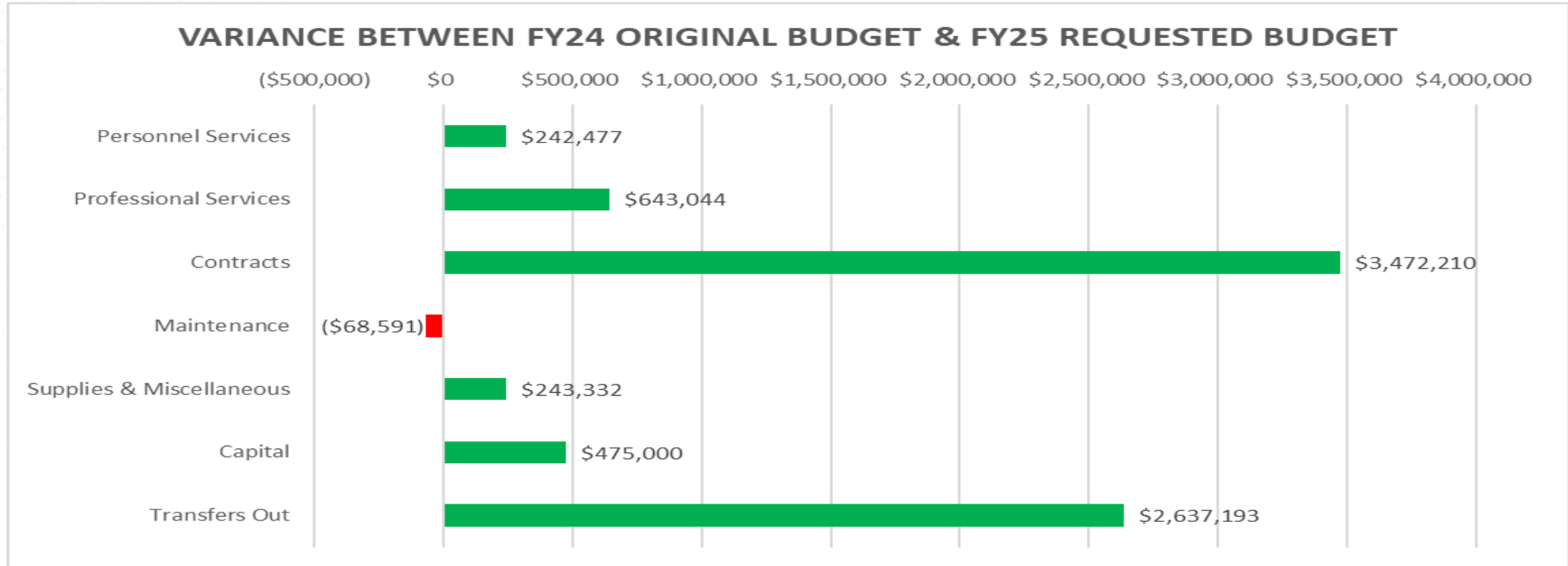


# WATER & SEWER FUND EXPENDITURES

**63.2%** of total expenditures are for the City's water and sewer treatment contracts (99.6% of the total contracts category)



# WATER & SEWER FUND – YEAR OVER YEAR CHANGE IN EXPENDITURES



FY25 expenditures are projected to increase **\$7.6 million** to **\$112.7 million** from Prior Year Budget

# WATER & SEWER FUND COST DRIVERS



WHOLESALE WATER  
(per 1,000 gallons)  
5.69% rate increase



SEWER SERVICES –  
REGIONAL SYSTEM  
(per 1,000 gallons)  
17.67% rate increase



SEWER SERVICES-  
UPPER EAST FORK  
SYSTEM  
(per 1,000 gallons)  
16.92% rate increase

Combined, the City’s contracts for wholesale water and sewer treatment services consist of **63.2%** of the Water and Sewer Fund’s total expenditures.

# WATER SYSTEM

## SUMMARY:

FY24 Original Budget:

\$45,759,464

FY25 Proposed Budget:

\$48,501,285

Change:

\$2,741,821

% Change: 6.0%

Departments included:

Water Operations,

Water Production

## CONTINUED KEY INVESTMENTS:

- North Texas Municipal Water District (NTMWD) contract: \$42,211,608, an increase of \$2,175,124
- Includes \$525,000 for system-wide inspections for lead and copper piping
- Continuation of Repair & Maintenance of Fire Hydrants, Service Connections, and Water Mains: \$528,375
- Continuation of ally, sidewalk and street repairs during the process of performing paving cuts: \$300,000



# SEWER SYSTEM

## SUMMARY:

FY24 Original Budget:  
\$29,384,733

FY25 Proposed Budget:  
\$30,676,700

Change:  
\$1,291,967

% Change: 4.4%

Departments included: Sewer  
Treatment, Sewer Collection

## CONTINUED KEY INVESTMENTS:

- Sewer contracts with North Texas Municipal Water District (NTMWD), Dallas and Garland: \$29,012,179, an increase of \$1,246,665
- Industrial Pretreatment Monitoring Program: \$220,531
- Funding for sanitary sewer maintenance materials and paving cuts: \$158,550

System	BUDGET 2023-24	BUDGET 2024-25	VARIANCE AMOUNT
Sewer - Regional - NTMWD	\$ 12,504,811	\$ 14,288,620	\$ 1,783,809
Sewer - Upper East Fork - NTMWD	6,984,221	7,806,989	822,768
Sewer - Dallas	4,698,098	3,800,000	(898,098)
Sewer - Garland	3,578,384	3,116,570	(461,814)
<b>Total Cost</b>	<b>\$ 27,765,514</b>	<b>\$ 29,012,179</b>	<b>\$ 1,246,665</b>





# SYSTEM MAINTENANCE

## SUMMARY:

FY24 Original Budget:

\$5,796,380

FY25 Proposed Budget:

\$6,397,791

Change:

\$601,411

% Change: 10.4%

Departments included: Meter Shop, C.M.O.M., Public Services - Construction

## CONTINUED KEY INVESTMENTS:

- Capacity, Management, Operations and Maintenance program (CMOM) is funded at \$3,565,525, an increase of \$15,480
- Meter Shop and Construction are funded at \$2,832,266, an increase of \$585,931

## CAPITAL REPLACEMENTS:

- Replacement of a hydro excavation truck: \$400,000
- Replacement of a utility service truck: \$75,000



# ADMINISTRATIVE & CUSTOMER SERVICE

## SUMMARY:

FY24 Original Budget:  
\$4,304,802

FY25 Proposed Budget:  
\$4,677,075

Change:  
\$372,273

% Change: 8.6%

Departments included:  
Customer Service, Public Service  
Administration, Geographic  
Information Services,  
Non-Departmental

## CONTINUED KEY INVESTMENTS:

- Customer Service provides meter reading, billing, and collection services for City utilities, as well as collects funds for various other City services: \$1,497,682
- Geographic Information System provides mapping and geographic reporting and analysis products to City departments and their end users: \$715,952
- Non-Departmental is increasing due to higher insurance premiums and credit card fees
  - Insurance premiums increase \$27,963
  - Credit card fee increase \$226,648

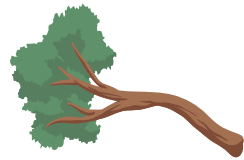
# WATER & SEWER FUND OPERATING & OTHER TRANSFERS OUT

Budgeted at **90.99 days**, in compliance with the minimum of 90 days set by the City’s financial policies



## INFORMATION TECH & TRAFFIC INITIATIVES

Increase of **\$50,000**. As the replacement of the City’s legacy computer systems shifts to utility billing, a larger portion will be funded out of the Water and Sewer Fund.



## BABIC PROGRAM SUPPORT

Transfer to the Solid Waste Fund and linked to 50% of BABIC program costs



## GENERAL & ADMIN. CHARGES

Based on most recent update to the City’s cost allocation plan



## FRANCHISE FEES

Based on 5% of water and sewer revenue and are being impacted by the 3.0% rate increase



## DEBT SERVICE

Increase of **\$821,000**



## PAY-AS-YOU-GO

Contribution to the Water & Sewer Capital Program at **\$1,427,000**



RICHARDSON  

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TEXAS

# **DRAINAGE FUND**

## DRIANAGE FEE INCREASE\*

- The FY2024-2025 Drainage Fund budget includes a **\$1.00** per month increase to the residential drainage fee to \$5.25 per month. The commercial drainage fee will increase from \$0.119 per 100 square feet of impervious area to **\$0.147** per 100 square feet of impervious area. This equates a 23.5% increase for both residential and commercial accounts.
- Cost pressures include:
  - Increased costs of drainage and erosion related projects
  - Increased administrative costs
  - Costs related to upcoming Texas Commission on Environmental Quality (TCEQ) stormwater requirements

Drainage Fund	Change/New	Change	Revenue Impact	Comment
Residential Drainage Fee	Change	\$1.00	\$305,877	Need Based
Commercial Drainage Fee	Change	Equivalent	\$389,012	Need Based
			<b>\$694,889</b>	

\* Proposed fee changes are included in presented numbers



# SOLID WASTE FUND

# SOLID WASTE SERVICES FUND - HIGHLIGHTS

**\$19,427,277**

Revenues

+5.4% from last fiscal year

Monthly service fees charged to residential and commercial customers provide the revenue for the fund. Rates are reviewed annually to confirm that sufficient revenues are generated to fund the anticipated expenses related to solid waste services.

**\$19,211,479**

Expenditures

+5.5% from last fiscal year

Expenditures for daily operations and disposal fees charged by the North Texas Municipal Water District (NTMWD) are hosted in the Solid Waste Services Fund. Disposal fee comprise **20.3%** of the overall expenditures of the fund.

**90.99 days**

Fund Balance

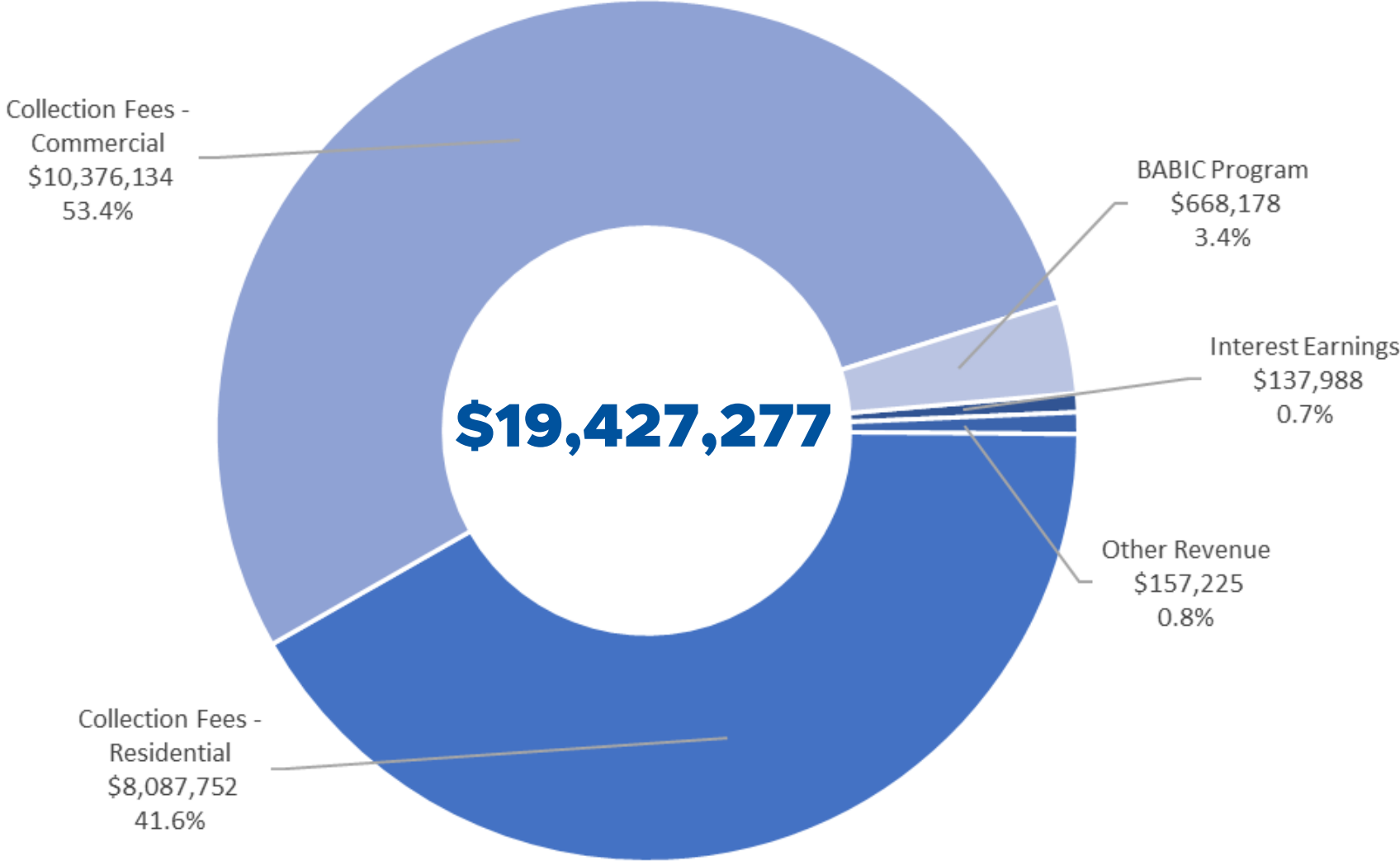
+0.62 days from last fiscal year

Meets fund balance policy of 90 days

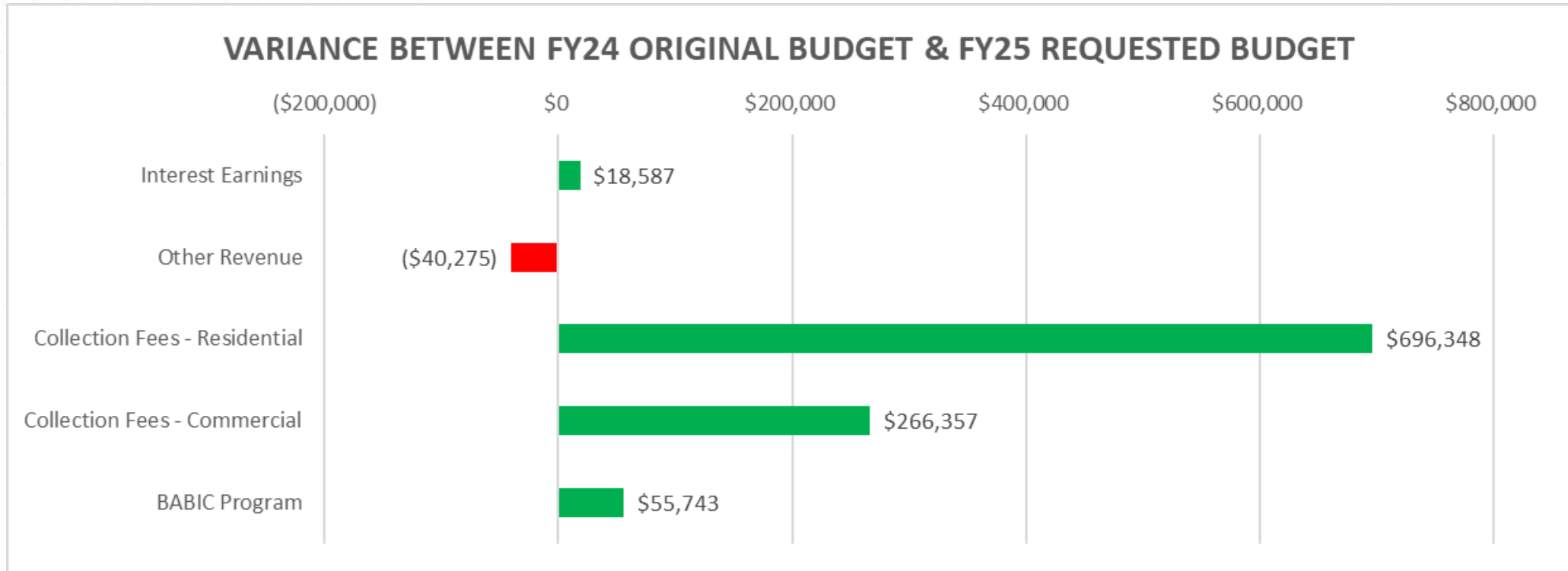


# SOLID WASTE SERVICES FUND REVENUES

**95.0%** of  
revenues derive  
from Collection  
Fees



# SOLID WASTE SERVICES FUND – YEAR OVER YEAR CHANGE IN REVENUES



FY25 revenues are projected to increase **\$996,760** to **\$19.4 million** from Prior Year Budget

# SOLID WASTE SERVICES REVENUES

Projected at **\$19.4 million** which is an increase of **\$996,760** above the FY24 Original Budget



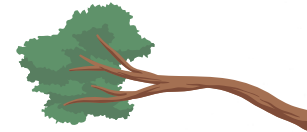
## RESIDENTIAL COLLECTION

- Projection of **\$8.1 million**
- Includes a \$2.00 per month (+ tax) increase
  - Maintains the 26% senior discount



## COMMERCIAL COLLECTION

- Projection of **\$10.4 million**
- Based on conservative growth assumptions
  - No changes to commercial rates
  - Rates are evaluated yearly based on market surveys



## BABIC PROGRAM SUPPORT

- Projection of **\$668,178**
- Transfer in from the Water & Sewer Fund and linked to 50% of BABIC program costs



## INTEREST EARNINGS & OTHER REVENUES

- Projection of **\$295,213**

## SOLID WASTE RATE INCREASE\*

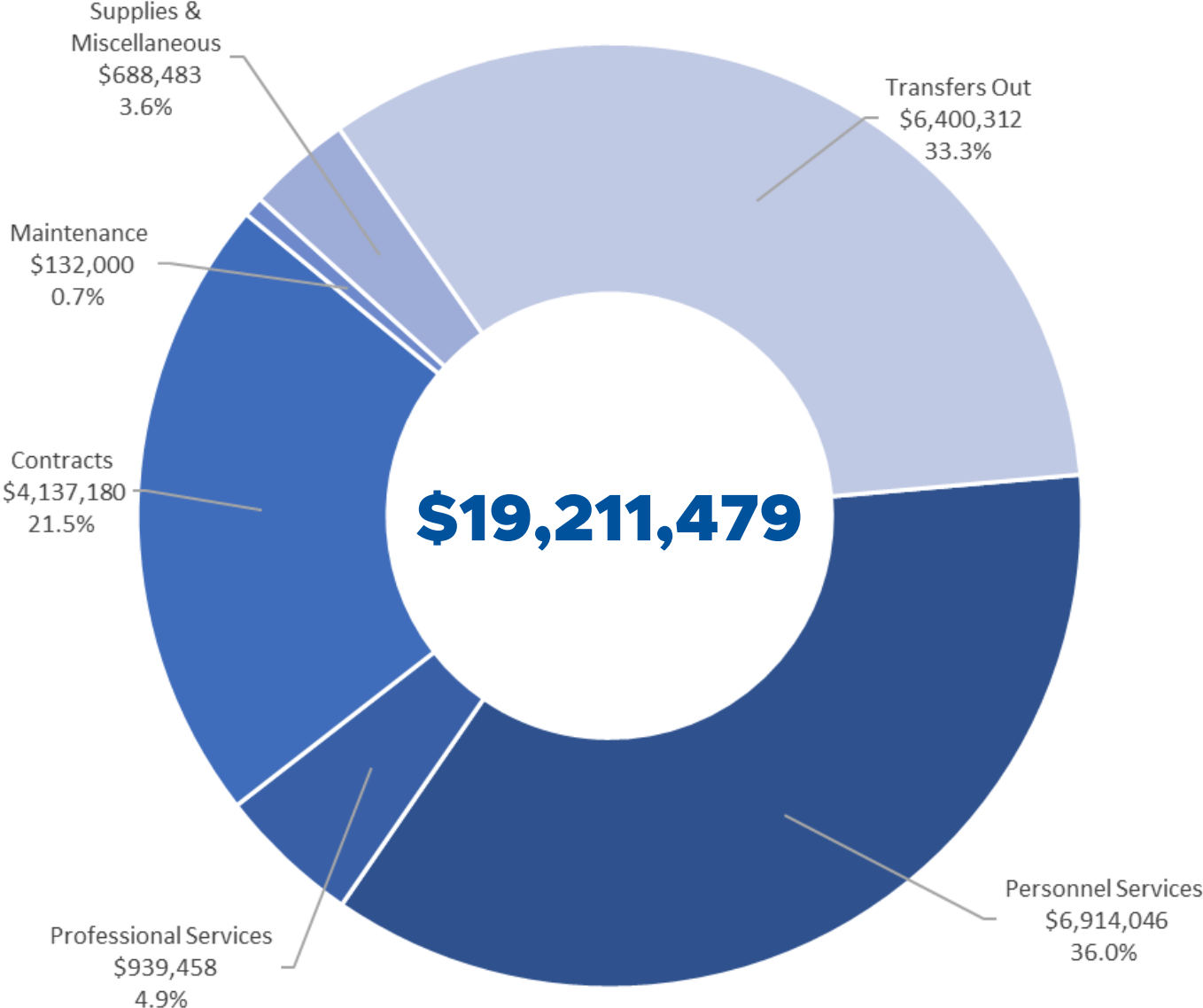
- Projected **\$8.1 million** in revenue from Residential Collection Fees, includes a **\$2.00 increase** to residential rates, while maintaining the 26% senior discount. This accounts for **\$624,000** of the \$696,000 total increase in revenue from these charges
- Cost pressures include:
  - Provides for market-based pay plan adjustments for solid waste staff
  - Increased debt service requirement
  - Maintaining fund balance above 90.0 days

	Change/New	Change	Revenue Impact	Comment
Residential (Before Tax)	Change	\$2.00	\$503,448	Need Based
Residential - Senior (Before Tax and maintains 26% discount)	Change	\$1.47	\$120,481	Need Based
			<b>\$623,929</b>	

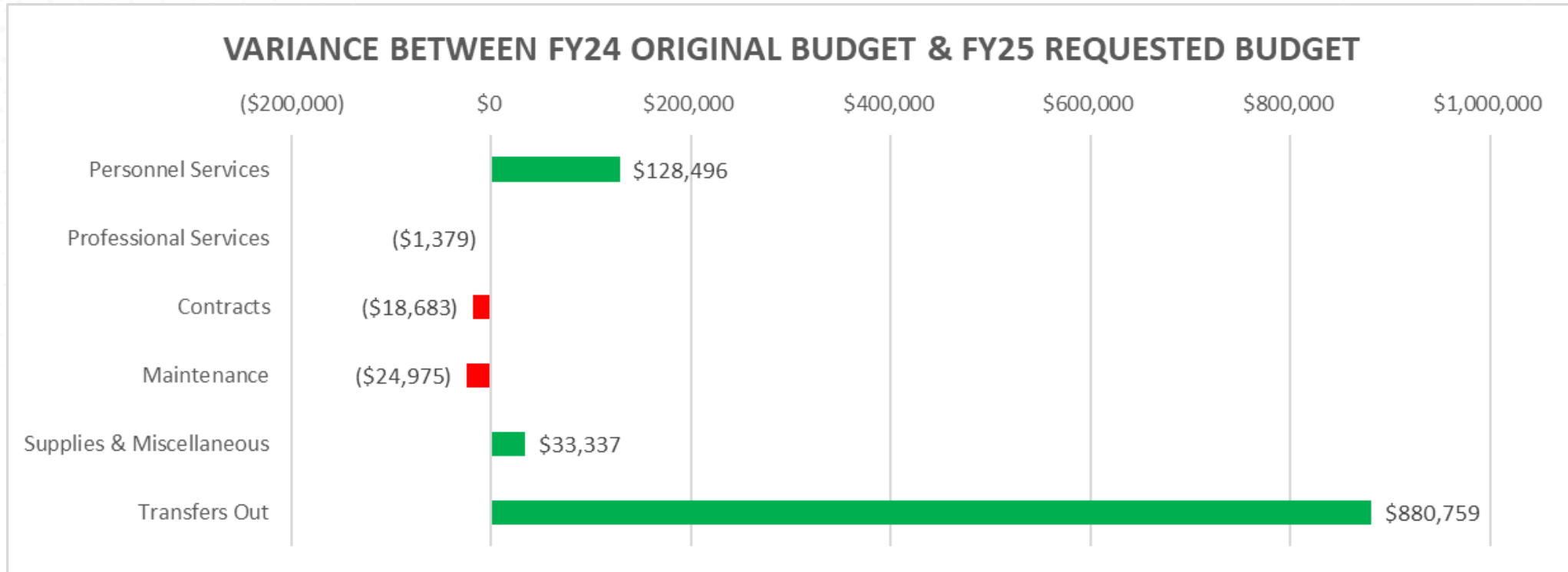
\* Proposed fee changes are included in presented numbers

# SOLID WASTE SERVICES FUND EXPENDITURES

**36.0%** of  
expenditures  
comprised of  
Personnel Services



# SOLID WASTE SERVICES FUND – YEAR OVER YEAR CHANGE IN EXPENDITURES



FY25 expenditures are projected to increase **\$997,555** to **\$19.2 million** from Prior Year Budget



# COMMERCIAL SOLID WASTE

## SUMMARY:

FY24 Original Budget:  
\$3,995,154

FY25 Proposed Budget:  
\$4,013,365

Change:  
\$18,211

% Change: 0.5%

Departments included:  
Commercial Collections

## CONTINUED KEY INVESTMENTS:

- Personnel costs are projected to increase: \$15,334
- Landfill fees are projected to remain flat: \$2,535,975

## EXPANDED KEY INVESTMENTS:

- Wiring harnesses for vehicle radios (qty. 10): \$2,500

## DEBT FUNDED INVESTMENTS:

- Replacement of various sized commercial containers: \$105,800
- Replacement of ½ ton pickup truck (qty. 1): \$55,000
- Replacement of Front-Loader truck (qty. 1): \$425,000

# RESIDENTIAL SOLID WASTE

## SUMMARY:

FY24 Original Budget:  
\$7,617,696

FY25 Proposed Budget:  
\$7,798,498

Change:  
\$180,802

% Change: 2.4%

Departments included:  
Residential Collections,  
BABIC, Recycling

## CONTINUED KEY INVESTMENTS:

- Personnel and Contract Labor costs expected to increase \$187,401 due to recruitment/retention efforts and living wage updates to contracts: \$5,267,584
- Landfill fees are projected to remain flat: \$1,365,525
- Composting costs in BABIC is projected to decrease (\$18,683) due to change to the composting contract: \$235,680
- Recycling contract line-item is projected to increase \$9,744 due to higher projected tonnage: \$539,849
  - Revenue for recycling program is projected at \$250,000

## DEBT FUNDED INVESTMENTS:

- Replacement of Rear-Loader trucks (qty. 3): \$945,000
- Replacement of Knuckleboom truck (qty. 1): \$340,000

## EXPANDED KEY INVESTMENTS:

- Wiring harnesses for vehicle radios (qty. 30): \$11,500
- Temporary overfill made permanent - Heavy Equipment Operator: \$74,554

# SOLID WASTE - ADMINISTRATION

## SUMMARY:

FY24 Original Budget:  
\$1,081,521

FY25 Proposed Budget:  
\$999,304

Change:  
(\$82,217)

% Change: (7.6%)

Departments included:  
Non-Departmental

## CONTINUED KEY INVESTMENTS:

- Non-Departmental is seeing a decrease in expenses for the fund's portion of retiree insurance and of radio maintenance
- Includes \$345,239 for insurance premiums for vehicles and equipment
- Credit card fees are projected to increase \$23,143 to \$178,225

# SOLID WASTE SERVICES OPERATING & OTHER TRANSFERS OUT

Budgeted at **90.99 days**, in compliance with the minimum of 90 days set by the City's financial policies



## GENERAL & ADMINISTRATIVE CHARGES

Increased **\$510,124** and based on most recent update to the City's cost allocation plan



## FRANCHISE FEES

Based on 5% of residential and commercial revenue and are being impacted by the residential rate increase



## DEBT SERVICE

Increase of **\$69,000**



## SPECIAL PROJECTS

Increase of **\$253,500**



RICHARDSON  

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TEXAS

**GOLF FUND**

# GOLF FUND - HIGHLIGHTS

**\$3,294,680**

Revenues

+28.4% from last fiscal year

Revenues for the Golf Fund are generated through golf fees charged to patrons. The number of rounds of golf played on an annual basis drive the revenues of the fund. The number of rounds played is affected by weather as well as by competition in the regional golf market.

**\$3,252,606**

Expenditures

+16.5% from last fiscal year

Expenditures include expenses related to daily operations, course maintenance, fleet maintenance and replacement, as well as special projects. Personnel Services account for **38.9%** of all expenditures in the Golf Fund.

**60.99 days**

Fund Balance

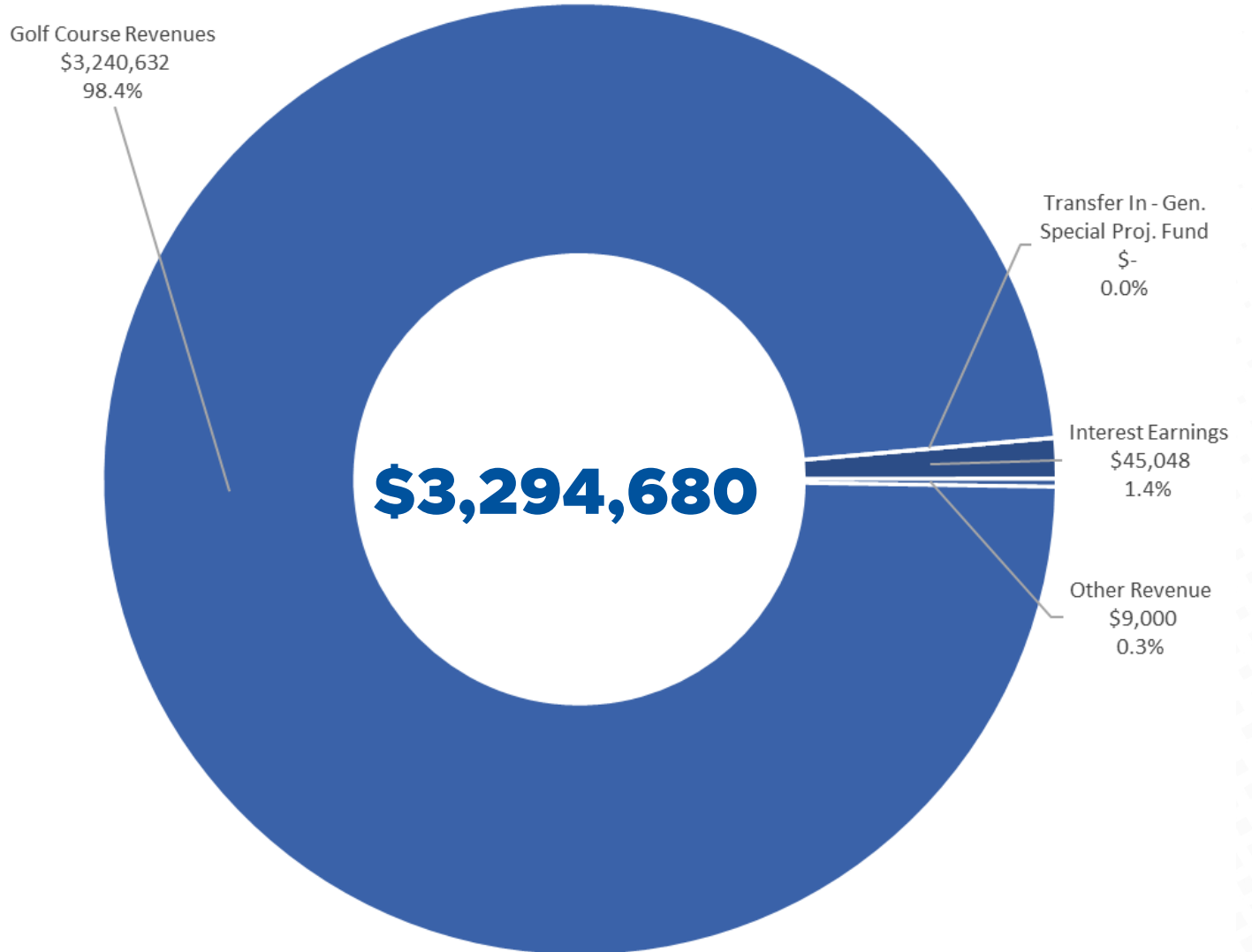
+0.35 days from last fiscal year

Meets fund balance policy of 60 days

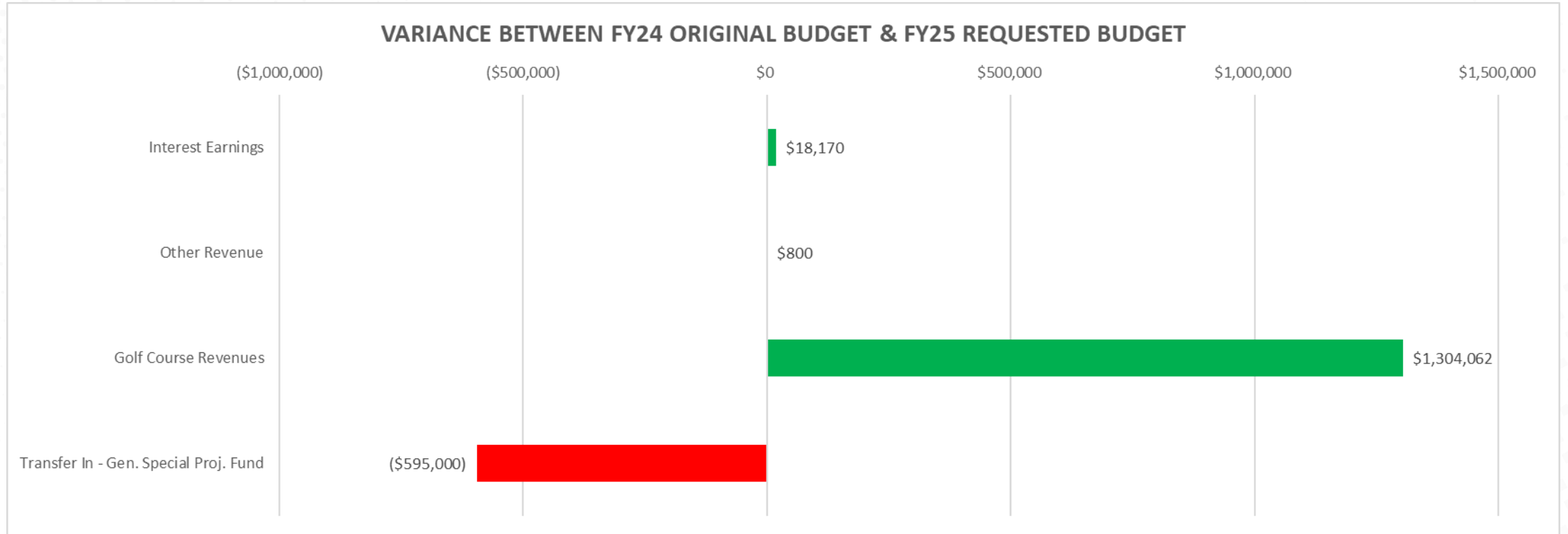


# GOLF FUND REVENUES

**98.4%** of revenues derive from Course Revenues



# GOLF FUND – YEAR OVER YEAR CHANGE IN REVENUES



FY25 revenues are projected to increase **\$728,032** to **\$3.3 million** from Prior Year Budget

# GOLF FUND REVENUES

Projected at **\$3.3 million** which is an increase of **\$728,032** above the FY24 Original Budget



**GREEN FEES**

Projection of **\$2.3 million**

- Increase of \$972,656
- Reflects both courses being open in FY 2024-2025
- Includes fee increases as presented at the July 22 City Council meeting
- Based on 97,403 rounds



**CART FEES**

Projection of **\$782,797**

- Increase of \$292,797
- Reflective of course #2 re-opening in FY 2024-2025
- Includes fee increases as presented at the July 22 City Council meeting



**REMAINING REVENUES**

Projection of **\$235,977**

- Decrease of (\$537,421) due to no transfer-in from General Special Projects Funds in FY 2024-2025
- A transfer-in of \$595,000 was budgeted for in FY 2023-2024 in support of the fund during Course #2 renovation
- Minimal increases in remaining revenues

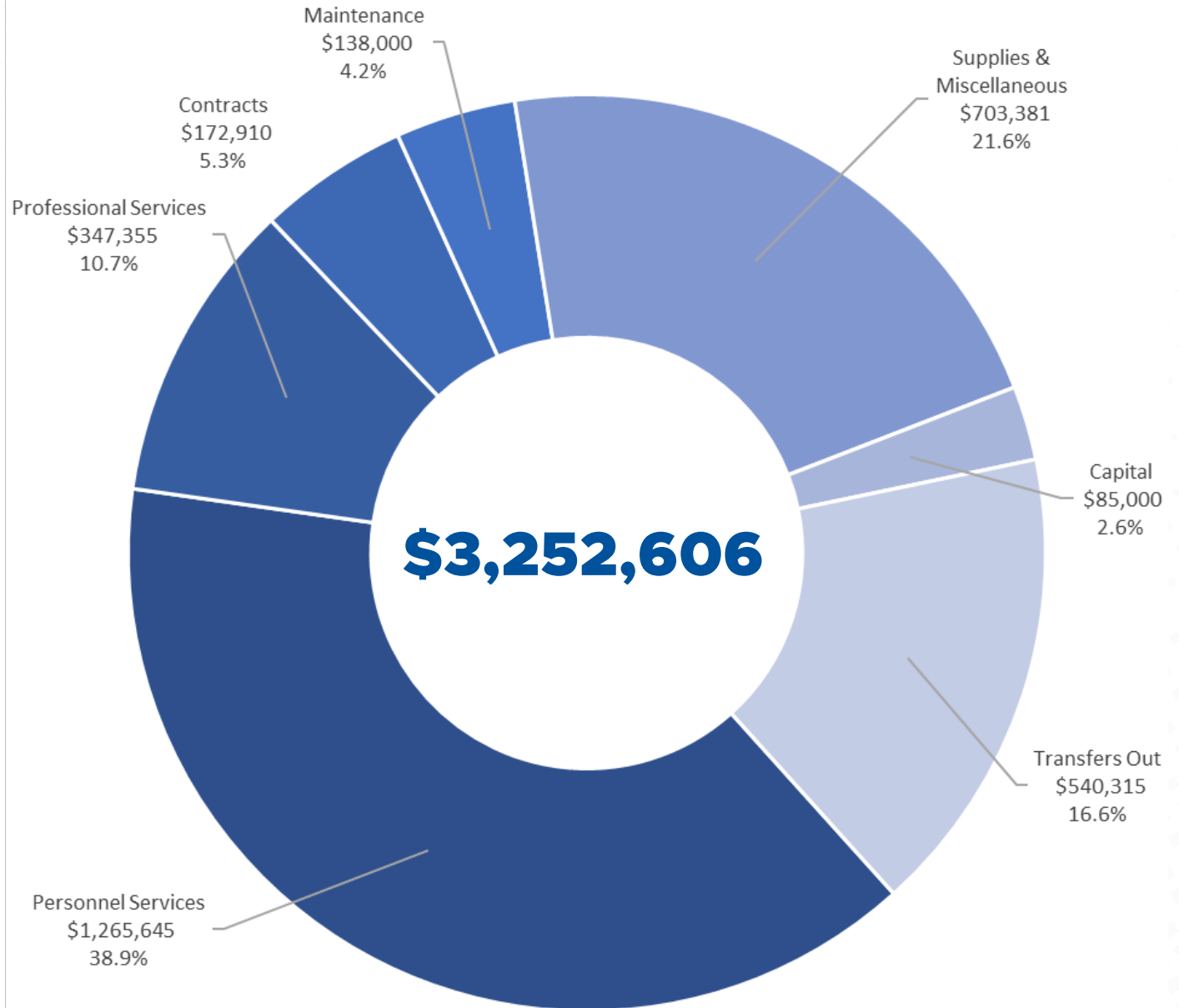
# GOLF FEE CHANGES\*

Golf	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Cart Fee - 18 Hole	Change	\$16.24	\$18.00	\$1.76	\$66,797	
Cart Fee - 9 Hole	Change	\$11.91	\$14.00	\$2.09		
Green Fees - Course 1 - Weekday Rack Rate	Change	\$32.48	\$36.00	\$3.52	\$71,724	
Green Fees - Course 1 - Weekday 1st Twilight (11:30 A.M)	Change	\$23.81	\$25.00	\$1.19		
Green Fees - Course 1 - Weekday 2nd Twilight (4:00 P.M)	Change	\$21.65	\$22.00	\$0.35		
Green Fees - Course 1 - Weekend Rack Rate	Change	\$45.47	\$50.00	\$4.53		
Green Fees - Course 1 - Weekend 1st Twilight (11:30 A.M)	Change	\$30.31	\$35.00	\$4.69		
Green Fees - Course 1 - Weekend 2nd Twilight (4:00 P.M)	Change	\$23.82	\$25.00	\$1.18		
Green Fees - Course 1 - Senior/Junior	Change	\$21.65	\$22.00	\$0.35		
Green Fees - Course 2 - Weekday Rack Rate	Change	\$23.82	\$29.00	\$5.18	\$126,832	
Green Fees - Course 2 - Weekday 1st Twilight (11:30 A.M)	Change	\$17.32	\$21.00	\$3.68		
Green Fees - Course 2 - Weekday 2nd Twilight (4:00 P.M)	Change	\$15.16	\$18.00	\$2.84		
Green Fees - Course 2 - Weekend Rack Rate	Change	\$28.15	\$37.00	\$8.85		
Green Fees - Course 2 - Weekend 1st Twilight (11:30 A.M)	Change	\$21.65	\$25.00	\$3.35		
Green Fees - Course 2 - Weekend 2nd Twilight (4:00 P.M)	Change	\$17.32	\$23.00	\$5.68		
Green Fees - Course 2 - Senior/Junior	Change	\$17.32	\$20.00	\$2.68		
Driving Range - Small Bucket (30 balls)	Change	\$5.00	\$6.00	\$1.00	\$11,109	
Driving Range - Medium Bucket (60 balls)	Change	\$7.00	\$10.00	\$3.00		
Driving Range - Large Bucket (90 balls)	Change	\$9.00	\$12.00	\$3.00		
Discount/Punch Cards - Resident	Removed	\$200.00	\$0.00	(\$200.00)	TBD	Being discontinued September 30, 2024
Discount/Punch Cards - Senior/Junior	Removed	\$100.00	\$0.00	(\$100.00)	TBD	Will be honored for two years
Weekday - Course #1	New	\$20.00	\$24.95	\$4.95	TBD	
Weekend - Course #1	New	\$20.00	\$34.64	\$14.64	TBD	
Weekday - Course #2	New	\$15.00	\$20.09	\$5.09	TBD	
Weekend - Course #2	New	\$15.00	\$25.64	\$10.64	TBD	
Sr./Jr. Weekday - Course #1	New	\$10.00	\$13.21	\$3.21	TBD	
Sr./Jr. Weekday - Course #2	New	\$7.50	\$12.01	\$4.51	TBD	
					<b>\$276,462</b>	

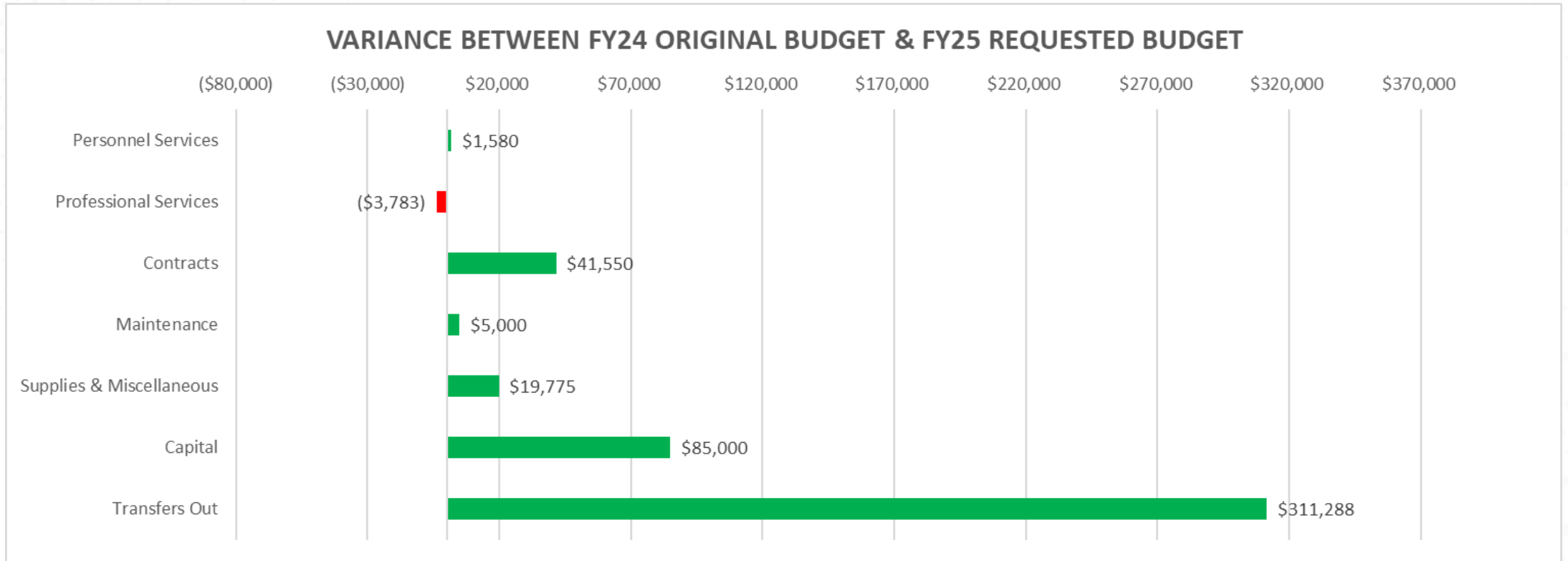
\* Proposed fee changes are included in presented numbers and are based on Course #2 not being open the full year

# GOLF FUND EXPENDITURES

**38.9%** of  
expenditures  
comprise of  
Personnel Services



# GOLF FUND – YEAR OVER YEAR CHANGE IN EXPENDITURES



FY25 expenditures are projected to increase **\$460,410** to **\$3.3 million** from Prior Year Budget



# OPERATIONS & ADMINISTRATION

## SUMMARY:

FY24 Original Budget:  
\$2,563,169

FY25 Proposed Budget:  
\$2,712,291

Change:  
\$149,122

% Change: 5.8%

Departments included:  
Non-Departmental,  
Golf Operations

## CONTINUED KEY INVESTMENTS:

- Irrigation maintenance projected to increase \$10,000 to \$40,000
- Golf cart rental expenses are projected to increase \$37,050 due to new lease contract: \$161,490
- Costs for landscape supplies are projected to increase \$25,600 due to a rise in fertilizers and pesticides costs: \$375,600
- Capital funding of \$85,000 includes:
  - \$50,000 for greens covers
  - \$25,000 for routine fence replacement and repair
  - \$10,000 for cart path repairs

## GOLF CAPITAL RESERVE FUND:

- Sweeper: \$57,985
- Heavy duty utility vehicle (qty. 1): \$38,086
- Regular duty utility cart: \$13,527
- Slicer/Spiker: \$12,075

# GOLF FUND OPERATING & OTHER TRANSFERS OUT

Budgeted at **60.99 days**, in compliance with the City's financial policies of 30 days, building to 60 days



## General & Administrative Charges

Increased \$12,138 and based on most recent update to the City's cost allocation plan



## Golf Capital Reserve

Contribution to the Golf Capital Reserve Fund of **\$299,150**



# HOTEL/MOTEL TAX FUND

# HOTEL/MOTEL TAX FUND - HIGHLIGHTS

**\$9,819,288**

Revenues

+10.3% from last fiscal year

The fund is supported by the Hotel/Motel Occupancy Tax, which is restricted by State law to tourism promotion, capital construction, the operation of meeting facilities and the funding of cultural activities. The fund also hosts the operating revenues received from user fees charged for the use of the Eisemann Center and the Parking Garage.

**\$9,756,082**

Expenditures

+4.6% from last fiscal year

Personnel Services account for **34.1%** of the expenditures in the Hotel Motel Tax Fund. Resources for the Convention and Visitors Bureau and local arts grants are also allocated in the Hotel Motel Tax Fund.

**\$5,478,874**

Fund Balance

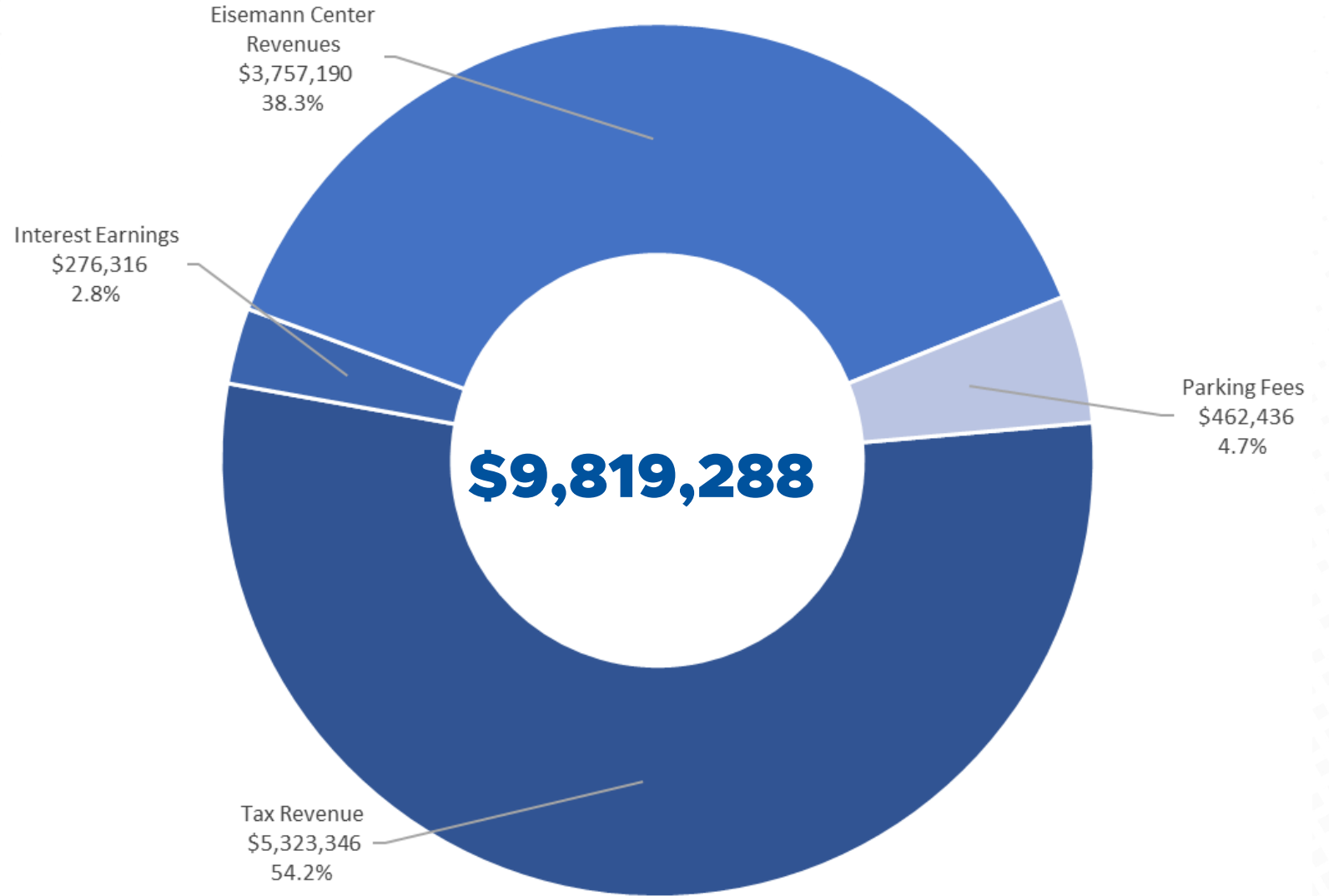
No Fund Balance Policy

Includes \$63,000 in revenues over expenditures

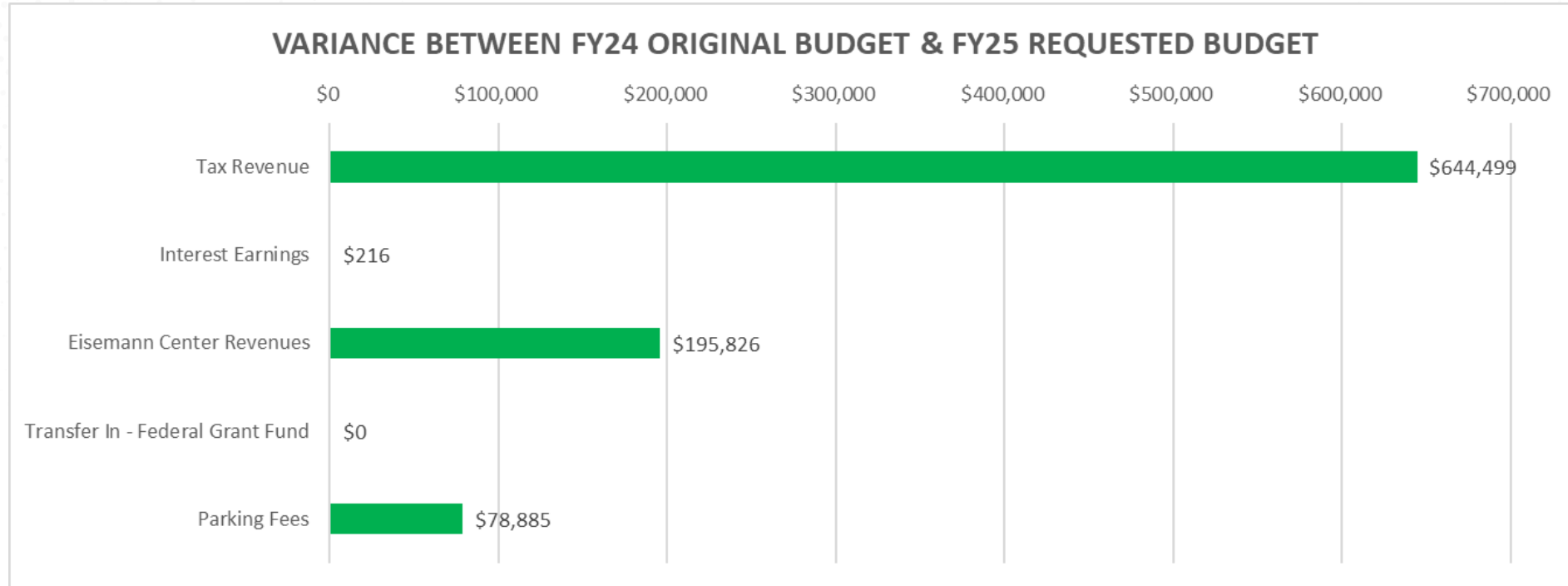
# HOTEL/MOTEL TAX FUND REVENUES

**54.2%** of revenues derive from Tax Revenue while

**38.3%** derive from Eisemann Center Revenues



# HOTEL/MOTEL TAX FUND – YEAR OVER YEAR CHANGE IN REVENUES



FY25 revenues are projected to increase **\$919,426** to **\$9.8 million** from Prior Year Budget



# HOTEL-MOTEL TAX FUND REVENUES

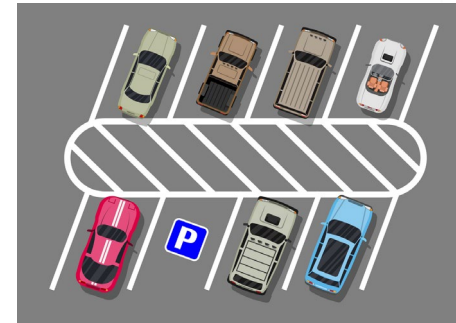
Projected at **\$9.8 million** which is an increase of **\$919,426** above the FY24 Original Budget



**TAX REVENUES**



**EISEMANN CENTER**



**PARKING FEES**



**INTEREST EARNINGS**

Projection of **\$5.3 million**

- Reflects continued recovery in the hospitality industry and a higher average daily rate (ADR).

Projection of **\$3.8 million**

- Increase of \$195,826
- Based on anticipated rental activity and the Eisemann Center Presents season as present at the May 6, 2024 City Council meeting.

Projection of **\$462,436**

- Based on Eisemann Center's anticipated activity and the scheduled rent amount from the hotel per contract.

Projection of **\$276,316**

# HOTEL/MOTEL TAX FUND FEE CHANGES\*

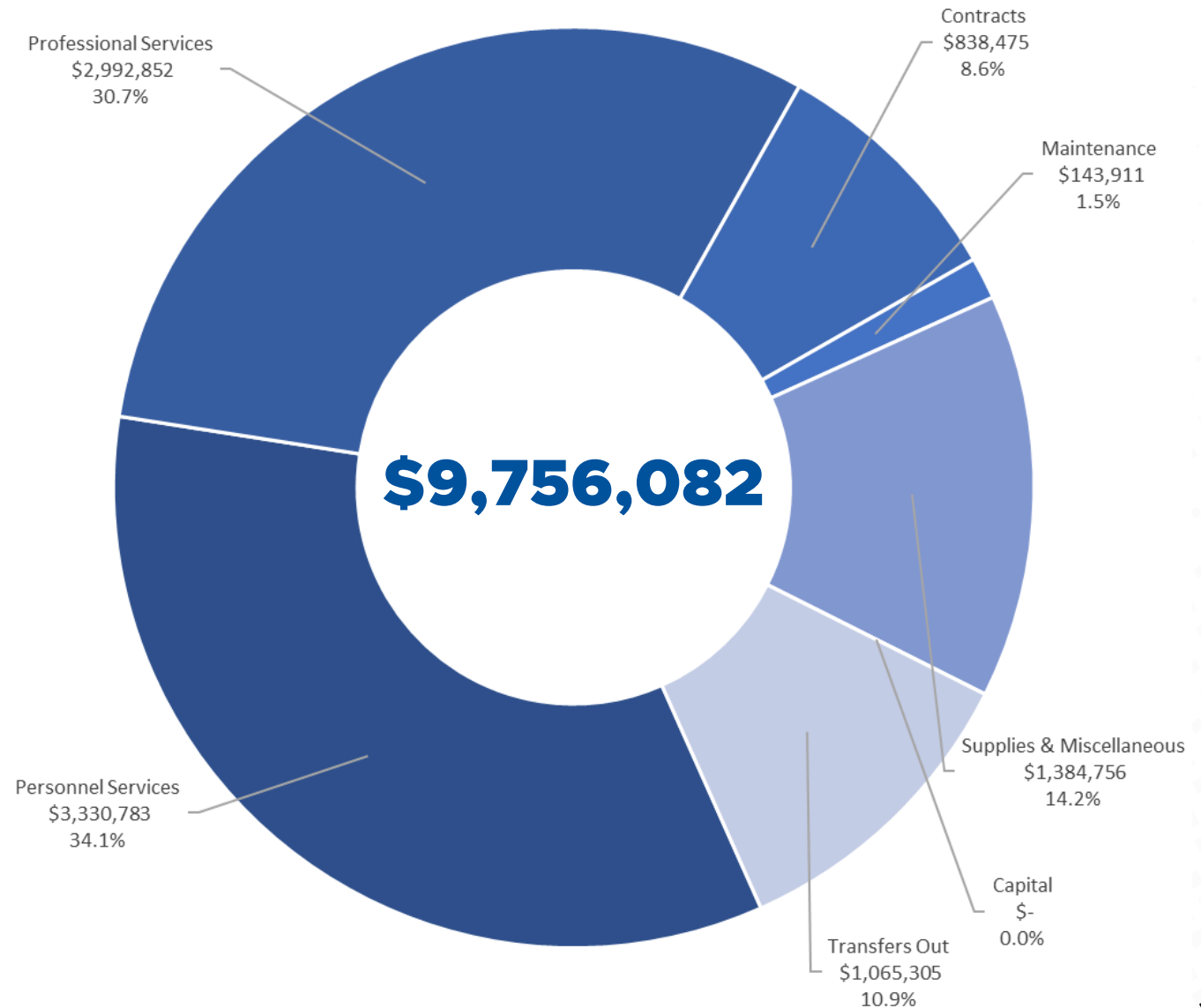
Eisemann Center	Change/New	Current	Proposed	Change	Revenue Impact	Comment
Custodial Service Charge - Non-Performance Day	New	\$0	\$113	\$113	\$11,250	Cost Recovery
Consumables Fee	New	\$0	\$100	\$100	\$20,000	Cost Recovery
Wireless Lavalier Microphone Fee	Change	\$50	\$75	\$25	\$2,500	Cost Recovery
Banquet Chairs	Change	\$0.50	\$1.00	\$0.50	\$500	Cost Recovery
Ticket Set-Up Fee	New	\$0	Varies	Between \$125 to \$200 per show	\$18,960	Cost Recovery
					<b>\$53,210</b>	

\* Proposed fee changes are included in presented numbers

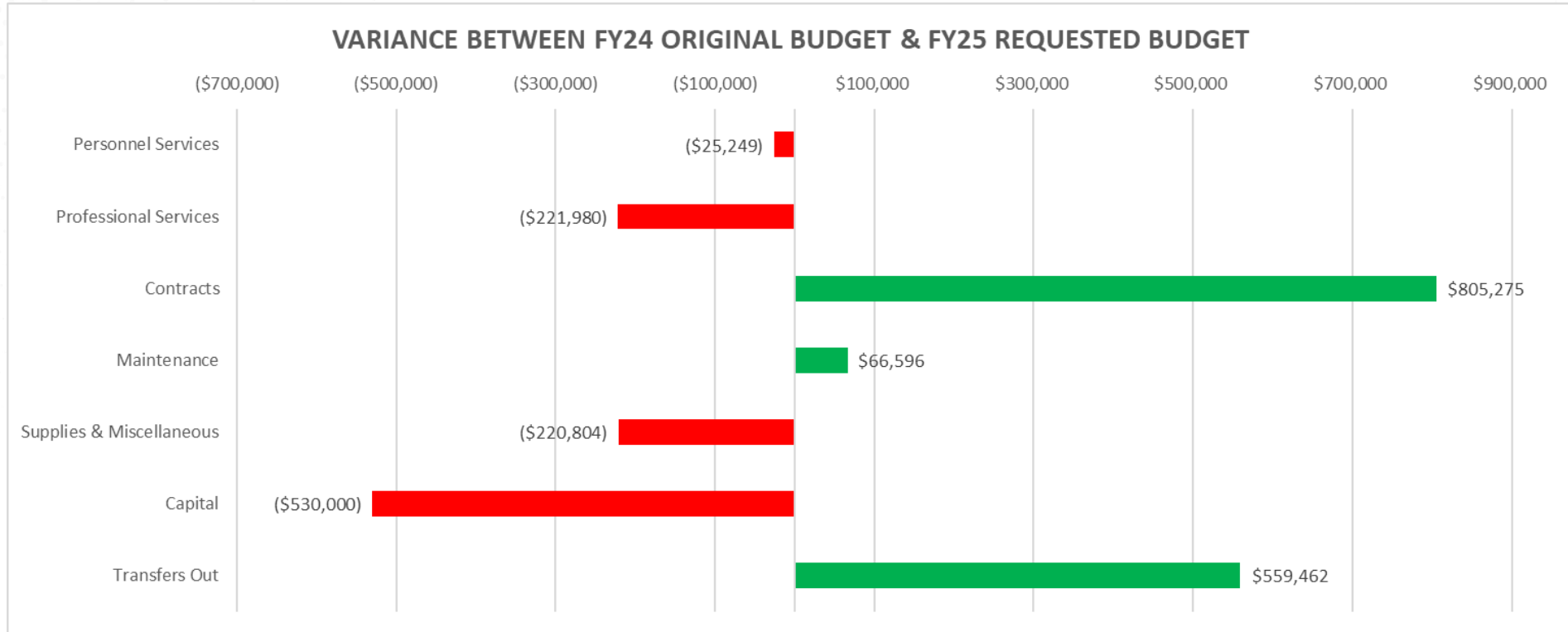
# HOTEL/MOTEL TAX FUND EXPENDITURES

## 34.1%

expenditures  
comprise of  
Personnel Services



# HOTEL/MOTEL TAX FUND – YEAR OVER YEAR CHANGE IN EXPENDITURES



FY25 expenditures are projected to increase **\$433,300** to **\$9.8 million** from Prior Year Budget (Wildflower! Festival entertainment support is moving from Professional Services category to Contracts category in FY 2024-2025 to more accurately record these expenditures)

# EISEMANN CENTER

## SUMMARY:

FY24 Original Budget:  
\$6,397,561

FY25 Proposed Budget:  
\$6,825,979

Change:  
\$428,418

% Change: 6.7%

Departments included:  
Eisemann Center,  
Parking Garage,  
Eisemann Presents

## CONTINUED KEY INVESTMENTS:

- Eisemann Center professional services are projected to increase \$203,763 for client reimbursable expenses such as rental events, including stage labor, security, piano tuning, security and crew meals to reflect a full year of expenses: \$711,773
- Eisemann Parking Garage contractual services are expected to increase \$169,280: \$526,780
  - Includes \$52,000 for operations of second parking location beginning in FY 2024-2025
- Reflects an increase of \$157,695 in funding for the Eisemann Center Presents Season: \$1,586,943

## EXPANDED KEY INVESTMENTS:

- Advertising and marketing support contract: \$40,000
- Ticket delivery software: \$9,900
- Rigging/chain hoist inspections: \$7,800

# ADMINISTRATION & CAPITAL RENEWAL

## SUMMARY:

FY24 Original Budget:  
\$1,959,863

FY25 Proposed Budget:  
\$1,393,708

Change:  
(\$566,155)

% Change: (28.9%)

Departments included:  
Non-Departmental, Eisemann  
Center Capital Renewal, Parking  
Garage Capital Renewal, Campus  
Renewal

## CONTINUED KEY INVESTMENTS:

- Provides \$375,000 for local arts grants
- Includes \$778,000 for Wildflower Festival entertainment
- Excess FY 2023-2024 Hotel/Motel Tax Fund year-end reserves will be transferred to the Eisemann Facility Maintenance Fund in support of:
  - Eisemann Center Elevator Upgrades: \$400,000
  - Eisemann Parking Garage Lighting Upgrades: \$150,000
- An additional \$1,000,000 of excess FY 2023-2024 Hotel/Motel Tax Fund year-end reserves will be transferred to the General Special Projects Fund as discussed previously
- FY 2023-2024 included \$530,000 in one-time capital improvements



# CONVENTION & VISITORS BUREAU

## SUMMARY:

FY24 Original Budget:  
\$459,515

FY25 Proposed Budget:  
\$471,090

Change:  
\$11,575

% Change: 2.5%

Departments included:  
Convention & Visitors Bureau

## CONTINUED KEY INVESTMENTS:

- Personnel line items are expected to increase related to planned 3% merit-based market adjustment

# HOTEL-MOTEL TAX FUND OPERATING & OTHER TRANSFERS OUT



## GENERAL & ADMINISTRATIVE CHARGES

Transfer of \$1,065,305 is based  
on most recent update to the  
City's cost allocation plan

# CAPITAL AND DEBT PLANNING



# FY 2024-2025 DEBT PLAN

## 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 Four of the 2021 Bond Program
- Year Two of the 2023 Bond Program – City Hall
- 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 departments
  - Parks Maintenance work plan
  - Drainage Utility program



## FY 2024-2025 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 2024 actual interest costs – 3.86% General Obligation Bonds, 3.81% Certificates of Obligation
- Taxable values – model assumes no future growth until Fiscal Year 2028 to account for economic uncertainties
- Assumes Fiscal Year 2025 CO issuance of \$2.435 million for Replacement Fire Apparatus
- Maintains capacity for future GO Bond Programs similar in size to the 2021 Bond Program

# FY 2024-2025 PROPOSED DEBT ISSUANCE

Purpose	Type	Life	Amount
2021 GO Program (Year 4)	GO Bonds	20 Year	\$54,150,000
2023 GO Program (Year 2)	GO Bonds	20 Year	\$ 9,520,000
Water/Wastewater Infrastructure	CO Bonds	15/20 Year	\$17,425,000
Solid Waste Equipment	CO Bonds	8 Year	\$ 1,875,000
Fire Equipment	CO Bonds	8 Year	\$ 2,435,000
Golf Course Facilities	CO Bonds	20 Year	\$ 6,000,000








# FINAL THOUGHTS

## DAY TWO



# TYPICAL TAXPAYER IMPACT STATEMENT

Description		FY 2023-24 Cost	FY 2024-25 Proposed Cost	Annual Dollar Change	Typical Ratepayer Assumptions:
	Property Tax (City Portion)	\$1,970	\$2,102	\$132	FY24 Avg Taxable Value = \$351,191 FY25 Avg Taxable Value = \$387,624
	Water Charges	\$1,081	\$1,110	\$29	8,000 gal/month - Oct-May; 18,000 gal/month – Jun-Sep
	Sewer Charges	\$573	\$587	\$14	Based on 98% of water usage (7,840 per month)
	Drainage Fee	\$51	\$63	\$12	Flat monthly rate of \$5.25 per household
	Residential Solid Waste	\$300	\$326	\$26	Flat monthly rate of \$25.09 (+ tax) per household
<b>Total:</b>		<b>\$3,975</b>	<b>\$4,188</b>	<b>\$213</b>	Equates to a 5.4% 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 6<sup>th</sup>:** Set public hearing on September 9, 2024, for a proposed tax rate of \$0.54218 per \$100 valuation for Fiscal Year 2024-2025 and September 16, 2024, for proposed budget
- **August 15<sup>th</sup>:** City Manager files FY 2024-2025 budget with City Secretary for public review
- **August 19<sup>th</sup>:** City Manager's FY 2024-2025 Budget Presentation
- **September 9<sup>th</sup>:** Hold Public Hearing on Tax Rate
- **September 16<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 2024-2025

## TAX RATE PUBLIC HEARING RECOMMENDATION

- I move to set a Public Hearing date of September 9, 2024, for the Proposed Tax Rate of \$0.54218 per \$100 valuation for Fiscal Year 2024-2025.
  - Motion sets maximum rate that can be considered at time of adoption
  - Proposed rate would lower the current tax rate by \$0.01877
  - Utilizes \$0.00493 of the unused increment to allow for enhanced staff recruitment and retention funding and additional infrastructure investments
- I move to set a Public Hearing date of September 16, 2024, for the Proposed Budget for Fiscal Year 2024-2025.

