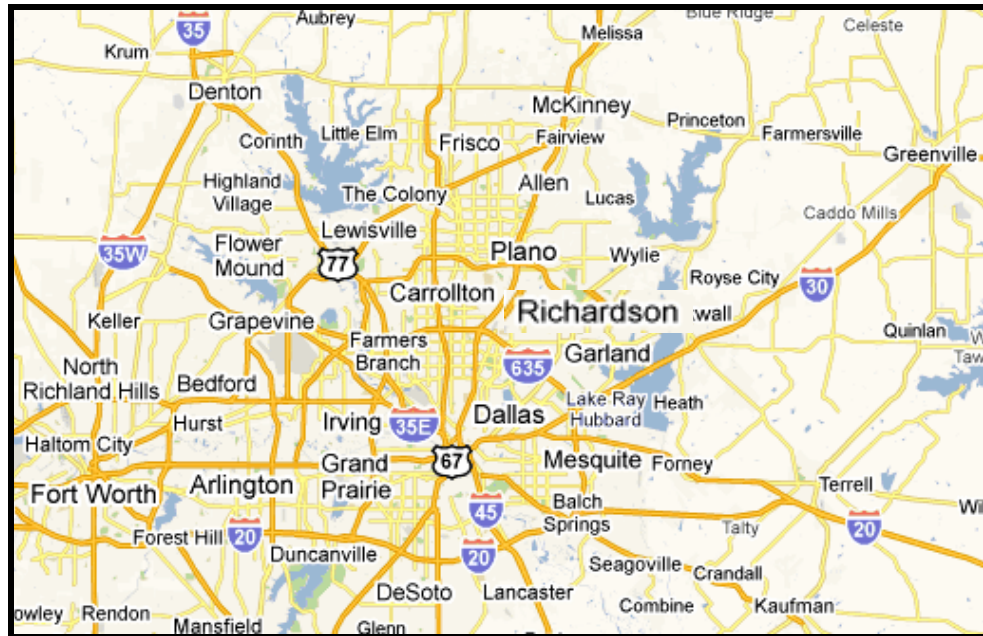


Fully Engaged 2017-18:

*Advancing the Richardson Mission(s)
in our North Texas setting*



2017-2018 Fiscal Year
City of Richardson, Texas
Municipal Budget Presentation



City Council Budget Presentation
August 28, 2017

“Fully Engaged”

- Vivid City Council Goals and Strategies
- Strategic partnerships and active member agency engagement
- Active community/residential dialogues, communications & participations

“Richardson Mission(s)”

- Strong neighborhoods
- Business friendly setting
- Retained local governance discretion and values

“North Texas Setting”

- A globally vibrant regional economy
- A competitive “workforce market” of business, agencies and other cities
- Utilized & stressed infrastructure and resource capacities

Our Sustainable Budget Attentions

Enhanced
Infrastructure
Maintenance



Public Safety
Facilities and
Staffing



Economic
Development
and Renewal



Enhanced
Customer &
City
Experience



FY 2017-2018 Combined Budget

Combined Budget				
	2016-2017 Estimated	2017-2018 Budget	Est./Bud.	%
Beginning Fund Balances	\$58,128,825	\$58,817,349	\$688,524	1.2%
Revenues	\$254,696,190	\$272,336,173	\$17,639,984	6.9%
Expenditures	\$254,007,666	\$265,102,751	\$11,095,085	4.4%
Ending Fund Balances	\$58,817,349	\$66,050,771	\$7,233,432	12.3%

FY 2017-2018 General Fund

General Fund Budget				
	2016-2017 Estimated	2017-2018 Budget	Est./Bud.	%
Beginning Fund Balances	\$20,824,477	\$21,505,201	\$680,724	3.3%
Revenues	\$125,160,972	\$130,011,025	\$4,850,053	3.9%
Expenditures	\$124,480,248	\$129,210,166	\$4,729,918	3.8%
Ending Fund Balances	\$21,505,201	\$22,306,061	\$800,860	3.7%

Required Budget Narrative:

(Front Cover Page)

“This budget will raise more total property taxes than last year’s budget by \$9,757,547 (11.11%) and of that amount \$2,137,425 is tax raised from new property added to the tax roll this year.”

- This specific language is required by the Local Government Code, section 102.005(b). This calculation represents a comparison of certified tax rolls and ***includes*** TIF values. In practice and by obligations, a portion of appraised value in the TIF areas are segregated into separate funds and not included in the General Fund O&M and Debt portions of property tax revenue.
- This revenue is generated through growth in new value and the reappraisal of existing properties.

Property Tax Increase Explained: \$9.8 million

Increase in Property Tax Revenue \$ 9,757,547

Item Description	Amount	Remaining Increase
Tax Increment Financing Fund #1 Increase	\$ 968,104	\$ 8,789,443
Tax Increment Financing Fund #2 Increase	\$ 1,471,127	\$ 7,318,316
Tax Increment Financing Fund #3 Increase	\$ 271,636	\$ 7,046,680

Operations/Debt Service Increases From FY17 Budgeted Amounts

Increase in Debt Service Requirement \$ 2,872,619 \$ 4,174,061

Public Safety Initiatives		
Public Safety movement within approved pay plan ranges	1,517,616	
Positions hired in FY16 (3 PO's, 1 Inv. Spl, 1 PD Planner, 1 Fire Mgmt. Tech)	272,764	
Partial Year for New Police Officers (2)	91,708	
Ambulance Assignment and FTO pay	105,828	
Crime Analyst PT to FT FY18	35,356	
Year Three Body Camera Agreement	192,702	
Sub Total Public Safety Initiatives	\$ 2,215,974	1,958,087
Street/Alley Rehabilitation Initiatives		
Street Rehab \$0.025 value increase	\$ 281,795	
Street Rehab Supplement	650,000	
Alley Rehabilitation value increase	56,359	
Sub Total Street/Alley Rehabilitation Initiatives	\$ 988,154	969,933
Economic Dev. partial penny AV growth	\$ 90,174	879,759
General Maintenance / I.T. Initiatives		
Additional traffic signal systems, markings and street light maintenance	\$ 346,000	
Microsoft 365 Initiative	300,000	
Electricity, Natural Gas, and Fuel	90,092	
Sub Total General Maintenance	\$ 736,092	143,667
Fund Balance Maintenance	\$ 120,136	23,531

2017 Certified Tax Roll Comparison

2017 Certified Tax Roll Comparisons	
August 2017	
Entity	% Change
Richardson CCAD	17.09%
Fort Worth	17.05%
Collin County	14.24%
Plano	14.08%
Arlington	13.70%
McKinney	13.39%
Richardson Total	10.86%
Frisco	10.39%
Grand Prairie	9.77%
Allen	9.66%
Garland	9.06%
Carrollton	8.88%
Mesquite	8.83%
Dallas County	7.04%
Richardson DCAD	6.83%
Dallas	6.35%
Irving	5.32%

Assessed Valuation

- Total assessed valuation assumes a \$1.5 billion increase in certified assessed valuation plus \$93.4 million of “Values in Dispute”, that could be added to the certified roll once the cases have been finalized and allows for deduction of the Tax Increment Financing Districts values of (\$1.4 billion).

	2016	2017	% Difference
Certified	\$13,990,521,446	\$15,509,840,625	10.86%
Values In Dispute	\$51,898,700	\$93,387,516	79.94%
Tax Increment Financing District 1	(\$507,436,918)	(\$662,293,996)	30.52%
Tax Increment Financing District 2	(\$464,866,265)	(\$700,186,342)	50.62%
Tax Increment Financing District 3	(\$19,280,075)	(\$62,730,629)	225.37%
Taxable Value for General Fund Debt and O/M	\$13,050,836,888	\$14,178,017,174	8.64%

Property Tax Rate		
	2016-2017	2017-2018
Operations & Maintenance (O & M)	\$0.37031	\$0.37031
Debt Service	\$0.25485	\$0.25485
Total	\$0.62516	\$0.62516

Tax Rate Calculations

2017-2018 Tax Rate Calculations			
	Rate	Difference	Revenue
2017-2018 Rate	\$0.62516	-	-
Rollback Rate	\$0.63316	\$0.008	\$1,134,241
Effective Rate	\$0.59135	(\$0.03381)	(\$4,793,588)

- The tax rate adoption ordinance will refer to what is “effectively an 5.72 percent increase in the tax rate”. This is the percent change of the proposed tax rate \$0.62516 above the effective rate \$0.59135.

FY 2017-2018 Assessed Valuation

Valuation Including New Improvements			
District	2017 Certified Roll	2017 New Improvements	%
CCAD	\$6,434,094,065	\$249,042,857	3.87%
DCAD	\$9,075,746,560	\$225,039,564	2.48%
Total	\$15,509,840,625	\$474,082,421	3.06%

Tax Roll Increase

Roll Increase – Taxable Values								
	Residential	% Change	Commercial	% Change	BPP	% Change	Total	% Change
2017	\$6,208,971,875	7.68%	\$6,535,677,328	19.13%	\$2,765,191,422	0.98%	\$15,509,840,625	10.86%
2016	\$5,766,003,571	10.69%	\$5,486,130,258	12.98%	\$2,738,387,617	25.43%	\$13,990,521,446	14.23%
2015	\$5,209,050,756	6.95%	\$4,855,828,650	11.47%	\$2,183,157,886	8.67%	\$12,248,037,292	9.01%
2014	\$4,870,390,715	3.92%	\$4,356,084,831	8.99%	\$2,008,982,551	-0.75%	\$11,235,458,097	4.93%
2013	\$4,686,522,612	0.94%	\$3,996,773,284	8.97%	\$2,024,115,794	14.42%	\$10,707,411,690	6.23%
2012	\$4,642,723,828	-0.88%	\$3,667,775,991	11.30%	\$1,769,065,742	0.10%	\$10,079,565,561	3.42%
2011	\$4,684,107,745	-1.50%	\$3,294,460,395	0.70%	\$1,767,914,290	4.90%	\$9,746,482,430	0.36%
2010	\$4,753,636,539	1.20%	\$3,272,140,875	-7.20%	\$1,685,380,954	1.60%	\$9,711,158,368	-1.75%
2009	\$4,699,651,917	-0.90%	\$3,525,971,862	-2.20%	\$1,658,474,266	5.90%	\$9,884,098,045	-0.31%
2008	\$4,742,302,167	0.60%	\$3,605,732,317	6.50%	\$1,566,813,227	9.00%	\$9,914,847,711	3.97%

Percent of Total Value

Percent of Total Value				
Tax Year	Residential	Commercial	BPP	Total
2017	40%	42%	18%	100%
2016	41%	39%	20%	100%
2015	42%	40%	18%	100%
2014	43%	39%	18%	100%
2013	44%	37%	19%	100%
2012	46%	36%	18%	100%
2011	48%	34%	18%	100%
2010	49%	34%	17%	100%
2009	47%	36%	17%	100%
2008	48%	36%	16%	100%

Change In Residential Market Valuations

Number Residential Properties Affected by Valuation				
	2016-2017		2017-2018	
Impact	# Properties	% of Total Res. Properties	# Properties	% of Total Res. Properties
No Change	1,846	6.48%	4,545	16.19%
Decrease	405	1.42%	1,056	3.76%
Increase 0% - 5%	4,115	14.44%	3,999	14.24%
Increase 6% - 10%	7,637	26.80%	4,406	15.69%
Increase >10%	14,490	50.86%	14,071	50.12%
Total Res. Properties	28,493	100.0%	28,077	100.00%

Average Senior Home Value

Average Senior Home Value Statistics						
Tax Year	Qualifying Parcels	% Change From Year to Year	Senior Exempt.	Average Senior Home Market Value	% Change From Year to Year	% of Total Value
2017	8,013	1.60%	\$80,000	\$254,115	10.71%	31.48%
2016	7,883	2.37%	\$70,000	\$229,526	13.52%	30.50%
2015	7,700	1.36%	\$60,000	\$202,187	7.98%	29.68%
2014	7,597	2.23%	\$60,000	\$187,251	3.88%	32.04%
2013	7,431	2.17%	\$55,000	\$180,265	0.93%	30.51%
2012	7,273	4.32%	\$55,000	\$178,609	-0.10%	30.79%
2011	6,972	3.00%	\$55,000	\$178,788	0.40%	30.76%
2010	6,769	3.14%	\$55,000	\$178,079	-0.49%	30.89%
2009	6,563	4.14%	\$55,000	\$178,961	0.49%	30.73%
2008	6,302	3.40%	\$55,000	\$178,094	2.60%	30.88%
2007	6,095	2.90%	\$50,000	\$173,581	2.95%	28.80%
2006	5,923	3.24%	\$50,000	\$168,609	2.98%	29.65%
2005	5,737	1.90%	\$30,000	\$163,726	5.19%	18.32%

FY 2017-2018

General Fund Expenditures

Classification of General Fund Expenditures		
	Proposed Budget	Percent of Total
<u>Operating Expenditures</u>		
Personal Services	\$ 92,738,573	71.77%
Professional Services	9,282,805	7.18%
Maintenance	4,243,969	3.28%
Contracts	7,877,744	6.10%
Supplies	9,015,029	6.98%
Capital	14,400	0.01%
<u>Total Operating Expenditures</u>	\$ 123,172,520	95.33%
Transfers Out	\$ 6,037,646	4.67%
<u>Total Operating Expenditures and Transfers</u>	\$ 129,210,166	100.00%

Key Budget Elements for 2017-2018: Public Safety Initiatives

- The FY 2017-2018 Budget includes several efforts to enhance public safety resources including:
 - Capital funding for Public Safety Campus projects that was approved in the 2015 Bond Program.
 - Replacement of vehicles for the Police Department, replacement of a Quint fire apparatus and an ambulance.
 - Recognition of the efforts of Fire personnel serving as field training officers and supporting EMS services.
 - Funding for enhanced equipment for Dispatch and Fire EMS units.
 - Adding two Police Officers and converting one part time crime analyst to full time is included in this proposal.



Key Budget Elements for 2017-2018: Maintenance Activities - General Fund

Streets

Proposed budget includes 2.5 cents of property tax for arterial streets, collector streets and neighborhoods zones, an alley repair program (0.5 cents) and a preventive maintenance program. An added \$650,000 is proposed for 2017-2018.

Bridge Railings

In 2017-2018, 5 bridge railings will be repaired and enhanced.

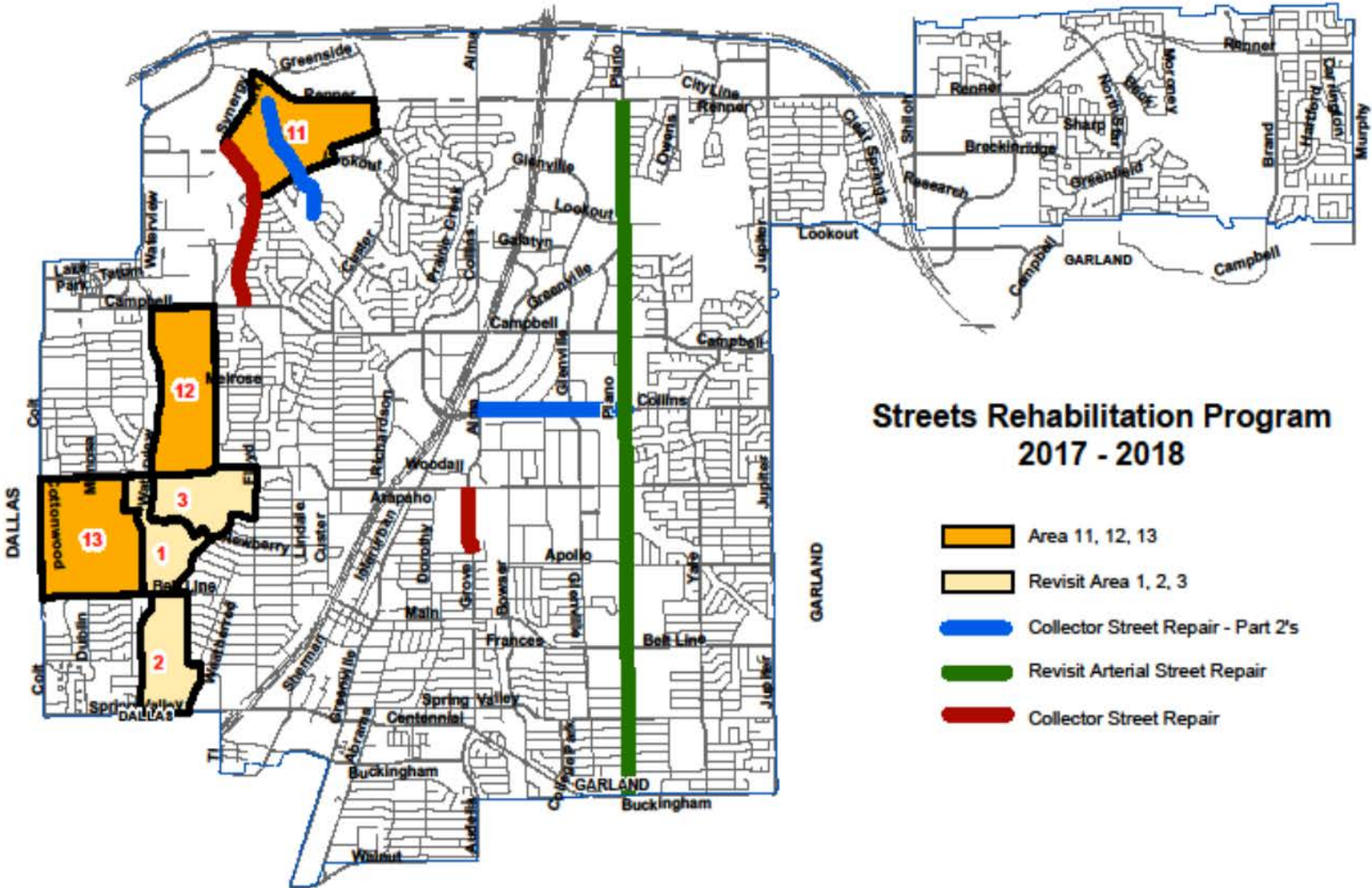
Traffic Signs & Pavement Markings

Proposed budget includes funding for:

- Replacing small street name signs in two zones plus severely faded signs along major arterials in remaining areas
- Refreshing and replace markings
- Updating one bike lane and adding one mile of bike lane



PLANO



Streets Rehabilitation Program 2017 - 2018

- Area 11, 12, 13
- Revisit Area 1, 2, 3
- Collector Street Repair - Part 2's
- Revisit Arterial Street Repair
- Collector Street Repair

Key Budget Elements for 2017-2018: Maintenance Activities – General Fund

	FY13-FY14 Actual	FY 14-15 Actual	FY15-FY16 Actual	FY16-FY17 Projected	FY 17-18 Proposed
Street/Alley Maintenance Strategy	\$2,185,000	\$2,570,000	\$2,889,000	\$4,327,000	\$4,903,000
Bridge Railings	\$225,000	\$320,000	\$300,000	\$0	\$300,000
Pavement Markings	\$250,000*	\$300,000*	\$350,000*	\$400,000*	\$400,000
Street Name Sign Replacement	\$100,000*	\$100,000*	\$100,000*	\$100,000*	\$100,000
TOTAL	\$2,760,000	\$3,290,000	\$3,639,000	\$4,827,000	\$5,703,000

* Includes funding from the Traffic Safety Fund

FY 2017-2018

General Fund Expenditures

- Total Expenditures and Transfers for the General Fund are projected at \$129.2 million, an increase of \$4.7 million from the FY 2016-2017 year-end estimates.
- **Personal Services** – Increase \$4.8 m from year end and include;
 - Public Safety movement within approved pay plan ranges = \$1.5 million
 - Full year funding for public safety positions hired last year = \$273,000
 - Partial year funding for 3 new public safety positions = \$113,000
 - Non-public safety position open range movement = \$724,000
 - Market adjustments = \$71,000

FY 2017-2018

General Fund Expenditures

- **Non-Personnel Operations** – For FY 2017-2018, Non-Personal Services operating line items are proposed at \$30.4 million, an increase of \$105,000 or 0.3% from year end estimates while maintaining all activities at the same high level of service currently provided.
 - **Professional Services** – Decrease (\$179,000) or -1.9%
 - **Maintenance** – Increase \$166,000 or 4.1%
 - **Contracts** – Increase \$611,000 or 8.4%
 - **Supplies Categories** – Decrease (\$271,000) or -2.9%
 - **Capital** – Includes \$14,400 for radios for the two new Police Officers
 - **Economic Development** – this 8/10 cent tax rate dedication will provide \$1.1 million for economic development
 - **Fund Balance** – The proposed budget ends the year at 63.0 days of fund balance

FY 2017-2018 Capital Improvement Plan

Series 2017: 2017-2018 Debt Issuance Program – All Funds

Amount	Bond Type	Purpose	Debt Service
\$2.9 million	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$1.0 million	C.O.	Information Technology Equipment – 4 yr.	General Debt Service
\$1.15 million	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$3.5 million	C.O.	Streets and Parks Supplement – 20 yr.	General Debt Service
\$3.7 million	C.O.	Public Safety Campus Supplement – 4 & 20 yr.	General Debt Service
\$40.59 million	G.O.	2015 G.O. Bond Program (Yr. 3 Projects) – 20 yr.	General Debt Service
\$5.26 million	C.O.	Water and Sewer C.I.P. – 15 to 20 yrs.	Utility Fund Debt Service
\$1.365 million	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$ 59.465 million	Total		

FY 2017-2018

Water and Sewer Fund

- On June 5, 2017, the Executive Director of the North Texas Municipal Water District gave Council an update on the District's Water Supply Plan and other initiatives.
 - A copy of that presentation and video are available on-line at www.cor.net.
- Revenues are projected FY 2017-2018 are based on a 9.5% rate increase for both the water and sewer retail rates.
 - The increase would go into effect with the first billing in November of 2017.
- Expenditures and Transfers are proposed at \$75.0 million representing an increase of \$4.4 million or 6.2% over year-end estimates.
 - Together, the wholesale cost of water and sewer treatment services account for \$45.6 million or 60.7% of the total expenses.
 - The debt service transfer decreases (\$26,000) to \$5.5 million.
- Fund Balance is projected at 84.4 days, 5.6 days below the Council approved policy of 90 days.

FY 2017-2018

Solid Waste Fund

- Revenues are projected to be \$189,000 over year-end estimates.
 - No rate change is proposed for either Residential or Commercial collection Fees.
- Expenditures and transfers are proposed at \$15.0 million, an increase of \$322,000 or 2.2% over the year-end estimate of \$14.6 million.
- Debt Service Transfer of \$1.4 million is (\$97,000) lower than year-end estimate .
- FY 2017-2018 fund balance is proposed at 90.4 days.

FY 2017-2018

Golf Fund

- Revenues for the Golf Fund are projected at \$2.3 million for FY 2017-2018 representing an increase of \$119,000 or 5.5% over year-end.
- Total Expenditures and Transfers for the Golf Fund are proposed at \$2.3 million, an increase of \$103,000 from year-end.
- Given the projected revenue and expenditure performance, the fund balance should end the year with 17.2 days.

FY 2017-2018

Hotel/Motel Tax Fund

- Total Revenues for the Hotel/Motel Tax Fund are projected at \$6.8 million for next year, reflecting a 3.1% increase in overall revenues.
- Total Expenditures and Transfers for FY 2017-2018 are proposed at \$6.6 million reflecting a (\$666,025) decrease from current year-end expenditures.
- Capital/Renewal Expenditures of \$400,000 includes;
 - Eisemann Center upgrades and replacements of \$195,000
 - \$175,000 is set aside for the future replacement of the Eisemann roof
 - \$20,000 for HVAC repairs and replacement
 - Galatyn Campus Renewal of \$200,000 includes;
 - \$35,000 for Phase III Galatyn tree well LED conversion
 - \$165,000 is budgeted for plaza improvements/repairs including tree grates, bollards, tree replacement/ relocation, irrigation improvements, pavement delineation, and site furnishings
 - Parking Garage will receive \$5,000 to replace a cooling unit in the electrical room

Other Fund Highlights

- Pages 24 through 51 of the filed budget represent all remaining funds for the City of Richardson including the Special Revenue, Internal Service and Capital Funds.
 - Tax Increment Financing Districts (pages 38-40) experienced AV growth of 44% over the prior year to \$1.4 billion generating \$8.9 million in property tax revenue which is tied to reimbursement obligations inside the respective zones.
 - The Economic Development Fund (page 46) was established in FY 14-15 to receive the tax rate allocation for economic development programs.
 - Drainage Fund (page 28) is programmed at \$2.8 Million.
 - \$600,000 in contract services will provide:
 - \$1.37 Million is programmed for flood prevention and storm drain improvements

Summary

- The 2017-18 budget will be the **fifth** year of an intensive focus on enhanced infrastructure maintenance.
- Prior budgets initiated articulate plans and dedicated funding strategies to foster enhanced street, traffic, and roadside amenity maintenance.
 - This 2017-18 budget adds the next year of enhanced infrastructure maintenance initiatives and increases resources for public safety while maintaining the current tax rate.



- We appreciate the budget dialogue with the City Council over the last several months.

Next Steps

- Further opportunities to provide access and to gain public input are scheduled before final adoption.
 - Council Budget Work Session – Web/Cable Access
 - Web, City Secretary & Library copies of the filed budget provided
 - Budget Adoption on September 11, 2017

