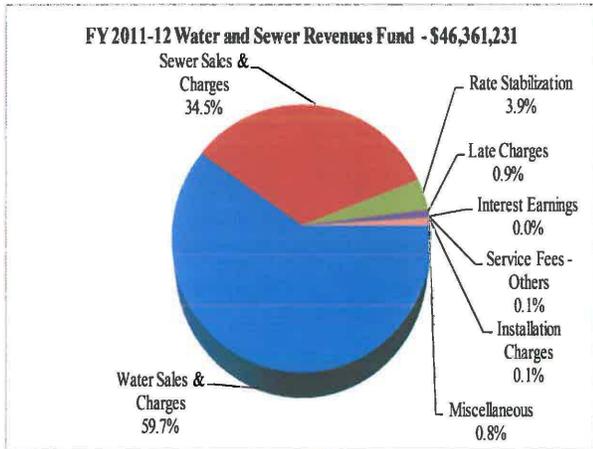


WATER AND SEWER FUND

The Water & Sewer Fund, an enterprise fund and second largest operating fund, provides for the administration, operation, and maintenance of the City's water and wastewater system, and billing and collection activities.

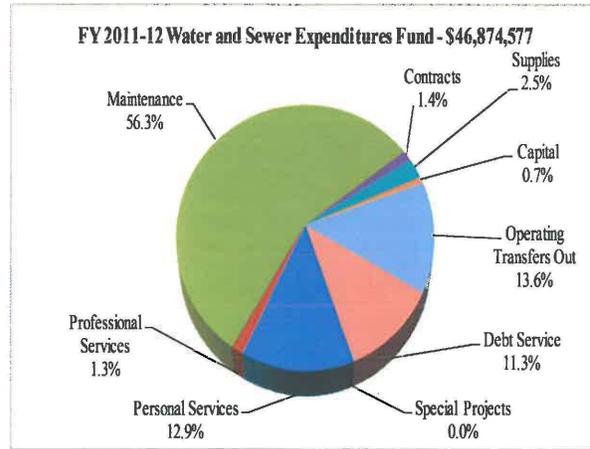
Sources

The services provided by the Water & Sewer Fund are financed through utility customer 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 expenses related to providing water and sewer services.



Uses

The expenditures of the Water and Sewer Fund relate 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 and sewer services from NTMWD, the City of Garland and the City of Dallas accounts for 53.5% of the expenditures in the Fund.



Fund Balance

The Fund Balance Target for the Water and Sewer Fund is 90 days of expenditures.

WATER AND SEWER DEBT SERVICE FUND

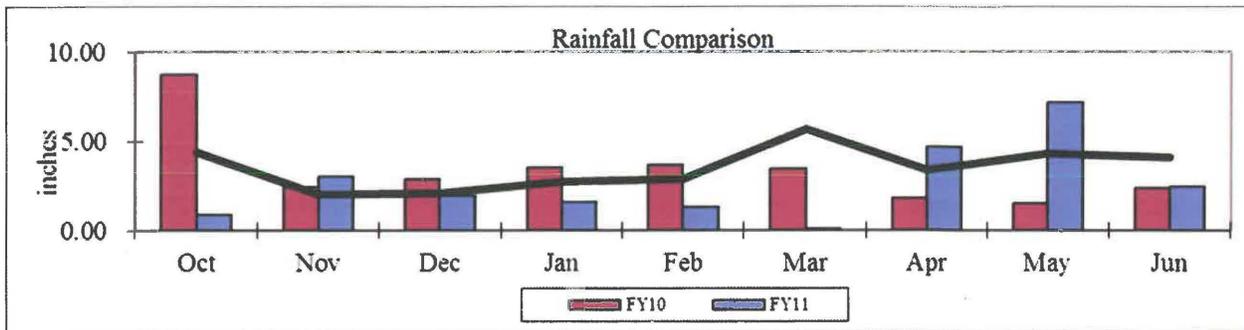
The Water and Sewer Debt Service Fund hosts revenue and expenses for utility debt service obligations. The primary source of revenue is a transfer of revenues from the Water and Sewer Fund generated through the sale of water and sewer services to residential and commercial customers. The expenditures include the annual debt service payments for water and sewer infrastructure renewal projects funded through the issuance of utility certificates of obligations.

WATER AND SEWER FUND

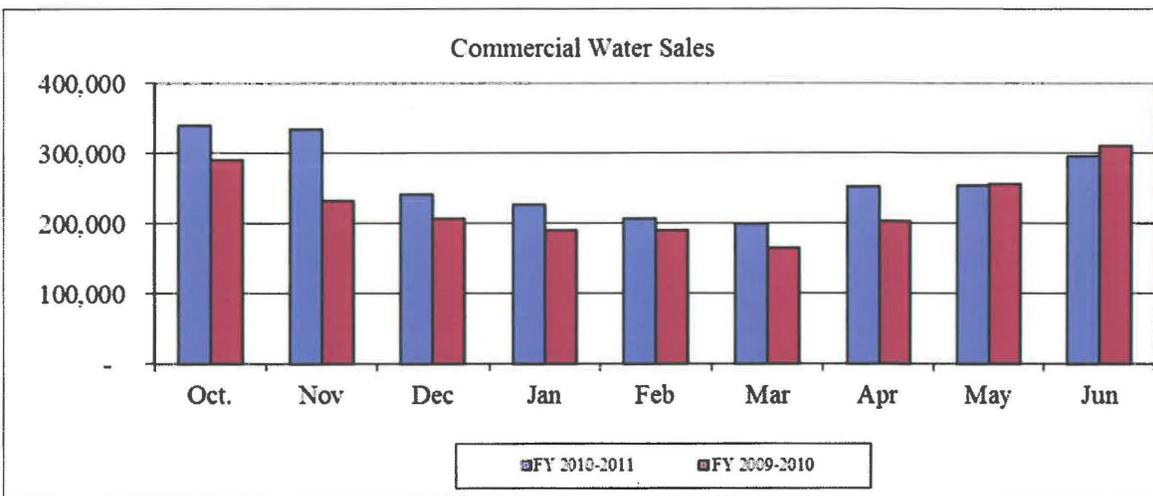
2010-2011 Year End Estimates

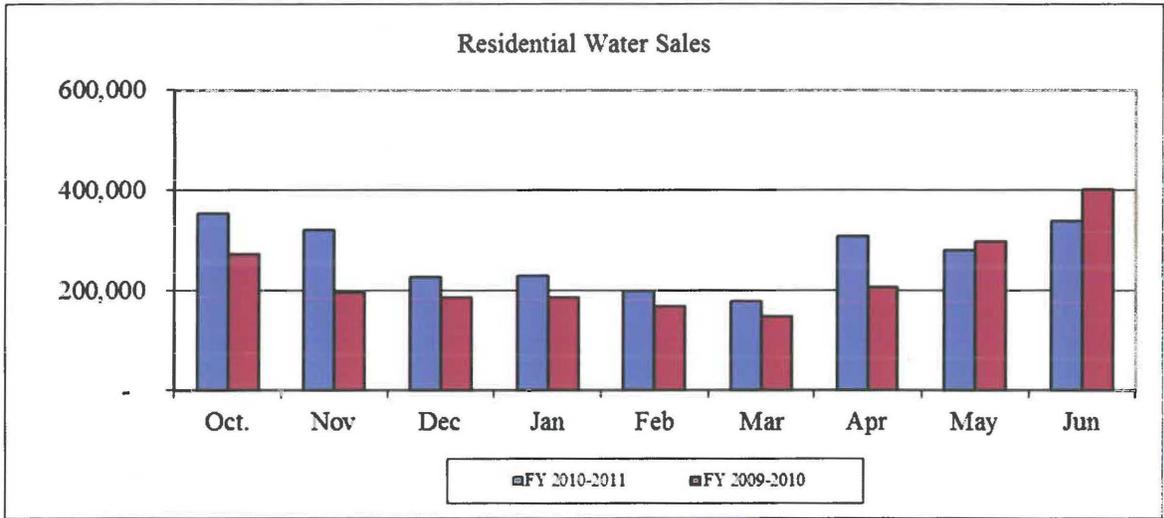
Revenues

- Revenue in the water and sewer fund is a function of the rate structure and expected sales of service. Sales are affected by several factors including weather, consumption patterns, and vacancy rates in commercial and residential properties. In light of continued increasing costs for water and sewer wholesale services, as well as fluctuating demand, Council passed a mid-summer rate increase of 15.50% in FY 2007-2008 followed by a 9.5% increase for sewer at the beginning of FY 2008-2009.
- Revenue projections call for an increase of \$999,000 or 2.3% at year-end over the original budget of \$44.0 Million. This increase also includes the deactivation of the budgeted \$700,000 in rate stabilization. Better than anticipated sales of water and sewer services generated higher revenues than anticipated at this time last summer.
- Through the end of June this year, the City received 23.0” compared to the YTD for FY 2009-2010 of 30.4” and the five-year average of 31.5”.

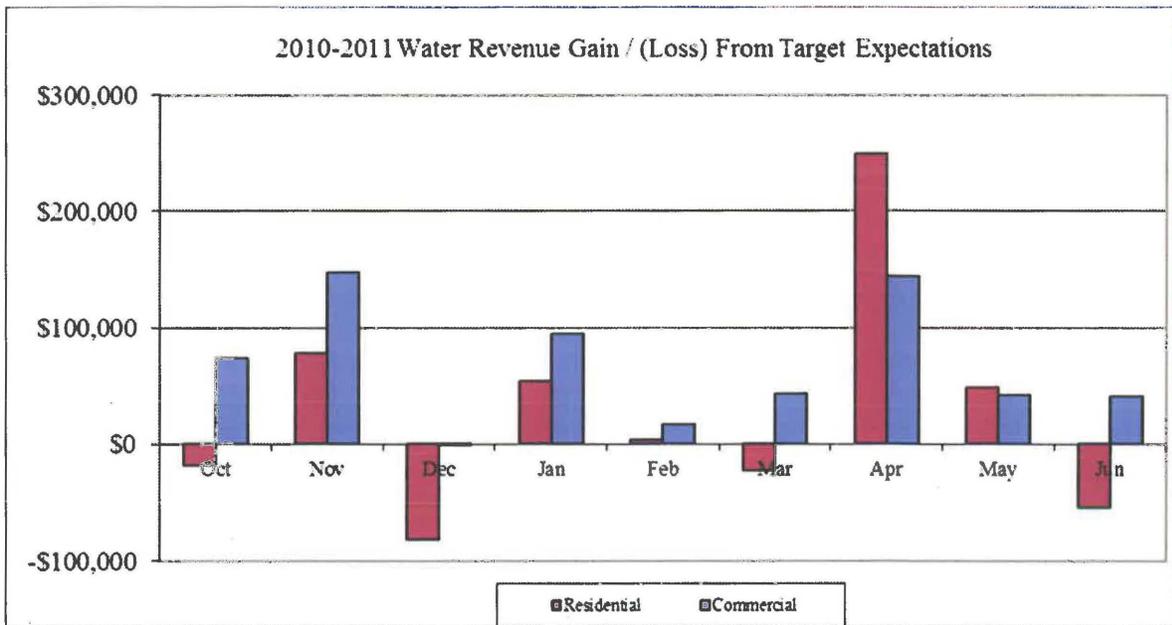


- The following graphics compare current year consumption with last year. Through the end of June, commercial consumption is up 15.0% from last year while residential is up 18.0%.





- This graph measures revenue gain/(loss) from the expected targets for each month this year. When all the variances are added together, water sales are ahead of last year by \$861,000.



- The following chart illustrates the changes to our tier structure that have resulted from the NTMWD increases to the wholesale rate since 2001-2002.

Fiscal Year	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
NTMWD/1,000 gal.	\$ 0.80	\$ 0.87	\$ 0.92	\$ 0.97	\$ 0.97	\$ 1.02	\$ 1.08	\$ 1.18	\$ 1.25	\$ 1.37
% Increase	11.30%	8.80%	5.85%	5.40%	0.00%	5.20%	5.90%	9.25%	5.90%	9.60%
City Rates								Mid-Yer Adjustment		
Minimum	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00
0-11,000 gallons	\$ 1.91	\$ 1.91	\$ 2.23	\$ 2.23	\$ 2.55	\$ 2.55	\$ 2.55	\$ 2.95	\$ 2.95	\$ 2.95
11,001-20,000	\$ 2.07	\$ 2.07	\$ 2.41	\$ 2.41	\$ 2.76	\$ 2.76	\$ 2.76	\$ 3.19	\$ 3.19	\$ 3.19
20,001-40,000	\$ 2.16	\$ 2.16	\$ 2.52	\$ 2.52	\$ 2.88	\$ 2.88	\$ 2.88	\$ 3.33	\$ 3.33	\$ 3.33
40,001-60,000	\$ 2.51	\$ 2.51	\$ 2.92	\$ 2.92	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.87	\$ 3.87	\$ 3.87
Over 60,000	\$ 2.63	\$ 2.63	\$ 3.07	\$ 3.07	\$ 3.51	\$ 3.51	\$ 3.51	\$ 4.05	\$ 4.05	\$ 4.05
% Increase	9.70%	0.00%	16.50%	0.00%	14.50%	0.00%	0.00%	15.50%	0.00%	0.00%

- Year end revenue projections for Water Sales of \$28.0 Million increase \$1.3 Million or 4.7% from our original budget.
- Sewer Sales are projected to end the year up \$427,000 or 2.7% from the original budget of \$15.8 Million.
- As mentioned above, the original budget called for the activation of \$700,000 in rate stabilization which will be deactivated so it remains available for future years.
- Late Charges are expected to be up \$6,000 from the original budget of \$419,000.
- Interest Earnings are expected to finish the year up \$9,000 from the \$3,000 original budget.
- Service Fees are also expected to be up \$5,000 from the \$37,000 originally budgeted.
- Installation Charges are up \$9,000 from the original budget of \$20,000.
- Miscellaneous Revenue is expected to finish the year (\$12,000) below the \$370,000 original budget

Expenditures

- Overall, expenditures and transfers are projected to end the year down (\$271,000) or -0.6% from the original budget of \$44.9 Million.
- Personal Services should finish the year (\$30,000) or -0.5% below the original budget due to standard vacancies throughout the year.
- Professional Services shows a slight decrease of (\$12,000) with small decreases in several line items.
- The Maintenance category is expected to finish the year (\$377,000) below the original budget of \$24.8 Million. Traditionally, we've not estimated rebates from the NTMWD since it's a "board voted" rebate at the end of the Districts fiscal year with no contractual obligation of certainty. With the sizeable declines in water and sewer sales in recent years, we are recognizing rebates for both water and sewer at the same level as last year, \$1.5 Million for water and \$200,000 for sewer services. Most of the decrease comes from estimating final Dallas billings less than anticipated.
- Contracts will show a decrease of (\$39,000) by year-end estimates due to minor decreases across several line items.
- Supplies increase \$97,000 from original budget and can be attributed the inclusion of \$229,000 for prior year encumbrances. This increase is partially offset by \$97,000 in savings for light and power, as well as minor savings across the remainder of the category.
- The Capital category is expected to finish the year just slightly ahead of the \$541,000 budget.
- Operating Transfers Out increase \$84,000 due to increased franchise fees resulting from increased water and sewer sales. This fee is a direct calculation of 5% of water and sewer sales revenue. The General and Administrative Transfer and the BABIC Transfer remain unchanged.
- There is no change to the planned debt service payment of \$4.9 Million.

Fund Balance

- Fund Balance is projected to be 98.9 days at year-end, 8.9 days above the Council approved Financial Policy for the Water and Sewer Fund of “90 Days in Fund Balance”.

Conclusion

- During the Fall of 2011, the City will conduct a thorough rate review and analysis. Given the projected performance of revenue and the increasing costs for services, it is expected that an increase will possibly be needed mid-year 2011-2012.

WATER AND SEWER FUND

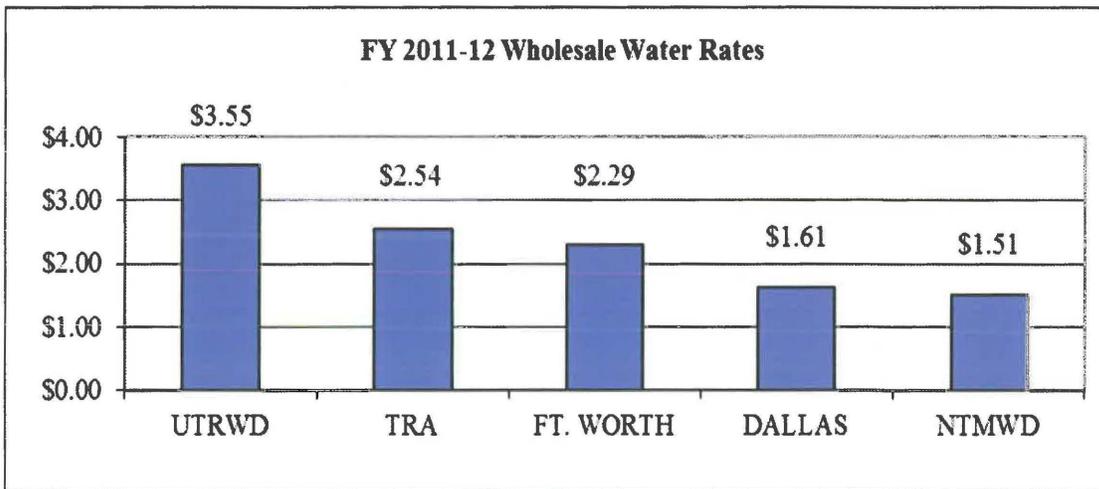
2011-2012 Proposed

Revenues

- Projected revenues for FY 2011-2012 are based on a five-year average of consumption. That period includes the back to back phenomenon of a record setting rainfall and a record setting drought. The other three years in the calculations are considered to be “normal” in their consumption patterns. No rate increase is requested at this time, despite facing a 10.2% increase in wholesale water costs and smaller adjustments from our sewer treatment providers. Staff will report their findings from the aforementioned rate analysis on the completion of that work as anticipated by the end of the 1st Quarter of 2011-2012. If warranted, a recommendation for a rate increase could be made at that time.
- Revenue from Water Sales and Charges is programmed at \$27.7 Million representing a -1.1% decrease from year-end and is based on an average consumption year.
- Sewer Sales are budgeted at \$16.0 Million or -1.2% below year-end.
- \$1.8 Million of rate stabilization funds will be utilized to assist the fund while the rate study is conducted.
- Late charges rise slightly to \$433,000.
- Remaining revenues should see moderate increases.

Expenditures

- Expenditures and Transfers are proposed at \$46.9 Million representing an increase of \$2.2 Million or 5.0% over year-end estimates. 98% of the increase is attributed to water and sewer services contract increases. The combined increase in the other categories is only \$51,000.
- The Maintenance category is the largest operational expenditure in this fund and includes the costs of water and sewer services. The City is not expecting to set a new “minimum purchase”, however we will be charged an additional \$0.14/1,000 in the price of wholesale water from the NTMWD. This represents an increase of \$1.5 Million or 10.2% over last year. For FY 2011-2012, the total cost of wholesale water increases to \$16.6 Million. We are again assuming a rebate at year end for unsold water of \$1.5 Million making the total “budgeted” charge for water \$15.1 Million.



Fiscal Year	07-08	08-09	09-10	10-11	11-12
NTMWD/1,000 gal.	\$ 1.08	\$ 1.18	\$ 1.25	\$ 1.37	\$ 1.51
% Increase	5.90%	9.25%	5.90%	9.60%	10.20%
City Rates	Mid-Yer Adjustment				<i>TBD</i>
Minimum	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ -
0-11,000 gallons	\$ 2.55	\$ 2.95	\$ 2.95	\$ 2.95	\$ -
11,001-20,000	\$ 2.76	\$ 3.19	\$ 3.19	\$ 3.19	\$ -
20,001-40,000	\$ 2.88	\$ 3.33	\$ 3.33	\$ 3.33	\$ -
40,001-60,000	\$ 3.35	\$ 3.87	\$ 3.87	\$ 3.87	\$ -
Over 60,000	\$ 3.51	\$ 4.05	\$ 4.05	\$ 4.05	\$ -
% Increase	0.00%	15.50%	0.00%	0.00%	0.00%

Water Purchases				
	2008-2009	2009-2010	2010-2011	2011-2012
Minimum Purchase	11.0 billion	11.0 billion	11.0 billion	11.0 billion
Projected Purchase	7.3 billion	7.3 billion	7.3 billion	7.5 billion
Actual Purchase	8.3 billion	7.9 billion	N/A	N/A
Purchase as a % of Contract	76%	72%	N/A	N/A
Wholesale Cost	\$11,538,591	\$13,774,139	\$15,096,456	\$16,639,160
Rebate per 1,000 Gals.	\$0.53	\$0.44	N/A	N/A
Total Rebate	\$1,464,195	\$1,355,631	N/A	N/A
Rebate as a % of Total Cost	12.7%	9.8%	N/A	N/A

- Sewer treatment services are expected to increase \$379,000 over the year end estimate of \$9.5 Million. We are again budgeting for a year-end “true-up” of \$200,000 in an effort to recognize variations in flow.
- Together, the wholesale cost of water and sewer treatment services account for \$25.0 Million or 53.5% of the total expenses.
- Personal Services is proposed at \$6.1 Million, an increase of 2.8% over year-end estimates and reflects full staffing and an increase for employee healthcare premiums.

- Professional Services increase of 9.5% or \$54,000. The Meter Shop will receive an additional \$15,000 to replace 3 large meter vaults and an additional \$8,500 for large meter testing. This proposal provides an additional \$20,000 for the I&I study bringing this year's total to \$100,000. This budget also maintains the current \$125,000 support for the Household Hazardous Waste Disposal Program.
- Contracts increase of \$68,000 or 11.9% over year end and is made up of small increases across several line items including an additional \$23,000 for general liability premiums.
- Supplies show a decrease of (\$164,000) from year-end estimates due to the inclusion of \$229,000 in prior year encumbrances in 2010-2011 year-end estimates. The remaining line items consist of minor increases and decreases from their year-end positions.
- Continuing the "pay-as-you-go" initiative, \$343,000 of capital equipment is proposed in operations.
- Three annual operations programs will be funded through the annual Certificates of Obligation program due to the life expectancy of those repairs, including; \$564,000 for water line replacement, \$184,000 for repair of utility cuts and \$355,000 for the reconstruction of sanitary sewers.
- Operating Transfer Out sees modest decreases in the G&A Transfer and Franchise Fee while the BABIC Transfer remains unchanged at \$467,000.
- The debt service transfer increases \$365,000 to \$5.3 Million to cover debt obligations for this fund.

Fund Balance

- Fund Balance is budgeted at 90.2 days in accordance with the Council approved Financial Policies.

**CITY OF RICHARDSON
SUMMARY OF REVENUES AND EXPENDITURES
WATER AND SEWER FUND**

7/19/2011 10:48	<u>ACTUAL</u> <u>FY 2009-10</u>	<u>BUDGET</u> <u>FY 2010-11</u>	<u>ESTIMATE</u> <u>FY 2010-11</u>	<u>BUDGET</u> <u>FY 2011-12</u>	<u>VARIANCE</u>	
					<u>BUD to BUD</u>	<u>EST to BUD</u>
Beginning Designated Fund Balance	\$ 10,578,969	\$ 9,679,837	\$ 11,450,722	\$ 12,097,322	25.0%	5.6%
Reserve for Encumbrances	200,763	-	265,927	-	N/A	-100.0%
Adjusted Beginning Fund Balance	\$ 10,779,732	\$ 9,679,837	\$ 11,716,649	\$ 12,097,322	25.0%	3.2%
Revenues						
Water Sales & Charges	\$ 26,490,906	\$ 26,716,490	\$ 27,970,407	\$ 27,674,956	3.6%	-1.1%
Sewer Sales & Charges	15,389,382	15,770,838	16,198,074	16,001,492	1.5%	-1.2%
Rate Stabilization	-	700,000	-	1,800,000	157.1%	N/A
Late Charges	401,644	418,690	424,883	433,381	3.5%	2.0%
Interest Earnings	20,449	3,374	12,545	14,101	317.9%	12.4%
Service Fees - Others	37,794	36,890	42,167	43,010	16.6%	2.0%
Installation Charges	24,777	20,000	28,677	29,251	46.3%	2.0%
Miscellaneous	518,950	369,402	357,883	365,041	-1.2%	2.0%
Total Revenues	<u>\$ 42,883,902</u>	<u>\$ 44,035,684</u>	<u>\$ 45,034,636</u>	<u>\$ 46,361,231</u>	5.3%	2.9%
Total Available Funds	<u>\$ 53,663,634</u>	<u>\$ 53,715,521</u>	<u>\$ 56,751,285</u>	<u>\$ 58,458,553</u>	8.8%	3.0%
Expenditures						
Personal Services	\$ 5,565,828	\$ 5,918,475	\$ 5,888,443	\$ 6,056,018	2.3%	2.8%
Professional Services	473,453	579,205	567,687	621,646	7.3%	9.5%
Maintenance	23,003,636	24,750,567	24,373,969	26,394,475	6.6%	8.3%
Contracts	703,266	613,003	573,895	642,139	4.8%	11.9%
Supplies	1,198,546	1,241,057	1,338,537	1,174,772	-5.3%	-12.2%
Capital	264,152	540,507	544,796	343,078	-36.5%	-37.0%
Total Expenditures	<u>\$ 31,208,882</u>	<u>\$ 33,642,814</u>	<u>\$ 33,287,327</u>	<u>\$ 35,232,128</u>	4.7%	5.8%
Operating Transfers Out						
General and Administrative Charges	\$ 3,746,523	\$ 3,771,116	\$ 3,771,116	\$ 3,706,308	-1.7%	-1.7%
Franchise Fees	2,094,014	2,124,366	2,208,424	2,183,822	2.8%	-1.1%
BABIC Program	466,666	466,666	466,666	466,666	0.0%	0.0%
Total Operating Transfers Out	<u>\$ 6,307,203</u>	<u>\$ 6,362,148</u>	<u>\$ 6,446,206</u>	<u>\$ 6,356,796</u>	-0.1%	-1.4%
Total Exp. And Oper. Transfers Out	\$ 37,516,085	\$ 40,004,962	\$ 39,733,533	\$ 41,588,924		
Transfers Out						
Debt Service	\$ 4,430,900	\$ 4,920,430	\$ 4,920,430	\$ 5,285,653	7.4%	7.4%
Special Projects	-	-	-	-	N/A	N/A
Total Transfers Out	<u>\$ 4,430,900</u>	<u>\$ 4,920,430</u>	<u>\$ 4,920,430</u>	<u>\$ 5,285,653</u>	7.4%	7.4%
Total Expenditures and Transfers	<u>\$ 41,946,985</u>	<u>\$ 44,925,392</u>	<u>\$ 44,653,963</u>	<u>\$ 46,874,577</u>	4.3%	5.0%
Revenue Over/(Under)	\$ 936,917	\$ (889,708)	\$ 380,673	\$ (513,346)	-42.3%	-234.9%
Reserve for Encumbrances	\$ 265,927	\$ -	\$ -	\$ -	N/A	N/A
Ending Designated Fund Balance	<u>\$ 11,450,722</u>	<u>\$ 8,790,129</u>	<u>\$ 12,097,322</u>	<u>\$ 11,583,976</u>	31.8%	-4.2%
Days of Fund Balance	99.64	71.42	98.88	90.20	26.3%	-8.8%

**CITY OF RICHARDSON
REVENUE BY DETAIL
WATER AND SEWER FUND**

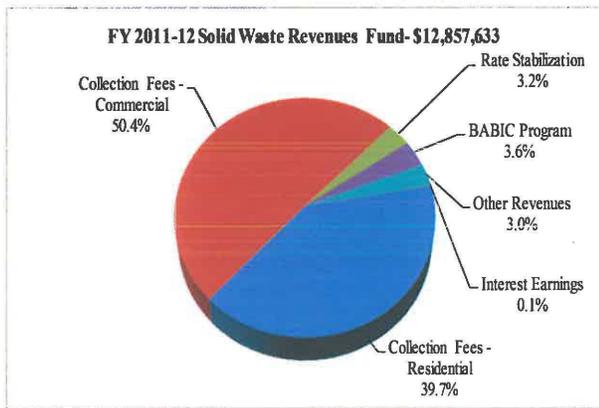
	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2009-10	FY 2010-11	FY 2010-11	FY 2011-12	BUD to BUD	EST to BUD
<u>Water and Sewer Revenue</u>						
Water Sales & Charges	\$ 26,490,906	\$ 26,716,490	\$ 27,970,407	\$ 27,674,956	\$ 958,466	\$ (295,451)
Sewer Sales & Charges	15,389,382	15,770,838	16,198,074	16,001,492	230,654	(196,582)
Rate Stabilization	-	700,000	-	1,800,000	1,100,000	1,800,000
Late Charges	401,644	418,690	424,883	433,381	14,691	8,498
Interest Earnings	20,449	3,374	12,545	14,101	10,727	1,556
Service Fees - Others	37,794	36,890	42,167	43,010	6,120	843
Installation Charges	24,777	20,000	28,677	29,251	9,251	574
Miscellaneous	518,950	369,402	357,883	365,041	(4,361)	7,158
Total	\$ 42,883,902	\$ 44,035,684	\$ 45,034,636	\$ 46,361,231	\$ 2,325,547	\$ 1,326,595
Grand Total Water and Sewer Fund	\$ 42,883,902	\$ 44,035,684	\$ 45,034,636	\$ 46,361,231	\$ 2,325,547	\$ 1,326,595

SOLID WASTE SERVICES FUND

The Solid Waste Services Fund, an Enterprise Fund, accounts for the residential and commercial solid waste collection services, including residential recycling collection and brush and bulky item collection.

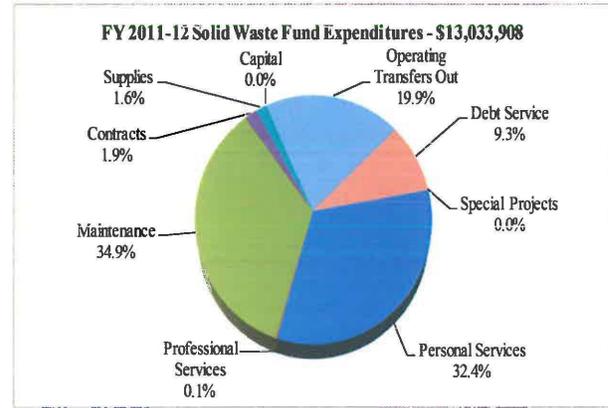
Sources

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



Uses

Expenditures for the daily operations, fleet maintenance and replacement, and disposal fees charged by the North Texas Municipal Water District are hosted in the Solid Waste Services Fund. Disposal Fees comprise 33.4% of the overall expenditures of the fund.



Fund Balance

The established target Fund Balance for the Solid Waste Services Fund is 60 days building to 90 days.

SOLID WASTE SERVICES DEBT SERVICE FUND

The Solid Waste Services Debt Service hosts revenue and expenses for solid waste equipment debt service obligations. The primary source of revenue is a transfer of revenues from the Solid Waste Services Operating Fund generated through the collection of solid waste service fees from residential and commercial customers. The expenditures include the annual debt service payments for solid waste vehicle and equipment replacements funded through the issuance of public property certificates of obligations.

SOLID WASTE SERVICES FUND

2010-2011 Year End Estimates

Revenues

- Solid Waste revenues are projected to end the year (\$610,000) or -4.8% below their original budget of \$12.8 Million and includes the deactivation of the budgeted \$410,000 in rate stabilization funds.
- Residential Collections are tracking down (\$68,000) or -1.3% from the programmed \$5.2 Million. While standard residential accounts are down slightly, we are seeing an increase in the senior discount accounts as the population continues to age. The senior discount program allows a 20% reduction in residential fees for persons 65 years of age and older.
- The FY 2008-2009 residential rate increase of \$1.85 per month increased the monthly rate to \$18.00. The following chart shows the actual cost of service. With a rate of \$18.00/month and an estimated year-end true cost of \$22.75, it's clear Commercial Collections subsidizes Residential Collection \$4.75 per resident each month or almost \$60 per year. For the proposed 2011-2012 budget, that subsidy rises to \$5.42 or \$65 per year.

	Residential Cost Breakdown			
	Actual	Budget	Estimate	Budget
	FY 2009-10	FY 2010-11	FY 2010-11	FY 2011-12
Operating Cost	\$7.49	\$7.99	\$7.64	\$7.84
Disposal Costs	4.29	5.17	4.61	4.96
BABIC	2.35	2.19	2.28	2.34
Recycling	1.77	1.61	1.73	1.68
G&A and Fran. Fees	4.72	4.99	4.74	4.55
Debt	1.08	1.12	1.75	2.06
	<u>\$21.70</u>	<u>\$23.08</u>	<u>\$22.75</u>	<u>\$23.42</u>

- Commercial Collections are tracking down (\$187,000) or -2.9% from an original budget of \$6.4 Million. Commercial clients continue to refine their level of service to achieve better efficiency in their collection schedules.
- This time last year, \$410,000 of rate stabilization funds were budgeted as we began to look at a possible mid-year rate adjustment. Because of the expected year-end position of expenditures, that money will not be activated making it available for future use.
- The BABIC transfer from the Water and Sewer fund will end the year as budgeted at \$467,000.
- The Other Revenue category is expected to finish the year \$55,000 or 17.3% above the original budget of \$315,000 as the markets for recyclables continues to recover from the stagnation of FY 2008-2009.
- Interest Earnings are tracking just slightly up from the original budget of \$2,800.

Expenditures

- Total Expenditures and Transfers are expected to end the year (\$444,000) or -3.5% below the \$12.9 Million programmed for FY 2010-2011.
- Personal Services should finish the year (\$321,000) or -7.4% below its original budget due to savings achieved through normal vacancies and lower contractual labor costs.

- Professional Services is expected to finish the year \$3,000 above its adopted level of \$16,000 as a result of a mid-year use of consultant to assist with the multi-year plan and rate study for the current year.
- Maintenance is expected to decrease (\$35,000) or -0.8% due to minor savings across several accounts in several departments. There is no change in the projected year-end disposal fees paid to the North Texas Municipal Water District. The cost per ton rises slightly again this year, but the City's actual final cost is based on our proportionate share of actual usage at the landfill. At the end of their fiscal year, the District looks at total usage by all five member cities and assigns each their proportionate share based on how many tons, of the total, each city delivered to the landfill.
- Contracts are projected to finish the year (\$21,000) or -8.3% below the original budget of \$250,000. The majority of this savings is due to lower than anticipated property and risk insurance premiums.
- Supplies are expected to end the year (\$58,000) or -21.4% below its budgeted position of \$269,000. The savings is the result of minor savings across several line items.
- The debt service transfer remains unchanged from the budgeted \$1.0 Million.

Fund Balance

- Days in Fund balance are expected to end the year with 99.7 days, in compliance with the adopted financial policy of "60 days building towards 90 days."

SOLID WASTE SERVICES FUND

2011-2012 Proposed

Revenues

- Total revenues are projected to be \$626,000 or 5.1% over year-end estimates.
- Residential Collections are budgeted with a small decline with the ebb and flow of residents and an increasing number of senior discount accounts.
- Commercial Collections Fees are expected to increase 3.6% or \$225,000 over the year-end estimate and includes minor adjustments to the commercial rate structure as well as the expectation of continued improvement in the local economy.
- Rate Stabilization of \$410,000 is activated this year, but will only be used at year-end if necessary based on year-end revenue and expenditure performance. This activation allows the fund to maintain the required 90 days of fund balance. HDR is currently conducting a thorough review of solid waste operations with expected completion by early summer 2012. A rate analysis for both residential and commercial customers will be conducted based on the accepted service enhancements recommended by that work.
- The BABIC transfer from the Water and Sewer fund will remain at \$467,000. This allocation acknowledges the water supply protection provided by the BABIC program.
- Other Revenue increases \$12,000 from year-end estimates as the recyclable market continues to improve.
- Interest Earnings are expected to increase next year as investment opportunities continue to improve.

Expenditures

- Total expenditures and transfers are proposed at \$13.0 Million, an increase of \$611,000 or 4.9% over the year-end estimate of \$12.4 Million.
- Personal Services increase \$217,000 or 5.4% over year-end estimate. The majority of this increase can be attributed to an increase in employee healthcare premiums. Also included are small increases in overtime for both BABIC and Commercial Collection, as well as the understaffing of 3 positions in Residential Collections in an effort to recognize normal vacancies throughout the year.
- Professional Services decreases -17.4% or (\$3,000) from the year-end estimate and includes funding for an offseason rate analysis.
- The Maintenance category is projected to increase \$298,000 or 7.0% over the year-end estimate due to anticipated growth in tonnage and a minor increase of 2.8% in the disposal fees charged by NTMWD.
- Minor increases in general liability policy premiums and advertising account for the majority of the \$24,000, or 10.3% increase in the Contracts category.
- Supplies decreases (\$8,000) or -3.7% due in large part to savings in the purchase of blue bags for the recycling program.
- The General and Administrative transfer decreases (\$107,000) as a result of the recently completed indirect cost allocation study performed by DMG Maximus.
- Franchise Fees are expected to increase \$10,000 and are calculated as 5% of residential and commercial collection fees.

- The Debt Service Transfer of \$1.2 Million accounts for \$180,000 of the total increase in the fund and is a 17.5% increase over the year-end debt service payment of \$1.0 Million. The increase is the result of the increased equipment replacement debt resulting from the service enhancements enacted over the last few years.

Fund Balance

- FY 2011-2012 fund balance is proposed at 90.1 days. This achieves the goal established in the adopted financial policy of “60 days building towards 90.”

**CITY OF RICHARDSON
SUMMARY OF REVENUES AND EXPENDITURES
SOLID WASTE SERVICES FUND**

7/19/2011 10:48	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2009-10	FY 2010-11	FY 2010-11	FY 2011-12	BUD to BUD	EST to BUD
Beginning Designated Fund Balance	\$ 3,006,997	\$ 3,318,641	\$ 3,580,860	\$ 3,391,848	2.2%	-5.3%
Reserve for Encumbrances	714	-	1,832	-	N/A	-100.0%
Adjusted Beginning Fund Balance	\$ 3,007,711	\$ 3,318,641	\$ 3,582,692	\$ 3,391,848	2.2%	-5.3%
Revenues						
Collection Fees - Residential	\$ 5,143,713	\$ 5,200,754	\$ 5,132,694	\$ 5,107,031	-1.8%	-0.5%
Collection Fees - Commercial	6,358,636	6,446,509	6,259,524	6,484,714	0.6%	3.6%
Rate Stabilization	-	410,000	-	410,000	0.0%	N/A
BABIC Program	466,666	466,666	466,666	466,666	0.0%	0.0%
Other Revenues	357,283	315,481	369,981	382,381	21.2%	3.4%
Interest Earnings	4,291	2,875	3,233	6,841	137.9%	111.6%
Total Revenues	\$ 12,330,589	\$ 12,842,285	\$ 12,232,098	\$ 12,857,633	0.1%	5.1%
Total Available Funds	\$ 15,338,300	\$ 16,160,926	\$ 15,814,790	\$ 16,249,481	0.5%	2.7%
Expenditures						
Personal Services	\$ 4,059,735	\$ 4,320,246	\$ 3,999,126	\$ 4,216,611	-2.4%	5.4%
Professional Services	35,654	15,550	18,829	15,550	0.0%	-17.4%
Maintenance	3,853,438	4,279,681	4,245,157	4,542,835	6.1%	7.0%
Contracts	274,980	250,146	229,318	252,989	1.1%	10.3%
Supplies	220,411	268,850	211,241	203,460	-24.3%	-3.7%
Capital	-	-	-	-	N/A	N/A
Total Expenditures	\$ 8,444,218	\$ 9,134,473	\$ 8,703,671	\$ 9,231,445	1.1%	6.1%
Operating Transfers Out						
General and Administrative Charges	\$ 2,102,373	\$ 2,121,965	\$ 2,121,965	\$ 2,014,891	-5.0%	-5.0%
Franchise Fees	575,117	582,363	569,611	579,587	-0.5%	1.8%
Total Operating Transfers Out	\$ 2,677,490	\$ 2,704,328	\$ 2,691,576	\$ 2,594,478	-4.1%	-3.6%
Total Exp. And Oper. Transfers Out	\$ 11,121,708	\$ 11,838,801	\$ 11,395,247	\$ 11,825,923		
Transfers Out						
Debt Service	\$ 633,900	\$ 1,027,695	\$ 1,027,695	\$ 1,207,985	17.5%	17.5%
Special Projects	-	-	-	-	N/A	N/A
Total Transfers Out	\$ 633,900	\$ 1,027,695	\$ 1,027,695	\$ 1,207,985	17.5%	17.5%
Total Expenditures and Transfers	\$ 11,755,608	\$ 12,866,496	\$ 12,422,942	\$ 13,033,908	1.3%	4.9%
Revenue Over/(Under)	\$ 574,981	\$ (24,211)	\$ (190,844)	\$ (176,275)	628.1%	-7.6%
Reserve for Encumbrances	\$ 1,832	\$ -	\$ -	\$ -	N/A	N/A
Ending Designated Fund Balance	\$ 3,580,860	\$ 3,294,430	\$ 3,391,848	\$ 3,215,573	-2.4%	-5.2%
Days of Fund Balance	111.18	93.46	99.66	90.05	-3.6%	-9.6%

**CITY OF RICHARDSON
REVENUE BY DETAIL
SOLID WASTE SERVICES FUND**

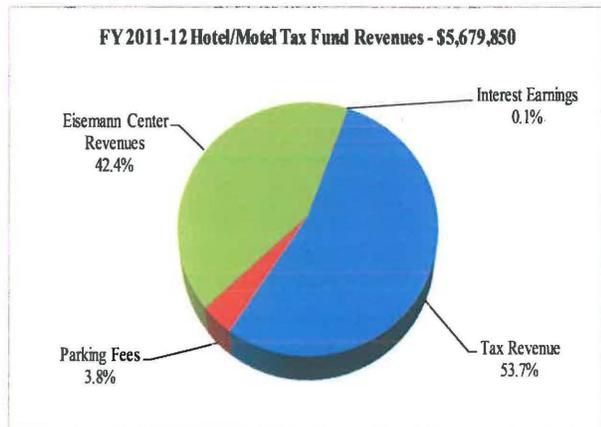
	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2009-10	FY 2010-11	FY 2010-11	FY 2011-12	BUD to BUD	EST to BUD
<u>Solid Waste Services Revenue</u>						
Collection Fees - Residential	\$ 5,143,713	\$ 5,200,754	\$ 5,132,694	\$ 5,107,031	\$ (93,723)	\$ (25,663)
Collection Fees - Commercial	6,358,636	6,446,509	6,259,524	6,484,714	38,205	225,190
Rate Stabilization	-	410,000	-	410,000	-	410,000
BABIC Program	466,666	466,666	466,666	466,666	-	-
Other Revenues	357,283	315,481	369,981	382,381	66,900	12,400
Interest Earnings	4,291	2,875	3,233	6,841	3,966	3,608
Total	\$ 12,330,589	\$ 12,842,285	\$ 12,232,098	\$ 12,857,633	\$ 15,348	\$ 625,535
Grand Total Solid Waste Services Fund	\$ 12,330,589	\$ 12,842,285	\$ 12,232,098	\$ 12,857,633	\$ 15,348	\$ 625,535

HOTEL MOTEL TAX FUND

The Hotel Motel Tax Fund, an enterprise fund, accounts for the administration, operation, and maintenance of the Charles W. Eisemann Center, parking garage, Convention and Visitors Services and annual grants to local arts organizations.

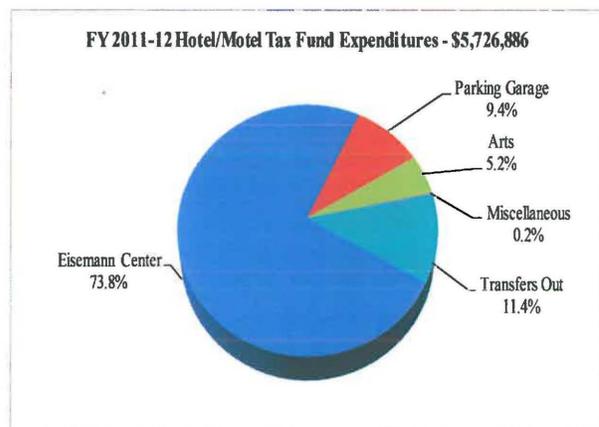
Sources

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, or cultural activities as well as the operating revenues received on user fees charged for the use of the Eisemann Center and Parking Garage.



Uses

Daily operations at the Eisemann Center and Parking Garage account for 83.2% of the expenditures in the Hotel Motel Tax Fund. Resources for Convention and Visitors Services and local arts grants are also allocated in the Hotel Motel Tax Fund.



Fund Balance

There is no pre-established Fund Balance Target for the Hotel Motel Tax Fund.

HOTEL MOTEL TAX DEBT SERVICE

Hotel Motel Tax Fund resources are transferred to the General Debt Service Fund to assist in funding the annual debt service payment on the Eisemann Center.

HOTEL MOTEL TAX FUND

2010-2011 Year End Estimates

Revenues

- Based on 9-months of revenue receipts and projected activities for the 3 remaining months, the Hotel Motel Tax Fund year-end revenues are projected to end the year up \$190,000 or 3.6% from their budgeted position of \$5.3 Million for 2010-2011.

Hotel/Motel Tax Receipts

- Hotel Motel Tax Receipts are a factor of both room rate and occupancy levels. From January to June 2011, all three major measures are up from last year with the average occupancy over 60%, the average daily rate up 4.1% and the RevPAR (revenue per available room) up 17.9%.

Year	Occupancy Rate	Average Daily Rate	RevPAR
Jan-June 2010	56.4%	\$81.01	\$45.77
Jan-June 2011	63.2%	\$84.32	\$53.97

- While the local Hotel/Motel market is continuing the slow recovery begun in the early part of 2010. Hotel/Motel Tax Receipts are anticipated to end the year \$346,000 or 12.8% higher than the 2010-2011 budget projection of \$2.7 Million. A breakdown of the receipts by property is provided below.

Hotel Property	Actual 2009-2010	Budget 2010-2011	Estimated 2010-2011	Variance Bud to Est
Como Motel	\$ 18,030	\$ 18,808	\$ 20,466	\$ 1,658
Continental Inn	20,067	20,824	20,321	(503)
DoubleTree Hotel	289,201	290,706	427,653	136,947
Econo Lodge	28,996	29,783	39,107	9,324
Hampton Inn	126,245	138,853	170,547	31,694
Hawthorne Suites	88,623	42,291	39,011	(3,280)
Hilton Garden Inn	220,085	200,662	242,958	42,296
Holiday Inn	189,170	188,590	192,823	4,233
Homestead Suites	60,700	62,511	79,521	17,010
Hyatt Regency	429,388	450,479	512,712	62,233
Hyatt Summerfield	130,927	134,899	203,727	68,828
Mariott Courtyard - Galatyn	163,959	172,732	182,945	10,213
Marriott Courtyard - Spring Valley	138,094	141,673	160,435	18,762
Marriott Renaissance	597,841	611,995	555,615	(56,380)
Residence Inn	142,756	158,476	158,973	497
Super 8	38,255	40,344	42,930	2,586
TOTAL	\$2,682,337	\$2,703,626	\$3,049,744	\$346,1118

Remaining Revenues

- Total Eisemann Center revenues are expected to be down (\$148,000) or -6.2% below budget. Revenues from fees and tickets sales and surcharges and concessions are expected to be down (\$63,000), due primarily to renters cutting back on production/rehearsal days while total performance/event dates are on par with last year. Eisemann Center Presents revenue is

expected to end the year down (\$153,000) due to three shows falling below budget expectations; Ira without George, Bixby, and Reduced Shakespeare Company. There is offsetting expenditure savings for the same reason. The \$68,000 increase under the “miscellaneous” category is the insurance settlement on the broken pipe in the lobby.

- Parking Garage revenues are anticipated to finish the year down (\$9,000) or -4.4% from its budgeted position of \$215,000.

Expenditures

- Total Expenditures and Transfers for 2010-2011 are projected to end the year \$184,000 above the original budget \$5.3 Million.
- The \$15,000 increase in daily operations expenditures at the Eisemann Center is due to the repairs for the broken pipe. This overage is offset by the insurance settlement.
- Eisemann Center Presents Series will recognize (\$140,000) in savings for the reasons mentioned in the revenue discussion.
- Parking Garage expenditures are projected to end the year down (\$4,000) or -0.8%.
- The transfer to the General Fund for funding of the Convention Services Bureau will increase \$74,000 to match the actual estimated expenditures for that department.
- New this year, the fund will begin paying a portion of the indirect costs associated with administering the fund. The recent DMG Maximus study supported an actual G&A transfer of almost \$1 Million. Obviously the fund can't support that level of indirect cost transfer, but with improving stability of revenues, a fractional transfer of \$250,000 will begin at year end.
- The remaining expenditures in the Fund will be on target with the original allocations.

Fund Balance

- The Hotel Motel Tax Fund balance is anticipated to end the year at \$651,000. There is no formal designated fund balance policy for the Hotel Motel Tax Fund.

HOTEL MOTEL TAX FUND

2011-2012 Proposed

Revenues

- Total Revenues for the Hotel/Motel Tax Fund are projected at \$5.7 Million for next year, reflecting a 3.0% increase in overall revenues.

Hotel/Motel Tax Receipts

- Beginning in January of 2011, all hotel properties were required to begin remitting hotel tax receipts every month as opposed to quarterly as allowed by the previous ordinance. This change only affected 7 of our 16 properties, as the others had been remitting monthly already. When a change like this occurs, it's not unusual to get a "bump" in revenue the first year the change occurs since the early quarterly payments may have included one or two months receipts from the prior City of Richardson fiscal year. Such was the case in 2010-2011. When projections are made for the proposed year, these anomalies have to be taken into account and nullified prior to any forecast. It's this reason that hotel receipts are only expected to increase \$2,600 in 2011-2012. If you think of our sales tax calculation where any audit adjustment is removed to get to our "base" level of activity, the same thing has been done here. Once those have been accounted for, each hotels growth was projected between 2% and 4% for 2011-2012.
- For 2011-2012, Hotel/Motel Tax Receipts are budgeted at \$3.0 Million.

Hotel Property	Actual 2009-2010	Budget 2010-2011	Estimated 2010-2011	Budget 2011-2012
Como Motel	\$18,030	\$18,808	\$20,466	\$18,505
Continental Inn	20,067	20,824	20,321	20,524
DoubleTree Hotel	289,201	290,706	427,653	440,483
Econo Lodge	28,996	29,783	39,107	34,201
Hampton Inn	126,245	138,853	170,547	153,358
Hawthorne Suites	88,623	42,291	39,011	33,952
Hilton Garden Inn	220,085	200,662	242,958	247,817
Holiday Inn	189,170	188,590	192,823	196,679
Homestead Suites	60,700	62,511	79,521	70,051
Hyatt Regency	429,388	450,479	512,712	522,966
Hyatt Summerfield	130,927	134,899	203,727	185,806
Mariott Courtyard - Galatyn	163,959	172,732	182,945	188,433
Marriott Courtyard - Spring Valley	138,094	141,673	160,435	166,852
Marriott Renaissance	597,841	611,995	555,615	572,284
Residence Inn	142,756	158,476	158,973	162,152
Super 8	38,255	40,344	42,930	38,304
TOTAL	\$2,682,337	\$2,703,626	\$3,049,744	\$3,052,367

Parking Garage Revenues

- Parking Garage fees are projected at \$215,000, an increase of \$10,000 or 4.8% over year-end.

Eisemann Center Revenues

- Eisemann Center revenues are projected at \$2.4 Million reflecting a \$150,000 or 6.6% increase from estimated year-end. Operations revenue is estimated based on performance

levels similar to FY 2010-2011 levels with some recovery in rental fees. The majority of the revenue increase is due to the Eisemann Center Presents Series for FY 2011-2012 reflecting a normal ticket revenue model after the three shows last year fell below expectations.

Expenditures

- Total Expenditures and Transfers for 2011-2012 are proposed at \$5.7 Million reflecting a \$196,000 increase over current year-end expenditures.
- The Eisemann Center expenditures increase \$155,000 over year-end. The Eisemann Center's daily operations increase \$15,000 and Eisemann Center Presents Series expenditures increase \$140,000, which is offset by matching revenue.
- Parking Garage Expenditures increase 6.9% or \$34,000 based on the parking garage services agreement. The City budgets the maximum allowable by contract. It's worth noting that the contractor has yet to bill the City the whole amount due to good contract performance.
- The Transfer to General Fund – CVB matches the department budget at \$405,000.
- The Hotel/Motel G&A remains static at \$250,000.

Fund Balance

The Fund Balance is projected to end the year at \$609,000.

**CITY OF RICHARDSON
SUMMARY OF REVENUES AND EXPENDITURES
HOTEL/MOTEL TAX FUND**

7/19/2011 10:48	ACTUAL	BUDGET	ESTIMATE	BUDGET	VARIANCE	
	FY 2009-10	FY 2010-11	FY 2010-11	FY 2011-12	BUD to BUD	EST to BUD
Beginning Designated Fund Balance	\$ 375,676	\$ 347,494	\$ 648,006	\$ 651,471	87.5%	0.5%
Reserve for Encumbrances	6,846	-	14,445	-	N/A	-100.0%
Adjusted Beginning Fund Balance	\$ 382,522	\$ 347,494	\$ 662,451	\$ 651,471	87.5%	-1.7%
Revenues						
Tax Revenue	\$ 2,682,337	\$ 2,703,626	\$ 3,049,744	\$ 3,052,367	12.9%	0.1%
Parking Fees	178,774	214,500	205,168	215,000	0.2%	4.8%
Eisemann Center Revenues	2,000,314	2,406,790	2,258,662	2,408,519	0.1%	6.6%
Interest Earnings	1,805	744	1,629	3,964	432.8%	143.3%
Total Revenues	\$ 4,863,230	\$ 5,325,660	\$ 5,515,203	\$ 5,679,850	6.7%	3.0%
Total Available Funds	\$ 5,245,752	\$ 5,673,154	\$ 6,177,654	\$ 6,331,322	11.6%	2.5%
Operating Expenditures						
Eisemann Center	\$ 3,511,503	\$ 4,195,838	\$ 4,069,982	\$ 4,225,436	0.7%	3.8%
Parking Garage	437,493	505,654	501,801	536,250	6.1%	6.9%
Total Expenditures	\$ 3,948,996	\$ 4,701,492	\$ 4,571,783	\$ 4,761,686	1.3%	4.2%
Other Uses						
Arts	\$ 295,000	\$ 300,000	\$ 300,000	\$ 300,000	0.0%	0.0%
Miscellaneous	9,305	10,200	400	10,200	0.0%	2450.0%
Total Other Uses	\$ 304,305	\$ 310,200	\$ 300,400	\$ 310,200	0.0%	3.3%
Total Exp. And Other Uses	\$ 4,253,301	\$ 5,011,692	\$ 4,872,183	\$ 5,071,886		
Transfers Out						
Transfer to General Fund - C.V.B.	\$ 330,000	\$ 330,000	\$ 404,000	\$ 405,000	22.7%	0.2%
General and Administrative Charges	-	-	250,000	250,000	N/A	0.0%
Total Transfers Out	\$ 330,000	\$ 330,000	\$ 654,000	\$ 655,000	98.5%	0.2%
Total Expenditures and Transfers	\$ 4,583,301	\$ 5,341,692	\$ 5,526,183	\$ 5,726,886	7.2%	3.6%
Revenue Over/(Under)	\$ 279,929	\$ (16,032)	\$ (10,980)	\$ (47,036)	193.4%	328.4%
Reserve for Encumbrances	\$ 14,445	\$ -	\$ -	\$ -	N/A	N/A
Ending Designated Fund Balance	\$ 648,006	\$ 331,462	\$ 651,471	\$ 604,436	82.4%	-7.2%

**CITY OF RICHARDSON
REVENUE BY DETAIL
HOTEL/MOTEL TAX FUND**

	<u>ACTUAL</u> <u>FY 2009-10</u>	<u>BUDGET</u> <u>FY 2010-11</u>	<u>ESTIMATE</u> <u>FY 2010-11</u>	<u>BUDGET</u> <u>FY 2011-12</u>	<u>VARIANCE</u>	
					<u>BUD to BUD</u>	<u>EST to BUD</u>
<u>Tax Revenue</u>						
Como Motel	\$ 18,030	\$ 18,808	\$ 20,466	\$ 18,505	\$ (303)	\$ (1,961)
Continental Inn	20,067	20,824	20,321	20,524	(300)	203
DoubleTree Hotel	289,201	290,706	427,653	440,483	149,777	12,830
Econo Lodge	28,996	29,783	39,107	34,201	4,418	(4,906)
Hampton Inn	126,245	138,853	170,547	153,358	14,505	(17,189)
Hawthorne Suites	88,623	42,291	39,011	33,952	(8,339)	(5,059)
Hilton Garden Inn	220,085	200,662	242,958	247,817	47,155	4,859
Holiday Inn	189,170	188,590	192,823	196,679	8,089	3,856
Homestead Suites	60,700	62,511	79,521	70,051	7,540	(9,470)
Hyatt Regency	429,388	450,479	512,712	522,966	72,487	10,254
Hyatt Summerfield	130,927	134,899	203,727	185,806	50,907	(17,921)
Mariott Courtyard - Galatyn	163,959	172,732	182,945	188,433	15,701	5,488
Marriott Courtyard - Spring Valley	138,094	141,673	160,435	166,852	25,179	6,417
Marriott Renaissance	597,841	611,995	555,615	572,284	(39,711)	16,669
Residence Inn	142,756	158,476	158,973	162,152	3,676	3,179
Super 8	38,255	40,344	42,930	38,304	(2,040)	(4,626)
Total	\$ 2,682,337	\$ 2,703,626	\$ 3,049,744	\$ 3,052,367	\$ 348,741	\$ 2,623
<u>Parking Fees</u>						
Parking Garage	\$ 178,774	\$ 214,500	\$ 205,168	\$ 215,000	\$ 500	\$ 9,832
Total	\$ 178,774	\$ 214,500	\$ 205,168	\$ 215,000	\$ 500	\$ 9,832
<u>Eisemann Center Revenue</u>						
Fees	\$ 619,238	\$ 707,000	\$ 655,573	\$ 710,000	\$ 3,000	\$ 54,427
Ticket Sales and Surcharges	162,522	200,000	187,095	200,000	-	12,905
Concessions	16,000	17,000	18,106	19,000	2,000	894
Eisemann Presents Revenue	1,104,654	1,419,790	1,266,869	1,419,519	(271)	152,650
Miscellaneous	97,900	63,000	131,019	60,000	(3,000)	(71,019)
Total	\$ 2,000,314	\$ 2,406,790	\$ 2,258,662	\$ 2,408,519	\$ 1,729	\$ 149,857
<u>Interest Earnings</u>						
Interest Earnings	\$ 1,805	\$ 744	\$ 1,629	\$ 3,964	\$ 3,220	\$ 2,335
Total	\$ 1,805	\$ 744	\$ 1,629	\$ 3,964	\$ 3,220	\$ 2,335
Grand Total Hotel/Motel Tax Fund	\$ 4,863,230	\$ 5,325,660	\$ 5,515,203	\$ 5,679,850	\$ 354,190	\$ 164,647

EISEMANN CENTER EXPENDITURE DETAIL

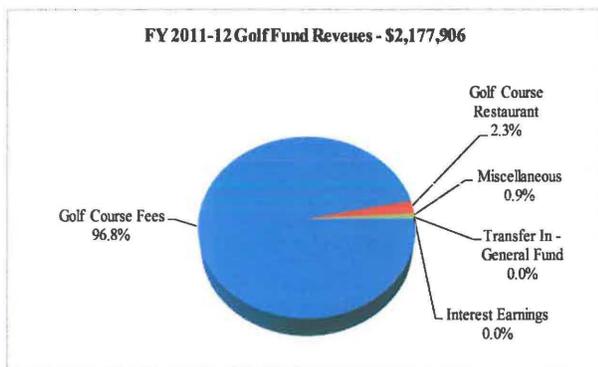
	<u>ACTUAL</u> <u>FY 2009-10</u>	<u>BUDGET</u> <u>FY 2010-11</u>	<u>ESTIMATE</u> <u>FY 2010-11</u>	<u>BUDGET</u> <u>FY 2011-12</u>	<u>VARIANCE</u>	
					<u>BUD to BUD</u>	<u>EST to BUD</u>
<u>Eisemann Center Expenditures</u>						
Eisemann Center	\$ 2,594,410	\$ 2,776,048	\$ 2,790,635	\$ 2,805,918	\$ 29,870	\$ 15,283
Eisemann Center Presents	917,093	1,419,790	1,279,347	1,419,518	(272)	140,171
Total Eisemann Center Expenditures	\$ 3,511,503	\$ 4,195,838	\$ 4,069,982	\$ 4,225,436	\$ 29,598	\$ 155,454

GOLF FUND

The Golf Fund, an enterprise fund, provides for the administration, operation, maintenance, and periodic renovation of Sherrill Park Golf Course.

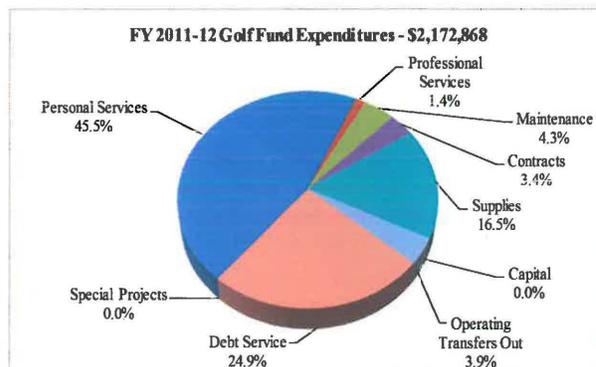
Sources

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



Uses

Expenditures include expenses related to daily operations, course maintenance, fleet maintenance and replacement, and special projects. Personal Services account for 45.5% of all expenditures in the Golf Fund.



Fund Balance

The established target Fund Balance for the Golf Fund is 30 days building to 60 days.

GOLF DEBT SERVICE FUND

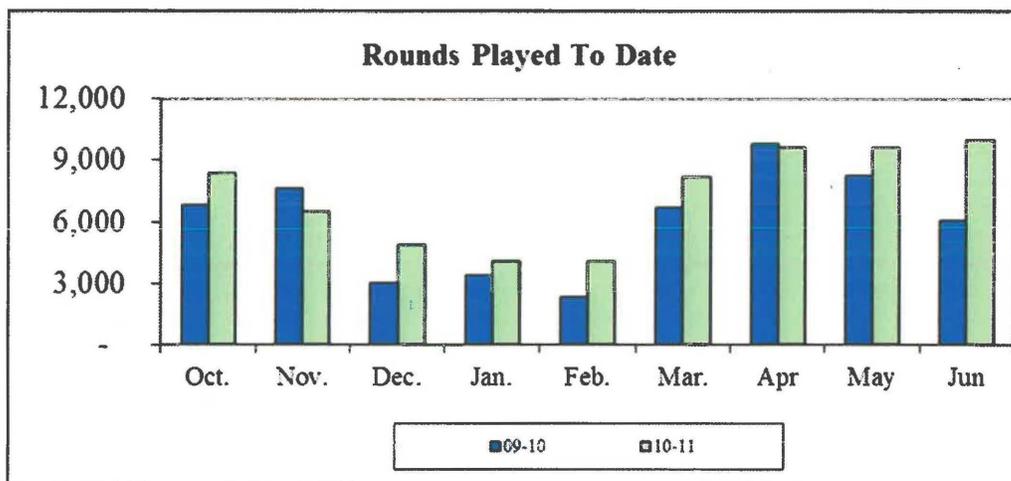
The Golf Debt Service Fund host the annual debt service payment associated with major course improvements or renovations. Revenues generated in the Golf Operating Fund are transferred to the Golf Debt Service Fund to provide the resources for the annual expenditures.

GOLF FUND

2010-2011 Year End Estimates

Revenues

- Revenues for the Golf Fund are expected to end the year \$45,000 or -2.1% below the budgeted \$2.1 Million.
- Course Fees are expected to finish the year at \$1.8 Million, down (\$237,000) or -11.4% below the original budget amount for 2010-2011. Rounds played of 65,231 are up 11,337 or 21.0% from this time last year but still below the five year average (excluding last year) of 68,180. It's also important to note when the rounds are played as that has a direct impact on the course fee. The lower priced twilight rounds are up while regular price day rounds are down, more people are waiting till the lower price goes into effect to play.



- The economy continues to affect play as evidenced by the shift toward the lower priced twilight rounds. Understanding a down economy is not the preferred time to raise rates and in order to protect the fund, the General Fund will again provide support to the fund with a transfer of \$165,000 in FY 2010-11. This transfer will help the fund achieve and maintain the Council approved financial policy fund balance of “30 building to 60” days in fund balance.
- Revenue from the golf course restaurant is projected to finish the year up slightly to \$49,000 from the original \$47,000
- Miscellaneous revenue is anticipated to be \$26,000 above the \$17,000 budgeted due to in large part to the insurance settlement of \$19,000 on the damage to the wall and gate at Sherrill Park.

Expenditures

- Total Golf Fund Expenditures and Transfers are expected to end the year at \$2.1 Million, a savings of (\$33,000) from the original budget. Excluding the capital expense of \$19,000

to repair the fence and gate, the other expenditure categories combine for savings of (\$53,000) from original budget.

Fund Balance

- Given the projected revenue and expenditure performance, the days in fund balance in the Golf Fund will end the year at 30.6 days, in compliance with the Council approved financial policy of “30 days building to 60.”

GOLF FUND

2011-2012 Proposed

Revenues

- Revenues for the Golf Fund are projected at \$2.2 Million for FY 2011-2012. This represents a 3.9% growth in anticipated revenues over year-end estimates. This projection is based on an increase in green fees and a return to 100,000 rounds played, a full recovery from FY 2009-2010. The green fee increase consists of a \$4.00 increase to the weekend rack rate and a \$2.00 increase to all other green fee categories. There will be no change to resident and senior punch card rates.

		Current	Proposed	Proposed w/ Cart
#1 Weekend	Regular Rate	\$34	\$38	\$47
	1 st Twilight	\$24	\$26	\$35
	2 nd Twilight	\$18	\$20	\$29
	Super Twilight	\$14	\$16	\$25
#1 Weekday	Regular Rate	\$24	\$26	\$35
	1 st Twilight	\$18	\$20	\$29
	2 nd Twilight	\$16	\$18	\$27
	Super Twilight	\$12	\$14	\$23
	Sr./Jr.	\$16	\$18	\$27
#2 Weekend	Regular Rate	\$28	\$32	\$41
	1 st Twilight	\$18	\$20	\$29
	2 nd Twilight	\$14	\$16	\$25
	Super Twilight	\$10	\$12	\$21
#2 Weekday	Regular Rate	\$20	\$22	\$31
	1 st Twilight	\$14	\$16	\$25
	2 nd Twilight	\$12	\$14	\$23
	Super Twilight	\$8	\$10	\$19
	Sr./Jr.	\$14	\$16	\$25

Expenditures

- Total Expenditures and Transfers for the Golf Fund are proposed at \$2.2 Million, an increase of \$62,000 or 2.9% from year-end estimates.
- Personal Services will increase \$66,000 or 7.1% from year-end and consists of an increase in the City's employee healthcare premiums, as well as full staffing and a slight increase in both part-time and overtime.
- Professional Services, which hosts the alarm monitoring and courier service, as well as the tree pruning contract, will increase \$1,500 for contract increases in alarm monitoring and courier service. The tree pruning contract has been excluded this year.

- Maintenance increases \$1,500 or 1.6%. Irrigation system maintenance will increase \$2,700 to \$22,700 while small equipment rental fees will increase \$1,200 for the ice machine rental and occasional use of trenchers, jack hammers, etc. Maintenance for the smaller equipment will decrease from \$65,000 to \$62,600.
- Contracts increases \$11,000 or 16.7% primarily due to an additional \$7,000 for a course wide reprint of scorecards and tee sheets. Another \$1,500 is for an increase in the general liability insurance and another \$1,500 for advertising.
- Supplies increase \$4,600 or 1.3% and include increased botanical services, janitorial supplies as well as minor increases in office supplies.
- At this point in time, no funding is being made available for the purchase of capital equipment though the golf professional will continue his annual replacement of the golf cart fleet.
- The General and Administrative charge increases \$55,000 as a result of the aforementioned indirect costs analysis performed on all funds.
- Debt Service continues to represent the full, yearly obligation of outstanding debt for the fund.

Fund Balance

- Given the projected revenue and expenditure performance, the days in fund balance of 30.5 will be in compliance with Council approved “30 building to 60” days.

**CITY OF RICHARDSON
SUMMARY OF REVENUES AND EXPENDITURES
GOLF FUND**

7/19/2011 10:48	ACTUAL FY 2009-10	BUDGET FY 2010-11	ESTIMATE FY 2010-11	BUDGET FY 2011-12	VARIANCE	
					BUD to BUD	EST to BUD
Beginning Designated Fund Balance	\$ 267,809	\$ 184,061	\$ 191,378	\$ 176,689	-4.0%	-7.7%
Reserve for Encumbrances	573	-	1,341	-	N/A	-100.0%
Adjusted Beginning Fund Balance	\$ 268,382	\$ 184,061	\$ 192,719	\$ 176,689	-4.0%	-8.3%
Revenues						
Golf Course Fees	\$ 1,488,442	\$ 2,075,564	\$ 1,838,141	\$ 2,107,299	1.5%	14.6%
Golf Course Restaurant	36,346	47,456	48,614	51,045	7.6%	5.0%
Miscellaneous	132,213	17,474	43,509	19,221	10.0%	-55.8%
Transfer In - General Fund	575,000	-	165,000	-	N/A	-100.0%
Interest Earnings	119	61	37	341	459.0%	821.6%
Total Revenues	\$ 2,232,120	\$ 2,140,555	\$ 2,095,301	\$ 2,177,906	1.7%	3.9%
Total Available Funds	\$ 2,500,502	\$ 2,324,616	\$ 2,288,020	\$ 2,354,595	1.3%	2.9%
Expenditures						
Personal Services	\$ 914,991	\$ 953,007	\$ 923,533	\$ 989,133	3.8%	7.1%
Professional Services	37,825	28,673	28,650	30,183	5.3%	5.4%
Maintenance	85,499	95,690	92,500	94,008	-1.8%	1.6%
Contracts	79,641	85,591	63,257	73,813	-13.8%	16.7%
Supplies	324,017	351,800	354,105	358,750	2.0%	1.3%
Capital	165,626	-	19,459	-	N/A	-100.0%
Total Expenditures	\$ 1,607,599	\$ 1,514,761	\$ 1,481,504	\$ 1,545,887	2.1%	4.3%
Operating Transfers Out						
General and Administrative Charges	\$ 91,236	\$ 29,917	\$ 29,917	\$ 84,981	184.1%	184.1%
Total Operating Transfers Out	\$ 91,236	\$ 29,917	\$ 29,917	\$ 84,981	184.1%	184.1%
Total Exp. And Oper. Transfers Out	\$ 1,698,835	\$ 1,544,678	\$ 1,511,421	\$ 1,630,868		
Transfers Out						
Debt Service	\$ 608,948	\$ 599,910	\$ 599,910	\$ 542,000	-9.7%	-9.7%
Special Projects	-	-	-	-	N/A	N/A
Total Transfers Out	\$ 608,948	\$ 599,910	\$ 599,910	\$ 542,000	-9.7%	-9.7%
Total Expenditures and Transfers	\$ 2,307,783	\$ 2,144,588	\$ 2,111,331	\$ 2,172,868	1.3%	2.9%
Revenue Over/(Under)	\$ (75,663)	\$ (4,033)	\$ (16,030)	\$ 5,038	-224.9%	-131.4%
Reserve for Encumbrances	\$ 1,341	\$ -	\$ -	\$ -	N/A	N/A
Ending Designated Fund Balance	\$ 191,378	\$ 180,028	\$ 176,689	\$ 181,727	0.9%	2.9%
Days of Fund Balance	30.27	30.64	30.55	30.53	-0.4%	-0.1%

**CITY OF RICHARDSON
REVENUE BY DETAIL
GOLF FUND**

	<u>ACTUAL</u> <u>FY 2009-10</u>	<u>BUDGET</u> <u>FY 2010-11</u>	<u>ESTIMATE</u> <u>FY 2010-11</u>	<u>BUDGET</u> <u>FY 2011-12</u>	<u>VARIANCE</u>	
					<u>BUD to BUD</u>	<u>EST to BUD</u>
<u>Golf Revenue</u>						
Golf Course Fees	\$ 1,488,442	\$ 2,075,564	\$ 1,838,141	\$ 2,107,299	\$ 31,735	\$ 269,158
Golf Course Restaurant	36,346	47,456	48,614	51,045	3,589	2,431
Miscellaneous	132,213	17,474	43,509	19,221	1,747	(24,288)
Transfer In - General Fund	575,000	-	165,000	-	-	(165,000)
Interest Earnings	119	61	37	341	280	304
Total	\$ 2,232,120	\$ 2,140,555	\$ 2,095,301	\$ 2,177,906	\$ 37,351	\$ 82,605
 Grand Total Golf Fund	 \$ 2,232,120	 \$ 2,140,555	 \$ 2,095,301	 \$ 2,177,906	 \$ 37,351	 \$ 82,605