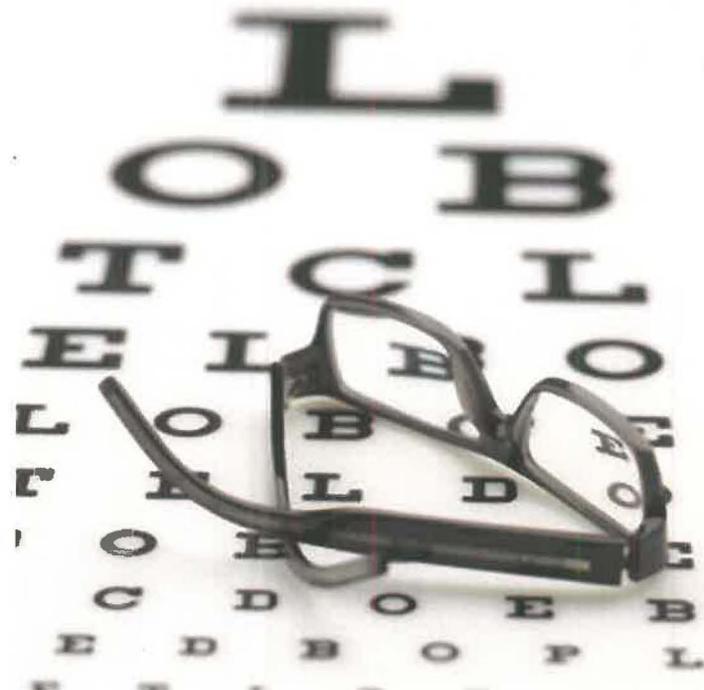


City of Richardson, Texas

2011-2012 Municipal Budget  
Overview

# *Keeping the Focus*

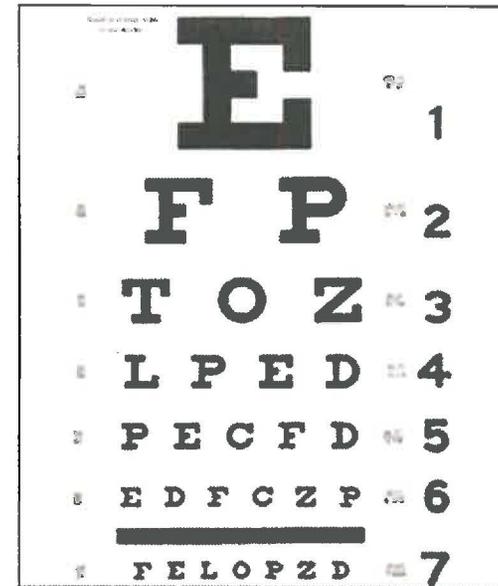
City Council Budget Retreat  
July 19-20, 2011





# Keeping the Focus

- Many methods are suggested for developing the city's budget. The City of Richardson's strong bond rating position and fiscal management success has been focused with a **Goals-Driven Budget process** and the continued adherence to the our financial policies.
  - As examples, staffing and resource levels in Police, Fire, Code/Neighborhood Services, Parks & Recreation, Communications, Convention & Visitors Services, Information Technology Services, and Capital Engineering are directly related to recent policy direction by the City Council.

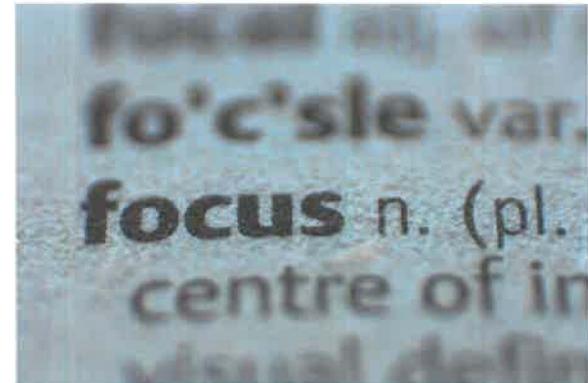


# *Keeping the Focus*

- The City's budget development process conforms to a variety of guidance features:
  - City Council Goals
  - State & Federal Laws
  - City Charter
  - City Financial & Investment Policies
  - Fund Accounting Standards
  - Bond Rating Criteria

# *Keeping the Focus*

- The 2011 General Election and the 2010 Bond referendum are two key directives of the community that provide important policy guidance.
- The recent Series 2011 rating agency results of Aaa/AAA by Moody's and S&P reconfirm the City's fiscal management approach and City Council policy directions.
- Given the dynamic world of today, continued future adjustments are likely.
- Effective local government services will continue to be vital to economic recovery and future attractiveness for growth.



# July 19-20: Suggested Retreat Approach

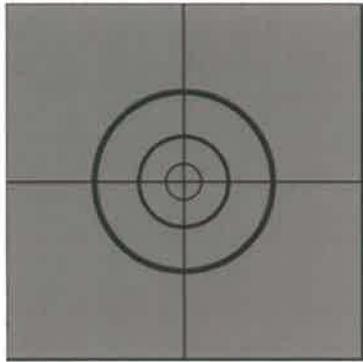
- We await several elements to complete the preparation effort: final certified property tax roll, updated revenue collections for July (ie. sales tax), etc.
- Departmental expenditure reviews continue.
- We utilize this early retreat to assess the over-arching strategy and dynamics expected for the development of the 2011-2012 budget.
  - Over the two evenings, a fund-by-fund overview report will be presented.
- At this retreat, we will focus on the key operating funds that speak to most of the City's annual resources and deliver services. A budget for all funds will be submitted with the required filing in August.
- Confirm the suggested strategies and game plans for completing the current fiscal year and developing the next year's budget.

# Budget Development Objectives



- Respond to the City Council's newly-crafted 2011-2013 Goals & Near-Term Action Items
- Develop a 2011-2012 Budget and Work Plan that requires no new property tax rate change.
- Where fee adjustments are warranted, proposed adjustments are recommended.
- Continue the strong alignment of municipal resources around the key themes of the Council's goals: strong comprehensive planning, quality public safety services, neighborhood integrity and renewal, sustained infrastructure enhancements, active economic development, and strong fiscal management.

# Budget Development Objectives



- Continue the active implementation of the 2010 G.O. Bond Program.
- Support the implementation game plan for the West Spring Valley Reinvestment Study. Evaluate the next Special Study area for review.
- Support transit-oriented development initiatives around the existing and proposed DART Light Rail stations – and seek continued support of DART transit enhancements for Richardson.
- Complete the activation of public safety radio and technology infrastructure enhancements.
- Continue the strengthening work plan for enhanced community outreach, marketing and promotion.

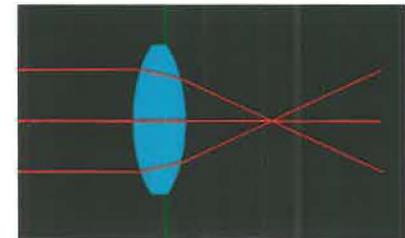
# Budget Development Objectives



- Continue to leverage with personal and corporate donations and volunteerism to strengthen community arts, city services, and community assets.
- Maximize the economic development retention and recruitment opportunities to strengthen our tax base – including retail initiatives and international business development.
- Foster the redevelopment of Richardson’s older assets through quality planning updates and financial support efforts like Tax Increment Financing (TIF) and active infrastructure upgrades.

# Budget Development Objectives

- Continue to support the strong work plan for Community Services – including the partnership with HOA's and volunteers with the Neighborhood Services emphasis and ongoing attention to building quality and sustainable development practices.
- Sustain Richardson's leadership posture with DART, NTTA and TxDOT initiatives to sustain good transportation access and air quality efforts.
- Support the planning and fiscal requirements for regional utility services for water supply, sewer treatment, and solid waste management to assure the future of these important infrastructure assets and resources.



# Budget Development Objectives



- Continue our strong alliance commitments with our community partnerships: RISD, PISD, MRMC & UTDallas
- Sustain our focus on the quality-of-life components of municipal services devoted to parks, recreation and open space/trail. Be attentive to refining service delivery in these areas as we design and construct the bond and grant-funded recreation assets.
- Continue to support a competitive employment environment to sustain and recruit a high-quality public service work force.

# Key Budget Elements for 2011-2012:

## Property Tax

- Our tracking efforts with the DCAD and CCAD appraisal districts suggest that 2011-2012 will be a third year of reduced property values. A **-2.0% reduction** has been predicated in this current preliminary budget draft.
  - Commercial values are suspected to continue to reflect the dampened impacts of the larger economic environment.
  - The specific components of the tax base and their trends will be known with the certified rolls to be received by July 25<sup>th</sup>.
- **No tax rate change is proposed.** The current \$0.63516 rate will be used in budget development.
- With no upward pressure expected in residential property values, the Senior Exemption's current \$55,000 value amount will maintain the 30% protection objective for 2011-2012.
- Property taxes provide about 37% of the entire General Fund resources.

# Key Budget Elements for 2011-2012: Sales Tax

- Sales tax revenue estimating continues to be a challenge to determine a true trend or pattern. Additionally, periodic audit adjustments must be factored into any forecast estimate.
- This current 2010-2011 year has had a mixed pattern – but generally dampened.
- We are estimating an -\$800,000 decline (-3.1%) for next year, in an effort to stay conservative on this revenue front.
  - We will again assess this estimate as we receive the July remittance and prepare the final budget for filing in August.
- This preliminary 2011-2012 estimate of \$23.8 million just matches the FY2000-2001 level.
- This revenue provides about 25% of the entire General Fund resources.

# Key Budget Elements for 2011-2012:

## Rates & Fees

- The earlier advisory that this next budget will need to evaluate rate adjustments for both **Water/Sewer Utility and Solid Waste** is accurate. Exact amounts of adjustment are under evaluation with key evaluations to be completed following this 2010-2011 year end.
- Interim uses of available Rate Stabilization reserves are included to allow for a timely review in the new fiscal year of these possible rate considerations.
  - Water rates were last adjusted in 2007-2008.
  - The last sewer rate adjustment occurred in 2008-2009.
  - The Utility Fund has been able to postpone this rate adjustment to this next 2011-2012 fiscal year, even as the regional providers (NTMWD, DWU, Garland) have made periodic rate changes to Richardson for the wholesale price of these services.
    - During the period since our last adjustment(2008-2009), NTMWD's wholesale water rate has increased by \$0.19 per thousand gallons – a 16% change to date, with an additional projected increase of \$0.14 or 10.2% change planned for the next 2011-2012 fiscal year.
  - A residential solid waste rate change may be recommended during this next fiscal year. (These rates were last adjusted in 2008-2009.) An exact plan will be related to the results of the currently-active Solid Waste service study, with a Spring/Summer 2012 completion. Commercial rates are proposed for market-based adjustment.

# Key Budget Elements for 2011-2012:

## Rates & Fees (more)

- We are proposing to implement the **Drainage Utility Fee** that was introduced for review in 2010 during 2011-2012. Richardson is one of the few remaining cities in the DFW area that has not established this fee, even as our General Fund has absorbed the mandates of the State's Stormwater Quality Management regulations.
  - Upon the City Council's direction, about \$1 million of current General Fund expenses related to this program (engineering, enforcement, inspection, etc.) will be redirected and assigned to a new Drainage Utility Fund. Additionally, about \$1.5 million in annual stormwater/drainage capital improvements will be funded.
- Selected fees and rates are proposed for adjustment:
  - Several building permit, registration and inspection fees are proposed for adjustment.
  - Ambulance fees are also proposed to be adjusted.
- A rate adjustment is proposed for the Golf Course. This is the first adjustment since 2002.

# Key Budget Elements for 2011-2012: Debt & Capital Program

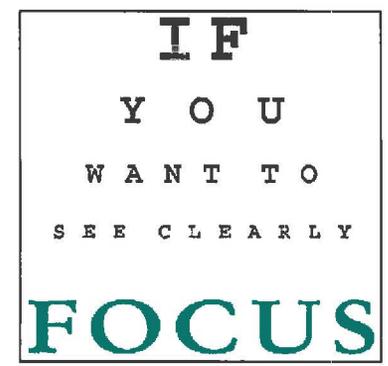
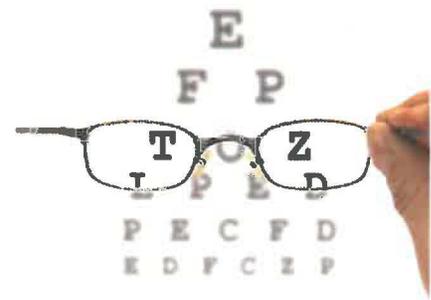
- Following the approval of the \$66 million 2010 G.O. Bond program and related debt-assigned \$0.06 tax rate change, the current focus is on active implementation of the program.
- Debt service requirements now reflect these recently added obligations, and are handled in 2011-2012 through the multi-year debt plan that was developed.
- For 2011-2012, **\$ 7.87 million** across all funds is proposed for the Series 2012 C.O. debt program. This will cover the annual capital replacement requirements and the Utility Fund C.I.P. needs:
  - \$2.9 million for General Fund capital equipment
  - \$0.975 million for Fire Equipment
  - \$0.995 million for Solid Waste equipment
  - \$3.0 million for Utility Fund C.I.P.

# Key Budget Elements for 2011-2012: Staffing & Compensation

- Personal Services comprise the largest expense category of the General Fund. Staff continues to hold vacant positions and to understaff to assist in managing these expenses. Overall staffing remains below the level of 2001-2002.
- Currently, 17 positions are frozen for 2011-2012.
- Significant revisions in the City's retirement benefit program will result in a reduction in the annual contribution rate and the long term liability for this program. Beginning Jan. 2012, the rate will be 14.79% of payroll, a reduction from the current year's rate of 19.31%. The long term liability will drop by \$30 million for this program.
- Significant adjustments in the City's employee health insurance program are under review. An increase in City funding for this program is proposed, reflecting a participation ratio similar to other area municipal entities.
- No compensation adjustment is presently proposed for employees in 2011-2012.

# Summary

- As drafted, year-end and new year budgets are balanced and maintain adequate fund balances.
- This budget continues to reflect the economic conditions of the area and preserves key services as we await signs of improvement.
- The fiscal plan can allow continued “Focus” on the important missions that the City Council’s new Goals and Action Items identify.
- Attached with further specifics are the narratives and key fund summary reports for:
  - General Fund & Debt Service Plan
  - Utility Fund
  - Solid Waste Fund
  - Hotel/Motel Fund
  - Golf Fund



# Summary

- Many tasks and further detailing is required before the August 12, 2011 budget filing.
- Further opportunities to provide access and to gain public input are scheduled before final adoption.
  - Council Budget Retreat - Web/Cable Access
  - Council Budget Work Session – Web/Cable Access
  - Web, City Secretary & Library copies of the filed budget provided
  - Budget/Tax Rate Public Hearings
- The City Council's input is sought at this early stage to confirm that the proposed 2011-2012 budget will be responsive and adequate.

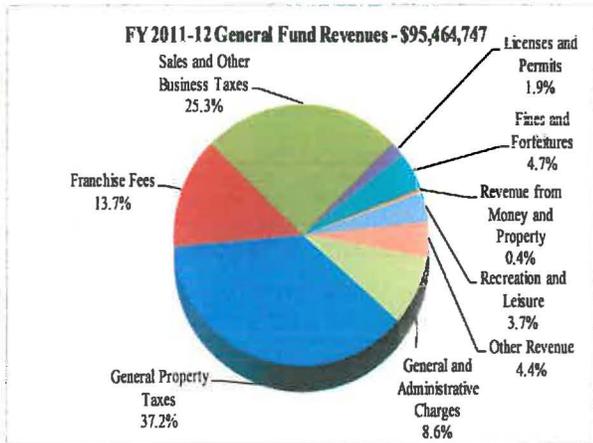


## GENERAL FUND

The General Fund is the largest of the City's five operating funds, accounting for most financial resources except those required for debt or specifically attributable to the enterprise funds.

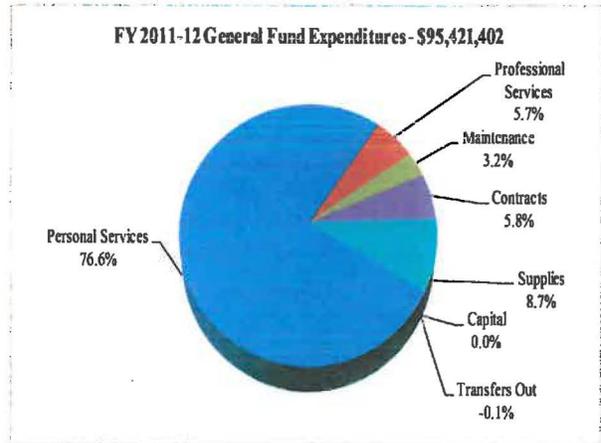
### Sources

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 76.3% of all revenues in the fund.



### Uses

Operating expenditures provide support for most traditional tax-supported municipal services such as Public Safety, Parks and Recreation, Development Services, Traffic and Transportation, Library, Building Inspection, Finance, Human Resources, Health and General Administration. Personal Services account for 76.6% of all expenditures in the fund.



### Fund Balance

The Fund Balance target for the General Fund is 60 days of expenditures.

### GENERAL DEBT SERVICE FUND

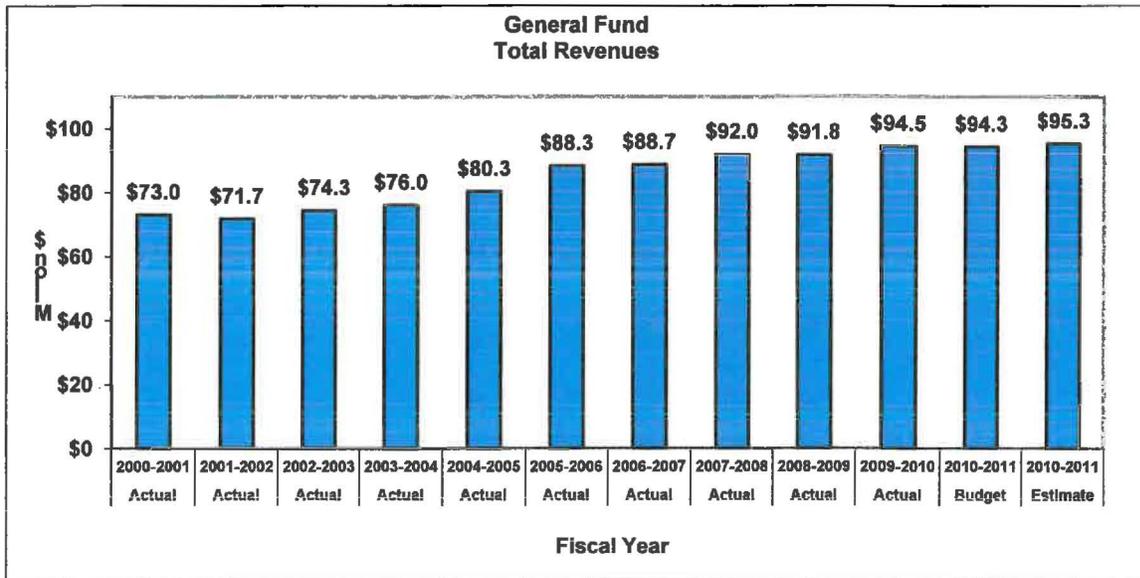
The General Debt Service Fund hosts the revenue and expenses for general debt service obligations. The primary source of revenue is general property taxes and expenditures include the annual debt services payments for outstanding debt not financed through other debt service funds.

# GENERAL FUND

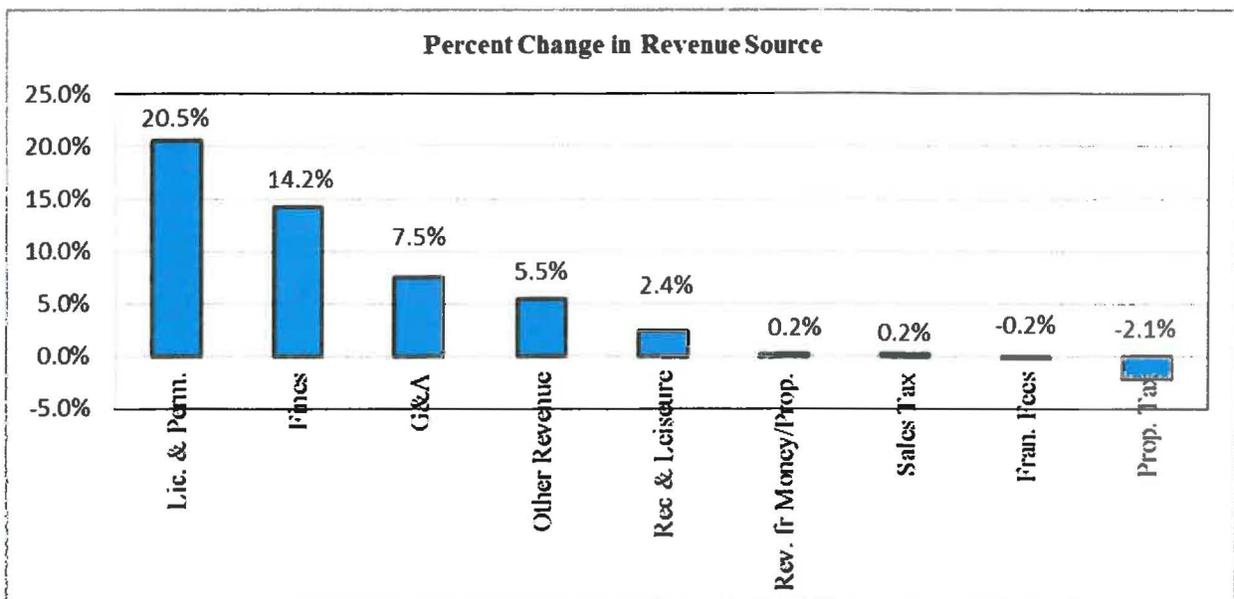
## 2010-2011 Year End Estimate

### Revenues

- Total Revenues for the General Fund have been revised based on 9 months of actual revenues received to date across all revenue sources. Total Revenues are now projected to end the year at \$95.3 Million or \$1.0 Million over the original budget projections.



- Of the 9 major categories of revenue sources, 5 are expected to be at or above original revenue projections while the remaining 4 categories are expected to be lower than original budget estimates.



## **General Property Taxes**

- Original 2010-2011 Budget projections for revenue from General Property Taxes assumed 100% collection. Property Tax revenues for 2010-2011 were predicated on a citywide assessed value tax base of \$9.7 Billion which included a July 2010 Certified Tax Base of \$9.7 Billion, \$20.1 Million of values in dispute still outstanding at the time of DCAD roll certification and a reduction of \$34.6 Million for the Tax Increment Financing District. Year-end estimates call for total collections, including prior year taxes and penalties of \$35.1 Million for General Fund operations, a decline of (\$742,000). Throughout the year, the City receives supplemental adjustments to the roll that happen as a result of the settlement of any outstanding cases from the Appraisal Review Board process and lawsuits associated with valuation disputes. Many times, these adjustments are positive and add value to the tax roll, but the inverse can also happen whereby value is removed from the tax roll. Such is the case this year where as some of the outstanding protests with the appraisal districts have been settled, the values of the property were reset to a lower number, thereby reducing the amount of revenue the City receives. Likewise in the category Prior Taxes, if an outstanding dispute is settled that includes taxes from a prior year, the City may see reductions in Prior Taxes collected, just as we have this year where large refunds were required lowering collections for prior taxes to just \$56,000 from what is normally around \$300,000 per year.

## **Franchise Fees**

- Franchise Fees are charged to utility service providers for the use of City owned right-of-way for placement of the necessary infrastructure to provide their service to clients. Total revenue received from franchise fees is anticipated to end the year (\$21,000) below budget. The largest decrease was due to lower than expected fees from the Natural Gas provider. Even in light of the cold winter experienced by the area, record low wholesale prices for natural gas dampened company revenues thereby affecting their franchise fees. We expect smaller declines in Telecommunication and Solid Waste franchise fees. These declines are offset by increases in electric, cable television services and water and sewer franchise fees.

## **Sales Taxes**

- Total Sales and Other Business Taxes were budgeted at \$24.9 Million for 2010-2011 representing a 3.0% increase from the "base" year-end estimate. We expect to end the year with \$25.0 Million in Sales Tax collections, even with our original budget. Both the Bingo Tax and the Mixed Beverage Tax will be approximately even with the original budget.

## **License and Permits**

- For FY 2010-2011, we are seeing decreases in the number of new permits for both new buildings and additions and non-residential alterations while residential alteration permits increased 17.8%, however, with the exception of New Buildings/Non-Residential, the value of those permits increases. Revenues from License & Permits are projected to end the year at \$1.7 Million or \$288,000 above the original budget projections and includes 2 large permits, one for the first phase of Fossil and one for the Evergreen Development.

<b>No. Of Permits Comparison</b>				
	<b>YTD 2008-2009</b>	<b>YTD 2009-2010</b>	<b>YTD 2010-2011</b>	<b>% Change</b>
<b>New Buildings</b>				
<b>Residential</b>	36	44	39	(11.4%)
<b>Non-residential</b>	28	34	20	(41.2%)
<b>Subtotal</b>	<b>64</b>	<b>78</b>	<b>59</b>	<b>(24.4%)</b>
<b>Additions &amp; Alterations</b>				
<b>Residential</b>	354	371	437	17.8%
<b>Non-Residential</b>	145	200	191	(4.5%)
<b>Subtotal</b>	<b>499</b>	<b>571</b>	<b>628</b>	<b>10.0%</b>
<b>Total</b>	<b>563</b>	<b>649</b>	<b>687</b>	<b>5.9%</b>

<b>Permit Valuation Comparison</b>				
	<b>YTD 2008-2009</b>	<b>YTD 2009-2010</b>	<b>YTD 2010-2011</b>	<b>% Change</b>
<b>New Buildings</b>				
<b>Residential</b>	\$36,479,351	\$14,325,882	\$20,316,126	41.8%
<b>Non-residential</b>	\$19,153,958	\$40,791,388	\$6,896,113	(83.1%)
<b>Subtotal</b>	<b>\$55,633,309</b>	<b>\$55,117,190</b>	<b>\$27,212,239</b>	<b>(50.6%)</b>
<b>Additions &amp; Alterations</b>				
<b>Residential</b>	\$5,063,998	\$4,907,419	\$6,697,418	36.5%
<b>Non-Residential</b>	\$26,651,398	\$38,946,980	\$59,733,908	53.4%
<b>Subtotal</b>	<b>\$31,715,396</b>	<b>\$43,854,399</b>	<b>\$66,431,326</b>	<b>51.5%</b>
<b>Total</b>	<b>\$87,348,705</b>	<b>\$98,971,589</b>	<b>\$93,643,565</b>	<b>(5.4%)</b>

### **Fines and Forfeits**

- Revenue from Fines and Forfeits are expected to be \$553,000 or 14.2% above the original budget. The number of violations processed through the court is tracking up 26.6% compared to last year. In addition to current year citations, the City actively works citations that have gone to warrant status, ever mindful of the cost effectiveness of doing so since approximately 85% of warrants are for addresses outside the City.

	<b>Neighborhood Services</b>	<b>Police Issued</b>	<b>YTD Violations</b>
2009-2010	1,132	31,039	32,171
2010-2011	1,256	39,472	40,728

### **Revenue from Money/Property**

- Revenue from Money/Property, which includes interest earnings and the Civic Center revenues, is expected to end the year \$900 over the original budget of \$379,000.

### **Recreation and Leisure Services**

- Revenue received from the variety of city-sponsored Recreation and Leisure Services is expected to exceed the original budget of \$3.3 Million by \$78,000. Decreases in Season

Swim Passes, Tennis, Class, and Athletic Fees are offset by increases in the other categories.

### Other Revenues

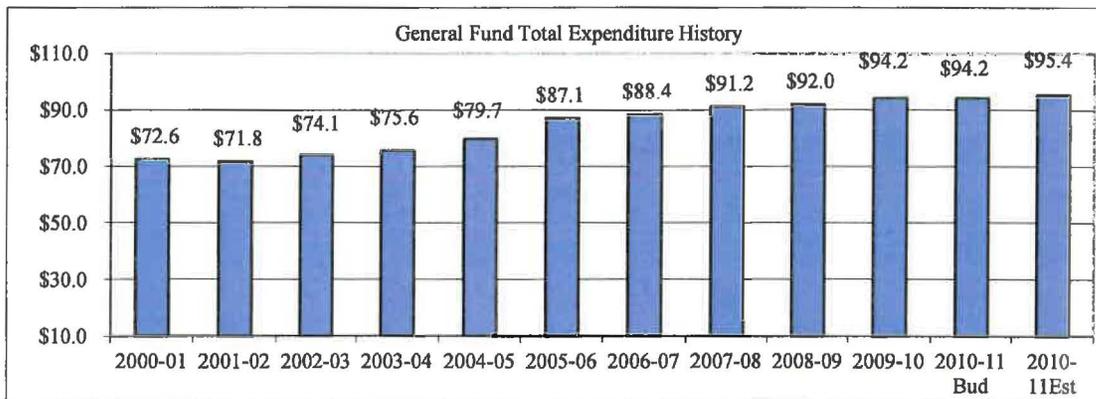
- The Other Revenues category is expected to end the year at \$4.2 Million or \$216,000 above the original budget. The increase of \$274,000 in the Miscellaneous Revenue category is offset by the small declines in Auction and 911 fees. While auction fees are down for smaller items, the vehicles sold (and recorded as a sale of general fixed assets in the miscellaneous category) were very successful this year generating over \$237,000 in revenue. As a reminder, this category is a compendium of 37 small revenue accounts that do not fit cleanly into other categories.

### General & Administrative

- The General and Administrative (G&A) Transfer revenue category is expected to end the year up \$598,000 due to a mid-year changes in both the Capital Projects G&A and the transfer from the Wireless Fund, and the implementation of the Hotel/Motel G&A charge. These general and administrative charges represent the indirect cost associated with operating that fund by personnel in another fund.

### Expenditures

- Total Expenditures and Transfers for the General Fund are estimated to end the year at \$95.4 Million or \$1.2 Million above the original budget.



- With 9 months of actual expenditures and an eye towards year-end, departments have submitted year-end estimated operating expenditures totaling \$93.9 Million, an increase of \$710,000 or 0.8% from original budget.
- Departments have recognized (\$503,000) in savings in the Personal Services category as a result of natural attrition throughout the year. This savings includes freezing 17 authorized positions.
  - 1 Detention Officer and 1 Police Specialist in the Police Department
  - 1 Librarian, 2 Library Clerks, 1 Sr. Library Clerk, 1 Administrative Secretary I and 1 Sr. Library Clerk.
  - 1 Sr. Custodian and 1 Sr. Maint. Tech in Facilities
  - 5 Maintenance Help I's and 1 Maintenance Helper II in PARD
  - 1 Signs and Markings Supervisor in Traffic and Transportation.

- Professional Services increases \$160,000 and includes payments made to Kasner and Associates LLC for their work in sales tax that netted us a combined \$500,000 in audit adjustments.
- Maintenance is expected to end the year down (\$131,000) from original budget. Information Technology realized \$70,000 in savings on software maintenance. The remaining savings is spread across several smaller line items throughout the departments.
- Contracts increase \$545,000 from budget. The Judgments and Damages account increased \$170,000, while our economic development agreements are trending \$60,000 over budget due to increased sales activity. Bank charges are up an additional \$83,000 for credit card processing fees and the depository charge. The remaining \$232,000 increase is across many departments and several smaller accounts.
- Supplies increase \$517,000 from the original budget of \$7.7 million. This includes \$214,000 in prior year encumbrances, recorded here as an expense, and funded from a reserve of last year's ending fund balance. Rising fuel costs are estimated to end the year \$317,000 higher than the \$1.1 Million originally budgeted.
- Operating Transfers Out is estimated to end the year \$495,000 over the original budget due to the balancing transfer for General Debt Service and the year-end treatment of the Golf Fund.
  - Each year the City budgets 100% of the tax levy and every dollar received is split into the O&M piece and the Debt Service piece. When the City collects less than 100% of the levy, the Debt Service Fund collects less as well. Since there are only two sources of revenue in the Debt Service Fund (property taxes and the interest it earns) the deficit is corrected by a year-end transfer from operations to debt service. The transfer is "tuned" to keep the fund balance in the debt service fund at the 30 day level as prescribed by the Council approved financial policy.
  - As the Golf Fund continues to recover from the early season rainfall and late season playability issues with the greens last year, the General Fund will transfer just enough funds to maintain the fund at the minimum level of the 30 days building to 60 days in fund balance financial policy.

### **Fund Balance**

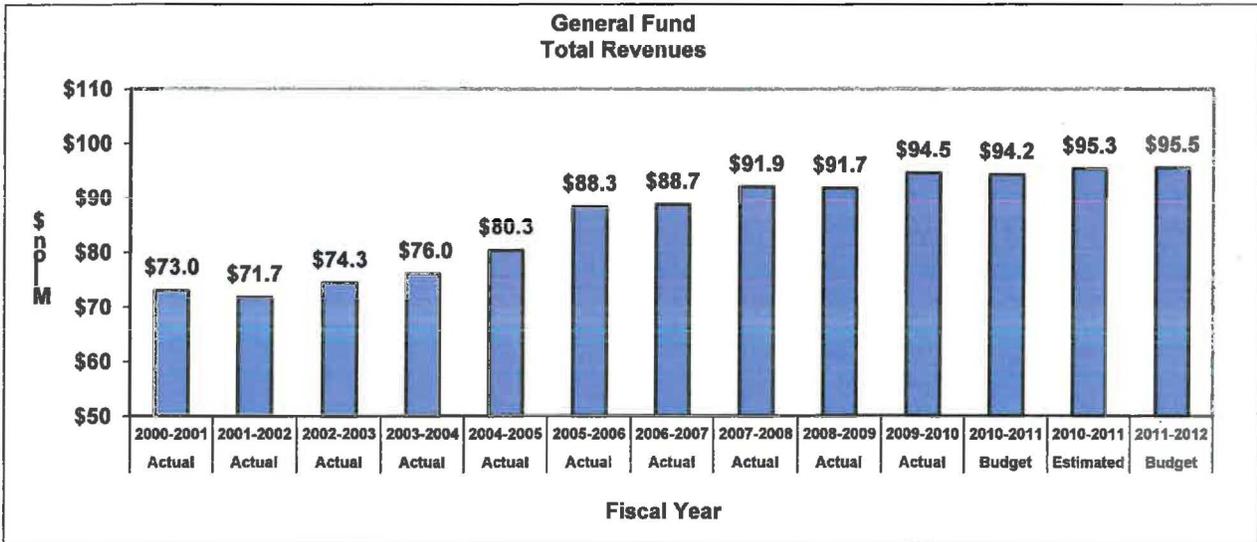
- With Total Revenues of \$95.3 Million and Total Expenditures and Transfers of \$95.4 Million, the fund balance of the General Fund is estimated to end the year at 60.2 days. We will continue to monitor and adjust revenues and expenditures through the remaining months of the fiscal year so as to end the year at 60 days of fund balance.

# GENERAL FUND

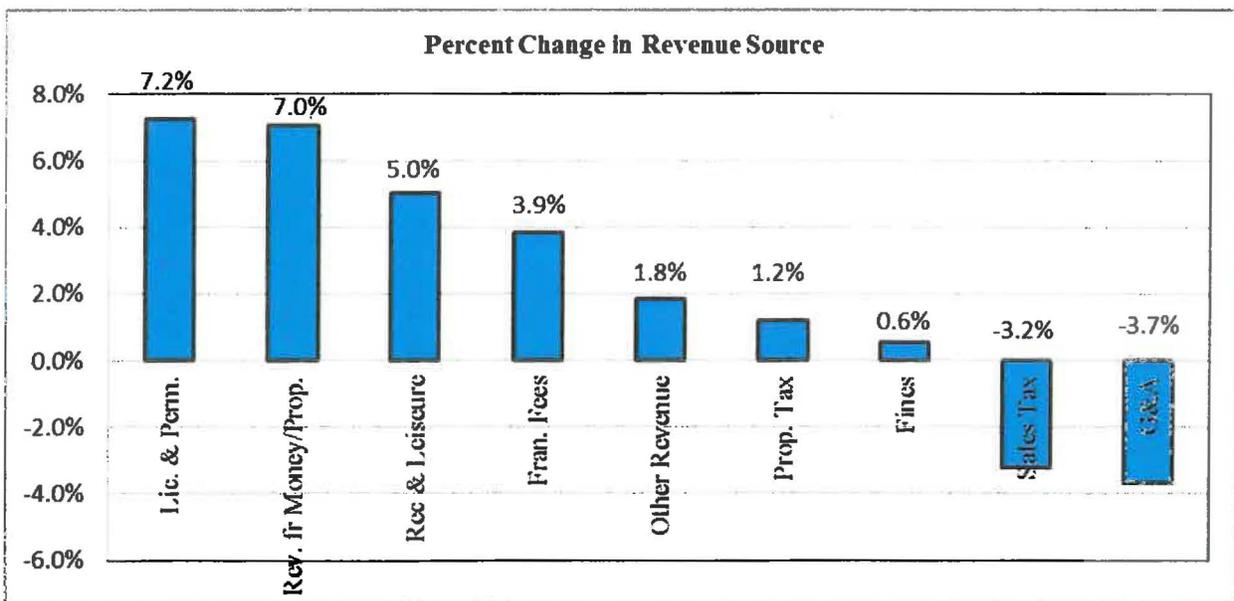
## 2011-2012 Budget

### Revenues

- Total Revenues for the General Fund of \$95.4 million, an increase \$205,000 from the estimated year-end revenues of \$95.3 Million.



- Of the nine major revenue categories, revenue from Property Tax, Sales Tax and Franchise Fees comprise 76.3% of all projected General Fund revenues for 2011-2012. Seven of the nine revenue sources are anticipated to be higher for 2011-2012 than year-end estimates for 2010-2011.



## Property Taxes

- Based on information provided to us by DCAD, the table below summarizes the percent of parcels in each category reappraised by DCAD for the last three years. CCAD reappraises 100% of all parcels each year.

DCAD 2011 Tax Roll – Percent of Parcels Reappraised			
	2009	2010	2011
Residential	29%	46%	28%
Commercial	89%	42%	65%
BPP	100%	100%	100%
All	45%	54%	42%

- The following table represents the percent changes in the DCAD valuations from the current 2010-2011 Supplemental Rolls to the first Preliminary Roll for 2011-2012.

	Grand	Commercial	BPP	Residential
<b>Richardson</b>	<b>3.0%</b>	<b>5.2%</b>	<b>6.3%</b>	<b>0.3%</b>
<b>Dallas County</b>	<b>2.3%</b>	<b>4.5%</b>	<b>4.7%</b>	<b>(0.1%)</b>
<b>R.I.S.D.</b>	<b>1.9%</b>	<b>4.7%</b>	<b>3.2%</b>	<b>(0.2%)</b>
<b>Other Dallas Co. Cities:</b>				
<b>Addison</b>	<b>6.6%</b>	<b>8.0%</b>	<b>7.2%</b>	<b>0.3%</b>
<b>Carrollton</b>	<b>5.6%</b>	<b>5.7%</b>	<b>10.8%</b>	<b>(0.1%)</b>
<b>Irving</b>	<b>2.8%</b>	<b>3.3%</b>	<b>4.3%</b>	<b>0.8%</b>
<b>Grand Prairie</b>	<b>2.7%</b>	<b>3.8%</b>	<b>14.4%</b>	<b>(1.0%)</b>
<b>Dallas</b>	<b>2.4%</b>	<b>4.9%</b>	<b>4.2%</b>	<b>(0.2%)</b>
<b>Farmers Branch</b>	<b>1.7%</b>	<b>4.6%</b>	<b>(1.5%)</b>	<b>(1.5%)</b>
<b>Mesquite</b>	<b>0.6%</b>	<b>3.4%</b>	<b>2.6%</b>	<b>(1.5%)</b>
<b>Garland</b>	<b>0.6%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>(1.2%)</b>

- In June 2011, total Preliminary Values for the 2011-2012 tax roll were \$9.76 Billion combined from Dallas Central Appraisal District (DCAD) and Collin Central Appraisal District (CCAD), indicating a 0.5% increase in assessed valuations from the overall 2010 Certified Roll of \$9.71 Billion. As before, reductions to these preliminary values routinely occur through taxpayer challenges of appraisal values.
- For DCAD, the preliminary value of \$6.48 Billion represents a 2.4% increase from the 2010 Certified Roll of \$6.33 Billion. While in CCAD, a \$3.28 Billion preliminary roll represents a (3.1%) decrease from the 2010 Certified Roll of \$3.38 Billion.

	Certified 2010	First Preliminary 2010	\$ Change	% Change
CCAD	\$3,383,595,727	\$3,277,900,000	(\$105,695,727)	(3.1%)
DCAD	\$6,327,562,641	\$6,477,999,591	\$150,436,950	2.4%
<b>Total</b>	<b>\$9,711,158,368</b>	<b>\$9,755,899,591</b>	<b>\$44,741,223</b>	<b>0.5%</b>

- Over the course of the last two months, several interim appraisal reports have been received as the DCAD Appraisal Review Board works toward resolution of appeals. Through July 14, 2011, the preliminary \$6.48 Billion DCAD roll has been adjusted downward by a total of (\$311 Million), a decline of (3.2%) from the first Preliminary Estimate from DCAD.

- Given the expected further changes in the tax rolls before we receive Certified Finals on or about July 22, the 2011-2012 General Fund Budget is predicated on a -2.0% decrease in assessed values from the certified values for 2010-2011. The forecasting technique used to predict the -2.0% is based on a 5-year history of adjustment from the first preliminary roll through actual certified. As certified rolls are received from the 2 appraisal districts at the end of this month, assessed valuation assumptions in the proposed 2011-2012 Budget will be updated to reflect final figures.
- Using the projected value, each 1% of the 2011 tax roll is worth about \$617,000 of tax revenue. Each \$0.01 cent of the tax rate is worth about \$947,000. These will adjust slightly as a certified roll is resolved.
- The current 2010-2011 tax rates for the Big 10 + 3.

<b>Current 2010-2011 Adopted Rates</b>				
<u>City</u>	<u>2010 Tax Rate</u>	<u>2010 Homestead</u>	<u>2010 Over 65</u>	<u>2010 Over 65 Freeze</u>
Frisco	\$0.465000	N/A	\$50,000	No
Plano	\$0.488600	20%	\$40,000	Yes
Allen	\$0.554000	N/A	\$50,000	No
Irving	\$0.576100	20%	\$30,000	No
McKinney	\$0.585500	N/A	\$50,000	No
Carrollton	\$0.617875	20%	\$60,000	No
<i>AVERAGE</i>	<i>\$0.633603</i>		<i>\$50,769</i>	
<b>Richardson</b>	<b>\$0.635160</b>	<b>N/A</b>	<b>\$55,000</b>	<b>No</b>
Mesquite	\$0.640000	N/A	\$65,000	Yes
Arlington	\$0.648000	20%	\$60,000	Yes
Grand Prairie	\$0.669998	1%	\$45,000	Yes
Garland	\$0.704600	8%	\$51,000	No
Dallas	\$0.797000	20%	\$64,000	No
Ft. Worth	\$0.855000	20%	\$40,000	Yes

- Property Tax Revenues for operations are projected at \$34.4 million reflecting a (\$388,000) decrease from budgeted 2010-2011 Property Tax Revenues.

<b>History of Taxable Value, Tax Levy and Tax Rates 1997 to Budget 2011-2012</b>							
<b>Tax Year</b>	<b>Taxable Value</b>	<b>Tax Levy</b>	<b>Operation &amp; Maintenance</b>		<b>Total O &amp; M</b>	<b>Interest &amp; Sinking</b>	<b>Total Tax Rate</b>
			<b>Street*</b>	<b>Operations</b>			
<b>2011</b>	<b>\$9,444,511,217</b>	<b>\$60,155,517</b>	<b>\$0.01</b>	<b>\$0.35281</b>	<b>\$0.36281</b>	<b>\$0.27235</b>	<b>\$0.63516</b>
2010	\$ 9,696,775,165	\$61,590,037	\$0.01	\$0.35281	\$0.36281	\$0.27235	\$0.63516
2009	\$ 9,993,609,491	\$57,479,244	\$0.01	\$0.35281	\$0.36281	\$0.21235	\$0.57516
2008	\$9,940,193,373	\$57,172,016	\$0.01	\$0.35281	\$0.36281	\$0.21235	\$0.57516
2007	\$9,554,151,301	\$54,951,657	\$0.01	\$0.35281	\$0.36281	\$0.21235	\$0.57516
2006	\$9,244,635,756	\$53,171,447	\$0.01	\$0.34868	\$0.35868	\$0.21648	\$0.57516
2005	\$8,704,066,596	\$45,710,276	\$200,000	\$0.35868	\$0.35868	\$0.16648	\$0.52516
2004	\$8,331,996,860	\$43,756,315	\$200,000	\$0.34934	\$0.34934	\$0.17582	\$0.52516
2003	\$8,458,454,017	\$40,418,723	\$200,000	\$0.30377	\$0.30377	\$0.17408	\$0.47785
2002	\$8,665,263,100	\$41,406,960	\$200,000	\$0.29809	\$0.30416	\$0.17369	\$0.47785
2001	\$8,807,923,102	\$39,093,967	\$200,000	\$0.25857	\$0.25857	\$0.18528	\$0.44385
2000	\$7,933,433,019	\$35,212,542	\$0.01	\$0.24653	\$0.25653	\$0.18732	\$0.44385

1999	\$7,339,616,763	\$32,576,889	\$0.01	\$0.23900	\$0.24900	\$0.19485	\$0.44385
1998	\$6,703,049,848	\$29,751,487	\$0.01	\$0.24350	\$0.25350	\$0.19035	\$0.44385
1997	\$6,257,348,811	\$27,773,243	\$0.01	\$0.24004	\$0.25004	\$0.19381	\$0.44385

\* Street Rehabilitation Funding

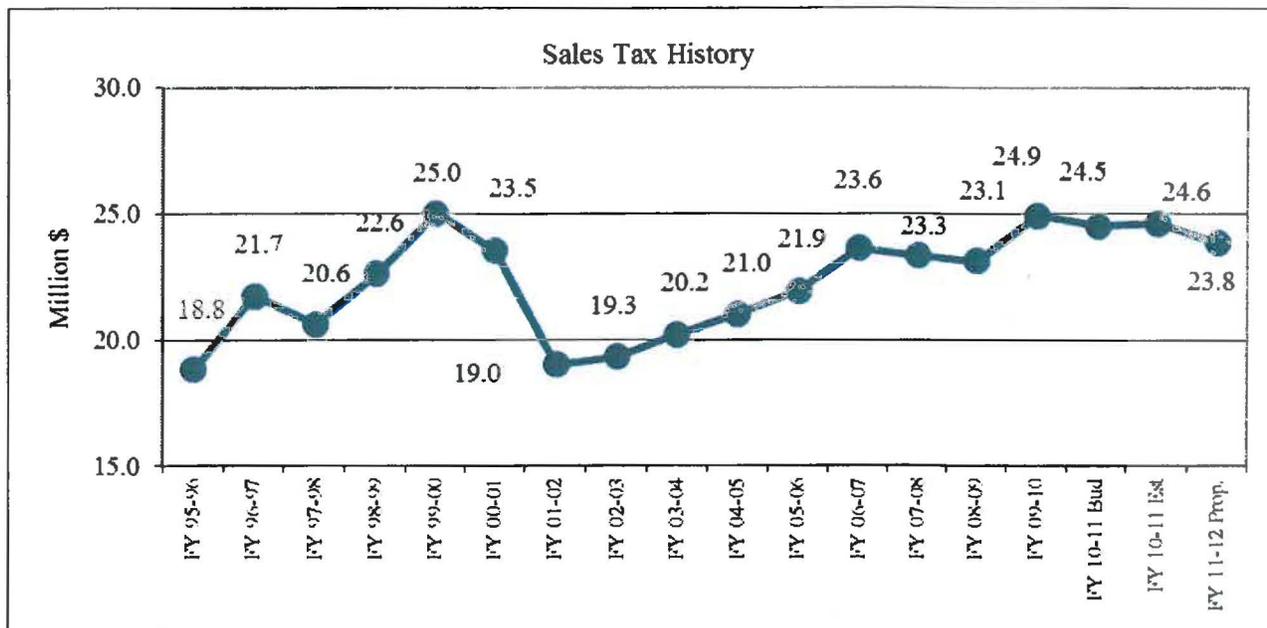
### Franchise Fees

- Franchise Fees are projected at \$13.1 million for 2011-2012, an increase of \$485,000 or 3.9% over estimated year-end. The Electric Franchise reflects normal growth in kw hours sold as well as the recent Rate Settlement Agreement calling for a rate increase per kw hour of 5%. The natural gas fee reflects an expected rise in prices as the market recovers from record low pricing during this past winter. The only decline in fees is expected in the water and sewer amount saw those sales return to an average sales year.

### Sales and Other Business Taxes

- Sales and Other Business Taxes are projected at \$24.2 Million for next year reflecting a decrease of (\$802,000) or -3.2% from estimated year-end revenues.
- Our top 20 remitters account for 33.3% of total receipts this year, down from the 38.2% last year. The majority of this decline is due to large one time sales last year in the wholesale sector industry.
- Mixed Beverage receipts are anticipated to drop (\$40,000), or -11.0% as a result of legislative changes in Austin while the Bingo tax is proposed at a 3% growth or \$1,600 over year-end. Sales Tax, the largest of the three in this category, is projected to decrease (\$764,000) or -3.1% from year-end estimates based on current trends and expectations of flat "base to base" activity. Year-end 2010-2011 estimate includes \$764,000 in non-recurring audit adjustments. Those adjustments are not included in the forecast for next year, only the "base" collection.

FY 10-11 Base Estimate	Projected Growth Rate	FY 10-11 Budget
\$ 23,809,511	0.00%	\$ 23,809,511



## License and Permits

- License and Permits is projected to increase \$122,000 from the year-end estimate of \$1.7 million and includes increases in several building inspection fees. The increases (listed in the table below) account for a \$200,000 in increased revenue in three areas; building permits, rental registration and apartment inspections.

Type of Permit	COR Current	Average	COR Ranking	COR Recommended	COR Ranking	Increase	Increased 11/12 Revenue*
Rental Registration	\$50	\$63.75	5/5 tie	\$75	way tie 1	\$25	\$60,000
Apartment Inspection	\$10	\$12.33	7/7	\$13	3/7 tie	\$3	\$40,000
Miscellaneous trade work (residential)	\$25	\$42	11	\$50	5	\$25	\$46,560
New single family (3,500 sf; \$72.45/sf; \$253,575)	\$800	\$1,258	11	\$1,200	8	\$400	\$15,200
Miscellaneous trade work (commercial)	\$50	\$57	7	\$75	4	\$25	\$7,450
Temporary sign	\$25	\$51	11	\$50	6	\$25	\$7,325
Clean & Show	\$50	\$110	13	\$100	3	\$50	\$6,200
Fence (residential - \$1,500 value)	\$15	\$39	12	\$30	8	\$15	\$6,075
Sign (new; reface; 50 sf)	\$75	\$90	10	\$100	4	\$25	\$4,300
Minimum permit fee (commercial)	\$60	\$130	8	\$75	7	\$15	\$4,050
Minimum permit fee (residential)	\$25	\$56	10	\$50	7	\$25	\$3,200
Swimming pools (\$35,500 value)	\$100	\$244	11	\$200	7	\$100	\$2,300
New multi-family (850 sf unit; \$68.25/sf; \$58,013)	\$400	\$513	9	\$500	7	\$100	\$1,500
Residential detached bldg <150 sf	\$15	\$46	13	\$30	8	\$15	\$1,050
Demolition permit	\$30	\$52	13	\$50	4	\$20	\$500
Residential detached bldg >150 sf (600 sf; \$30.00/sf; \$18,000)	\$50	\$157	10	\$100	8	\$50	\$400
Spas, hot tubs, above ground pools (\$5,000 value)	\$50	\$92	9	\$100	6	\$50	\$100
Sign repair	\$25	\$55	10	\$50	5	\$25	\$25
Concrete (commercial)	\$30	\$49	9	\$50	4	\$20	\$20
Fence (commercial - \$3,500 value)	\$50	\$59	7	\$50	7	\$0	\$0

\*Assumes the number of permits issued in FY 11/12 will be consistent with the number of permits issued in the past 12 months.

- The increase in building permits area is not readily evidenced if you just look at the numbers. FY 2010-2011 included the two large permits mentioned previously in this presentation. Before any projection can be made for next year, those non-recurring large fees must be removed from the equation.

## Fines and Forfeits

- Fines and Forfeits are expected to increase \$25,000 or 0.6% from the 2010-2011 estimated year-end position of \$4.4 Million. The revenue in this category is received through the Municipal Court and Library with the majority of the growth expected in Court activity.

## Revenue from Money and Property

- Interest earnings are expected to show modest recoveries next year as the investment market continues to stabilize. Bookings at the Civic Center continue to reflect the communities need for affordable meeting space. Both areas combine for an additional \$27,000 or a 7.0%.

## Recreation and Leisure Services

- Recreation and Leisure Services revenues are budgeted at \$3.5 Million, an increase of \$168,000 over 2010-2011 year-end estimates and includes modest growth across all categories except season swim passes and pool revenue. These two areas will be affected by

the construction on the Heights Pool. Swim program shows normal growth as PARD expects that program to move to other facilities and continue as normal.

### **Other Revenue**

- Projected at \$4.2 million or \$76,000 above estimated year-end for 2010-2011. The increase is primarily due to the new contract and fee increases for ambulance service. Under the new contract, all collected fees come to the City. We then cut a check to the billing service. Under the old contract, the billing service fees were retained by the agency before the proceeds were sent to the City. The Fire Department also proposes raising the transport fees from \$575 for residents and \$650 for non-residents to \$675 and \$775 respectively. According to survey work completed by the fire department, this proposal will place Richardson below the average and near the median for comparative cities. Along with the new billing procedures, these two changes are expected to generate \$200,000 in additional fees. The \$160,000 annual cable access fee is eliminated this year and replaced by a new 1% franchise fee known as Public, Education and Government (PEG) Fees. These fees have to be segregated in a separate fund for use in providing facility and capital support for our C.I.T.V. department. The other revenue sources are expected to see minimal growth next year.

### **General and Administrative/Transfers**

- Total revenue from G & A Transfers is projected at \$8.2 million, a decrease of (\$315,000) from FY 2010-2011. In addition to a reactivation of the Child Safety Fund Transfer to offset school crossing guards, the recently completed indirect cost analysis performed by DMG Maximus realigned our G&A transfers to reflect the level of work the General Fund does in the administration of the other operating funds. While the G&A from the Golf Fund increases, the Solid Waste and Water and Sewer G&A decrease under the new study. The G&A from the capital projects fund will also decrease (\$249,000). The CVB transfer will offset \$405,000 of that budget this year while the other categories remain unchanged for the proposed budget including a continuation of the \$450,000 transfer from the Wireless Fund. That transfer is used to help offset the cost of 911 telecommunicators in the Police Department.

## **Expenditures**

Total Expenditures and Transfers for the General Fund are projected at \$95.4 Million, even with the FY 2010-2011 year-end estimates and include a recommended January implementation of the drainage fee. One effect of the implementation will be \$1 Million relief to the General Operating Fund. Further discussion on the specific features of that relief and the mechanics of implementation of the fee will be provided during the formal budget presentation in August.

For FY 2011-2012 and with minimal growth in revenue to offset rising costs, great care was taken to insure that basic services, notably Police and Fire are able to continue with minimal service impacts to the residents.

- **Personal Services** – Personnel is always the largest expense and most valuable resource for an organization whose primary purpose is the provision of services to the public. Personal Services are presented at \$73.1 Million, an increase of \$1.4 Million or 2.0% higher than year-end estimate of \$71.7 Million and account for 76.6% of the total General Fund operating budget. The key personnel issues addressed in this proposal, include:
  - ***Continued Full Year Freeze on 17 positions and Understaffing of 5 positions for a total savings of (\$1.2 Million).***
    - The frozen positions currently include,
      - Police – 1 Detention Officer, 1 Police Specialist
      - Traffic and Transportation – 1 Signs and Markings Supervisor
      - Facility Services – 1 Sr. Custodian, 1 Sr. Maintenance Technician.
      - PARD - 1 Maintenance Helper II, 5 maintenance Helper I
      - Library – 1 Librarian, 2 Library Clerks, 2 Sr. Library Clerks, 1 Administrative Secretary I
    - The idea is to maintain a consistent level of savings from frozen positions, while allowing the “mix” of positions to change as other positions open up throughout the year. Management will fill selected positions as warranted while attempting to maintain the targeted (\$856,000) savings.
    - Understaffing is a way of recognizing savings that occur during the year through normal vacancy rates and is a particularly useful tool in larger, personnel intensive departments like Police and Fire. The City has always understaffed a certain number of sworn and non-sworn personnel in recognition that over the course of 12 months, a certain amount of salary savings is always achieved as employees come and go. The Police Department does not slow down or otherwise change hiring and staffing objectives, but we recognize the salary savings up front, rather than at the end of the year. For FY 2011-2012, 5 Police Officer positions are understaffed for an estimated year-end savings of (\$309,000)
  - ***Continued Funding for the Employee Retirement Program*** – The City of Richardson experienced rapid growth and expansion during the 60’s, 70’s and 80’s. City Staff, in particular Police and Fire had to expand along with a growing population. The City is proud of, and well served by the tenure and experience our employees bring to their jobs. Of the 955 employees currently on payroll, 155 or 16% have over 20 years of service while another 146 or 15% have over 15 years’ experience with the City. Together, they account for 31% of our full time staff. We remain committed to funding our retirement system for these, and indeed all our employees.

- The state legislature approved changes to the statewide Texas Municipal Retirement System (TMRS) that restructured the internal account structure to resemble the pension system structure common to the vast majority of public retirement systems. This change lowered the city's unfunded liability by \$29.6 million from \$75.7 million to \$46.1 million, while lowering the contribution rate to 14.79% of payroll beginning January 2012. This is a reduction from the current 19.31%, a 23.4% reduction in the City's contribution rate while protecting the stability of the employee's retirement.
- Additionally, the legislative change improved the city's funding ratio from 71.6% to 87.2%. The city's total actuarial accrued liability is \$359,151,109. This amount consists of the actuarial value of the city's assets of \$313,084,736 (87.2%) and the unfunded actuarial accrued liability of \$46,066,373 (12.8%).
- **CORplan – Health Insurance** – Sensitive to the economic environment of the last couple of years, the City has not adjusted employee contributions to the CORPlan despite rising costs for providing health care and no adjustment to employee or retiree contributions are proposed this year. Current claims patterns do require an increase in funding however. The City has not altered its contribution rate for employee and retiree premiums since 2008-2009, while also recognizing the constraints on employee salaries. For 2011-2012, the City will increase its contributions to CORPlan by \$2.8 Million; thereby protecting the quality of health care we provide our employees and retirees.
- **Personnel Items Not Addressed By This Budget Include,**
  - **Movement within approved pay plan ranges** – (\$500,000) - Approximately 52% of all city personnel are at the top of their pay range. The remaining 48% have room to grow within their approved pay plan ranges. Historically the annual movement has been on a 5% growth step that can be earned for each year service until the top of the pay range is reached, usually within a 4-5 year period, which is a consistent pay plan program utilized in public safety across the Dallas-Fort Worth Metroplex.
  - **Market Adjustment** – (\$638,000) - Since 1995-1996, the City has proactively reviewed approved pay ranges to insure market compatibility once these ranges have been coordinated with the merit package in an effort to recruit and retain high quality employees.
  - **Merit Salary Increase** – The City has only provided merit increases 2 times in the past 10 years. A 1% merit adjustment would account for a \$571,000 commitment.
- **Non-Personnel Operations** – For FY 2011-2012, Non-Personal Services operating line items account for \$22.3 Million or 23.4% of the operating budget for the General Fund. Through a general tightening across all departments and line items, the 2011-2012 budget reflects an increase of \$147,000 or 0.7% from the estimated 2009-2010 expenditures.
  - **Professional Services** – Increase \$212,000 or 4.1%. The majority of this increase, or \$162,000, is related general increases in the cost of maintenance contracts through the Parks department.
  - **Maintenance** – This category will increase \$27,000, or less than 1%.
  - **Contracts** – Decreases (\$114,000) or -2.0%. The reduction is through a continued tightening of accounts and is spread minimally throughout the departments.
  - **Supplies** - Increases \$159,000 or 1.9% over year-end. Older Adults will see an increase of \$50,000 for expenses related to the trips sponsored through the center. The expenses

are offset by matching revenue. If the trip doesn't make, the expenses are reduced. Another \$70,000 is allocated to PARD Maintenance for botanical.

- **Street Rehabilitation** – For the last 15 years, the City dedicated a portion of the total tax rate to street rehabilitation. This year, we again dedicate a full one-cent of the tax rate or \$947,000. This funding will allow for ongoing street leveling, crack sealing and “clean sweep” projects. Along with \$350,000 of operations funds, this will keep our commitment funded at over \$1.3 Million.
- **Alternative Funding** – The Traffic Safety Fund, as funded through the red light enforcement program, is able to absorb \$577,000 of expenses from the Police and Traffic Departments that would otherwise have to be funded in the General Fund. These items include signs, markings, signal and video camera maintenance, as well as overtime and supplies for traffic safety emergency issues for the Police Department. All expenditures from this fund are in compliance with allowable uses according to state law.
- **Fund Balance** – The proposed budget ends the year at the Council prescribed 60 days of fund balance.
- **Capital Requests** – Funding of capital equipment and non-recurring program enhancements in the 2011-2012 Budget will be handled through the use of \$2.9 Million in short-term C.O.'s. Following are the key items included in the \$5.8 Million worth of capital requests currently under review.

<b>Community Services</b>	Tablet Computer and Software - Sign Enforcement	\$5,500
<b>Information Technology</b>	Public Safety Mobile Data Computer Replacement	\$325,008
<b>Police</b>	Tahoe - Patrol (12) - Replacement of 12 Chargers	\$490,764
<b>Fire</b>	Thermal Imagers (7)	\$108,024
	Fire Hose Replacement	\$10,000
	Rescue/Pumper with CAFS System - Replacement (1)	\$596,000
	Ambulance - MICU - Replacement (1)	\$155,000
	Ambulance - MICU and req'd equipment - New (1)	\$225,000
	Wellness Equipment - Various Stations	\$16,000
<b>Streets</b>	Utility Trailer with Toolbox - Replacement	\$3,000
<b>Facility Services</b>	Boiler Replacement - Municipal Court	\$47,500
	Cooling Tower Upgrades - City Hall	\$55,000
	Fire Alarm System Upgrades	\$30,000
	Overhead Door Replacement - Central Fire	\$26,500
	Stair Tread Upgrade - Library	\$18,000
	Parking Lot Renovations - Electrical - Service Center	\$13,000
	Floor Renovations - Service Center	\$3,900
<b>Traffic &amp; Transportation</b>	Sign Post Driver and Drill - Replacement (2)	\$10,000
<b>Parks - Recreation</b>	Electrical System Expansion - Cottonwood Arts Festival	\$66,000
	Spring Flooring - Gymnastics	\$7,200
	Trench Bar - Gymnastics	\$5,000
	Pit Foam - Gymnastics	\$20,000
	Space Bars - Gymnastics (4)	\$4,080
	Carpet Bind Foam - Gymnastics	\$9,000
	Trampolines - Gymnastics (6)	\$13,200
	Vault Table - Gymnastics	\$3,800
	TAC 10 Spring Boards - Gymnastics (2)	\$2,000

	Resin Bar Mat - Gymnastics	\$1,000
	Place Carpet for under mats - Gymnastics	\$1,500
	Trampoline Springs - Gymnastics	\$1,000
	Heights Fitness Equipment	\$141,750
<b>Parks - Older Adults</b>	Card Tables - Replacement (7)	\$1,365
	Stacking Arm Chairs - Replacement (52)	\$10,400
	Carpet and Flooring	\$20,200
<b>Parks - Pools</b>	Filter Replacement - Cottonwood	\$44,750
	Filter Replacement - Glenville	\$31,200
	Filter Replacement - Canyon Creek	\$31,200
	Handicap Chair (1)	\$5,500
	Iron Fencing - Canyon Creek	\$17,940
	Pool Furniture	\$5,000
<b>Parks - Tennis</b>	Shade Structure	\$8,000
<b>Parks - Maintenance</b>	Matching Fund Beautification	\$164,600
	Hydraulic Irrigation System - Heights Park	\$45,000
	Playground Safety Surface - Custer Park and Galatyn Preserve)	\$25,000
	Cottonwood Erosion Project	\$60,000
	Mimosa Park Erosion Project	\$40,000
	SCNA Trail Renovation / Drainage	\$35,000
	Prairie Creek Park Erosion Project	\$40,000
	Smooth Wire Fence at Breckenridge Park	\$10,000
	Galatyn Plaza Tree Grates	\$10,000
	Soil for Breckenridge Athletic Fields	\$299,999
	Breckenridge Park Baseball Field Parking Lot Lighting (4)	\$60,000
	Renner Road Median Improvements	\$250,000
	Breckenridge Park Baseball Field Parking	\$15,000
	Lake Aerification - Galatyn Woodland Preserve	\$30,000
	Lake Aerification - Fire Station #5	\$17,000
	Lake Aerification - Crowley Park	\$40,000
	Lake Aerification - Breckenridge Park	\$75,000
	Galatyn Serpentine Wall Renovation	\$300,000
	McKamy Springs Park Signage	\$10,000
	Erosion Project - Breckenridge Park Bridges	\$250,000
	City Hall Fountain Copper Ring	\$38,000
	Pavilion Roof Replacement (4)	\$96,000
	Greenhouse Interior Road Renovation	\$20,000
	Greenhouse Entry Road Replacement	\$100,000
	Outfield Mow Strips (2)	\$50,000
	City Hall Fountain Basin Renovation	\$21,000
	Hilltop Cemetery Fencing (Chain Link to Wrought Iron)	\$12,000
	Soccer Goals	\$15,000
	Picnic Tables and Benches (22)	\$14,300
	Toro Workman - New	\$20,000
	Wheel Loader - New	\$170,000
	Water Cannon - Replacement	\$38,000

	Skid Steer Track System - New	\$18,000
	Toro Workman Trailer - New (2)	\$6,000
	Storage Mezzanine - New	\$45,500
	Power Buggy - New	\$10,000
	Reel Mower - New (2)	\$113,000
	3/4 Ton Extended Cab Pickup - New (Breckenridge Litter)	\$29,000
	3/4 Ton Extended Cab Pickup - New (Greenhouse/Landscaping)	\$29,000
	Crew Cab Pickup with 2 Yard Dump Body - Replacement	\$39,000
	Chipper Truck - Replacement	\$72,000
	SCNA Monumnet Sign	\$10,000
<b>Library</b>	Books and Media Items	\$275,000
<b>Citizens Info. Services</b>	70-200mm/2.8f Camera Lens	\$2,400
<b>Health</b>	Office Furniture	\$10,000
<b>Animal Control</b>	Animal Control Vehicle - Replacement	\$45,000
<b>Fleet</b>	Diesel Exhaust Fluid Infrastructure	\$38,000
	On-Site Oil Analysis System	\$43,000
	Tire Master Vertical Carousel	\$42,000
<b>Total</b>		<b>\$5,787,080</b>

- Also under review are Expanded Programs for the General Fund totaling \$4.2 Million.

<b>Convention and Visitors Services</b>	Sales Manager	\$89,445
<b>Emergency Management</b>	Vehicle - New	\$26,500
<b>Information Services</b>	AS400 Upgrade/Replacement	\$150,000
	Public Safety Mobile Data Computer Replacement	\$325,008
	Accounting Imaging and Public Access Software	\$62,000
	Web Master Position	\$71,718
<b>Civic Center</b>	Audio/Visual System Replacement - Richardson Room	\$3,000
	Audio/Visual System Replacement - Grand Hall	\$18,000
	Repainting of City Hall Interior	\$68,000
	Replacement of Furniture in Common Areas	\$30,000
	Grand Hall Flooring and Electrical Upgrade	\$48,000
	Remodel of Civic Center Kitchens and Storage	\$134,000
	Break Room Renovation	\$45,000
	Updating of Concourse Directional Maps	\$7,500
	Replacement of Concourse Artwork	\$100,000
Replacement of Concourse Plants/Trees	\$12,919	
<b>Police</b>	Public Safety Officers (2)	\$151,398
	Investigative Specialist (1)	\$50,057
	Police Officers (5)	\$520,257
	Property and Evidence Technician (1)	\$40,710
	Public Safety Telecommunicators (3)	\$119,534
	Public Safety Telecommunicator Supervisor (1)	\$67,849
<b>Fire</b>	Place Ambulance in Service at Station #3	\$848,875

	Vehicle for Fire Marshal's Division	\$32,000
	Public Education Specialist (1)	\$70,849
<b>Planning</b>	Enhancement/Redevelopment Area Meetings	\$313,029
<b>Streets</b>	Vehicle for Special Projects Employee (1)	\$25,000
<b>Traffic &amp; Transportation</b>	Emergency Traffic Signal Trailers (2)	\$36,000
	Additional watch Room Personnel (1)	\$45,620
	Additional Bucket Truck (1)	\$96,000
<b>Facilities Services</b>	Senior Maintenance Technician - Buildings (1)	\$41,314
<b>Park - Administration</b>	Part-Time Receptionist/Clerk	\$11,778
	Superintendent of Urban Forestry	\$88,255
	Superintendent of Business Affairs	\$98,479
	Conceptual Master Plan - Glenville New Land	\$30,000
<b>Parks - Recreation</b>	Recreation Coordinator - Huffhines Recreation Center (1)	\$59,657
<b>Parks - Older Adults</b>	Older Adults Coordinator (1)	\$59,552
<b>Parks - Tennis</b>	Assistant Tennis Center and Program Coordinator	\$52,377
<b>Parks - Maintenance</b>	Staff (1 Contract Administrator and 9 Maintenance Helper II's)	\$332,099
	Labor/Cost Management System	\$165,916
<b>Library</b>	Overdrive Downloadable Audio Books/Ebooks	\$20,000
	Restoration of Online Resources and Databases	\$32,235
	Restoration of Training	\$8,750
	Security Cameras/Monitoring System	\$70,000
	Construction of Study Rooms in Basement (5)	\$106,800
<b>Citizens Info. Services</b>	State of the City Production	\$8,850
<b>Animal Control</b>	Part-Time Clerk	\$22,530
	Part-Time Kennel Attendant	\$10,765
	Fund Spaying/Neutering of all adopted animals	\$144,000
	Construct a Spay/Neuter Clinic at the Shelter	\$150,000
<b>Total</b>		<b>\$5,121,625</b>

**CITY OF RICHARDSON  
SUMMARY OF REVENUES AND EXPENDITURES  
GENERAL 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
<b>Beginning Designated Fund Balance</b>	\$ 15,256,919	\$ 15,489,779	\$ 15,541,074	\$ 15,729,504	1.5%	1.2%
<b>Reserve for Encumbrances</b>	217,882	-	313,101	-	N/A	-100.0%
<b>Adjusted Beginning Fund Balance</b>	\$ 15,474,801	\$ 15,489,779	\$ 15,854,175	\$ 15,729,504	1.5%	-0.8%
<b>Revenues</b>						
General Property Taxes	\$ 36,792,431	\$ 35,852,870	\$ 35,111,143	\$ 35,528,838	-0.9%	1.2%
Franchise Fees	12,274,990	12,614,167	12,592,875	13,077,851	3.7%	3.9%
Sales and Other Business Taxes	25,255,573	24,943,951	24,988,892	24,187,266	-3.0%	-3.2%
Licenses and Permits	1,461,182	1,401,691	1,689,547	1,811,972	29.3%	7.2%
Fines and Forfeitures	3,981,148	3,892,914	4,445,946	4,470,594	14.8%	0.6%
Revenue from Money and Property	437,860	377,995	378,860	405,537	7.3%	7.0%
Recreation and Leisure	3,275,011	3,269,357	3,347,522	3,515,771	7.5%	5.0%
Other Revenue	3,839,020	3,938,434	4,154,335	4,230,738	7.4%	1.8%
General and Administrative Charges	7,226,515	7,952,998	8,550,998	8,236,180	3.6%	-3.7%
<b>Total Revenues</b>	<b>\$ 94,543,730</b>	<b>\$ 94,244,376</b>	<b>\$ 95,260,118</b>	<b>\$ 95,464,747</b>	<b>1.3%</b>	<b>0.2%</b>
<b>Total Available Funds</b>	<b>\$ 110,018,531</b>	<b>\$ 109,734,155</b>	<b>\$ 111,114,293</b>	<b>\$ 111,194,251</b>	<b>1.3%</b>	<b>0.1%</b>
<b>Expenditures</b>						
Personal Services	\$ 68,317,472	\$ 72,231,413	\$ 71,728,537	\$ 73,135,634	1.3%	2.0%
Professional Services	5,243,430	5,059,822	5,219,955	5,431,734	7.4%	4.1%
Maintenance	2,651,060	3,144,614	3,013,712	3,040,712	-3.3%	0.9%
Contracts	5,795,718	5,105,034	5,650,179	5,536,322	8.4%	-2.0%
Supplies	7,897,435	7,654,263	8,171,013	8,329,908	8.8%	1.9%
Capital	37,880	15,178	136,715	-	-100.0%	-100.0%
<b>Total Expenditures</b>	<b>\$ 89,942,995</b>	<b>\$ 93,210,324</b>	<b>\$ 93,920,111</b>	<b>\$ 95,474,310</b>	<b>2.4%</b>	<b>1.7%</b>
<b>Transfers Out</b>						
Street Rehabilitation	\$ 991,361	\$ 969,678	\$ 969,678	\$ 947,092	-2.3%	-2.3%
Special Projects	2,200,000	-	-	-	N/A	N/A
Additional Transfer to Debt Service	455,000	-	330,000	-	N/A	-100.0%
Transfer Out - Golf Fund	575,000	-	165,000	-	N/A	-100.0%
Drainage Fee Expenditure Reduction	-	-	-	(1,000,000)	N/A	N/A
<b>Total Transfers Out</b>	<b>\$ 4,221,361</b>	<b>\$ 969,678</b>	<b>\$ 1,464,678</b>	<b>\$ (52,908)</b>	<b>-105.5%</b>	<b>-103.6%</b>
<b>Total Expenditures and Transfers</b>	<b>\$ 94,164,356</b>	<b>\$ 94,180,002</b>	<b>\$ 95,384,789</b>	<b>\$ 95,421,402</b>	<b>1.3%</b>	<b>0.0%</b>
<b>Revenue Over/(Under)</b>	<b>\$ 379,374</b>	<b>\$ 64,374</b>	<b>\$ (124,671)</b>	<b>\$ 43,345</b>	<b>-32.7%</b>	<b>-134.8%</b>
<b>Reserve for Encumbrances</b>	<b>\$ 313,101</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>	<b>N/A</b>
<b>Ending Designated Fund Balance</b>	<b>\$ 15,541,074</b>	<b>\$ 15,554,153</b>	<b>\$ 15,729,504</b>	<b>\$ 15,772,849</b>	<b>1.4%</b>	<b>0.3%</b>
<b>Days of Fund Balance</b>	<b>60.24</b>	<b>60.28</b>	<b>60.19</b>	<b>60.33</b>	<b>0.1%</b>	<b>0.2%</b>

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

	ACTUAL FY 2009-10	BUDGET FY 2010-11	ESTIMATE FY 2010-11	BUDGET FY 2011-12	VARIANCE	
					BUD to BUD	EST to BUD
<b><u>General Property Taxes</u></b>						
Current Taxes	\$ 36,066,148	\$ 35,180,870	\$ 34,751,097	\$ 34,362,838	\$ (818,032)	\$ (388,259)
Prior Taxes	367,391	350,000	56,437	866,000	516,000	809,563
Penalties and Interest	358,892	322,000	303,609	300,000	(22,000)	(3,609)
<b>Total</b>	<b>\$ 36,792,431</b>	<b>\$ 35,852,870</b>	<b>\$ 35,111,143</b>	<b>\$ 35,528,838</b>	<b>\$ (324,032)</b>	<b>\$ 417,695</b>
<b><u>Franchise Fees</u></b>						
Electric	\$ 5,344,801	\$ 5,489,308	\$ 5,578,598	\$ 5,801,742	\$ 312,434	\$ 223,144
Telecommunications	1,941,288	2,088,439	2,052,751	2,093,806	5,367	41,055
Gas	1,201,783	1,269,828	1,057,788	1,270,677	849	212,889
Cable Television	1,117,986	1,059,863	1,125,703	1,148,217	88,354	22,514
Water & Sewer	2,094,014	2,124,366	2,208,424	2,183,822	59,456	(24,602)
Solid Waste Services	575,117	582,363	569,611	579,587	(2,776)	9,976
Others	-	-	-	-	-	-
<b>Total</b>	<b>\$ 12,274,990</b>	<b>\$ 12,614,167</b>	<b>\$ 12,592,875</b>	<b>\$ 13,077,851</b>	<b>\$ 463,684</b>	<b>\$ 484,976</b>
<b><u>Sales and Other Business Taxes</u></b>						
Sales Tax	\$ 24,863,750	\$ 24,539,694	\$ 24,573,596	\$ 23,809,511	\$ (730,183)	\$ (764,085)
Mixed Beverage Tax	337,044	348,392	361,620	322,469	(25,923)	(39,151)
Bingo Tax	54,779	55,865	53,676	55,286	(579)	1,610
<b>Total</b>	<b>\$ 25,255,573</b>	<b>\$ 24,943,951</b>	<b>\$ 24,988,892</b>	<b>\$ 24,187,266</b>	<b>\$ (756,685)</b>	<b>\$ (801,626)</b>
<b><u>License and Permits</u></b>						
Building Permits	\$ 509,020	\$ 414,108	\$ 695,964	\$ 698,762	\$ 284,654	\$ 2,798
Food Establishment Permits	206,330	207,864	219,628	224,021	16,157	4,393
Animal License & Shelter Fees	40,495	41,709	34,881	35,579	(6,130)	698
Alarm Fees	225,143	232,247	253,491	258,561	26,314	5,070
Apartment Inspection Fee	107,970	104,000	113,834	154,972	50,972	41,138
Rental Registration	102,100	111,555	125,696	186,953	75,398	61,257
Miscellaneous License and Permits	95,651	101,547	88,805	91,469	(10,078)	2,664
Construction Inspection Fees	56,873	65,146	31,048	31,669	(33,477)	621
Contractor Fees	117,600	123,515	126,200	129,986	6,471	3,786
<b>Total</b>	<b>\$ 1,461,182</b>	<b>\$ 1,401,691</b>	<b>\$ 1,689,547</b>	<b>\$ 1,811,972</b>	<b>\$ 410,281</b>	<b>\$ 122,425</b>
<b><u>Fines and Forfeitures</u></b>						
Municipal Court	\$ 3,817,181	\$ 3,725,125	\$ 4,284,724	\$ 4,306,148	\$ 581,023	\$ 21,424
Library Fines	163,967	167,789	161,222	164,446	(3,343)	3,224
<b>Total</b>	<b>\$ 3,981,148</b>	<b>\$ 3,892,914</b>	<b>\$ 4,445,946</b>	<b>\$ 4,470,594</b>	<b>\$ 577,680</b>	<b>\$ 24,648</b>
<b><u>Revenue from Money and Property</u></b>						
Interest Earnings	\$ 109,356	\$ 50,229	\$ 50,143	\$ 70,246	\$ 20,017	\$ 20,103
Civic Center Use	328,504	327,766	328,717	335,291	7,525	6,574
<b>Total</b>	<b>\$ 437,860</b>	<b>\$ 377,995</b>	<b>\$ 378,860</b>	<b>\$ 405,537</b>	<b>\$ 27,542</b>	<b>\$ 26,677</b>

**CITY OF RICHARDSON  
REVENUE BY DETAIL  
GENERAL 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>
<b><u>Recreation and Leisure Services</u></b>						
Season Swim Passes	\$ 25,245	\$ 25,968	\$ 25,250	\$ 20,200	\$ (5,768)	\$ (5,050)
Pool Fees	67,736	62,364	67,750	54,180	(8,184)	(13,570)
Swim Program	127,768	125,719	116,952	127,800	2,081	10,848
Tennis Fees	114,635	140,000	131,523	136,100	(3,900)	4,577
Classes/Entrance Fees	770,718	735,068	714,451	764,000	28,932	49,549
Athletic Fees	332,314	347,220	335,366	342,073	(5,147)	6,707
Gymnastic Fees	351,673	358,831	364,014	370,000	11,169	5,986
Arts Festivals	369,516	348,450	390,216	394,118	45,668	3,902
Wildflower Festival	820,903	806,500	829,300	838,000	31,500	8,700
Older Adults	259,707	285,200	320,172	387,700	102,500	67,528
Miscellaneous	34,796	34,037	52,528	81,600	47,563	29,072
<b>Total</b>	<b>\$ 3,275,011</b>	<b>\$ 3,269,357</b>	<b>\$ 3,347,522</b>	<b>\$ 3,515,771</b>	<b>\$ 246,414</b>	<b>\$ 168,249</b>
<b><u>Other Revenue</u></b>						
Access Fee - Cable TV	\$ 160,000	\$ 160,000	\$ 220,000	\$ -	\$ (160,000)	\$ (220,000)
Ambulance	1,400,795	1,424,927	1,418,357	1,632,541	207,614	214,184
Miscellaneous	857,941	871,980	1,136,154	1,192,962	320,982	56,808
R.I.S.D. Participation	289,875	273,971	273,971	287,670	13,699	13,699
Auction & Storage	51,267	120,000	43,502	44,590	(75,410)	1,088
9-1-1	1,079,142	1,087,556	1,062,351	1,072,975	(14,581)	10,624
<b>Total</b>	<b>\$ 3,839,020</b>	<b>\$ 3,938,434</b>	<b>\$ 4,154,335</b>	<b>\$ 4,230,738</b>	<b>\$ 292,304</b>	<b>\$ 76,403</b>
<b><u>General and Administrative Charges</u></b>						
G & A Water & Sewer Fund	\$ 3,746,523	\$ 3,771,116	\$ 3,771,116	\$ 3,706,308	\$ (64,808)	\$ (64,808)
G & A Golf Operations	91,236	29,917	29,917	84,981	55,064	55,064
G & A Solid Waste Operations	2,102,373	2,121,965	2,121,965	2,014,891	(107,074)	(107,074)
G & A Hote/Motel Fund	-	-	250,000	250,000	250,000	-
Transfer - Hotel/Motel Tax - C.V.B.	330,000	330,000	404,000	405,000	75,000	1,000
Transfer - Wireless Fund	400,000	350,000	450,000	450,000	100,000	-
Transfer - Child Safety Fund	-	-	-	50,000	50,000	50,000
Transfer - Special Revenue Fund Close Out	81,383	-	-	-	-	-
G & A TIF	150,000	150,000	150,000	150,000	-	-
G & A Capital Projects	325,000	1,200,000	1,374,000	1,125,000	(75,000)	(249,000)
<b>Total</b>	<b>\$ 7,226,515</b>	<b>\$ 7,952,998</b>	<b>\$ 8,550,998</b>	<b>\$ 8,236,180</b>	<b>\$ 283,182</b>	<b>\$ (314,818)</b>
<b>Grand Total General Fund</b>	<b>\$ 94,543,730</b>	<b>\$ 94,244,376</b>	<b>\$ 95,260,118</b>	<b>\$ 95,464,747</b>	<b>\$ 1,220,371</b>	<b>\$ 204,629</b>

## **2011-12 CAPITAL IMPROVEMENT PROGRAM AND DEBT SERVICE PLAN OVERVIEW**

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### **Background & Overview**

- The City closely coordinates the Capital Improvement Plan (CIP) and the related debt service planning with the annual Operating Budget development. This allows an integrated and accurate development of the Debt Service fund segments of the overall budget.
- Funding resources for the City's capital program occur through a variety of sources, both of local city origin and from other agencies, and can be a dynamic process within the fiscal year. The City has taken an active posture in seeking "external" funding support for capital efforts, which can lower the local expense component of a project.
- The main budgetary aspects to the capital program are the debt service requirements, and properly tracking the special revenues, grant funding, capital surplus transfers and other capital funds that the City oversees. Key funding types include:
  - Annual short-term Certificate of Obligation (C.O.) Bond property notes.
  - General Capital Special Projects from year ending transfers, when available.
  - General Obligation (G.O.) Bond & Certificate of Obligation (C.O.) funding.
  - Utility Special Capital Projects from year ending transfers, when available.
  - Self-supporting enterprise debt for the Golf, Solid Waste Services, and Water and Sewer Funds
  - Other developer-financed or special project capital funding.
  - Tax Increment Financing (TIF) revenue of the City
  - Court Technology Funds
  - Federal and/or State Transportation Grants
  - Dallas County Parks and Trail Pay As You Go Program.
  - Dallas County Capital Program Pay As You Go Program.
  - Collin County Bond Program – Open Space and Transportation
  - Texas Parks and Wildlife
  - Federal/State Homeland Security Grants
  - Philanthropy Gifts & Sponsorship Funding
  - Federal or State Pass-Through Stimulus Grants

### **An Active Current Capital Improvement Program**

- Following the favorable passage of the \$66 million 2010 G.O. Bond referendum in May 2010, the City of Richardson has been active with implementation for these capital projects. Also as an active capital program element has been the \$8.5 million C.O. Bond that was part of Series 2010 to implement an important public safety radio technology upgrade.
- As explained to the voters in the referendum information, a required \$0.06 property tax rate for debt only would be required if all propositions passed.
- With the completion of the Series 2010 bond sale and the development of the subsequent 2010-2011 budget, the debt service tax rate was adjusted by the \$0.06 as this

current 2010-2011 budget would experience the first year of the higher debt service requirements.

- The \$7.965 million Series 2011 Bond Issue program was implemented by an April 11, 2011 City Council action. Series 2011 was greatly reduced from the prior year's activity, and returned to a debt program for only equipment purchases and our ongoing Utility infrastructure program.
  - In the related bond rating efforts this past Spring 2011, Moody's and S&P were able to fully assess the City's actions of the previous year associated with the implementation of the \$66 million G.O. bond program and related debt service tax rate increase. They also viewed the modest Series 2011 program that was pending at that time. The resulting bond ratings of **AAA by S&P and Aaa by Moody's** confirmed again that the City's debt management practices met all recognized credit quality standards for this highest grading.
  - Series 2011 was fashioned to continue the City's short-term notes program for capital replacements for the General and Solid Waste funds, scheduled fire apparatus upgrade, and the ongoing Utility C.I.P. program only.

<b>Series 2011: 2010-2011 Debt Issuance Program-- All Funds</b>			
<b>Amount</b>	<b>Bond Type</b>	<b>Purpose</b>	<b>Debt Service</b>
\$2.900 million	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$0.185 million	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$1.380 million	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$3.500 million	C.O.	2010-2011 Water and Sewer C.I.P. – 20 yr.	Utility Fund Debt Service
<b>\$7.965 million</b>	<b>Total</b>		

**2010-2011 General Debt Service Fund Balance Maintenance Adjustments**

- With the recent pattern of tax roll supplement reductions following the formal certification, an ongoing debt management attention has been focused on maintaining our General Debt Service fund balances (30 days). Ongoing appraisal reviews and related appraisal litigation has yielded reductions from the annual certified roll which was used to establish the property tax revenue intended for general debt service. Other debt service supporting revenue assumptions can also change. When this occurs, the City must take fund balance maintenance steps, both in year-ending reviews and in upcoming budget preparations.
  - For the current 2010-2011 year, the property tax allocation to General Debt Service is below budget by about \$330,000. A supplemental **\$330,000** is proposed to be transferred in from the General Fund during this current fiscal year to resolve this shortfall and not allow a fund balance reduction.

**2011-2012 Capital Improvement Program  
AND RELATED DEBT SERVICE PLAN**

- The key focuses for the capital program in 2011-12 are:
  - Continued implementation of the large 2010 \$66 million G.O. and radio technology C.O. capital program in keeping with the project construction sequence and strategy discussions provided by the City Council.
  - Continue community awareness efforts through web-based and other communication media on the variety of interests in the new C.I.P. program: design updates, construction phasing and progress, project completions / openings, etc.
- The Series 2010 bond sale was a significant event to gain important new capital resources to meet the next era of infrastructure and facility improvements for Richardson. Implementation of these capital projects will be a multi-year effort. The scope of these projects was also very forward-looking, providing key facility and infrastructure upgrades to provide benefits for decades to come.
- Below is a reference table of the debt tax rate actions for the recent fiscal years and for the coming FY 2011-2012 Fiscal Year.

Year	Debt Rate	Operations Rate	TOTAL
2008-09	\$0.21235	\$0.36281	\$0.57516
2009-10	\$0.21235	\$0.36281	\$0.57516
2010-11	*\$0.27235	\$0.36281	\$0.63516
2011-12	\$0.27235	\$0.36281	\$0.63516

\* Six cent revision for 2010 G.O. program to debt service side only

- The attached updated General Debt Service scenario plan evaluated the impact of the following factors in providing the debt management plan for 2011-2012:
  - For 2011-2012, this updated model has factored the currently anticipated **-2.0%** property tax roll reduction (-2.33% after V.I.D. and T.I.F. adjustments to the tax base).
  - This plan was updated on a tax base outlook that considers a cautious recovery of **0%** for 2012-2013, **1%** for 2013-2014, and **2%** for 2014-2017.
  - The outlook years also factor the continuation of the City’s short-term notes program for capital replacements and periodic fire apparatus upgrades to assure their baseline inclusion.
- Importantly, this updated debt plan shows no anticipated “spikes” in debt tax rate requirements for the existing or newly added debt under the assumptions above of some future modest tax base growth to meet the next few years’ new obligations. The debt tax rate begins to show a steady/gradual decline, as future tax base growth strengthens the impact of each tax penny, and older debt obligations are retired.

- The City will continue to monitor all debt management assumptions over 2011-2012.

**Series 2012: 2011-2012 Proposed Debt Issue Activities**

- The proposed Series 2012 Bond Issue program will continue be very modest compared to prior efforts, maintaining our capital program for only equipment purchases and our ongoing Utility infrastructure program:
  - Continuation of the City’s short-term notes program for capital replacements for the General and Solid Waste funds, scheduled fire/emergency apparatus upgrades, and the ongoing Utility C.I.P. program.
- For the Series 2012 bond issue, the proposed components are:
  - The 4-year C.O. element provides the funding for the routine general fleet and equipment replacement requirements of the General Fund.
  - The 8-year C.O. element will provide for the next scheduled fire equipment replacements: a replacement ambulance, replacement CAFS fire engine and an additional ambulance in preparation for a future implementation plan.
  - The 8-year C.O. element will provide for the needed Solid Waste heavy equipment, containers, and fleet replacements.
  - The 20-year C.O. element will provide for next year’s planned Water and Sewer CIP.
- The following debt issuance plan for 2011-2012 (“Series 2012”) summarizes the proposed \$7.870 million debt elements:

<b>Series 2012: 2011-2012 Debt Issuance Program <u>Under Evaluation</u> – All Funds</b>			
<b>For Discussion</b>			
<b>Amount</b>	<b>Bond Type</b>	<b>Purpose</b>	<b>Debt Service</b>
\$2.900 million	C.O.	General Fund Capital Equipment – 4 yr.	General Debt Service
\$0.975 million	C.O.	General Fund Fire Equipment – 8 yr.	General Debt Service
\$0.995 million	C.O.	Solid Waste Services Capital Equipment – 8 yr.	Solid Waste Debt Service
\$3.000 million	C.O.	2011-2011 Water and Sewer C.I.P. – 20 yr.	Utility Fund Debt Service
<b>\$7.870 million</b>	<b>Total</b>		

**Summary**

- The debt management program continues to meet required financial policy requirements, even with debt revenue challenges.
- Our history and practice of this debt review process has been an important element of the rating agency’s positive review of the City of Richardson.

(-2.0% (-2.33%) FSW Debt Scenario attachment)

**2012 Planning - Base Case  
CITY OF RICHARDSON, TEXAS**

Does not Include any Hotel/Motel Tax Revenues;

Projected Growth Rates (-2.33% for FYE 2012, 0% for FYE 2013, 1% for FYE 2014, 2% for FYE 2015, 2% for FYE 2016 and 2% for FYE 2017)

\$3,875,000 issued in 2012, \$3,655,000 issued in 2013, \$3,905,000 issued in 2014, \$3,720,000 issued in 2015, and \$4,050,000 issued in 2016

FYE	Projected Taxable Assessed Valuation (1)	Projected % of Growth (1)	Net Outstanding Debt Payable from Tax Levy (2)	Series 2012 \$2.9M - 4 Yr \$975K 8 Yr at 4.70%	Series 2013 \$2.9M - 4 Yr \$755K 8 Yr at 4.70%	Series 2014 \$2.9M - 4 Yr \$1,005K 8 Yr at 4.70%	Series 2015 \$2.9M - 4 Yr \$820K 8 Yr at 4.70%	Series 2016 \$2.9M - 4 Yr \$1,150K 8 Yr at 4.70%	Less: Projected Interest Earnings	Proposed Total Debt Service	Required Tax Rate for All Debt (3)
2011/12	\$ 9,470,923,395	-2.33%	\$ 25,802,679						\$ (10,000)	\$ 25,792,679	\$ 0.27234
2012/13	9,470,923,395	0.00%	24,848,507	\$ 955,678					(10,000)	25,794,186	0.2724
2013/14	9,565,632,629	1.00%	24,191,929	958,310	\$ 922,362				(20,000)	26,052,600	0.2724
2014/15	9,756,945,282	2.00%	23,756,661	953,478	924,498	\$ 957,558			(20,000)	26,572,194	0.2723
2015/16	9,952,084,187	2.00%	23,345,283	956,765	920,840	964,603	\$ 931,318		(20,000)	27,098,808	0.2723
2016/17	10,151,125,871	2.00%	23,715,911	147,443	925,303	959,535	937,083	\$ 981,293	(20,000)	27,646,566	0.2723
2017/18	10,151,125,871		24,522,621	146,450	117,155	962,588	928,073	985,360	(20,000)	27,642,246	0.2723
2018/19	10,151,125,871		23,336,764	150,105	112,455	153,030	932,300	979,588	(20,000)	25,644,242	0.2526
2019/20	10,151,125,871		21,734,287	148,408	112,638	151,803	123,918	981,935	(20,000)	23,232,987	0.2289
2020/21	10,151,125,871		19,692,257		112,585	150,340	123,865	176,555	(20,000)	20,235,602	0.1993
2021/22	10,151,125,871		15,352,374			153,525	123,578	174,388	(20,000)	15,783,864	0.1555
2022/23	10,151,125,871		14,539,014				127,938	176,868	(20,000)	14,823,819	0.1460
2023/24	10,151,125,871		14,147,268					173,995	(20,000)	14,301,263	0.1409
2024/25	10,151,125,871		13,478,586						(20,000)	13,458,586	0.1326
2025/26	10,151,125,871		10,757,225						(20,000)	10,737,225	0.1058
2026/27	10,151,125,871		5,740,500						(20,000)	5,720,500	0.0564
2027/28	10,151,125,871		5,743,250						(20,000)	5,723,250	0.0564
2028/29	10,151,125,871		5,743,250						(20,000)	5,723,250	0.0564
2029/30	10,151,125,871		5,740,000						(20,000)	5,720,000	0.0563
2030/31	10,151,125,871		-							-	0.0000
Totals 2011/12 - 2030/31:			\$ 326,188,366	\$ 4,416,636	\$ 4,147,834	\$ 4,452,981	\$ 4,228,070	\$ 4,629,980	\$ (367,722)	\$ 374,113,034	

**Assumptions:**

- (1) The 2011/12 value estimate is based on a total value reduction of 2.0%. The final taxable value for debt service purposes will show a different percent change from the prior year due to an estimated addition of \$20,185,613 of values in dispute and a value reduction of \$66,197,419 for the incremental value in the Tax Increment Financing District.
- (2) Issues subsequent to 2010 are presumed to be dated April 15 and the first coupon payment is due on February 15 of following year.
- (3) Tax Collections at 100% for debt service