

CITY COUNCIL WORKSESSION
on the Fiscal Year 2011-12 Recommended Budget & Proposed CIP

Council Chambers, Plano Municipal Center
1520 Ave K, Plano, TX
Saturday, August 13, 2011 8:00 a.m.

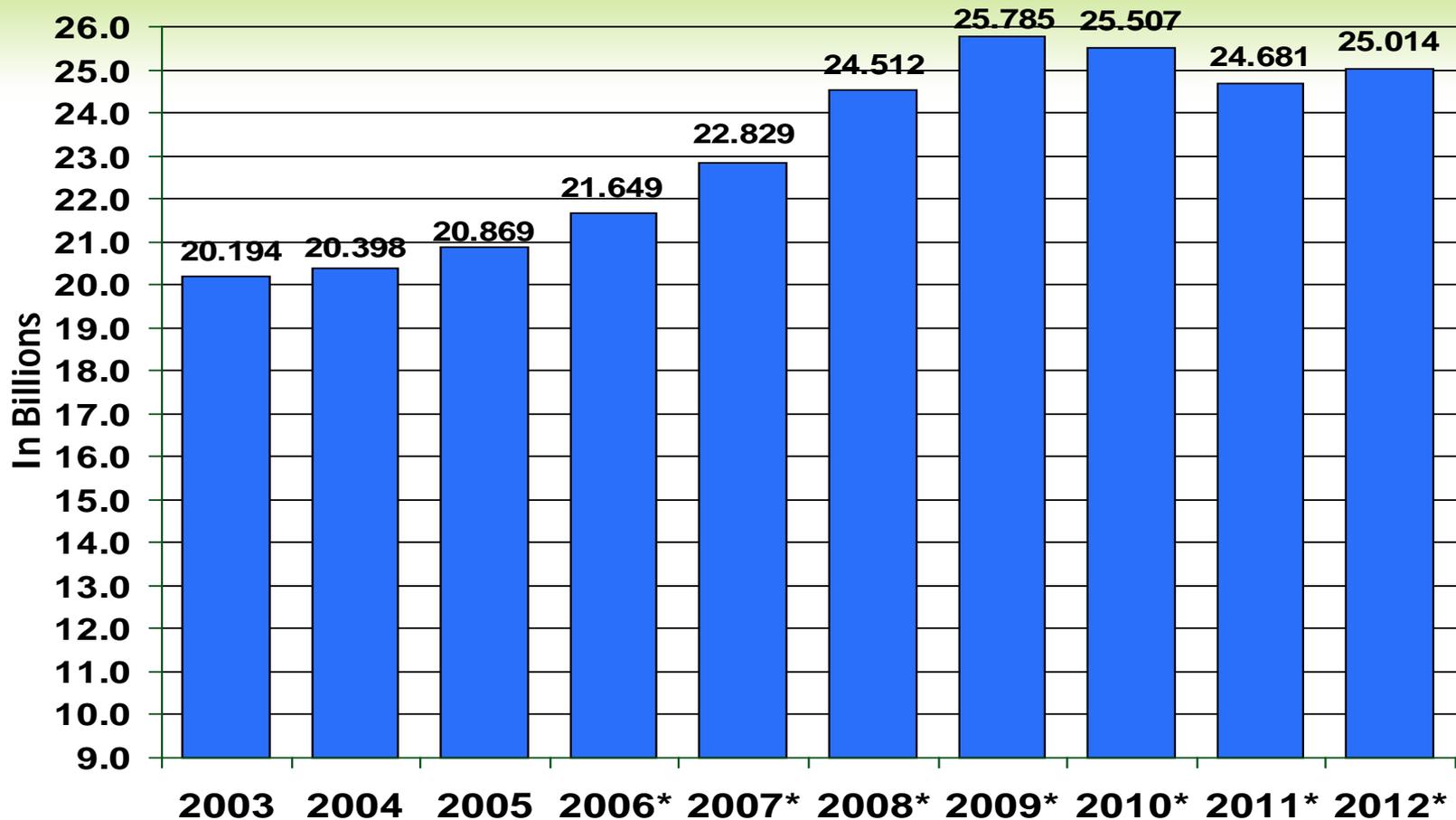
AGENDA

	<u>Presenter</u>	<u>Page#</u>
A. Call to Order	Mayor	
B. Public Hearing and Council discussion and direction regarding a possible charter election to include, but not limited to, propositions on: revising Council length to terms and term limits; municipal court of record; and general clean-up of provisions that are obsolete or preempted by state or local law.		
C. Request for Public Input on Budget & CIP	Council	
D. Budget Worksession Overview		
1. Highlights of 2010-11	Glasscock	
2. Outlook for 2011-12	Glasscock	
3. Outlook for 2012-13	Glasscock	
E. Council Items and Issues for Discussion <i>(Council may wish to add additional agenda items.)</i>	Council	
F. Operating Budget		
1. Revenues		
a. Ad Valorem Tax Base	Rhodes	1
b. Tax Rate	Rhodes	3
a. Effective Tax Rate		
b. Rollback Tax Rate		
c. Sales Tax	Rhodes	4
a. Sales Tax Cap		
d. Water & Sewer Rates	Rhodes	5
e. Other Revenues	Rhodes	10
2. Program Changes		
a. Across the Board 2%	Glasscock	
b. Fire Department Staffing	Glasscock	11
c. Three-year Financial Forecast Update	Rhodes	12
d. Non-resident Library Usage Charge	Ross	16
e. Summer Arts Program Discussion	Conklin	21
f. City-wide National/Regional Membership	Glasscock	25
g. City-wide Budget Reductions	Glasscock	

- | | | | |
|----|------------------------------|------------|----|
| G. | Community Investment Program | Glasscock/ | 26 |
| | | Rhodes | |
| H. | Proposed Ad Valorem Tax Rate | Glasscock/ | |
| | | Rhodes | |
| I. | Adjourn | | |

Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Municipal Avenue, with specially marked parking spaces nearby. Access and special parking are also available on the north side of building. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 972-941-7120.

ASSESSED PROPERTY VALUATIONS



Average Single Family Home Value is \$245,074

** Includes TIF Assessed Property Values*

CHANGE IN PLANO'S TAXABLE VALUE



LOST REVENUE FROM AD VALOREM TAX EXEMPTIONS

	Average Home Value	**Total Exemptions APV	Lost Revenue From Exemptions	Lost Revenue Over-65 Tax Freeze
FY 2006-07	\$ 244,661	\$4.58 billion	\$21.2 million	\$ 245,315
FY 2007-08	\$ 253,380	\$4.84 billion	\$22.9 million	\$ 543,383
FY 2008-09	\$ 251,733	\$4.91 billion	\$23.2 million	\$ 604,117
FY 2009-10	\$ 249,679	\$5.10 billion	\$24.5 million	\$ 765,884
FY 2010-11	\$ 245,802	\$5.21 billion	\$25.4 million	\$ 779,912
FY 2011-12	\$ 245,074	\$5.22 billion	\$25.5 million	\$ 771,923

** APV is Assessed Property Value

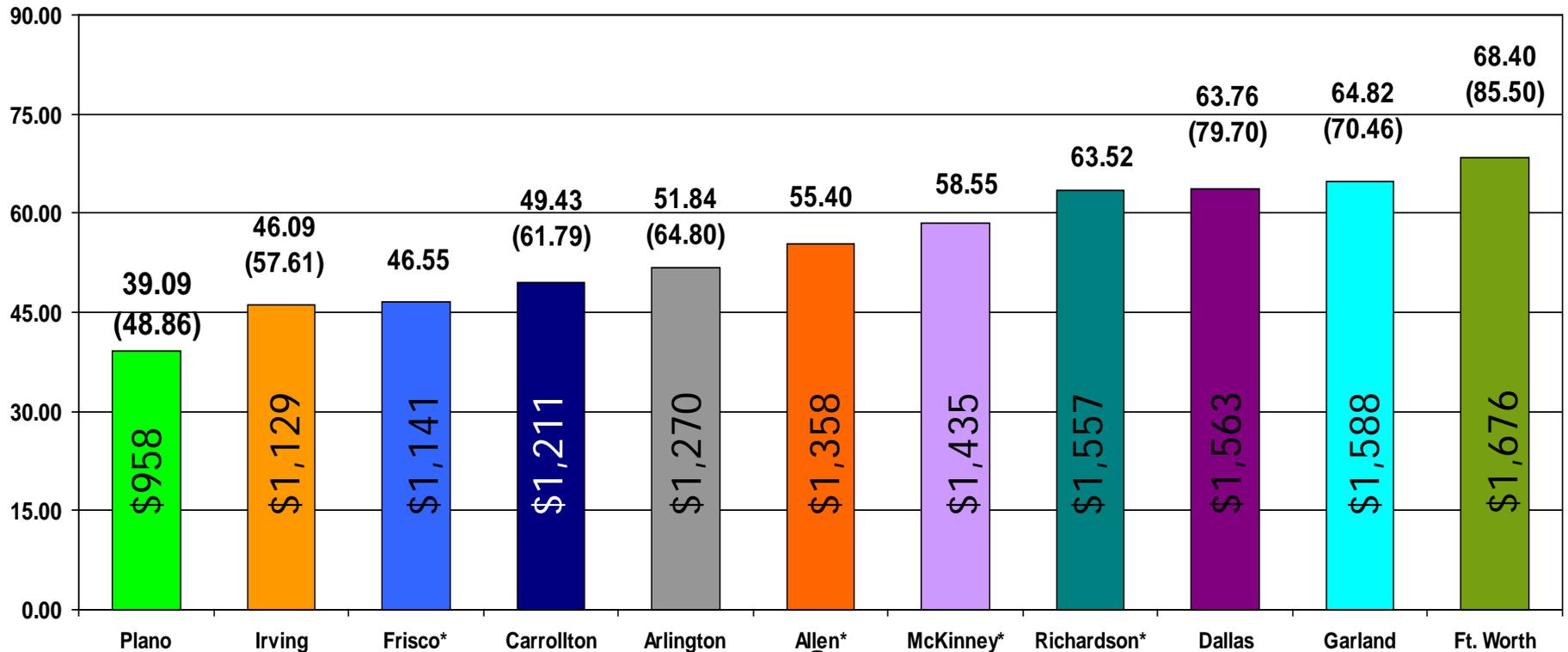
AD VALOREM TAX RATES

RESIDENTIAL CUSTOMERS ONLY

WITH HOMESTEAD EXEMPTION APPLIED TO THE RATE

**Plano and Surrounding Cities
(2011-12 Proposed Rate for Plano and 2010-11 Rate for Other Cities)**

(Cents per \$100 Valuation)



* Cities do not offer Homestead Exemption

TAXES AND THE AVERAGE HOME

2011 PROPOSED TAX RATES

- **Average Home Value \$ 245,074**

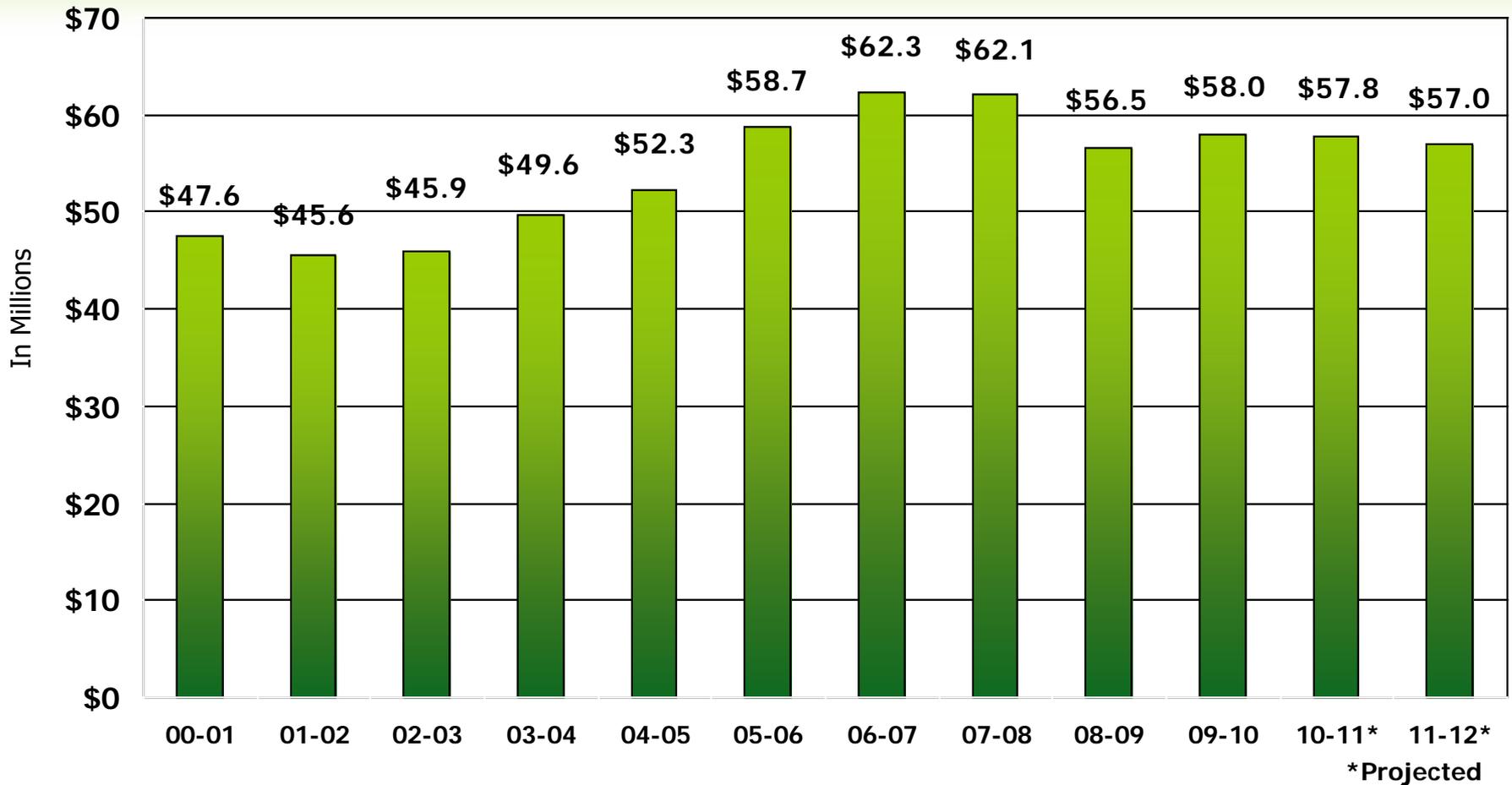
	<u>Tax Rate</u>	<u>Dollar Amount</u>	<u>%</u>
• City of Plano	.4886	\$ 958	19.6%
• PISD	1.3734	\$ 3,160	64.7%
• Collin County	.2400	\$ 559	11.4%
• CCCCD	<u>.0863</u>	<u>\$ 211</u>	<u>4.3%</u>
• Total Taxes/Year	2.1883	\$ 4,888*	100.0%

** Using the 2011 Proposed Tax Rate and the 2011 Average Home Value, this assumes that the General Homestead Exemptions were taken for the City of Plano (20%), for PISD (\$15,000), and Collin County (5%).*

ANATOMY OF THE TAX RATE

- Guided by Truth In Taxation Laws
- Two parts – Have to pay debt first then remaining can fund operating costs
- Important Definitions –
 - Effective Tax Rate is basically the tax rate you would pass to collect the same tax revenue as last year using this year's property values. New property is excluded from the calculation. Effective tax rate is 48.06 cents per \$100 of assessed property valuation. Proposed rate is 48.86 cents.
 - Rollback Tax Rate allows units to raise the same amount for operations as in the prior year plus provide for a 8% cushion. Rollback tax rate is 50.44 cents per \$100 of assessed property valuation.

ANNUAL SALES TAX RECEIPTS



SALES TAX RECEIPTS SECTOR COMPARISON

Retail vs Business to Business
July 2008 - June 2011



WATER & SEWER FUND

- ❑ North Texas Municipal Water District (NTMWD) has notified us that both water and sewer will continue to increase over the next five years.
- ❑ The latest NTMWD projections indicate that wholesale water rates for member cities will increase by 8.8% while wastewater treatment rates for the City of Plano decrease by 1.35% in 2011-12, due to lower debt service requirements at the district.
- ❑ A study completed by consultants a few years ago revealed that the City sewer rates had been subsidizing water rates by 13%. This is being rectified as rate changes are implemented.
- ❑ Due to increased water revenues and a healthy fund balance, no Water & Sewer rate increases are included in the 2011-12 Budget.
- ❑ The re-establishment of a Water & Sewer Reserve Fund of \$3.0 million is included along with an additional \$4.3 M to finish the meter change-out project one year ahead of schedule.
- ❑ As of 7/31/11, the contract water year ended at 23.6B gallons, resulting in a loss of revenue of approximately \$4.2M in the 2010-11 water year under the NTMWD Take or Pay Agreement. However we should receive a credit of \$1.2M resulting in a next loss of \$3.0M
- ❑ The budget assumes 2010-11 Stage II Water restrictions until the end of the fiscal year, although Stage III may be implemented very soon.
- ❑ The Capital Improvement Projects are cash funded. Total FY 2010-11 equals \$12.7M and FY 2011-12 is budgeted at \$10.3M.

WATER & SEWER RATE HISTORY

Water rates per 1,000 gallons - NTMWD

2002 – 0.719 cents to 0.80 cents

2003 – 0.80 cents to 0.87 cents

2004 – 0.87 cents to 0.92 cents

2005 – 0.92 cents to 0.97 cents

2006 – 0.97 cents to 1.02 cents

2007 – 1.02 cents to 1.08 cents/
\$1 Meter Increase

2008 – 1.08 cents to 1.18 cents

2009 – 1.18 cents to 1.25 cents

2010 – 1.25 cents to 1.37 cents

2011 – 1.37 cents to 1.49 cents

No pass thru of rate increase planned

Sewer rates – NTMWD

2002 – 19% sewer rate increase - NTMWD

2003 – Sewer Cap raised from 9K to 12K & 5% increase NTMWD

2004 – April – 10% sewer rate reduction, implementation of Winter Quarter Averaging – No NTMWD increase

2005 – 3.5% sewer rate increase – NTMWD

2006 – 12.0% sewer rate increase – NTMWD

2007 – 5.0% sewer rate increase – NTMWD/\$1 Meter Increase

2008 – 6.5% - NTMWD

2009 – 4.2% - NTMWD

2010 – 0.02% decrease – NTMWD

2011 – 1.35% decrease – NTMWD – No pass thru of rate decrease planned

WATER & SEWER

Revised August 11, 2011

	Actual 2009-10	Budget 2010-11	Re-Est 2010-11	Budget 2011-12	% Change 2011-12
WORKING CAPITAL	\$10,555,173	\$10,722,020	\$14,884,163	\$19,734,576	84.1%
Revenues					
Water Income	\$61,422,725	\$62,236,249	\$66,445,971	\$67,877,991	9.1%
Sewer Income	52,036,373	52,414,712	51,240,130	51,448,955	-1.8%
Water Taps	87,082	84,296	79,944	81,143	-3.7%
Water & Sewer Penalties	1,406,436	1,420,082	1,408,420	1,427,182	0.5%
Water Meters	172,322	109,051	197,185	200,143	83.5%
Construction Water	177,346	200,589	168,403	170,929	-14.8%
Service Connect Fee	149,526	146,816	177,396	180,057	22.6%
Backflow Testing	410,100	382,951	418,930	425,214	11.0%
Sewer Tie-On	17,135	16,487	17,490	17,752	7.7%
Pre-Treatment Permits	66,380	62,279	48,080	48,801	-21.6%
Interest Earnings	0	20,000	10,000	20,000	0.0%
Transfer in for Education Building	157,239	157,239	857,239	436,352	177.5%
Misc. Income	668,601	590,366	430,191	442,521	-25.0%
TOTAL REVENUES	\$116,771,265	\$117,841,115	\$121,499,379	\$122,777,040	4.2%
TOTAL RESOURCES	\$127,326,438	\$128,563,134	\$136,383,542	\$142,511,616	10.8%
APPROPRIATIONS					
Operating Expense					
Salaries & Wages	\$8,998,960	\$9,277,219	\$8,911,254	\$9,130,362	-1.6%
Materials & Supplies	5,543,748	5,146,835	6,025,562	9,733,718	89.1%
Contractual	4,104,511	5,241,035	5,584,251	5,661,394	8.0%
NTMWD - Water	31,084,974	36,606,138	35,423,862	39,812,515	8.8%
NTMWD - Wastewater	13,506,500	13,824,059	13,256,786	13,620,784	-1.5%
NTMWD - Upper E. Fork Interceptor	8,967,236	8,096,493	7,905,852	8,190,801	1.2%
Retirement of NTMWD Debt	830,868	518,540	512,610	821,705	58.5%
Sundry	827,433	538,821	546,418	549,613	2.0%
Reimbursements	288,163	285,215	209,680	212,647	-25.4%
Subtotal	\$74,152,393	\$79,534,355	\$78,376,275	\$87,733,539	10.3%
Capital Outlay	1,238,306	0	23,423	20,849	0.0%
TOTAL OPERATIONS	\$75,390,699	\$79,534,355	\$78,399,698	\$87,754,388	10.3%
Transfer to General Fund	\$16,300,724	\$16,935,647	\$16,795,415	\$16,641,923	-1.7%
Transfer to Debt Service	2,200,000	1,225,000	1,225,000	402,419	-67.1%
Transfer to W & S CIP	13,875,000	11,250,000	12,674,073	10,250,000	-8.9%
Transfer to Capital Reserve	1,200,000	1,200,000	1,200,000	3,000,000	150.0%
Transfer to Loss Fund	682,617	648,732	658,012	648,627	0.0%
Transfer to Technology Fund	300,000	300,000	300,000	300,000	0.0%
Transfer to Reserve Fund	0	0	3,000,000	3,000,000	100.0%
Transfer to Technology Services	2,393,235	2,305,656	2,296,768	2,306,191	0.0%
Transfer for Sustainability	100,000	100,000	100,000	100,000	0.0%
TOTAL TRANSFERS	\$37,051,576	\$33,965,035	\$38,249,268	\$36,649,160	7.9%
TOTAL APPROPRIATIONS	\$112,442,275	\$113,499,390	\$116,648,966	\$124,403,548	9.6%
WORKING CAPITAL	\$14,884,163	\$15,063,744	\$19,734,576	\$18,108,068	20.2%
Days of Operation				75	

**WATER PURCHASED FROM NTMWD
WATER YEAR
2006 - 2011 YTD**

MONTH	2006-2007	2007-2008	2008-2009	2009-2010	2010 - 2011						
August	2,856,130	2,479,245	3,075,703	2,925,733	3,565,405						
September	2,111,519	2,328,442	2,150,197	1,991,442	2,107,207						
October	1,718,334	1,930,203	2,377,066	1,588,107	2,241,324						
November	1,595,170	1,724,497	1,741,068	1,407,670	1,449,663						
December	1,302,957	1,293,255	1,234,961	1,141,354	1,392,293						
January	1,089,176	1,284,401	1,312,554	1,174,699	1,216,357						
February	1,071,805	1,108,263	1,201,868	951,305	808,688						
March	1,433,337	1,287,556	1,394,542	1,155,432	1,528,862						
April	1,443,883	1,414,906	1,759,608	1,745,407	1,694,641						
May	1,422,337	1,966,566	1,492,611	2,028,504	1,657,407						
June	1,506,973	2,262,137	2,350,831	2,773,210	2,604,742	20,266,589	Aug 2010- June 11 YTD				
July	1,459,088	3,121,109	2,747,126	2,525,441	3,341,967	2,797,892	3 Yr July Avg				
TOTAL	19,010,709	22,200,580	22,838,135	21,408,304	23,608,556	26,719,809	Take or Pay Min	3,111,253	Unused Gallons	\$4,262,417	Take or Pay Addl Cost

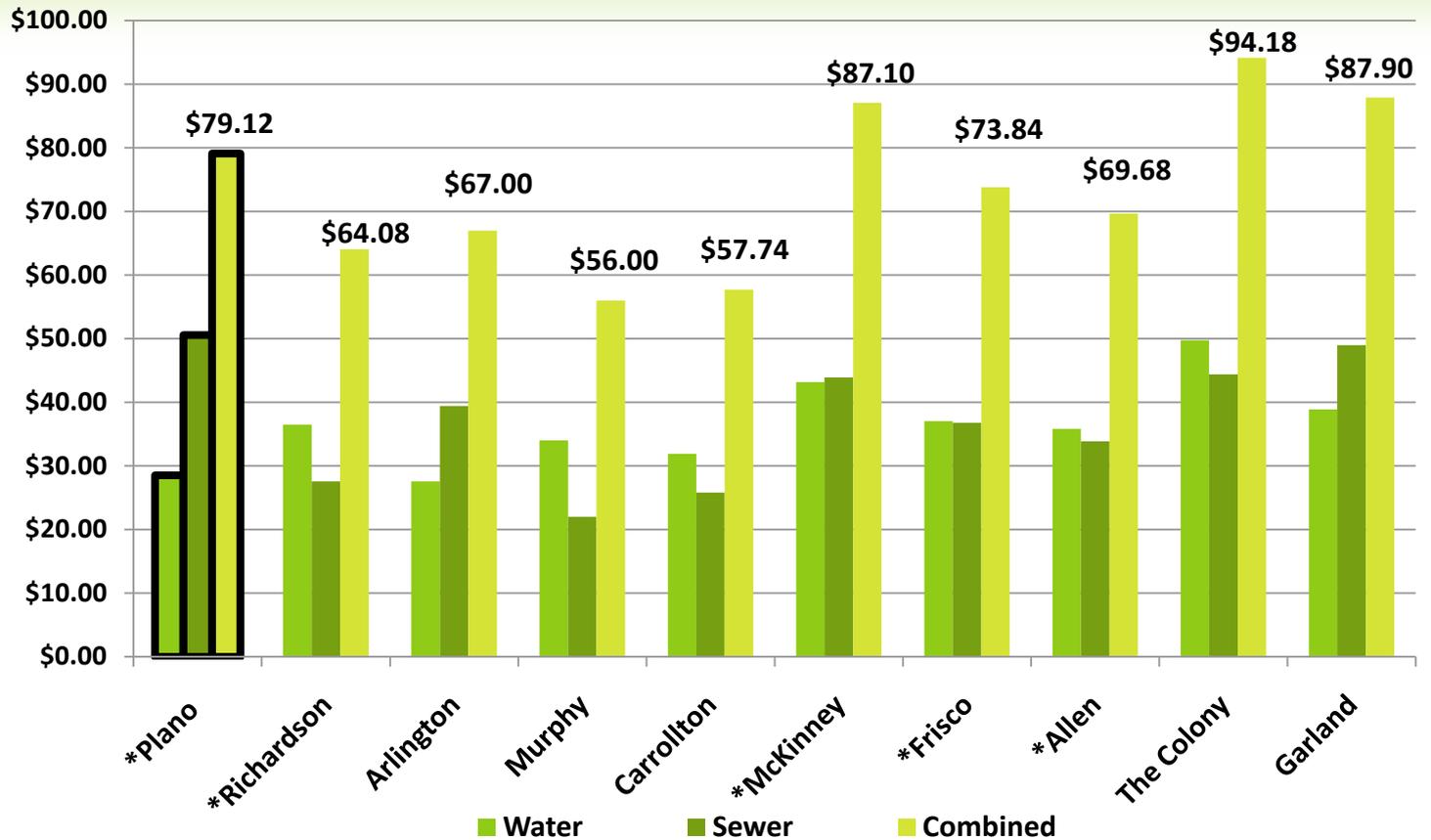
Rebate at 0.38 cents for unused O&M costs

\$1,182,276

Total Revenue Loss from not reaching minimum

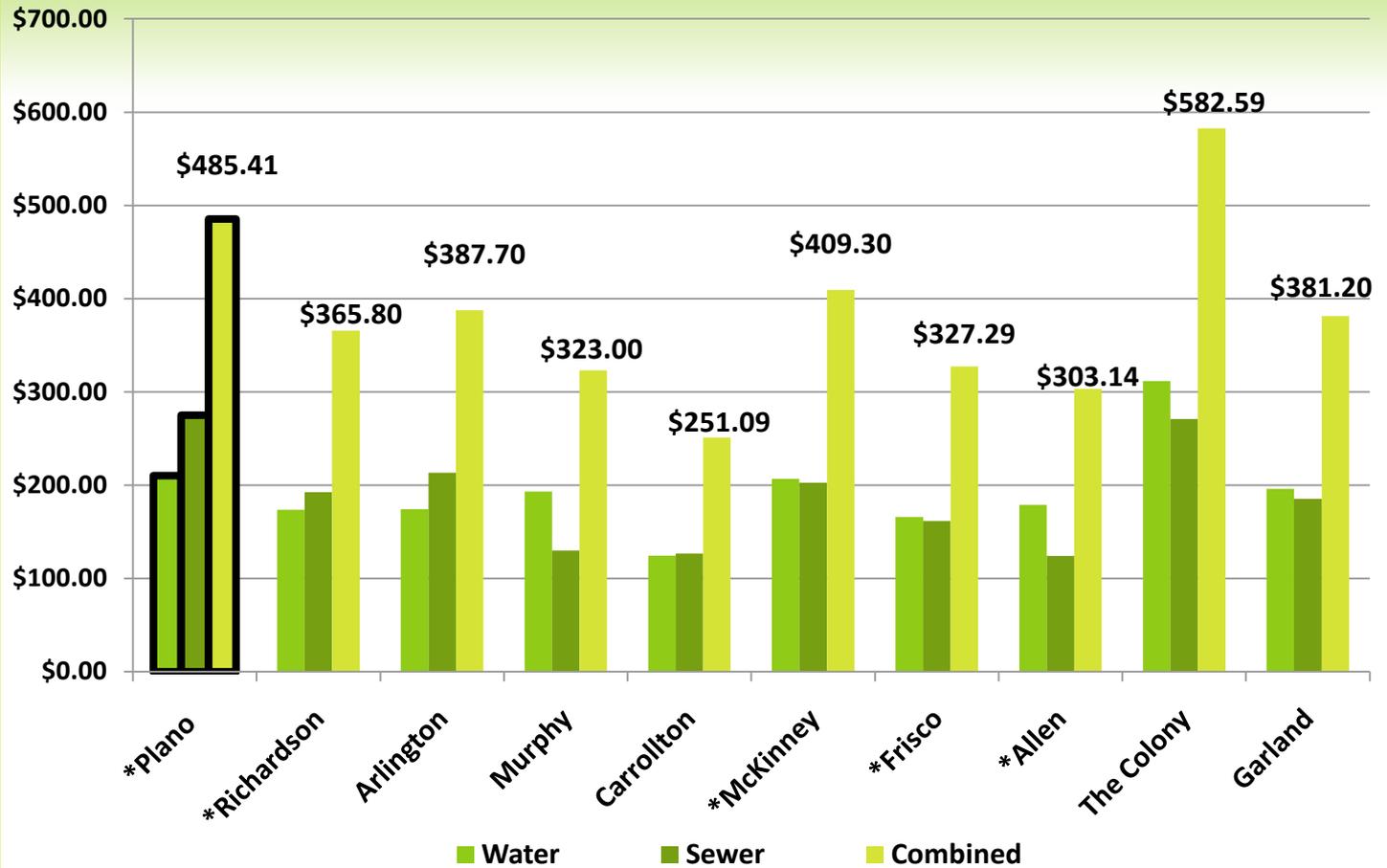
\$3,080,140

Residential 3/4" Comparison for 10,000 Gallons



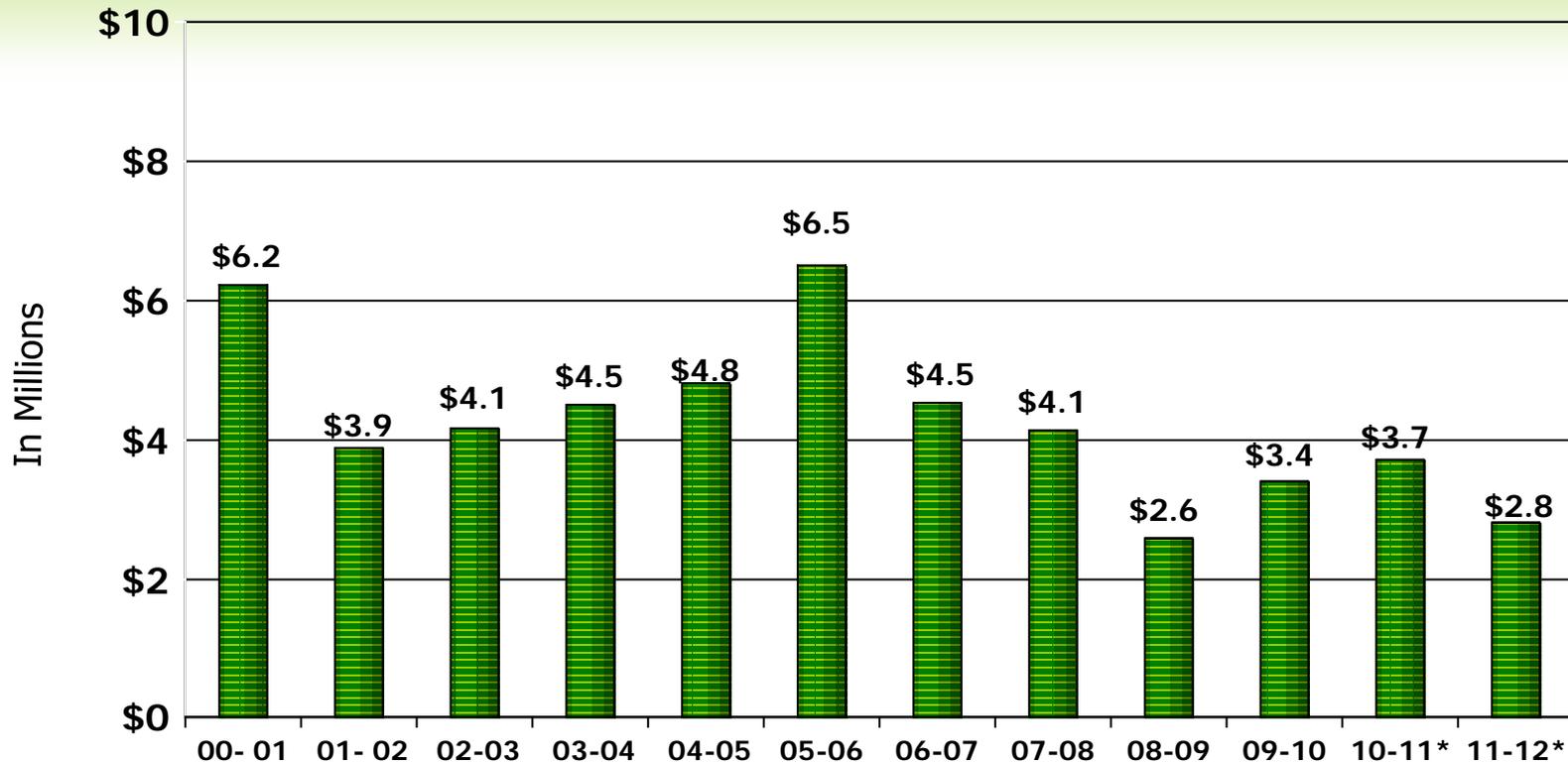
*Cities served by NTMWD. Other Cities rate Source: TML Survey, June 2011 and Other City Websites

Commercial Comparison for 50,000 Gallons



*Cities served by NTMWD. Other Cities rate Source: TML Survey, June 2011 and Other City Websites

BUILDING AND DEVELOPMENT REVENUE



*Projected

OTHER REVENUE CHANGES FY 2011-12

❑ Re-Estimated Municipal Court Fines	(\$1,578,744)
❑ Decline in Recreation Membership Fees	(\$533,686)
❑ Interest Earnings	(\$389,909)
❑ Mixed Drink Tax H.B. 1	(\$205,541)
❑ Residential Reinspection Fees (Oct. 1)	(\$239,424)
❑ TIF#1 Closing	\$1,024,026
❑ Enhanced Fire Inspection Program	\$300,000
❑ Electric Franchise - Rate Settlement Case	\$525,000

PROJECTED O&M EXPENSES
2011-12 COMMUNITY INVESTMENT PROGRAM

	2011-12	2012-13	2013-14	2014-15	2015-16
<u>CIP O&M Expenditures</u>					
Fire Station No. 13	27,028	1,690,437	563,479	0	0
Ladder Truck No. 5	0	0	1,690,437	563,479	0
Engine/Pumper No. 14	0	0	0	1,690,437	563,479
Total CIP O&M Expenditures	<u>\$ 27,028</u>	<u>\$ 1,690,437</u>	<u>\$ 2,253,916</u>	<u>\$ 2,253,916</u>	<u>\$ 563,479</u>
Tax Rate Impact	0.01	0.69	0.89	0.87	0.21
<u>Cumulative</u>					
New CIP O&M 2011-12	27,028	27,028	27,028	27,028	27,028
New CIP O&M 2012-13		1,690,437	1,690,437	1,690,437	1,690,437
New CIP O&M 2013-14			2,253,916	2,253,916	2,253,916
New CIP O&M 2014-15				2,253,916	2,253,916
New CIP O&M 2015-16					563,479
Total Cumulative O&M	<u>27,028</u>	<u>1,717,465</u>	<u>3,971,381</u>	<u>6,225,297</u>	<u>6,788,776</u>

2011-12

Fire Station No. 13 - Facility costs for 7 months to support additional 10,000 sq. ft.

2012-13

Fire Station No. 13 - 15-man crew for 9 months.

2013-14

Fire Station No. 13 - 15-man crew for 3 months; and Ladder Truck No. 5 - 15-man crew for 9 months.

2014-15

Ladder Truck No. 5 - 15-man crew for 3 months; and Engine/Pumper No. 14 - 15-man crew for 9 months.

2015-16

Engine/Pumper No. 14 - 15-man crew for 3 months.

THREE-YEAR FORECAST – March 2011

GENERAL FUND SUMMARY

FY 2011-2014

	2010-11 Re-Estimate	2011-12	2012-13	2013-14
BEGINNING FUND BALANCE	\$41,400,577	\$24,005,709	\$16,288,723	\$16,608,804
REVENUE	\$201,364,768	\$201,717,583	\$201,791,087	\$207,594,512
TOTAL RESOURCES	\$242,765,345	\$225,723,292	\$218,079,810	\$224,203,316
TOTAL APPROPRIATIONS	\$218,759,636	\$218,722,681	\$222,666,910	\$226,394,992
ENDING FUND BALANCE	\$24,005,709	\$7,000,611	(\$4,587,100)	(\$2,191,676)
Required 30 Day Balance		\$16,288,723	\$16,608,804	\$16,903,992
Add'l Revenues or Program Reductions to Meet 30 Days		\$9,288,111	\$21,195,903	\$19,095,668
DAYS OF OPERATION	44	30	30	30
Debt Rate Increase required		(\$0.35)	(\$0.45)	1.06
Equivalent Amount		(\$848,417)	(\$1,108,821)	\$2,680,409

REVISED FORECAST ASSUMPTIONS

- ⊙ No salary increases are included
- ⊙ Appraised values remain flat for FY 12-13 and increase 1% in 13-14
- ⊙ New growth expected at \$400 million for FY 12-13 & FY 13-14
- ⊙ Sales tax cap of \$57 million is maintained
- ⊙ Building & Development revenues decrease 15% for 12-13 and 10% for 13-14
- ⊙ CIP coming on-line including additional fire fighters are funded
- ⊙ \$1 million a year is included for Library Books
- ⊙ Assumes debt sales of \$30 million a year

	2009-10 Actual	2010-11 Budget	2010-11 Estimate	2011-12 Budget	2012-13 Projected	2013-14 Projected
Recurring Revenue						
Ad Valorem Taxes	\$81,571,898	\$76,291,684	\$75,763,574	\$78,254,045	\$77,531,762	\$82,348,983
Sales Tax	57,992,069	57,012,269	57,792,985	57,012,269	57,012,269	57,012,269
Franchise Fees	21,886,667	21,378,509	22,104,574	22,349,971	22,484,254	22,674,465
Fines & Forfeits	7,767,903	7,849,020	6,270,276	6,711,138	7,880,791	7,892,612
Building & Development	3,405,408	2,631,160	3,698,550	2,777,745	2,238,072	2,015,798
Licenses & Permits	2,812,031	2,857,504	2,921,123	3,093,668	2,768,676	2,759,492
Fees & Charges for Services	10,393,313	10,725,030	10,276,201	10,793,659	11,312,371	11,408,307
Intergovernmental	727,762	1,276,575	1,245,047	1,245,047	1,288,114	1,288,114
Interest Income	822,854	1,000,000	610,091	721,067	854,950	849,319
Transfers In	18,025,439	19,742,695	19,624,228	18,435,944	19,357,741	20,325,628
CIP Coming On-Line	0	0	0	30,000	30,000	60,000
Other	2,111,827	2,104,733	1,996,086	1,932,120	2,142,351	2,156,814
Total Recurring Revenue	\$207,517,171	\$202,869,179	\$202,302,734	\$203,356,672	\$204,901,351	\$210,791,801
Recurring Expenditures						
Salaries & Wages	\$144,503,595	\$151,035,111	\$145,444,002	\$149,923,627	\$150,223,627	\$152,214,064
Supplies & Services	44,676,780	47,272,576	47,794,830	47,851,728	47,927,075	48,016,459
Reimbursements	(2,325,885)	(2,275,796)	(2,051,968)	(2,695,741)	(2,695,741)	(2,695,741)
CIP Coming On-Line	0	0	0	189,519	1,873,911	2,485,573
Capital Outlay	1,511,225	1,026,000	1,937,626	1,000,000	1,000,000	1,000,000
Total Recurring Expenditures	\$188,365,715	\$197,057,891	\$193,124,490	\$196,269,133	\$198,328,872	\$201,020,355
Transfers Out	20,495,009	19,929,334	20,631,327	20,641,085	20,599,068	20,735,759
Fund Balance - Beginning	\$42,744,130	\$30,158,999	\$41,400,577	\$29,947,493	\$16,393,947	\$16,301,003
Total Recurring Revenue	\$207,517,171	\$202,869,179	\$202,302,734	\$203,356,672	\$204,901,351	\$210,791,801
Total Recurring Expenditures	\$188,365,715	\$197,057,891	\$193,124,490	\$196,269,133	\$198,328,872	\$201,020,355
Less: Transfers Out	\$20,495,009	\$19,929,334	\$20,631,327	\$20,641,085	\$20,599,068	\$20,735,759
Fund Balance - Ending	\$41,400,577	\$16,040,953	\$29,947,493	\$16,393,947	\$2,367,357	\$5,336,690
Required 30 Day Balance				\$16,393,947	\$16,301,003	\$16,522,221
Add'l Revenues or Program Days of Operation				(\$0)	\$13,933,646	\$11,185,531
				30	30	30
Operating Tax Rate to be Transferred to Debt Equivalent Amount				0.14	(0.45)	1.06
				\$350,197	(\$1,143,632)	\$2,763,228

	2009-10 Actual	2010-11 Budget	2010-11 Estimate	2011-12 Budget	2012-13 Projected	2013-14 Projected
Recurring Revenue						
Ad Valorem Taxes	\$81,571,898	\$76,291,684	\$75,763,574	\$78,254,045	\$77,531,762	\$82,348,983
Sales Tax	57,992,069	57,012,269	61,993,026	59,300,000	59,300,000	59,300,000
Franchise Fees	21,886,667	21,378,509	22,104,574	22,349,971	22,484,254	22,674,465
Fines & Forfeits	7,767,903	7,849,020	6,270,276	6,711,138	7,880,791	7,892,612
Building & Development	3,405,408	2,631,160	3,698,550	2,777,745	2,238,072	2,015,798
Licenses & Permits	2,812,031	2,857,504	2,921,123	3,093,668	2,768,676	2,759,492
Fees & Charges for Services	10,393,313	10,725,030	10,276,201	10,793,659	11,312,371	11,408,307
Intergovernmental	727,762	1,276,575	1,245,047	1,245,047	1,288,114	1,288,114
Interest Income	822,854	1,000,000	610,091	721,067	854,950	849,319
Transfers In	18,025,439	19,742,695	19,624,228	18,435,944	19,357,741	20,325,628
CIP Coming On-Line	0	0	0	30,000	30,000	60,000
Other	2,111,827	2,104,733	1,996,086	1,932,120	2,142,351	2,156,814
Total Recurring Revenue	\$207,517,171	\$202,869,179	\$206,502,775	\$205,644,403	\$207,189,082	\$213,079,532
Recurring Expenditures						
Salaries & Wages	\$144,503,595	\$151,035,111	\$145,444,002	\$149,923,627	\$150,223,627	\$152,214,064
Supplies & Services	44,676,780	47,272,576	47,794,830	47,851,728	47,927,075	48,016,459
Reimbursements	(2,325,885)	(2,275,796)	(2,051,968)	(2,695,741)	(2,695,741)	(2,695,741)
CIP Coming On-Line	0	0	0	189,519	1,873,911	2,485,573
Capital Outlay	1,511,225	1,026,000	1,937,626	1,000,000	1,000,000	1,000,000
Total Recurring Expenditures	\$188,365,715	\$197,057,891	\$193,124,490	\$196,269,133	\$198,328,872	\$201,020,355
Transfers Out	20,495,009	19,929,334	20,631,327	20,641,085	20,599,068	20,735,759
Fund Balance - Beginning	\$42,744,130	\$30,158,999	\$41,400,577	\$34,147,534	\$22,881,719	\$16,301,003
Total Recurring Revenue	\$207,517,171	\$202,869,179	\$206,502,775	\$205,644,403	\$207,189,082	\$213,079,532
Total Recurring Expenditures	\$188,365,715	\$197,057,891	\$193,124,490	\$196,269,133	\$198,328,872	\$201,020,355
Less: Transfers Out	\$20,495,009	\$19,929,334	\$20,631,327	\$20,641,085	\$20,599,068	\$20,735,759
Fund Balance - Ending	\$41,400,577	\$16,040,953	\$34,147,534	\$22,881,719	\$11,142,861	\$7,624,421
Required 30 Day Balance				\$16,393,947	\$16,301,003	\$16,522,221
Add'l Revenues or Program Days of Operation				\$6,487,772	\$5,158,142	\$8,897,800
				55	30	30
Operating Tax Rate to be Transferred to Debt Equivalent Amount				0.14 \$350,197	(0.45) (\$1,143,632)	1.06 \$2,763,228

Memorandum

To: Bruce Glasscock, City Manager
From: LaShon Ross, Deputy City Manager
Date: August 10, 2011
Re: Non-resident fees for Plano Library Cards

During budget meetings this year, we explored a cost/benefit analysis of the Plano Public Library System's (PPLS) continuing to receive funds from Collin County (\$75,857) and Denton County (\$9966) in exchange for providing full access to services through the PPLS at no cost to residents of these areas. The following data was considered:

- As a result of reductions in State funding, PPLS will no longer receive Loan Star Libraries grant funding (\$122,000). These funds were used to subsidize technology purchases/improvements and collections. These funds were not applied to the Library operations budget because of the chance that they would not be on-going.
- State reductions also resulted in the PPLS no longer receiving \$23,000 for being a "net lender." The PPLS received these funds for loaning more items than they request through the Interlibrary Loan program. As a result of losing these funds, patrons who request interlibrary materials will be required to pay shipping expenses of \$2.50 before receiving requested items.
- Money received from Collin and Denton Counties does not fully subsidize the cost for providing full library services to citizens from these areas.
- Implementing non-resident fees should increase PPLS availability of materials and resources for Plano citizens.
- Approximately 57,145 patrons from non-resident cities receive PPLS services.
- Implementing non-resident fees is a departure from what PPLS patrons are accustomed to, and this transition will not be without complaints and concerns from various portions of the population.
- To recoup the loss of funding from Collin and Denton Counties, 1700 of the 29,806 cardholders affected will need to purchase a library card at a cost of \$50.
- The City of Plano is obligated to review cost of services in search of the most affordable and sustainable options for maintaining desirable service levels for its citizens.

The PPLS proposes the following:

- Effective 10/1/11, non-residents will be charged \$50/year to receive a Plano library card providing access to full services including materials check-outs, computer use, and upcoming Wi-fi services.
- Residents of cities that provide free library cards to Plano citizens will not be charged a fee for Plano library cards. These cities are Allen, Frisco, Richardson, McKinney, Wylie, The Colony, and Garland.
- City of Plano employees will not be assessed a fee for Plano library cards.
- Visitors from outside Collin, Denton, Dallas, Rockwall, Hunt, Fannin, and Grayson Counties will be offered free services for a day when visiting Plano libraries.
- Discuss the possibility of Interlocal Agreements with cities that may wish to designate the PPLS as the source of library services for their city

Anticipated challenges:

- Frustration from individuals who are accustomed to receiving full services from the PPLS
- Frustration from parents whose children may have traditionally relied upon the PPLS's extensive collection when completing classroom assignments because their city's library collection is smaller or their city does not have a library
- Frustration from parents whose children attend Plano schools but live in other cities who may now be faced with a choice between purchasing a Plano library card or having their children access a library that may have a less extensive collection than the PPLS. [Some non-Plano PISD taxpayers may not understand that their PISD taxes do not support the PPLS.]
- Requirement that Plano's library staff address multiple customer service issues related to this change.
- Making system changes within the Polaris system that will establish dual categories for residents and non-residents to be functional as of 10/1/11.

A list of current cardholders affected by this change are attached for your review, as well as what we believe will be "frequently asked question" as we move through this process.

Thank you for your consideration.

Residents by City

City	NumberOfPatrons
PLANO	140727
DALLAS	11473
ALLEN	7891
FRISCO	6512
RICHARDSON	5467
MURPHY	4273
MCKINNEY	3894
WYLIE	2696
THE COLONY	2650
GARLAND	1712
CARROLLTON	1687
LUCAS	654
LITTLE ELM	554
LEWISVILLE	480
IRVING	408
SACHSE	400
PRINCETON	354
ROWLETT	346
FAIRVIEW	324
ADDISON	312
MESQUITE	272
PROSPER	249
CELINA	236
ANNA	208
PARKER	197
ARLINGTON	173
ROCKWALL	164
DENTON	157
FARMERSVILLE	151
COPPELL	150
FORT WORTH	141
FLOWER MOUND	118
AUBREY	117
NEVADA	110
GRAND PRAIRIE	97
SHERMAN	88
MELISSA	84
LAVON	84
VAN ALSTYNE	76
ROYSE CITY	75
FARMERS BRANCH	74

BLUE RIDGE	70
DESOTO	53
HOUSTON	49
AUSTIN	49
EULESS	48
FLOWERMOUND	44
DENISON	43
HIGHLAND VILLAGE	43
GRAPEVINE	43
KELLER	39
GREENVILLE	38
MISSING CITY	38
LANCASTER	33
TRENTON	31
BEDFORD	31
DUNCANVILLE	30
CEDAR HILL	29
COLONY	27
LEONARD	27
GUNTER	26
FORNEY	26
SAVANNAH	24
CORINTH	24
SAN ANTONIO	24
OAK POINT	22
CADDO MILLS	21
TERRELL	21
:	
:	
:	

Cities highlighted in red are reciprocating cities, and their residents will not be assessed a fee for a Plano library card.

Frequently asked questions

- Will the decision to charge non-resident fees for Library usage result in PPLS not being eligible to receive funds from Collin County and Denton County? If yes, will this reduction result in the PPLS absorbing any unscheduled costs? **Implementing non-resident fees will result in termination of PPLS's eligibility to receive funds from Collin County and Denton County (\$75,857 and \$9966, respectively). These funds go into the General Fund and are not dedicated to any specific library function. PPLS will not absorb these costs, but this is money that will not be included as part of the General Fund.**
- How did you arrive at the fee levels? The per capita cost to provide library services in Plano is approximately \$40. When considering neighboring costs to establish a local industry average, \$50 is an appropriate cost to cover the cost of services. Can you itemize what they will cover? For \$50/year, an individual will receive access to all services provided to residents of Plano. This includes computer usage, Wi-fi access when it becomes available, and materials check-out. Library users who do not have library cards may still have on-site access to shelved materials that do not require a library card for viewing.
- When you say that “imposing a non-resident fee is a tax equity issue,” are you saying that this move is toward a direction that more favorably directs services toward citizens of Plano that pay taxes and/or citizens of other communities that provide in-kind services to Plano residents? **Yes**
- Concerning access to K-12 databases, do you believe the impact will be that residents of neighboring, non-reciprocating cities or cities with no libraries may complain that they have to pay for their children to access educational information at a “public” library? If so, how will PPLS staff respond? It appears the explanation may be included in the proposed release you provided to me, but I want to be certain that I understand your approach. **Public libraries and academic libraries offer access to K-12 databases. The change in this situation will be one of convenience. Currently, non-residents may access this database. If non-resident fees are applied, library users will need to visit libraries in their cities in order to access this service free-of-charge. Residents of cities that do not have a library will need to visit a library that does not have a non-resident fee in order to receive this service free-of-charge. People who are accustomed to accessing this service through the PPLS (regardless of residency) will have to decide whether they want to pay for the service or go elsewhere. A positive feature regarding K-12 databases is that they are accessible through several locations – not just in Plano.**
- Where do you propose we obtain funds to complete necessary modifications within the Polaris system to support non-resident fees? Have you spoken with Technology Services to determine whether they can schedule these modifications and how long it will take? **Modifications will be made by Polaris at a cost of \$1000. This cost will be covered through the existing Library budget.**



Summer Arts Workshops





History

- Started 1994 as Storefront School for the Arts – Creative Arts Department
- 8 week FREE arts and cultural program
- 1998 changed name to Summer Arts Program



History

- Past 9 years contracted to ArtCentre of Plano through Competitive Sealed Proposal process
- Ages 8-15 with outreach to low income populations
- Six weeks each summer
- Free program (donations accepted)
- Cultural Affairs Commission review



Today

- Includes four disciplines: dance, music, drama and visual arts
- 80 students/week x 6 weeks = 480 students each summer
- Campers from Plano schools and every Plano ZIP code
- Includes Teen Trek summer camp students from Parks and Recreation



Highlights

- Students return year after year and look forward to it!
- Waiting lists for all sessions
- Watching the families delight at each end-of-week performance
- Knowing that, for the majority of these kids, arts camp is a luxury they wouldn't normally access



Additionally

- Parks and Recreation offers summer arts camps: \$53-\$185 (financial assistance program)
- Parks and Recreation offers year-round art program variety
- Many community art agencies offer fee-based summer programs



Financial History

<u>Fiscal Year(s)</u>	<u>Funding</u>
1994/95	\$ 51,000
1995/96	\$ 75,500
1996/97 – 2008/09	\$ 57,000
2009/10 – 2010/11	\$ 55,290

Bid process scheduled for FY 11-12

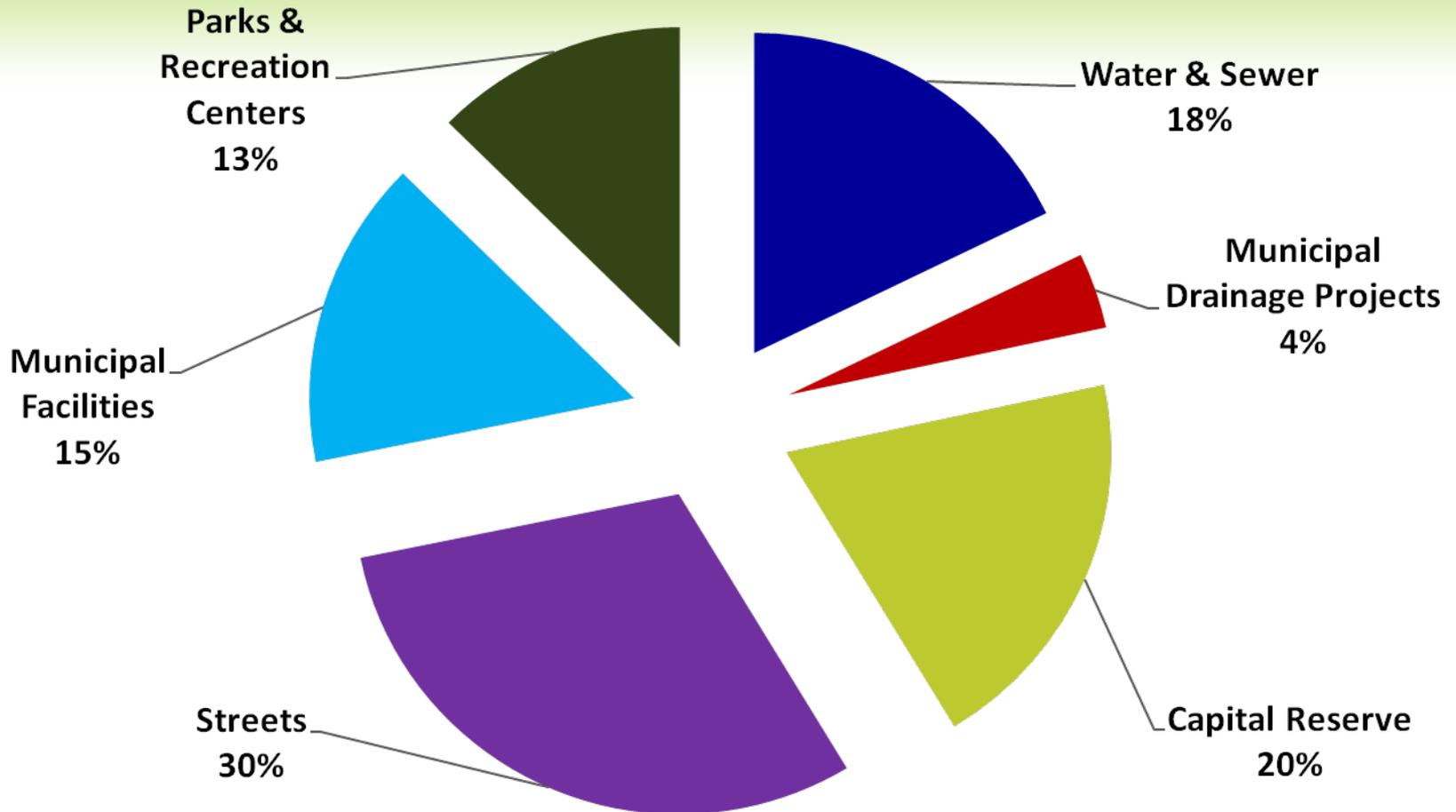


Questions



NON DEPARTMENTAL ASSOCIATIONS	2006-07	2007-08	2008-09	2009-10	2010-11	Projected 2011-12
Alliance for Innovation	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
Alliance for Innovation (3 yr. sponsorship)	-	-	\$5,000.00	-	-	-
ATMOS Gas Cities Steering Committee	\$25,295.00	\$12,785.00	\$5,276.00	\$5,349.60	\$13,680.55	\$5,350.00
Dallas Regional Mobility	\$19,178.00	\$19,568.00	-	-	-	\$10,000.00
Greater Dallas Planning	\$1,000.00	-	-	-	-	-
Metroplex Mayors Association	\$400.00	\$400.00	\$506.00	\$506.00	\$990.00	\$990.00
National Forum for Black Public Administrators						\$5,000.00
National League of Cities	\$11,527.00	\$11,988.00	\$12,468.00	\$12,468.00	\$12,468.00	\$12,593.00
North Central Texas Council of Governments (NCTCOG)	\$25,295.00	\$25,570.00	\$26,090.00	\$26,380.00	\$26,500.00	\$26,500.00
NCTCOG (Vision North Texas Program)	\$6,000.00	\$7,775.00	-	-	-	-
North Texas Commission	\$21,139.50	\$21,471.00	\$21,734.50	\$19,785.00	\$19,875.00	\$19,601.00
Plano Chamber of Commerce	-	-	-	-	\$2,640.00	\$2,640.00
TEX-21	\$20,000.00	-	-	-	-	-
Texas Municipal League (TML)	\$12,992.00	\$12,992.00	\$13,192.00	\$13,456.00	\$13,697.00	\$13,456.00
Texas Clean Air Cities Coalition	\$10,000.00	-	-	-	-	-
Texas Clean Air Cities Coalition for Utility Issues	\$7,588.50	\$10,228.00	-	\$10,699.20	-	\$12,000.00
TXU / ONCOR Standing Steering Committee	-	\$25,295.00	\$26,079.60	\$26,748.00	\$26,135.00	\$26,500.00
TXU / ONCOR (06-07 Assoc. paid in 07-08)	-	\$25,570.00	-	-	-	-
	\$167,915.00	\$181,142.00	\$117,846.10	\$122,891.80	\$123,485.55	\$142,130.00

COMMUNITY INVESTMENT PROGRAM FY 2011-12 EXPENDITURES \$89,007,278



CIP COMING ON-LINE

- ⊙ Included within the FY 2011-12 Budget is funding of \$189,519 for operating expenditures associated with the opening of Fire Station #13 and the Carpenter Park Recreation expansion.
- ⊙ Beginning in 2012-13 through 2014-15, fifteen (15) fire fighters a year are projected to be hired to man the Fire Station #13, a ladder truck and a pumper at a total cost of \$6.8 million or 2.67 cents on the operating tax rate.