



May 4, 2011

City Council
Gary A. Slagel
Mayor
Bob Townsend
Mayor Pro Tem
Mark Solomon
John Murphy
Bob Macy
Steve Mitchell
Amir Omar

Bill Keffler
City Manager

Fellow Richardson Residents and Businesses:

It has come to our attention that a number of unfortunate misstatements about the City of Richardson are being made through local media outlets and throughout our community.

As employees of the City of Richardson, we take great personal pride in our daily work and remain focused on delivering the high quality services you've come to expect. Such misrepresentations however strike at the organizational and personal ethics and integrity that are a cornerstone of our ability to effectively deliver these services. Therefore, we feel it is important to publicly address the misrepresentations you may be hearing.

Following is a summary of misstatements with some additional information aimed at clarifying the facts you may have been wondering about.

Should you need additional information on these issues, or any others of note, don't hesitate to contact us bill.keffler@cor.gov at 972-744-4204. We welcome the opportunity to provide information you can trust. Meanwhile we will continue to focus on excellence in public service day in and day out.

Sincerely,

Bill Keffler
City Manager

cc: Mayor and City Council
City Staff

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City of Richardson
Response to Recent Public Misrepresentations
May 4, 2011

Statement:

“Our City leaders have abandoned our core values: Transparency, Ethics and Fiscal Responsibility.”

Transparency

The Richardson City Council has made government transparency one of its highest priorities, and has directed City management to identify and seek out opportunities to make the City of Richardson one of the leading communities for having access to information.

The City’s Financial Transparency website went online December 1, 2010 and provides the ability to sort through a variety of municipal financial documents. Of special note, the City Council wanted to provide residents access to the City’s check register. The register makes available information on all accounts payable checks issued by the City. It shows how much money is being paid for an assortment of goods and services by each department.

The new website also provides an assortment of other reporting services such as access to City employee salaries, an online form to facilitate open records requests and a program enabling convenient tracking of projects included in the 2010 Bond Program. Residents, or any interested person, can also utilize the City’s Transparency site to submit requests for information using an online form and submittal process.

Recognition:

RICHARDSON AWARDED GOLD LEADERSHIP CIRCLE AWARD FOR FINANCIAL TRANSPARENCY

The Texas Comptroller of Public Accounts has recognized Richardson as a Gold member community in its Leadership Circle Awards. The award recognizes Richardson for its efforts to make finances open and accessible. The Gold Leadership Circle Award, the Comptroller's highest ranking, is reserved for those local governments that are setting the bar in their transparency efforts.

AUDITORS GIVE RICHARDSON’S FINANCES HIGHEST RANKING

The City’s finances received an “unqualified,” or clean opinion from Richardson’s independent auditing firm, KPMG LLP. In its review there were no issues or concerns identified during a five week audit of the City’s financial records. The designation shows that the City meets the highest level of audit industry standards, with no issues or irregularities in the City’s accounting practices.

GOVERNMENT FINANCE OFFICER’S ASSOCIATION

The City has been awarded GFOA’s Certificate of Achievement for the past 32 years. The program is a peer review process which encourages governments to produce high-quality financial statements that exceed the minimum presentation requirements that are set through accounting standards.

Ethics

In October 2010, Richardson City Council members unanimously approved a Code of Ethics ordinance that had been publicly discussed and reviewed for several weeks. The ordinance governs the practices of elected and appointed City officials and sets forth policies for investigation and action if individuals violate the ordinance.

The design of this ordinance began in 2009, when the then newly elected members of the City Council created a "Statement of Goals" that set the priorities for the City efforts. At that time, they discussed many ideas and creating the Code of Ethics ordinance was one deemed important for Richardson's future.

The ordinance went into effect upon adoption. A copy of the ordinance is available on the City's website.

Fiscal Responsibility

Bond Rating

The Moody's and Standard and Poor's bond rating agencies have both designated Richardson as a "AAA" community, which is the highest rating assigned by either agency.

The dual rating places Richardson among the top 6.8% percent of cities in the nation, and 3.1% of cities in Texas, to hold the dual rating. Richardson is one of only five cities in Texas to be rated so high, and is in the upper one-percentile when you factor in all cities in the nation.

Bond ratings allow investors to make informed decision when deciding whether or not to buy a bond, and Richardson's high ranking allows the City to acquire bonds at lower yields when going to the marketplace to sell bonds.

Standard & Poor's Comments - In its rationale, S&P cited Richardson's large economic base, role in the Metroplex as a primary employment center, location of a significant number of technology-based companies, strong residential income and wealth levels and "Strong, tenured, and responsive management;" as reasons for its high rating.

Moody's Comments - In its opinion, Moody's reported its AAA rating was, "Reflective of a relatively sizable, affluent tax base that derives its value in almost equal proportions between residential and commercial/industrial properties; strong financial management with a demonstrated commitment to maintain financial flexibility; and a manageable debt position."

Richardson successfully weathered the telecom downturn a decade ago. Since then, the City has focused on strategically diversifying its economic development strategy, which has helped during the current downturn. Evidence can be found by the community's relatively strong sales tax figures and consistently strong fiscal ratings from outside examiners.

Copies of the ratings reports are available on the City's website.

Annual Audit

The City's financial records are audited annually by an independent accounting firm who follows industry standards for municipal audits. For 2009-2010, the city received a "clean" or unqualified opinion meaning there were no issues or concerns identified during a five week audit of the City's financial records. This designation shows that the City meets the highest level of audit industry standards, with no issues or irregularities in the City's accounting practices. The City's auditor is KPMG, one of the top auditing firms in the United States.

A copy of the Independent Auditor's Report is available on the City's website.

Debt

The city's outstanding debt, as of the end of the most recently completed fiscal year, is \$316 million. This figure does not include debt issued by several other overlapping government entities such as Richardson Independent School District, Plano Independent School District, Dallas County, Dallas County Community College District, and Collin County Community College District which would reflect a much higher number. Nor does it include debt paid or issued in recent months which would actually result in a lower number. Rating agencies have deemed the City's outstanding debt, at approximately 2.9% of overall assessed property values, as "moderate" in rating agency analysis and they have assigned their highest credit rating.

Budget

The City of Richardson adopts a balanced budget every year. Deficit spending, like that found at the national level, is not an option for cities. Outstanding balances found on the City's Comprehensive Annual Financial Report (CAFR) are sometimes mis-read as budget shortfalls, but the difference is based on future obligations – akin to someone paying a mortgage – and not current financial liabilities.

The current budget does contemplate the use of reserves in such areas as the Water and Sewer Fund and the Internal Service Fund (Employee Health Insurance) which may lead some to believe that the current budget is not balanced. Use of reserves is a common financial strategy employed before rate increases are required.

Statement:

"2010 Budget documents indicate the City increased its overall staffing."

The City of Richardson continues to freeze positions in response to the economic climate and to accommodate areas of enhanced focus. Recent staffing increases have only been in areas of key concern to the City Council and Richardson Citizens – Communications, Open Records, Community Services and Public Safety. Even with these additions the City's staffing level is 3.5% below the staffing level of 2001-2002 just before the telecom industry's economic downturn.

Statement:

“Cities with comparable budgets and populations operate with much lower staffing levels.”

While Richardson’s residential population is within range of Carrollton and Lewisville, the daytime employment populations vary significantly. Richardson is home to the second largest central business district in the Dallas Fort Worth Region. In addition, the priorities and levels of service from one city to the next often vary widely.

Statement:

“. . . made the decision to cut Police Department Staffing . . . ”

Staffing for sworn Police Officers within the Richardson Police Department has not been cut but has actually increased from 149 to 150 since 2008.

The City’s 2009-2010 Comprehensive Annual Financial Report notes a decrease in the number of patrol “units” from 46 to 42. However this decrease was not a decrease in the levels of staffing or enforcement but rather patrol vehicles - a result of converting the traffic unit from motorcycles to patrol vehicles for the safety of the City’s Police Officers.

Compared to 2009, the City’s total crime rate is down 12% for 2010. Both the property crime rate and the violent crime rate in Richardson continue to track well below the State rates.

Statement:

“They jump in before researching the consequences to the taxpayer.”

The Tree the Town program launched on April 18, 2010 with a tree planting on the Central Trail. Prior to the program launch, the City Council reviewed the proposed program on March 1, 2010 and discussed the overall components including the ongoing City responsibilities.

The Tree the Town program is an innovative approach to beautifying Richardson through tree planting projects made possible by private donations. The Texas Trees Foundation organizes the tree planting project using volunteers and agrees to maintain the trees for the first year. The City of Richardson provides the maintenance of the trees after the first year, which includes watering, fertilization and pruning.

The Tree the Town program meets the City’s established goals and is consistent with other beautification efforts such as the Neighborhood Vitality Program and Matching Fund Beautification Program that also have ongoing maintenance elements.

Statement:

“City leaders are still approving a \$1 million compensation package for the head Golf Professional”

“We shouldn’t be paying golf pro at Sherrill Park more than most of the touring pros make.”

The Golf Professional at Sherrill Park Golf Course is not an employee of the City of Richardson and does not receive \$1 million in compensation from the City. The City of Richardson contracts out management of Sherrill Park Golf Course through a contract with a golf professional similar to many other golf courses in the Metroplex. The contract is performance driven and revenues vary from year to year depending upon the success of the facility. From the revenues received the Golf Professional is responsible for hiring staff and paying for certain operational costs such as golf carts, range balls, and restaurant and pro shop inventory.

Statement:

“Golfers say the course is in terrible condition.”

“Sherrill Park used to be one of the best in the Metroplex but now it’s a mess.”

Sherrill Park Golf Course is consistently ranked as one of the top public golf courses in the State of Texas. As one of the most recognized rankings, the Dallas Morning News consistently places Course #1 and Course #2 as one of the top 10 public fee courses in Texas. Sherrill Park has been honored by hosting numerous high profile tournaments such as the U.S. Open Local Qualifier, the U.S. Amateur Local Qualifier, the Northern Texas PGA Eastern Championship, the U.S. Public Links Women’s Qualifier, and the Open Qualifier for the Byron Nelson Golf Tournament.

Statement:

“Numerous open records requests go ignored.”

The City of Richardson responds to all open records requests in compliance with Texas Open Records Act. In 2010, the City of Richardson responded to 345 open records requests received through the City Secretary’s Office and year to date over 150 open records requests have been processed in the first 4 months of 2011. An additional staff person was added in 2009-2010 in response to the ever increasing number of open records requests.

Statement:

“When asked where that money is, City leaders refused to say.” (referring to Eisemann donation)

A copy of the \$2 million check from Charles W. Eisemann Foundation dated September 2001 has been provided to anyone requesting such information. The \$2 million donation was provided to support the construction of a new performing arts and corporate presentation facility and the funds were allocated to that construction project.

The Eisemann Center is an award-winning cultural, entertainment and business meeting destination that has attracted over 1.5 million patrons since opening in September 2002.

In 2007 an Economic Impact Study estimated the Eisemann Center’s impact on our economy to be over \$24 million for the 5 previous years and over \$64 million for the next 10 years.

The Eisemann Center development was integral to the concurrent Galatyn Park-area development and investments by DART, Hammons Hotels, and Nortel Networks, and set the infrastructure for subsequent investments by Blue Cross Blue Shield and Legacy Partners/The Venue - these four projects total over \$500 million in area development.

The annual operating subsidy, which is ~\$1.3 million on average, was anticipated in the original planning for the facility. Operating subsidies are common for publicly owned and operated arts centers much like they are for other city amenities such as parks, pools and libraries. While residents of Richardson benefit from the Eisemann Center, property taxes are not used in funding daily operations. The Eisemann Center’s operating subsidy is funded by hotel motel taxes collected from visitors staying in local hotels.