

RESOLUTION NO. 2014-02-___ (R)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY,
TEXAS, AUTHORIZING THE ADOPTION OF BUDGET GUIDELINES
FOR FISCAL YEAR 2014-15**

WHEREAS, the City Council of the City of McKinney, Texas, acknowledges that budget guidelines help to guide the development of budget.

WHEREAS, the City Council would like to develop a budget that addresses concerns and directs resources and efforts.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

Section 1. The City Council of the City of McKinney, Texas hereby adopts the budget guidelines.

Section 2. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS ON THE 18th DAY OF FEBRUARY, 2014.

CITY OF MCKINNEY, TEXAS

BRIAN LOUGHMILLER
Mayor

ATTEST:

SANDY HART, TRMC, MMC
City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

CITY COUNCIL BUDGET GUIDELINES FY 2014–2015

The City of McKinney's annual budget process is an opportunity to continuously assure that McKinney residents receive exceptional services while enjoying top value for their tax dollars. These guidelines are intended to affirm Council goals for FY15 and to mirror the General Fund 5 Year Plan.

- Revenue estimates for all funds will be detailed, conservative, and realistic.
- The General Fund expenditure budget will be based broadly on the following:
 - The City Manager will propose a fully funded and balanced budget with a target reduction of the ad valorem tax rate by at least $\frac{1}{4}$ of a cent from \$.05855 in FY14 to \$0.5830 in FY15.
 - Clearly align service levels or programs and allocate sufficient resources to meet goals and objectives as approved by the City Council.
 - Civilian employee pay structures will be based on a market-based total compensation system and allocate resources to reward performance through a merit system.
 - Police and Fire Sworn Personnel pay structures will be based on continuing the current and expected labor agreements with appropriate market-based adjustments.
 - In accordance with the 5 Year General Fund Plan, the City of McKinney will continue to address ongoing critical staffing needs.
 - Maintenance of minimum fund balances and reserves as required by the City's financial policies and to maintain current bond ratings with a General Fund reserve of not less than 25% of budgeted expenditures and an ideal target of 30% when possible.
- The Utility Fund and Solid Waste Fund expenditure budgets will be broadly based on:
 - Long-term financial sustainability of the funds.
 - Implementation of rate adjustments as recommended by appropriate rate studies. An annual update of rate studies will be done to determine the fiscal condition of the funds.
- The proposed budget will seek to sustain the support of the Equipment Replacement Fund that is being used to modernize our fleet and upgrade facilities and technology.