

# CITY COUNCIL BUDGET GUIDELINES

## FY 2015–2016

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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 FY16:

- Budgets and departmental work plans will be established to support the 6 Council goals established in January of 2015
  1. Direction for Strategic Growth
  2. Operational Excellence
  3. Growth at the McKinney National Airport
  4. Financially Sound Government
  5. Growth in Downtown McKinney
  6. Safe and Secure Community
- Staffing level adjustments will be made in adherence with our overall 10 Year Financial Plan
- Revenue estimates for all funds will be detailed, conservative, and realistic
- The General Fund expenditure budget will be based on the following:
  - The City Manager will propose a fully funded and balanced budget.
  - Maintain a \$0.5830 total tax rate
  - Civilian employee pay structures will be based on a market-based 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 Meet and Confer agreements with appropriate market-based adjustments

- Maintain minimum fund balances and reserves as required by the City's financial policies with a General Fund reserve of not less than 25% of budgeted expenditures
- The Utility Fund expenditure budget will be broadly based on:
  - Long-term financial sustainability of the funds
  - Implementation of rate adjustments as recommended by appropriate rate studies or rate adjustments of providers. 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 and Facilities Replacement Fund that is being used to modernize our fleet and upgrade facilities
- To the extent possible, the City will fund depreciation in all funds to minimize the need to issue debt and to cash fund needed infrastructure improvements