



OAK HOLLOW GOLF COURSE CLUBHOUSE



FIRE STATION #8



CAREY COX MEMORIAL PARK

City of McKinney Texas

Proposed Annual Budget Fiscal Year 2010-2011

September 7, 2010



www.mckinneytexas.org



Budget Emphasis – Maintain Current Operations

- Minimal new expenditures/services
- Maintain current staff salary and benefits
 - No change in employee contribution in health insurance (City absorbs increased cost)
 - No staff reductions with continual evaluation of each open position (currently 16 frozen positions with no budgeted funds)
- Due to budget reductions and increased workloads some Streets, Concrete and Parks Operation and Maintenance schedules will be affected.

Budget Emphasis – Equitable Service Charges (1)

- Increase in Water and Sewer Franchise Fee from 4% to 5%
 - Increase General Fund Revenues by \$430,000
 - Increase Water Fund Expenses by \$430,000
- Increase billing fee for solid waste and surface water drainage from \$0.45 to \$1 per account per month
 - Increase Water Fund by \$305,555
 - Increase Solid Waste Fund Expenses by \$232,222 and
 - Increase Surface Water Drainage Fund Expenses by \$73,333

Budget Emphasis – Equitable Service Charges (2)

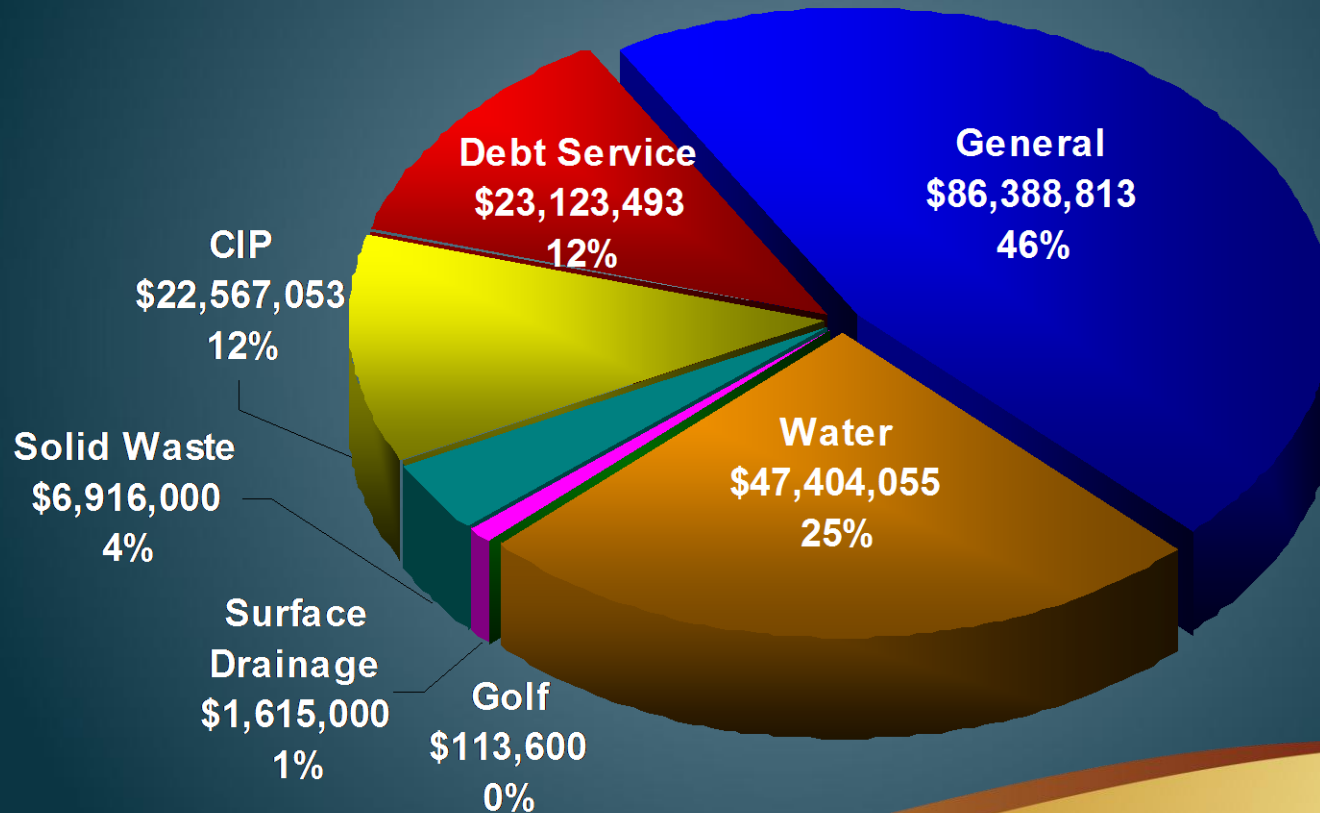
- Increase in Water and Wastewater Rate by 5%
 - Residential water base rate \$11 to \$11.50
 - Water volume rate \$3.03 to \$3.17 per 1,000 gallons
 - Residential wastewater rate \$ rate \$11 to \$11.50
 - Wastewater volume rate \$3.15 to \$3.24 per 1,000 gallons

Total Budget

Fund Title	Est. Fund Balance 9/30/2010	Proposed			Est. Fund Balance 9/30/2011
		Revenues	Expenses	Adjustments	
General	\$27,037,360	\$86,388,813	\$90,788,018	\$1,185,000	\$23,823,155
Water	\$7,259,610	\$47,404,055	\$51,622,250	\$6,400,000	\$9,441,415
Golf	\$141,521	\$113,600	\$262,750	\$210,000	\$202,371
Surface Drainage	\$1,365,373	\$1,615,000	\$1,713,958	\$2,000	\$1,268,415
Solid Waste	\$4,076,903	\$6,916,000	\$7,349,933	\$67,000	\$3,709,970
CIP	\$6,525,329	\$22,567,053	\$19,973,022	\$0	\$9,119,360
Debt Service	\$11,591,270	\$23,123,493	\$28,193,704	\$0	\$6,521,059
Other Operating	\$2,243,201	\$6,018,479	\$6,890,312	\$0	\$1,371,368
Subtotal	\$60,240,569	\$194,146,493	\$206,793,949	\$7,864,000	\$55,457,113
Internal Transfers		(\$14,917,319)	(\$14,917,319)		
Total	\$60,240,569	\$179,229,174	\$191,876,630	\$7,864,000	\$55,457,113

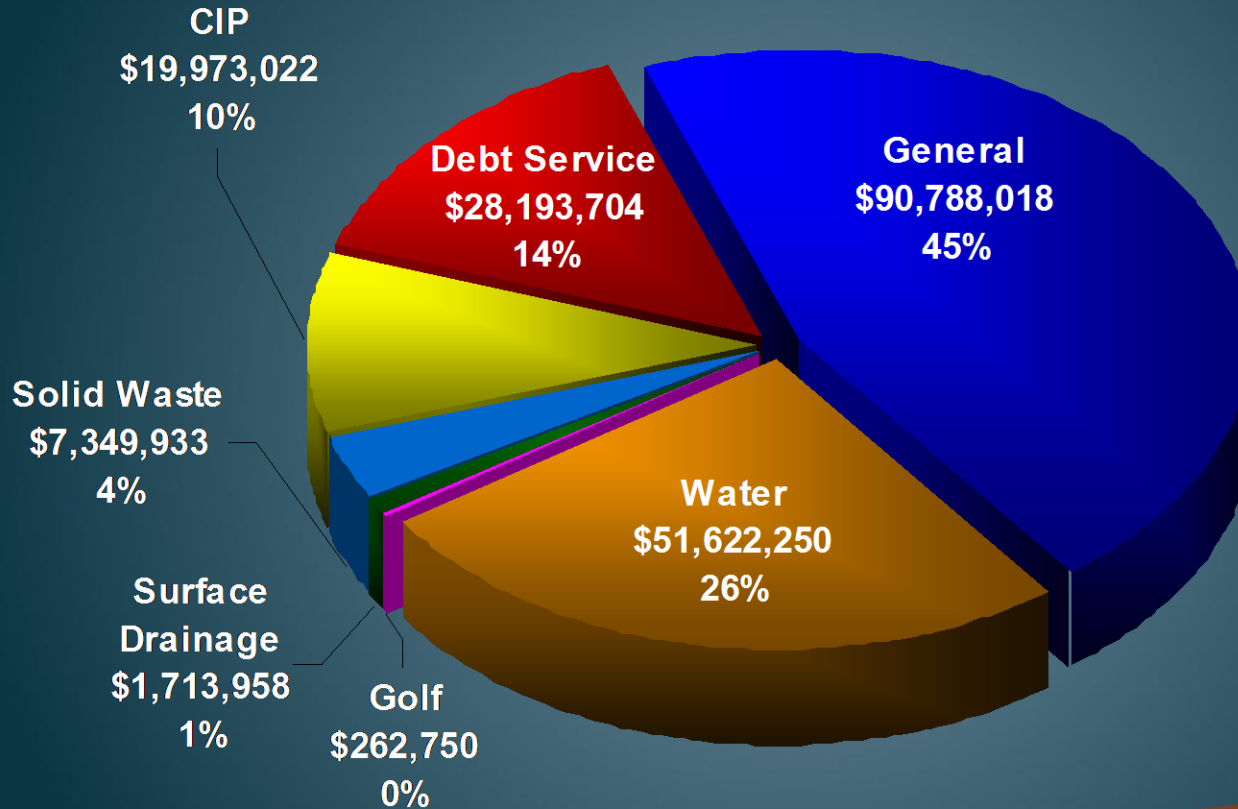
Total Revenues

FY 2010-11 Total Revenue \$194,146,493



Total Expenses

FY 2010-11 Total Expenditures \$206,793,949

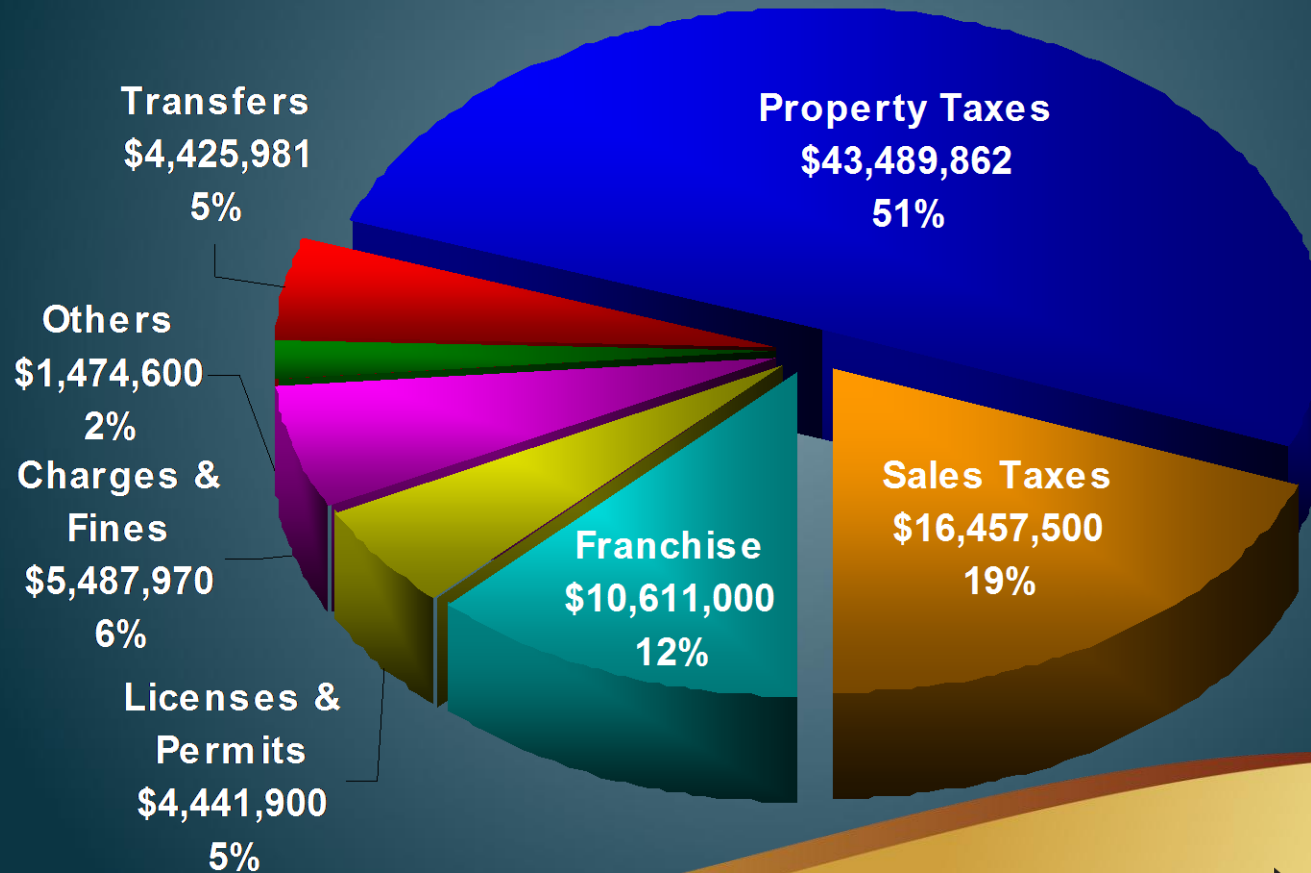


General Fund Revenues

General Fund Revenues	Budget FY09-10	Proposed FY10-11	% Change FY10 to FY11
Property Taxes	\$ 44,020,000	\$ 43,489,862	-1.2%
Sales Taxes	16,250,000	16,457,500	1.3%
Franchise Fees	10,016,976	10,611,000	5.9%
Licenses & Permits	4,532,254	4,441,900	-2.0%
Charges & Fines	5,308,352	5,487,970	3.4%
Other	1,573,426	1,474,600	-6.3%
Total	81,701,008	81,962,832	0.3%
Transfers	4,199,577	4,425,981	5.4%
Total Revenues & Transfers	\$ 85,900,585	\$ 86,388,813	0.6%

General Fund Revenues

FY 2010-11 General Fund Revenues \$86,388,813



Property Values & Tax Rates

Fiscal Year	Assessed Valuation	Percent of Increase	Average Home Value	M&O Rate Per \$100	I&S Rate Per \$100	Tax Rate Per \$100	Average Property Tax
2001-02	4,156,138,965	17.8%	160,600	0.41898	0.17902	0.59800	960
2002-03	5,042,829,858	21.3%	172,300	0.43445	0.16355	0.59800	1,030
2003-04	5,571,651,128	10.5%	185,426	0.42145	0.17655	0.59800	1,109
2004-05	6,247,223,213	12.1%	187,332	0.44132	0.15168	0.59300	1,111
2005-06	7,087,753,223	13.5%	190,284	0.40900	0.17900	0.58800	1,119
2006-07	8,220,253,314	16.0%	197,169	0.41817	0.16983	0.58800	1,159
2007-08	9,648,855,100	17.4%	206,284	0.41923	0.16627	0.58550	1,208
2008-09	10,540,361,398	9.2%	211,279	0.40650	0.17900	0.58550	1,237
2009-10	10,682,270,372	1.3%	209,556	0.40650	0.17900	0.58550	1,227
2010-11	10,673,459,773	-0.1%	207,370	0.40650	0.17900	0.58550	1,214

Proposed Tax Rate FY 2010-2011

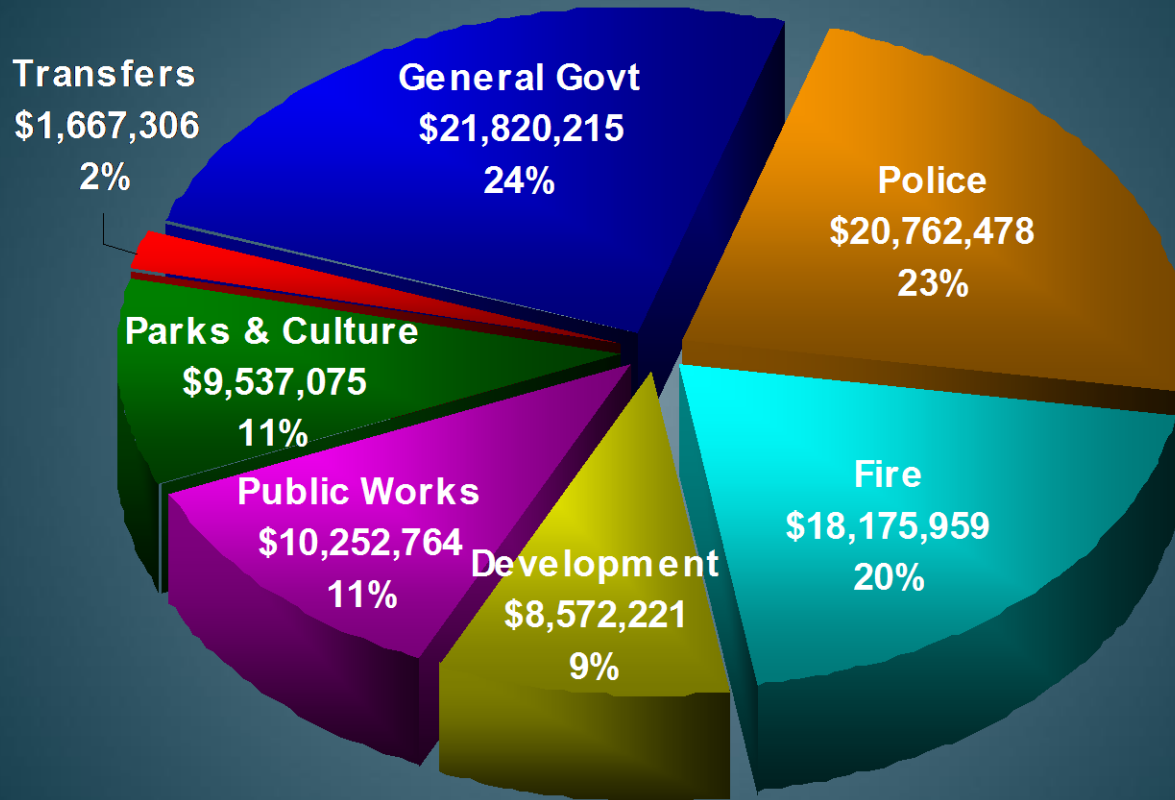
- Tax Rate is proposed to remain at \$0.5855
- Maintenance & Operations portion (General Fund) is \$0.4065
- Interest & Sinking portion (Debt Service) is \$0.1790

General Fund Expenditures

General Fund Expenditures	Budget FY09-10	Proposed FY10-11	% Change FY10 to FY11
General Government	\$ 21,975,391	\$ 21,820,215	-0.7%
Police	21,791,436	20,762,478	-4.7%
Fire	18,519,445	18,175,959	-1.9%
Development Services	8,461,027	8,572,221	1.3%
Public Works	11,312,341	10,252,764	-9.4%
Parks & Library	9,538,195	9,537,075	0.0%
Transfers	1,698,878	1,667,306	-1.9%
Total Expenditures	\$ 93,296,713	\$ 90,788,018	-2.7%

General Fund Expenditures

FY 2010-11 General Fund Expenditures \$90,788,018



General Fund Balance

General Fund Summary & Fund Balance	Budget FY09-10	Proposed FY10-11	Projected FY11-12
Beginning Fund Balance	\$ 28,180,988	\$ 27,037,360	\$ 23,823,155
Total Revenues & Transfers	85,900,585	86,388,813	86,388,813
Total Expenditures	93,296,713	90,788,018	90,788,018
Adjustments	6,252,500	1,185,000	1,270,000
Surplus/(Deficits)	(1,143,628)	(3,214,205)	(3,129,205)
Ending Fund Balance	\$ 27,037,360	\$ 23,823,155	\$ 20,693,950
90-Day Revenue Requirement	\$ 21,475,146	\$ 21,597,203	\$ 21,597,203
Fund Balance Above Policy Minimum	\$ 5,562,214	\$ 2,225,953	\$ (903,253)

Major Budget Items

General Fund

- Salaries & Benefits \$ 61,169,330
(67% of General Fund Budget)
- Capital items (one-time items) \$ 232,300
- Transfers to Other Funds \$ 1,667,306
 - Airport Operations (MADC) \$565,000
 - Computer Replacement \$418,038
 - Grant Fund \$428,768
 - Main Street \$125,000
 - Community Housing \$130,500

Water and Wastewater Fund Cash & Investments

Water and Wastewater Fund Cash & Investments Balance	Budget FY09-10	Proposed FY10-11
Beginning Cash & Investments	\$6,753,250	\$7,259,610
Total Revenues	45,137,030	47,404,055
Total Expenses	50,830,670	51,622,250
Net Income/(Loss)	(5,693,640)	(4,218,195)
Adjustments (Depreciation)	6,200,000	6,400,000
Ending Cash & Investments	7,259,610	9,441,415
60 Days Cash Revenues	7,522,838	7,900,676
Fund Balance Above/(Below) Policy Minimum	(\$263,228)	\$1,540,739

Major Budget Items

Water and Wastewater Fund

- Water Purchase \$ 13,709,705
(26% of total expenses)
- Wastewater Contract \$ 12,357,070
(24% of total expenses)
- Debt Service and Reserve \$ 3,300,000
(6% of total expenses)
- Existing Salaries & Benefits \$ 4,985,603
(10% of total expenses)

Solid Waste Fund Cash & Investments

Solid Waste Fund Cash & Investments Balance	Budget FY09-10	Proposed FY10-11
Beginning Cash & Investments	\$10,642,358	\$4,076,903
Total Revenues	6,811,686	6,916,000
Total Expenses	7,465,640	7,349,933
Net Income/(Loss)	(653,954)	(433,933)
Adjustments	(5,911,500)	67,000
Ending Cash & Investments	4,076,903	3,709,970
60 Days Cash Revenues	1,135,281	1,152,667
Fund Balance Above/(Below) Policy Minimum	\$2,941,622	\$2,557,303

Other Operating Funds

Other Operating Funds	Fund Balance 10/1/2010	FY10-11 Revenues	FY10-11 Expenses	Adjustments	Fund Balance 9/30/2011
Golf Course	\$141,521	\$113,600	\$262,750	\$210,000	\$202,371
Surface Water Drainage	1,365,373	1,615,000	1,713,958	2,000	1,268,415
Community Housing	(284,863)	424,589	132,488	0	7,238
Main Street	51,941	150,400	155,787	0	46,554
Community Dev. Block Grant	15,983	597,046	597,046	0	15,984
MPAC	101,103	761,319	761,319	0	101,104

Personnel

STAFFING	Budget FY 09-10	Proposed FY 10-11
General Fund	743.3	741.6
Water & Wastewater Fund	76.0	73.0
Surface Water Drainage Utility Fund	11.0	11.0
Solid Waste Fund	12.0	12.0
Community Housing Fund	1.0	1.0
Main Street Program	2.0	2.0
Community Development Block Grant	3.0	3.0
Grants Fund	0.0	1.0
McKinney Performing Arts Center	7.0	7.0
Street Construction Fund	4.4	4.4
Utility Construction Fund	1.7	1.7
Facilities Improvement Fund	1.0	1.0
TOTAL PRIMARY GOVERNMENT	862.3	858.6

Personnel

- General Fund decreased personnel by 1.7 FTE's by eliminating vacant 1.7 FTE from Library
- Water/Wastewater Fund decreased personnel by 3.0 FTE's (eliminated vacant Pretreatment Coordinator & 2 FTE Maintenance staff)
- Grant Fund increased personnel by 1.0 FTE (addition of Environmental Coordinator for EECBG Grant)

CIP OVERVIEW



CIP Highlights FY2011-2015

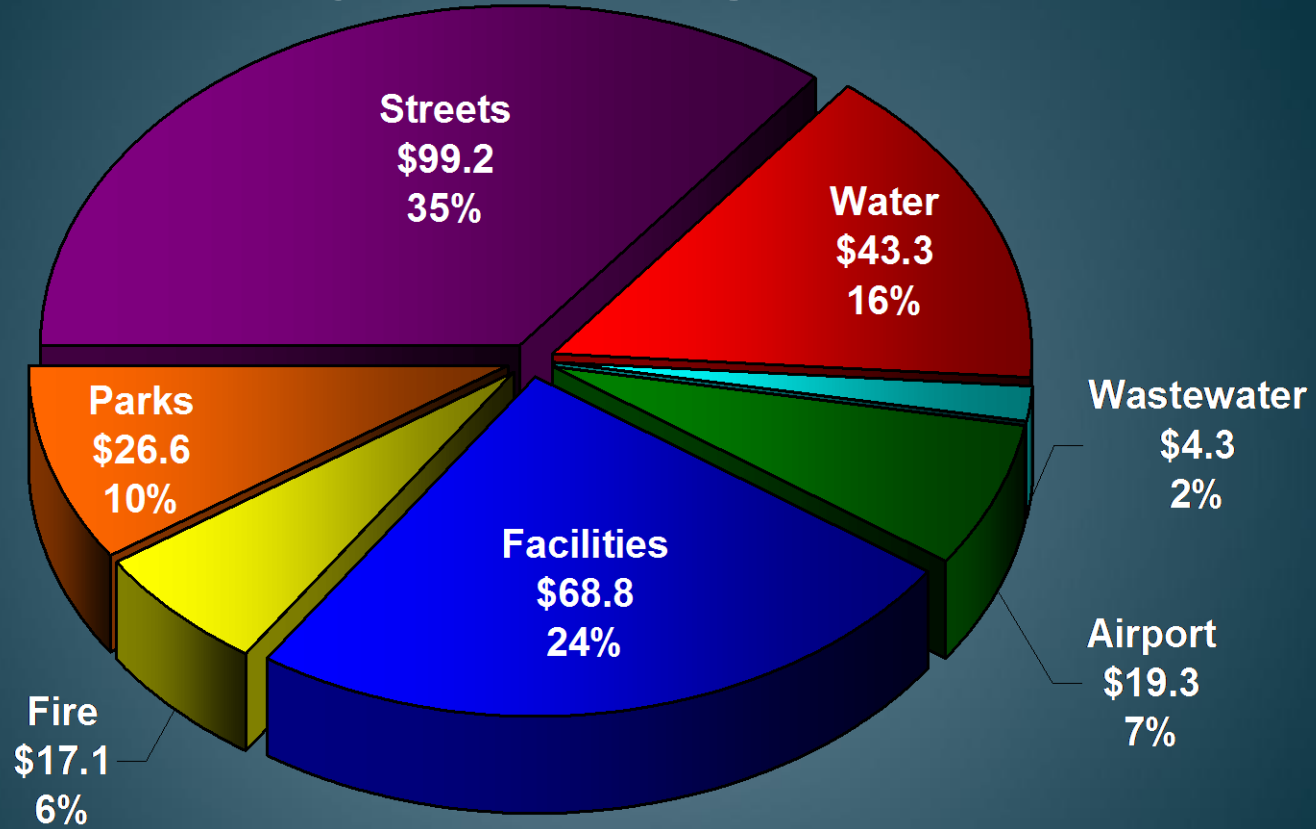
- Due to limited bond capacity, the recommended bond issuance is about \$5 million for FY2010-11
- Funding for FY2010-11 CIP totals over \$18.6 million
- Funding for FY2011-2015 CIP exceeds \$278.5 million

CIP Projects FY2011-2015

Active Projects	Number of Projects	Funding Amount
Funding Provided before FY2011		\$265.7
Funding Provided for FY2011		\$18.6
Funding Estimates for FY2012-2015		\$259.9
Total	179	\$544.2

FY2011-2015 CIP Overview

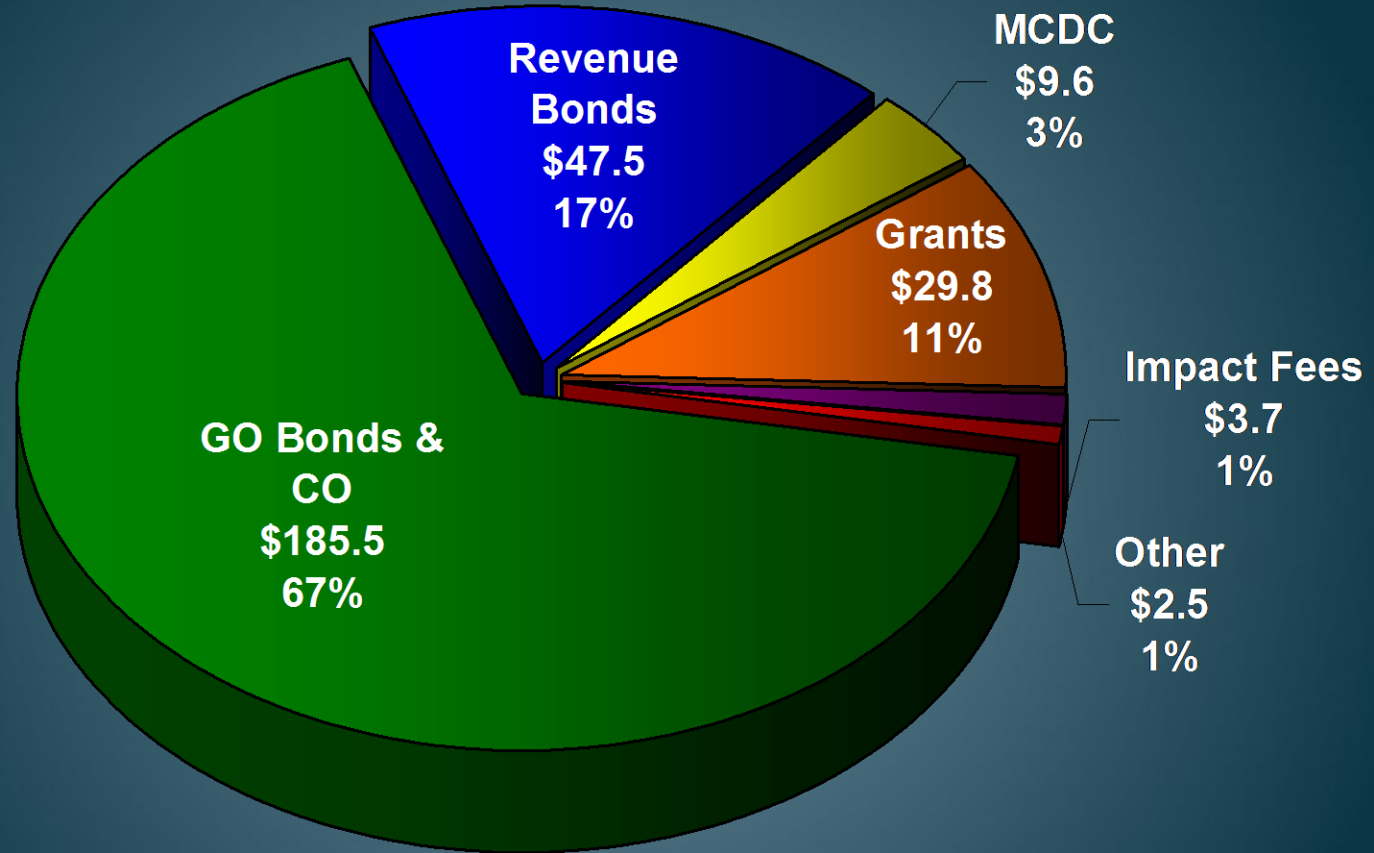
Project Categories



2011-2015 CIP in millions of dollars
(Total \$279 million)

FY2011-2015 CIP Overview

Funding Sources



2011-2015 CIP in millions of dollars
(Total \$279 million)

Proposed General Obligation Bonds Projects for FY2010-11

FY10-11 Approved Bond Projects	Year to be Activated or Continued	Bond Year Approved	Funding Before FY2011	FY2011 Bond Issuance Needed	FY2011 Other Funding	Total Funding Thru FY2011
Lake Sediment Removal	FY2010-2011	2010	\$530,132			\$530,132
Public Safety Building Phase II	FY2010-2011	2010		\$500,000		\$500,000
Land Acquisition (Public Safety)	FY2010-2011	2010		\$3,000,000		\$3,000,000
Land Acquisition (PROS)	FY2010-2011	2010	\$4,115,994		\$500,000	\$4,615,994
Skateboard Park	FY2010-2011	2010	\$2,000,000			\$2,000,000
Intersection Improvements	FY2010-2011	2006	\$2,671,269	\$1,408,000		\$4,079,269
Alma Road Completion	FY2010-2011	2006	\$1,858,000	\$110,000		\$1,968,000
Total			\$11,175,395	\$5,018,000	\$500,000	\$16,693,395