



City of McKinney Media Release

For Immediate Release

McKinney projects balanced FY 10-11 budget

McKINNEY, TEXAS (Aug. 9, 2010) – McKinney City Council reviewed the Fiscal Year 2010-11 budget at a second meeting on Aug. 6 and expects to adopt a balanced budget in September. The proposed budget is \$90.2 million, which reflects a \$3.1 million reduction compared to the current FY 09-10 year's budget.

“Nearly every city in the country has faced a difficult budget process this year, and McKinney is no different. But by working together and focusing on prudent and active budget monitoring, we’ve been able to ensure that the city is balancing the budget in a way that’s sustaining not only for next fiscal year, but for years to come,” said Interim City Manager Rick Chaffin.

By limiting new expenditures, city staff presented a budget that maintains current staff salary and benefits and avoids staff layoffs and keeps essential city services with no property tax increases for citizens, reflecting hard work to reduce negative impacts to the residents of McKinney.

City staff did not receive any salary increases, but the city budget absorbs all increases in health insurance costs. Open positions, currently at 17 frozen positions, are not budgeted to fill.

Public hearings will be held on the budget during the regular City Council meetings on Sept. 7 and Sept. 21, and Council will take action on the final budget for Fiscal Year 2010-11 at the regular meeting on Sept. 19. Public hearings will not be held for the tax rate. Since it is unchanged, it is lower than the effective tax rate, which is a calculation designed to find the rate that raises about the same total revenues as last year as the properties taxed on both years.

Since the preliminary assessed property value was less than the actual certified amount, this led to an additional \$1,153,121 in revenue from property tax. The amount will be placed in the General Fund Balance.

“Although budget reductions and a portion of the fund balance were used to bridge the gap between revenues and expenditures, we plan to continue moving forward on Capital

Improvement Projects and bond projects. We are committed to investing in the community for long-term growth and maintaining quality services by making fiscally prudent, practical decisions and limiting financial burdens on citizens,” said Deputy City Manager Jim Parrish.

In the future, the city plans to build on successes from 2010, during which McKinney was named the #5 Best Place to Live in America by Money Magazine. The city opened Fire Station #8, added four police officers to the department, opened the new Carey Cox Memorial Park and announced a lower ISO Property Protection Classification that helps most residents and business owners secure a lower fire insurance rate. Also this year, McKinney voters approved a \$52 million bond package, and the City Council created the McKinney Economic Development Alliance to promote a strategic economic development plan for the entire city.

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About McKinney

McKinney, Texas, is unique by nature. As one of the fastest-growing cities in the U.S., McKinney has a current population of more than 127,500. Incorporated in 1848, the city is located 30 miles north of Dallas and is the county seat of Collin County. McKinney offers rolling hills, lush trees, a historic downtown square and unique neighborhoods and developments, and it was recently ranked as the #5 Best Places to Live by Money Magazine. Visit the city’s Web site at www.mckinneytexas.org.

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