



RAINY DAY FUND

Rainy Day Fund

- Separate fund from the General Fund
- For reporting purposes, would roll into the General Fund

Can be seeded with money from the following:

- NTMWD water case settlement- approximately \$2.1 million
- Any excess fund balances in any fund not legally restricted in the City of Plano

Uses:

- Unforeseen Budget Deficient
- Unforeseen Revenue Shortfall
- Any other purpose deemed appropriate by City Council

Amount to set aside:

- # days working capital
- % of annual revenue
- Designated dollar amount

Benefits:

- Provides another safety reserve for the City
- Is similar to the State of Texas Rainy Day Reserve
- Would be considered a best practice
- Would be supported by the rating agencies to preserve the City's AAA bond rating
- Would help stabilize tax rate

QUESTIONS?