

City Council Holds Final Public Hearing on Proposed FY 2011 City Budget On September 21, 2010

The City of DeSoto's proposed \$29,683,521 budget for FY 2011 is less than the one presented for FY 2010 as well as FY 2009. It calls for a .9 cent increase in the Operating and Maintenance portion of the tax rate. The Interest and Sinking Fund portion of the tax rate will increase by 2.6 cents resulting in a total tax rate for FY 2011 of \$0.73512. State law allows cities to declare a tax rate that would generate the same revenue as the previous year in spite of lower property values. For DeSoto, that effective tax rate would be \$0.75040. The proposed FY 2011 tax rate is below that amount.

"The challenge for FY 2011 was to develop a budget on declining property values that would finance the level of service DeSoto residents have expressed an interest in continuing", according to Jim Baugh, DeSoto City Manager. "DeSoto has lost more than \$255 million in property values primarily in the area of single family homes which represents a 9% loss in value since 2009 and a reduction of more than \$1.2 million in tax revenue," said Baugh. "The good news for homeowners is this reduction in value represents a reduction in their total tax bill."

In DeSoto, property tax is the most significant revenue source funding general government activities but it is not the only source. The second largest revenue source is Sales Tax. In FY 2010, this source performed better than expected leading to some optimism for additional increases in FY 2011. DeSoto has added some new retail stores and the passage of off premises sales of beer and wine is adding to the strong performance. It is projected that Sales Tax revenue for FY 2011 will see an increase of \$405,000 which is the equivalent of \$0.014 on the tax rate.

The budget presented represents the same level of general government services provided in FY 2010. It was designed to maintain current service levels and does not include any new programs or initiatives. The cost of these services has remained basically flat for the past three years and staff has utilized every innovative cost reduction measure to maintain expenses at this level. However, we did see an increase of 16.5% in our employee health and dental costs even after coverage reductions, such as an increase in employee deductibles and co-pays, were implemented. No employee salary increases are proposed and there will be no significant staffing reductions or furlough days.

(continued on page 2)



The City Council instructed staff to move forward with implementation of the first year of the FY 2011-2015 Capital Improvement Program. \$8 million in certificates of obligation bonds will be sold in FY 2011 to fund:

- the reconstruction of Chattey Road to a two-lane concrete roadway with underground drainage and sidewalks
- reconstruct grade "F" alleys throughout the city
- participate with Dallas County on asphalt reconstruction of arterials
- improvements to the Corner Theatre and Grimes Park Concession Stands
- add restrooms at the BMX track

The City Council will hold the final public hearings on the proposed FY 2010-2011 budget during the regular City Council meeting at DeSoto City Hall on September 21, 2010 at 7 p.m. The City Council will adopt the budget following this public hearing on September 21st. If you have any questions or comments regarding the proposed FY 2010-2011 budget, please plan to attend the public hearing to share your comments or call the City Manager's office at 972,230,9643.

The Annual Senior Activity Center Community Garage Sales is Saturday, October 9th

It's almost time for the DeSoto Senior Activity Center's Annual Community Garage Sale. This year it will be held on Saturday, October 9, 2010. The Senior Activity Center is looking for individuals, groups or associations who would like to have booth space at the sale.

The giant sale will be held from 8:00 a.m. to 1:00 p.m. at the DeSoto Senior Activity Center, 204 Lion Street. Vendor arrival and set up begins at 7:00 a.m. The fee for an 8 ft. X 8 ft. booth with one table and two chairs is \$25. These booth spaces will be located inside the building and assigned on a first come, first serve basis. There is also space available outdoors for those who need a larger booth space. The fee for a 10 ft. X 10 ft. outside booth space is \$15 and will also be assigned on a first come, first serve basis. For the outside rentals the vendor will have to provide their own table and chairs. Senior citizens (50 years and older) who are **current members of the center** may receive a \$5 discount with the purchase of each booth space (inside or outside). All proceeds from booth sales will go to the vendor. The proceeds from booth space rentals will be used to purchase needed items for the Senior Activity Center.

No electrical power will be available for any booth space. Gas powered equipment or items that could be considered a fire hazard are not allowed inside the building. The sale will be held rain or shine with <u>NO REFUNDS</u>. Concessions will be provided by the center, therefore **NO FOOD ITEMS MAY BE SOLD AT ANY OF THE BOOTH SPACES.**

You may register for booth space at the DeSoto Senior Activity Center, 204 Lion Street. The Senior Activity Center is open Monday through Friday from 8 a.m. to 4 p.m. Space is limited, so please register early! Call 972-230-5825 for more information.

Even if you don't have items to sell, please come by the center on October 9th, where you just might find that treasure you have always been looking for.

nesno News Flas

For the Week of September 13th, 2010 through September 16th, 2010



