



September 12, 2013

RE: Mayor's September Budget Letter

Dear Citizens:

The City Council is charged every year with producing a budget in which revenues cover expenses for all funds. The Council takes this requirement very seriously and will consider the final budget at the second Council Meeting in September. The 2014 budget will be balanced and the tax rate will stay the same. There have only been two tax rate increases in 17 years in the City of Corsicana.

The budget process started off addressing a \$44,000,000 decrease in the taxable value for the City. This was caused by the loss of the Lance Manufacturing business and the Home Depot Warehouse from the tax roll. In addition, grant funding for two Police officer positions and a decline in other revenues added up to approximately \$780,000 in decreased revenue. The three major sources of revenue for the City are property tax, sales tax and franchise fees. When these sources decline, the Council has two choices. The first choice is to increase the tax rate to generate the additional revenue. This option is not popular with the citizens or the Council. The other option is to reduce expenses. Every department was asked to find a small percentage of the required reduction from the 2013 expenses.

The top three areas in which the City spends money are in the Police Department, the Fire Department and on streets through the Public Works Department. No personnel were cut, and the Council has invested in public safety by adding three additional firefighter/paramedics to the EMS service plus additional new cars for the Police Department. The street reconstruction program will continue and additional money will be added when available. Several investments in the community, such as continued code compliance activities, additional mowing around town, and a new street sweeper will be made next year. Employees will receive a 3% raise. The bright spots in the future are that sales tax receipts in the City are up, a portion of the Home Depot warehouse is occupied and the Water Park is under construction. It has always been the Council's goal to fund the budget through growth rather than increased taxes.

At the end of the 2013 budget year, the City is estimated to have a 91 day General Fund balance. This means, in the event of an emergency that causes revenues to drop, operating expenses could be covered for 91 days. This is an indicator of a healthy city that has planned in the past for the future well-being of the City.

You are invited to view a copy of the proposed City budget online or at the Public Library. It is a very detailed, line item document that reflects the Council's goal for transparency in all areas. It is easy to read and understand but if you have any questions, please contact the City Administrative Office at 903-654-4803 to discuss any item. The Council is scheduled to vote on the budget September 17, 2013. Your input is always welcome.

Sincerely,

Chuck McClanahan
Mayor