

City Sulphur Springs Tax rate stays same, water rates increase in proposed budget

Written by

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Sulphur Springs City Council members were presented with copies of the city's draft budget for fiscal year 2015 in a workshop session Tuesday evening. Members will take a week to review the draft proposal and will come back for in-depth budget discussion and consideration.

City Finance Director Peter Karstens, in presenting an overview of the proposed financial plan, told the council that anticipated revenues of \$28,244,850 are up from last year, and he attributed the increase to several factors.

"The net taxable value for the city has increased by 1.4 percent," Karstens told the council. "We've had the same 44 cent property tax pretty much since 2003, and this budget continues at 44 cents."

Although sales tax revenue appears to be less than last year on a monthly basis, receipts overall were up from the previous year.

"Last year, we had a big year, if you remember, we went up 10 percent," Karstens said. "This year, it's settled back down. We're glad it did go up some, though."

Additional revenue will come from an increase in the franchise tax and the amount received from increased fines in the municipal court.

The biggest single issue in the proposed budget will be the needed overhaul of the city's wastewater treatment plant, where improvements are anticipated to cost around \$12 million.

The proposed budget includes \$800,000 for engineered plans and specifications for the project as well as extra costs for starting the project. The council will later be asked to consider issuing certificates or obligation, bonds, to fund the wastewater treatment plant overhaul.

Water sales, Karstens said, are down from previous years.

"With all the rain we've been getting last week, we backed off on water \$50,000," the finance director explained. "Usually, when it rains for a while, it keeps everybody interested in their yards and they keep watering. But, when in rains in August, that's not a good sign for water sales."

Karstens said the new budget will also call for a 2 percent increase in both water and sewer rates, but he cautioned work will need to be done to restructure the rates to allow for high-capacity industrial users of the city's sewer system.

With the completion of the new City Hall building in the old Post Office and work on Davis and Connally streets, the city has essentially completed the downtown restoration work and attention will be focused on other areas of the city.

City Manager Marc Maxwell said residents can expect more attention on dips, bumps and potholes in city streets in the coming year.

The old city hall remodeling program to expand the police department into areas of the Municipal Building formerly occupied by administrative offices is expected to cost as much as \$650,000.

At the end of the remodel, the city's business center will occupy about 60 percent of the Municipal Building and the police department will use the remaining 40 percent for offices, emergency management center and a holding facility for suspects or prisoners.

After receiving the proposed budget and explanations Tuesday evening, council members will take the next week to examine the spending plan and will meet for another workshop session next Tuesday for questions and further discussion on the proposed \$28.223 million city budget for the fiscal year beginning Oct. 1.

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