

**Budget**

Cooper pleaded guilty this year to theft by a public servant, and the city has received about \$83,000 so far from the verdict.

In keeping with last year's course, the council raised taxes from .4155 per \$100 valuation to .4824 per \$100 valuation.

That's an almost 7 cent increase - just like the council did last year.

They also plan to collect about \$33,000 in the form of a refund from the Secretary of State's office.

"We found a former employee overpaid on some items, and because of court clerk Diana Folmar's research, we're going to recoup that money," Morgan said.

Another factor is police protection.

The city's budget remains fluid from last year - with one big exception - the addition of a new police officer.

That, plus a larger pay increase for existing officers puts the city where it needs to be right now, said Mayor A.W. Hines.

"We have to keep Bullard officers up to pay scale," Hines said. "That's essential in both the retention of current officers and our ability to attract qualified officers to the area."

Hines said the department is stretched thin already, and with more residents moving into Bullard all the time, police protection is of paramount importance.

The budget has been a laborious process for the past few years. The city - after voters chose to go with a manager/council form of government in November 2006 - began to see the need for a more professional budgetary process.

Morgan brought in Jacksonville-based CPA Randy Gorham, and the council last year spent weeks forming a new budget from scratch.

This year, Mayor Pro-Tem Rodger Johnson and councilwoman Teresa Adams-Wilks worked with Hines and Gorham to formulate a budget for the council's review.

All expressed confidence in the new budget.

"We're looking at a 6-cent per house increase - which equals about \$5 a month for most residents," Johnson said. "And this won't affect senior citizens."

What it will do; however, according to Hines is allow the city to better its services.

"For the first time, Bullard residents will be able to see what the taxes pay for," Hines said.

**Comparison with other cities:**

Bullard	.4824
Whitehouse	.6333
Troup	.7180
Tyler	.2236
Jacksonville	.5984

**By the numbers:**

Home value	Tax Rate
\$100,000	\$482.46
\$128,000*	\$617.54
\$150,000	\$723.68
\$200,000	\$964.91

\* average home value, according to SCAD

"With the new infrastructure going into place, including the overhead water storage facility and the new well just drilled, citizens will see clear water for the first time in years."

Adams-Wilks said she knows the budget is sound, and while a tax increase must be factored in, council members don't overlook the needs of the citizens.

Within any budgetary process there are certain areas that must be addressed such as revenue versus expenditures. The city budget is no exception," she said.

Adams-Wilks said the council must weigh all of the costs of doing business with what amount of income the city can reasonably expect.

"If that amount of income does not cover the anticipated costs then we as elected officials have a duty to provide the additional revenues," she said. "The budget we have prepared will address those needs. In addition, we have taken in account areas that will provide a proactive approach for the population growth in both retail and new residents."

She said the budgetary process for the city is complicated and all encompassing and is not something neither she nor any member of your council takes lightly.

"I am looking to the future

and the future is growth. The 2007-08 budget will reflect that attitude and vision," she said.

Newest councilman Lindsey Bradley said the city must begin building a reserve - something the rest of the council is in agreement about.

"Anything that comes up - when a budget is this tight - is a crisis," Bradley said. "You don't operate a business without a reserve and you don't operate a city that way either."

Bradley said that some things could be put off in the short term, but his vision is long term.

"No one - including myself - wants to pay more taxes, but I believe we all, both as residents and council members see the importance of providing needed services," Bradley said. "It's the council's job to find a balance, and that's what we've done."

**Budget**

Bullard council members were taken by surprise last year, but they were better prepared for this one.

Last year, council members went over figures and endless tax rate scenarios - the final being separate budgets with a four, seven and 14-cent increase to the interest and sinking portion of the budget.

Gorham fielded council's questions and modified numbers several times.

But once they began looking at everything, they found problems.

By law, the city can only apportion a certain percentage of its maintenance and operation budget (M&O) to cover the I&S fund - a mandated debt service fund set up to insure the city pays its obligations.

Gorham said the goal of an I&S fund is to make it as self sufficient as possible. He recommended that council members raise property taxes just enough to cover its debt service.

"The worst mistake we could make is knowing things have been done wrong and not doing anything about it," Johnson said last year.

Morgan explained that in the past, money was shifted from M&O to I&S, when it was necessary to reflect a reserve balance in the fund - but there was never the required reserve.

The I&S fund is set up by law to keep a reserve of money available for the payment of its debt service. The amount percentage city's must keep in reserve is prescribed by its appraisal district and the amount of debt the city has.

As bonds and other borrowed money matures, payments go up.

So to keep a reserve, and allow the city to "operate in the black," Morgan said, "a tax increase is unavoidable and the only thing the council can do to comply with the law."

"We have to keep this percentage in I&S; we have no choice," Morgan said.

And there are other factors.

"The rising costs of doing business as a city, coupled with the fact that as the years progress, the payment of previous bonds increases substantially," he said. "Precautions to relieve the monetary pressure on the M&O budget and the utility account haven't been taken," he said. "Shifting past balances has resulted in a downward spiral in the needed monies to operate the city of Bullard."

Matters in the M&O budget

are different.

This is the money the city uses to render services, such as police protection, to citizens. Income is generated from property and franchise tax.

"The tax increase is not because we're spending more money in operations," Morgan said.

In fact, the city began saving money two years ago by changing many of its operating practices.

Shortly after Morgan became city manager, he and the mayor and council adopted more stringent accounting practices, added equipment to expedite water and sewer

billing, boosted municipal court collections and created a public works department - cutting out the need for more expensive consultants.

Police chief Gary Don Lewis hoped for an increase in staff last year to cover the population increase and a larger raise for his officers - a move he said would help retain good officers.

He's pleased with the council's help this year.

"It's hard to keep good guys here, and I don't want to lose the ones we have," Lewis said. "This year's budget is going to make a big difference for us."

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