

MAYOR'S BUDGET MESSAGE

CITY OF STAFFORD, TEXAS

FISCAL YEAR 2009-2010

BY MAYOR LEONARD SCARCELLA

2 SEPTEMBER 2009

The message over the past year has been quite clear: This nation is experiencing the worst recession since the great depression. A near collapse of the financial system, the automobile industry in disarray, home foreclosures mounting at an alarming rate, savings portfolios diminishing dramatically in value, millions of employees losing their jobs and thousands of businesses closing their doors were just some of the devastating impacts.

Just recently some of the same doomsayers have been issuing brighter prognostications stating that the recession is coming to an end, but that the recovery will be slow, and in most instances, painful.

Here at home, although not as bleak, there are strong signs of the economic downturn. The vital manufacturing and wholesale sectors are visibly suffering. City sales tax receipts have declined for six straight months. Businesses that had long been permanent fixtures in town have announced the shuttering of their doors and the laying off of hundreds of employees. But there have been silver linings: an increase in retail sales and the avoidance of an onslaught of home foreclosures.

So, in view of these forecasts--and they must be recognized as nothing more than that--how does the City of Stafford adopt a budget that provides for a positive approach to administering quality services and keeping on a progressive path? In a phrase: very carefully.

This City has long trumpeted living within its means and eliminating debt. The bedrock of City revenues--and the best indicator of our economy is the sales tax--which is projected to modestly decline by about 3 1/2 per cent. Other significant income generators, including hotel taxes, platting fees and interest income are also expected to see reductions. Franchise taxes and building permits should remain constant. The net effect is a 4% projected drop in revenues.

Although the decline in revenues is relatively modest, the challenge comes in meeting the increased demands in services and for enhanced infrastructure. The general fund shortfall will nudge \$2 1/2 million. Major street related construction and enhancements will tally more than \$8 million. This City has long planned, and saved, for a short term economic reversal, as well as for substantial capital projects, by building up its cash reserves. This is a year we will need to avail ourselves of some of those funds to meet these needs and to avoid incurring new debt.

Equally important in addressing the challenges confronting us is to invoke sound and conservative policies on employment and spending to protect against unanticipated consequences of the economic plight this country finds itself. This is best accomplished in these turbulent times by adding no new employees to the City's personnel rolls.

At this point examining the resources and outlays in the manner they are often reported to the general public is appropriate. The media likes to talk about the "size" of the budget. Put another way, what they really want for their headline is the total amount of money the City will be spending during the fiscal year. Consolidating the more than \$27 1/2 million out of City accounts and over \$6 million from the Stafford Economic Development Corporation--and assuming that all budgeted funds are spent, which never happens in Stafford--the cumulative outlay will bump up against the \$34 million mark. Another fact likely to gain mention is that the City's strong position of nearly \$30 million in available cash reserves will be reduced by more than \$7 million.

Now for some pertinent specifics. First and foremost, there will be a continuation of the 15 year policy of no City property taxes assessed. Sales tax revenues, which account for two out of every three dollars the City collects, are split into three parts. These receipts will total \$13,900,000, with \$6,950,000, or half of that amount going into the general fund, while \$3,475,000, or one-fourth allocated to tax reduction and the other quarter of the same amount funneled to the Stafford Economic Development Corporation. Other significant revenue sources consist of franchise taxes at \$1.6 million, the Stafford Centre generating \$1.2 million, just under a million dollars from the Hotel/Motel tax, fines and violations at \$940,000, garbage collection fees of \$562,000 and building permits at \$300,000. Incredulously, interest earned will add up to only about \$362,000 on the nearly \$30 million in cash, or just over 1%, which underscores that the federal government and federal reserve went overboard to help out Wall Street and big banks while strangling the depositors on Main Street.

General expenditures are once again led by emergency services outlays. About \$5 1/4 million is channeled for the outstanding and all important police operations, while more than a million dollars is set aside for the highly rated fire department. A quarter of a million dollars is designated for the newly established emergency management category which earned accolades during Hurricane Ike and has continued to build on that foundation. Another endeavor of consequence is the proposed new animal shelter in Missouri City in which we are likely to participate. Based on preliminary estimates, our pro rata cost is currently reflected at \$112,500, with annual charges of \$16,000 to the humane department.

Taking center stage in the coming fiscal year will be activities related to public works. Not only is the street, parks and maintenance departments slated to expend over \$4 1/2 million on general operations, two long planned road construction projects will dominate capital outlays.

Anticipated costs of the Stafford/Staffordshire Roads multi-governmental endeavor, which will run from Beltway 8 to Fifth Street, will have a cumulative total of more than \$12 million from the state, Fort Bend and Harris Counties and the federal stimulus package, with the City contributing \$3 million of that amount in current expenditures. TxDOT plans to go out for bids next March. Another touted project slated to start next summer is the improvement of Dulles Avenue in an undertaking formulated by the City of Sugar Land. Although plans are incomplete, the cost for the Stafford section, which has vacillated with each revised estimate, is now pegged at \$1.2 million.

A joint venture with Fort Bend County also planned to start in the relatively near term is the widening of Brand Lane. The price tag is about \$2 million, with the City bearing half of the cost. Although originally considered for this budget, this project has not been included as it appears doubtful construction could get under way in the new fiscal year. Much more importantly, the simultaneous construction of Dulles Avenue and Brand Lane would create highly undesirable mobility problems in that area for the motoring public, which should and must be avoided.

Over the past two years, much effort has gone into strengthening the zoning ordinance. The effort continues. The Building Department not only oversees permitting of new construction but the enforcement of zoning and nuisance abatement with a most efficient and lean staff. Anticipated expenditures for the quality delivery of these services will slightly exceed \$500,000.

Maintained in this budget is more than \$430,000 for park site expansion. Coupled with that is a solid program for recreation which includes the Fourth of July Celebration, youth sports programs and the most popular swimming pool slated for nearly \$150,000 in major improvements to facilitate its \$200,000 annual operating costs.

Stafford has two outstanding entertainment facilities: the original Civic Center and the highly acclaimed Stafford Centre. Expenditures for the functioning and refurbishing of the 23 year old Civic Center will approach a half million dollars. The Stafford Centre, which was recently recognized by CNN.Money.com in its nationwide rankings as the signature image of Fort Bend County, is slated to expend about \$1.7 million for operations and maintenance.

Of critical importance to the effective functioning of this municipality is the Finance Department. With three full time employees and one part time employee steering the craft, all the numbers you see here and throughout the audit and other financial documents--as well as day to day activities--are accurately calculated and verified at a cost of less than \$300,000.

It is often stated but is well to emphasize that more people come in contact with the Municipal Court Department than any other branch of the City and one's image is often developed by the efficiency and fairness conveyed in this court setting. Additionally, there is a considerable number of what may be appropriately described as delicate, and often contentious issues. Not only do this staff, judges and prosecutors handle these matters with efficiency and deftness--and in accordance with the law--they run the entire operation with \$430,000 in general funds, supplemented by \$211,000 in state dictated fees on fines.

The Stafford Municipal Educational Television station has long been touted as an outstanding communications link with our citizenry. By live broadcasting of city council, planning and zoning commission, school board and economic development corporation meetings, as well as a weekly news show and a host of other entertaining programs, SMETV has become highly regarded and respected. Contained in this budget of less than \$250,000 are funds to not only maintain, operate and improve current programming, but to move with a concerted effort into video streaming on the internet.

While on the subject of communicating with the public, the City is setting aside \$35,000 for retaining a communication specialist on

contract to embellish this effort. No longer do the local newspapers run a journalist out to cover the various matters of interest in a community. With the advent of the internet and the decline in advertising revenues, the approach of newspapers, both locally and across the nation, has been materially condensed. The result is that governmental entities now have to tell most of their own stories, if indeed they are to be told at all. Having the ability to relate the achievements of the City, and communicate them well, is important to our image and reputation, and to adequately inform the public.

The efficiency of a municipality is directly related to the quality of its personnel. The City of Stafford is most fortunate to have excellent employees who perform well. This is not by accident. In contrast to many governmental entities which seem to take pride in bloated bureaucracies, the City endeavors to hire outstanding workers who know they are expected to carry their full load. As a result, never has the City had to lay off or furlough an employee.

In spite of the economic downturn and millions of workers losing their jobs, each full time employee of the City will receive a 3% raise. This is the nineteenth consecutive year that the employees have been granted a pay raise. Additionally, and in spite of the national furor, all full time employees and their families are provided one of the strongest health care and prescription drug programs in the private or public sector. Further, the City's retirement benefits are the maximum under the municipal retirement compensation package. Cost for the employee salaries and benefits will approach \$10 million.

Vital to the City's progress are the processes of planning and zoning. The initial decision making procedures rest with the Planning

and Zoning Commission. This seven member body has endeavored to elevate its understanding and effectiveness in addressing its responsibilities in this area--especially with the newly adopted zoning regulations. To aid the commission members in their pursuit of elevating their skills and obtaining the necessary information to discharge their duties, there is \$25,000 allocated for these purposes.

The Stafford Economic Development Corporation was founded in 1999, when the voters of the City authorized a one-half percent sales tax to fund their projects. As a result, the Performing Arts Theatre and Convention Centre embodied in the Stafford Centre has become a highly applauded venture since its opening in 2004. Another major undertaking of the SEDC was the City's portion of the construction of the U.S. 90-A improvements which is nearing final completion. Still remaining is the multi-million dollar landscaping and augmenting of this impressive two underpass-interior street roadway. Upwards of \$3 1/2 million dollars will be invested in enhancing the centerpiece of the City. Add to that the funds supplied for the landscaping and four monuments on U.S. 59 at a cost of \$500,000, and the City will take on a fresh face, an improved identity and an elevated image.

A major component of this City budget is funding for elements of the Stafford Municipal School District. Despite the \$26 million budget SMSD gained approval on last week, the City's contribution for a host of programs and functions is indispensable. These outlays and assets range from three school resource officers to emergency management planning for the anticipated H1N1 flu pandemic, from the recently successful Teachers' Gala to a lobbyist, from the use of the Civic Center as its auditorium to the utilization of the Stafford Centre for a school wide theatrical production, band concerts and booster club banquets,

from preparatory classes for the SAT tests to televised Board meetings on SMETV, from elementary school classes and swim team activities in the swimming pool to the summer recreation program, from bearing the cost of Trustee elections to publishing the school newsletters, and the list continues. The cost to the City for the support of SMSD approaches \$600,000, or roughly the equivalent of a 3 cents saving to school taxpayers. Although all what the City does for SMSD and the children of Stafford cannot be calculated on an adding machine, it is worthwhile to gain a basic understanding of the benefits that flow from the City to the school district and our children.

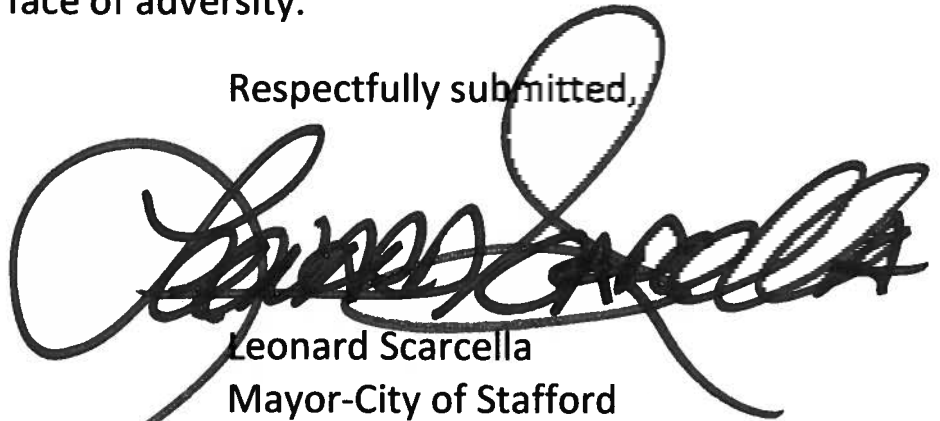
One of the postulates of this City is to minimize debt--and potentially eliminating it. In some people's mind it would have been a lot easier to formulate this budget by doing like most other governmental entities do: simply seeking bonds to pay for these capital outlays enumerated above. However, by taking the so-called easy path of piling up debt would leave us vulnerable to the same potential pitfalls with which so many others are currently struggling. A pay-as-we-go approach allows for substantial sums otherwise spent on interest--that go into a dark, irretrievable hole--to be expended on assets that will long serve this City and its citizens. The current general obligation outstanding debt is now down to \$1.7 million, including yet to accrue interest, with just more than \$500,000 due in this fiscal year.

What started this dynamic ascent to a well recognized and applauded financial status was the elimination of City property taxes in 1995. Since then fund balances have escalated and many highly regarded capital improvements and enhanced services have been implemented. Now 15 years into this dramatic policy, it has even caught the attention, and admiration, of one of the most outspoken

and visible members of Congress, Representative and former Presidential Candidate Ron Paul, who, just this past June, deemed it worthy of touting Stafford's success with this unique policy by entering admiring comments into the Congressional Record.

Constructing this budget in view of the economic storm clouds and pressing demands presented many challenges. It does what it must do: confronts the serious problems and addresses the needs while providing a prudent path to a much embellished future. This City does indeed have a very bright future. Steering it through the turbulent waters in these difficult times will simply reiterate the notice we have served so many times: Stafford is up to the test. Not only can we meet it, but we can excel in the face of adversity.

Respectfully submitted,

A large, stylized handwritten signature in black ink, which appears to read "Leonard Scarcella". The signature is written over the printed name and title below it.

Leonard Scarcella
Mayor-City of Stafford

Congressional Record

*Leonard,
Congratulations on a great job.
See page E 1508
Ron
6/20/09*



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**LESSONS TO BE LEARNED FROM
MAYOR SCARCELLA OF STAFF-
FORD, TEXAS**

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 2009

Mr. PAUL. Madam Speaker, public officials looking for ways to increase economic growth and attract new residents and businesses to their cities, counties, or states could learn a lot from the city of Stafford, Texas, and Mayor Leonard Scarcella. Stafford has flourished since 1995 when, under Mayor Scarcella's leadership, the city eliminated the property tax.

Thanks to the absence of property taxes, Stafford residents enjoy cheaper mortgages and have more disposable income than similarly situated residents of towns with property taxes. The extra income as a result of the freedom from property taxes is particularly beneficial during today's tough economic times.

The loss of property tax revenue has not deprived Stafford residents of quality city services; in fact, Stafford resident Alice Rolston told the Houston Chronicle that the police check on her home when she is on vacation, many homeowners living in towns with high property taxes can't count on that type of service.

Entrepreneurs looking to start up businesses are attracted to Stafford because of the lack of property taxes. Fortune magazine ranks Stafford the 36th best American city to start and run a small business.

While Stafford sales, franchise, and permit fees account for some of its ability to operate without a property tax, the major factor in the city's success is the city's fiscally prudent management. Stafford Councilman Cecil Willis says the mayor watches every penny in the city's budget. City employees often perform two or more functions and the city council even debates whether to authorize the purchase of light bulbs and pencils.

Madam Speaker, Mayor Scarcella is also a good argument against term limits, as he is one of the few elected officials who remains as committed to low taxes today as when he led the fight to eliminate the property tax. Mayor Scarcella should serve as a role model to us all in how to effectively govern without burdening the people with excessive taxes.

HONORING DR. TONY STEWART

HON. G. K. BUTTERFIELD

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 2009

Mr. BUTTERFIELD. Madam Speaker, I rise to express great sadness about the untimely passing of Elizabeth City-Pasquotank Public Schools Superintendent Dr. Tony Stewart.

Dr. Stewart has served as superintendent for the past nine years, and he had earned the respect of the community as a talented and dedicated educator who worked tirelessly to ensure every student received the best possible education. I will remember him for always stressing the responsibility and importance of working to make a difference in the lives of others.

He started his career in 1963 as a teacher, assistant principal, and athletic director at Spotsylvania High School in Virginia before serving as a principal for several other schools in Virginia. Dr. Stewart's first job as a superintendent was at Culpeper County Schools in Virginia, where he served for 13 years starting in 1981. He became superintendent of North Carolina's Burke County Schools in 1994, where he served until coming to Elizabeth City-Pasquotank in 2000.

Dr. Stewart received his bachelor's and master's degrees from Appalachian State University and completed postgraduate work at the University of Virginia and Virginia Tech University. He received his doctorate in education from Nova Southeastern University in 1995 and also completed the Principal's Executive Program at the University of North Carolina that same year.

Madam Speaker, I ask that everyone join me in offering our deepest condolences to his family, friends, loved ones, community and colleagues. Dr. Stewart has been a tremendous asset to the community and he will be greatly missed.

**NATIONAL CAPITAL REGION LAND
CONSERVATION ACT**

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 19, 2009

Mr. MORAN of Virginia. Madam Speaker, I am pleased to be joined today with Representatives ELEANOR HOLMES NORTON, GERALD CONNOLLY, ROB WITTMAN, DONNA EDWARDS, CHRIS VAN HOLLEN, FRANK WOLF and STENY HOYER to introduce legislation National Capital Region Land Conservation Act of 2009. The legislation amends the Capper-Cramton Act of 1930, authorizing appropriations of up to \$50 million per year for cost share grants to State, regional and local governments to acquire land in the greater Washington Metropolitan area (as defined by the U.S. Census) for a variety of conservation, environmental and recreational purposes. The program would be administered by the U.S. National Park Service.

Few cannot help but notice the green spaces that make up the central core of our nation's capital. Were it not for some visionaries at the turn of the 19th Century, however, our nation's capital would be a different place today. There would be no Mall, monument core, Rock Creek Parkway, Union Station, Lincoln Memorial or Tidal Basin. These icons that define the city today were part of the 1902 McMillan plan, named after Senator James McMillan of Michigan, who chaired the Senate Committee on the District of Columbia. The commission Senator McMillan established to draft the master plan included some of the greatest American architects, landscape architects and urban planners of the day including such luminaries as Daniel Burnham, Frederick Law Olmsted, Jr. and Charles McKim and sculptor August Saint-Gaudens. The commission's plan, in many respects, was an early form of urban renewal that removed many of the slums that surrounded the Capitol, replacing them with new public monuments, open spaces and government buildings.

As visionary as the plan was, it also took some vision and political muscle to make it a

reality. That credit falls largely to two Members of Congress: Senator Arthur Capper of Kansas and Rep. Louis Cramton of Michigan. Both Members embraced the vision and worked over a period of years to enact legislation to advance the McMillan plan. Best known among these laws is the Capper-Cramton law of 1930 authorizing land purchases and creating today's the National Capital Park and Planning Commission.

Today, more than a century since the McMillan plan and more than 70 years since the enactment of Capper-Cramton, the time is now for a new plan, one that is responsive to the development patterns and demographics that were never envisioned at the turn of the last century. In 1902, the population of the District of Columbia was 278,000. Outside a few dirt roads and a few railroad junctions that ran into Northern Virginia and Maryland, the suburbs didn't exist. Dairies and farming hamlets populated Northern Virginia and Montgomery and Prince Georges County, Maryland.

Today, the District is home to 600,000 residents and swells to more than 1,000,000 during the workday. A network of roads and heavy rail radiate out from the city, like spokes on a wheel, linking more than 5,300,000 people who are spread out into the suburbs and fringe communities that consider themselves part of the greater metropolitan Washington, D.C. region. Today, we need a program for the greater metropolitan region.

We also need a program that helps lead the way in public investments to preserve the green infrastructure of parklands, fresh drinking water sources, steep slopes, stream valleys, forests, wetlands, wildlife corridors, scenic view sheds, historic sites and land buffering national monuments, battlefields that surround the national capital region and are endangered of being lost to development. Safeguarding these green assets is critical to this region's economy, quality of life, and environmental protection. Green infrastructure have been long recognized as essential elements of urban design and critical to safeguarding our region's drinking water supplies and restoration of the nationally important Chesapeake Bay and the Potomac River, truly our "Nation's River."

Unless we act now to protect the remaining green infrastructure around our Nation's Capital, we run the risk of permanently degrading the environment in and around Washington, D.C. Between 1990 and now, the region's population grew by about 10 percent but the amount of impermeable surface grew about 40 percent. Forecasts predict that by the year 2030, the Greater Washington, D.C. region will grow by an additional 2 million persons.

I believe Congress can and should help the nation's capital address this growing need to preserve this region's green infrastructure by amending the time honored and visionary Capper-Cramton Act. The original Act gave life to many of the elements that we appreciate and consider invaluable today. It is time once again to act and preserve our source of fresh drinking water, connect this region's network of nonmotorized trails, provide buffers to protect scenic vistas along the Potomac particularly above Great Falls, and in Charles and Saint Mary's Counties in Maryland, and pocket parks in the more urbanized parts of the region.

I encourage you to support this act.