

Farewell comments from Council Member Haverty

Mayor Hamley graciously allowed me to write June's newsletter. By the time you read this, I will be officially "retired" as a Council Member. I did not seek re-election due to my anticipated travel schedule away from Texas.

*great*

## Why annexing property has been ~~good~~ for Jersey Village

Many residents have discussed, with me, the topic of annexation. It generally runs along the line they believe annexation has not been good for our city. Our city Finance Director researched the revenue the city has received from two MUD annexations and compared it against expenses from both annexations for the years 1999 – 2010. The results will surprise you.

Revenue vs. Expenses From Annexations of MUD 199 and MUD 247			
Revenue		Expense	
Property Tax	\$ 9,040,000	Public Works	\$ 3,960,000
Water & Sewer	\$ 8,260,000	Debt & Bond Payments	\$ 8,580,000
Sales Tax	<u>\$ 510,000</u>	Police & Fire	<u>\$ 100,000</u>
<b>Total revenue</b>	<b>\$17,810,000</b>	<b>Total expense</b>	<b>\$12,640,000</b>

Wow, the city received 5.2 million dollars more than it spent on annexation! This additional revenue allowed the city to sell two large Street Repair Bonds (2003 and 2007). To date, the city has paid 3.3 million dollars in principal and interest on these street repair bonds. Our city would have needed a property tax increase to make these street repair bond payments. Frankly, the homes in our residential section do not generate enough property tax to fund the infrastructure repairs we have enjoyed. The additional revenue from annexation improved our Credit Rating, allowing us to obtain the lowest interest on the bonds. It also funded many additional city improvements that would have not been possible.

There are two unsung city employees that deserve my personal recognition: Isabel Kato (Finance Director) and Mike Castro (City Manager). One of Isabel's first actions was to capture lost sales tax revenue from businesses within our city limits. These businesses paid sales tax to the state, however, the state did not list these businesses as part of our city. Isabel personally located and identified every JV business and matched them against the state records. Because of her efforts, our city has received an extra 1.6 - 1.8 million tax dollars from the state. Isabel's great financial leadership extends throughout every city department.

Mike Castro has provided a bedrock of leadership for our city. He predicted the economic downturn, took active steps to reduce the city budget before the recession, and has done an outstanding job of leading our city during the recession. We are one of the few Texas cities to be blessed without a single employee lay-off or financial emergency.

The next time you see Mike or Isabel, stop and thank them for an outstanding job.

Curtis Haverty