

**By Mayor PHILIP CRAIGHEAD
City of Lebanon**

With growth comes responsibility.

Over the last decade our city has grown in size and in total population. Associated with this growth is a price tag which reflects the maintenance of our present level of services as well as increased services that are needed due to our continued growth.

For the last three years, I and members of the City Council have been consumed with discussions on how to balance a budget during a challenging economy that reflected large increases in cost for utilities, fuel and health insurance, while revenue receipts remained far below previous highs and unemployment rates soared over 10 percent.

We debated whether to implement a Stormwater Fee to help address drainage issues, raise property taxes (current level 34.56 cents), and/or initiate a Sanitation Fee to aid in balancing our shortfall along with other possible revenue sources.

Looking at some of our neighboring communities, we recognize that our sources of revenue are not sufficient to cover the cost associated with the improvements and achievements of neighboring communities.

We have balanced each revenue short budget for the last two years by committing General Fund Reserves to balance our needs. This commitment to use close to \$4 million, if needed, to cover any shortfalls is not the way to operate government and is for sure not the way to run a business. But times have been extremely hard and people were hurting. We didn't need to place additional hardship on any family.

The economy is beginning to show a turnaround and new jobs are becoming available which will help reduce our unemployment rolls, but our city is still short on revenues needed to meet

the needs and expectations of our citizens and businesses.

We can expect this year's budget to reflect a shortfall due to the continued increases associated with utilities, soaring fuel cost, ever increasing health insurance cost, and the need to address issues we have ignored for years; although, we expect to regain some of our previous position in revenue collections.

The 2012-2013 year budget for the City of Lebanon will include not only the bare necessities needed to operate our city but will also reflect expenditures needed to meet the responsibility associated growth and improvement.

I propose to tap the General Fund Reserves one more time knowing that steps are being taken to secure new revenues.

To balance last year's shortfall of just over \$2 million, it would have required a 25-cent plus increase in property taxes.

Ordinance No. 12-4097 will request a Referendum of the People to be held to increase the local share of sales tax by one-half cent. If the county decides to not participate and if approved by voters in the City of Lebanon, this one-half cent increase is expected to generate over \$3.5 million in additional revenue.

In surveying businesses and their business clientele, I found that many of Lebanon's businesses rely heavily on non-resident customers. A large portion of our sales tax revenues is generated by people who are not citizens of Lebanon. They are the traveling public who stop at businesses located at our five interstate exits. I am suggesting that we let others help pay the cost of the services they are utilizing instead of placing that entire burden on our own citizens. One of our largest sources of sales tax dollars is a local shopping venue along I-40. Over 75 percent of its customer base is attributed to people who are not residents of our city.

As long as this funding source remains in place there will be no need for a property tax increase or Sanitation Fee for many years.

Mayor Craighead details thoughts behind sales tax increase

Friday, February 24, 2012

\$ Spent:	Sales Tax Raised
\$2	1 cent
\$10	5 cents
\$100	50 cents
\$1000	\$5

New Car or Single Large Item

(Applies only to first \$1,600 of sales or single article of personal property) \$8 Maximum

Additional benefits will enable us to address concerns we have been unable to solve due to the lack of funds.

Ten possible uses of monies set aside:

1. Street Paving
2. Sidewalk Repairs & Replacement
3. Drainage Issues
4. Silent Whistle Zones
5. Square Revitalization
6. Return to Weekly Chipper Service
7. New Fire Hall (Highway 109 Area)
8. Park & Trail Expansion
9. Recycling Program
10. Economic Recruiter

I welcome your comments and support on this plan of action. I believe it follows sound reasoning and a correct course of action.