

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

While the overall taxable value for the 2009-2010 budget dropped almost 6% the trend for the city over the past several years is still in a growth pattern. Taking into consideration that the country, state and communities in the Metroplex are seeing the results of being in a recession, I believe Rhome is still in a very strong position for the future and has fared very well in comparison to other cities in Wise County and across the Metroplex.

The next major growth in Rhome's budget will come from sales tax from retail development. During the past fiscal year we have seen the first hotel come online as well as a Dollar General. While the sales tax is currently a small part of the overall budget of Rhome, increased interest indicates that will be the largest part of our future growth.

With the major infrastructure improvements in place, the council focused on quality of life improvements for 2009. These improvements included a veteran's park as well as plans for a family park.

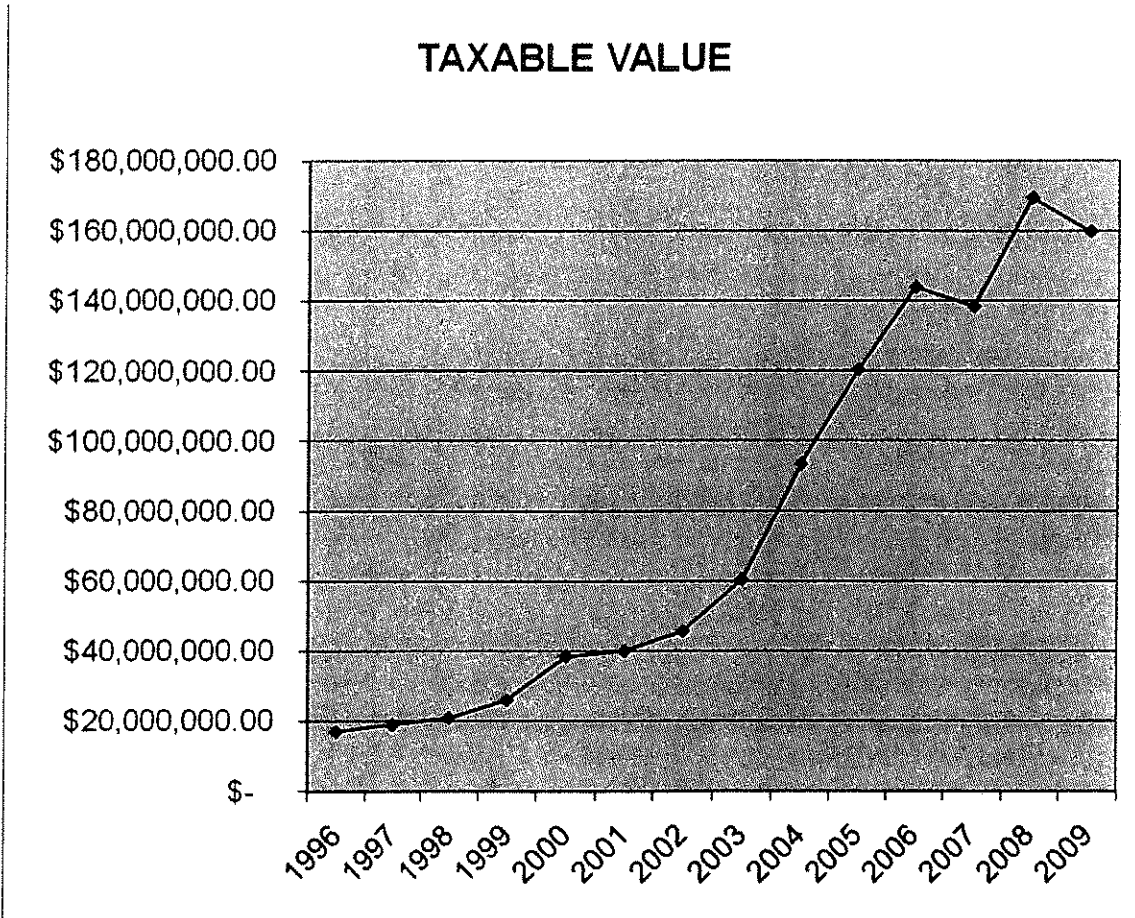
The fire department received a major upgrade to its inventory this year with the delivery of a new tanker/pumper truck. This truck will help not only help the people in the city limits it also will allow fire protection for the outlying areas in the county with black hydrants.

In the 2009 fiscal year, the council took measures to ensure that the water department was more self supporting and less dependent on revenues from the general fund. Water rates were adjusted to offset the amount of tax dollars that had been traditionally transferred from general funds. As of the start of the 2010 fiscal year, it looks as if the council made the correct adjustments and a transfer from the general fund will not be necessary for this budget.

All of the above issues show that the budget of the city will remain at a constant level with minimal increases or decreases over the next two years. The 2010 budget is approximately 300 percent larger than it was six years ago. That being said, our budget is to a point that allows us to adequately make our bond payments for major infrastructure, retain quality employees, and make consistent improvements to the cities quality of life.

With the operations budget set for 2010 and taking into consideration the infrastructure improvements to the water and sewer system, as well as the adjustments to the water rates the City Council felt it was the appropriate time to once again lower taxes. The tax rate was lowered from 0.58 to 0.56 for the upcoming year. This rate will still leave the city with a minor surplus for the upcoming year. Over the past 10 years, the council has lowered the tax rate from 0.638 to 0.560.

The following chart shows the growth Rhome has experienced over the past 13 years. All factors indicate that city should maintain its value until retail trade starts to make an impact.



The goal of the council is to aggressively improve the quality of life, while at the same time, not raising the tax rate or putting any undo financial burden on the citizens of Rhome. Overall, the city is still in an outstanding financial position and with the continued forward thinking philosophy of the City Council; we should continue this pattern well into the future.

Mark Lorance

Mark Lorance, Mayor

Ramah Burns

Ramah Burns, City Secretary