

Financial cushion rests on tax rate hike in Gulfport

By Patti Ewald, Times Correspondent

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GULFPORT — The city is split over whether to keep the same tax millage rate or to keep the same amount of dollars coming into city coffers.

It can't do both.

A 10.2 percent drop in the assessed value of Gulfport properties resulted in a decrease — and the city's subsequent scramble to figure out how to fund itself.

To maintain the 2008-2009 level of property tax money — \$3.1 million — coming into the city, the millage rate must be raised from about 3.47 to 3.85.

On a \$100,000 house, the tax increase would be about \$19 a year.

On a \$500,000 house, the tax increase would be about \$171.

Both calculations, provided by Dan Carpenter, administrative services director, were made using houses that qualified for a \$50,000 homestead exemption.

But the city has a choice. Carpenter and City Manager Jim O'Reilly presented the City Council with a balanced budget at the existing rate of 3.47 mills.

However, that would eliminate the city's \$300,000 cushion for emergencies.

"That gives us \$300,000 to have and use as needed," Mayor Mike Yakes said. "What if there is an increase in public safety or if the senior center falls short on Meals on Wheels?"

"It's money for catastrophic incidents," O'Reilly said.

The first reading of the ordinance to raise the tax rate took place during a special meeting last week. It passed, 3-2, with council representatives Sam Henderson and Bob Worthington voting yes and Michele King and Judy Ryerson voting no.

Yakes also voted yes but, he said, just as a way to continue the dialogue.

"If an overwhelming majority of people come to me or come to the second reading [on Sept. 17] and say they don't want a tax increase, I'll change my vote," Yakes said.

"I have confidence the city manager and the city administrator will make it work either way," Yakes said.

Gulfport taxes make up 20 percent of its residents' property tax bills. Another 40 percent is school taxes, and the remaining 40 percent is everything else, including county taxes, Carpenter said.

The city's fiscal year is October to October, and the annual general fund budget is \$10.5 million.

Millage	Money generated
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	

House value	Millage	Taxes

Millage	Taxes
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	

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