



CITY OF GAUTIER, MISSISSIPPI FY 2014 BUDGET WHITE PAPER

Facts to Consider:

FY 2013 General Fund Millage Rate: 24.35 mills

FY 2008 General Fund Millage Rate: 26.4 mills

FY 2014 Proposed GF Millage Rate: 26.79 mills

Sales Tax Revenue FY 2008: \$2,711,059

Sales Tax Revenue FY 2012: \$2,189,137 (a decrease of nearly \$600,000)

The City of Gautier continues to hold a low general obligation debt of 6%, compared with the state limitation of 20%. Additionally, though sales tax revenue remains lower than pre-2010, the month-to-month trend was higher the last ten months out of twelve.

The Gautier City Council proposes a FY 2014 increase of 2.44 mills, which will generate \$285,367 for the purpose of maintaining public safety and improving the City's fire insurance rating for policy holders. The average property tax will see an annual increase of \$24.40 (see table on page 2).

In order to keep fire insurance premiums low, the City must hire a minimum of six new firefighters to man the new Fire Station West. Failure to minimally man Fire Station West will increase the city's fire rating from a 6 to a 7, increasing fire insurance rates for policy holders. Upon minimally manning the station, the outcome may reduce the city's fire rating from a 6 to a 5, for a savings to policy holders of 7 to 12% according to insurance providers.

The City requires a budget of approximately \$11,000,000 to fund all services at a realistic level for cities of comparative size. The FY 2014 budget is \$9,438,123. All City departments are currently working with the minimum staffing level required to provide services. Capital improvement projects including replacement of equipment and necessary maintenance have been deferred in some cases for almost 3 years. Income derived from "other" sources such as Franchise Fees has continued to erode as the economy has declined.

In 2008, the outgoing City Council reduced the millage from 26.4 to 20.44 mils, for a total 5.96 millage reduction or an estimated \$697,000 reduction to the general fund, at a time when sales tax revenue was relatively high and stable. Sales tax revenue began to decline in FY 2010.

The millage increase will fund the following:

- 6 Full Time Firefighters for Brown Road Fire Station
 - Salary
 - Benefits
 - Equipment/Uniforms
- Increased Electrical costs
 - Brown Road Fire Station
 - Traffic & Signal Lights
 - Field Lighting
- Increased Insurance costs (Liability and Facilities)
- 7 new Police Cruisers to Replace 2008 models
- Select Public Safety Employee Retention and Step Compensation. The city will fund a step increase for those public safety employees who have been employed 2+ years and are a step 4 or lower on the city's pay scale, in order to reflect training and seniority. Currently, these employees are at-scale with brand new hires due to unfunded step increases in fiscal years past. Public safety employees receiving the step increase total thirteen (13) police officers and eleven (11) firefighters.

Cost of millage increase: (Owner occupied with Homestead)

<u>Value of Home</u>	<u>Annual Tax Increase</u>	<u>Monthly Tax Increase</u>
\$50,000	\$12.20	\$1.02
\$75,000	\$18.30	\$1.53
\$100,000	\$24.40	\$2.03
\$125,000	\$30.50	\$2.54
\$150,000	\$36.60	\$3.05
\$175,000	\$42.70	\$3.56
\$200,000	\$48.80	\$4.07
\$250,000	\$61.00	\$5.08
\$300,000	\$73.20	\$6.10
\$350,000	\$85.40	\$7.12
\$400,000	\$97.60	\$8.13