Yvaine Ye

Budget Story

JOUR 400

Aug 17, 2017

The Freeport City Council agreed on a 9 percent increase in the city’s property tax rate for the next fiscal year on Thursday, after rejecting a proposal that would have raised the tax rate by 23 percent.

The city is looking at a $3.87 million budget for fiscal 2018, which is 11.7 percent higher than the $ 3.48 million this year. The council members plan to vote on the budget in two weeks, and the proposal is likely to be approved, according to the Council Member Martina Davis.

Freeport is able to collect $181,857 from property tax to pay for its expenditure in the next year. I do not understand what this means. Freeport is going to collect $2.5 million in property taxes next year. What do you mean by “its expenditure”?

The General Operating Fund constitutes almost 50 percent of the proposed budget, making it the largest budgetary item in fiscal 2018. The fund would cover Freeport’s routine operation expenses, such as city council and court operations.

Among all services supported by the General Operating Fund, the Street Department would experience a 3.6 percent cut in funding while the Police Department would receive 2.7 percent more funding if the budget is approved.

Debt service represents the largest growth in Freeport’s municipal budget — almost 20 percent increase from $1.24 million this year to $1.49 million in fiscal 2018. It encompasses the principle and interest the city due on previous years’ borrowing. What percent of the whole budget goes to debt service?

Facing its increasing debt, the City Manager Harold Born, who is in charge of budget planning, proposed a 23.4 percent property tax rise to establish an improvement fund for future development of the city’s southern area.

The fund, which aims to improve the infrastructure in the south, was unanimously rejected by council members.

“By increasing the tax rate just a little,” said Born, “we can avoid adding to our interest expense later… In the long run, residents will pay less.”

However, council members concern that the taxpayers would be upset by the added tax burden, as well as the mismatch between those who would be paying for the development and those who would be using the infrastructures.

“You’re assuming that current residents should have to shoulder the expected cost of getting the southern area ready for expansion” Davis said. “Why should they have to pay for that?”

Pretty good, Yvaine. The one sentence highlighted in yellow puzzled me. Your lead is good and the second ‘graph is good. I would like to see in real dollars what this means for the average homeowner in Freeport. Also needed here is the size of overall city debt. It’s huge.

GRADE: 89