

City of Fayetteville Staff Review Form

2017-0485

Legistar File ID

9/19/2017

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Paul A. Becker

8/31/2017

Chief Financial Officer /
Finance & Internal Services Department

Submitted By

Submitted Date

Division / Department

Action Recommendation:

City Council is requested to adopt real and personal property tax rates for 2016 for the Policemen’s Pension & Relief, the Firemen’s Pension & Relief Funds, the Fayetteville Public Library and the City's General Fund. The rate to be adopted for the Policemen’s Pension & Relief Fund and the Firemen’s Pension & Relief Fund is 0.4 mils for real property and 0.4 mils for personal property. The rate for the Fayetteville Public Library is 3.7 mil for real property and 3.7 mil for personal property. The rate requested for the City's General Fund is 2.3 mils for real property and 2.3 mils for personal property.

Budget Impact:

Account Number	Fund
Project Number	Project Title
Budgeted Item? <u>NA</u>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? <u>NA</u>	Item Cost
Budget Adjustment Attached? <u>NA</u>	Budget Adjustment
	Remaining Budget \$ -

V20140710

Previous Ordinance or Resolution # 5904

Original Contract Number: _____

Approval Date: _____

Comments:



TO: Mayor and City Council

THRU: Don Marr, Chief of Staff

FROM: Paul A. Becker, Chief Financial Officer

DATE: August 31, 2017

SUBJECT: **2017 Millage Levy**

RECOMMENDATION:

City staff recommends that City Council approve the millage levy ordinance approving the 0.4 mils for the Policemen's Pension and Relief Fund, 0.4 mils for the Firemen's Pension and Relief Fund, 3.7 mils for the Fayetteville Public Library, and 2.3 mils for 2017 General Fund operations.

BACKGROUND:

Each year the City must approve an ordinance to renew the levy of ad valorem taxes on real and personal property within the City. This request will provide for such levy on property assessed during 2017.

As of July 31, 2017 the total assessed value of real and personal property located within the city limits of Fayetteville is approximately \$1.495 billion. The assessed valuation is before the Washington County Board of Equalization has made all the changes to the County Assessors Abstract. Based on the preliminary assessments, the growth in real property assessments is approximately 9.8% as of now. This will likely decrease as the Washington County Board of Equalization has not finished making changes.

DISCUSSION:

A millage levy ordinance must be approved by City Council in order for the City to continue to collect property taxes for the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund. The millage levy for the Policemen's Pension and Relief Fund is 0.4 mils for real property and 0.4 mils for personal property. The millage levy for the Firemen's Pension and Relief Fund is 0.4 mils for real property and 0.4 mils for personal property as was approved by referendum.

A millage levy ordinance must be approved for the operation of the Fayetteville Public Library. One was approved by the voters on October 1, 2002 and was for 1.0 mil for real property and 1.0 mil for personal property. On August 9, 2016 the citizens of Fayetteville voted to increase the millage for the library. The referendum approved was for an increase of 1.5 mils for operations for a total of 2.5 mils for operations. Additionally, 1.2 mils was approved by the voters for the bond debt service for the library expansion.

Total millage for 2017 will be 3.7 mills for the Fayetteville Public Library. The 1.20 mills will be removed when the bonds are retired.

Finally, City staff is requesting that City Council approve a millage levy ordinance for General Fund operations in the amount of 2.3 mills for both real and personal property.

The 2017 proposed property tax revenue amount based on the 2.3 mil levy is estimated to bring in \$3,402,000 in General Fund revenue. Below is a proposed calendar of meetings during the months of September and October to discuss the millage levy.

Tuesday, September 12	Agenda Session
Tuesday, September 19	City Council Meeting
Tuesday, September 26	Agenda Session
Tuesday, October 3	City Council Meeting
Tuesday, October 10	Agenda Session
Tuesday, October 17	City Council Meeting

BUDGET/STAFF IMPACT:

The 0.4 mills Police and 0.4 mills Fire is needed to fund the Pension plans for both. The 2.5 mills is used to fund the operation and the 1.2 mills will be used for the bond debt service for the Fayetteville Public Library. The 2.3 mills will be used to fund General Fund operations.

Attachments:

The millage levy must be at Washington County in time to be included in their consolidated levy ordinance which will be approved at the November 17, Quorum Court meeting. The deadline for receipt of the City's levy by the County is October 31. The City levy will be added to the levies by Washington County, the various school districts, improvement districts and other cities within the County when the Washington County Quorum Court adopts its millage levy for 2017.

The administration is requesting the following millage amounts:

- 2.3 mills for General Fund Operations
- 2.5 mills for the Fayetteville Public Library Operations
- 1.2 mills for the Fayetteville Public Library Expansion
- 0.4 mills for the Police Pension Fund
- 0.4 mills for the Fire Pension Fund

If you have any questions concerning this agenda request please contact me at 575-8330.