



**MEETING OF OCTOBER 3, 2023**

**TO:** Mayor Jordan and City Council  
**THRU:** Paul Becker, Chief Financial Officer  
**FROM:** Kevin Springer, Budget Director  
**DATE:**  
**SUBJECT:** 2024 Millage Levy

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**RECOMMENDATION:**

City staff recommends that City Council approve the millage levy ordinance which includes 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 2024 General Fund operations. The mils remain unchanged from last year's millage levy for 2023 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 2023.

As of August 6, 2023, the total assessed value of real and personal property located within the city limits of Fayetteville is approximately \$2.36 billion. The assessed valuation comes before the Washington County Board of Equalization has made all changes to the County Assessors Abstract.

**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 were approved by the voters for the bond debt service for the library expansion.

Total millage for the Fayetteville Public Library is 3.7 mils. The 1.20 mils 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 mils for both real and personal property.

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The 2024 proposed property tax revenue amount based on the 2.3 mil levy is estimated to bring in \$5,304,000 in General Fund revenue. Below is a proposed calendar of meetings which can be used to discuss the millage levy.

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

The millage levy must be at Washington County in time to be included in their consolidated levy ordinance which is anticipated to be approved at the November 16, 2023 Quorum Court meeting. The deadline for receipt of the City's levy by the County is October 31 each year. 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 2023.

A summary of the millage request is below.

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

**BUDGET/STAFF IMPACT:**

The 0.4 mils Police and 0.4 mils Fire are needed to fund each Pension plan. The 2.5 mils are used to fund the operation and the 1.2 mils will be used for the bond debt service for the Fayetteville Public Library. The 2.3 mils request will be used to fund General Fund operations.

**ATTACHMENTS:** SRF - 2023 Property Tax (#3)