



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 3

Title:

Public Hearing - Proposed 2018 Property Tax Levy – City Operating Levy

Presenter:

Chris Minick, Finance Director

Meeting: Public Hearing

Date: December 3, 2018

Proposed Cost: \$-0-

Budgeted Amount: \$ N/A

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

Staff will present the proposed tax levy for the 2018 levy year. As discussed at the November 5 City Council meeting, this year’s operating tax levy contemplates an increase in the tax levy proportionate to the increase in the City’s EAV to maintain a consistent tax rate while providing additional property tax revenue for the City. The EAV of the City is not finalized at this time so staff is unable to calculate the precise amount of additional revenue generated. The proposed increase to the City’s tax levy follows 9 years of a frozen levy in the amount of \$12,055,117 dating back to 2009.

The levy amount presented incorporates the amount necessary for principal and interest payments on the City’s general obligation bond issues. It is anticipated that the debt service property tax levies will be abated in their entirety during early 2019. The City has historically made these principal and interest payments from the general revenue stream rather than the property tax revenue stream. The amounts presented below are after the abatement process is completed.

Staff is anticipating that the EAV of the City will increase by approximately 4.00%. If this occurs, the dollar amount of the City’s tax levy would increase to \$12,537,176 from \$12,055,117 (\$482,059 or 4%). However, the City’s tax rate would remain unchanged at \$0.8463/\$100 of EAV. This would have the impact of increasing the property tax bill for our residents. It is estimated that a house with a market value of \$300,000 would see an annual increase of \$33.84 (\$2.82 per month) assuming a 4% increase in EAV. It is staff’s current intent to adjust the dollar amount of the levy as necessary to maintain a consistent property tax rate as compared to the 2017 tax levy year (\$0.8463/\$100 EAV). We would have the ability to adjust to this amount until the levy is finalized in early spring 2019.

Attachments *(please list):*

Recommendation/Suggested Action *(briefly explain):*

Staff Presentation and Public Comment