



AGENDA ITEM COVER SHEET

Meeting Date: July 15, 2008

Item # 7

Reviewed By:

Contact Name: Robert Frank

Department Director: _____

Contact Number: 1501

City Manager: 

Subject: Setting Proposed Millage Rate for FY 08/09 Budget Year

Background Summary:

The TRIM Act requires local governing bodies to set a proposed millage rate annually during the month of July. The property appraiser is then notified of the rate and uses it to advise taxpayers of their proposed tax levies for the next year. **This rate can be lowered during the budget hearings in September.**

Issue:

The state legislature passed HB-1 last year. The law establishes levels of approval by the governing body in setting the millage rate. This bill provides for a **maximum** millage rate that can be levied by the governing body with a **majority** vote. This maximum millage rate for the upcoming fiscal year, **4.2568**, is a reduction of the current year millage (**4.2919**). The rolled back rate for 2008/2009 is 4.7371. This rate is higher than the current year rate due to the decrease in assessed property value resulting from Amendment 1, namely, the additional \$25,000 homestead exemption. The county property appraiser's office calculated the impact to the assessed value to be a decrease of \$213,117,459. This equates to \$914,679 at the current millage rate of 4.2919.

The City can set the proposed millage for FY 08/09 up to **5.1457** with a **super majority vote** by the Commission. A millage rate higher than the 5.1457 would require a unanimous vote by the Commission.

The proposed budget is currently balanced at 4.5775.

Recommendations

The commission set the proposed millage rate at 5.1457 via super majority action. This is a tentative rate and will allow the commission to review the proposed budget and increase the millage for additional funding if desired.

Attachments:

Attached to this staff report is a chart of the revenue amounts generated at the various millage levels compared to the budgeted amount for this fiscal year..

Financial Impact:

This will provide funding for the FY 2008/2009 budget year.

Type of Item: (please mark with an "x")

- Public Hearing
 Ordinance First Reading
 Ordinance Second Reading

For Clerk's Dept Use:

- Consent Agenda
 Public Hearing

Resolution
 Commission Approval
 Discussion & Direction

Regular Agenda

Original Document/Contract Attached for Execution by City Clerk
 Original Document/Contract Held by Department for Execution

Reviewed by City Attorney _____ N/A
Reviewed by Finance Dept. _____ N/A
Reviewed by () _____ N/A

Certificate of Taxable Value from the Property Appraiser

Ad Valorem Revenues FY 08/09	Current	Majority Vote	Super Majority	Super Majority Rollback Rate		FY 08/09 Budget
	4.2919	4.2568	4.5775	4.7371	5.1457	
Budget Tax Revenues	9,224,758	9,149,316	9,838,610	10,181,645	11,059,866	
Variance to Budget	(613,852)	(689,294)	0	343,035	1,221,256	9,838,610

Majority Vote = 4.2568 or lower
 Super Majority = 4.2569 - 5.1457
 Unanimous = 5.1458 - 10.0000