

**Action Items**

**DATE:** July 28, 2008

**SUBJECT:** Tentative millage rate for FY 2009 Budget

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**ACTION REQUESTED:**

The Commission must adopt and submit the tentative millage rate to the Property Appraiser by Monday, August 4, 2008. This is the rate the Property Appraiser will use in preparing the TRIM notices to all property owners in August 2008. Once the tentative millage rate is set, it may not be exceeded unless an extensive notification of property owners is undertaken. The final millage can be lower than the tentative millage without additional notification requirements.

**KEY ELEMENTS/FACT IMPACTING DECISION:**

The City Manager has prepared a proposed balanced budget that complies with the voter approved Amendment 1 property tax reform measures. The impact to the City of Amendment 1 was a \$900K reduction in property tax revenues.

**ALTERNATIVES CONSIDERED:**

If the Commission chooses, it can override the millage limitation and increase property tax revenue as follows:

<i><b>Vote</b></i>	<i><b>Action</b></i>	<i><b>Rate</b></i>	<i><b>Funding Generated</b></i>
Majority Vote of Commission	Rolled-back rate adjusted for growth in per capita Florida personal income	4.0923	\$16.4M
2/3 Vote of Commission	A rate of not more than 110% of the rolled-back rate adjusted for growth in per capita Florida personal income may be approved by a two thirds vote of the Commission (four votes)	4.7510	\$19.0M
Unanimous Vote of Commission	A rate greater than the rate resulting from applying the above option	Up to 10 mills	\$4M for each mill added

**BUDGET IMPLICATIONS:**

An increase in the millage rate of one tenth of one mill increases property tax revenue by \$400,000.

**STAFF RECOMMENDATION:**

Adopt a tentative operating millage rate of 4.0923 mills. Voted debt service millages of .0869 and .2066 mills are required to service debt on the General Obligation Bonds, Series 2004 (Golf Course bonds) and Series 2001 (Public Safety Complex bonds), respectively.