

MEMORANDUM

Date: June 30, 2015

TO: Town Commission
FROM: Dave Bullock, Town Manager
SUBJECT: Setting of Maximum Millage Rate

The Town Commission is required to set a maximum millage rate for FY 2015-16 at the July Regular Meeting.

The Maximum Millage Rate is the highest millage rate that the Town Commission could levy in September. The final tax rate could be lower but not higher than the maximum millage rate. The Town Manager is recommending that the millage remain the same as fiscal year 2015 which is **2.1763**.

The rolled-back rate is the millage that would generate the same amount of tax revenue as the previous year. The rolled back is rate is **2.0763**.

The millage rate for General Obligation Debt (Facilities Bond) is **0.0576**.

We are anticipating beach nourishment projects to commence in FY16. This is the second year with a beach levy. The debt is expected to be issued in fiscal year 2016 and may be bought down with the taxes collected in fiscal year 2015. The recommended maximum beach millages, which reflect the lower borrowing, are **0.8328** for District A and **0.2082** for District B

My recommended maximum millage is shown below

	OPERATING MILLAGE	G.O. DEBT SERVICE	BEACH BOND MILLAGE	TOTAL MILLAGE
DISTRICT A	2.1763	0.0576	0.8328	3.0667
DISTRICT B	2.1763	0.0576	0.2082	2.4421

Please let me know if you have any questions



MAXIMUM MILLAGE DISCUSSION

JULY 6, 2015



JULY CERTIFIED PROPERTY VALUES

	SARASOTA	MANATEE	COMBINED
TAX YR 2015	\$3,724,103,778	\$1,472,367,037	\$5,196,470,815
FINAL 2014	\$3,558,297,887	\$1,375,400,033	\$4,933,697,920
	\$165,805,891	\$96,967,004	\$262,772,895
	4.66%	7.05%	5.33%



ROLLED-BACK RATE & MAXIMUM MILLAGE

- The proposed operating millage of 2.1763 produces a 4.82% change from the Rolled-Back Rate of 2.0763 for 2015.
 - The Rolled-Back Rate is the rate which, exclusive of new construction, will provide the same property (ad valorem) tax revenue as was levied during the prior year.
- The maximum millage that can be levied
 - Simple majority vote 2.1170
 - Two-thirds Vote 2.3287
 - Unanimous vote is required for the levy of millage in excess of 2.3287



G.O. FACILITY IMPROVEMENT DEBT MILLAGE

- **This millage is for repayment of the funds borrowed for construction of Town Facilities listed below.**
 - **Town Hall Addition and Remodel**
 - **Public Works Complex**
 - **Police Station**

- **The fiscal year 2015-16 proposed millage rate is 0.0576. These bonds expire in 2019.**



BEACH MILLAGE

- For Truth in Millage (TRIM) notices, the Town Commission is required to set a proposed millage rate for the two Beach Erosion Control Special Districts.

- Town Manager Plan
 - Reduce borrowing by amount of tax collected from FY15 millage
 - Borrow estimated \$13,325,000 in FY16
 - Adjust FY 16 millage to cover reduced borrowing



BEACH MILLAGE

Recommended Maximum Millage Beach Districts A and B

	<u>FY 15 Actual</u>	<u>FY 16 Proposed</u>
Beach District A	0.8500	0.8328
Beach District B	0.2125	0.2082



TOTAL TOWN MILLAGE

Town Manager Recommended Maximum Millage

	OPERATING MILLAGE	G.O. DEBT SERVICE	BEACH BOND MILLAGE	TOTAL MILLAGE
DISTRICT A	2.1763	0.0576	0.8328	3.0667
DISTRICT B	2.1763	0.0576	0.2082	2.4421

Upon Town Commission Approval, the Total Proposed Town Millage rates that will appear on the TRIM Notice are Listed Above.



MILLAGE COMPARISON FOR FY 15 AND FY 16

<u>Beach District A</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>% Change</u>
Operating Millage	2.1763	2.1763	0.00%
Facilities Bond Millage	0.0605	0.0576	-4.86%
Beach Debt	<u>0.8500</u>	<u>0.8328</u>	<u>-2.02%</u>
Total	3.0868	3.0667	-0.65%

<u>Beach District B</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>% Change</u>
Operating Millage	2.1763	2.1763	0.00%
Facilities Bond Millage	0.0605	0.0576	-4.86%
Beach Debt	<u>0.2125</u>	<u>0.2082</u>	<u>-2.02%</u>
Total	2.4493	2.4421	-0.30%



**ESTIMATED TOTAL TAXPAYER IMPACT
HOMESTEAD PROPERTIES –DISTRICT A & B**

Longboat Key Taxes - District A

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,543.40	\$1,545.60	\$2.20
\$750,000	\$2,315.10	\$2,318.41	\$3.31
\$1,000,000	\$3,086.80	\$3,091.21	\$4.41
\$1,500,000	\$4,630.20	\$4,636.81	\$6.61

Longboat Key Taxes - District B

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,224.65	\$1,230.80	\$6.15
\$750,000	\$1,836.98	\$1,846.20	\$9.23
\$1,000,000	\$2,449.30	\$2,461.60	\$12.30
\$1,500,000	\$3,673.95	\$3,692.40	\$18.45

Assumes a 0.8% Increase in Values (2015 Save Our Homes Cap)



**ESTIMATED TOTAL TAXPAYER IMPACT
NON - HOMESTEAD PROPERTIES**

Longboat Key Taxes - District A

<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,543.40	\$1,637.60	\$94.20
\$750,000	\$2,315.10	\$2,456.41	\$141.31
\$1,000,000	\$3,086.80	\$3,275.21	\$188.41
\$1,500,000	\$4,630.20	\$4,912.81	\$282.61

Longboat Key Taxes - District B

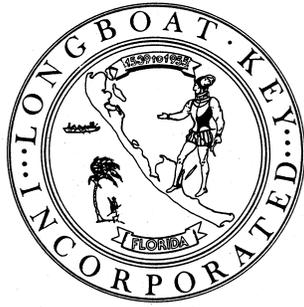
<u>Home value</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Increase</u>
\$500,000	\$1,224.65	\$1,304.06	\$79.41
\$750,000	\$1,836.98	\$1,956.09	\$119.12
\$1,000,000	\$2,449.30	\$2,608.13	\$158.83
\$1,500,000	\$3,673.95	\$3,912.19	\$238.24

Assumes a 6.8% Increase in Values (Average increase for non-homestead on LBK)



HISTORY OF TAXABLE VALUES AND MILLAGE RATES

Ad Valorem Values		Millages				Total Millages	
FY	Taxable Value	Operating	Non-Beach Debt	Beach A	Beach B	Beach A	Beach B
2002	3,395,861,821	2.1500	0.1954	0.8635	0.2166	3.2089	2.5620
2003	4,028,202,211	2.0000	0.1639	1.0415	0.2604	3.2054	2.4243
2004	4,618,875,625	1.8500	0.1474	0.6929	0.1732	2.6903	2.1706
2005	5,014,504,388	1.5500	0.1360	0.6013	0.1504	2.2873	1.8364
2006	5,695,624,611	1.4650	0.1199	0.5781	0.1445	2.1630	1.7294
2007	6,555,048,538	1.4175	0.0836	0.5044	0.1261	2.0055	1.6272
2008	6,606,809,366	1.4062	0.1036	0.5011	0.1253	2.0109	1.6351
2009	5,954,878,099	1.5000	0.0583	0.5520	0.1380	2.1103	1.6963
2010	5,350,393,405	1.4903	0.0651	0.6146	0.1536	2.1700	1.7090
2011	4,868,600,933	1.8872	0.0716	0.0000	0.0000	1.9588	1.9588
2012	4,647,670,792	1.8872	0.0677	0.0000	0.0000	1.9549	1.9549
2013	4,582,642,068	1.8872	0.0564	0.0000	0.0000	1.9436	1.9436
2014	4,647,670,792	2.0760	0.0560	0.0000	0.0000	2.1320	2.1320
2015	4,933,697,920	2.1763	0.0605	0.8500	0.2125	3.0868	2.4493
2016	5,196,470,815	2.1763	0.0576	0.8328	0.2082	3.0667	2.4421



End of Agenda Item