

M E M O R A N D U M

Date: June 27, 2016

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 2016-17 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. I am recommending that the maximum millage be set the same as the fiscal year 2016 final millage which is **2.1300**.

Beach nourishment projects began in the spring of 2016. FY 2017 will be the third year with a beach levy. The Town borrowed \$10,720,908 on June 10, 2016 which was bought down with the taxes collected in fiscal years 2015 and 2016.

The County Property Appraisers are required to certify taxable values to the Taxing Authorities by July 1, 2016. The certified values are included in this presentation. The rolled-back rate is 2.0380. The rolled-back rate is the millage that would generate the same amount of tax revenue as the previous year.

You will be setting the maximum millage rate that will appear on the Truth in Millage (TRIM) notices at the July 5, 2016 Regular Meeting

Please let me know if you have any questions



MAXIMUM MILLAGE DISCUSSION

JULY 5, 2016



JULY CERTIFIED PROPERTY VALUES

	SARASOTA	MANATEE	COMBINED
TAX YR 2016	\$3,900,168,329	\$1,559,114,640	\$5,459,282,969
FINAL 2015	\$3,719,283,879	\$1,471,187,971	\$5,190,471,850
	\$180,884,450	\$87,926,669	\$268,811,119
	4.86%	5.98%	5.18%



ROLLED-BACK RATE & MAXIMUM MILLAGE

- Ø The proposed operating millage of 2.1300 produces a 4.51% change from the Rolled-Back Rate of 2.0380 for 2016.
- Ø 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.
- Ø The maximum millage that can be levied
 - Ø Simple majority vote 2.1144
 - Ø Two-thirds vote 2.3258
 - Ø Unanimous vote is required for the levy of millage in excess of 2.3258



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 2016-17 proposed millage rate is 0.0547. These bonds expire in 2019.**



BEACH MILLAGE

Ø 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.

Ø FY 2016 Beach Debt Activity

- Ø Reduced borrowing by amount of tax collected from FY15 and FY16 millage
- Ø Borrowed \$10,720,908 June 10, 2016
- Ø Adjust FY 17 millage to cover reduced borrowing



BEACH MILLAGE

Recommended Maximum Millage Beach Districts A and B

	<u>FY 16 Actual</u>	<u>FY 17 Proposed</u>
Beach District A	0.8328	0.7699
Beach District B	0.2082	0.1925



TOTAL TOWN MILLAGE

Town Manager Recommended Maximum Millage

	OPERATING MILLAGE	G.O. DEBT SERVICE	BEACH BOND MILLAGE	TOTAL MILLAGE
DISTRICT A	2.1300	0.0547	0.7699	2.9545
DISTRICT B	2.1300	0.0547	0.1925	2.3771

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



MILLAGE COMPARISON FOR FY 16 AND FY 17

<u>Beach District A</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>% Change</u>
Operating Millage	2.1300	2.1300	0.00%
Facilities Bond Millage	0.0576	0.0547	-5.12%
Beach Debt	<u>0.8328</u>	<u>0.7699</u>	<u>-7.56%</u>
Total	3.0204	2.9545	-2.18%

<u>Beach District B</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>% Change</u>
Operating Millage	2.1300	2.1300	0.00%
Facilities Bond Millage	0.0576	0.0547	-5.12%
Beach Debt	<u>0.2082</u>	<u>0.1925</u>	<u>-7.56%</u>
Total	2.3958	2.3771	-0.78%



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

HOMESTEAD @ 2.1300 mills operating

Longboat Key Taxes - District A

<u>Home value</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Decrease</u>
\$500,000	\$1,510.20	\$1,487.59	(\$22.61)
\$750,000	\$2,265.30	\$2,231.39	(\$33.91)
\$1,000,000	\$3,020.40	\$2,975.18	(\$45.22)
\$1,500,000	\$4,530.60	\$4,462.78	(\$67.82)

Longboat Key Taxes - District B

<u>Home value</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Decrease</u>
\$500,000	\$1,197.90	\$1,196.88	(\$1.02)
\$750,000	\$1,796.85	\$1,795.32	(\$1.53)
\$1,000,000	\$2,395.80	\$2,393.75	(\$2.05)
\$1,500,000	\$3,593.70	\$3,590.63	(\$3.07)

Increase in values is based on the 2016 Consumer Price Index (CPI) which is 0.7%
'Save Our Homes' sets the annual increase for homestead properties based on the CPI with a 3% maximum.



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

NON-HOMESTEAD @ 2.1300 mills operating

Longboat Key Taxes - District A

<u>Home value</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Increase</u>
\$500,000	\$1,510.20	\$1,576.23	\$66.03
\$750,000	\$2,265.30	\$2,364.34	\$99.04
\$1,000,000	\$3,020.40	\$3,152.45	\$132.05
\$1,500,000	\$4,530.60	\$4,728.68	\$198.08

Longboat Key Taxes - District B

<u>Home value</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Increase</u>
\$500,000	\$1,197.90	\$1,268.19	\$70.29
\$750,000	\$1,796.85	\$1,902.29	\$105.44
\$1,000,000	\$2,395.80	\$2,536.38	\$140.58
\$1,500,000	\$3,593.70	\$3,804.57	\$210.87

Assumes a 6.7% Increase in Values (Average increase for non-homestead on LBK)



HISTORY OF TAXABLE VALUES AND MILLAGE RATES

FY	Ad Valorem Values Taxable Value	Millages				Total Millages	
		Operating	Debt	Beach A	Beach B	Beach A	Beach B
2001	2,959,417,542	2.3220	0.2251	0.9888	0.2471	3.5359	2.7942
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	5,190,471,850	2.1300	0.0576	0.8328	0.2082	3.0204	2.3958
2017	5,459,282,969	2.1300	0.0547	0.7699	0.1925	2.9545	2.3771



UNDERGROUNDING UTILITIES ON GMD-ASSESSMENT

- Ø Referendum passed on November 3, 2015 authorizing the borrowing of an amount not to exceed \$25,250,000 for the purpose of undergrounding utilities along Gulf of Mexico Drive.
- Ø Amount borrowed to be repaid with a non ad valorem assessment over a 30 year period.
- Ø Residents were given an option to pre-pay until August 15, 2016 resulting in no assessment on tax bill.
 - Ø Due to the timing of the Truth In Millage (TRIM) mailings, an assessment that was pre-paid may show on the TRIM notice, but not the actual tax bill.
- Ø At this time, the average annual assessment for the Gulf of Mexico Drive project is \$190.



End of Agenda Item