
MILTON



ESTABLISHED 2006










2019 Property Tax Public Hearing

MILTON




ESTABLISHED 2006





AGENDA

-  **Important definitions**
-  **Public hearing and advertising requirements**
-  **Discuss 2019 millage rate options**
-  **Breakdown of maintenance & operating (M&O) digest**
-  **Explore anticipated revenues**
-  **Ways to reduce your property tax liability**
-  **Calculating your tax bill**
-  **Value of your tax dollar**
-  **Discuss service levels**

DEFINITIONS

-  **Mill - \$1 per \$1,000 of Assessed Property Value or .001 x Assessed Value.**
-  **Fair Market Value – An estimate of the market value of your property as determined by the Fulton County Board of Assessors.**
-  **Assessed or Taxable Value – The assessed or taxable value is equal to 40% of the fair market value. Property taxes are calculated by multiplying the millage rate by the assessed or taxable value (and adjusted for any exemptions).**

DEFINITIONS CONTINUED

-  **Rollback Rate** – The previous year’s millage rate minus the millage equivalent to the total net assessed value added by reassessments.
-  **Millage Equivalent** – Equation where the reassessment of existing real property is divided by the current year’s net digest and then multiplied by the prior year’s millage rate.

2019 PUBLIC HEARING REQUIREMENTS

-  **1st Public Hearing – July 22, 2019 9:00 AM**
-  **2nd Public Hearing – July 22, 2019 6:00 PM**
-  **3rd Public Hearing & Vote – August 12, 2019 5:45 PM**

Note: Any increase beyond the computed rollback rate requires three public hearings to allow for public input.

ADVERTISING REQUIREMENTS

CITY OF MILTON
NOTICE OF PROPERTY TAX INCREASE
AS REQUIRED BY STATE LAW

The City of Milton has tentatively adopted a millage rate which will require an increase in property taxes by 11.02 percent.

All concerned citizens are invited to the public hearings on this tax increase to be held at the City of Milton Council Chambers, 2006 Heritage Walk, Milton, Georgia, 30004, on the following dates and times:

July 22, 2019 at 9:00 AM
July 22, 2019 at 6:00 PM
August 12, 2019 at 5:45 PM

This tentative increase will result in a millage rate of 4.731 mills, an increase of 0.470 mills. Without this tentative tax increase, the millage rate will be no more than 4.261 mills. The proposed tax increase for a home with a fair market value of \$400,000 is approximately \$75.20 and the proposed tax increase for non-homestead property with a fair market value of \$575,000 is approximately \$108.10.

CITY OF MILTON
NOTICE OF PROPERTY TAX INCREASE
DETAILED EXPLANATION

For the 2019 tax year, staff is presenting multiple millage rate options to the City Council including the capped millage rate of 4.731 mills. The legally advertised rate above excludes the separately calculated greenspace bond millage rate and represents a return to the capped millage rate in place from 2006 to 2017. Millage rate options along with corresponding service levels will be presented by staff during the public hearings outlined above. Actual changes in property values will not be available until the City receives the official property digest from the Fulton County Tax Commissioner.

CITY OF MILTON
NOTICE

The City of Milton does hereby announce that the millage rate will be set at a meeting to be held at City Hall Council Chambers, 2006 Heritage Walk, Milton, Georgia on August 12, 2019 at 5:45 PM and pursuant to the requirements of O.C.G.A § 48-5-32 does hereby publish the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past five years.

Current 2019 Tax Digest and Five Year History of Levy

| Incorporated City of Milton | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Real & Personal | 2,156,608,276 | 2,332,989,792 | 2,435,683,451 | 2,522,451,452 | 3,002,308,260 | 3,164,882,867 |
| Motor Vehicle | 110,057,590 | 80,438,520 | 55,613,700 | 38,158,500 | 26,535,480 | 19,364,570 |
| Mobile Homes | 0 | 0 | 0 | 0 | 0 | 0 |
| Timber – 100% | 0 | 0 | 0 | 0 | 0 | 0 |
| Heavy Duty Equipment | 0 | 0 | 0 | 104,009 | 61,463 | 76,149 |
| Gross Digest | 2,266,665,866 | 2,413,428,312 | 2,491,297,151 | 2,560,713,961 | 3,028,905,203 | 3,184,323,586 |
| Less M&O Exemptions | 154,175,700 | 174,457,350 | 163,773,480 | 169,616,430 | 196,963,090 | 493,828,424 |
| Net M&O Digest | 2,112,490,166 | 2,238,970,962 | 2,327,523,671 | 2,391,097,531 | 2,831,942,113 | 2,690,495,162 |
| Gross M&O Millage Rate | 6.742 | 8.374 | 8.342 | 8.244 | 7.417 | 8.171 |
| Less Millage Rate Rollbacks (LOST) | 2.011 | 3.643 | 3.611 | 3.513 | 3.027 | 3.440 |
| Net M&O Millage Rate | 4.731 | 4.731 | 4.731 | 4.731 | 4.390 | 4.731 |
| Bond Millage Rate | 0 | 0 | 0 | 0.321 | 0.671 | 0.588 |
| Total City Millage Rate | 4.731 | 4.731 | 4.731 | 5.052 | 5.061 | 5.319 |
| M&O Taxes Levied | 9,994,191 | 10,592,572 | 11,011,514 | 11,312,282 | 12,432,226 | 12,728,733 |
| Bond Taxes Levied | 0 | 0 | 0 | 767,542 | 1,900,233 | 1,622,369 |
| Total City Taxes Levied | 9,994,191 | 10,592,572 | 11,011,514 | 12,079,825 | 14,332,459 | 14,351,101 |
| Net M&O Taxes \$ Increase | 747,534 | 598,381 | 418,943 | 300,768 | 1,119,943 | 296,507 |
| Net M&O Taxes % Increase | 8.1% | 6.0% | 4.0% | 2.7% | 9.9% | 2.4% |

All figures are based upon a 100% collection rate.

NOTE: For the 2019 tax year, staff is presenting multiple millage rate options to the City Council including the capped millage rate of 4.731 mills. The legally advertised rate above represents a return to the capped millage rate in place from 2006 to 2017. Millage rate options along with corresponding service levels will be presented by staff during the public hearings on July 22, 2019 (9:00 AM and 6:00 PM) and August 12, 2019 (5:45 PM). Actual changes in property values will not be available until the City receives the official property digest from the Fulton County Tax Commissioner.

YEAR-OVER-YEAR DIGEST CHANGES



| DESCRIPTION | 2018 DIGEST | REASSESSMENT OF | OTHER CHANGES | 2019 DIGEST |
|------------------|---------------|--------------------|-------------------|---------------|
| | | EXISTING REAL PROP | TO TAXABLE DIGEST | |
| REAL | 2,939,556,990 | 78,896,720 | 80,812,030 | 3,099,265,740 |
| PERSONAL | 62,751,270 | 78,896,720 | 2,865,857 | 65,617,127 |
| MOTOR VEHICLES | 26,535,480 | | (7,170,910) | 19,364,570 |
| MOBILE HOMES | | | 0 | |
| TIMBER -100% | | | 0 | |
| HEAVY DUTY EQUIP | 61,463 | | 14,686 | 76,149 |
| GROSS DIGEST | 3,028,905,203 | | 78,896,720 | 76,521,663 |
| EXEMPTIONS | 196,963,090 | 0 | 296,865,334 | 493,828,424 |
| NET DIGEST | 2,831,942,113 | 78,896,720 | (220,343,671) | 2,690,495,162 |



THE MATH BEHIND THE ADS

Notice of Property Tax Increase

– Millage Equivalent

- (Reassessment of real existing property / Current year net digest)
x Last year's millage rate
- $(78,896,720 / 2,690,495,162) \times 4.390 = 0.12873$

– Rollback Rate

- Last year's millage rate – Millage Equivalent
- $4.390 - 0.12873 = 4.26127$

– Percentage Tax Increase

- (Advertised Millage Rate - Rollback Rate) / Rollback Rate x 100
- $((4.731 - 4.26127) / 4.26127) \times 100 = 11.02\%$

THE MATH BEHIND THE ADS CONTINUED

Five Year History and Current Digest

Compares the increase in the M&O tax digest year-over-year for the current year and the five previous tax years

- Current year net digest x (Advertised millage rate / 1000) = Taxes levied
 - $2,690,495,162 \times (4.731 / 1000) = 12,728,733$
- (Current year taxes levied – Prior year taxes levied) / Prior year taxes levied x 100 = % Increase
 - $((12,728,733 - 12,432,226) / 12,432,226) \times 100 = 2.4\%$

2019 MILLAGE RATE OPTIONS

Maintenance & Operating Millage Rate (Capped by enabling legislation at 4.731)

Capped M&O Millage = 4.731

Current M&O Millage = 4.390

Rollback M&O Millage = 4.261

Separately Calculated Greenspace Bond Millage Rate (Variable)

Greenspace Bond Millage (Principal & Interest) = 0.588

M&O DIGEST BREAKDOWN

MAINTENANCE & OPERATING (M&O)


 **Net M&O Tax Digest = \$2,690,495,162**

Taxes Levied Based on 100% Collection Rate

- Total M&O Taxes Levied = \$12,728,733 – 4.731
- Total M&O Taxes Levied = \$11,811,274 – 4.390
- Total M&O Taxes Levied = \$11,464,200 – 4.261

GENERAL FUND REVENUE ANTICIPATIONS

| | 4.731 | 4.390 | 4.261 |
|--------------------------------|-------------------|-------------------|-------------------|
| Real (95%) | 11,710,008 | 10,865,976 | 10,546,680 |
| Personal (65%) | 202,017 | 187,456 | 181,947 |
| Motor Vehicle (50%) | 45,807 | 42,505 | 41,256 |
| Total Budgeted Revenues | 11,957,831 | 11,095,937 | 10,769,884 |

 **4.731 vs. 4.261 = 11%**

 **4.390 vs. 4.261 = 3%**

 **FY19 Real Property Amended Budget = \$11,613,628**

 **FY19 Real Property Collections To Date = \$11,484,435**

GENERAL FUND REVENUE PROJECTIONS

| | FY 2019 Final Budget Projections* | FY 2020 Preliminary Budget Projections | \$ Variance | % Variance |
|------------------------------|---|---|-------------------|---------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property Taxes | \$ 14,812,583 | \$ 14,898,125 | \$ 85,542 | 0.6 |
| Sales & Use Taxes | 9,660,000 | 9,710,000 | 50,000 | 0.5 |
| Business & Other Taxes | 3,174,738 | 3,364,000 | 189,262 | 6.0 |
| Licenses & Permits | 650,832 | 614,650 | (36,182) | (5.6) |
| Intergovernmental Revenues | 8,942 | - | (8,942) | (100.0) |
| Charges for Services | 508,300 | 517,420 | 9,120 | 1.8 |
| Fines & Forfeitures | 350,000 | 380,000 | 30,000 | 8.6 |
| Investment Income | 391,000 | 301,000 | (90,000) | (23.0) |
| Contributions & Donations | 7,244 | - | (7,244) | (100.0) |
| Miscellaneous Revenue | 64,921 | 108,104 | 43,183 | 66.5 |
| <i>subtotal</i> | <u>\$ 29,628,560</u> | <u>\$ 29,893,299</u> | <u>\$ 264,739</u> | <u>0.9</u> |
| Other Financing Sources | | | | |
| Proceeds From Sale Of Assets | \$ 10,000 | \$ 10,000 | \$ - | - |
| Interfund Transfers In | - | 10,000 | 10,000 | - |
| <i>subtotal</i> | <u>\$ 10,000</u> | <u>\$ 20,000</u> | <u>\$ 10,000</u> | <u>100.0</u> |
| TOTAL REVENUES | \$ 29,638,560 | \$ 29,913,299 | \$ 274,739 | 0.9 |



***The FY19 budget column includes final projections that will be voted on by Council in September's end-of-year amendment process.**

OPPORTUNITITES FOR TAX SAVINGS

Homestead Exemptions



Basic Homestead Exemption (apply with the County)

- Primary residence; no age or income restrictions = **\$15,000**
- Floating Homestead Exemption (CPI)



Senior Exemptions (apply with the City)

- Age 65+ = **\$15,000**
- 65+ & meets income qualification = **\$25,000**
- Age 70+ & meets income qualification = **Full Value Exemption**



Disability Exemption (apply with the City)

- Disability certified by a licensed physician & meets income qualification = **Full Value Exemption**

OPPORTUNITIES FOR TAX SAVINGS CON'T




Floating Homestead Exemption (CPI)

- Applies to the primary residence and 5 contiguous acres of land
- Base year – the lower of the appraised values in the 2016, 2017 and 2018 taxable years.
- For 2019 the base year is multiplied by 1.0423, which represents the inflation rate data for Dec 2015-Dec 2017. This will change to the lower of the consumer price index or 3% in subsequent years.
- Adjusted base year for 2019 = base year x 1.0423
- Floating exemption = 2019 assessed value – adjusted base year value

| | | | |
|-------------------------------------|---|---------|----------------|
| Base Year - 2017 | | 340,000 | |
| Inflation rate | x | 1.0423 | |
| Adjusted Base Year Value | | 354,382 | |
| Assessed Value (40%) | | | 141,753 |
| 2019 Appraised Value | | 460,000 | |
| Assessed Value (40%) | | | 184,000 |
| Floating Homestead Exemption | | | 42,247 |

OPPORTUNITIES FOR TAX SAVINGS CON'T

Conservation Use Value Assessment (CUVA)

-  If you qualify, the property value will be based on land use and not market value.
-  No minimum amount of acreage. Maximum is 2,000 acres.
 - If less than 10 acres, owner must submit additional relevant records regarding proof of bona fide conservation use.
-  Owner agrees to maintain property in bona fide qualifying use for a period of 10 years.

CALCULATING YOUR TAX BILL

Home with a Fair Market Value of \$400,000
(with \$15,000 basic and no floating exemption)

| | | | | |
|-----------------------------|---|-------------------|-------------------|-------------------|
| | | <u>4.731</u> | <u>4.390</u> | <u>4.261</u> |
| Assessed Value (40% of FMV) | = | \$160,000 | \$160,000 | \$160,000 |
| Less Homestead Exemption | = | <u>\$(15,000)</u> | <u>\$(15,000)</u> | <u>\$(15,000)</u> |
| Subtotal | = | \$145,000 | \$145,000 | \$145,000 |
| Multiply Millage Rate | x | <u>.004731</u> | <u>.004390</u> | <u>.004261</u> |
| Total Taxes Due | = | \$686.00 | \$636.55 | \$617.85 |

CALCULATING YOUR TAX BILL

| Fair Market Value | \$400,000 | | | \$1,000,000 | | | \$2,000,000 | | |
|--|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Assessed Value (40% of FMV) | 160,000 | 160,000 | 160,000 | 400,000 | 400,000 | 400,000 | 800,000 | 800,000 | 800,000 |
| Basic Homestead Exemption | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) |
| No Floating Homestead Exemption | - | - | - | - | - | - | - | - | - |
| Subtotal | 145,000 | 145,000 | 145,000 | 385,000 | 385,000 | 385,000 | 785,000 | 785,000 | 785,000 |
| Multiply by Millage Rate | 0.004731 | 0.004390 | 0.004261 | 0.004731 | 0.004390 | 0.004261 | 0.004731 | 0.004390 | 0.004261 |
| Total Taxes Due | \$ 686.00 | \$ 636.55 | \$ 617.85 | \$ 1,821.44 | \$ 1,690.15 | \$ 1,640.49 | \$ 3,713.84 | \$ 3,446.15 | \$ 3,344.89 |
| Assessed Value (40% of FMV) | 160,000 | 160,000 | 160,000 | 400,000 | 400,000 | 400,000 | 800,000 | 800,000 | 800,000 |
| Basic Homestead Exemption | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) |
| Floating Homestead Exemption | (59,439) | (59,439) | (59,439) | (24,355) | (24,355) | (24,355) | (16,594) | (16,594) | (16,594) |
| Subtotal | 85,561 | 85,561 | 85,561 | 360,645 | 360,645 | 360,645 | 768,406 | 768,406 | 768,406 |
| Multiply by Millage Rate | 0.004731 | 0.004390 | 0.004261 | 0.004731 | 0.004390 | 0.004261 | 0.004731 | 0.004390 | 0.004261 |
| Total Taxes Due | \$ 404.79 | \$ 375.61 | \$ 364.58 | \$ 1,706.21 | \$ 1,583.23 | \$ 1,536.71 | \$ 3,635.33 | \$ 3,373.30 | \$ 3,274.18 |
| Savings with floating exemption | \$ 281.21 | \$ 260.94 | \$ 253.27 | \$ 115.22 | \$ 106.92 | \$ 103.78 | \$ 78.51 | \$ 72.85 | \$ 70.71 |

Note: These are three samples pulled from the assessment data received from Fulton County to date. Each homesteaded property will have a unique floating exemption calculation. Any property improvements (i.e. home additions/modifications) will be taxed accordingly.

THE VALUE OF YOUR TAX DOLLAR

Average Fair Market Value = \$400,000

Tax Bill with \$15,000 Homestead Exemption at 4.731 mills = \$686



| Service | Annually | Monthly | Daily |
|------------------|-----------------|----------------|--------------|
| Public Safety | 274.30 | 22.86 | 0.75 |
| Municipal Court | 10.21 | 0.85 | 0.03 |
| Public Works | 56.23 | 4.69 | 0.15 |
| Parks & Rec | 50.83 | 4.24 | 0.14 |
| Community Dev | 36.71 | 3.06 | 0.11 |
| Gov Body & Admin | 94.84 | 7.90 | 0.26 |
| Capital (Pay-Go) | 162.89 | 13.57 | 0.45 |
| Total | 686.00 | 57.17 | 1.88 |

THE VALUE OF YOUR TAX DOLLAR CON'T





| Service | Annually (4.731) | Annually (4.390) | Annually (4.261) |
|------------------|-----------------------------|-----------------------------|-----------------------------|
| Public Safety | 274.30 | 254.53 | 247.05 |
| Municipal Court | 10.21 | 9.47 | 9.19 |
| Public Works | 56.23 | 52.18 | 50.64 |
| Parks & Rec | 50.83 | 47.17 | 45.78 |
| Community Dev | 36.71 | 34.06 | 33.06 |
| Gov Body & Admin | 94.84 | 88.00 | 85.42 |
| Capital (Pay-Go) | 162.89 | 151.14 | 146.70 |
| Total | 686.00 | 636.55 | 617.85 |

FMV \$400,000 w/ \$15,000 exemption

RATIONALE FOR 4.390 MILLAGE RATE

-  **Allows City to maintain existing base-level (Maintenance & Operating) services (e.g. no staff layoffs; minimum maintenance vs proactive services/actions; no service level improvements).**
-  **A variable millage rate approach could reduce City's Pay-Go strategy for Capital Projects, resulting in voter-approved G.O. Bonds.**

RATIONALE FOR 4.731 MILLAGE RATE

-  **Ability to fund City's capital improvement projects as planned**
-  **Timeline to implement completed master plans**
-  **Challenges of a capped millage rate**
 - Limited commercial tax base & commercially zoned footprint
 - Assessed property values have not kept up with market since 2008 and have now been contained by the floating CPI exemption
 - Community vision to retain rural character
-  **Results of deferred short-term capital maintenance = more costly capital replacements in long-term (e.g. forgoing routine pavement management results in more expensive full-depth reclamation paving)**

CURRENT OPERATIONS VS NEW INITIATIVES



The City's first priority is to maintain existing operations and services. Once corresponding funds are allocated, new initiatives and increased levels of service may be considered. Below is an example based on road maintenance:






Current Operations: Repave roads as scheduled

Enhanced Service Level: Repave additional roads needing attention or perform full depth reclamation instead of patching/repaving

New Initiative: Construct a new road in order to ease congestion

SERVICE LEVELS

Opportunities to increase service levels based on citizen feedback as well as the ability to consider new initiatives:

-  **Adequate maintenance of newly acquired greenspace properties (infrastructure maintenance, hazard mitigation, trail maintenance, mowing/landscaping)**
-  **Improved debris management (curb and gutter as well as right of way)**
-  **Manicured landscaping in public areas**
-  **Enhanced public safety technology to aid in: solving cases, crime reduction, and search and rescue capabilities**
-  **Timely implementation of City plans (Providence Park, former Milton Country Club, Parks and Recreation 10 year master plan...)**

SERVICE LEVELS CONTINUED



Right of way mowing frequency



Capital contributions to local school facilities through our current intergovernmental agreements (IGAs) with Fulton County Schools. (e.g. Milton funds field improvements such as new sod, annual seeding, or newly installed turf; additional lighting & seating; basketball court resurfacing; etc.)



Paving schedule (ability to repave additional roads)



Efforts to attract and retain a highly talented workforce to meet the needs and expectations of our citizens.

- **Note: This is not only wages/benefits, but retention is critical for a staff our size (e.g. turnover of one-two person department has > impact)**

QUESTIONS?

