

Agenda Packet

Special City Council Meeting

Monday, July 31, 2017

**Immediately following
4:00 P.M. City Council Budget Workshop**

**Special City Council Meeting
City of Belleair Beach, Florida**

**Monday, July 31, 2017
Community Center,
Immediately following 4:00 P.M.
City Council Budget Workshop**

Agenda

Call to Order
Pledge of Allegiance
Roll Call

1. Consideration of setting the Tentative Millage Rate for FY 2017-2018. (Finance Officer)
(see backup)

Adjournment.

Any person who decides to appeal any decision of the City Council with respect to any matter considered at this meeting will need a record of the proceedings and for such purposes may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based. The law does not require the City Clerk to transcribe verbatim minutes, therefore, the applicant must make the necessary arrangements with a private reporter or private reporting firm and bear the resulting expense. Any person with a disability requiring reasonable accommodation in order to participate in this meeting should call 727.595.4646, ext 124 or fax a written request to 727.593.1409.

Posted: July 26, 2017
Patricia A. Gentry, CMC
City Clerk

City of Belleair Beach

Memorandum

Date: July 20, 2017
To: Nancy G. Gonzalez, City Manager
From: Melanic M. Kruszona, Finance Officer
Subject: Tentative Property Tax Millage Rate for FY 2017-2018

Table 1

Background:

Each year the City is required to calculate and set an ad valorem millage rate per Chapter 200 of the Florida Statute, Determination of Millage as presented in Table 1. The Pinellas County Property Appraiser's office sent out the Certification of Taxable Value (Form DR-420) on July 1, 2017. As required by City Charter, the City Manager has to deliver a proposed budget to City Council and as approved by citizens in March 2011, the City Manager has to deliver the Proposed Budget to City Council in a timely manner every year.

Discussion:

Based upon the Certification of Taxable Value (form DR-420) from the Pinellas County Appraiser's Office, the City's 2017 gross taxable value is \$512,721,207. This represents an increase of \$35,599,686 or 7.46% increase over the 2016 Final gross taxable value of \$477,121,521. The City must notify the Property Appraiser, of the current year's calculated rolled-back rate, the proposed millage rate and the date, time and place of the City's first public hearing for setting the tentative millage and the budget by August 4th. Also, the City is required to complete the Maximum Millage Levy Calculation- preliminary disclosure (form DR-420MMP). Staff recommends sending back completed Forms DR-420 and DR-420MM-P with all the required information by August 1st.

Rolled-Back Millage Rate:

The rolled-back millage rate is defined as the millage rate that would produce the same amount of Ad Valorem revenue as was levied during the prior year, exclusive of new construction, additions and boundary changes. Based upon the gross taxable value as of July 1, 2017, the calculated rolled-back rate is 1.9051 mills, which would generate revenues of approximately \$934,120 at a 96% collection rate, after allowing a 4% discount for early payment.

Tentative Millage:

The proposed/tentative millage rate is important because once set, this rate *cannot be increased* unless each taxpayer is mailed a revised Notice of Proposed Property Tax. The final millage rate *cannot* exceed the tentatively adopted millage rate but it can always be lower. The draft of the Proposed 2017-2018 Budget has been submitted to City Council based millage rate of 2.0394.

Determination of Millage

1. Day 1 is on or by July 1 -The Property Appraiser certifies the taxable value of real property within the jurisdiction of the taxing authority.
2. Within 35 days - (Aug 4) the City shall advise the Property Appraiser of: a) proposed/tentative millage rate; b) current year rolled-back rate -The rolled-back rate is the tax rate that would raise the same amount of revenue as last year using the increased taxable value; and c) date, time and place of the tentative budget hearing.
3. 55th day - (August 21) - No later than 55 days after certification of value, the Property Appraiser shall mail out to the City and the property owners a Notice of Proposed Property Taxes (TRIM Notice).
4. 80th day - (Sept. 3 to Sept. 18) - not earlier than 65 days after certification, but within 80 days of certification of value, the City shall hold a public hearing (Sept. 16) on the tentative budget and proposed millage rate.
5. 95th day - (Sept. 25) - within 15 days of the tentative budget hearing, the City shall advertise its intent to adopt a final millage and budget.
6. 97/100th day - (Sept 28) - The City shall hold a public hearing to adopt a final millage rate and budget that shall be held not less than 2 days or more than 5 days, after the day that the advertisement is first published.
7. Within 3 days of the second and final budget hearing (Sept. 30) - the resolution or ordinance adopting the final millage rate shall be forwarded to the Property Appraiser and the Tax Collector.
8. Within 30 days of the final hearing (Sept.30) - no later than 30 days following the adoption of the millage and budget ordinances or resolutions, each City shall certify that they have complied with the provision of Chapter 200, F.S., to the Division of ad valorem Tax, Department of Revenue.
9. The Property Appraiser then notifies the City of the final adjusted tax roll (Oct. 7).

Using the budgeted millage rate of 2.0394 and a 96% collection rate, the estimated increase in ad valorem tax revenue is 7.05% or approximately \$65,869. This increase is calculated by comparing budgeted net ad valorem tax of \$999,992 for FY 2017-18 with budgeted net ad valorem tax of \$934,123 for FY 2016-17.

Examples of projected revenues by millage rate at 96% collection rate:

- a. 1.9051mill=\$934,123 net ad valorem revenue --the calculated roll back rate.
- b. 2.0394mill=\$999,992 net ad valorem revenue -- 7.05% increase from the roll back rate.
- c. 2.1006mill=\$1,029,992 net ad valorem revenue -- 10.26 % increase from the roll back rate
- d. 2.1414mill=\$1,049,992 net ad valorem revenue -- 12.40% increase from the roll back rate.
- e. 2.2433mill=\$1,099,991 net ad valorem revenue -- 17.76% increase from the roll back rate.

Budget Public Hearings:

The City must hold two public hearings on the millage rate and budget and the City's meetings may not be on the same date as that of the County or the School Board. The City is required to notify the Property Appraiser of the date, time and location of the City's first public hearing for millage and budget and this information is printed on the tax bills. Any change in the meeting time of the first public hearing on the budget will require notice to each City property taxpayer. Accordingly, Staff recommends that Council will establish its public hearings for the millage rate and budget on the following dates and times:

- First Public Hearing, Monday, September 11, 2017--5:05 P.M.
- Final Public Hearing, Monday September 18, 2017 -5:05 P.M.

The City budget hearing dates do not conflict with the meeting dates of the School Board or Pinellas County Commission. A budget schedule, incorporating all of the State TRIM Compliance time-line requirements, has been provided for your review.

Recommendation:

Staff respectfully requests that Council confirm the dates and times of the public hearings set forth in the attached schedule and set the proposed/ tentative millage rate at 2.0394 mills. As previously noted the final millage rate can be lower but not higher than the proposed/tentative millage rate.

Respectfully Submitted:



Melanie M. Kruszona
Finance Officer

- 1) Attachment: 2017-2018 Budget Schedule

CITY OF BELLEAIR BEACH, FLORIDA

PROPOSED BUDGET SCHEDULE

Fiscal Year 2017-2018

Thursday, April 13, 2017	Instructional Departmental Meeting-email Budget book
Monday, April 24, 2017	Capital Improvement Projects due to Finance
Friday, May 12, 2017	Departmental operating and capital budgets due to Finance (Nancy, Patti & Lynn)
Wednesday, June 1, 2017	Estimate of Taxable Value provided by Property Appraiser
Wed.-Fri, June 7-9, 2017	City Manager will review budget requests with Department Directors
Saturday, July 1, 2017	Property Appraiser delivers Certification of Taxable Value (DR-420)
Friday, July 7, 2017	Budget due from Finance to City Manager
Friday, July 7, 2017	Finance Officer to complete Budget Message
Monday, July 10, 2017	City Manager to deliver Proposed Budget to City Council Regular council meeting at 5:30 P.M.
Monday, July 17, 2017	Budget Workshop 4:00 P.M.
Monday, July 31, 2017	Budget Workshop 4:00 P.M. Special Council Meeting immediately to follow to Adopt Tentative Millage Rate
Tuesday, August 1, 2017	Last day for the <u>Finance Officer</u> to advise Property Appraiser's Office of proposed millage rate and date/time/place of first public hearing (DR-420, DR-420MM-P)
Monday, Aug. 7, 2017	Regular City Council Meeting 5:30 P.M.
Monday, August 21, 2017	TRIM Notices mailed by Pinellas County
Wednesday, August 25, 2017	Post on City's Website: Budget Book for First Public Hearing FY 2017-2018
Wednesday, Sep. 6, 2017	Regular City Council Meeting 5:30 P.M.
Monday, Sept. 11, 2017	First Public Hearing on the Proposed Millage Rate, Budget and Capital Plan 5:05P.M.
Friday, Sept. 15, 2017	<u>Finance Officer</u> to advertise intent to adopt a final millage rate and final budget (within 15 days after 1 st Public Hearing and 2-5 days before 2 nd Public Hearing)
Friday, Sept. 16, 2016	Post on City's Website: Budget Book for Final Public Hearing FY 2017-2018
Mon., Sept. 18, 2017	Final Public Hearing on Budget 5:05 P.M. (Adopt final millage rate and budget)
Wed., Sept. 20, 2017	Finance to forward Resolution Adopting Final Millage Rate to Property Appraiser and Tax Collector (within 3 days of adoption)
Friday, Sept. 29, 2017	Finance to forward Completed TRIM Compliance Package to Tallahassee (within 30 days of Final Public Hearing)
Friday, Sept. 29, 2017	Post on City's Website: Budget Book for Adopted Budget FY 2017-2018
Monday, Oct. 2, 2017	Property Appraiser delivers DR-422, Final Taxable Value Certification, to taxing authorities
Thursday, Oct. 5, 2017	Finance to return completed DR-422 to County Property Appraiser, copy to State

Updated: Tuesday, July 18, 2017

**CITY OF BELLEAIR BEACH, FLORIDA
PRELIMINARY MILLAGE RATE COMPUTATION
FISCAL YEAR 2017-2018**

Based upon Estimated Taxable Value as of July 1, 2017

**Finance's
Recommendation**

**MAXIMUM
MILLAGE RATE**

	FY 2017-2018	FY 2017-2018	FY 2017-2018	FY 2017-2018	FY 2017-2018	FY 2017-2018	FY 2017-2018
		Increase	Increase	Increase	Increase	Increase	Increase
Proposed Millage Rate change	no change	-6.59%	3.00%	5.00%	10.00%		44.51%
		rolled-back rate					
Proposed Millage Rate	2.0394	1.9051	2.1006	2.1414	2.2433	2.9472	
2017 Taxable Value for 2017 preliminary millage rate	510,767,146	\$ 510,767,146	\$ 510,767,146	\$ 510,767,146	\$ 510,767,146	\$ 510,767,146	\$ 510,767,146
Budgeted Net Ad Valorem Tax (net of 4% discount)	\$ 999,992	\$ 934,120	\$ 1,029,992	\$ 1,049,992	\$ 1,099,991	\$ 1,445,120	
Gross Ad Valorem Generated at proposed millage	\$ 1,041,659	\$ 973,042	\$ 1,072,908	\$ 1,093,741	\$ 1,145,824	\$ 1,505,333	
Millage rate (per \$1,000 of value)	2.0394	1.9051	2.1006	2.1414	2.2433	2.9472	
Additional revenue vs. 2.0394 millage (@96% collection rate)	\$ -	\$ (65,872)	\$ 30,000	\$ 50,000	\$ 99,999	\$ 445,127	

\$ 477,121,521
2,0394
\$ 973,042
\$ 512,721,207
\$ 1,954,061
\$ 510,767,146
1.9051

est 7.46% inc.

Current Year Taxable Value							
Deduct Current Year net new construction N/A							
Current Year Adjusted Taxable Value (Line 6)							
Current Year Rolled- back rate							
Proposed Rate as a Percentage Change of Rolled-back Rate	7.05%	0.00%	10.26%	12.40%	17.76%	54.70%	
FY 2016-2017 Budgeted Net Ad Valorem Tax	\$ 934,123	\$ 934,123	\$ 934,123	\$ 934,123	\$ 934,123	\$ 934,123	
FY 2017-2018 increase (decrease) in Net Ad Valorem Budget over FY 2016-2017	\$ 65,869	\$ (3)	\$ 95,869	\$ 115,869	\$ 165,869	\$ 510,997	
% increase/ -decrease over FY 2016-2017	7.05%	0.00%	10.26%	12.40%	17.76%	54.70%	