

PINELLAS PARK CITY COUNCIL

AGENDA MEMORANDUM

FROM: Dan C. Katsiyannis, OMB Administrator

DATE: July 1, 2008. This item is for the 7/8 or 7/22/2008 Workshop

SUBJECT: Adopting a tentative millage rate for FY 08/09 and confirming budget meeting dates

BACKGROUND:

The City is required to set the tentative millage rate and notify the County Property Appraiser's Office of it no later than July 31, 2008. The Property Appraiser will use this rate when they mail out the TRIM notices to property owners on August 18, 2008. The TRIM notices contain an estimate of the property taxes, broken down by taxing authority that will be due for the coming year. In addition, the TRIM notices will advertise the date of each taxing authority's first public hearing on the adoption of the budget and millage rate for fiscal year 2008/2009. The City will advertise the ordinance adopting the Budget and Millage rate and the date of the 2nd and final Public Hearing on the Budget. The first public hearing on the budget will be at the Council regular session on September 11, 2008 @ 7:30 p.m. The second and final public hearing on the budget will be at the Council regular session on September 25, 2008 @ 7:30 p.m.

Once the tentative millage rate has been set, the City cannot subsequently increase the millage rate. We can subsequently decrease the millage rate but cannot increase it. Because of the recently passed Tax Reform legislation, most local governmental entities are still working with tax numbers and trying to derive their revenue estimates, etc. In order to provide for some flexibility, I am suggesting that Council approve the millage rate of 4.6050 as the tentative millage rate.


Reference: Attached Schedule of Millage Rate Information.

Attached Backup May Be Required:

- Attorney Approval
- Purchasing Approval
- OMB Approval
- Finance Approval
- Minutes from Board or Commission
- Document required for Council action

- Workshop Agenda
- Council Agenda

Department Head Approval 

City Manager Approval 

City of Pinellas Park
Schedule of Millage Rate Information
FY 2008/2009

The projected net taxable values of properties within Pinellas Park dropped for the new budget year. The drop in value is partly in result of the approved Amendment 1 that the voters approved last January. The total net taxable values in the City for last year were \$3,711,722,563, and for those same properties in the City for 2008, the net taxable values are \$3,441,835,155. The net taxable values in the City decreased by approximately \$274,000,000 or by 7.4%. For our taxpayer to obtain the full benefits of the passage of amendment 1, the City's millage rate would not exceed an estimated 4.6050, and this is the millage rate projected in our proposed budget.

It appears from the County's preliminary DR-420 and DR 420 MM-P forms for Pinellas Park that the City can select any millage rate not to exceed 4.7876 with a simple majority vote of Council. Technically, the City will **not** have a tax increase as long as the adopted millage rate does not exceed 5.3848 that the County has calculated as our roll-back rate for tax year 2008. On a preliminary basis, Pinellas County has indicated that they plan on keeping their operating millage rate of 4.8108 as their millage rate for next fiscal year. The City's current millage rate for this fiscal year is 4.5478 per thousand dollars of net taxable value. Listed below is a sample tax bill:

Sample 2008 Property Tax Bill (Net Taxable Value of \$150,000)

| <u>Taxing Authority (2008 Estimated)</u> | 2008 <u>Taxes</u> | 2007 <u>Taxes</u> |
|---|----------------------|----------------------|
| COUNTY – Aggregate | \$ 275.54 | \$ 395.57 |
| - Pinellas Plan. Council | .86 | 1.23 |
| PUBLIC SCHOOLS – By State Law | 357.11 | 342.92 |
| - By Local Board | 226.57 | 217.57 |
| MUNICIPAL – City of Pinellas Park | 232.55 | 329.71 |
| SW FL Water Mgmt. | 20.33 | 28.03 |
| PINELLAS Anclote River Basin | 19.47 | 26.83 |
| JUVENILE WELFARE BOARD | 38.84 | 53.53 |
| TRANSIT AUTHORITY | 29.46 | 40.60 |
| PIN. PARK WTR. MGMT. | <u>147.27</u> | <u>203.00</u> |
| TOTAL PROPERTY TAX | \$1,348.00 | \$1,638.99 |

Based on the information above, it is anticipated that the typical savings on the total property tax bill may be an **estimated \$291.**

For every 10th of one mill, the City's ad valorem revenue will increase by \$326,974. For every 10th of one mill, the taxpayer will pay an additional \$5.05 annually of City property tax. For every 10th of one mill for all taxing authorities, the taxpayer will pay an additional \$31.91 annually in property tax.

If City Council adopts the millage rate of 4.6050, this would be a tax decrease of 14.5%. The City's proposed budget for fiscal year 08/09 is currently out of balance by \$1.3 million. In addition, many different values in the budget still remain to be firmed up or finalized such as the costs of forensics investigations, health insurance premiums, liability, casualty, and workers' compensation premiums, state revenue sharing, fire district funding, fire union negotiation, etc.

Management is proposing we show using the City's reserves to balance the budget for next year, but we must continue reducing the City's cost by the continued elimination of positions through attrition to reduce recurring operating expenditures, examine outsourcing and partnering, and review any revenue enhancement opportunities. These strategies have been the City's policy for the last six plus years and will continue until the City reaches the point where annual operating expenditures are in line with annual recurring revenue.