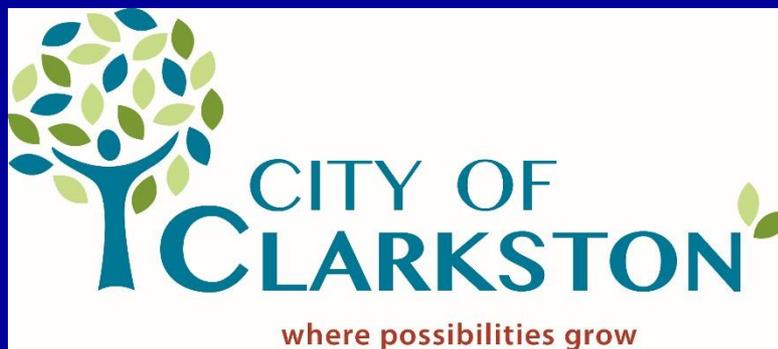


# PUBLIC HEARING TO ADOPT THE 2015 MILLAGE RATE



**City of Clarkston**

**July 1, 2015**

## AGENDA

- Millage rate presentation and discussion
- Public Hearing
- Adopt resolution setting the final millage rate

Regular Meeting – July 7, 2015



# Process



- The Council must hold three public hearings
  - ▣ July 1<sup>st</sup> Work Session
  - ▣ July 7<sup>th</sup> 10:30 am and the Regular Meeting
  
- The purpose of the meetings is to take public comment on the millage rate for consideration in setting the final adopted rate
  
- After the conclusion of the final Public Hearing, the Council will vote to adopt the final millage rate for 2015

# FIRST...

## A FEW DEFINITIONS



# Appraised Value



The total estimated value of your property (land and building), as determined by the DeKalb County Tax Assessor's Office

# Assessed Value



- Typically 40% of the Appraised total value
- You may have exemptions that will lower this amount even more, e.g.... Homestead and Over age 65

# Tax Digest



- The value of all the property in an area
- Like your individual property, this figure is generally given at 40% of the total appraised value

# What is a “mill”?

A property tax levy of \$1.00 per \$1,000 of taxable property value

So, if the rate is *10 mills*, then you would owe 10 dollars for every \$1,000 of the *assessed* value for your house.



# Rollback Rate



The rollback rate is the millage rate that would raise the same amount of revenue as last year if applied to the current tax digest.

# NOW FOR THE NUMBERS...



# Calculating the Millage Rate

Property taxes are calculated based on the difference between planned expenditures and forecasted revenues from all other sources

$$\text{Tax Rate} = \frac{\text{Amount Required}}{\text{Net Tax Digest}}$$

# Calculating the Millage Rate



Estimated Expenditures	<b>\$5,427,427</b>	
Estimated Revenues (not including prop. Taxes)	<b>\$3,854,427</b>	
Amount Needed to Balance	<b><u>\$1,573,000</u></b>	←
Gross Digest	<b>\$110,911,299</b>	
Exemptions	<b>-\$1,945,711</b>	
Net Digest (amount after exemptions)	<b><u>\$108,965,588</u></b>	←

# Calculating the Millage Rate



$$\text{Tax Rate} = \frac{\text{Amount Required}}{\text{Net Tax Digest}}$$

$$\text{Tax Rate} = \frac{\$1,573,000}{\$108,965,588}$$

$$\text{Tax Rate} = 0.01443575 \text{ (14.44)}$$

# Calculating the Millage Rate



$$\text{Tax Rate} = \frac{\text{Amount Required}}{\text{Net Tax Digest}}$$

$$\text{Tax Rate} = \frac{\$1,651,650 + (5\%)}{\$103,517,308 - (5\%)}$$

$$\text{Tax Rate} = 0.0159553 \text{ (15.96)}$$

# Calculating the Millage Rate

Current Millage Rate	21.11
Proposed Millage Rate	17.11
Mathematical Millage Rate	<u>15.96</u>
Difference	1.15 mills

5% Salary Scale Adjustment = .347 Mills

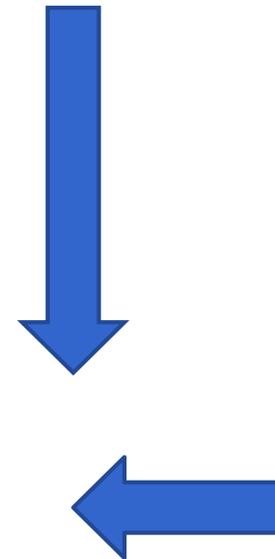
Reserve for Fund Balance = .803 Mills

$$103,517,308 / 1,000 = 103,517 = 1 \text{ Mill}$$

# Gross Digest History



2007	\$100,673,813
2008	\$99,248,731
2009	\$97,624,713
2010	\$92,764,259
2011	\$77,799,972
2012	\$70,278,203
2013	<b>\$64,729,727</b>
2014	\$70,738,477
<b>2015</b>	<b>\$108,965,588*</b>



*\*Brocket Road Annexation*

# City of Clarkston Net Digest Reductions

- 16.13% decrease in 2011
- 9.7% decrease in 2012
- 7.9% decrease in 2013



33.73% Total

- 9.38% increase in 2014
- **53.8% increase in 2015**



63.18% Total

# Tax Millage History



<u>Fiscal Year</u>	<u>Millage Rate</u>
2005	11
2006	11
2007	11
2008	11
2009	11
2010	11.313
2011	14.00
2012	17.95
2013	17.95
2014	21.11
2015	17.11 (Proposed)

# Proposed Millage Rates of DeKalb Cities



□ Avondale Estates	10.957	(27.98 mil)
□ Brookhaven	2.795	(\$236 mil)
□ Chamblee	6.4	(\$220.8mil)
□ Decatur	12 <sub>(50%)</sub>	(\$258 mil)
□ Doraville	8.5	(\$134 mil)
□ Dunwoody	2.74	(\$68 mil)
□ Lithonia	17	(\$2.1 mil)
□ Pine Lake	21.402	(\$5.43 mil)
□ Stone Mountain	22	(\$10.95 mil)
□ <b>Clarkston (proposed)</b>	<b>17.11</b>	<b>(\$38 mil)</b>

SO.....

What does this mean for  
the taxpayer?



# How are my taxes computed?



Appraised Value	75,000
Assessed Value	30,000
<b>Taxable Value</b>	<b>30,000</b>
Divided by 1,000	30
X Millage Rate	17.11
<b>City Property Taxes</b>	<b>\$513.30 (<del>\$633.30</del>)</b>
	<b>- \$120.00 yr.</b>

# How are my taxes computed?



Appraised Value	100,000
Assessed Value	40,000
<b>Taxable Value</b>	<b>40,000</b>
Divided by 1,000	40
X Millage Rate	17.11
<b>City Property Taxes</b>	<b>\$684.40 (\$844.40)</b>

**- \$160.00 yr.**

# How are my taxes computed?

Appraised Value	150,000
Assessed Value	60,000
<b>Taxable Value</b>	<b>60,000</b>
Divided by 1,000	60
X Millage Rate	17.11
<b>City Property Taxes</b>	<b>\$1,026.60 (\$1,266.60)</b>
	<b>- \$240.00 yr.</b>

# How are my taxes computed?



Appraised Value	200,000
Assessed Value	80,000
<b>Taxable Value</b>	<b>80,000</b>
Divided by 1,000	80
X Millage Rate	17.11
<b>City Property Taxes</b>	<b>\$1,368.80 (\$1,688.80)</b>
	<b>- \$320.00 yr.</b>

# PUBLIC HEARING

## QUESTIONS - COMMENTS

