

CITY COUNCIL SPECIAL CALL MEETING



Awet Eyasu – Mayor

YT Bell

Jamie Carroll

Ahmed Hassan

Debra Johnson

Laura Hopkins

Robin I. Gomez – City Manager

AGENDA

Tuesday, June 30, 2020 10:00AM

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC COMMENTS

D. OLD BUSINESS

E. NEW BUSINESS

E1) Millage Rate 2020- Presentation & Public Hearing to take comment on the proposed 2020 millage rate

ADJOURNMENT:

CITY OF CLARKSTON

ITEM NO: E1

CLARKSTON CITY COUNCIL SPECIAL CALL

HEARING TYPE:
Special Call Meeting

BUSINESS AGENDA / MINUTES

ACTION TYPE:
Public Hearing

MEETING DATE: June 30, 2020

SUBJECT: Adopt 2020 Millage Rate

DEPARTMENT: Administration

PUBLIC HEARING: YES NO

ATTACHEMENT: YES NO
Pages:

INFORMATION CONTACT: Robin I. Gomez
PHONE NUMBER: 404-296-6489

PURPOSE:

To Adopt the 2020 Advertised Millage Rate.

NEED/ IMPACT:

The Clarkston City Council has advertised a proposed 2020 Millage rate of 15.89, the same rate that was adopted in 2019.

The calculated rollback millage rate for 2020 (rate for the city to receive the same tax amounts as last year) is 15.078 mils. The rollback millage rate for 2020 is lower than the 2019 adopted millage rate of 15.89 mils due to the increase in the net digest valuation.

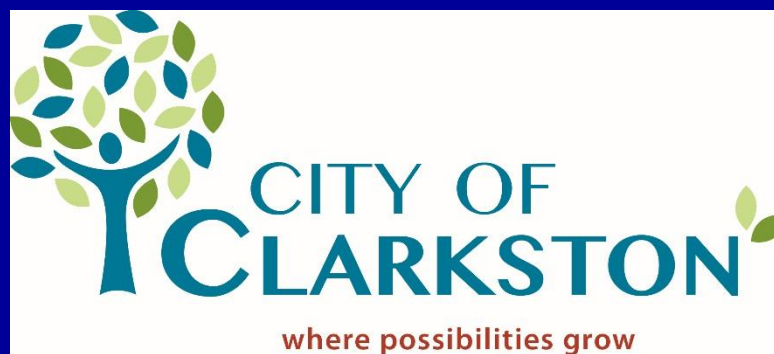
DeKalb County has requested that our final adopted millage rate be concluded before July 8, 2020. The Council voted to set a proposed advertised millage rate at their June 2, 2020 Council Meeting. This is the millage rate that will be advertised for public information. The proposed millage is not necessarily the same rate the Council would eventually adopt. The final adopted millage rate may be the same as the proposed (advertised) rate or lower than the proposed rate. The final millage rate adopted by the City Council may not be greater than the proposed (advertised) millage rate.

The Council will hold three public hearings: two of the Public Hearings will be held on Tuesday, June 30 at 10AM and 6:30PM. The final public hearing will be held in conjunction with the July 7th Council Meeting.

RECOMMENDATION:

Staff recommends The City Council adopt a Millage Rate of 15.890 mils for fiscal year 2020.

PUBLIC HEARING TO ADOPT THE 2020 MILLAGE RATE



City of Clarkston
June 30, 2020

AGENDA

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

Regular Meeting – July 7, 2020



Process



- The Council must hold three public hearings
 - ▣ June 30th – 10:00 am Public Hearing
 - ▣ June 30th - 6:30 pm Public Hearing
 - ▣ July 7nd – 7:00 pm 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 2020

FIRST...

A FEW DEFINITIONS

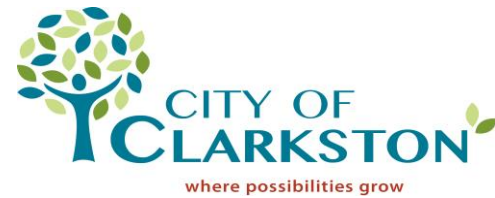


Appraised Value



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

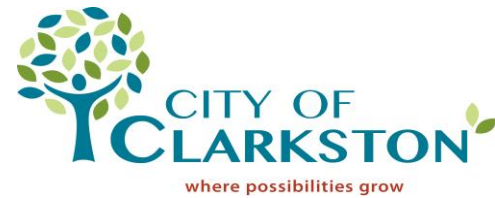
What is a “mil”?

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

So, if the rate is *10 mils*, 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



| | |
|---|-------------------------------|
| Budgeted Expenditures | \$6,768,858 |
| Estimated Revenues | \$6,768,858 |
| Amount Needed to Balance | <u>\$3,837,794</u> ← |
| (Real & Personal Property, Motor Vehicles) | |
| Gross Digest | \$223,471,419 |
| Exemptions | - \$3,573,517 |
| Net Digest | <u>\$219,897,902</u> ← |
| (amount after exemptions) | |

Calculating the Millage Rate



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

$$\text{Revenue/Digest} = \frac{\$3,837,794}{\$219,897,902}$$

$$\text{Millage Rate} = 0.017453 \text{ (17.453)}$$

Calculating the Millage Rate



$$\text{Revenue/Digest} = \frac{\$3,494,178}{\$219,897,902}$$

$$\text{Mathematical Millage Rate} = 0.01589 \text{ (15.89)}$$

$$\text{Recommended Millage Rate} = (15.89)$$

- Reductions in Budgets

Calculating the Millage Rate



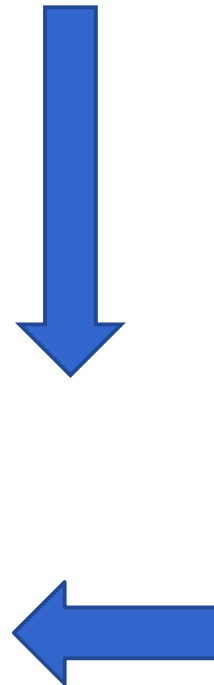
| | |
|-----------------------|--------------|
| Current Millage Rate | 15.89 |
| Proposed Millage Rate | 15.89 |
| Difference | <hr/> 0 mils |

$$1 \text{ Mil} = 219,897.92$$

10 Year Gross Digest History

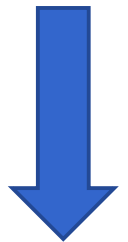


| | |
|-------------|----------------------|
| 2010 | \$92,764,259 |
| 2011 | \$77,799,972 |
| 2012 | \$70,278,203 |
| 2013 | \$64,729,727 |
| 2014 | \$70,738,477 |
| 2015 | \$108,965,588 |
| 2016 | \$147,124,307 |
| 2017 | \$165,727,732 |
| 2018 | \$166,859,487 |
| 2019 | \$209,015,765 |
| 2020 | \$219,897,923 |



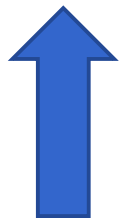
What's the Headline?

Clarkston lost 30% of its Gross Digest
between 2010 and 2013



Clarkston completed two annexations
in 2015 and 2016

Clarkston Gross Digest has increased
by 49.5% between 2016 and 2020



➤ Increase due to Increased residential/commercial values

□ Residential Values up 2.84%

▣ 2019 = 57,429,780

▣ 2020 = 59,058,560

□ Commercial Values up 3.67%

▣ 2019 = 126,876,591

▣ 2020 = 131,535,220

Millage Rate History



| <u>Fiscal Year</u> | <u>Millage Rate</u> |
|--------------------|-----------------------|
| 2010 | 11.313 |
| 2011 | 14.00 |
| 2012 | 17.95 |
| 2013 | 17.95 |
| 2014 | 21.11 |
| 2015 | 17.11 |
| 2016 | 15.89 |
| 2017 | 15.89 |
| 2018 | 15.89 |
| 2019 | 15.89 |
| 2020 | 15.89 Proposed |

SO.....

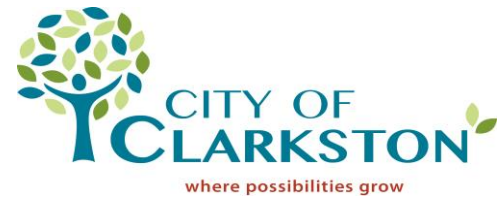
What does this mean for
the taxpayer?



How are my taxes computed?

| | |
|--------------------------|-----------------|
| Appraised Value | 75,000 |
| Assessed Value | 30,000 |
| Taxable Value | 30,000 |
| | |
| Divided by 1,000 | 30 |
| X Millage Rate | 15.89 |
| | |
| City Property Tax | \$476.70 |

How are my taxes computed?

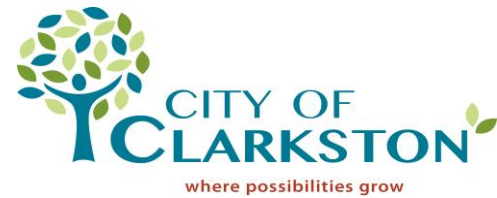


| | |
|----------------------------|-----------------|
| Appraised Value | 100,000 |
| Assessed Value | 40,000 |
| Taxable Value | 40,000 |
| | |
| Divided by 1,000 | 40 |
| X Millage Rate | 15.89 |
| | |
| City Property Taxes | \$635.56 |

How are my taxes computed?

| | |
|----------------------------|-----------------|
| Appraised Value | 150,000 |
| Assessed Value | 60,000 |
| Taxable Value | 60,000 |
| | |
| Divided by 1,000 | 60 |
| X Millage Rate | 15.89 |
| | |
| City Property Taxes | \$953.40 |

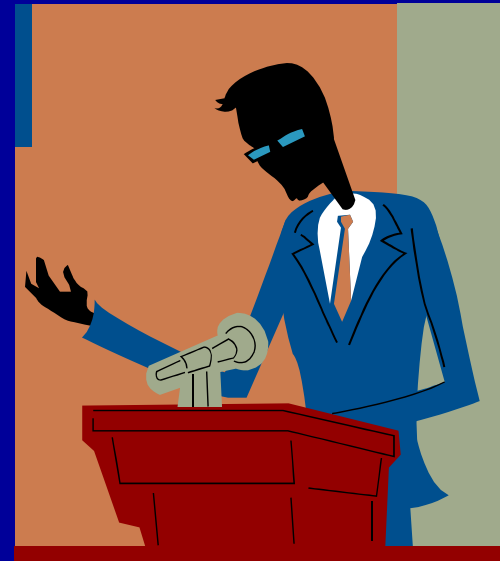
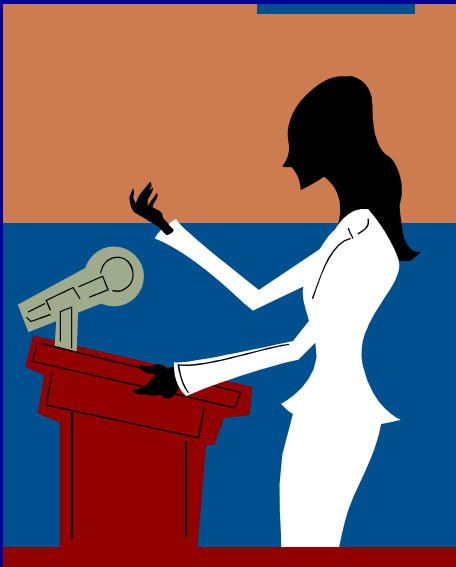
How are my taxes computed?



| | |
|----------------------------|-------------------|
| Appraised Value | 200,000 |
| Assessed Value | 80,000 |
| Taxable Value | 80,000 |
| | |
| Divided by 1,000 | 80 |
| X Millage Rate | 15.89 |
| | |
| City Property Taxes | \$1,271.20 |

PUBLIC HEARING

QUESTIONS - COMMENTS



PT-32.1 - Computation of MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES - 2020

COUNTY: **DEKALB** TAXING JURISDICTION: **CLARKSTON**

ENTER VALUES AND MILLAGE RATES FOR THE APPLICABLE TAX YEARS IN YELLOW HIGHLIGHTED BOXES BELOW

| DESCRIPTION | 2019 DIGEST | REASSESSMENT OF EXISTING REAL PROP | OTHER CHANGES TO TAXABLE DIGEST | 2020 DIGEST |
|------------------|--------------|------------------------------------|---------------------------------|--------------|
| REAL | 194,325,180 | 11,240,780 | 625,232 | 206,191,192 |
| PERSONAL | 18,309,571 | | (1,733,224) | 16,576,347 |
| MOTOR VEHICLES | 791,010 | | (87,130) | 703,880 |
| MOBILE HOMES | 0 | | 0 | 0 |
| TIMBER -100% | 0 | | 0 | 0 |
| HEAVY DUTY EQUIP | 0 | | 0 | 0 |
| GROSS DIGEST | 213,425,761 | 11,240,780 | (1,195,122) | 223,471,419 |
| EXEMPTIONS | 4,320,465 | | (746,948) | 3,573,517 |
| NET DIGEST | 209,105,296 | 11,240,780 | (448,174) | 219,897,902 |
| | (PYD) | (RVA) | (NAG) | (CYD) |

2019 MILLAGE RATE: 15.890

2020 MILLAGE RATE: 15.890

CALCULATION OF ROLLBACK RATE

| DESCRIPTION | ABBREVIATION | AMOUNT | FORMULA |
|--|---------------------------|---------------|-----------------|
| 2019 Net Digest | PYD | 209,105,296 | |
| Net Value Added-Reassessment of Existing Real Property | RVA | 11,240,780 | |
| Other Net Changes to Taxable Digest | NAG | (448,174) | |
| 2020 Net Digest | CYD | 219,897,902 | (PYD+RVA+NAG) |
| 2019 Millage Rate | PYM | 15.890 | PYM |
| Millage Equivalent of Reassessed Value Added | ME | 0.812 | (RVA/CYD) * PYM |
| Rollback Millage Rate for 2020 | RR - ROLLBACK RATE | 15.078 | PYM - ME |

CALCULATION OF PERCENTAGE INCREASE IN PROPERTY TAXES

| | | |
|--|--------------------------------|--------------|
| If the 2020 Proposed Millage Rate for this Taxing Jurisdiction exceeds Rollback Millage Rate computed above, this section will automatically calculate the amount of increase in property taxes that is part of the notice required in O.C.G.A. § 48-5-32.1(c) (2) | Rollback Millage Rate | 15.078 |
| | 2020 Millage Rate | 15.890 |
| | Percentage Tax Increase | 5.39% |

CERTIFICATIONS

I hereby certify that the amount indicated above is an accurate accounting of the total net assessed value added by the reassessment of existing real property for the tax year for which this rollback millage rate is being computed.

Chairman, Board of Tax Assessors Date

I hereby certify that the values shown above are an accurate representation of the digest values and exemption amounts for the applicable tax years.

Tax Collector or Tax Commissioner Date

I hereby certify that the above is a true and correct computation of the rollback millage rate in accordance with O.C.G.A. § 48-5-32.1 for the taxing jurisdiction for tax year 2020 and that the final millage rate set by the authority of this taxing jurisdiction for tax year 2020 is _____

CHECK THE APPROPRIATE PARAGRAPH BELOW THAT APPLIES TO THIS TAXING JURISDICTION

If the final millage rate set by the authority of the taxing jurisdiction for tax year 2020 exceeds the rollback rate, I certify that the required advertisements, notices, and public hearings have been conducted in accordance with O.C.G.A. §§ 48-5-32 and 48-5-32.1 as evidenced by the attached copies of the published "five year history and current digest" advertisement and the "Notice of Intent to Increase Taxes" showing the times and places when and where the required public hearings were held, and a copy of the press release provided to the local media.

If the final millage rate set by the authority of the taxing jurisdiction for tax year 2020 does not exceed the rollback rate, I certify that the required "five year history and current digest" advertisement has been published in accordance with O.C.G.A. § 48-5-32 as evidenced by the attached copy of such advertised report.

Responsible Party Title Date

FINAL

PRELIM
05/26/2020

Change

Revenue Categories

2019 2020 % 2019 % of Tax
40% Value 40% Value vs. 2018 Digest

311190 - Other Real Property Tax
311110 - Public Utility Prop Tax
311390 - Personal Property Tax
311310 - Motor Vehicle Tax
Total Revenue

RESIDENTIAL

| | | | | |
|--------------------|-------------------|-------------------|--------------|--------------|
| R1-Improvements | 41,195,784 | 42,515,315 | 3.20% | |
| R3-Lots | 16,190,228 | 16,499,477 | 1.91% | |
| R4-Small Tracts | 39,960 | 39,960 | 0.00% | |
| R5-Large Tracts | - | - | | |
| RB-Boats | 3,808 | 3,808 | 0.00% | |
| Residential | 57,429,780 | 59,058,560 | 2.84% | 26.4% |

| | | | | |
|-------------------|-------------|--------------|-------------|-------------------|
| \$ 675,568 | | | | \$ 675,568 |
| \$ 262,177 | | | | \$ 262,177 |
| \$ 635 | | | | \$ 635 |
| | | | | \$ - |
| | | \$ 61 | | \$ 61 |
| \$ 938,380 | \$ - | \$ 61 | \$ - | \$ 938,441 |

COMMERCIAL

| | | | | |
|-----------------------|--------------------|--------------------|--------------|--------------|
| C1-Improvements | 88,184,111 | 93,101,403 | 5.58% | |
| C3-Lots | 7,721,840 | 7,781,264 | 0.77% | |
| C4-Small Tracts | 18,820,171 | 18,490,169 | -1.75% | |
| C5-Large Tracts | 6,295,312 | 6,580,300 | 4.53% | |
| CF-Furn/Fixt/Eqpt | 2,366,622 | 2,746,289 | 16.04% | |
| CI-Inventory | 3,488,535 | 2,668,085 | -23.52% | |
| CP-Freeport Inventory | - | 167,710 | | |
| Commercial | 126,876,591 | 131,535,220 | 3.67% | 58.9% |

| | | | | |
|---------------------|-------------|------------------|-------------|---------------------|
| \$ 1,479,381 | | | | \$ 1,479,381 |
| \$ 123,644 | | | | \$ 123,644 |
| \$ 293,809 | | | | \$ 293,809 |
| \$ 104,561 | | | | \$ 104,561 |
| | | \$ 43,639 | | \$ 43,639 |
| | | \$ 42,396 | | \$ 42,396 |
| | | \$ 2,665 | | \$ 2,665 |
| \$ 2,001,395 | \$ - | \$ 88,699 | \$ - | \$ 2,090,095 |

INDUSTRIAL

| | | | | |
|-----------------------|-------------------|-------------------|---------------|--------------|
| I1-Improvements | 9,344,212 | 14,456,640 | 54.71% | |
| I3-Lots | 2,445,094 | 2,725,636 | 11.47% | |
| I4-Small Tracts | 4,001,028 | 4,001,028 | 0.00% | |
| IF-Furn/Fixt/Eqpt | 2,875,561 | 2,670,587 | | |
| II-Inventory | 117,071 | 104,777 | | |
| IP-Freeport Inventory | 2,307,038 | 2,142,086 | | |
| Industrial | 21,090,004 | 26,100,754 | 23.76% | 11.7% |

| | | | | |
|-------------------|-------------|------------------|-------------|-------------------|
| \$ 229,716 | | | | \$ 229,716 |
| \$ 43,310 | | | | \$ 43,310 |
| \$ 63,576 | | | | \$ 63,576 |
| | | \$ 42,436 | | \$ 42,436 |
| | | \$ 1,665 | | \$ 1,665 |
| | | \$ 34,038 | | \$ 34,038 |
| \$ 336,603 | \$ - | \$ 78,138 | \$ - | \$ 414,741 |

| | | | | |
|---------------------|--------------------|--------------------|--------------|---------------|
| UTILITY | 7,138,526 | 6,073,005 | -14.93% | 2.7% |
| MOTOR VEHICLE | 791,010 | 703,880 | | 0.3% |
| Gross Digest | 213,325,911 | 223,471,419 | 4.76% | 100.0% |

| | | | | |
|---------------------|------------------|-------------------|------------------|---------------------|
| | \$ 96,500 | | | \$ 96,500 |
| | | | \$ 11,185 | \$ 11,185 |
| \$ 3,276,378 | \$ 96,500 | \$ 166,898 | \$ 11,185 | \$ 3,550,961 |

Exemptions:

| | | | | |
|-------------------------|------------------|------------------|--|--|
| M1-City Homestead | 4,320,465 | 3,573,517 | | |
| Total Exemptions | 4,320,465 | 3,573,517 | | |

| | | | | |
|-------------|--|--|--|-------------|
| \$ (56,783) | | | | \$ (56,783) |
|-------------|--|--|--|-------------|

2020 PRELIM DIGEST
2020 BUDGET

| | | | | |
|---------------------|-------------------|-------------------|------------------|---------------------|
| \$ 3,219,595 | \$ 96,500 | \$ 166,898 | \$ 11,185 | \$ 3,494,178 |
| \$ 3,450,221 | \$ 113,431 | \$ 177,311 | \$ 96,831 | \$ 3,837,794 |

Net Digest 209,005,446 219,897,902

Net Adjusted Digest 209,005,446 219,897,902 5.21%

APPEALS

| | | | | |
|--------------------------------|-------------|-------------|--|--|
| Net Adjusted Digest at Billing | - | - | | |
| | 209,005,446 | 219,897,902 | | |

ESTIMATED PROPERTY TAX REVENUES

15.89

| | | |
|---------------------|--------------|--------------|
| 15.89 mils for 2018 | \$ 3,321,097 | |
| 15.89 mils for 2019 | | \$ 3,494,178 |

\$\$\$ revenue per mil \$ 209,005 \$ 219,898

| | | |
|----------------------------|-----------|--------------|
| Final Budgeted Revenue | \$ - | \$ 3,837,794 |
| Final Actual Revenue | 2,878,101 | |
| Projected Budget Shortfall | \$ - | \$(343,616) |

Final Millage Rate 15.89 15.89