

MEMORANDUM

DATE: August 26, 2024
TO: Mayor & City Council
VIA: Mercy Rushing, City Manager
FROM: Cindy Karch, City Secretary
SUBJECT: Adopt Proposed Tax Rate
Council Meeting Agenda Item for August 29, 2024

Background Information:

I am proposing the adoption of a property tax rate of \$0.530000/\$100 valuation for the fiscal year 2024-2025. This proposed rate is slightly higher than the No-New-Revenue (NNR) rate of \$0.528449 and below the Voter-Approval rate of \$0.559122

Key Points:

- Proposed Tax Rate: \$0.530000 per \$100 valuation
- No-New-Revenue Rate: \$0.528449 per \$100 valuation
- Voter-Approval Rate: \$0.559122 per \$100 valuation

Final Impact:

The proposed tax rate will generate a total revenue of \$1,950,322.98, of which \$448,588.05 will be allocated for Interest & Sinking (I&S) obligations. This leaves \$1,507,459.13 for Maintenance & Operations (M&O).

When accounting for additional revenue from property tax freezes, amounting to \$349,019.31, of which \$272,235.06 will be allocated to M&O, and \$76,784.25 will contribute towards I&S..

Budgetary Requirements:

The proposed budget requires \$1,690,379 for M&O. To meet this requirement, I added \$188,644.07 of the expected freeze revenue, which is 44%. The Tax Assessor told me I could expect to collect 70%, so I feel this number is acceptable

Recommendation:

I recommend the City Council adopt the proposed property tax rate of \$0.53000 per \$100 valuation for the fiscal year 2024-2025. This rate will allow us to meet our budgetary goals while staying within the legal limits set by the Voter-Approval rate.

Final Disposition:

Agenda Item: _____

In Favor:

Motion: _____

Second: _____

Against: