

City of Fayetteville Staff Review Form

2021-0685

Legistar File ID

9/21/2021

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Kevin Springer

9/2/2021

BUDGET & INFORMATION MGMT (133)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

City Council is requested to adopt real and personal property tax rates for 2021 for the Policemen’s Pension & Relief, the Firemen’s Pension & Relief Funds, the Fayetteville Public Library and the City's General Fund. The rate to be adopted for the Policemen’s Pension & Relief Fund and the Firemen’s Pension & Relief Fund is 0.4 mils for real property and 0.4 mils for personal property. The rate for the Fayetteville Public Library is 3.7 mils for real property and 3.7 mils for personal property. The rate requested for the City's General Fund is 2.3 mils for real property and 2.3 mils for personal property.

Budget Impact:

Account Number	Fund
Project Number	Project Title
Budgeted Item? <u> No </u>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? <u> No </u>	Item Cost \$ -
Budget Adjustment Attached? <u> No </u>	Budget Adjustment \$ -
	Remaining Budget \$ -

Purchase Order Number: _____

Previous Ordinance or Resolution # V20210527
6361

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF SEPTEMBER 21, 2021

TO: Mayor and City Council
THRU: Paul A. Becker, Chief Financial Officer
FROM: **Kevin Springer, Budget Director**
DATE: September 2, 2021
SUBJECT: **2021 Millage Levy**

RECOMMENDATION:

City staff recommends that City Council approve the millage levy ordinance which includes 0.4 mils for the Policemen's Pension and Relief Fund, 0.4 mils for the Firemen's Pension and Relief Fund, 3.7 mils for the Fayetteville Public Library, and 2.3 mils for 2022 General Fund operations.

BACKGROUND:

Each year the City must approve an ordinance to renew the levy of ad valorem taxes on real and personal property within the City. This request will provide for such levy on property assessed during 2021.

As of August 3, 2021, the total assessed value of real and personal property located within the city limits of Fayetteville is approximately \$1.89 billion. The assessed valuation comes before the Washington County Board of Equalization has made all changes to the County Assessors Abstract. Based on preliminary assessments, the growth in real property assessments is approximately 2.8%, as of now. This will likely decrease as the Washington County Board of Equalization has not finished making changes.

DISCUSSION:

A millage levy ordinance must be approved by City Council in order for the City to continue to collect property taxes for the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund. The millage levy for the Policemen's Pension and Relief Fund is 0.4 mils for real property and 0.4 mils for personal property. The millage levy for the Firemen's Pension and Relief Fund is 0.4 mils for real property and 0.4 mils for personal property, as was approved by referendum.

A millage levy ordinance must be approved for the operation of the Fayetteville Public Library. One was approved by the voters on October 1, 2002 and was for 1.0 mil for real property and 1.0 mil for personal property. On August 9, 2016 the citizens of Fayetteville voted to increase the millage for the library. The referendum approved was for an increase of 1.5 mils for operations for a total of 2.5 mils for operations. Additionally, 1.2 mils was approved by the voters for the bond debt service for the library expansion.

Total millage for 2021 will be 3.7 mils for the Fayetteville Public Library. The 1.20 mils will be removed when the bonds are retired.

Finally, City staff is requesting that City Council approve a millage levy ordinance for General Fund operations in the amount of 2.3 mils for both real and personal property.

The 2021 proposed property tax revenue amount based on the 2.3 mil levy is estimated to bring in \$4,301,000 in General Fund revenue. Below is a proposed calendar of meetings during the months of September and October which can be used to discuss the millage levy.

Tuesday, September 14	Agenda Session
Tuesday, September 21	City Council Meeting
Tuesday, September 28	Agenda Session
Tuesday, October 5	City Council Meeting
Tuesday, October 12	Agenda Session
Tuesday, October 19	City Council Meeting

BUDGET/STAFF IMPACT:

The 0.4 mils Police and 0.4 mils Fire is needed to fund the Pension plans for both. The 2.5 mils is used to fund the operation and the 1.2 mils will be used for the bond debt service for the Fayetteville Public Library. The 2.3 mils will be used to fund General Fund operations.

Attachments:

The millage levy must be at Washington County in time to be included in their consolidated levy ordinance which will be approved at the November 18, 2021 Quorum Court meeting. The deadline for receipt of the City's levy by the County is October 31 each year. The City levy will be added to the levies by Washington County, the various school districts, improvement districts and other cities within the County when the Washington County Quorum Court adopts its millage levy for 2021.

The administration is requesting the following millage amounts:

- 2.3 mils for General Fund Operations
- 2.5 mils for the Fayetteville Public Library Operations
- 1.2 mils for the Fayetteville Public Library Expansion
- 0.4 mils for the Police Pension Fund
- 0.4 mils for the Fire Pension Fund

If you have any questions concerning this agenda request, please contact Paul Becker at 575-8330.