



Legislation Text

File #: 2015-0405, Version: 1

2015 MILLAGE LEVY:

AN ORDINANCE LEVYING A TAX ON THE REAL AND PERSONAL PROPERTY WITHIN THE CITY OF FAYETTEVILLE, ARKANSAS, FOR THE YEAR 2015 FIXING THE RATE THEREOF AT 2.3 MILLS FOR GENERAL FUND OPERATIONS, 0.4 MILLS FOR THE FIREMEN'S PENSION AND RELIEF FUND, 0.4 MILLS FOR THE POLICEMEN'S PENSION AND RELIEF FUND AND 1.0 MILL FOR THE FAYETTEVILLE PUBLIC LIBRARY; AND CERTIFYING THE SAME TO THE COUNTY CLERK OF WASHINGTON COUNTY, ARKANSAS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That a tax is hereby levied on the real and personal property within the City of Fayetteville, Arkansas, for the year 2015 to be collected in 2016 for the following purposes at the following rates:

REAL AND PERSONAL PROPERTY

<u>Purpose</u>	<u>Levy</u>
General Fund-Operations	2.3 mills
Fayetteville Public Library	1.0 mills
Policemen's Pension and Relief Fund	0.4 mills
Firemen's Pension and Relief Fund	<u>0.4 mills</u>
TOTAL	4.1 mills

Section 2. That the real and personal property tax so levied and the rates provided therefor are hereby certified to the County Clerk of Washington County, Arkansas, to be placed in the tax book and collected in the same manner that the county and school district taxes are collected.

Section 3. The City Clerk is hereby authorized and directed to file certified copies of this Ordinance in the Office of the County Recorder, County Clerk, County Assessor, and the County Tax Collector for Washington County, Arkansas

City of Fayetteville Staff Review Form

2015-0405

Legistar File ID

9/15/2015

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

Paul A. Becker

8/5/2015

Chief Financial Officer /
Finance & Internal Services Department

Submitted By

Submitted Date

Division / Department

Action Recommendation:

City Council is requested to adopt real and personal property tax rates for 2015 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 1.0 mil for real property and 1.0 mil 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>NA</u>	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? <u>NA</u>	Item Cost
Budget Adjustment Attached? <u>NA</u>	Budget Adjustment
	Remaining Budget \$ -

V20140710

Previous Ordinance or Resolution # 5712

Original Contract Number: _____

Approval Date: _____

Comments:

MEETING OF SEPTEMBER 15, 2015

TO: Mayor and City Council
THRU: Don Marr, Chief of Staff
FROM: Paul A. Becker, Chief Financial Officer
DATE: September 2, 2015
SUBJECT: 2015 Millage Levy

RECOMMENDATION:

City staff recommends that City Council approve the millage levy ordinance approving the 0.4 mils for the Policemen's Pension and Relief Fund, 0.4 mils for the Firemen's Pension and Relief Fund, 1.0 mils for the Fayetteville Public Library, and 2.3 mils for 2016 General Fund operations. This is a 1.0 mil increase from last year.

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 2015.

As of August 3, 2015 the total assessed value of real and personal property located within the city limits of Fayetteville is approximately \$1.392 billion. The assessed valuation is before the Washington County Board of Equalization has made all the changes to the County Assessors Abstract. Based on the preliminary assessments, the growth in real property assessments is approximately 5.0%.

DISCUSSION:

This administration is requesting a 1.0 mil increase in discretionary millage to fund 16 new positions and restore three previously frozen public safety positions for a total increase of 19 in public safety, restore three positions previously frozen in other divisions and add one new position in the City Prosecutor's Division which are needed to accommodate ever increasing workloads. In addition, 0.75 new FTEs are being added, the cost of which will be fully reimbursed. 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 on personal property. The millage levy for the Firemen's Pension and Relief Fund is 0.4 mils for real property and 0.4 mils on personal property as was approved by referendum.

A millage levy ordinance must be approved for the operation of the Fayetteville Public Library and that was approved by the voters on October 1, 2002. The millage levy for the Fayetteville Public Library is 1.0 mils for real property and 1.0 mils on personal property.

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 2015 proposed property tax revenue amount based on the 2.3 mil levy is estimated to bring in \$3,155,000 in General Fund revenue. Below is a proposed calendar of meetings during the months of September and October to discuss the millage levy.

Tuesday, September 8	Agenda Session
Tuesday, September 15	City Council Meeting
Tuesday, September 29	Agenda Session
Tuesday, October 6	City Council Meeting
Tuesday, October 13	Agenda Session
Tuesday, October 20	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 1.0 mils is used to fund the operation of the Fayetteville Public Library. The 2.3 mils will be used to fund General Fund operations.

Conclusion:

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 22, Quorum Court meeting. The deadline for receipt of the City's levy by the County is October 31. 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 2015.

The administration is requesting the following millage amounts:

- 2.3 mils for General Fund Operations
- 1.0 mils for the Fayetteville Public Library
- 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 me at 575-8330.

City of Fayetteville
Property Tax Revenue per Mil
August 3, 2015

<u>Millage</u>	<u>Approximate Revenue</u>
0.10	\$ 137,000
0.20	\$ 274,000
0.30	\$ 411,000
0.40	\$ 549,000
0.50	\$ 686,000
0.60	\$ 823,000
0.70	\$ 960,000
0.80	\$ 1,097,000
0.90	\$ 1,234,000
1.00	\$ 1,372,000
1.20	\$ 1,646,000
1.30	\$ 1,783,000
2.00	\$ 2,743,000
2.10	\$ 2,880,000
2.30	\$ 3,155,000
2.80	\$ 3,840,000
3.30	\$ 4,526,000
3.80	\$ 5,212,000
4.30	\$ 5,898,000

The millage revenue reflected above is based on the Washington County Preliminary Report of County Assessments for the Year 2015 dated August 3, 2015 and includes real and personal property for Utilities. The City Council can approve up to 5.0 mils for operations. The table assumes a 95% collection rate. Total real and personal property assessments for 2015 amount to approximately \$1,392 million excluding real estate and personal property for utilities.

Property Tax Impact Illustration

	<u>Appraised Value</u>	<u>Assessed Value</u>	<u>1 Mil Tax / Year</u>
Single Family Home	\$ 75,000.00	\$ 15,000.00	\$ 15.00
Single Family Home	\$ 100,000.00	\$ 20,000.00	\$ 20.00
Single Family Home	\$ 150,000.00	\$ 30,000.00	\$ 30.00