



City of Grovetown

Public Hearing

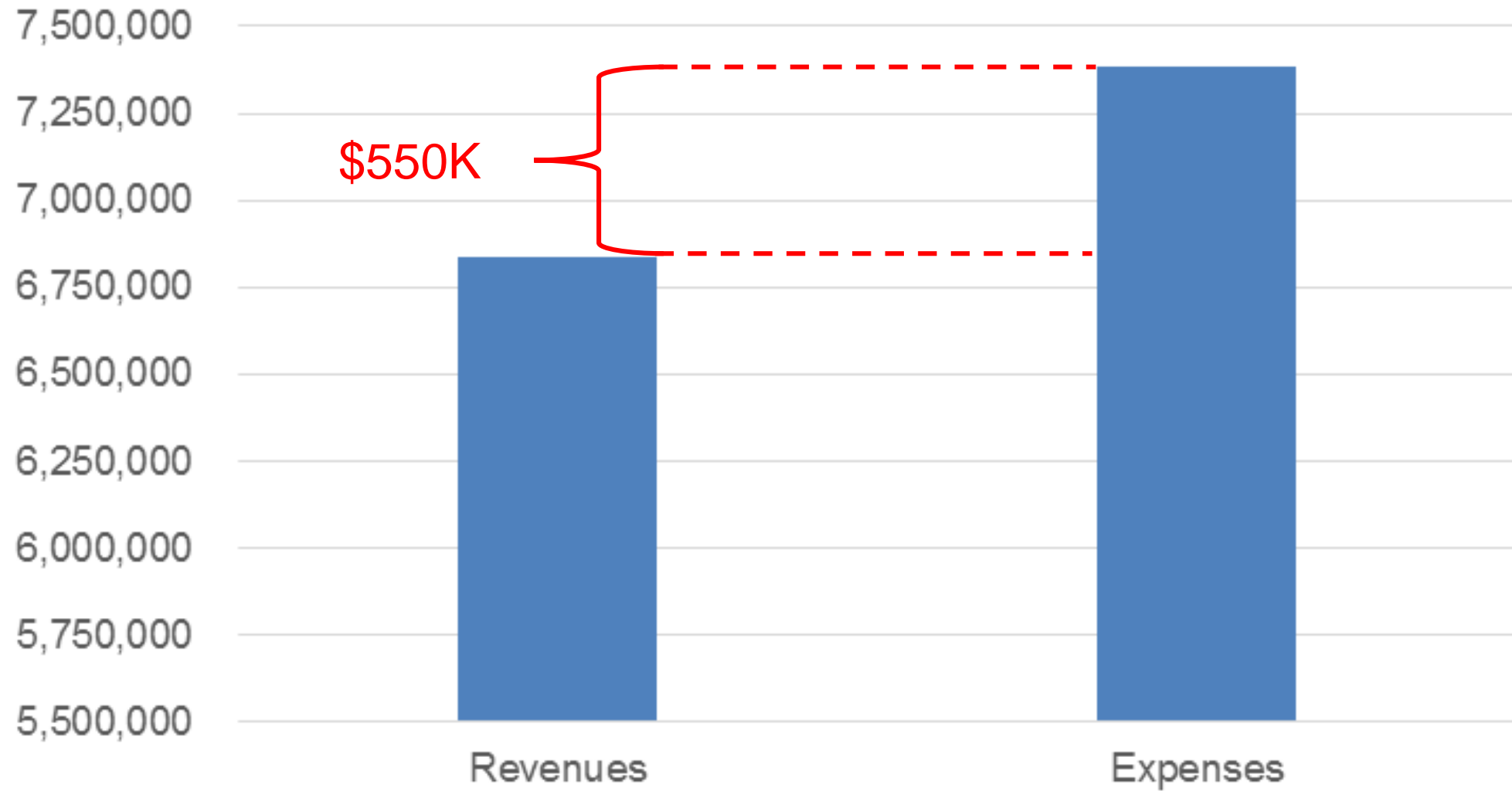
2017 Millage Rate Proposal

July 17, 2017

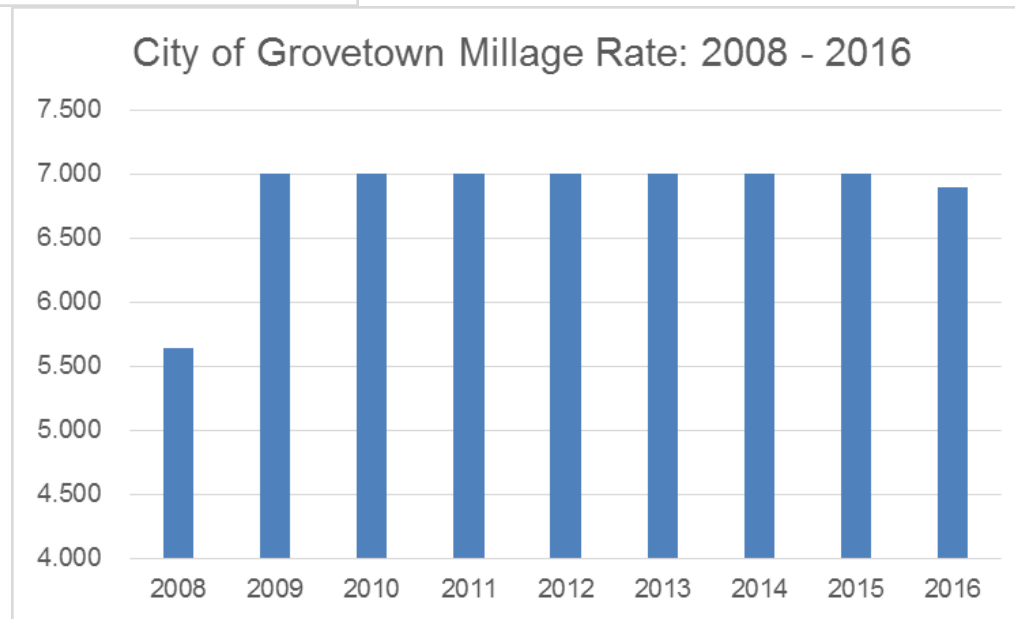
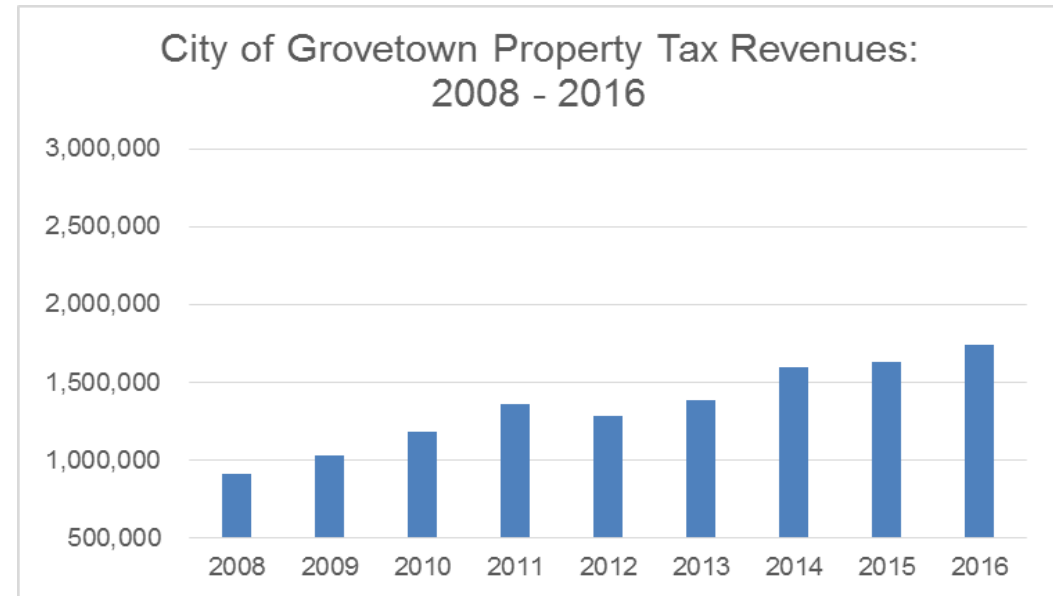
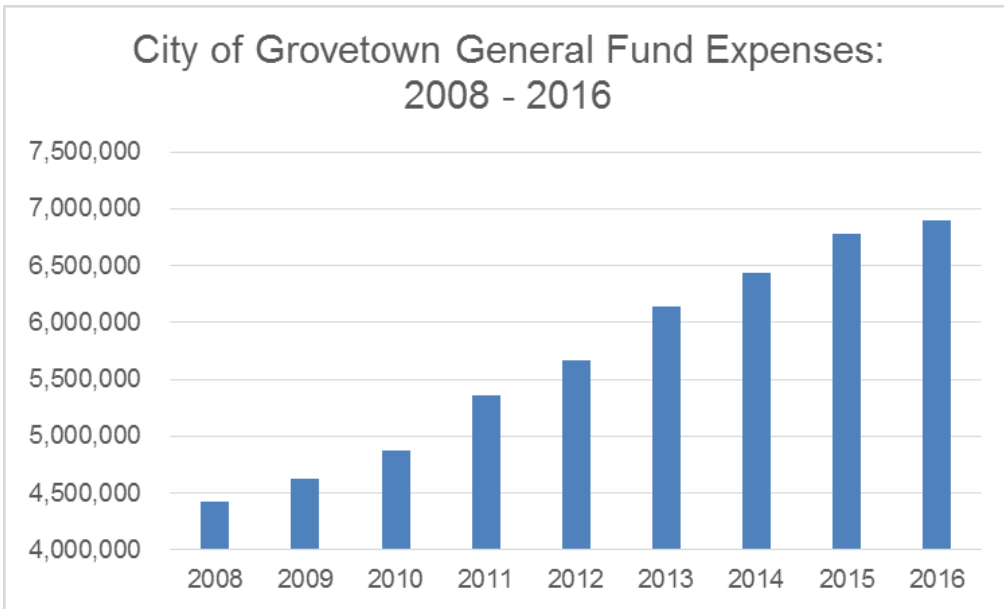
Issue

- Propose increase in millage rate from 6.900 mills to 9.000 mills
- Why?
 - 2017 General Fund Expenditures Outpacing Revenues
 - ❖ revenues underperforming: LOST; title / ad valorem / motor vehicle tax; fines / forfeitures; permits
 - ❖ unplanned and increased expenditures: liability insurance; worker's compensation; legal-accounting-engineering; telephone system; public safety employees' overtime
 - General Fund Revenues Have Not Kept Up With Population Growth
 - ❖ no millage rate increase since 2009 but increased demand for services
 - Result - Need to Plan for Use of Reserve Funds To Meet Rising Expenditures

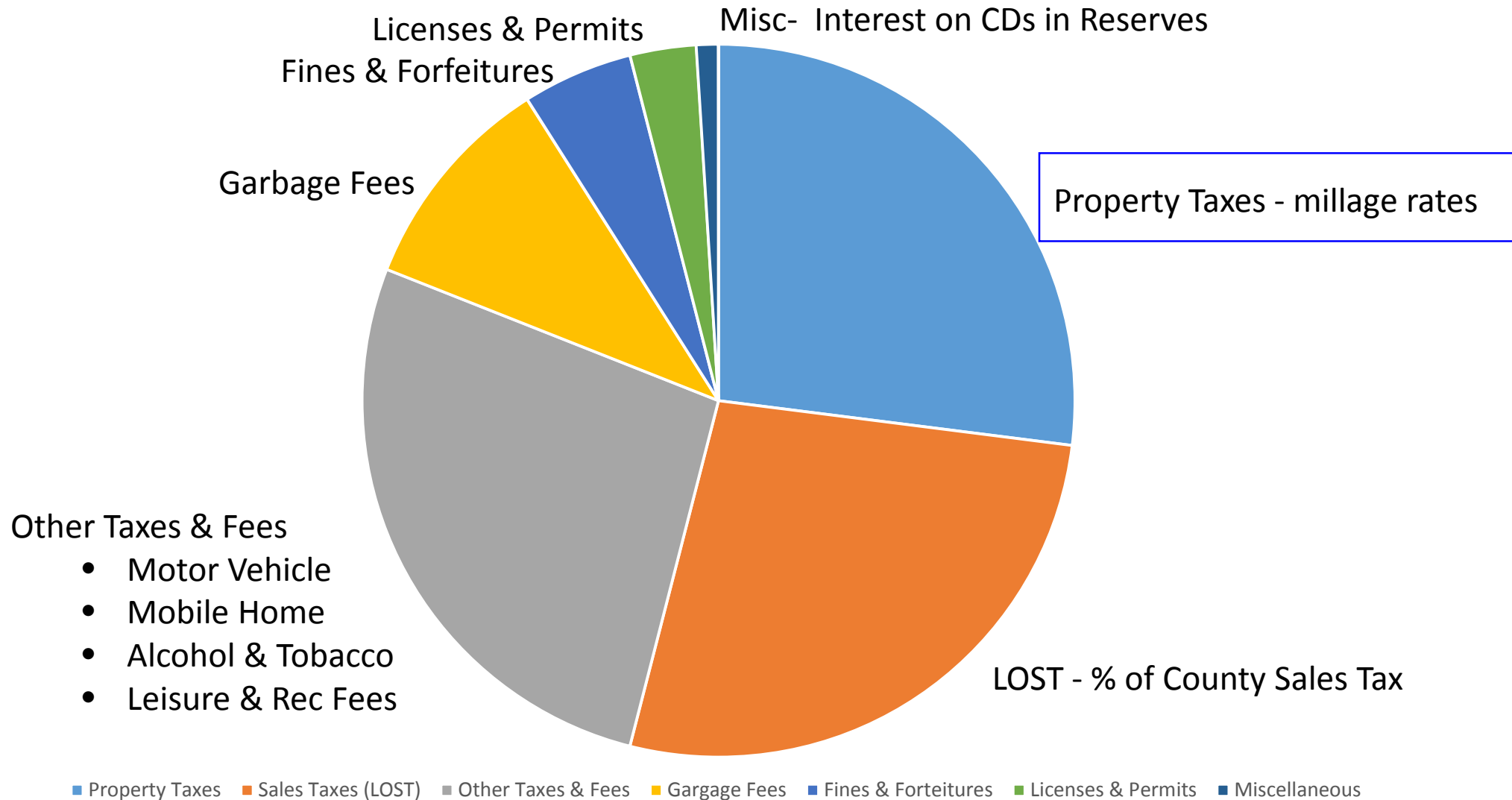
2017 Projected Revenues & Expenses



Expenses Rising Faster Than Property Tax Revenue



Where Do General Fund Revenues Come From?



Property Taxes Are Only One Source Of General Fund Revenue

| General Fund Revenues | % of Total |
|------------------------|------------|
| Property Taxes | 27% |
| Local Option Sales Tax | 27% |
| Other Taxes | 27% |
| Garbage Fees | 10% |
| Fines & Forfeitures | 5% |
| Licenses & Permits | 3% |
| Miscellaneous | 1% |

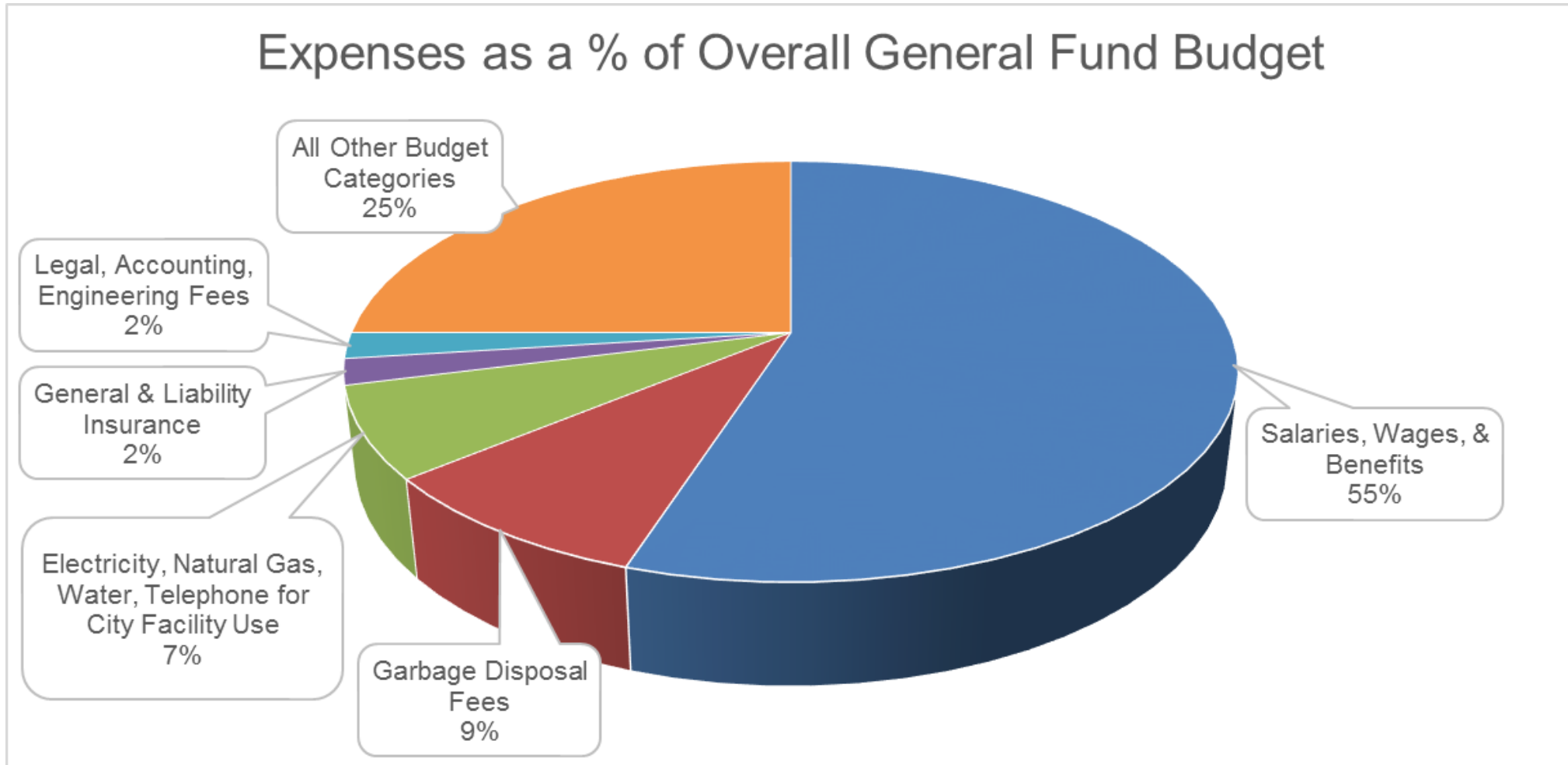


| General Fund Departments |
|--------------------------|
| Public Safety |
| Streets & Sanitation |
| Facilities Maintenance |
| Vehicle Maintenance |
| Recreation & Events |
| Municipal Court |
| Administration |

*But are the only major source of revenue
over which the City Council has control*

Expenditure Cuts Affect Service Levels

How Do We Spend General Fund Revenues?



Expenditures are Greater than Revenue

Options

- Cut Expenditures
- Raise Revenue (Millage)
- Use Reserve Funds

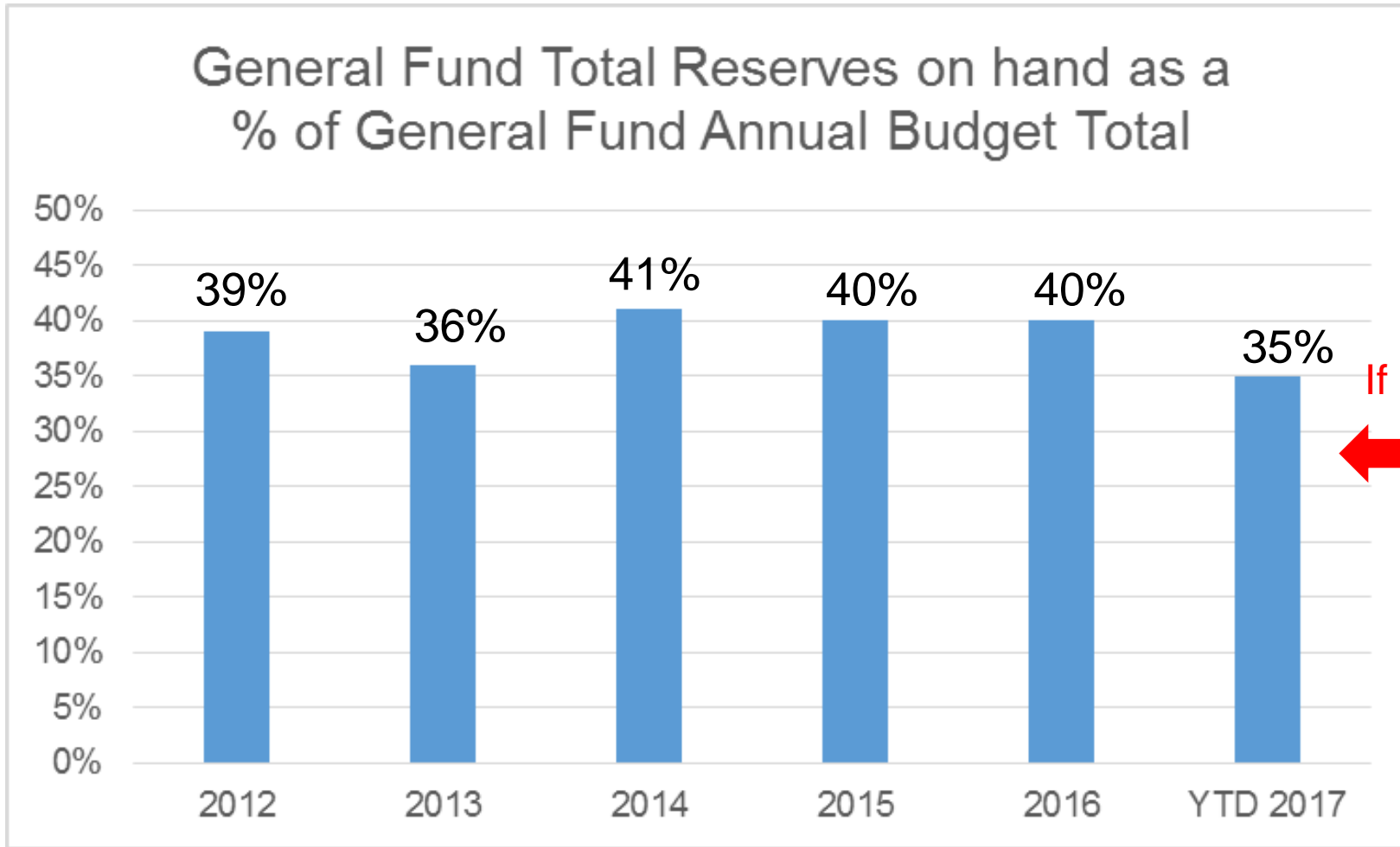
Cut Expenditures

- Review current budget – service level impacts?
- Review all service contracts & Franchise Agreements
 - IT; telephone; voice & data; copiers
 - Rights of Way
- Third party mail service for utility bills
- Postpone construction of new landfill
- Review and update Leisure & Recreation Services and Planning and Development Fee Structure
- Review curb-side inert and rough trash pick up schedule
- Street Light Districts

What Do Property Taxes Provide?

- Police Protection - Patrols in Neighborhoods
- Fire Fighters and Medical Response
- Road Maintenance & Repair; Grass Cutting; Litter Removal
- Curbside Rough Trash & Grass Clippings Pick Up
- Street Lights
- Parks and Recreation; City Events (BBQ; Xmas Parade / Festival); Community Center
- Planning, Zoning, Code Enforcement, Building Inspections, Permits, Licenses
- Municipal Court Services

Grovetown Reserve Funds



\$2.2M

\$2.2M

\$2.6M

\$2.7M

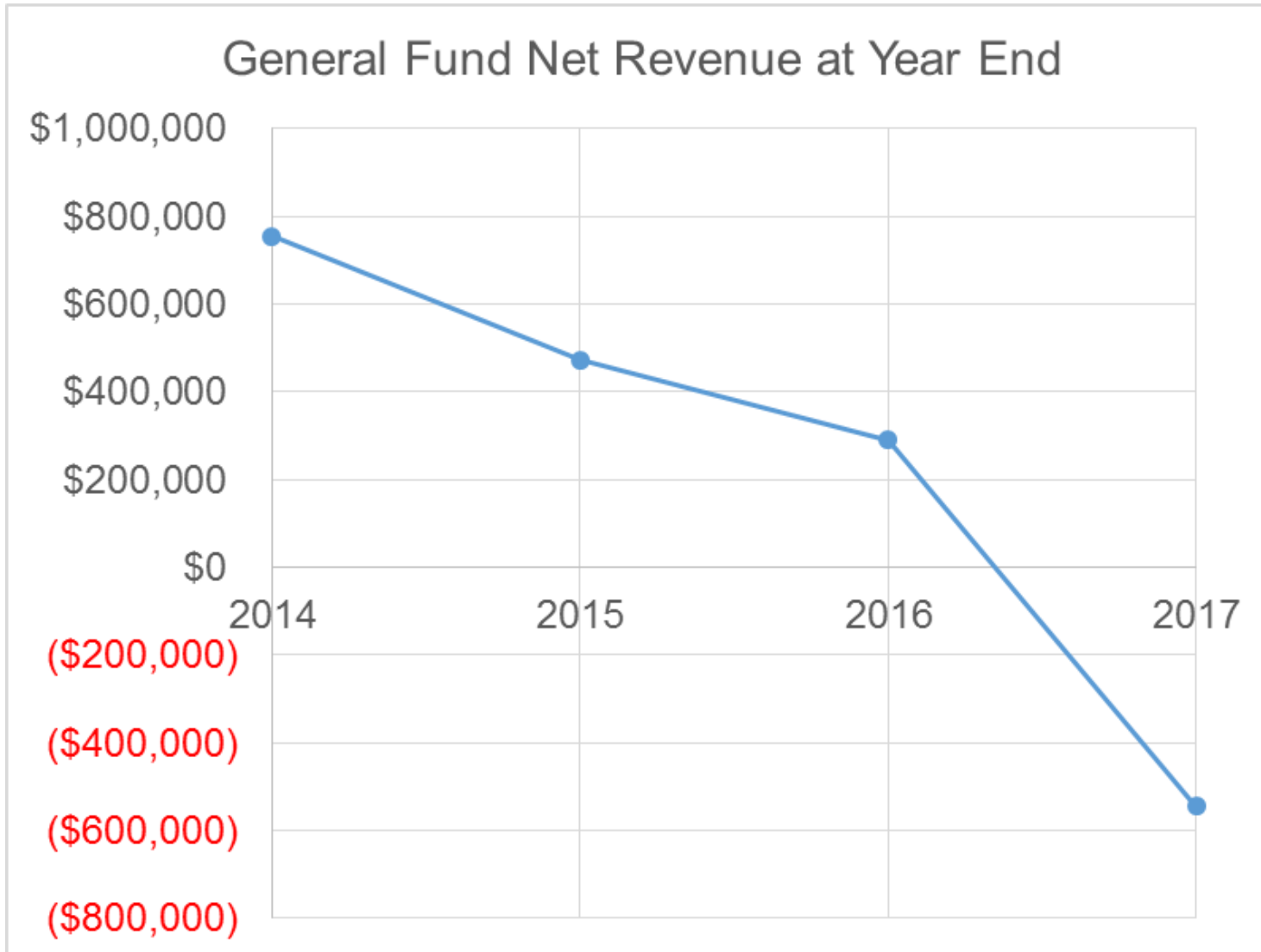
\$2.7M

\$2.7M

If millage does not increase
28%

Goal is at least 50%,
or 6 months' worth of
expenses on hand

End of Year Funds 2014 - 2017



If 2017 millage rate does not rise, we project expenses will exceed revenues by \$550,000 which would need to be covered from reserve funds

Why Do We Need Reserves, Anyway?

- **Emergencies / Accidents**
 - train derailment; surge manpower and resources
- **Natural Disaster**
 - ice storm; hurricane; earthquake
- **Protect against the Unknown**
 - prefer to have at least 6 months on hand

Effect of Proposed Millage Rate Increase

Appraised Value of home (100%): \$160,000

Assessed Value for tax purposes (40% of appraised value): $\$160,000 \times .40 = \$64,000$

Tax bill calculation:

Taxes due @ current mill rate (6.9 mills): millage rate x assessed value; **6.900** x \$64,000 = \$441

Taxes due at proposed mill rate; **9.000** x \$64,000 = \$576

Difference in tax bill from millage increase 6.900 to 9.000 = \$134 per year, or \$11.20 per month



Comparison of tax amounts billed at various millage rates

| City of Grovetown | | | | | | | | | | | | | | |
|--|-------------|-----------|----------|-----------|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| 2017 Comparison of Prospective Millage Rates | | | | | | | | | | | | | | |
| Address | Total | 40% | rollback | current | Property Taxes Billed | | | | | | | | | proposed |
| | Valuation | Valuation | | | 6.549 mils | 6.900 mils | 7.000 mils | 7.250 mils | 7.500 mils | 7.750 mils | 8.000 mils | 8.250 mils | 8.500 mils | |
| 558 JACKSON | 146,532 | 58,613 | | 383.86 | 404.43 | 410.29 | 424.94 | 439.60 | 454.25 | 468.90 | 483.56 | 498.21 | 512.86 | 527.52 |
| 312 TAYLOR | 161,868 | 64,747 | | 424.03 | 446.76 | 453.23 | 469.42 | 485.60 | 501.79 | 517.98 | 534.16 | 550.35 | 566.54 | 582.72 |
| 516 LORY | 149,039 | 59,616 | | 390.42 | 411.35 | 417.31 | 432.21 | 447.12 | 462.02 | 476.92 | 491.83 | 506.73 | 521.64 | 536.54 |
| 5021 REYNOLDS WAY | 180,415 | 72,166 | | 472.62 | 497.95 | 505.16 | 523.20 | 541.25 | 559.29 | 577.33 | 595.37 | 613.41 | 631.45 | 649.49 |
| 697 MONROE | 144,435 | 57,774 | | 378.36 | 398.64 | 404.42 | 418.86 | 433.31 | 447.75 | 462.19 | 476.64 | 491.08 | 505.52 | 519.97 |
| 919 SYCAMORE | 104,241 | 41,696 | | 273.07 | 287.71 | 291.87 | 302.30 | 312.72 | 323.15 | 333.57 | 344.00 | 354.42 | 364.84 | 375.27 |
| 602 CEDARWOOD | 113,551 | 45,420 | | 297.46 | 313.40 | 317.94 | 329.30 | 340.65 | 352.01 | 363.36 | 374.72 | 386.07 | 397.43 | 408.78 |
| 903 STONEVIEW | 164,703 | 65,881 | | 431.46 | 454.58 | 461.17 | 477.64 | 494.11 | 510.58 | 527.05 | 543.52 | 559.99 | 576.46 | 592.93 |
| 828 LANDING DRIVE | 122,469 | 48,988 | | 320.82 | 338.01 | 342.91 | 355.16 | 367.41 | 379.65 | 391.90 | 404.15 | 416.39 | 428.64 | 440.89 |
| 1096 GROVELAND | 197,752 | 79,101 | | 518.03 | 545.80 | 553.71 | 573.48 | 593.26 | 613.03 | 632.81 | 652.58 | 672.36 | 692.13 | 711.91 |
| 203 H-G ROAD | 78,275 | 31,310 | | 205.05 | 216.04 | 219.17 | 227.00 | 234.83 | 242.65 | 250.48 | 258.31 | 266.14 | 273.96 | 281.79 |
| 3044 PARKRIDGE | 187,911 | 75,164 | | 492.25 | 518.63 | 526.15 | 544.94 | 563.73 | 582.52 | 601.32 | 620.11 | 638.90 | 657.69 | 676.48 |
| 823 BRYAN CIRCLE | 104,362 | 41,745 | | 273.39 | 288.04 | 292.21 | 302.65 | 313.09 | 323.52 | 333.96 | 344.39 | 354.83 | 365.27 | 375.70 |
| 1124 SIERRA | 122,250 | 48,900 | | 320.25 | 337.41 | 342.30 | 354.53 | 366.75 | 378.98 | 391.20 | 403.43 | 415.65 | 427.88 | 440.10 |
| 300 TAYLOR | 172,070 | 68,828 | | 450.75 | 474.91 | 481.80 | 499.00 | 516.21 | 533.42 | 550.62 | 567.83 | 585.04 | 602.25 | 619.45 |
| 107 WHISKEY | 103,033 | 41,213 | | 269.91 | 284.37 | 288.49 | 298.80 | 309.10 | 319.40 | 329.71 | 340.01 | 350.31 | 360.62 | 370.92 |
| ADVANCE AUTO PARTS | 1,036,562 | 414,625 | | 2,715.38 | 2,860.91 | 2,902.37 | 3,006.03 | 3,109.69 | 3,213.34 | 3,317.00 | 3,420.65 | 3,524.31 | 3,627.97 | 3,731.62 |
| KJ's - IGA GROCERY | 3,000,000 | 1,200,000 | | 7,858.80 | 8,280.00 | 8,400.00 | 8,700.00 | 9,000.00 | 9,300.00 | 9,600.00 | 9,900.00 | 10,200.00 | 10,500.00 | 10,800.00 |
| Total Property Taxes Billed | | | | | | | | | | | | | | |
| Approximate taxable portion of digest | 269,965,602 | | | 1,768,005 | 1,862,763 | 1,889,759 | 1,957,251 | 2,024,742 | 2,092,233 | 2,159,725 | 2,227,216 | 2,294,708 | 2,362,199 | 2,429,690 |
| Advertised Property Tax Increase per PT32-1 | | | | 0.00% | 5.36% | 6.89% | 10.70% | 14.52% | 18.34% | 22.16% | 25.97% | 29.79% | 33.61% | 37.43% |

Reserves Required at Various Millage Rates

| | rollback | | current | | | | | | | proposed | |
|-----------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| mills | 6.549 mills | 6.900 mills | 7.000 mills | 7.250 mills | 7.500 mills | 7.750 mills | 8.000 mills | 8.250 mills | 8.500 mills | 8.750 mills | 9.000 mills |
| | Estimated Current Year Revenue (including property taxes, excluding use of reserves) | | | | | | | | | | |
| revenue | 6,740,484 | 6,835,242 | 6,862,239 | 6,929,730 | 6,997,221 | 7,064,713 | 7,132,204 | 7,199,696 | 7,267,187 | 7,334,678 | 7,402,170 |
| | Adjusted Budget Expenses | | | | | | | | | | |
| expenses | 7,384,731 | 7,384,731 | 7,384,731 | 7,384,731 | 7,384,731 | 7,384,731 | 7,384,731 | 7,384,731 | 7,384,731 | 7,384,731 | 7,384,731 |
| rev - exp | (644,247) | (549,489) | (522,492) | (455,001) | (387,510) | (320,018) | (252,527) | (185,035) | (117,544) | (50,053) | 17,439 |

“Breakeven Point”, where
Expenses = Revenue, is
between 8.750 & 9.000 mills

What Do Property Taxes Provide?

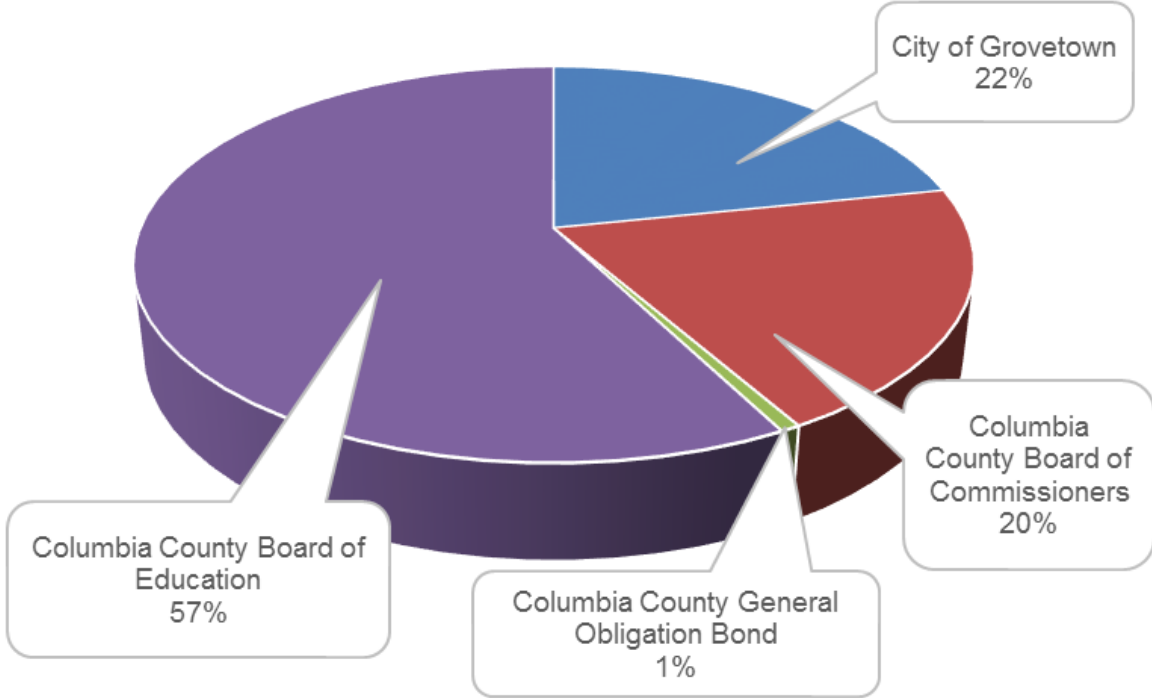
- Police Protection - Patrols in Neighborhoods
- Fire Fighters and Medical Response ([additional tax / fee in Columbia County](#))
- Road Maintenance & Repair; Grass Cutting; Litter Removal
- Curbside Rough Trash & Grass Clippings Pick Up ([additional in the County](#))
- Street Lights ([additional tax / fee in parts of Columbia County](#))
- Parks and Recreation; City Events (BBQ; Xmas Parade / Festival); Community Center
- Planning, Zoning, Code Enforcement, Building Inspections, Permits, Licenses
- Municipal Court Services

City of Grovetown Financial Structure

| | General Fund | Water Sewer Fund | Stormwater Fund | SPLOST Funds |
|--------------------|------------------------|---|---|---|
| Functions | Public Safety | Water Production, Distribution, and Treatment | Stormwater Infrastructure Installation, Maintenance (Ditches, Stormwater Basins, & Retention Ponds) | Capital Projects |
| | Streets & Sanitation | | | |
| | Facilities Maintenance | | | Major Equipment Purchases |
| | Vehicle Maintenance | | | |
| | Recreation & Events | | | |
| | Municipal Court | | | |
| | Administration | | | |
| Sources of Revenue | Property Taxes | Water Fees | Stormwater Fees | Special Local Option Sales Taxes (SPLOST) |
| | Local Option Sales Tax | Sewer Fees | | |
| | Other Taxes | Tap Fees | | |
| | Miscellaneous | Miscellaneous Fees | | |

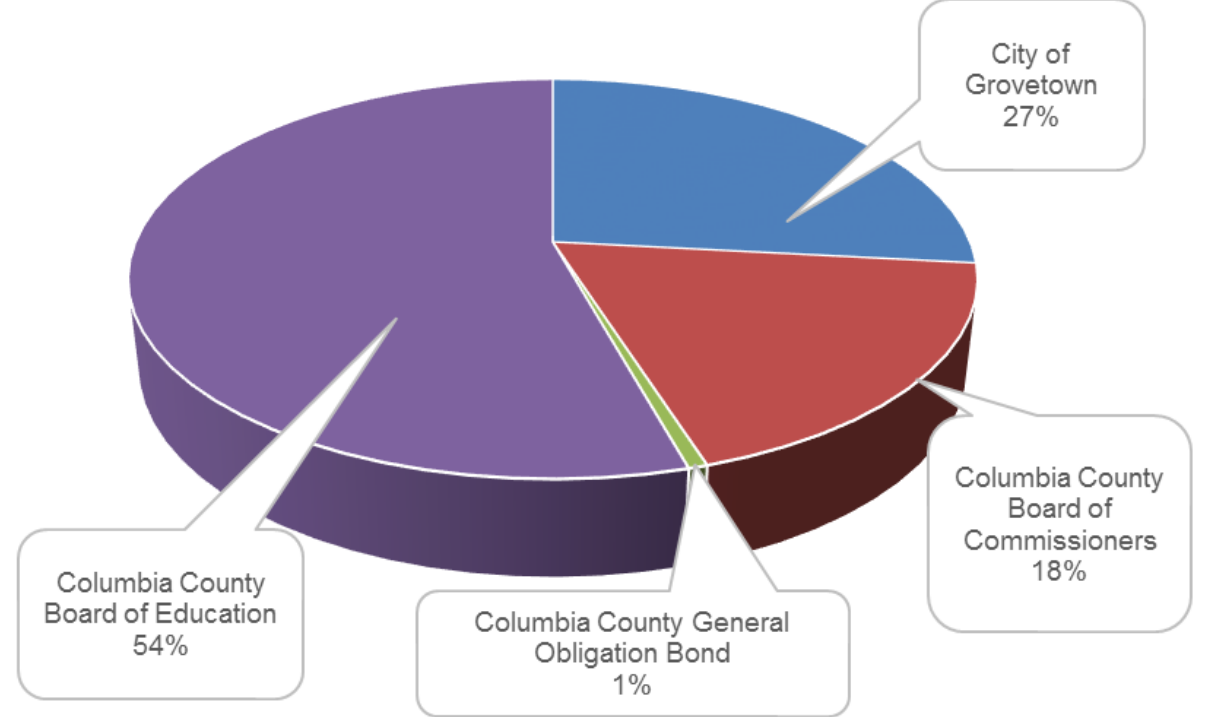
City Taxes in Context

Proportion of your total property tax collected by each government under 2016 millage rates



At 6.900 mills

Proportion of your total property tax collected by each government under 2017 millage rates



At 9.000 mills

City of Grovetown Resident

| | | Taxpayer Returned Value | Previous Year Fair Market Value | Current Year Fair Market Value | Current Year Other Value | | |
|--|-------------------------------|-------------------------|---------------------------------|--------------------------------|--------------------------|------------------|-------------------|
| B | 100% Appraised Value | | 164,320 | 172,070 | | | |
| | 40% Assessed Value | | 65,727 | 68,827 | | | |
| | Reasons for Assessment Notice | | | | | | |
| VALUE ADJUSTED TO MARKET | | | | | | | |
| The estimate of your ad valorem tax bill for the current year is based on the previous or most applicable year's net millage rate and the fair market value contained in this notice. The actual tax bill you receive may be more or less than this estimate. This estimate may not include all eligible exemptions. | | | | | | | |
| | | Taxing Authority | Other Exempt | Homestead Exempt | Net Taxable Value | Previous Millage | Estimated Tax |
| C | | COUNTY FIRE TAX | | | 68,827 | .000207 | .00 |
| | | COUNTY BOND | | | 68,827 | .009936 | 14.25 |
| | | COUNTY TAX | 2,000 | | 66,827 | .009936 | 663.99 |
| | | LOCAL OPTION CREDIT | 2,000 | | 66,827 | -.003587 | -239.71 |
| | | <u>SCHOOL TAX</u> | 2,000 | | 66,827 | <u>.018300</u> | 1,222.93 |
| | | STATE TAX | | | | | .00 |
| | | SCHOOL BOND | | | | | .00 |
| | | CITY TAX | | | 68,827 | .013750 | 946.37 |
| | | CITY CREDIT | | | 68,827 | -.006850 | -471.46 |
| | | STREET LIGHT FEE | | | | | .00 |
| Total Estimated Tax | | | | | | | \$2,136.37 |

"COUNTY TAX" less "LOCAL OPTION CREDIT" equals Columbia County's 2016 Millage Rate of 6.349

"CITY TAX" less "CITY CREDIT" equals City of Grovetown's 2016 Millage Rate of 6.900

Using the 2017 proposed millage rates, this homeowner's bill would actually calculate to **\$2,319.19**, a difference of **\$182.82**

Columbia County Resident

| | Taxpayer Returned Value | Previous Year Fair Market Value | Current Year Fair Market Value | Current Year Other Value |
|----------------------|-------------------------|---------------------------------|--------------------------------|--------------------------|
| 100% Appraised Value | | 114,594 | 127,737 | |
| 40% Assessed Value | | 45,838 | 51,096 | |

Reasons for Assessment Notice

VALUE ADJUSTED TO MARKET

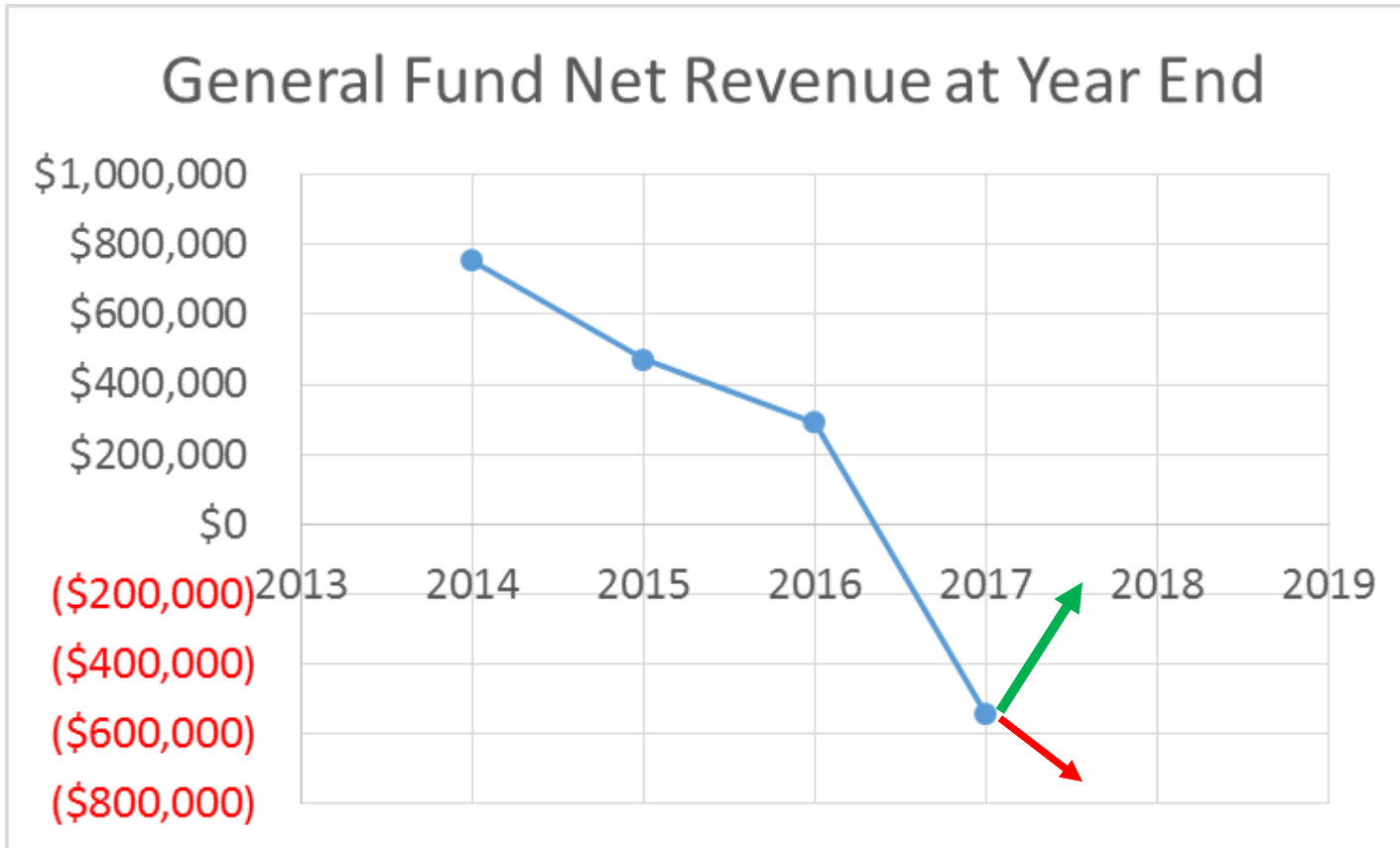
The estimate of your ad valorem tax bill for the current year is based on the previous or most applicable year's net millage rate and the fair market value contained in this notice. The actual tax bill you receive may be more or less than this estimate. This estimate may not include all eligible exemptions.

| Taxing Authority | Other Exempt | Homeslead Exempt | Net Taxable Value | Previous Millage | Estimated Tax |
|-------------------------|--------------|------------------|-------------------|------------------|---------------|
| COUNTY FIRE TAX | | 2,000 | 49,096 | .002081 | 102.17 |
| COUNTY BOND | | | 51,096 | .000207 | 10.58 |
| COUNTY TAX | | 2,000 | 49,096 | .009936 | 487.82 |
| LOCAL OPTION CREDIT | | 2,000 | 49,096 | -.003587 | -176.11 |
| SCHOOL TAX | | 2,000 | 49,096 | .018300 | 898.46 |
| STATE TAX | | | | | .00 |
| SCHOOL BOND | | | | | .00 |
| CITY TAX | | | | | .00 |
| CITY CREDIT | | | | | .00 |
| <u>STREET LIGHT FEE</u> | | | | | .00 |

"COUNTY TAX" less "LOCAL OPTION CREDIT" equals Columbia County's 2016 Millage Rate of 6.349

Using the 2017 proposed millage rates, this homeowner's bill would actually calculate to \$1,315.07

2018 & Beyond: The Way Ahead



Three way to address:

- Cut Expenditures
 - service impacts
- Raise Revenue (Millage)
 - tax bill impacts
- Use Reserve Funds
 - future impacts

1 mil = approximately \$278,000 in property tax revenue
 2.1 mil increase = approximately \$584,000

this increase will cover 2017 expenses, but what about 2018 & beyond?..

2018 & Beyond: Identified Needs And The Way Ahead

- Public Safety

- Near term

- ✓ 3 police officers, 1 extra officer per shift
 - ❖ \$45K / year (salary & benefits) x 3 = \$135,000
 - ❖ Plus one-time costs: police vehicle, weapons & equipment, uniforms (additional \$50,000 per officer for the first year' \$150,000)

- Long term

- ✓ additional fire station (with its personnel & equipment) in the next 5 to 10 years

- Public Works

- Short term

- ✓ 2 x sewer / water and 1 facilities maintenance worker \$100,000 salary & benefits; backhoe \$100,000; work trucks (F250-type) 2 x \$50,000

- Long term

- ✓ based on growth, additional workers & equipment to serve expanding City

- Recreation & Leisure Services

- Replace / upgrade playground equipment at Goodale & Kiddie Parks
- Athletics Coordinator position - \$40,000 salary & benefits
- Recreation department management information system software

- Planning & Development

- Short term

- ✓ fill the City Planner position \$60,000 salary & benefits

- Long term

- ✓ anticipate additional Code Enforcement and Building Inspections staff \$80,000 (currently only one employee in each position for entire City)

- Administration

- Updated operations and accounting software
- Business Manager \$50,000 salary & benefits
- Accounting Clerk \$40,000 salary & benefits

Questions?