



# **City of Grovetown**

## **Public Hearing**

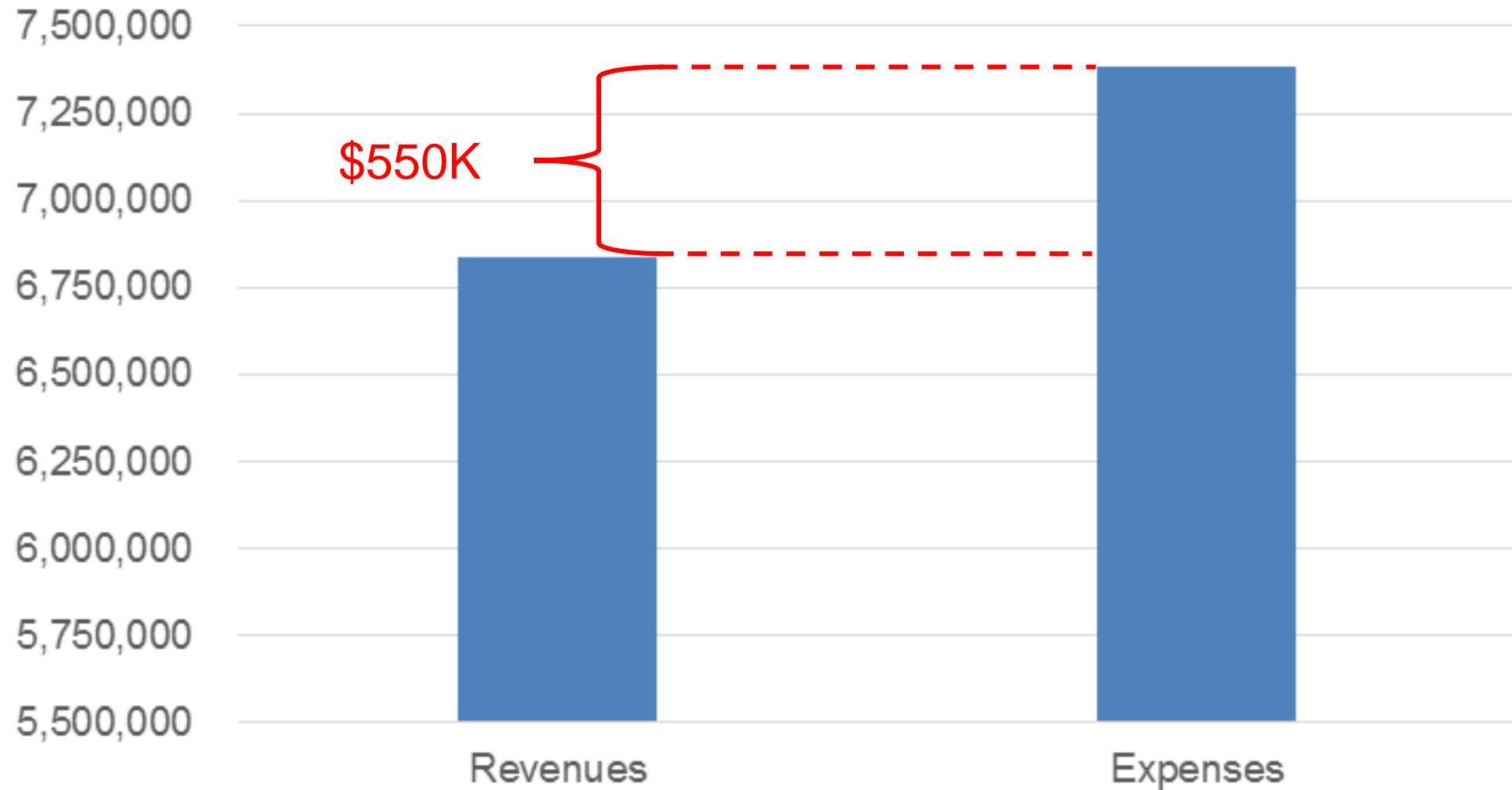
### **2017 Millage Rate Proposal**

July 17, 2017

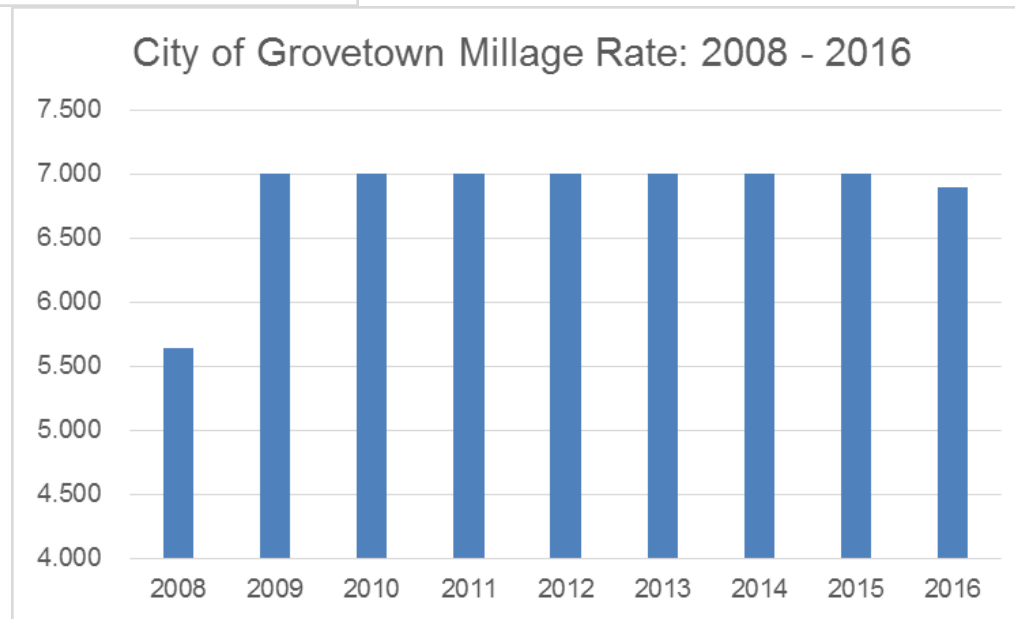
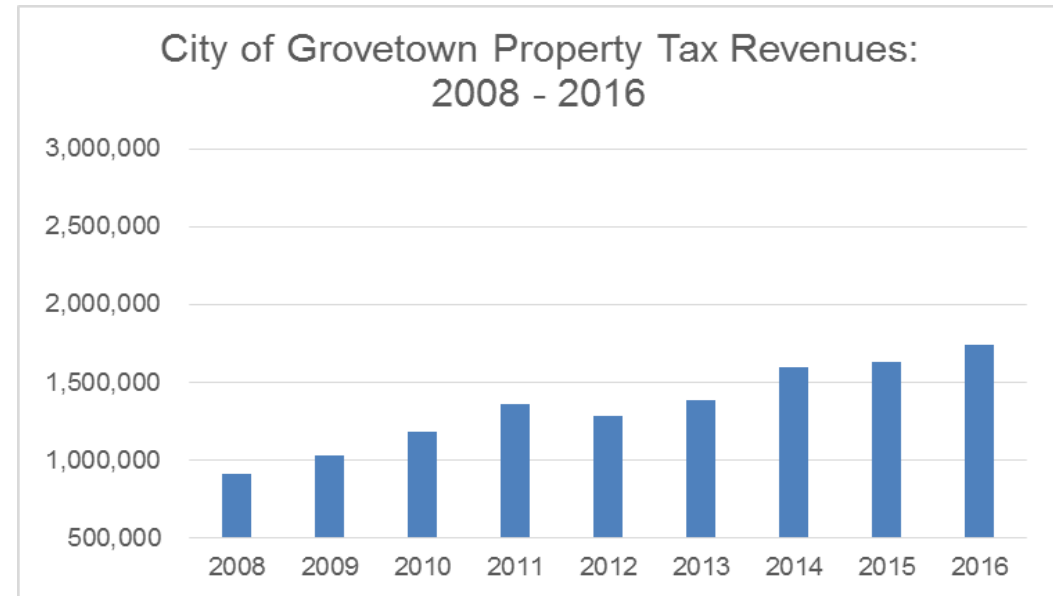
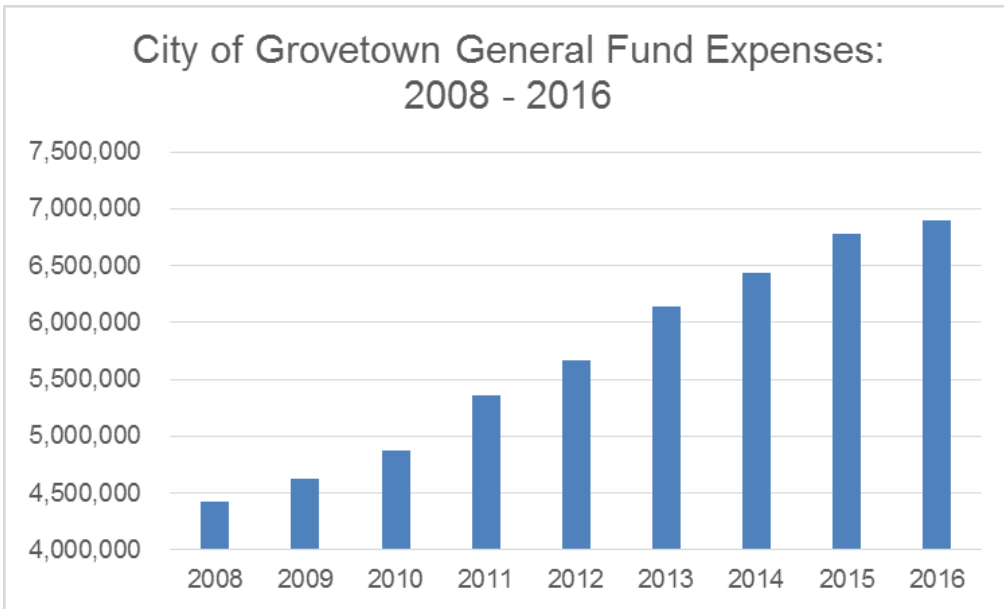
# Issue

- 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

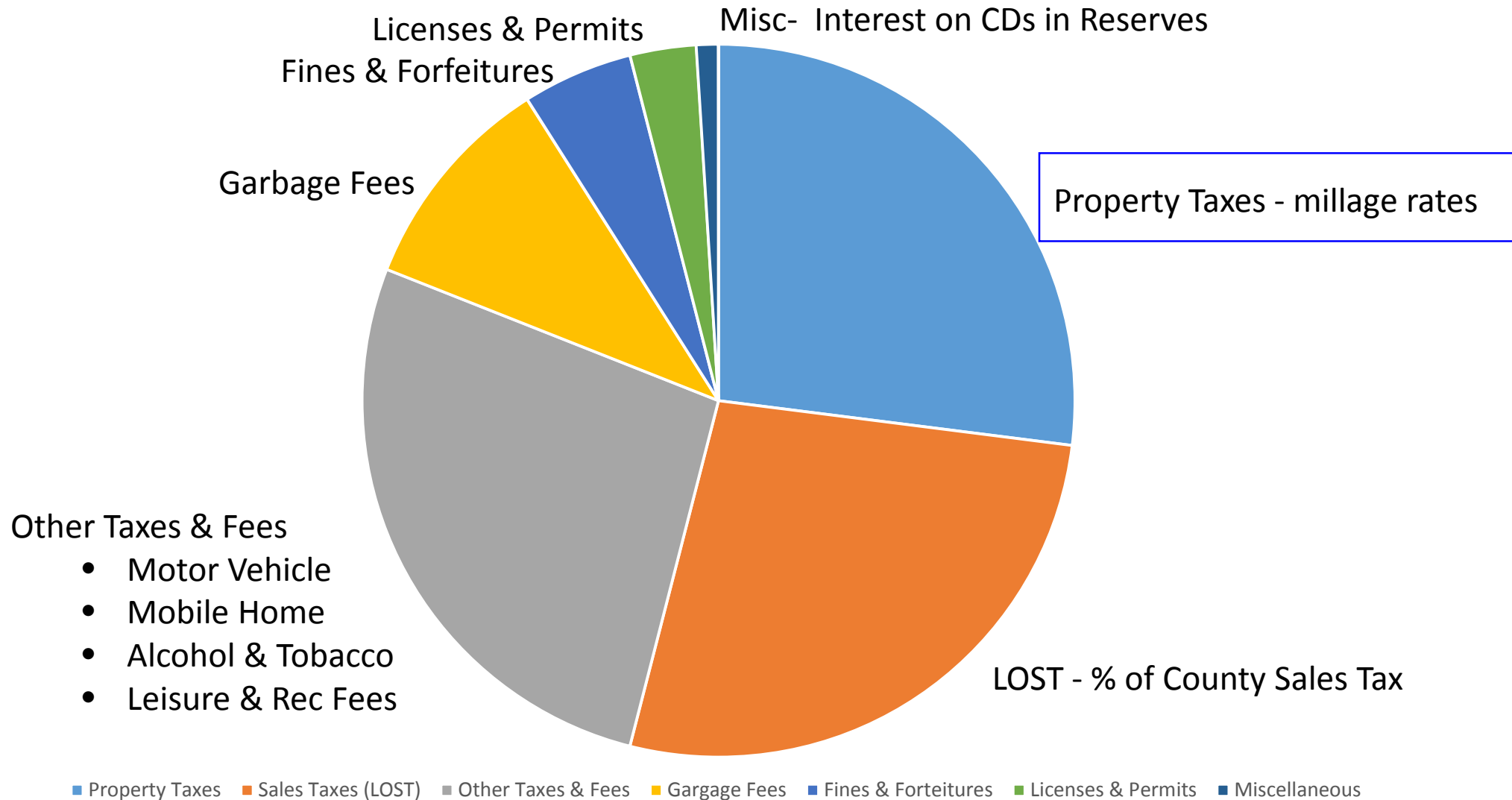
## 2017 Projected Revenues & Expenses



# 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%

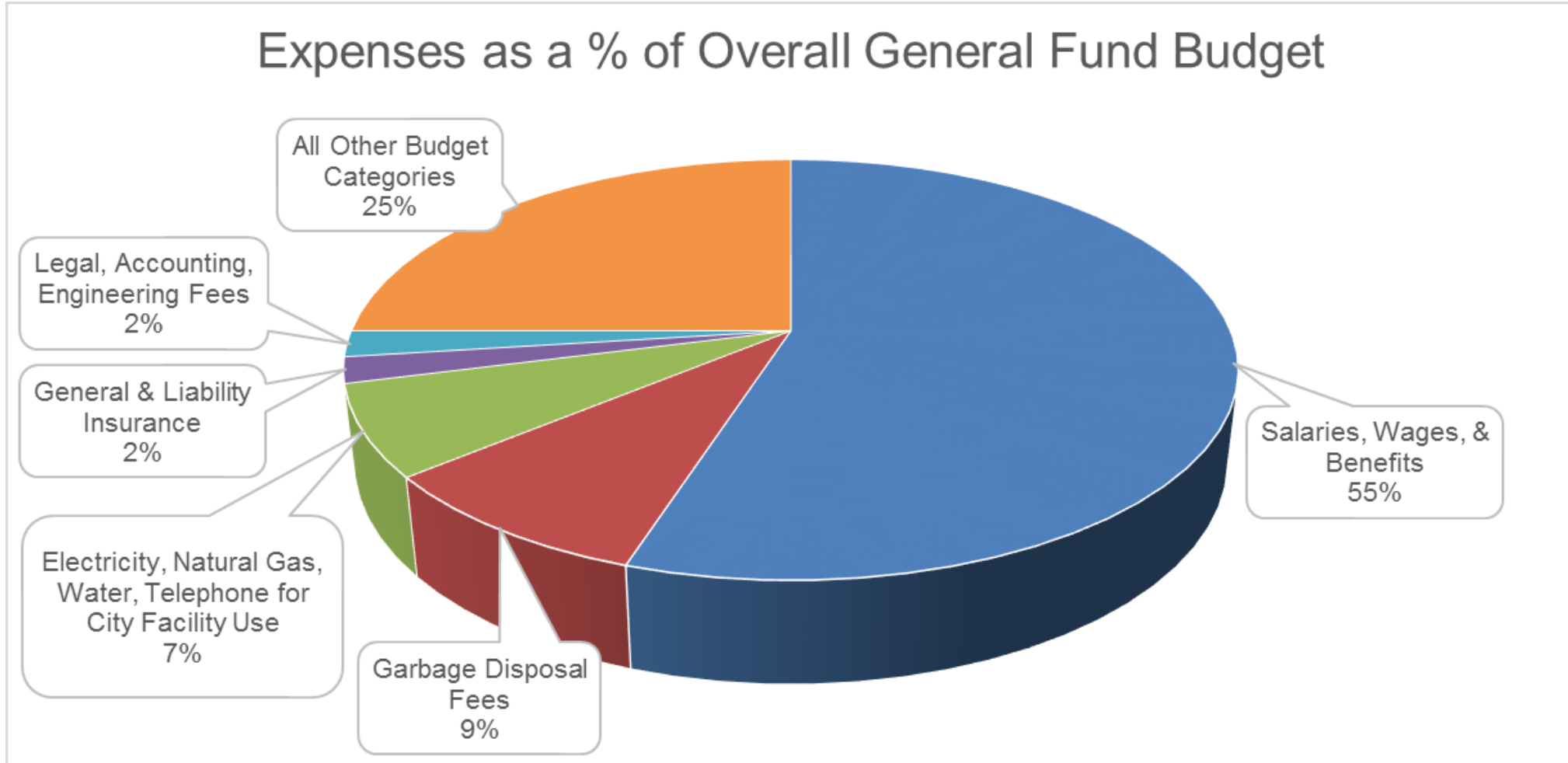


General Fund Departments
Public Safety
Streets & Sanitation
Facilities Maintenance
Vehicle Maintenance
Recreation & Events
Municipal Court
Administration

*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



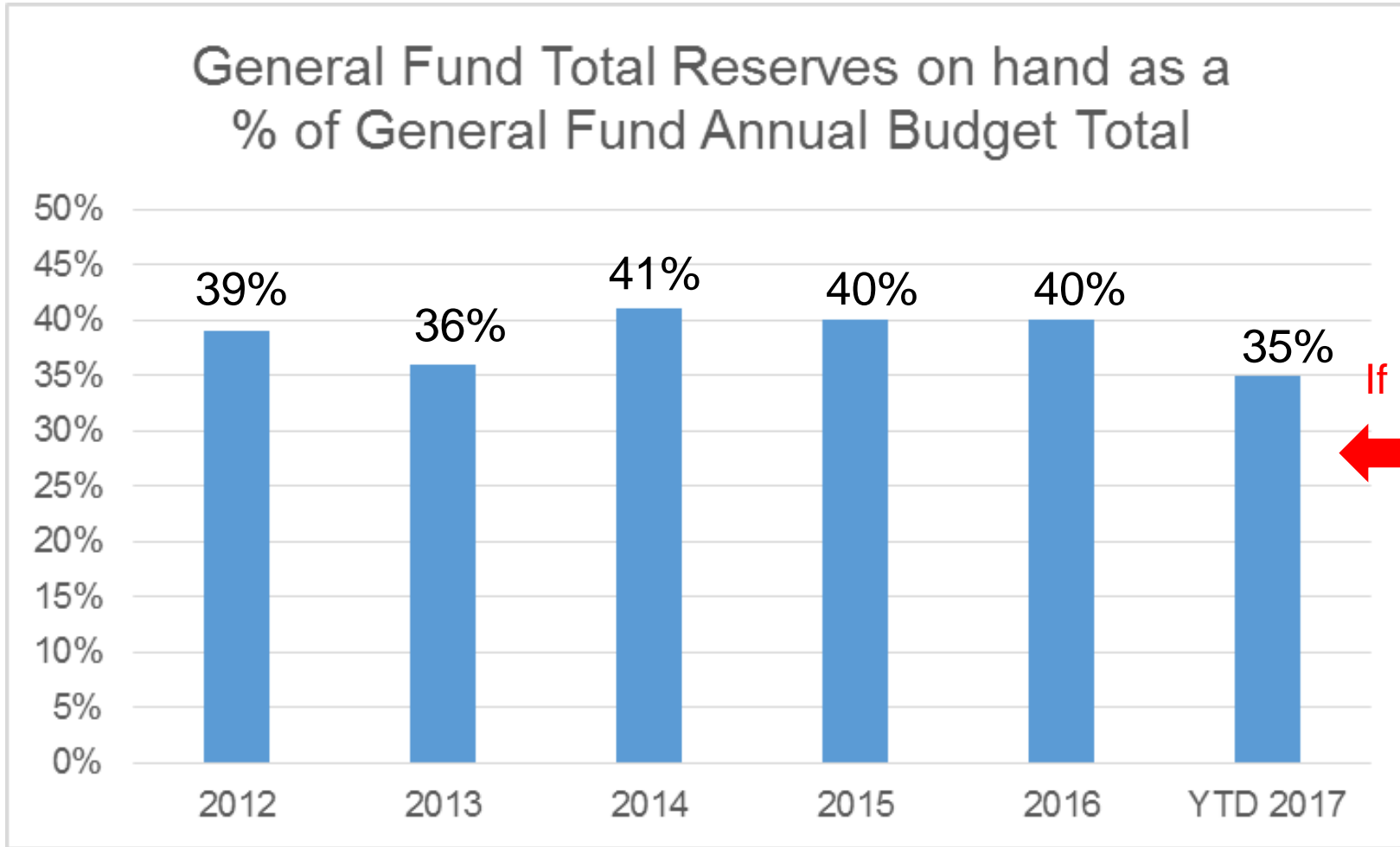
# Cut Expenditures

- 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

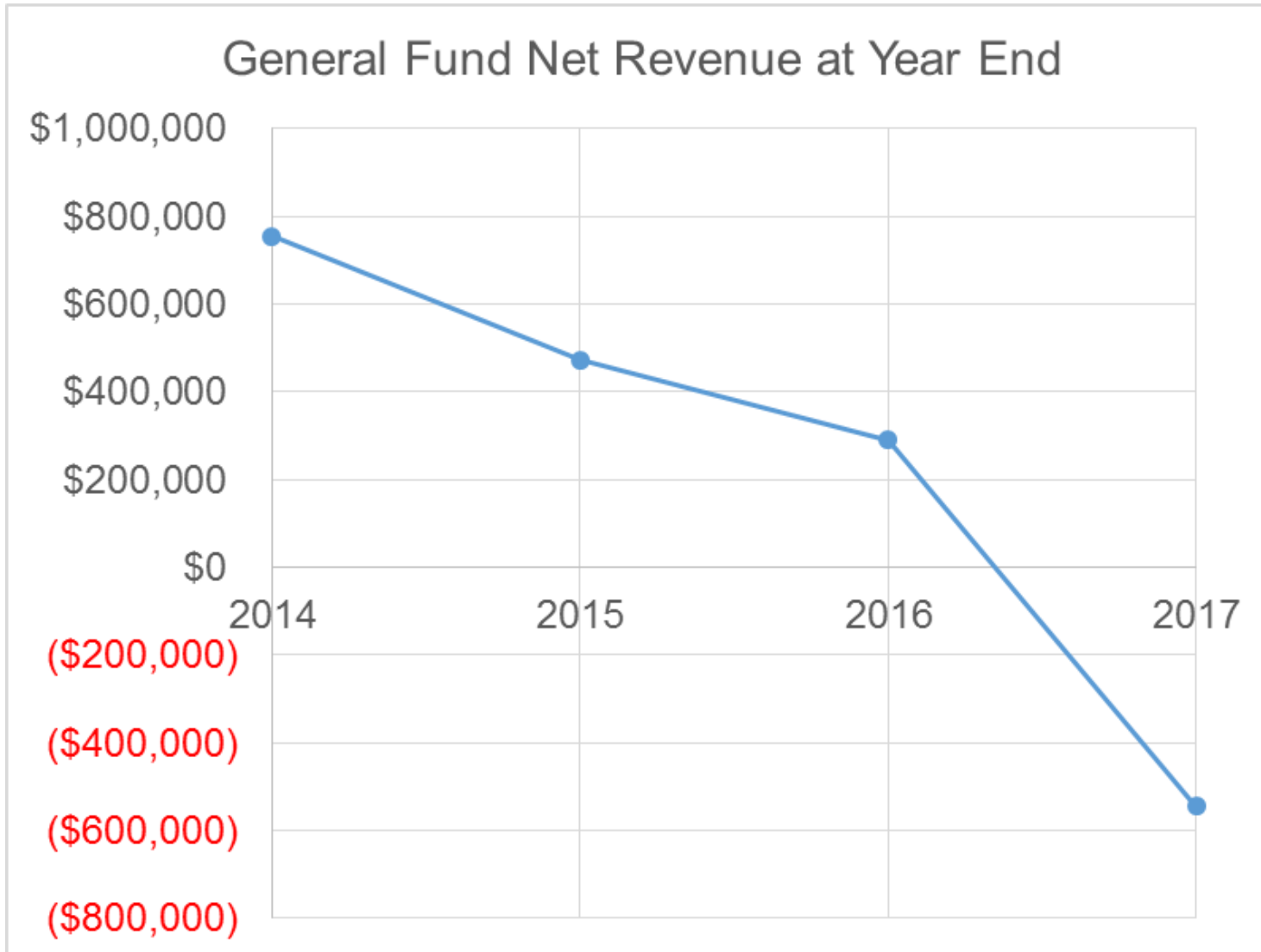
\$2.7M

\$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?

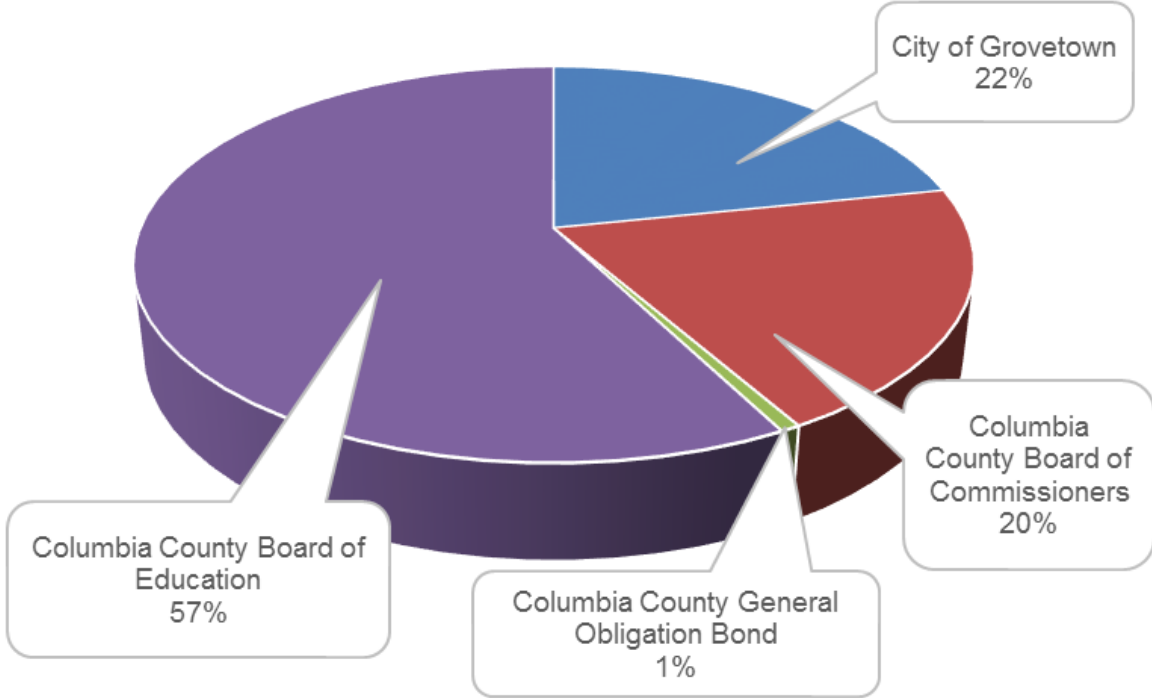
- Police Protection - Patrols in Neighborhoods
- Fire Fighters and Medical Response ([additional tax / fee in Columbia County](#))
- Road Maintenance & Repair; Grass Cutting; Litter Removal
- Curbside Rough Trash & Grass Clippings Pick Up ([additional in the County](#))
- Street Lights ([additional tax / 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		

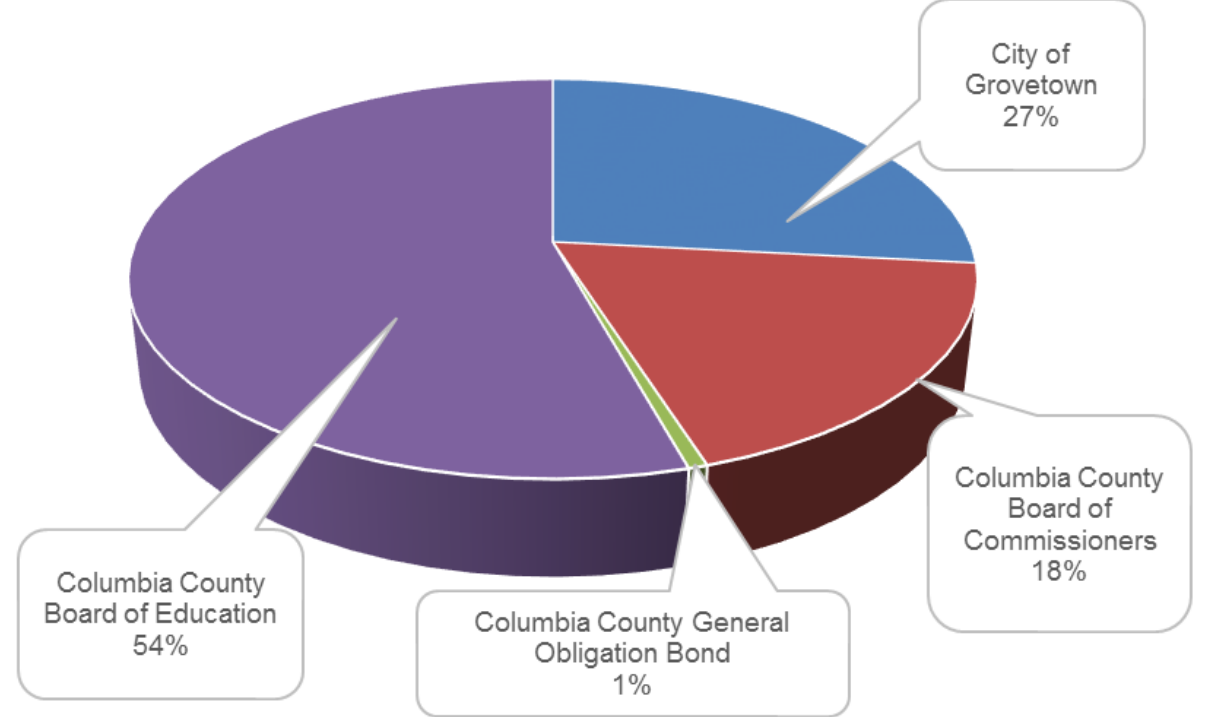
# City Taxes in Context

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>B</b>	100% Appraised Value		164,320	172,070		
	40% Assessed Value		65,727	68,827		
	Reasons for Assessment Notice					
<b>VALUE ADJUSTED TO MARKET</b>						
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.						
		Other Exempt	Homestead Exempt	Net Taxable Value	Previous Millage	Estimated Tax
<b>C</b>	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
<b>Total Estimated Tax</b>						<b>\$2,136.37</b>

"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

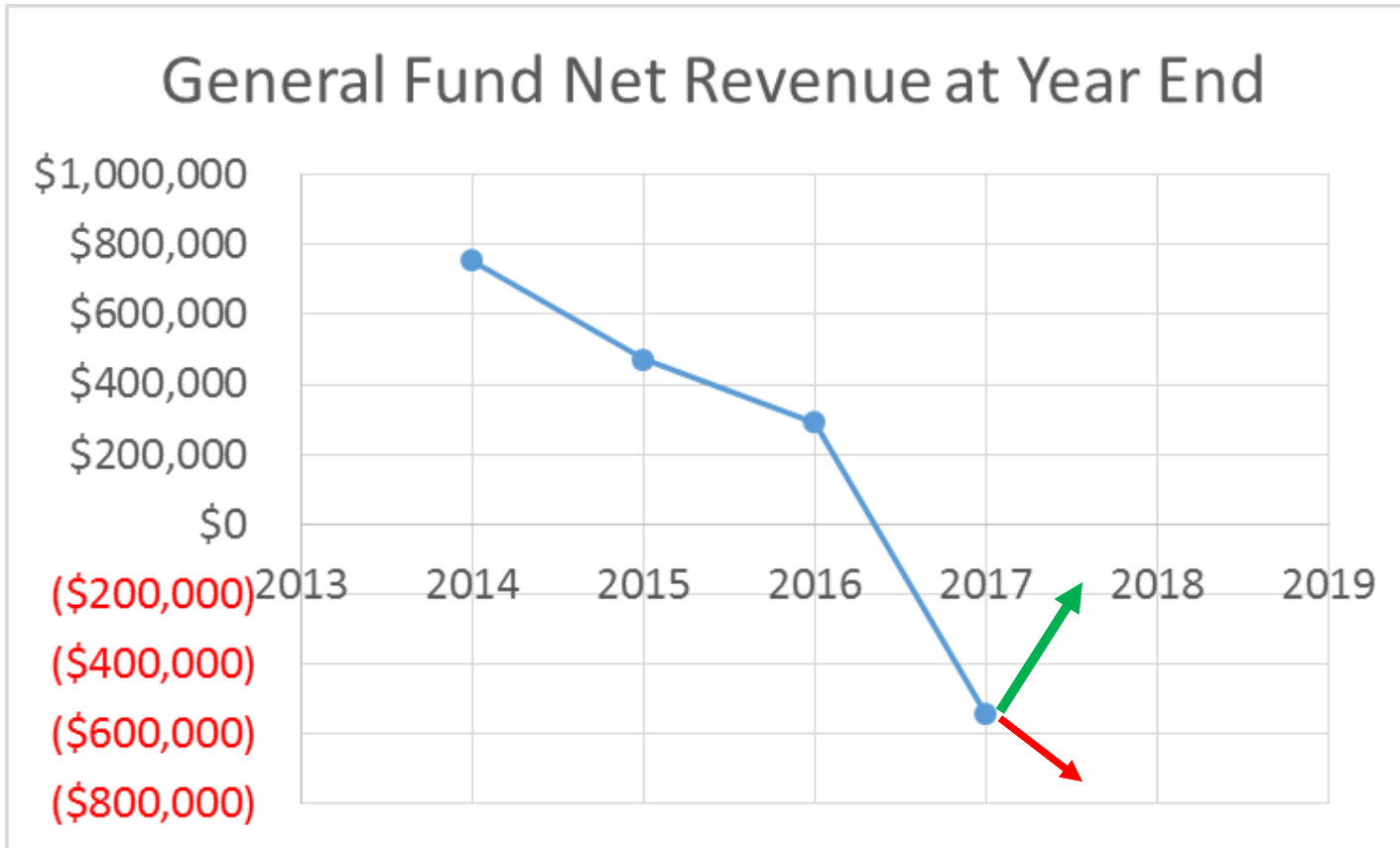
The estimate of your ad valorem tax bill for the current year is based on the previous or most applicable year's net millage rate and the fair market value contained in this notice. The actual tax bill you receive may be more or less than this estimate. This estimate may not include all eligible exemptions.

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?