

Summary

To: Mayor and Commissioners

From: Micah Badana

Subject: Setting of the Maximum Millage Preliminary Rate

Date: 07/15/14

Summary: As part of the Truth in Millage Process, local taxing authorities must set and notify the tax collector of, the Maximum Millage Preliminary (MMP) rate to be levied for collection of Ad Valorem Property Tax. The final millage rate shall not exceed the previously set maximum millage rate. The Commission may set a final rate equal to, or less than the MMP. The fiscal year 2013-14 millage is 6.0257: 5.0257 to the General Fund, and 1.0000 to the Infrastructure Fund (CIP). All millage calculations are based upon the certified total taxable value of \$608,845,499 dollars. The statutory mandate of 95% percent collection of the total taxable value is \$578,403,224 dollars. This represents an increase of 4.37% over the prior year's total taxable value.

Previous Commission Action: The Commission must set a maximum millage rate to be published on the TRIM notices pursuant to F.S. 200.065(5)

Background/Problem Discussion: Staff has identified three "benchmarked" rates.

1. The current fiscal year rate of 6.0257. If this rate is retained both the General Fund and CIP (Infrastructure) Fund will see a 4.37% percent increase
2. The Current Year Rolled Back Rate as per the DR-420 MMP. This rate assumes that the increase to the millage rate only reflects an adjustment to bring proceeds commensurate with the preceding year. The calculation is based on 100% collection of current year total taxable value. Staff identified this rate at 6.3300.
3. The final benchmarked rate utilizes the statutorily approved calculations for setting the maximum millage rate allowed. This rate factors in a change in per capita Florida income (CPI) of 1.0315. This calculated rate of 6.5294 results in a net increase to the General Fund of \$364,763 dollars and \$72,579 dollars to the Infrastructure Fund.

Alternatives/Options: Commission may set the MMP to any number not more than their statutory maximum millage (10 Mills)

Financial Implications: The MMP greatly affects the amount of Ad Valorem Revenue to the general governmental funds. Below, staff has identified three benchmark rates for discussion.

Total Taxable Value at 95% Collection-\$578,403,224
Recap

Description	Rate	Net Proceeds	General Fund	CIP
FY 13-14 Rate	6.0257	\$ 3,485,284	\$ 2,906,881	\$ 578,403
95% Adjusted RBR	6.3300	\$ 3,661,292	\$ 3,053,680	\$ 607,613
RBR-Adjusted for CPI	6.5294	\$ 3,776,626	\$ 3,149,873	\$ 626,753

Recommendation: Staff's recommendation is to set the Maximum Millage Preliminary Rate (MMP) at the current millage of 6.0257. Staff believes that they will be able to maintain the budget at the current millage and possibly even decrease the rate. The Finance Board's recommendation is to set the MMP to the current rate of 6.0257.

Proposed Motion: I move that the Commission Approve the Maximum Millage Preliminary Rate of 6.0257 to fund the FY2014-15 Operating Budget.