



Legislation Text

File #: 20-0456, Version: 1

MOTION TO ESTABLISH THE MILLAGE RATE TO BE ADVERTISED IN THE TRIM NOTICE
PUBLISHED BY THE BROWARD COUNTY PROPERTY APPRAISER DUE AUGUST 4, 2020.

SUMMARY EXPLANATION AND BACKGROUND:

1. The City's millage rate to be advertised for the TRIM notice must be sent to the Broward County Property Appraiser by August 4, 2020.
2. Once the City's millage rate for the fiscal year 2020-21 has been published in the TRIM notice, the City may subsequently adopt a lower operating millage rate than the one advertised, but CANNOT adopt an operating millage rate that is higher than the published rate.
3. The preliminary June 1, 2020 taxable value for the City is \$14.3 billion and represents a 6.48% increase over the 2019 final taxable value of \$13.4 billion.
4. Based on the June 1, 2020 taxable value and the debt service required for the General Obligation Bonds the equivalent debt service millage rate is 0.4273, which is 0.0191 mills below the current year.
5. At this point in the budget preparation process the 2020-21 Proposed Budget for the General Fund has a deficit of \$6.0 million. The budget includes \$77.1 million of property tax revenue based on the current operating millage rate of 5.6736 and \$3.0 million of fund balance. Below are three millage rate options, all of which require four affirmative votes (super majority) for adoption in September:
 - A. Keep the operating millage rate the same at 5.6736. This will necessitate an increase in fund balance from \$3.0 million to \$9.0 million.
 - B. Increase the operating millage rate by 0.0191 (the reduction in the debt service millage) to 5.6927. Under this option the aggregate millage rate will remain flat at 6.1200 mills, the budget gap will reduce by \$0.3 million, and fund balance will be \$8.7 million.
 - C. Increase the operating millage rate by 0.4416 mills or 7.78%, from 5.6736 to 6.1152. Under this option fund balance will remain at \$3.0 million.

	ADOPTED 2019-20	2020-21 OPTION A	2020-21 OPTION B	2020-21 OPTION C
Operating	5.6736	5.6736	5.6927	6.1152
Debt Service	0.4464	0.4273	0.4273	0.4273
Aggregate	6.1200	6.1009	6.1200	6.5425

Impact on the median residential property	\$60.99	\$61.00	\$121.52
Estimated property tax revenue	\$77,080,060	\$77,339,547	\$83,079,523

6. Regardless of the operating millage rate selected, only a majority, which is (3) votes of the Commission is needed to approve the rate to be advertised in the TRIM Notice.

FINANCIAL IMPACT DETAIL:

Operating Millage:

<u>Option</u>	<u>Operating</u> <u>Millage</u>	<u>Estimated</u> <u>Tax</u>
A	5.6736	\$77,080,060
B	5.6927	\$77,339,547
C	6.1152	\$83,079,523

The debt service millage rate of 0.4273 will generate \$5.8 million Ad Valorem tax revenue in the Debt Service Fund to cover debt service payments.