

Tax Rate Discussion & Review of Debt Service Fund

Property Tax Rate

Tax Rate Discussion

The no-new-revenue tax rate (formerly known as the effective rate) is the tax rate which would produce the same amount of tax revenue if applied to the same properties taxed in both years.

The voter-approval tax rate (formerly known as the rollback rate) is the maximum rate allowed by law without voter approval.

The proposed budget is based on the no-new-revenue tax rate of \$0.4918.

Proposed Tax Rate	\$0.4918
Preceding Year's Tax Rate	\$0.4935
No-New-Revenue Tax Rate	\$0.4918
Voter-Approval Tax Rate	\$0.5024

Property Taxes

The proposed tax rate of \$0.4918 per \$100 valuation, is 0.17-cents (*\$0.0017*) below the current tax rate of \$0.4935 per \$100 valuation.

The tax rate is made up of two components. The M&O Rate for maintenance and operations, which supports the general fund, and the I&S Rate for interest and sinking, which is for payment of the city's tax-supported debt service.

The M&O rate of \$0.3043 is equal to the calculated NNR M&O tax rate.

The calculated I&S rate is \$0.1875 which is a decrease of 0.64-cents (*\$0.0064*) from the current I&S rate of \$0.1939 per \$100 valuation. This decrease is attributable to new property on the tax rolls.

For reference, a penny on the tax rate generates approximately \$215,000.

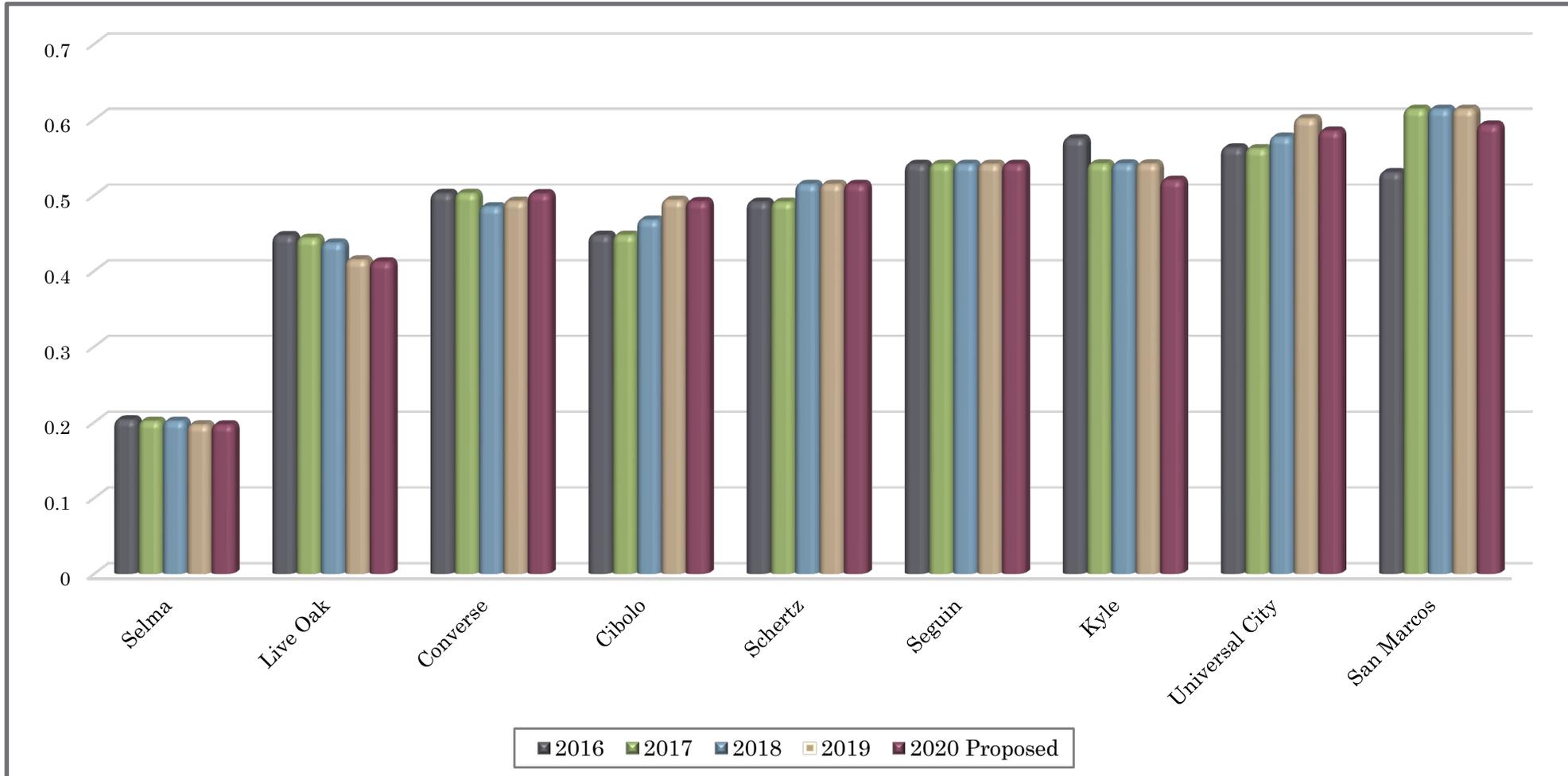
Change in Values by Classification

	2019 Value	2020 Value	\$ Change	% Change
Residential	2,391,987,324	2,596,006,661	204,019,337	8.5%
Commercial	177,191,534	204,537,976	27,346,442	15.4%
Industrial	63,709,561	49,156,324	(14,553,237)	-22.8%
All Other	300,532,682	303,637,605	3,104,923	1.0%
Property Values	2,933,421,101	3,153,338,566	219,917,465	7.5%
Less Tax Exemptions	(604,549,142)	(683,770,117)	(79,220,975)	13.1%
Less Freeze values	(239,146,878)	(255,892,468)	(16,745,590)	7.0%
Total Taxable Assessed	2,089,725,081	2,213,675,981	123,950,900	5.9%
New property value on the Tax Roll			107,676,523	5.2%

	Rate/\$100 Valuation	2019	2020	Difference from prior year	Difference over NNR rate
Taxable Value (adjusted for court ordered reductions)		2,028,048,315	2,149,985,729		
<u>Total Effect on Property Tax Revenue</u>					
2019 Tax Rate	0.4935	\$ 10,008,418			
2020 NNR Rate (proposed rate)	0.4918		\$ 10,573,630	\$ 565,211	
2020 Voter Approval Tax Rate	0.5024		\$ 10,801,528	\$ 793,109	\$ 227,898
<u>Total Effect on Maintenance and Operations</u>					
2019 Tax Rate	0.2996	\$ 6,076,033			
2020 NNR M&O Rate (proposed rate)	0.3043		\$ 6,542,407	\$ 466,374	
2020 Voter Approval Tax Rate	0.3149		\$ 6,770,305	\$ 694,272	\$ 227,898
<u>Total Effect on Interest and Sinking (Debt Service)</u>					
2019 I&S Tax Rate	0.1939	\$ 3,932,386			
2020 Proposed I&S Tax Rate	0.1875		\$ 4,031,223	\$ 98,838	

This budget will raise more total property taxes than last year's budget by \$565,211 (5.6%), and of that amount \$529,553 is tax revenue to be raised from new property added to the tax roll this year.

Property Tax Rate Comparison of the surrounding area



Debt Service Fund

Debt Service Fund

- The Debt Service Fund accounts for the ad valorem taxes collected for the purpose of servicing long term debt of the governmental funds.
- Ending fund balance in the debt service fund is projected to be \$729,074 at 9/30/21. This is 14.5% of overall annual debt service obligations.

Debt Service Requirements

Bond Issue	Principal	Interest	Bond Payment
2010 General Obligation Refunding Bonds	95,000	1,772	96,772
2012 Refunding Bonds	95,000	30,525	125,525
2013 General Obligation Bonds	375,000	211,844	586,844
2014 General Obligation Bonds	130,000	68,375	198,375
2015 General Obligation & Refunding Bonds	780,000	281,125	1,061,125
Less utility portion of 2015 GO Refunding bonds	(155,000)	(41,750)	(196,750)
2016 General Obligation Bonds	150,000	73,975	223,975
2017 Certificates of Obligation	115,000	62,659	177,659
2017 General Obligation Refunding Bonds	760,000	137,935	897,935
2018 General Obligation Bonds	125,000	116,013	241,013
2019 General Obligation Bonds	160,000	376,600	536,600
2019 Certificates of Obligation	45,000	221,475	266,475
Less utility portion of 2019 Certificates of Obligation	(45,000)	(50,875)	(95,875)
2019 General Obligation Refunding Bonds	370,000	158,400	528,400
2020 Proposed Certificates of Obligation (estimated)	310,000	89,500	399,500
Total Debt Service accounted for in Debt Service Fund	\$ 3,310,000	\$ 1,737,573	\$ 5,047,573

Debt Service Requirements

Total Debt Service accounted for in Debt Service Fund	\$ 5,047,573
Less amounts paid from other sources	
EDC funded – 2012 Refunding Bonds	(125,525)
YMCA Obligation – 2017 Certificates of Obligation	(165,000)
Street Maintenance sales tax funded – 2020 Certificates of Obligation	<u>(399,500)</u>
Debt to be paid from I&S Taxes	4,357,548
Less frozen levy	<u>(325,000)</u>
Additional levy needed	\$ 4,032,548
Net total taxable value	\$2,149,985,729
I&S Tax Rate needed	\$0.1875 / \$100