

Meeting Date: 7/12/2011



Agenda Item # 7B

# CITY COUNCIL AGENDA ITEM

Contact Name: Christine Davis

Department Director: *[Signature]*

Department/Contact # 386-775-5432

City Manager: Jamie Croteau *[Signature]*

- Type of Item:
- |                          |                          |                                     |                     |
|--------------------------|--------------------------|-------------------------------------|---------------------|
| <input type="checkbox"/> | Public Hearing           | <input checked="" type="checkbox"/> | Resolution          |
| <input type="checkbox"/> | Ordinance First Reading  | <input type="checkbox"/>            | Discussion & Action |
| <input type="checkbox"/> | Ordinance Second Reading | <input type="checkbox"/>            | Council Approval    |

**Subject: Resolution 647-11 Setting the Tentative Millage Rate for FY 11/12 Budget Year at the rolled-back rate of 7.0777**

## BACKGROUND:

The Truth-in-Millage (TRIM) Law requires local governing bodies to set a proposed millage rate annually during the month of July. This sets the **maximum rate** the city can levy. **This rate can be lowered, but it cannot be increased.** The property appraiser is then notified of the rate and uses it to advise taxpayers of their proposed tax levies for the next year.

Orange City's 2010 taxable value was \$529,935,694 and with a millage rate of 6.3445 generated approximately \$3,166,125 in ad valorem revenue. At this rate the average household paid \$329 annually. On July 1, 2011 the Volusia County Property Appraiser certified the 2011 preliminary tax roll for Orange City with a taxable value of \$483,498,704. The City's taxable value decreased \$54,894,923 or 10.36% (excluding new taxable values), which results in a \$348,281 decrease in ad valorem revenue at the 2010 millage rate of 6.3445 mills.

Based on the decrease in taxable value the calculated rolled-back rate for FY 11/12 is 7.0777 and is considered the revenue neutral tax rate. At this rate the average household (2011 average taxable value \$43,670) would pay \$309 annually or \$26 monthly for city services.

Current law establishes levels of approval by the governing body in setting the millage rate. Furthermore, the law provides for a maximum millage rate that can be levied by the governing body as follows:

<u>Millage</u>	<u>Votes required</u>
Up to 7.6283	four (4) votes – Majority Vote
7.6284-8.3911	five (5) votes – Two-thirds Vote
8.3912 up to 10	seven (7) votes – Unanimous Vote

The City's majority vote maximum rate is 7.6283. The maximum millage rate the city can levy by a majority vote (4 votes) is greater than the rolled-back rate. This is partly attributable to the city levying a millage rate below the rolled-back rate last year. The City can set the proposed millage rate up to 8.3911 with a two-thirds vote. A millage rate higher than 8.3911 would require a unanimous vote by the Council.

The first public hearing has been scheduled for Wednesday, September 14, 2011 at 7 p.m. in the City Council Chambers, 201 N. Holly Ave., Orange City, FL 32763, which will not conflict with the School Board and County millage/budget hearings. Although not required to be included with the Property Appraiser's notice to taxpayers, the second public hearing is scheduled to be during the regular City Council meeting on Tuesday, September 27, 2011 at 7 p.m.

**RECOMMENDATIONS:** Staff recommends that Council adopt resolution 647-11 and set the proposed millage rate at the rolled-back rate of 7.0777.

**ATTACHMENTS:** Resolution 647-11.

**FINANCIAL IMPACT:** This will provide ad valorem funding for the FY 11/12 budget year.

**Reviewed by City Attorney**

**Reviewed by Finance Dept.**

**Reviewed by:**

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<b>1<sup>st</sup> Discussion Date:</b> date.	<b>2<sup>nd</sup> Discussion Date:</b> date.	<b>Third Discussion Date:</b> date.	<b>Other Dates:</b> date.
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**RESOLUTION NO. 647-11**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA, ADOPTING A PROPOSED MILLAGE RATE FOR THE 2011-2012 FISCAL YEAR; ESTABLISHING THE DATE, TIME, AND PLACE FOR A PUBLIC HEARING ON THE PROPOSED MILLAGE RATE AND THE TENTATIVE BUDGET; DIRECTING COMMUNICATION; EXPRESSING LEGISLATIVE INTENT; REPEALING ALL RESOLUTIONS IN CONFLICT HERewith AND PROVIDING FOR AN EFFECTIVE DATE.**

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**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA:**

**SECTION 1.** In consideration of the estimate of receipts and the estimate of expenditures of the City of Orange City, Florida ("the City"), for the Fiscal Year 2011-2012 Annual Budget, it is hereby determined and declared that the proposed rate of taxation necessary to meet the estimate of General Fund expenses of the City shall be at the millage rate of 7.0777 mills or \$7.0777 for each \$1,000 of taxable value, to be levied and imposed upon all non-exempt taxable property within the corporate limits. The 7.0777 millage rate reflects a 0% increase and is considered the rolled-back rate as provided by the Property Appraiser of Volusia County on July 1, 2011 and computed pursuant to Fla. Stat. 200.065(1) and Fla. Stat. 200.185(5).

**SECTION 2.** A public hearing on the aforesated proposed millage rate and on the tentative Fiscal Year 2011-2012 Annual Budget will be held on Wednesday, September 14, 2011 at 7:00 p.m., in City Council Chambers, 201 North Holly Avenue, Orange City, Florida.

**SECTION 3.** The Finance Director is hereby directed to advise the Volusia County Property Appraiser of the City's proposed millage rate as set forth herein, of 7.0777 millage rate computed pursuant to Section 200.065(1), Florida Statutes (2010), and Florida Administrative Code R. 12D-17.0035, and of the first public hearing that will be held Wednesday, September 14, 2011 at 7:00 p.m., in City Council Chambers, 201 North Holly Avenue, Orange City, Florida.

**SECTION 4.** That all resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed.

**SECTION 3.** That this resolution shall take effect immediately upon its adoption by the City Council of the City of Orange City, Florida.

**ROLL CALL VOTE AS FOLLOWS (Resolution No. 647-11):**

O. William Crippen	_____	Anthony Pupello	_____
Gary A. Blair	_____	Tom Abraham	_____
Jeff Allebach	_____	Tom Laputka, Vice Mayor	_____
Harley Strickland, Mayor	_____		

**ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2011.**

**ATTEST:**

**AUTHENTICATED:**

\_\_\_\_\_  
Deborah J. Renner, CMC, City Clerk

\_\_\_\_\_  
Harley Strickland, Mayor

Approved as to form and legal sufficiency:

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W. E. Reischmann, City Attorney