

## Tax Rate Discussion





## Tax Rate Discussion

### Objective

Receive Board feedback regarding property tax rate adjustments for FY2021



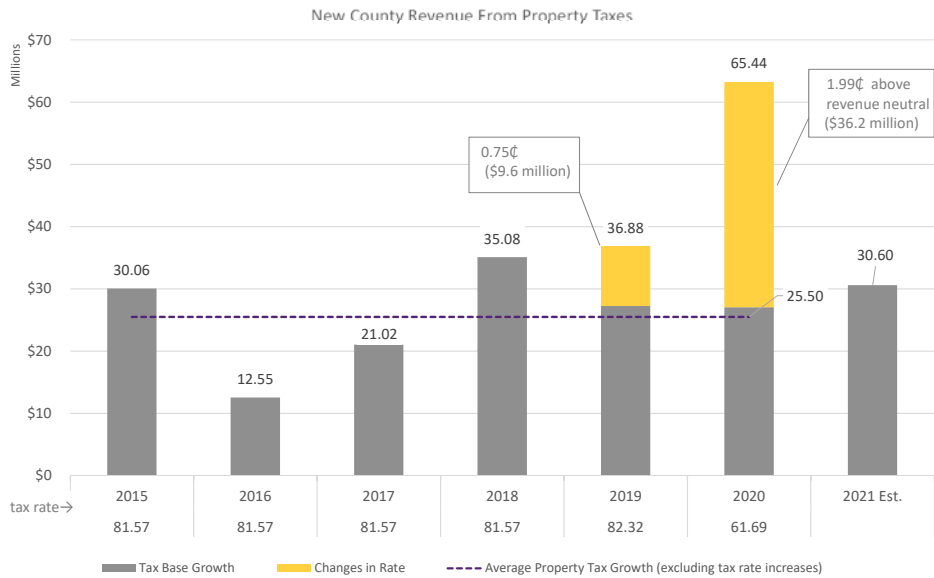
# Overview

- Trends in Revenue Growth
- Funding Trends
- Property Tax Rate Calculation
- Scenarios
- Conclusion
- Discussion



# Trends in Revenue

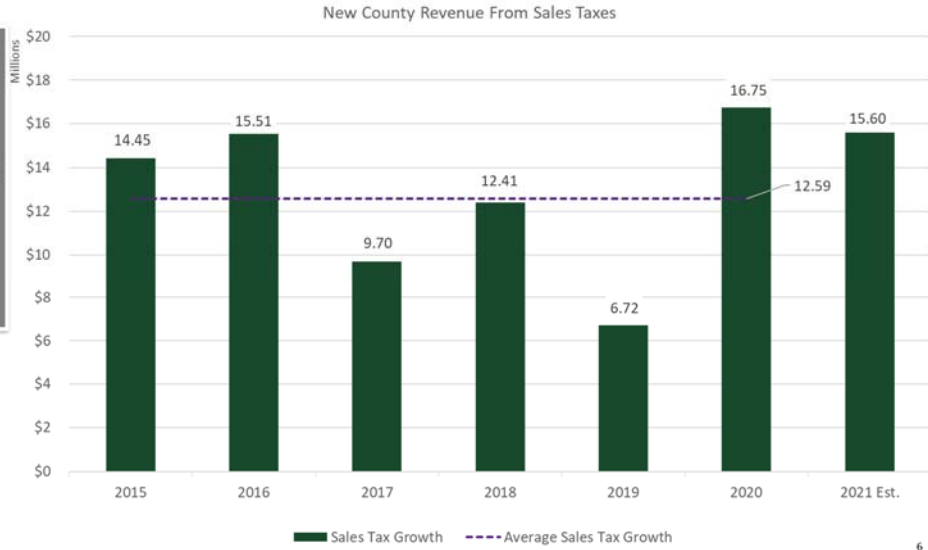
- Property Tax makes up 81% of County Dollars
- New Property Tax Revenue results from
  - New construction
  - Rate Increases
- Increase in revenue due to new construction averages \$25.5 million each year
- Preliminary estimate is \$30.6 million



\*2020 rate change over revenue neutral

# Trends in Revenue

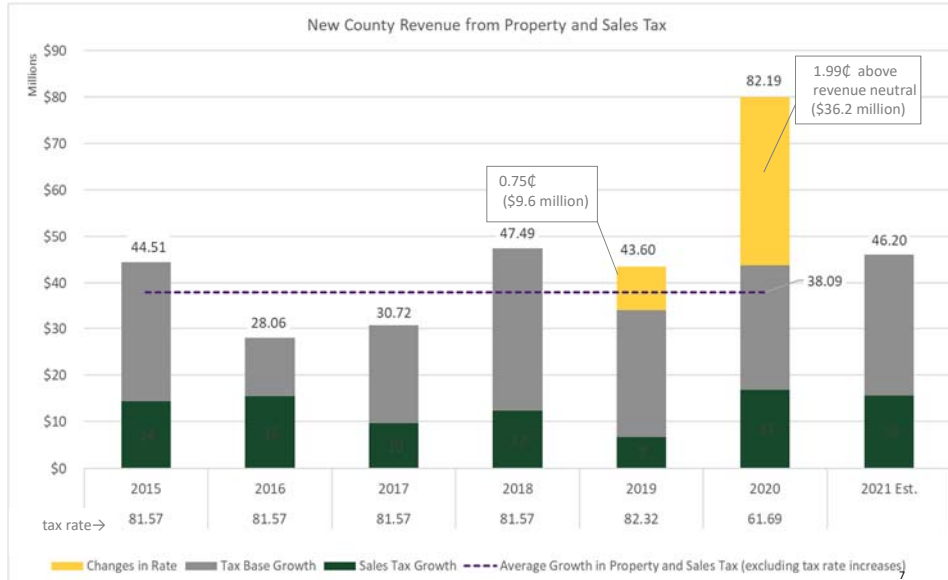
- Sales Tax makes up 15% of County Dollars
- Increases due to sales tax has averaged \$12.59 million each year
- Preliminary estimate is \$15.6 million



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# Trends in Revenue

- Property Tax and Sales Tax combined make up 96% of County Dollars
- Increases in County Dollars averages \$38 million each year (excluding rate increases)
- Preliminary estimates total \$46.2 million



\*2020 rate change over revenue neutral

## Funding Trends

Since 2015, new County funding has been used for....

### Education

- 61.5%
- Averaging \$31.45 million annually

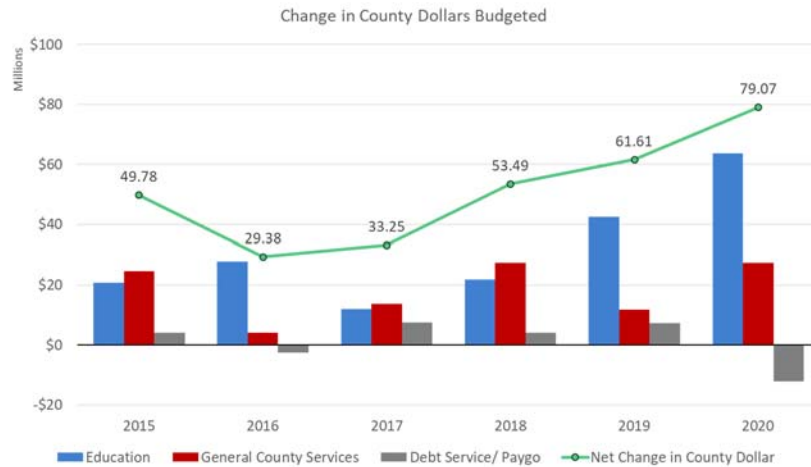
### General County Services

- 35.6%
- Averaging \$18.22 million annually

### Paygo and Debt Service\*

- 2.8%
- Averaging \$1.43 million annually

\*includes debt on schools



\* Total Debt Service increased by \$3.8 million for FY2020. Increases in other revenues allowed the County Dollar revenues to be used for education and general services.

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## Major Investments

FY2019 • 0.75¢ Tax Increase

- Early Childhood Education

FY2020 • 1.99¢ Over Revenue Neutral

- Teacher Salaries
- School Counselors, Psychologist, and Social Workers
- Affordable Housing Initiatives
- Parks and Recreation Staff

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# Budgeted Tax Rate Calculation

$$\frac{\text{Expenses} - \text{Other Revenue}}{\text{Value 1}\text{¢}} = \text{Property Tax Needed} \div \text{Value 1}\text{¢} = \text{Tax Rate}$$

FY2020 → \$1,122,687,214      \$18,197,602      61.69 ¢



# Scenario

For illustrative purposes only

	Amount
FY20 County Dollar Budget	\$1,391,773,843
Growth Revenue to Sustain Existing Services and Education	46,200,000
<b>Total</b>	<b>\$ 1,437,973,843</b>
New Initiative A	18,800,000
New Initiative B	28,200,000
New Initiative C	37,600,000

	Tax Impact*	New Rate
	1.00	62.69 ¢
	1.50	63.19 ¢
	2.00	63.69 ¢



	Current	A	B	C
<b>Tax Rate</b>	61.69 ¢	62.69 ¢	63.19 ¢	63.69 ¢
Annual	\$925.35	\$940.35	\$947.85	\$955.35
Monthly	\$77.11	\$78.36	\$78.99	\$79.61
<b>Monthly Increase →</b>		<b>\$1.25</b>	<b>\$1.88</b>	<b>\$2.50</b>



Annual	\$1,542.25	\$1,567.25	\$1,579.75	\$1,592.25
Monthly	\$128.52	\$130.60	\$131.65	\$132.69
<b>Monthly Increase →</b>		<b>\$2.08</b>	<b>\$3.13</b>	<b>\$4.17</b>



Annual	\$2,159.15	\$2,184.15	\$2,211.65	\$2,229.15
Monthly	\$179.93	\$182.95	\$184.30	\$185.76
<b>Monthly Increase →</b>		<b>\$2.92</b>	<b>\$4.38</b>	<b>\$5.83</b>

\* Assumes value of 1¢ increases to \$18.8 million preliminary estimate



## Conclusions

- Property Tax and Sales Tax make up 96% of County Dollars
- Property and Sales Tax averaged \$38 million in growth since FY2015 (excluding rate increases)
- Preliminary estimate for revenue growth is \$46 million
- One cent is estimated to generate \$18.8 million



## Tax Rate Discussion

- The Manager will factor the discussion during the development of the FY2021 Recommended Budget





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