

# FY21 Estimated Property Values

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**STAFF PRESENTATION  
SEPTEMBER 8, 2020**

# Background

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- Identifying, maintaining and collecting dependable and diversified revenues is a major priority of government.
- Ad valorem tax is approximately 52% of the Town's total General Fund revenue.
- Property tax base is referred to as a total during budget presentations. Staff presents categorical breakdown for Council's benefit.

# Category Definitions

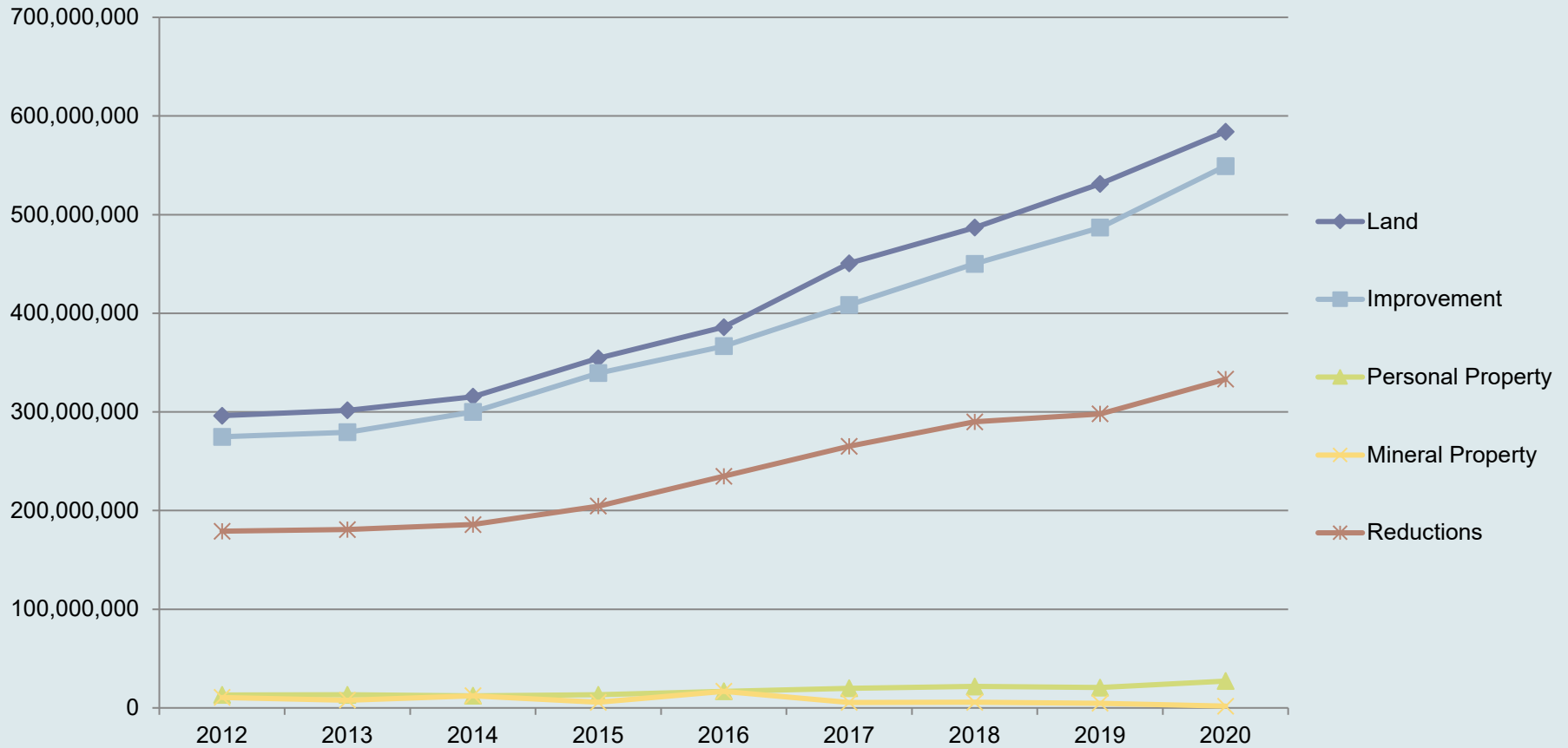
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- LAND – includes homesite, non-homesite, agricultural
- IMPROVEMENT – includes home and non-home structures
- NON-REAL includes the following:
  - PERSONAL PROPERTY - business contents
  - MINERAL PROPERTY
- REDUCTIONS – includes Ag-Productivity Loss, Homestead Cap, Total Exemptions (over 65, disabled, veteran)

# Certified Values by Category

by tax year (2020 is estimated values)

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# Certified Value History

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<b>Year</b>	<b>Certified Total</b>	<b>% Increase Previous Year</b>
2013 (FY14)	\$421,286,831	1.41%
2014 (FY15)	\$454,091,938	7.79%
2015 (FY16)	\$507,684,401	11.80%
2016 (FY17)	\$534,475,793	5.28%
2017 (FY18)	\$619,397,789	15.89%
2018 (FY19)	\$674,093,197	8.83%
2019 (FY20)	\$744,754,193	10.39%
2020 (FY21)	\$829,023,164	11.40%

# Certified Tax Roll Information

by tax year

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	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total Market Value	\$964,406,517	\$1,043,255,503	\$1,162,271,525
New Taxable	\$18,640,097	\$24,139,979	\$33,760,342
Ag-Product. Loss	\$219,067,204	\$218,213,421	\$233,331,300
Average HS Exemption	\$13,455	\$19,023	\$10,025
Net Taxable	\$674,093,197	\$744,754,913	\$829,023,134
A & E Average Home Value	\$427,206	\$442,182	\$489,934

# Increases/Decreases by Category

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## % Change Over Previous Year

	<u>2018</u>	<u>2019</u>	<u>2020</u>
LAND	8.034%	9.10%	9.95%
IMPROVEMENT (w/o "New Value")	10.198% 4.56%	8.154% 2.79%	12.79% 2.63%
PERS. PROPERTY & MINERAL PROPERTY	7.567%	(7.934)%	(61.65)%
REDUCTIONS (Ag Loss; Homestead Cap; Total Exemptions: Homestead, Over 65, schools, churches, etc.)	9.358%	2.769%	9.06%

# Elements of Property Tax Rate

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## Operations and Maintenance (O&M)

- Ongoing General Fund operations

## Interest and Sinking (I&S)

- Payments on debt for general government (not utility rated) improvements

$$\text{Tax Rate} = \text{O\&M} + \text{I\&S Rate}$$

## Calculation

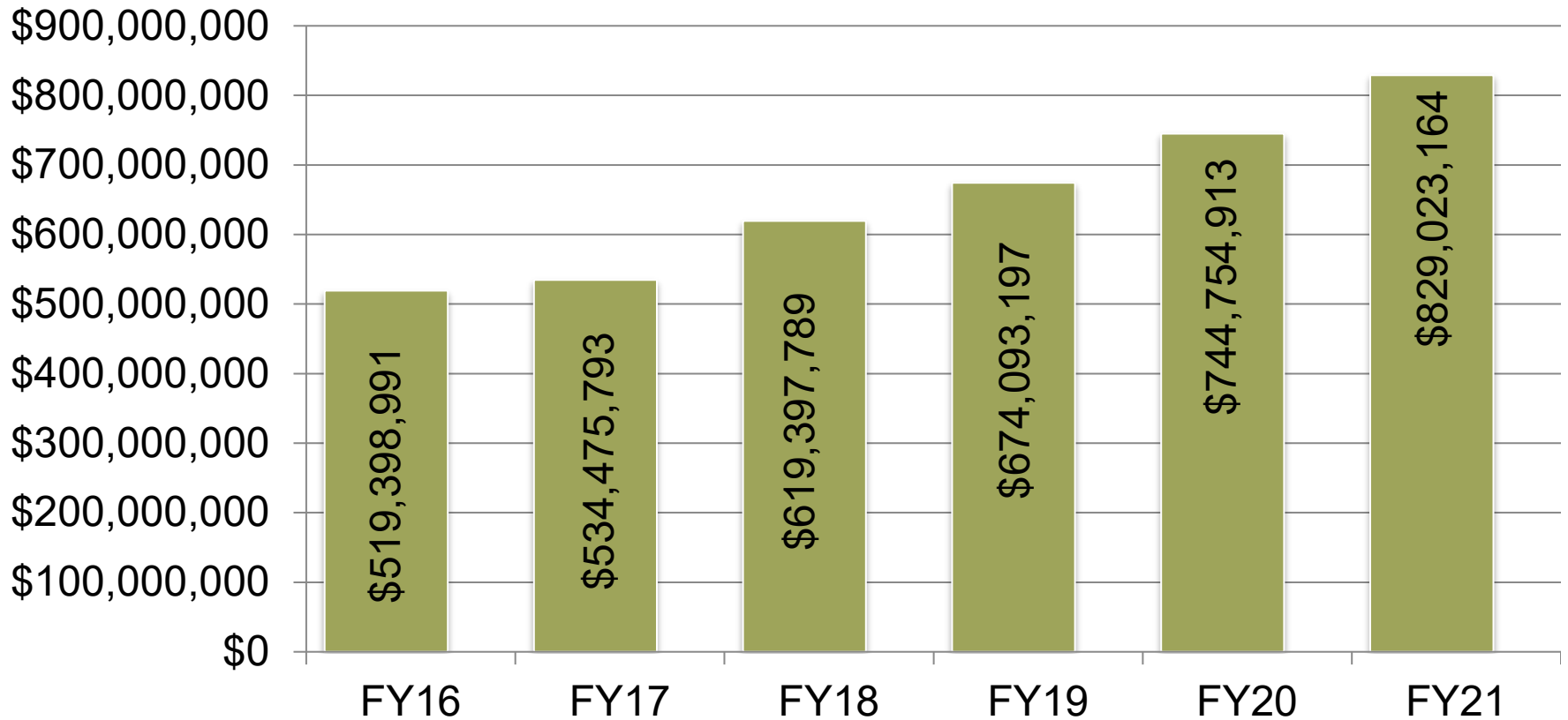
- $\text{Tax Rate} \times \text{Taxable Value} / \$100 = \text{Town Tax Levy (money paid to Town)}$



# Certified Valuations

by Fiscal Year (FY21 is estimate)

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# Tax Rate Distribution

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<u>Year</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Total Tax Rate</u>
2016	.304449	.093051	.3975
2017	.300113	.097387	.3975
2018	.300113	.097387	.3975
2019	.302095	.095405	.3975
<b>2020</b>	<b>.29861</b>	<b>.079583</b>	<b>.378193</b>

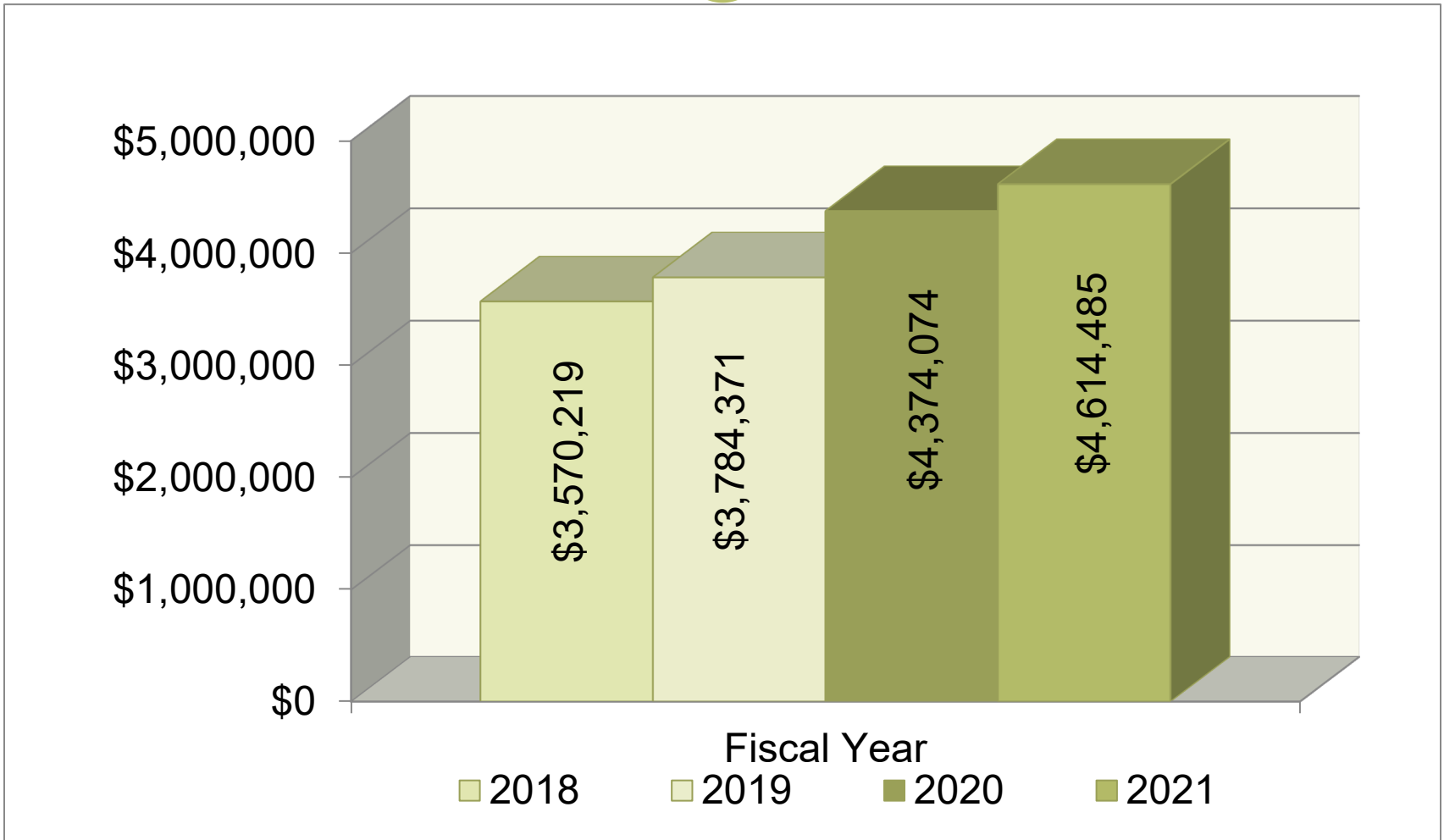
# Proposed Property Tax Rate

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- 11.4% Increase in Net Taxable Valuation  
(FY '20 – FY '21)
- 98% Collection Rate - \$2,382,460
- Total Proposed Rate = \$.378193
- One cent on the tax rate = \$82,902
- M&O = .29861      I&S = .079583

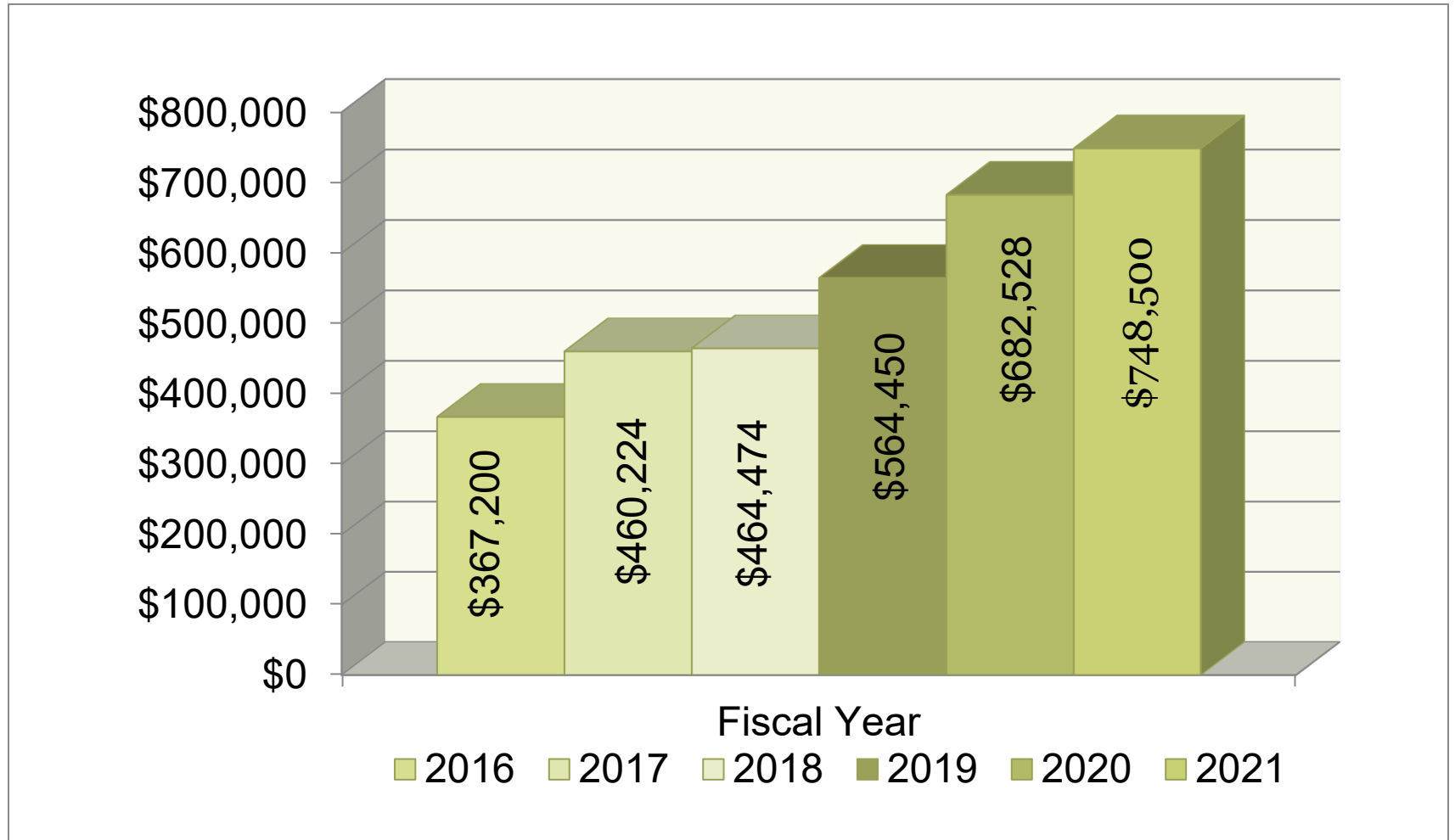
# Total G.F. Budgeted Revenue

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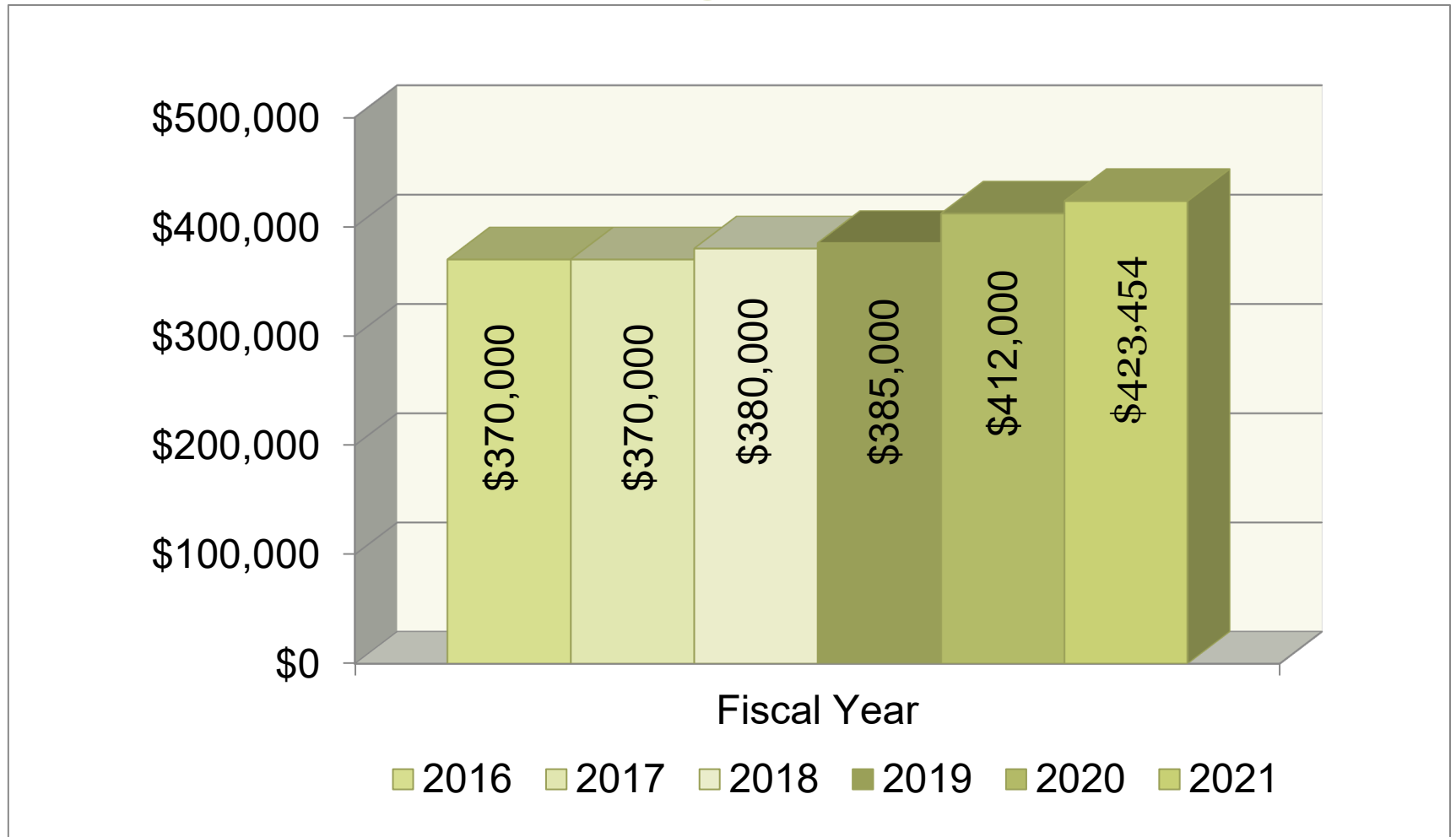
# Budgeted Sales Tax Revenue

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# Budgeted Franchise Fees

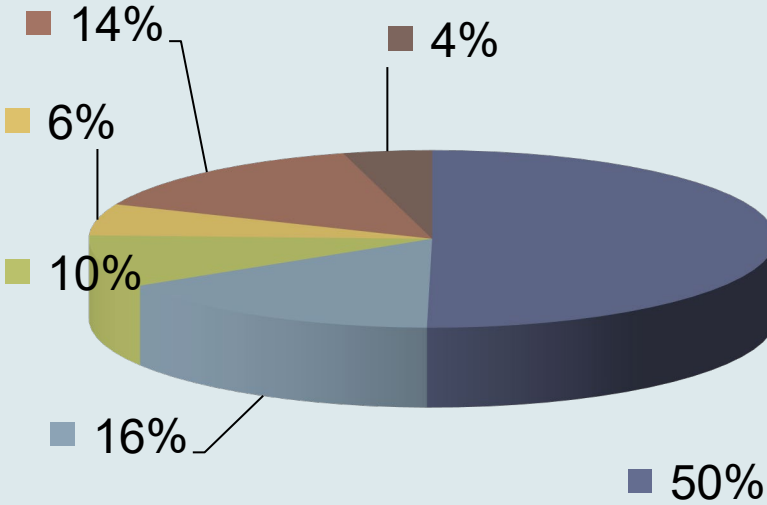
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# G.F. Revenue Summary

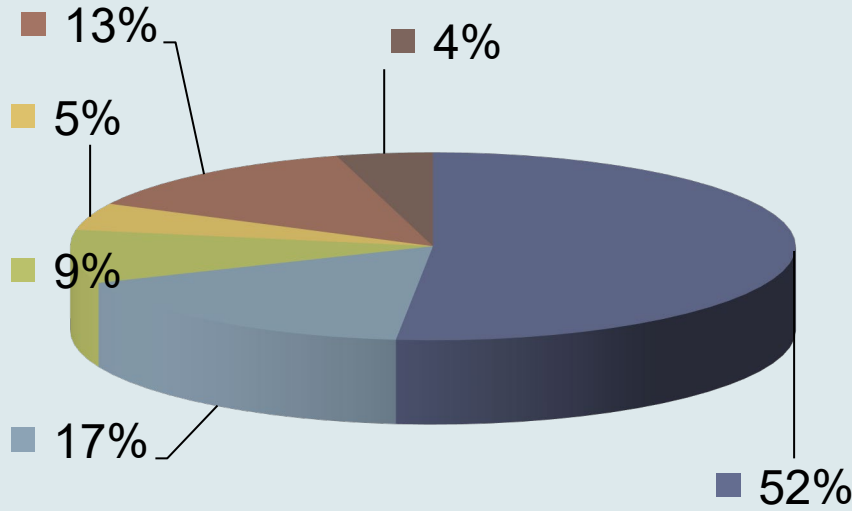
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### FY 20 Adopted



- Prop. Tax
- Sales Tax
- Franchise Fees
- Court
- Devel/Const/Permits
- Other/Transfers

### FY 21 Proposed



- Prop. Tax
- Sales Tax
- Franchise Fees
- Court
- Devel/Const/Permits
- Other/Transfers

# General Fund Balance

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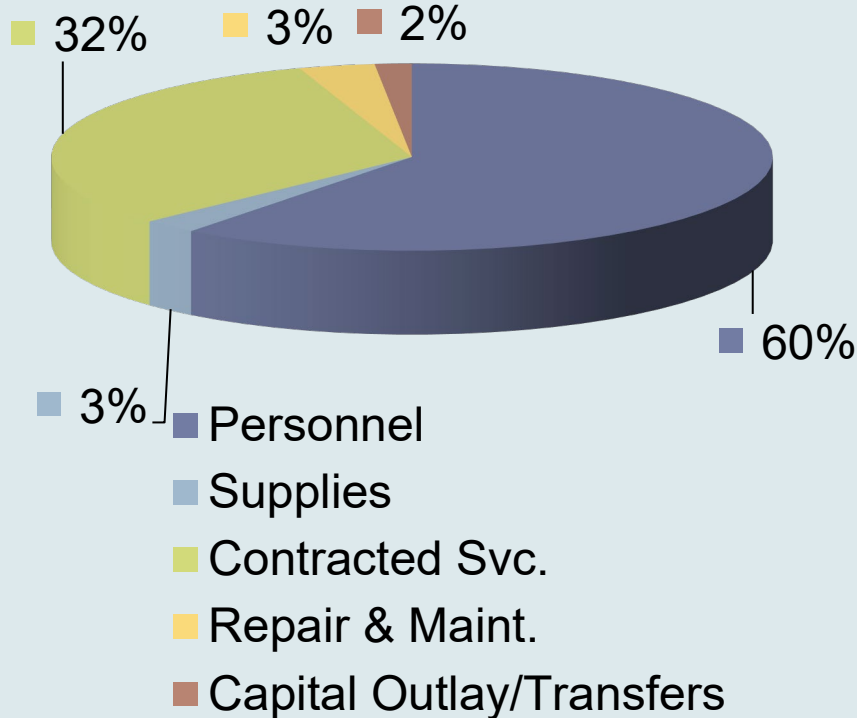
Est. Beg. Fund Balance 10/01/2020	\$ 3,052,600
Estimated Revenue for FY21	\$ 4,614,484
Total Funds Available	\$ 7,667,084
Estimated Expenditures for FY21	\$ 4,602,949
Ending Fund Balance 09/30/2021	\$ 3,071,136
End. Fund Balance – Number of days	243.53
Fund Balance Target - 120 days	\$ 1,513,200



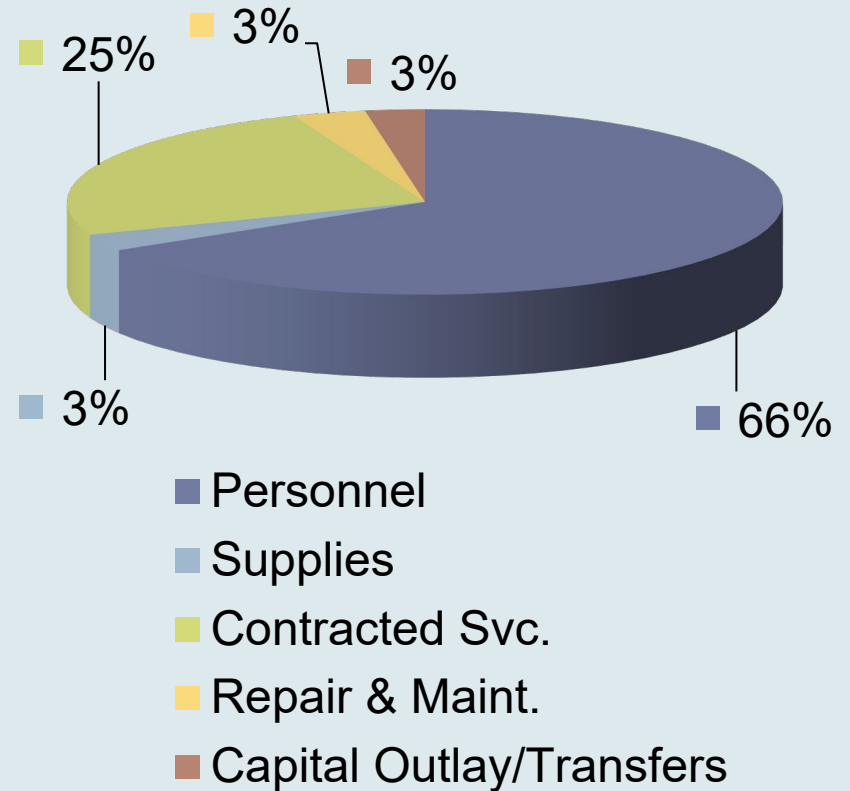
# G.F. Operating Expenditure Summary by Function

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## FY 20 Adopted



## FY 21 Proposed



# Where Does My Money Go?

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- Taxes paid to the Town on the average home (\$489,934) are \$1,833.98 per year.
- Here's where your money goes:
  - 97 cents a day goes to Council/Admin/Finance functions
  - 9 cents a day goes to Municipal Court
  - 13 cents a day goes to IT services
  - \$1.53 a day goes to Police Services
  - 52 cents go to Community Development/Inspections
  - 67 cents go to Street Maintenance functions
  - 6 cents a day are transferred out to other funds
  - \$1.05 a day pays for debt that has primarily been issued to repair and maintain roads

**= \$5.02 per day**

# Summary of Proposed FY21 Budget

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- Reflects 11.31% increase in taxable value over 2019
- Decreased tax rate to \$0.378193 per \$100 of assessed value
- Continues the over 65 & Disabled tax exemption of \$100,000
- Maintains 120+ days of G. F. Fund Balance (reserve)
- Capital improvements include Crawford Road Renovation, Sewer Line Relocation on US 377; PD vehicle replacement;

# Summary of Proposed FY21 Budget (cont.)

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- Continue compensation funding that promotes retention of the workforce, ensuring the Town fairly compensates its valuable employees
  - 2.5% market adjustment to the general service pay schedule and base police step plan
  - Retirement cost - \$351,293 (includes WW & EDC) (FY19 - \$340,234)
  - HC Insurance - \$348,927 (includes WW & EDC) (FY19 - \$345,799)
- Considers one new full-time employee (Police Officer) and removes one full-time employee (Facility Maintenance)

# Summary of Proposed FY21 Budget (cont.)

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- Continued contractual IT services
- Street Maintenance Sales Tax Fund
  - \$40,007 transfer to Debt Service
  - \$35,000 potential transfer to General Fund for drainage
  - \$20,000 transfer to General Fund for street material cost
- Proposes transfer of funds for Quiet Zone Notice of Intent  
\$47,000

# Budget Expenditure Summary – All Funds

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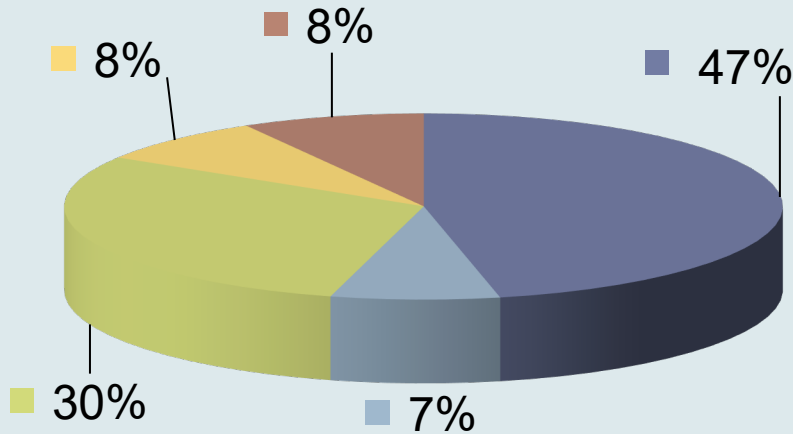
	<b>Adopted FY19 Budget</b>	<b>Adopted FY20 Budget</b>	<b>Proposed FY21 Budget</b>
General Fund	3,762,224	4,663,156	4,497,481
WW Utility	773,820	824,114	826,583
Special Revenue	608,193	758,049	795,757
Debt Service	657,580	796,547	769,795
CIP Funds	<u>\$2,589,500</u>	<u>\$2,965,500</u>	<u>\$4,263,600</u>
<b>TOTAL</b>	<b>\$8,391,317</b>	<b>\$10,007,366</b>	<b>\$11,153,216</b>

# Expenditure Summary

## All Funds – FY20 & FY21

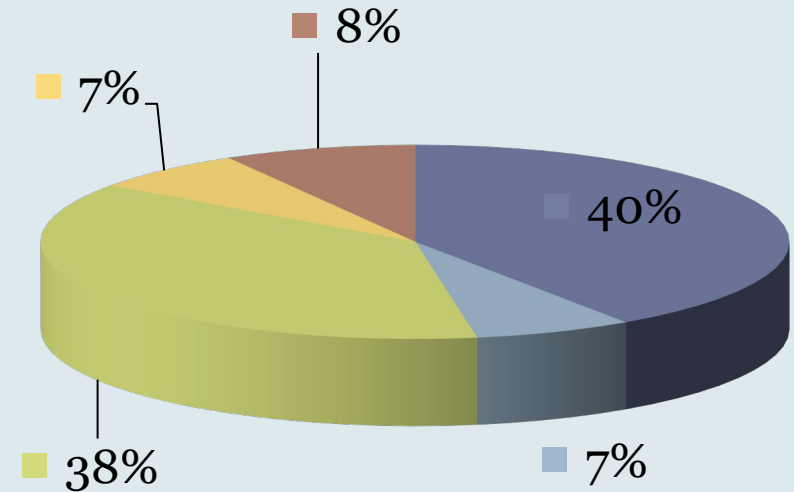
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### FY 20 Adopted



- General Fund
- Special Revenue
- CIP
- Debt Service
- WW

### FY 21 Proposed



- General Fund
- Special Revenue
- CIP
- Debt Service
- WW