CITY OF SOUTH FULTON, GEORGIA
VIRTUAL
Wednesday, September 2, 2020, 6:00 PM

The Honorable William "Bill" Edwards, Mayor
The Honorable Catherine F. Rowell, District 1 Councilmember
The Honorable Carmalitha Gumbs, District 2 Councilmember
The Honorable Helen Z. Willis, District 3 Councilmember
The Honorable Naeema Gilyard, District 4 Councilmember
The Honorable Corey A. Reeves , District 5 Councilmember
The Honorable khalid kamau, District 6 Councilmember
The Honorable Mark Baker, District 7 Councilmember

SPECIAL CALLED MEETING AGENDA

1. Meeting Called to Order
2. Roll Call
3. Agenda Items
    1. ***PUBLIC HEARING*** - Council's Approval of 3rd Reading and Adoption of 2020 Millage Rate Ordinance (Finance)
4. Adjournment of Meeting

CITY OF SOUTH FULTON

COUNCIL AGENDA ITEM

COUNCIL SPECIAL MEETING

SUBJECT: PUBLIC HEARING - 3rd Reading and Adoption of 2020 Millage Rate Ordinance

DATE OF MEETING: 9/2/2020

DEPARTMENT: Finance

ATTACHMENTS:

Description	Type	Upload Date
2020 Millage Rate Ordinance	Cover Memo	8/28/2020
Ad for Millage Rate Hearing	Cover Memo	8/28/2020
Millage Presentation	Cover Memo	9/2/2020

STATE OF GEORGIA
COUNTY OF FULTON
CITY OF SOUTH FULTON

AN ORDINANCE TO ESTABLISH THE 2020 MILLAGE RATE FOR THE CITY PROPERTY TAX FOR THE CITY OF SOUTH FULTON, GEORGIA, AND FOR OTHER LAWFUL PURPOSES

WHEREAS the City of South Fulton ("City") is a municipal corporation duly organized and existing under the laws of the State of Georgia and is charged with providing public services to local residents; and

WHEREAS, the City is charged with operating and maintaining City Government and pursuant to Section 1.12(b)(40) of the Charter of the City to provide for the assessment of ad valorem property taxes on all real and personal property subject to ad valorem taxation; and

WHEREAS, the City wishes to levy a millage rate for purposes of financing, in whole or in part, the City's expenses for the Fiscal Year 2021 and

WHEREAS, Chapter 5 of Title 48 of the Official Code of Georgia Annotated authorizes municipalities to impose ad valorem taxes on property; and

WHEREAS, the City's anticipated millage rate will result in a tax increase; and

WHEREAS, pursuant to O.C.G.A. § 48-5-32 and Ga. Comp. R. & Regs. 560-11-2-.58, the City has properly given notice a week prior to the establishment of the millage rate; and

WHEREAS, the Mayor and City Council has determined that it is in the best interest of, and necessary to meet the expenses and obligations of, the City to set a levy in the amount of **13.399 mills** on each $1,000.00 of taxable value for all property subject to ad valorem taxation by the City.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City as follows:

1. **Establishment of the Millage Rate for 2020**. The ad valorem tax at the rate for the City for the 2021 Fiscal Year on property subject to ad valorem taxation by the City, is hereby fixed at **13.399** mills on each $1,000 of taxable value or any part thereof of the value of all real and personal property which under the Laws of this State is subject to taxation within the corporate limits of the City for this purpose. Said millage rate is hereby levied for general government purposes.

2. **Tax Commissioner to Collect**. The Tax Commissioner of Fulton County or other designated tax collector is hereby authorized to bill and collect ad valorem taxes for the City for Fiscal Year Budget 2021 based on the millage rate set herein and to take, on behalf of the City, such actions authorized by the approved contract with the Tax Commissioner and the State of Georgia law as may be necessary for this process.

3. **Establishment of Rollback Rate**. The Treasurer is hereby authorized to execute the Millage Rate Rollback Calculation Worksheet based upon the millage rate hereby adopted by the Mayor and City Council and submit same to the Tax Commissioner of Fulton County.

4. **Full Force and Effect.** That this Resolution shall be and remain in full force and effect from and after its date of adoption.

5. **Approval of Execution**. The Mayor is hereby authorized to sign all documents necessary to effectuate this resolution. The City Clerk is authorized to execute, attest to, and seal any document that may be necessary to effectuate this Resolution, subject to approval as to form by the City Attorney.

6. **Severability**. To the extent, any portion of this Resolution is declared invalid, unenforceable or non-binding, that shall not affect the remaining portions of this Resolution.

7. **Repeal of Conflicting Provisions**. All City Resolutions are hereby repealed to the extent they are inconsistent with this resolution.

8. **Effective Date**. This Resolution shall take effect immediately.

THIS RESOLUTION adopted this _________ day of _________2020.

CITY OF SOUTH FULTON, GEORGIA

____
WILLIAM "BILL" EDWARDS, MAYOR

ATTEST:

____
S. DIANE WHITE, CITY CLERK

APPROVED AS TO FORM:

____
EMILIA WALKER CITY ATTORNEY

The foregoing Ordinance No. **2020-___** adopted on _____________was offered by Councilmember _____________, who moved its approval. The motion was seconded by Councilmember _________________, and being put to a vote, the result was as follows:

	AYE	**NAY**
William "Bill" Edwards, Mayor	___________	___________
Carmalitha Lizandra Gumbs, Mayor Pro Tem	___________	___________
Catherine Foster Rowell	___________	___________
Helen Zenobia Willis	___________	___________
Gertrude Naeema Gilyard	___________	___________
Corey Reeves	___________	___________
khalid kamau	___________	___________
Mark Baker	___________	___________

NOTICE OF PROPERTY TAX INCREASE

The City of South Fulton Mayor and Council has tentatively adopted a 2020 millage rate which will require an increase in property taxes by 8.07% percent.

All concerned citizens are invited to the public hearing on this tax increase. Due to the COVID-19 Pandemic, the public hearing will be live-streamed on August 26, 2020 at 10:00 am.
Times and places of additional public hearings on this tax increase will be live streamed on August 26, 2020 at 7:00 pm and September 2, 2020 at 6:00 pm.

This tentative increase will result in a millage rate of 13.399 mills, an increase of 1 mill. Without this tentative tax increase, the millage rate will be no more than 12.399 mills. The proposed tax increase for a homestead property with a fair market value of $100,000 is approximately $10.00 and the proposed tax increase for a non-homestead property with a fair market value of $100,000 is approximately $40.00.

SOUTH FULTON BUDGETING & MILLAGE 101

PRESENTED BY:
Odie Donald II, City Manager
Frank S. Milazi, City Treasurer
August 26, 2020

CITY OF SOUTH FULTON
5440 FULTON INDUSTRIAL BLVD, SOUTH FULTON, GA 30336
#SouthFultonStrong

MILLAGE RATE

WHAT IS THE MILLAGE RATE AND WHY IS IT IMPORTANT?

Millage Rate is the tax rate used to calculate local property taxes. When multiplied against the assessed value of taxable property it calculates the amount of property tax to be paid. It represents the amount per every $1,000 of a property's assessed value.

Example: A millage rate of 5 mills is $5.00 per thousand of assessed value. When doing calculations, the millage rate is stated as .005.

MILLAGE RATE PROCESS

Step 1: Build a zero-based budget

Step 2: Forecast all non-property tax revenues available to support expenditures

Step 3: Determine amount of property taxes necessary to fund budget (expenditures – non property tax revenues)

Step 4: Calculate the exact millage rate needed to generate the necessary amount of property tax revenue to fund the budget. The millage rate will either increase, decrease or stay the same compared to the rollback rate.

HOW ARE TAXES ASSESSED?

In Georgia property is required to be assessed at 40% of the fair market value unless otherwise specified by law. (O.C.G.A. 48-5-7)

Property is assessed at the county level by the Board of Tax Assessors.
The State Revenue Commissioner is responsible for examining the digests of counties in Georgia in order to determine that property is assessed uniformly and equally between and within the counties. (O.C.G.A. 48-5-340)

Property owners that do not agree with the assessed value on their proposed assessment may file an appeal to the county board of equalization, hearing officer, or arbitration. (O.C.G.A. 48-5-311)

WHAT ARE THE DUTIES OF THE BOARD OF ASSESSORS?

- Appraise all real and personal property
- Process exemption applications
- Process property appeals
- Maintain records of property ownership
- Maintain property tax maps
- Prepare real and personal property tax digest annually

WHAT ARE THE DUTIES OF THE TAX COMMISSIONER?

- Calculate and print tax bills
- Collect taxes
- Distribute tax monies to the County, School Boards and City Municipalities
- Process motor vehicle tag applications & renewals

HOW ARE MY TAXES CALCULATED?

Formula:

(FMV x Assessment Rate) - Exemptions) x Millage Rate = Tax Bill

Example:

Fair Market Value	$150,000
Assessed Value (40%)	$60,000
Homestead Exemption	-$30,000
Net Assessed Value	$30,000
Millage Rate	X 0.005 (5 mills)
Annual Property Tax Levy	$150 Tax Amount

EXAMPLES OF TAX IMPACT

HOW ARE TAXES COMPUTED				
Non-Homestead			**Homestead**	
Fair Market Value	100,000		Fair Market Value	100,000
X 40%	0.40		X 40%	0.40
Assessed Value	**40,000**		**Assessed Value**	**40,000**
Assessed Value	40,000		Assessed Value	40,000
Local Exemption	-		Local Exemption	(30,000)
Taxable Value	**40,000**		**Taxable Value**	**10,000**
Taxable Value	40,000		Taxable Value	10,000
X Millage Rate	0.012399		X Millage Rate	0.012399
City Property Taxes	**$ 495.96**		**City Property Taxes**	**$ 123.99**
	Difference	$ 371.97		

WHAT OTHER REVENUES DO CITIES RECEIVE?

- Property Tax
- Sales Tax (Local Option Sales Tax)
- Franchise Fees
- Hotel/Motel Tax
- License & Permits Fees
- Grants
- Intergovernmental Agreements
- Motor Vehicle
- Ticket Revenue
- Tolls

CURRENT TAX RELIEF EFFORTS

Freeport Exemption

Homestead Exemption

BUDGET

COSF BUDGET PROCESS

<u>Step 1:</u> Fiscal needs of the City are constantly evaluated by the City Treasurer and recommendations are made throughout the year to the City Manager and Council

<u>Step 2:</u> Recommended budget process and framework is developed by City Treasurer and transmitted with recommendations to the City Manager

<u>Step 3:</u> The City Manager's Office works with the City Treasurer's Office, all department heads and staff leaders to develop a budget framework

<u>Step 4:</u> The City Manager's Office fleshes out budget based on City Treasurer recommendations and the needs of the City's service areas to present a proposed budget to Mayor and Council for evaluation

<u>Step 5:</u> Mayor and Council take the City Manager's proposed budget and evaluates the vision of the residents, additional services that may be needed and finalize/adopt a budget for the upcoming fiscal year

DETAILS OF THE PROPOSED BUDGET

Rollback Rate is the millage rate that would raise the same amount of revenue as previous year if applied to the current value of the property that was on last year's tax roll.

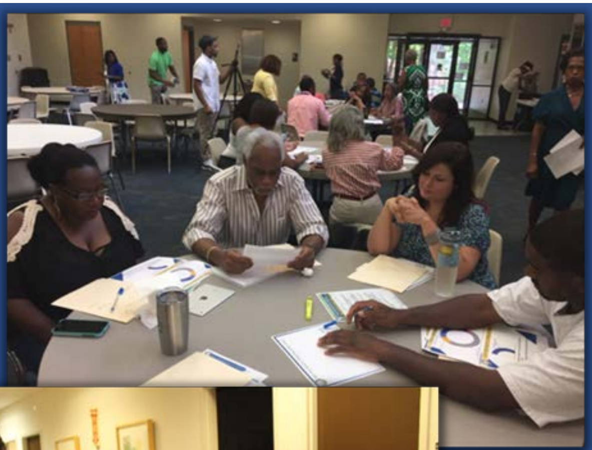
- Proposed Budget based on rollback rate of 12.399
- Previous millage rate of 11.579 would have resulted in a $2,359,550 deficit, -7.91% in net levy
- Carries over 15% recommended budget cuts from FY20 proposed by the City Treasurer as well as additional cuts to establish a fund balance and contingency
- Proposed budget should be deemed City Manager's FY21 recommendation to Mayor and Council

KEY BUDGET CONSIDERATIONS

- Proposed budget has no increase in police or fire positions
- Maintains current service levels
- Limited ability to respond to infrastructure emergencies
- Limits overall maintenance fund for Public Works services
- No new capital projects
- Delays implementation of Police/Fire beat study
- Delays implementation of single provider for trash service
- Reduces professional services city wide
- Extends practice of hiring freezes
- Reduces education and training of staff
- Delays investments in technology and software

OPEN PROCESS FOR SOUTH FULTON

- ✓ Budget Open Houses
- ✓ Open Budget Deliberation Process
- ✓ OpenGov
- ✓ Public Hearings/Budget Presentations
- ✓ Millage Rate Hearings




QUESTIONS