

REVENUE SOURCE & PROPERTY TAX OVERVIEW

Tuesday, June 21st, 2016

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Budget Preparation Timeline

January - March

- ✓ First Quarter Review
- ✓ Annual Financial Audit
- ✓ Revise 10 Year Infrastructure Plan
- ✓ Presentation of Annual Progress Report and Citizen Survey Results to City Council

April

- ✓ Second Quarter Review
- ✓ Annual Update of the Strategic Action Plan
- ✓ Presentation of the Year to Date Budget
- ✓ Departments Begin FY 2017 Budget Input



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Budget Preparation Timeline

May – June (Budget Preparation Series to City Council)

- ☒ Fund Accounting Presentation
- ☒ Long Term Financial Planning Presentation
- ☐ Revenue Source & Property Tax Presentation

July – August (Budget Workshops)

- ☐ General Fund Budget Workshop
- ☐ Adopt Maximum Millage Rate
- ☐ Proprietary Funds Budget Workshop
- ☐ Third Quarter Review
- ☐ Special Revenue & Capital Fund Budget Workshop
- ☐ Final Proposed Budget Presentation



Presentation Overview

- ✓ Revenue Classifications
- ✓ Ad Valorem (Property) Taxes Review
- ✓ Revenue Diversification Options



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Revenue Classifications

Taxes

**Permits, Fees
and Special
Assessments**

**Inter-
governmental
Revenue**

**Charges for
Services**

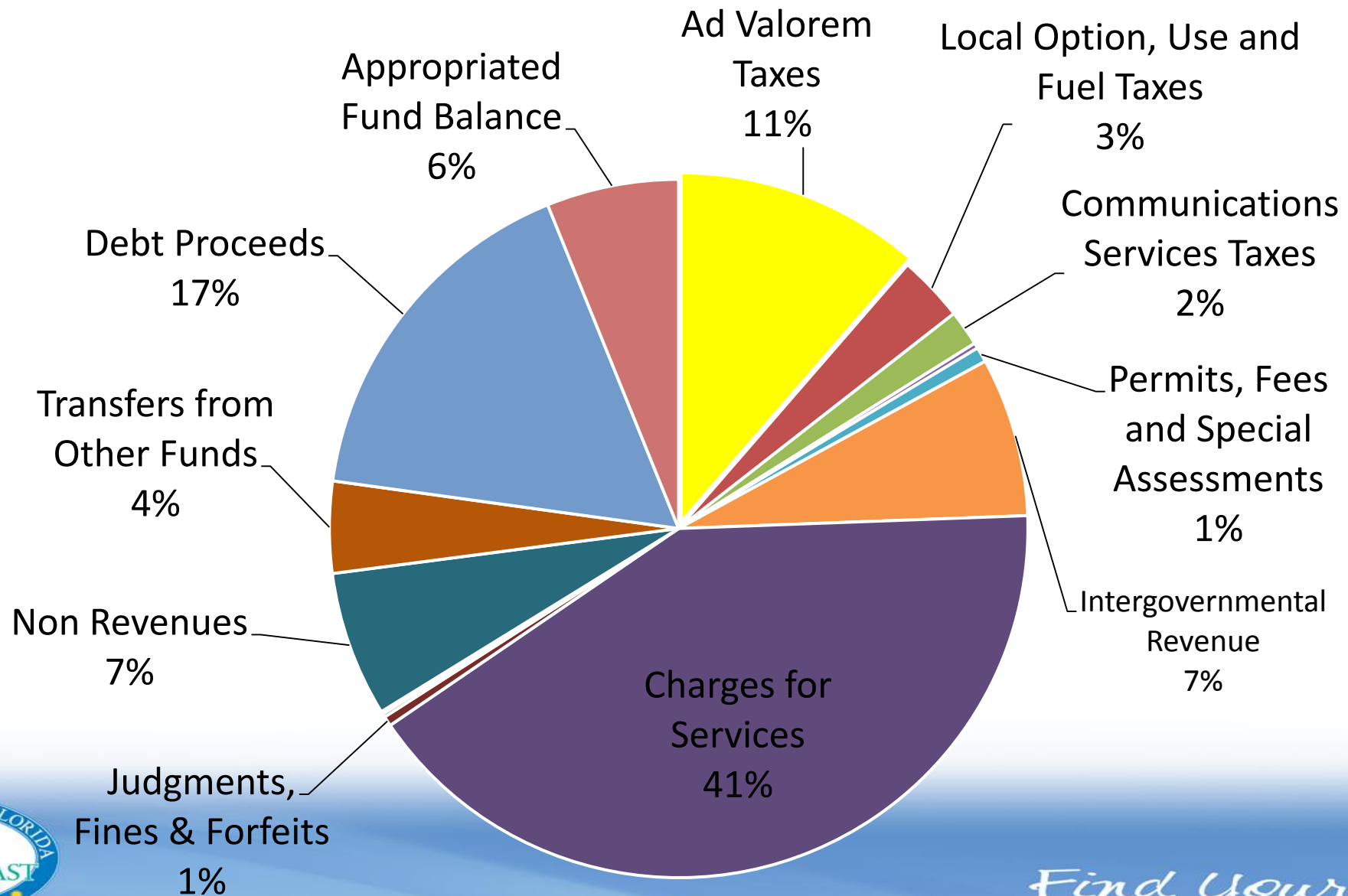
**Judgments
Fines and
Forfeits**

**Miscellaneous
Revenues &
Other Sources**



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2016 Revenues by Source



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Taxes

Ad Valorem Tax

(Property Tax)

Based on taxable value of property

Considered general revenue

Local Option Fuel Tax

Currently 6 cents per gallon on fuel purchased in Flagler County

Distributed per Inter-local agreement based on road miles

Restricted to transportation expenditures

Currently allocated to the Streets Improvement Fund

Discretionary Sales Surtaxes (Small County Surtax)

Replaced Local Government Infrastructure Surtax

.5 percent of the 7% sales tax collected in Flagler County

Pursuant to an ordinance enacted by Flagler County

Currently allocated to Capital Projects Fund



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Taxes

Communications Services Tax

Applies to telecommunications, video, satellite and related services

Rate of 5.22%

Currently allocated to General Fund

Business Tax Receipt

Local

Considered general revenue

Public Service Taxes

(Not currently in use)

Electricity

Water

Natural Gas

Propane



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Intergovernmental Revenue

State Revenue Sharing

Portion of State sales and use tax collections & one-cent municipal fuel tax

(a) 73.37% Sales & Use Tax collections

(b) 24.86% Fuel Tax and User Fees collections

Currently allocated to General Fund (a) & Streets Improvement Fund (b)

Local Government Half-Cent Sales Tax

Distributes a portion of the state 6% sales tax

Taxable sales within Flagler County

Currently allocated to General Fund

Fire Insurance Premium Tax

Volunteer Firefighters' Pension

Other

Grants

County Business Tax Receipts

Alcoholic Beverage License tax



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Permits, Fees, Special Assessments

Franchise Fees

Solid Waste

Natural Gas

Utility
(not in use)

Special Assessments

Old Kings Road

Code Nuisance



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Charges for Service

Utility Fees

Water and Sewer

Solid Waste

Stormwater

Impact Fees

Water and Wastewater

Transportation

Parks

Fire

School
(remitted to Flagler County Schools)

Other Fees

Annual Fire Inspections

State Road Maintenance

Recreation Fees

Planning Fees

Building Permits & Inspections



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Judgements, Fines and Forfeitures

Citations & Violations

Traffic Citations

Red Light Camera
Violations

Local Ordinance Violations

Parking Tickets

Code Fines

Animal Control



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Other Sources

Inter-fund Transfers

Payment-In-Lieu-of-Taxes (PILOT)

Tax Increment for the CRA

Debt Proceeds

Loans

Bonds

Internal Charges

Fleet Replacement & Maintenance

Facilities Maintenance

IT Allocation



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Ad Valorem Tax Review



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Truth in Millage (TRIM) Process

- *Establishes statutory requirements that all taxing authorities levying a millage must follow, including all notices and budget hearing requirements.*
- *Requires full disclosure by taxing authorities to the taxpayers and general public of the rates and amount of taxes, prior to levying the taxes.*



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TRIM Process Timeline

By June 1

Property
appraiser
provides total
assessed value
of non-exempt
property

By July 1

Property
appraiser
certifies the
taxable value

July 1

(or date of certification of taxable
value whichever is LATER)

First day of
the TRIM
process



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TRIM Process Timeline

**Within 35 days of
certification of value, notify
Property Appraiser of:**

Current year proposed
(maximum) millage rate

Current year rolled-back rate

Date, time and meeting place of
the Tentative Budget Hearing

**If information not
provided within 35 days:**

Prohibited from levying millage
rate greater than the rolled-
back rate

Rolled-back rate included on
the Notice of Proposed
Property Taxes



TRIM Process Timeline

	COLUMN 1*		COLUMN 2*		COLUMN 3*		
Taxing Authority	Tax Rate 2014	Your Property Taxes 2014	Tax Rate If No Budget Change is Adopted 2015	Your Property Taxes If No Budget	Tax Rate	Your Property Taxes IF PROPOSED	PUBLIC HEARING INFORMATION A public hearing on the proposed taxes and budget will be held on:
061							
FLAGLER COUNTY	7.97500	699.30	7.58570				SEPT 3, 2015, 5:30 PM GOVT. SERV. BLDG 1769 E MOODY BLVD, BUNNELL FL
SCHOOL-STATE LAW LEVY	5.19800	585.75	4.93490				SEPT 8, 2015 5:15 PM, GOVT SERV. BLDG, 1769 E MOODY BLVD., BUNNELL
SCHOOL DISCRETIONARY	2.24800	253.32	2.13420	246.59		259.74	SEPT. 8, 2015 5:15 PM, GOVT SERV BLDG., 1769 E MOODY BLVD., BUNNELL
CITY OF PALM COAST	4.24500	372.23	4.05590	367.23	4.24500	384.36	SEPT 9, 2015, 5:05 PM, PC COMM. CENTER, 305 PC PKWY NE, PALM COAST
FLAGLER MOSQUITO CONTROL	.24230	21.25	.23070	20.89	.23760	21.51	SEPT 4, 2015 5:01 PM, MOSQUITO CONTROL, 24 UTILITY DR, PALM COAST
SJR WATER MGMT DISTRICT	.31640	27.74	.30230	27.37	.30230	27.37	SEPT 8, 2015, 5:05 PM, SJRWMD-HQ 4049 REID ST., PALATKA, FL 32177
FL INLAND NAVIGATION DIST	.03450	3.03	.03200	2.90	.03450	3.12	SEPT 11, 2015 5:30 PM, 401 CLEMATIS

**Maximum
Proposed Rate**



Property Appraiser must mail “Notice of Proposed Property Taxes “
(TRIM Notice) within 55 days of certification.



Total Property Taxes	20.82320	2,012.08	19.80080	1,969.54	20.54120	2,041.23	
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TRIM Process Timeline

Public Hearings

Monday – Friday after 5:00 PM

Anytime on Saturday but never on Sunday

Cannot hold hearing on same date as the school board or BOCC

School board has first priority of a hearing date and BOCC has second choice

Public comment

First Public Hearing

Advertised on the TRIM Notice

Tentative millage and budget adopted at hearing

Final Public Hearing

Final hearing should be held 97 to 100 days after certification of value and 2 to 5 days after the hearing is advertised

Must advertise Notice of Proposed Tax Increase or Notice of Budget Hearing and Budget Summary

Final millage & budget adopted at hearing

Final millage cannot exceed the adopted tentative millage

Two public hearings must be held to adopt a millage rate and budget.

TRIM Process Timeline

Within 3 Days of Final Hearing:

Resolution or ordinance adopting the final millage rate must be forwarded to the Property Appraiser, Tax Collector and the Department of Revenue

Within 30 Days of Final Hearing:

Each taxing authority must forward necessary documents to certify compliance to the Florida Department of Revenue

The TRIM process has to be completed within 101 days.



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Property Taxes

Assessed Value

Value for tax purposes

Determined by the property appraiser for a given piece of real or personal property

Exemptions

Amount deducted from the assessed value of property for tax purposes

Examples include homestead, senior, widow/widower, military and tangible

Taxable Value

Balance of the assessed value minus exemptions

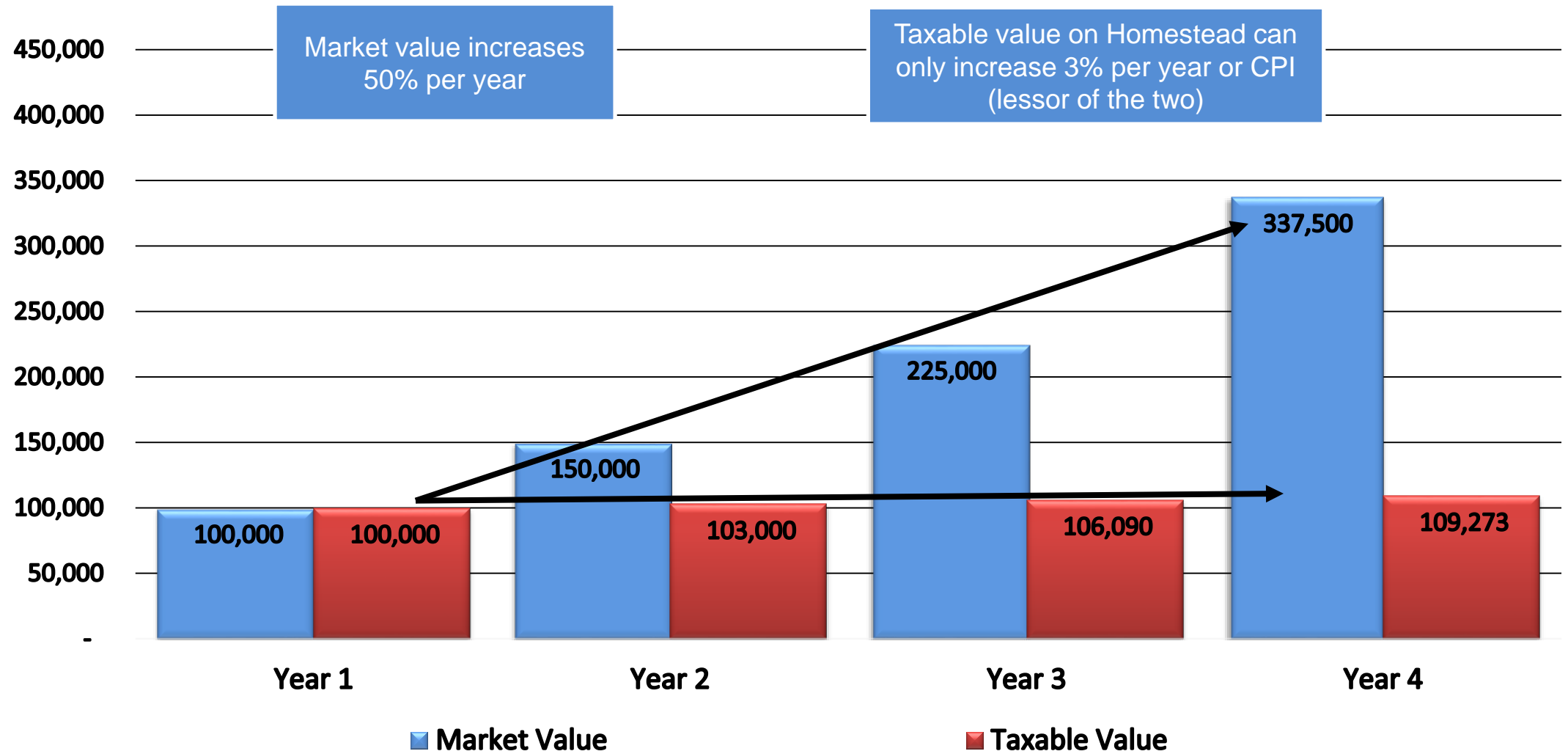
Save our Homes Limitation

Annual increase in assessment cannot exceed three percent of the prior year's assessed value or the percentage change in the Consumer Price Index (CPI)

Assessed Value – Exemptions = Taxable Value

Market Value vs. Taxable Value

Hypothetical Example



Property Taxes

Millage Rate

Established per \$1,000 of assessed taxable value

Each taxing authority sets their millage rate

3.5 mills, with a taxable value of \$100,000 would pay \$350 in property taxes

Rolled-Back Rate

Millage rate required to provide the same revenue, from ad valorem taxes, as levied during the prior year

Taxable Value x Millage Rate = Property Tax

Millage Rate Comparison

Survey of Florida cities :

- Population between 70K-100K
- 12 Cities with Millage

Ranking	City	*Population	**Millage Rate	Taxable Value	Property Tax Collections	Public Service Taxes
1	Boca Raton	86,647	3.42160	19,581,516,068	67,000,115	Yes
2	Palm Coast	78,046	4.2450	4,129,619,115	17,530,233	No
3	Davie	95,505	5.0829	7,741,291,179	39,340,468	Yes
12	Fort Myers	72,395	8.776	4,982,426,644	43,725,776	Yes

*Based on April 1st, 2015 population estimates.

** Based on FY 2016 millage rate.



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Millage Rate History

Fiscal Year	Property Value	% Change over Prev Year	Operating Millage	Capital Millage	Total Millage	Ad Valorem Receipts
2008	7,009,877,421	12.34%	2.2123	0.75	2.96234	20,184,340
2009	6,131,965,169	-12.52%	2.6123	0.35	2.9623	17,602,781
2010	5,246,998,187	-14.43%	3.15	0.35	3.5	17,828,406
2011	4,463,085,550	-14.94%	3.5	-	3.5	15,048,300
2012	3,891,594,126	-12.80%	3.54	0.45	3.99	15,000,700
2013	3,646,122,021	-6.31%	4.1502	0.1456	4.2958	15,120,750
2014	3,690,312,857	1.21%	4.1932	0.0773	4.2705	15,203,633
2015	3,892,358,641	5.48%	4.1609	0.0841	4.245	15,963,477
2016	4,129,619,115	6.10%	4.0828	0.1622	4.245	16,973,093
Change 2008-2016	-2,880,258,306	-41%	1.8705	-0.5878	1.28266	-3,211,247

FY 2017 Preliminary Estimate of Taxable Value is \$4,290,000,000 (4% increase)



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Property Tax Bill

		AD VALOREM TAXES				
TAXING AUTHORITY		ASSESSED VALUE	MILLAGE RATE	EXEMPTION AMOUNT	TAXABLE AMOUNT	TAXES LEVIED
C100	FLAGLER COUNTY					
	GENERAL FUND	137,687	7.9750	50,000	87,687	699.31
	2005 ESL BONDS	137,687	0.0841	50,000	87,687	7.37
	2005 OBLIGATION BOND	137,687	0.3140	50,000	87,687	27.53
	2009/2010 ESL BONDS	137,687	0.1659	50,000	87,687	14.55
S200	FLAGLER COUNTY SCHOOL BOARD					
	GENERAL FUND	137,687	5.1980	25,000	112,687	
	DISCRETIONARY	137,687		25,000	112,687	
	CAP. OUTLAY	137,687		25,000	112,687	
WWMD	ST. JOHNS RIVER WATER MGMT	137,687		50,000	87,687	
FIND	FIND	137,687		50,000	87,687	
EFMC	MOSQUITO CONTROL	137,687		50,000	87,687	
T400	CITY OF PALM COAST	137,687	4.2450	50,000	87,687	372.23
		TOTAL MILLAGE	20.8232	AD VALOREM TAXES		\$2,012.08

For information regarding your tax bill, call (386) 313-4160.

For information regarding your assessment or exemptions, call (386) 313-

COPC Portion of Total Millage Rate

COPC Portion of Total Taxes

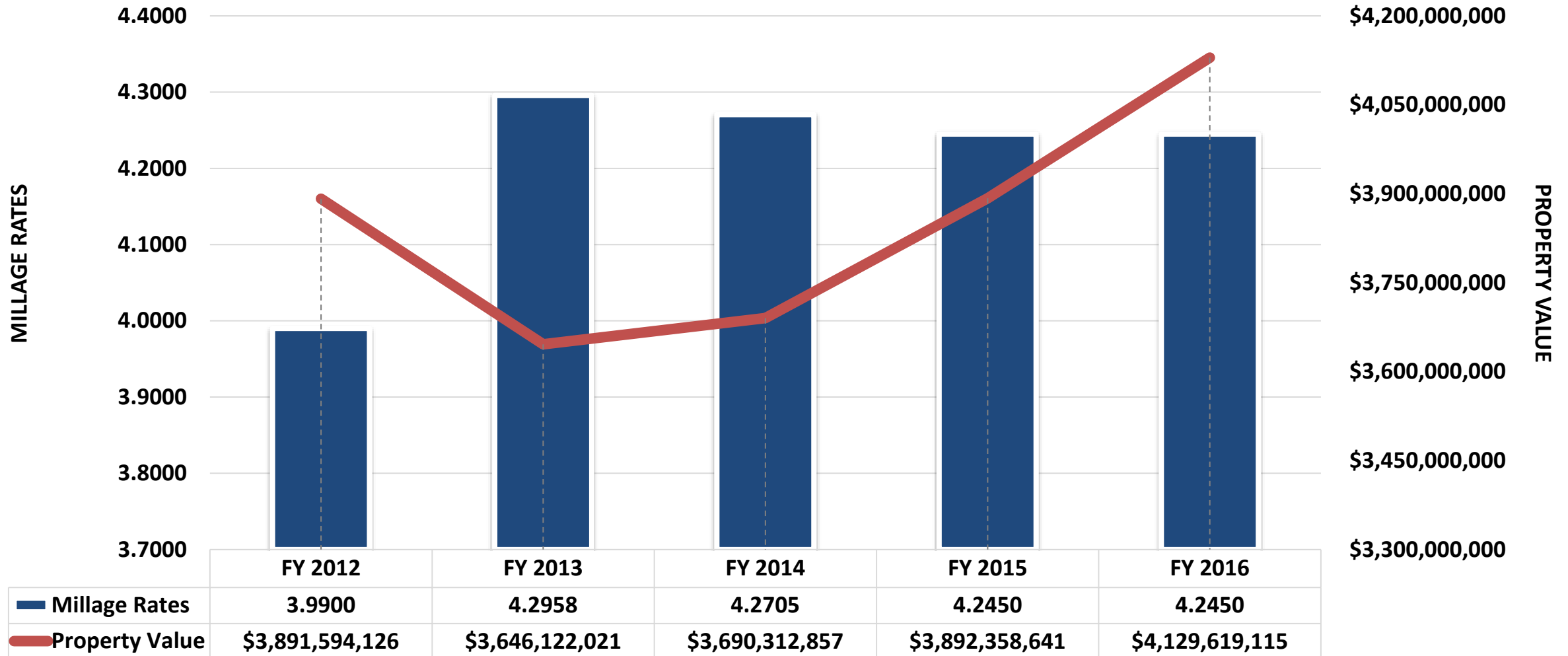
COPC portion is less than 20% of Total Millage



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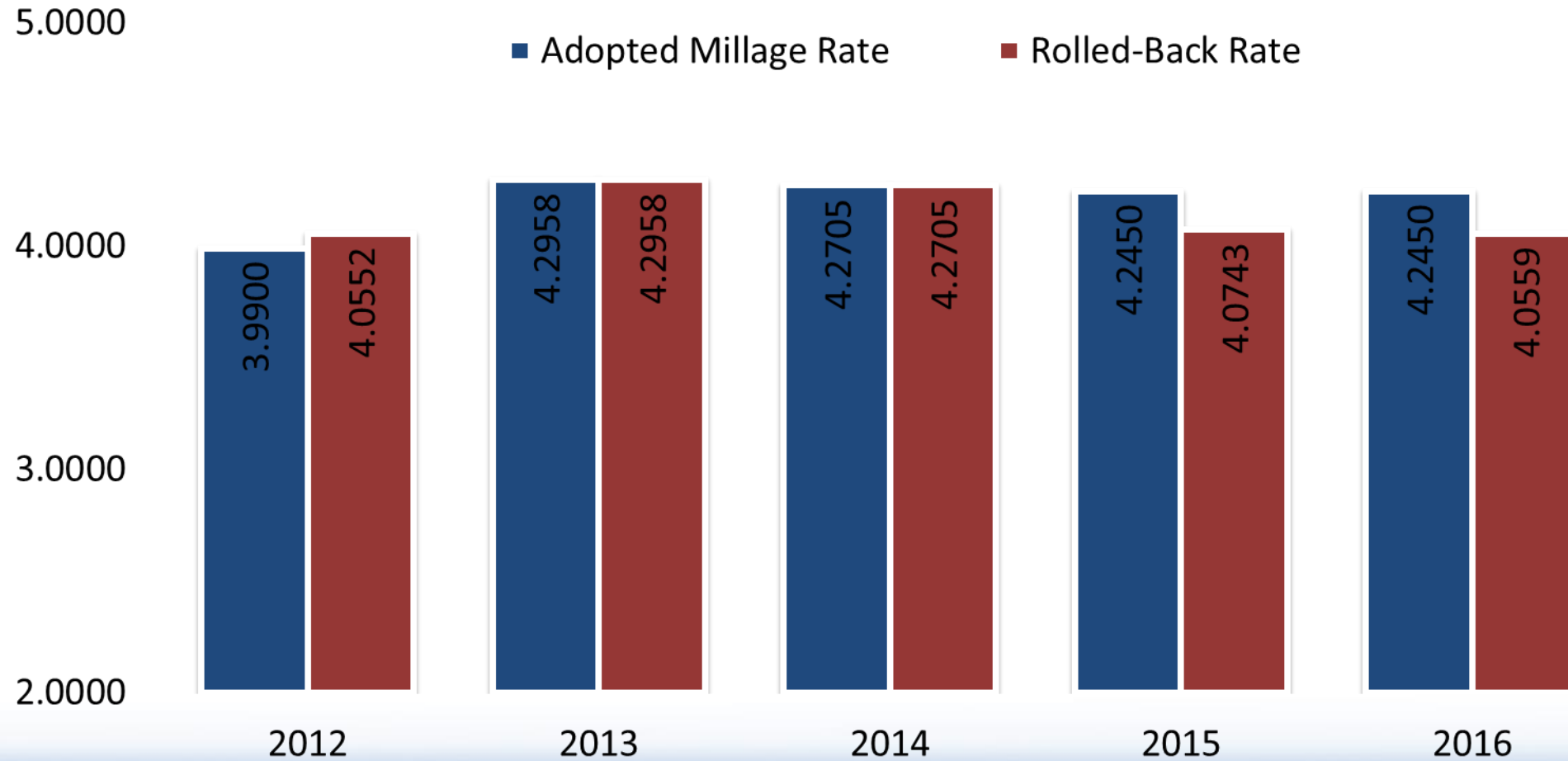
City Millage Rate and Property Tax History

FY 2012-2016



Adopted Millage Rate vs. Rolled-Back Rate

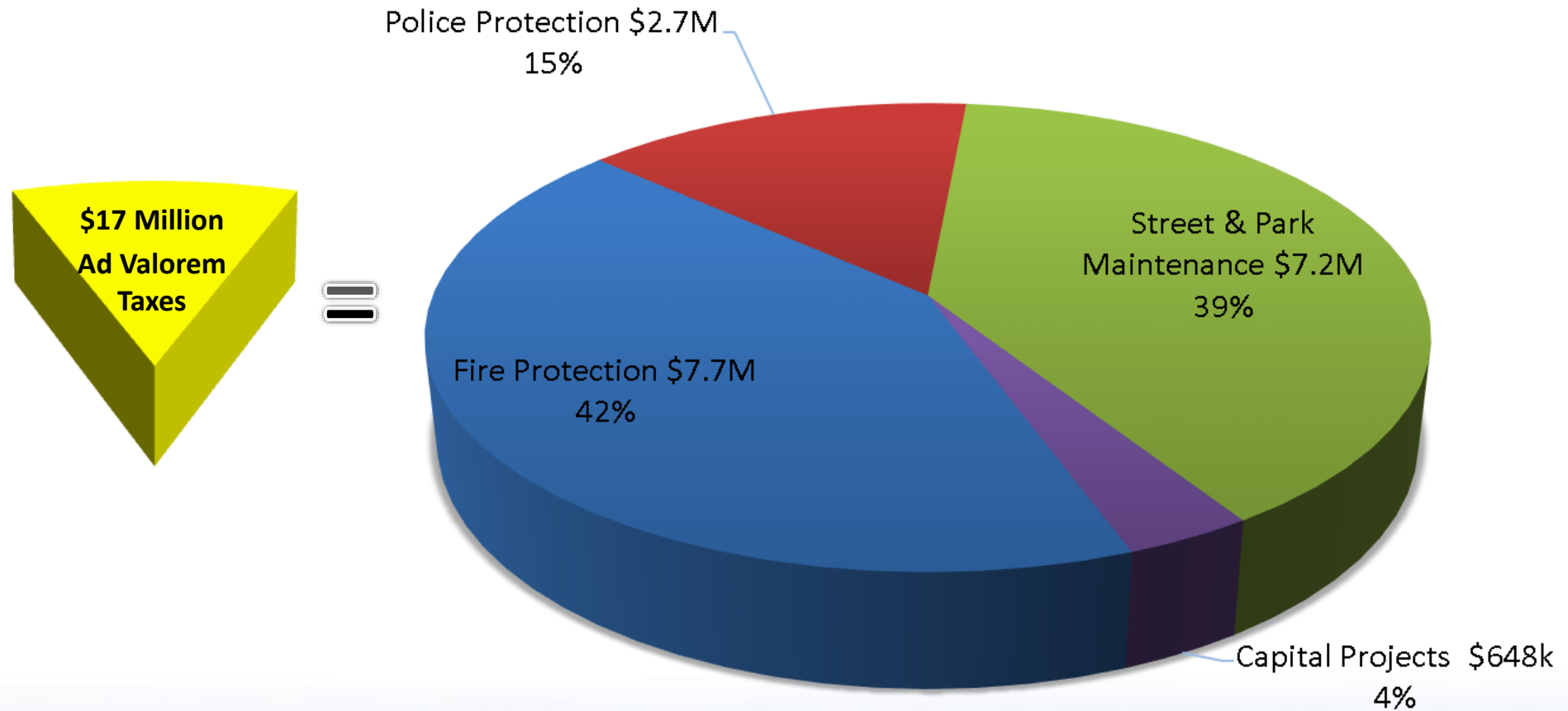
FY 2012-2016



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Services Provided Through Property Taxes

FY 2016



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Palm Coast Citizen's Tax Bill

Tax Revenue: Ad Valorem, Sales, Gas, Communications, Local Business Tax, Solid Waste Franchise Fee, State Revenue Sharing, State & Federal Grants, etc.

Grant Revenue: Federal, State, County, Tourist Development Council (TDC), Department of Transportation (DOT), St. Johns River Water Management District (SJRWMD) as well as other agencies as funding is available.

Including grants, the City receives:
\$38/month or \$455/year per city resident.

Not including grants the City receives:
\$33/month or \$393/year per city resident.



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Palm Coast Citizen's Tax Bill

\$38/Month or \$455/Year pays for:

Public Safety

Emergency Services
Additional Law Enforcement



Quality
Neighborhoods

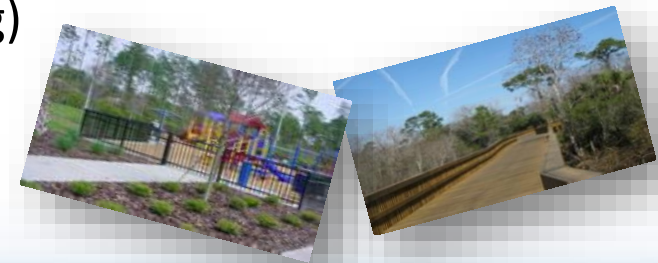
Code Enforcement
Housing Programs
Streets

(including Maintenance and Resurfacing)

Parks & Trails

Parks, Paths and Trails

(including maintenance and construction)



Indirect Costs and Others



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Revenue Diversification



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Revenue Diversification Options

Restricted Use

Special
Assessments

Unrestricted Use

Franchise Fees

Public Service
(Utility) Tax



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Revenue Diversification Options

Fire Assessment

Offsets fire protection costs

Must be shown to benefit the property not an individual

Fee determined by rate study

Amount determined by City Council

Assessment appears as a separate line on property tax bill

Electric Franchise Fee

Redistributes burden from residential to commercial

6% Electric Franchise Fee = \$4 million annually

Amount and use is at the sole discretion of City Council

Added to FPL Bill

Public Service (Utility) Tax

Includes electric, natural/propane gas & water

State allows up to 10%

10% Public Service Tax = approximately \$4 million/annually

Rate and use determined by City Council

Added to utility bills

Revenue Diversification Options

- Approximately 83% of Florida Municipalities have at least 1 Public Service Tax
- Neighboring Cities with a Water and/or Electric Public Service Tax:
 - Ormond Beach
 - Electric 10%
 - Daytona Beach
 - Electric 10%
 - Deland
 - Electric 10%
 - Water 10%
 - St. Augustine
 - Electric 10%
 - Flagler Beach
 - Electric 10%
 - Water 10%
 - Bunnell
 - Electric 10%
 - Water 10%



This information was provided by the Florida Department of Revenue.

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Revenue Diversification Benefits

- Higher level of control of revenue sources by City Council
- Decrease in reliance on property taxes
 - 10 mill State cap
- More equitable distribution of tax burden
 - Commercial vs. Residential
 - Visitors vs. Residents
- Higher level of equity for services provided versus services paid for



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Looking Ahead

July:

12th - Budget Workshop - General Fund

19th - Adopt Maximum Millage Rate

26th - Budget Workshop - Proprietary Funds

August:

9th - Budget Workshop – Special Revenue Funds & Capital Funds

23rd - Final Proposed Budget Presentation

September:

Public Hearing to tentatively adopt millage rate and budget

Final Public Hearing to adopt final millage and budget



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