

INTER-OFFICE MEMORANDUM



TO: Board of Commissioners

THROUGH: Dick Anderson, County Manager
Sharon Whitmore, Chief Financial Officer *SW*

FROM: Hakeem Oshikoya, Finance Director *HKO*

DATE: June 20, 2024

SUBJECT: 2024 Millage Rate Recommendation and Authorization for Required Advertisements Resolution

The attached resolution reflects the proposed millage rate that the County Manager is recommending for the General Fund in 2024 to be considered by the Board of Commissioners (BOC) at the meeting on June 26, 2024. Approval of the resolution will provide authorization for advertisement of the maximum millage rate that could be levied for 2024; State required public hearing dates; along with five-year millage rate history.

The General Fund millage rate being requested for advertisement is the same as our current 8.87 mills, which is higher than the rollback rate of 8.55 mills or 3.74%. As shown in the attached schedule, the rollback rate generates \$38 million less than the amount of \$688 million of current year property tax revenue anticipated in the FY2024 budget to ensure a balanced budget. The recommended rate of 8.87 mills generates \$12 million less than the amount anticipated in the budget at 96% collection rate. The reason for the shortfall is because the tax digest increased by 6.35% over last year's gross digest, which is less than 7% digest growth post exemptions, used to prepare the FY2024 budget. The recommended rate becomes the base for FY2025 property tax revenue budget, which means that the new budget will be prepared with reduced property tax revenue adjusted for new growth. Furthermore, at the recommended rate, we'll need to do the following:

Impact on 2024:

- Tighten our belt and institute spending control measures including elimination of use of salary savings for the remainder of FY2024
- Eliminate requests for departmental reallocation of funds as part of midyear budget review process in FY2024
- Consider using any savings from current year's elections budget (if any) to cover projected shortfall in the cost of impact from the cyberattack incident

Impact on 2025:

- Consider increasing premium to the Risk Management Fund in FY2025, which has remained the same in the last few years and replenish funds after cyber attack
- Freeze new spending in FY2025 and review nonrecurring items in the FY2024 budget to determine which of them are critical to the operations of the County and unavoidable.

State statute requires the recommended millage rate of 8.87 mills to be advertised as a tax increase together with three public hearings because it is higher than the rollback rate of 8.55 mills. For this reason, we are recommending for the BOC to consider holding two public hearings on July 10. One of the hearings is recommended to be part of the regular meeting at 10 am, and the second hearing could be a special called meeting at 6 pm. The third hearing is proposed for 10 am on August 7, as part of the BOC first meeting of the month.

Also attached is a presentation of Digest values for FY 2024 from the Tax Assessor, who will discuss as part of this agenda item.

Please review the materials and advise if you have any questions.

cc: Soo Jo, County Attorney
Pamela Roshell, COO Health & Human Services & Public Works
Roderick Conley, Chief Appraiser
Ray Turner, Deputy Finance Director
Sabrinna McTier, Budget Manager
Tonya Grier, Clerk to the Commission