

# Revenue & Property Tax Overview

Tuesday, June 12<sup>th</sup> 2018

Helena P. Alves, CIA, MBA  
Finance Director

Lina Williams  
Budget Coordinator



*Find Your Florida*

# Budget Preparation Timeline

## January - March

- First Quarter Review
- Annual Financial Audit
- Presentation of Annual Progress Report
- Survey Results to City Council
- Annual Update of the Strategic Action Plan

## April - May

- Review 10 Year Infrastructure Plan
- Departments Begin FY 2019 Budget Preparation
- Second Quarter Review
- Year to Date Budget Results Presentation



# Budget Preparation Timeline

## May – June

- Fund Accounting & Long Term Planning Presentation
- Property Tax & Other Revenues Presentation

## July - August

- General Fund Budget Workshop
- Adopt Maximum Millage Rate (August 4<sup>th</sup> deadline)
- Third Quarter Review
- Capital Funds Budget Workshop
- Proprietary & Special Revenue Budget Workshop
- Final Proposed Budget Presentation



# Budget Preparation Timeline

## September

- Public Hearing to Tentatively Adopt Millage Rate & Budget
- Public Hearing to Adopt Final Millage Rate & Budget

## October – December

- FY 2018 Year End Close-out
- End of Year Review with Departments

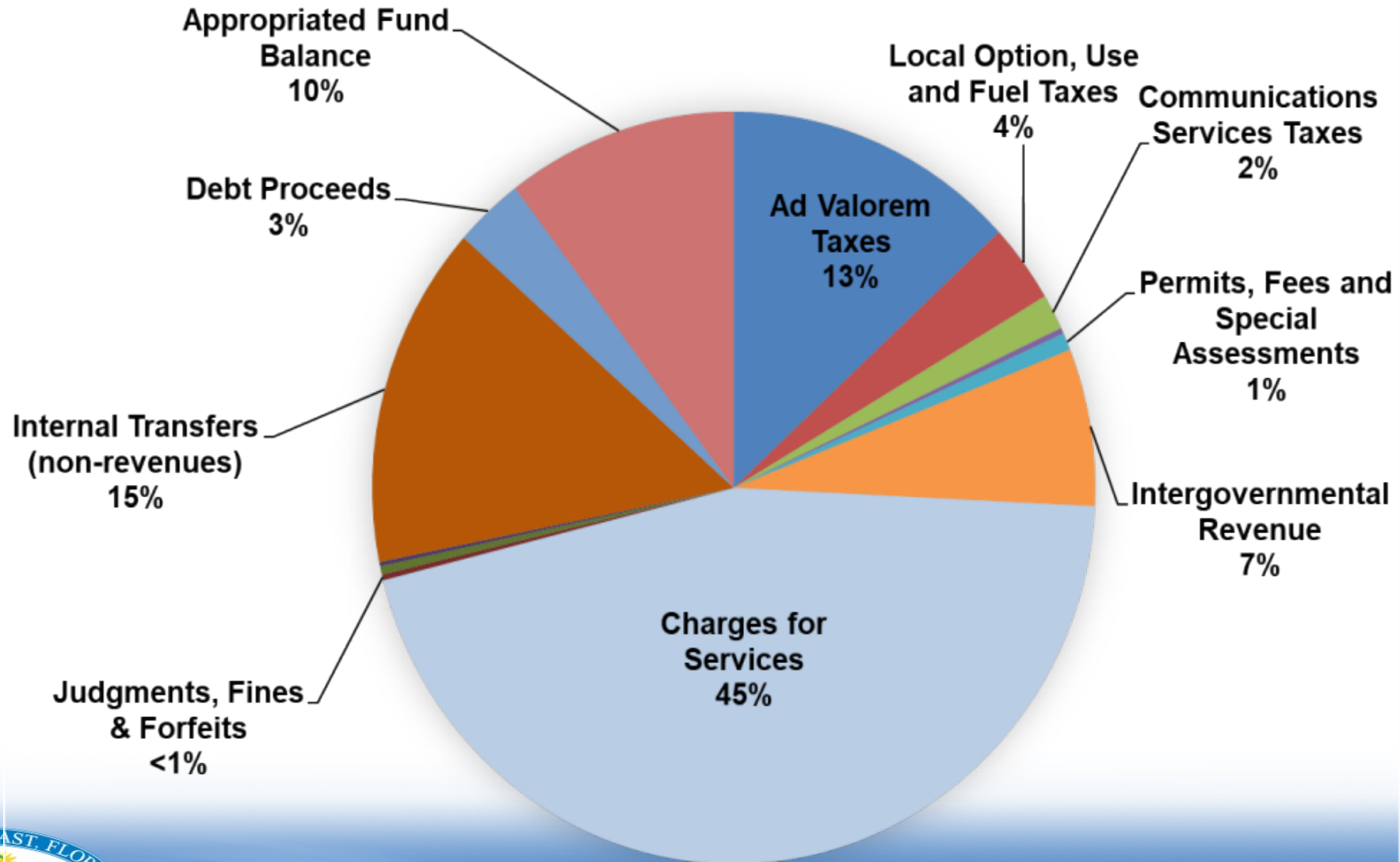


# Revenue Overview



*Find Your Florida*

# 2018 Revenues by Source



*Find Your Florida*

# 2018 Ad Valorem Taxes by Use



# Taxes

## Ad Valorem Tax (Property Tax)

Based on taxable  
value of property

Considered general  
revenue

## Business Tax Receipt

Local

Considered  
general revenue

## Public Service Taxes (Not currently in use)

Electricity

Water

Natural Gas

Propane





# Intergovernmental Revenue

## Communications Services Tax

Applies to telecommunications, video, satellite and related services

Rate of 5.22%

Currently allocated to General Fund

## 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)

.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

20 Year term starting in 2012



# Intergovernmental Revenue

## State Revenue Sharing

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

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



# Permits, Fees, Special Assessments

## Franchise Fees

Solid Waste

Natural Gas

Utility  
(not in use)

## Special Assessments

Old Kings Road

Code Nuisance



*Find Your Florida*

# 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



*Find Your Florida*

# Judgements, Fines and Forfeitures

## Citations & Violations

Traffic Citations

## Local Ordinance Violations

Parking Tickets

Code Fines

Animal Control



*Find Your Florida*

# 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



# Restricted Revenue Sources

State Restricted

## Fire Insurance Premium Tax

Volunteer  
Firefighters  
pension

## Fuel Tax Refund

Construction  
&  
maintenance  
of roads

## Police Education

Law  
Enforcement

## Building Permit & Inspection Fees

Applied solely  
to BPI costs

## Local Option Fuel Tax

Transportatio  
n  
expenditures



*Find Your Florida*

# Restricted Revenue Sources

State Restricted

---

**State Revenue  
Sharing (b) 24.86%**

Transportation  
expenditures

**Tax Increment  
Revenue (CRA)**

Per CRA plan

**Impact Fees**

Capacity  
improvements

**Special  
Assessments**

Purpose of  
assessments



*Find Your Florida*



# Restricted Revenue Sources

Other

## Water & Sewer Charges

Restricted by Bond Covenants & City Council

Used to maintain system & debt service

## Small County Surtax

Restricted by Flagler County Ordinance

Used for construction & improvement of public facilities

## Stormwater Fee

Restricted by loan covenants & City Council

Used to maintain system & debt service

## Disaster Reserve

Restricted by City Council

Used for costs related to a disaster



*Find Your Florida*

# Unrestricted Revenue Sources

Unrestricted revenue can be used for general purpose and at the discretion of the governing body

## In Use

Ad Valorem Tax

Alcoholic Beverage License

Business Tax Receipts

Communication Services Tax

Natural Gas Franchise Fee

Half-Cent Sales Tax

Solid Waste Franchise Fee

State Revenue Sharing (a) 76.20%

## Not Currently in Use

*Utility Franchise Fee*

*Public Service (Utility) Tax*

# Truth in Millage (TRIM) Process



*Find Your Florida*

# 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.



# 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

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

Current year proposed (maximum) millage rate

Date, time and meeting place of the Tentative Budget Hearing




*Find Your Florida*

# TRIM Notice

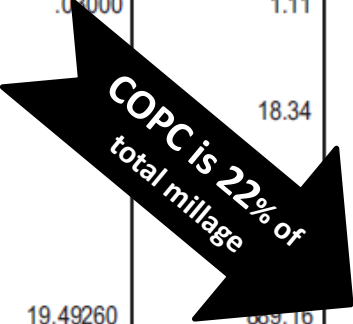
Property Appraiser must mail "Notice of Proposed Property Taxes" (TRIM Notice) within 55 days of certification.

Rating Authority	Tax Rate 2016	Total Property Taxes 2016	Change is Adopted 2017	Proposed Budget Change Adopted	Proposed Budget	Proposed Budget is 2017	A public hearing on the proposed taxes and budget will be held on:
061							
FLAGLER COUNTY	8.11670	286.25	7.75820			300.79	SEPT 7, 2017, 5:30 PM GOVT. SERV. BLDG 1769 E MOODY BLVD, BUNNELL FL
SCHOOL-STATE LAW LEVY	4.70400	283.50	4.51480			272.50	SEPT 5, 2017 5:15 PM, GOVT SERV. BLDG, 1769 E MOODY BLVD., BUNNELL
SCHOOL DISCRETIONARY	2.24800	135.48	2.15760	133.90	133.90	139.51	SEPT. 5, 2017 5:15 PM, GOVT SERV BLDG., 1769 E MOODY BLVD., BUNNELL
CITY OF PALM COAST	4.24500	149.71	4.03560	149.55	4.60000	170.47	SEPT 6, 2017, 5:05 PM, PC CITY HALL, 160 LAKE AVE., PALM COAST
FLAGLER MOSQUITO CONTROL	.23950	8.45	.22900	8.49	.24030	8.91	SEPT 11, 2017 5:01 PM, 210 AIRPORT EXECUTIVE DR., PALM COAST
SJR WATER MGMT DISTRICT	.28850	10.17	.27240	10.09	.27240	10.09	SEPT 12, 2017, 5:05 PM, SJRWMD-HQ 4049 REID ST., PALATKA, FL 32177
FL INLAND NAVIGATION DIST	.03200	1.13	.03000	1.11	.03200	1.19	SEPT 7, 2017 5:30 PM, 190 E 13TH ST., RIVIERA BEACH, FL
VOTER APPROVED DEBT	.51500	18.16		18.34	.49500	18.34	SEPT. 7, 2017 5:30 PM GOVT. SERV. BLDG., 1769 E MOODY BLVD., BUNNELL
Total Property Taxes	20.38870	892.85	19.49260	20.39540	20.39540	921.80	

**Maximum Proposed Rate**



**COPC is 22% of total millage**




# Palm Coast Property Taxes



*Find Your Florida*

# 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

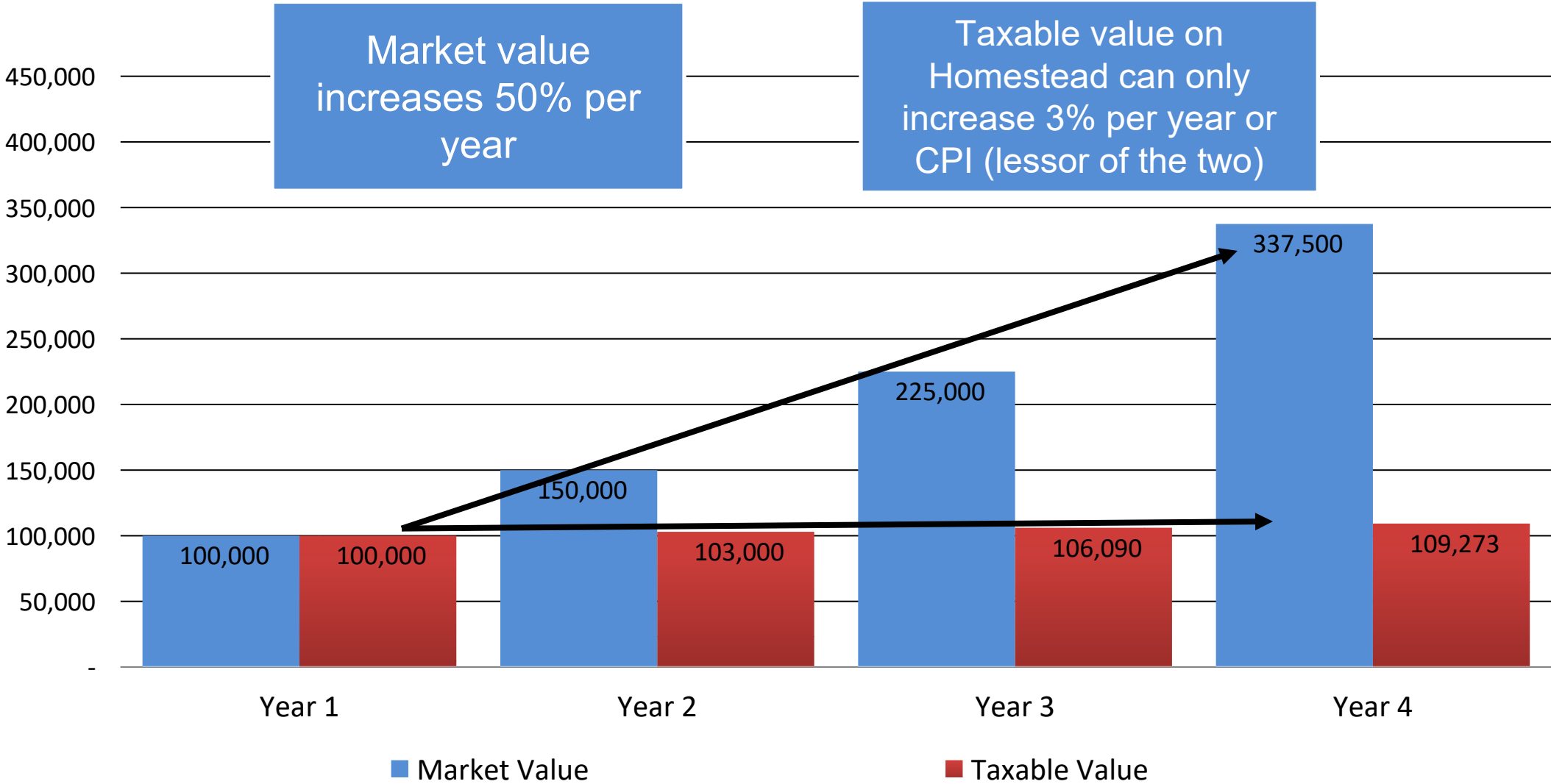
Balance of the assessed value minus exemptions

**Assessed Value – Exemptions = Taxable Value**



# Market Value vs. Taxable Value

Hypothetical Example – Save our Homes Limitations



# Millage Rate Comparison

## Survey of Florida cities :

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

Ranking	City	*Population	**Millage Rate	Taxable Value	Property Tax Collections	Public Service Taxes
1	Boca Raton	91,797	3.4543	22,506,879,102	77,745,512	Electric, fuel, gas
2	Palm Coast	82,760	4.5937	4,612,577,686	21,188,798	None
3	Miami Beach	92,588	5.7224	37,437,173,528	214,230,482	Electric, fuel, gas
13	Fort Myers	79,106	8.65	6,122,261,600	52,957,562	Electric, water, gas

\*Based on April 1<sup>st</sup>, 2017 population estimates.

\*\* Based on FY 2018 millage rate.



*Find Your Florida*

# 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	4,142,103,986	6.42%	4.0828	0.1622	4.245	16,973,093
2017	4,324,453,760	4.40%	4.112	0.133	4.245	17,714,800
2018	4,612,577,686	6.66%	4.3461	0.2476	4.5937	20,447,190
Change 2008-2018	-2,397,299,735	-34%	2.1338	-0.5024	1.63136	262,850

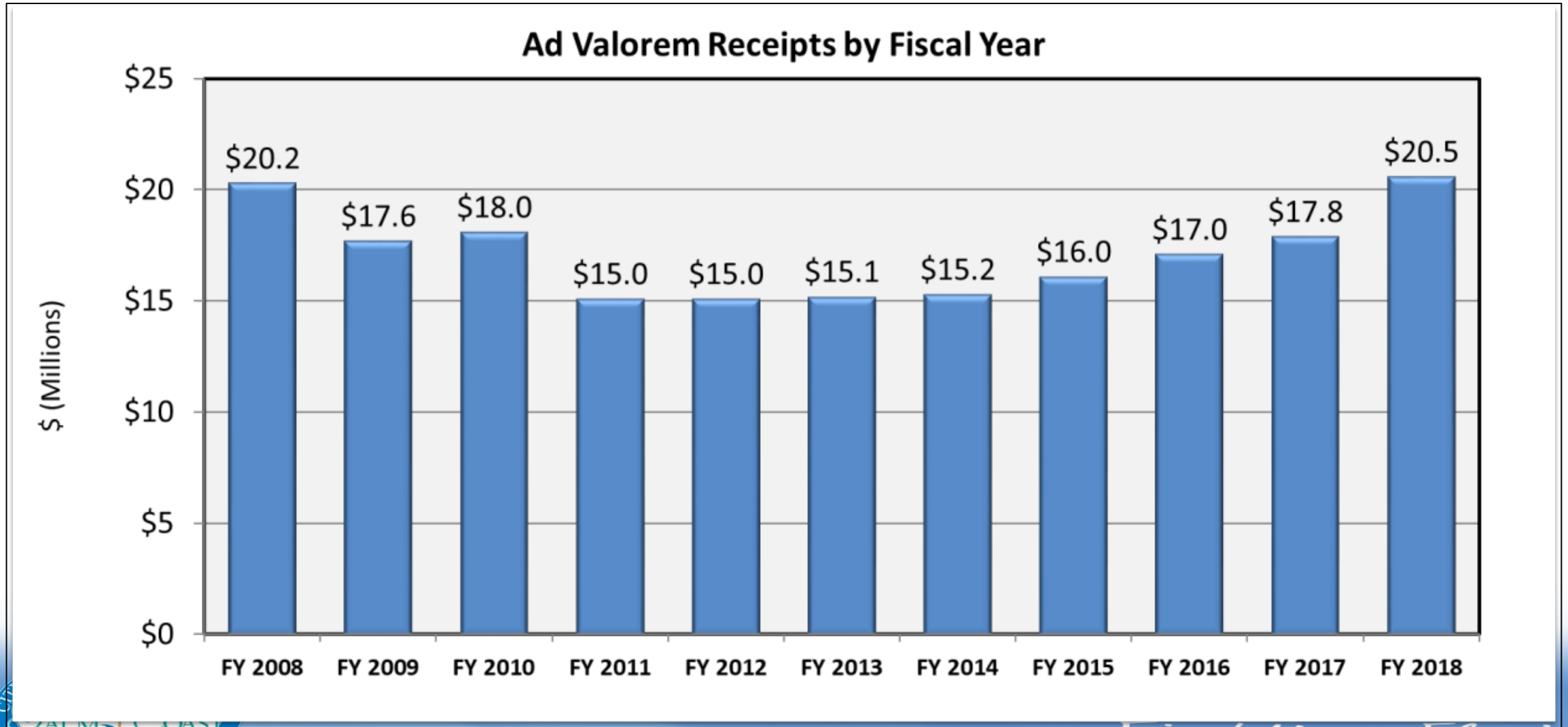
**FY 2019 Preliminary Estimate of Taxable Value is \$4,975,000,000 (7% increase)**



*Find Your Florida*

# Palm Coast Property Tax History

FY 2008-2018



# Revenue Diversification



*Find Your Florida*

# Revenue Diversification Options

## Restricted Use

Special  
Assessments

## Unrestricted Use

Franchise Fees

Public Service  
(Utility) Tax



# 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 \$5 million/annually

Rate and use determined by City Council

Added to utility bills

# Revenue Diversification Options

- More than 80% 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.*

*Find Your Florida*



# Benefits of Revenue Diversification

- 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



# Looking Ahead

- July 10<sup>th</sup>** Budget Workshop - General Fund
- July 17<sup>th</sup>** Adopt Maximum Millage Rate (August 4<sup>th</sup> deadline)
- July 31<sup>st</sup>** Budget Workshop – Capital Funds
- Aug 14<sup>th</sup>** Budget Workshop - Proprietary & Special Revenue Funds
- August 28<sup>th</sup>** Final Proposed Budget Presentation
  
- September:** Public Hearing to adopt tentative millage rate and Budget & Final Public Hearing to adopt final millage and budget

