

CITY OF WARRENSBURG
DIRECTOR OF FINANCE

August 27, 2018

Honorable Mayor and
Members of the City Council
City of Warrensburg, Missouri

Dear Mayor and Council Members:

SUBJECT: A Public Hearing on an Ordinance Fixing the Annual Rate of Levy for Taxes by the City of Warrensburg, County of Johnson, Missouri, for General Revenue Fund Purposes for the Year 2018 and Levying Said Taxes

A Public Hearing on an Ordinance Fixing the Annual Rate of Levy for Taxes by the City of Warrensburg, County of Johnson, Missouri, for Park Fund Purposes for the Year 2018 and Levying Said Taxes

A Public Hearing on an Ordinance Fixing the Annual Rate of Levy for Taxes by the City of Warrensburg, County of Johnson, Missouri, for Debt Service Purposes for the Year 2018 and Levying Said Taxes

BACKGROUND:

In August of each year the City receives Pro-Forma Statements summarizing assessed valuations and calculations indicating the maximum allowable property tax levies from the State Auditor's office. With this information the City must indicate its tax levies and hold a public hearing to receive public input on such levies. The Council then shall set the tax levies by ordinance and certify the levies to the County Clerk by the 1st of September of each year. Staff has prepared proposed tax levies based on the pro-forma information received from the State Auditor's Office and has provided notice to the public of a public hearing on the tax levies for the August 27, 2018 regular Council meeting.

ISSUE:

The pro-forma statements received from the State Auditor's Office indicate that the maximum levy for the General Fund is 0.3608 per \$100 assessed valuation, the maximum levy for the Park Fund is 0.1960 per \$100 assessed valuation, and the levy for Debt Service is 0.5900 per \$100 assessed valuation. The total assessed valuation is \$221,996,700 which would bring \$800,964 in property tax revenues to the General Fund, \$435,114 to the Park Fund, and \$1,056,888 to Debt Service for a total of \$2,292,965. The estimated increase in revenue due to new construction is \$45,231 for the General Fund and \$21,960 for the Park Fund, for a total increase of \$23,270. Increased tax revenues from value reassessment accounted for .1477% of the increase, \$1,050 for General Fund, \$570 for Parks, and \$1,696 for the Debt Service which combine for a total of \$3,315. There will be no change in the current tax levy rate for 2018 assessments.

STRATEGIC PLAN:

This Tax Levy directly correlates to many objectives of the Strategic Plan, specifically Focus III: Growth and Development, 3. Focus on General Obligation Bond developments and spending transparency

FISCAL IMPACT:

This Levy has the following impact to the City:

General Fund \$800,964
Parks & Recreation Fund \$435,114
Debt Service Fund \$1,056,888

ECONOMIC BENEFITS / IMPACT:

This Levy represents a vital piece of the City's revenue, which makes the economic benefit invaluable. But no change in the property tax rate yields a relatively flat or minimal year to year economic impact.

RECOMMENDATION:

Staff recommends holding the public hearings and taking public comment on the proposed tax levies. Staff recommends approval of the ordinances as submitted.

Sincerely,

Matthew Lue,
Director of Finance

cc: City Manager

Attachments: 1. General Fund Levy Pro-Forma
2. Park Fund Levy Pro-Forma
3. Debt Service Levy Pro-Forma
4. Publisher's Affidavit