



MEMO

To: Honorable Mayor and City Council Members
From: Beverly Hilton, Finance Director
CC: John McHenry, City Manager
Date: May 27, 2025
RE: Memo for Authorization to Advertise Proposed Millage Rate

Description for the Agenda:

Authorization for Staff to Advertise Proposed Millage Rate for 2025 Property Tax and Budget Process Discussion

Recommendation:

Staff recommends approval to advertise the proposed roll-back rate to be used as the millage rate for 2025 property tax.

Background:

We begin our Zero-Based Budget Process in February each year with an adoption target in June before the new fiscal year begins in July. When we start establishing projections for revenue, the Tax Digest is not available. It historically comes in mid-late May after we have had multiple budget meetings.

Summary:

The property tax process included an extra step this year due to new legislation. We Certified an Estimated Roll-Back Rate of 2.036 during the May 12th Council Meeting. This was required for use on the Notice of Assessment to be mailed at the end of May to each taxpayer. The tax digest arrived on May 15th with the official roll-back rate (established by the Tax Commissioner's Office) of 2.039. We need to advertise at least one full week prior to our established millage rate adoption date during the June 23rd Council Meeting. If we advertise anything higher than the Certified Estimated Roll-Back Rate of 2.036, we will be required to hold additional meetings and advertise a Notice of Property Tax Increase. If we advertise using the Certified Estimated Roll-Back Rate of 2.036, we will be required to place one ad showing the current year and five-year history of levy at least one full week prior to the date of adoption. The millage rate is adopted by ordinance so we must have two reads. The first read will be June 9th, and the second read will be June 23rd. Approval is needed to complete the ad and get it to the Champion for a publication date of May 29, 2025.

Financial Impact:

Property Tax Revenue was estimated using the millage rate from 2024 of 2.096. When the Estimated Roll-Back Rate was calculated, staff determined that rate to be 2.036. This rate applied to current property values resulted in an estimated revenue very close to what had been included in the proposed FY2026 Budget.

The first anticipated read of the ordinance to adopt the FY2026 Budget will be during the June 9, 2025 Council Meeting. Our Charter requires adoption of the Fiscal Year Budget before July 1 each year. The Tax Commissioner's Office requires our digest

submission package to be delivered before July 1. ***This requirement causes the need for decisions to be made very quickly on the millage rate.*** None of the taxing jurisdictions can bill property tax until all digests are approved by the Georgia Department of Revenue.

Staff will be delivering Draft #4 of the FY2026 Budget on June 9th. To date, there have not been any significant changes since Draft #3 was delivered during the May 12th Council Meeting. Any changes will be made available during the final meeting on June 9th. Staff will continue to refine details as they become available to deliver the most accurate budget possible. A budget is a living document and there can be many unknown variables. Being fiscally conservative when estimating revenues and expenditures is a Best Practice recommended by the GFOA and is how the proposed budget is assembled. There could, however, be a need for a budget amendment after the fiscal year begins.

Proposed Ad for the Champion (attached)

Calculation of Rollback Rate from Dekalb County (attached)