



CITY COUNCIL AGENDA ITEM

#8

PRESENTATION ON THE IMPACT OF POTENTIAL INCREASES TO AD VALOREM, STORMWATER, UTILITY TAX, AND WASTE MANAGEMENT FRANCHISE FEE

To: City Manager Courtney Barker
From: Comptroller Brittany Jumper
Meeting Date: 4/4/2018
Department: Support Services

Recommended Action: This item is presented for informational purposes only.

Summary: In response to information requested by City Council at their March 8, 2018 Budget Workshop, staff will be discussing various options to increase the Ad Valorem tax rate, Stormwater Fees, Utility Tax, and Waste Management Franchise Fees to cover shortfalls due to the additional Homestead Exemption which may pass in November 2018. The State of Florida is putting an additional Homestead Exemption (\$100k-\$125k) on the ballot in November 2018. If this were to pass, the City budget will be negatively impacted by a \$600,000 reduction in Ad Valorem tax revenues.

As requested by City Council, staff is providing an overview of what the impact to the City budget would be if increases to these revenue sources were to be approved. The included analysis also provides examples illustrating how these changes would affect residential and commercial property owners.

Budget Impacts: None at this time.

Attachments:

- Overview of the Impact of Proposed Revenue Increases and the Impact to Residential/Commercial Property Owners

City of Satellite Beach
 Overview of Proposed Increases to Ad Valorem, Stormwater, Utility Tax, and Waste Management Franchise Fee

Ad Valorem	Assessed Value	Exemption	Total Taxable Value	8.1518 (Current)	8.40 (Proposed)	Difference
All Satellite Beach	1,124,335,130	277,715,450	846,619,680	6,901,474	7,111,605	210,131
Average Satellite Beach	220,761	54,529	166,232	1,355	1,396	41

Stormwater Current \$104 per ERU per year, Proposed \$200 per ERU per year	# of Customers	Current Revenue to City	Current Per Household Annual Average	Proposed City Revenue Increase	Proposed Per Household Annually	Difference
B-Condos/Townhomes	1197	61,908	52	119,054	99	48
E-Commercial	126	88,353	701	169,910	1,348	647
I-Industrial	2	578	289	1,112	556	267
M-Multi Family	191	16,293	85	31,332	164	79
N-Natured Exempt	171	-	-	-	-	-
R-Apts (per property, not unit)	8	10,611	1,326	20,406	2,551	1,224
S-Single Fam	3329	346,181	104	665,732	200	96
T-Exempt	1	-	-	-	-	-
V-Vacant	223	1,060	5	1,760	8	3
Total	5248	524,984	100.03	1,009,306	192	484,322

Utility Tax - Melbourne Water Current 0%, Proposed 10%	# of Customers	Current Total Annual Billing (Melbourne)	Current Per Household Annual Average	Proposed Increase of 10% Utility Tax	Proposed Increase Per Household Annually	Difference
Commerical	181	179,144	990	17,914	99	99
Multi Family	44	242,013	5,542	24,201	554	554
Residential	4,281	1,621,785	379	162,178	38	38
Total	4,506	2,042,943	6,911	204,294	691	204,294

Waste Management Current Franchise Fee 10%, Proposed Franchise Fee 15%	Current Monthly Rate	Rate with CPI 6-1-18	Increase from Current to 6-1-18	Proposed Increase to Franchise Fee 10% to 15%	Total Proposed Increase	Difference (Current vs. Proposed)	Annual Difference
Residential	14.53	15.09	0.56	0.69	15.78	1.25	15.00
Multifamily Residential	15.44	16.05	0.61	0.73	16.78	1.34	16.08
Commercial Container (per CY)	5.75	5.97	0.22	0.27	6.24	0.49	5.88
Commercial Cart Monthly - 1 cart, 2:	32.18	33.42	1.24	1.52	34.94	2.76	33.12
Commercial 2 Yard	35.7	37.07	1.37	1.69	38.76	3.06	36.72
Commercial 4 Yard	47.57	49.4	1.83	2.25	51.65	4.08	48.96
Commercial 6 Yard	52.32	54.33	2.01	2.48	56.81	4.49	53.88
Commercial 8 Yard	66.58	69.14	2.56	3.15	72.29	5.71	68.52

City of Satellite Beach
Overview of Proposed Increases to Ad Valorem, Stormwater, Utility Tax, and Waste Management Franchise Fee

Example Properties	Assessed Value	Taxable Value	8.1518	8.4	Difference
SINGLE FAMILY RESIDENCE	176,560.00	126,560.00	1,031.69	1,063.10	31.41
TOWNHOUSE	140,910.00	90,910.00	741.08	763.64	22.56
SINGLE FAMILY RESIDENCE	135,780.00	85,780.00	699.26	720.55	21.29
SINGLE FAMILY RESIDENCE	118,150.00	68,150.00	555.55	572.46	16.91
TOWNHOUSE	149,080.00	149,080.00	1,215.27	1,252.27	37.00
COMMERICAL (Surfin Turtle)	252,440.00	252,440.00	2,057.84	2,120.50	62.66
COMMERICAL (LONG DOGGERS)	275,000.00	275,000.00	2,241.75	2,310.00	68.26

Stormwater	Current	Proposed	Difference
Single Fam	103.99	199.98	95.99
TH/Condos	51.72	99.46	47.74
Commerical	701.00	1,348.00	647.00
Utility Tax	Current	Proposed	Difference
Residential	379	417	37.88
Commerical	990	1,089	99.00
Waste Mang	Current Monthly	Proposed Monthly	Difference Annually
Residential	14.53	15.78	15.00
4 Yard	70.57	76.61	48.96
8 Yard	112.58	122.21	68.52

To Calculate Property Taxes:
Take the Assessed Value minus ALL exemptions. Take that total which is your Total Tax Value, divide by 1000, then multiply by the millage rate 8.1518 (or other proposed millage rate). The millage rate is currently 8.1518 per \$1,000 in property value.

Example: Residential Property with a Total Tax Value (after exemptions) of \$200,000

$200,000 / 1,000 = 200$

$2,000 \times 8.1518 = \$1,630.36$

Additional Annual Increase FY 18/19: Ad Valorem (8.4), Stormwater, Utility Tax, Waste Management	
SINGLE FAMILY RESIDENCE	180.29
TOWNHOUSE	123.19
SINGLE FAMILY RESIDENCE	170.16
SINGLE FAMILY RESIDENCE	165.79
TOWNHOUSE (NO EXEMPTION)	137.62
COMMERICAL (Surfin Turtle)	857.62
COMMERICAL (LONG DOGGERS)	882.78

Example Properties	Assessed Value	Taxable Value	Additional Homestead	New Tax Value	8.1518	8.4	Savings at 8.1518	Savings at 8.4
SINGLE FAMILY RESIDENCE	176,560.00	126,560.00	25,000.00	101,560.00	827.90	853.10	(203.80)	(210.00)
TOWNHOUSE	140,910.00	90,910.00	25,000.00	65,910.00	537.29	553.64	(203.80)	(210.00)
SINGLE FAMILY RESIDENCE	135,780.00	85,780.00	25,000.00	60,780.00	495.47	510.55	(203.80)	(210.00)
SINGLE FAMILY RESIDENCE	118,150.00	68,150.00	18,150.00	50,000.00	407.59	420.00	(147.96)	(152.46)

Net Impact FY 19/20: Ad Valorem (8.4), Stormwater, Utility Tax, Waste Management	
SINGLE FAMILY RESIDENCE	(29.71)
TOWNHOUSE	(86.81)
SINGLE FAMILY RESIDENCE	(39.84)
SINGLE FAMILY RESIDENCE	13.33
TOWNHOUSE (NO EXEMPTION)	137.62
COMMERICAL (Surfin Turtle)	857.62
COMMERICAL (LONG DOGGERS)	882.78