

Rome City Commission

July 11, 2016

2016 MILLAGE RATE REVIEW

**CITY OF ROME
TAX MILLAGE RATES**

6/10/2016
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F. Y. 2016- Rates -FINAL DIGEST TOTALS-CITY INCREASE

| | | | | <u>2016 ORIGINAL BUDGET</u> | <u>2016 REVISED BUDGET</u> | <u>2016 ESTIMATED ACTUAL</u> |
|--|-----------------|---|------------|---------------------------------|--------------------------------|--------------------------------------|
| CITY M&O | | | | | | |
| Real, Personal Property & Public Utilities | | | | \$ 7,300,000 | \$ 7,300,000 | \$ 6,653,748 |
| 6.800 | \$1,063,578,704 | X | 92% | | | |
| Motor Vehicles & Mobile Homes (estimates) | | | | 225,000 | 225,000 | 225,000 |
| TOTAL CITY M&O | | | | <u>5</u> | <u>7,525,000</u> | <u>6,878,748</u> |
| | | | | | (646,252) | |
| CAPITAL TAX | | | | | | |
| Real, Personal & Public Utilities | | | | \$ 1,890,000 | 1,890,000 | 1,845,437 |
| 1.886 | \$1,063,578,704 | X | 92% | | | |
| TOTAL CAPITAL TAX | | | | | <u>1,890,000</u> | <u>1,845,437</u> |
| | | | | | (44,563) | |
| SCHOOL M&O | | | | | 2015-prior year | |
| Real, Personal Property & Public Utilities | | | | | 16,338,823 | 16,494,137 |
| 17.450 | \$1,016,368,532 | X | 93% | | | |
| Motor Vehicles & Mobile Homes (estimates) | | | | | 1,100,000 | 1,100,000 |
| Real Estate Transfer tax (estimates) | | | | | 15,000 | 15,000 |
| Payment in Lieu of Taxes | | | | | 420,800 | 379,668 |
| Prior Year Tax Allocation-estimated 2016 | | | | | 500,000 | 600,000 |
| | | | | | <u>0</u> | <u>0</u> |
| TOTAL SCHOOL M&O | | | | | <u>18,374,623</u> | <u>18,588,805</u> |
| | | | | | 214,182 | |

- **Issues Impacting our Revenues:**
 - Economy
 - Internet sales
 - Elimination of Sales Tax on Energy
 - Elimination of Sales Tax on Motor Vehicles
 - GATE: Georgia Agriculture Tax Exemption
 - DOR Refund
 - New Legislation: Penalties & Interest

- Early decisive action to remain fiscally sound
- 2007 revenues start falling off sharply
- April of 2008 we called in troops to take action
- 2012 Budget was \$25.6m, or \$200K below 2006
- 2015 Budget was \$26.7, back to our '07-'08 levels

- Each year costs have continued to increase
- City assessed value decreased by \$40M from '09-'10
- Reduced city workforce by 10%
- No raises in 2009, 2010, 2011
- Transfers to Capital decreased every year from 2006 (\$645K)– 2011, back up to \$325K -2016

- Hiring freeze was implemented.
- We rode positions that were authorized.
- Everyone took on more responsibility, tightened the belt and got after it.
- Meanwhile, public demand for Public Safety pay increases continued, which we adjusted.

CITY OF ROME

2016 POSITION CONTROL / PAY SCHEDULE

PAYROLL ENTRY DEADLINES FOR HR PRIOR TO PR PROCESSING WEEK:

New Hires: Noon/Wednesday
 Payroll Changes: Noon/Thursday
 Benefit Changes: Noon/Friday

Miscellaneous:

8/8/2014 Fire Dept Shift converted to 24/48 PR = 2012
 07-2009 - 06-2012 Unpaid Furloughs

MERIT INCREASE HISTORY:

| | | | |
|------------------------|------|-------|---|
| | 2005 | 0-4% | |
| | 2006 | 0-5% | |
| 26 BW/52 Wkly PR's | 2007 | 0-5% | |
| 27 BW/53 Wkly PR's | 2008 | 0-4% | (Decreased to 2% 05-23-08/adjustments made to employees who already received on next evaluation) |
| 26 BW/52 Wkly PR's | 2009 | 0% | Frozen |
| Converted to all BW/26 | 2010 | 0% | Frozen |
| 26 BW | 2011 | 0% | Frozen but did give 1.5% lump sum payment and allowed to go over Maximum for position pay range Note: Mid-Year: Decreased defined contribution match (401a) from 2.5% to 1.25% (City Manager approved to allowed employees to go over Maximum of assigned position pay range) Note: Educational Reimbursement reactivated for non-public safety employees who continued after program was froze. (Based on satisfactory performance rating/additional 1/2% with approved justification for employees over and beyond) |
| 26 BW | 2012 | 2% | Three-week payroll months-May and November (no voluntary deductions on 3rd payroll) |
| 26 BW | 2013 | 0-4% | Three-week payroll months-May and October (no voluntary deductions on 3rd payroll) |
| 26 BW | 2014 | 0-4% | (Flat percentage, based on satisfactory performance rating) |
| 26 BW | 2015 | 1% | (Flat percentage, based on satisfactory performance rating) |
| 26 BW | 2016 | 1.50% | (Flat percentage, based on satisfactory performance rating) |

*FF eval/rank formula for merit flat 04-16
 Promotion Inc = Fire 3 ~~\$1000~~ 2,000 whichever
 greater
 Exit Eval - 11-2012*

NOTE: EFFECTIVE 1-1-14/Pay Range Maximums will be adhered to on pay increases effective 1-1-14 or after.

* NOTE: Effective 2011 - All pay increases will be applied in 50% increments, 6 months apart.

Example: Hourly rate of pay \$10.00 5% increase = \$.50/hr. 01-01-11 \$.25/hr 07-01-11 \$.25/hr = \$.50/hr increase

Stopped: 50% Split 11-15

11-2012 Promotional increases are subject to Exit Evaluation Merit based on number of months since last evaluation/calculated by HR
 Example: 2% Merit divided by 12 months = .16667 month times the number of months since last evaluation/no evaluation required by departing department/HR to calculate.

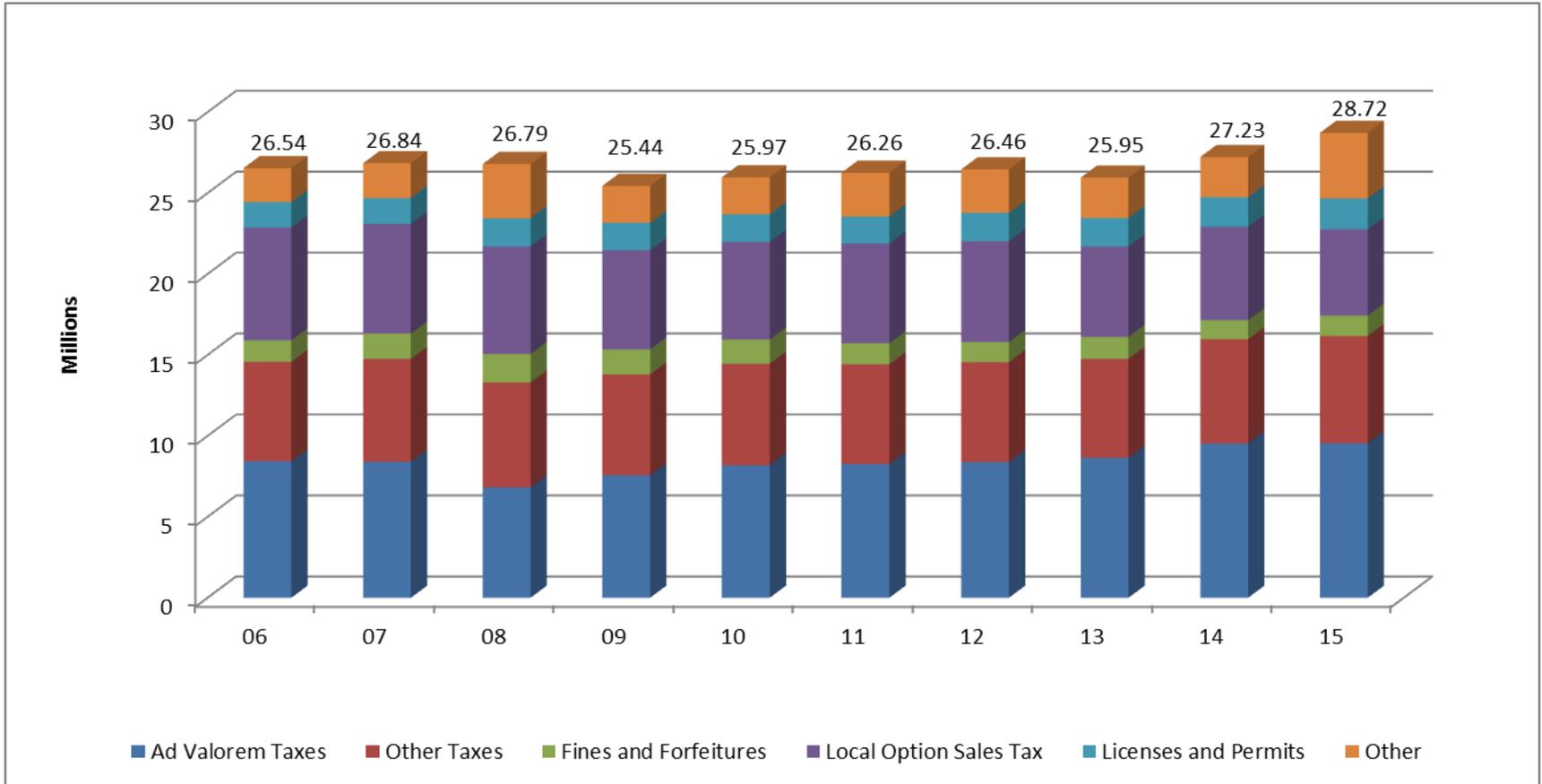
Health Fair - Even years include spouses.

Fire Department Processing Notes:

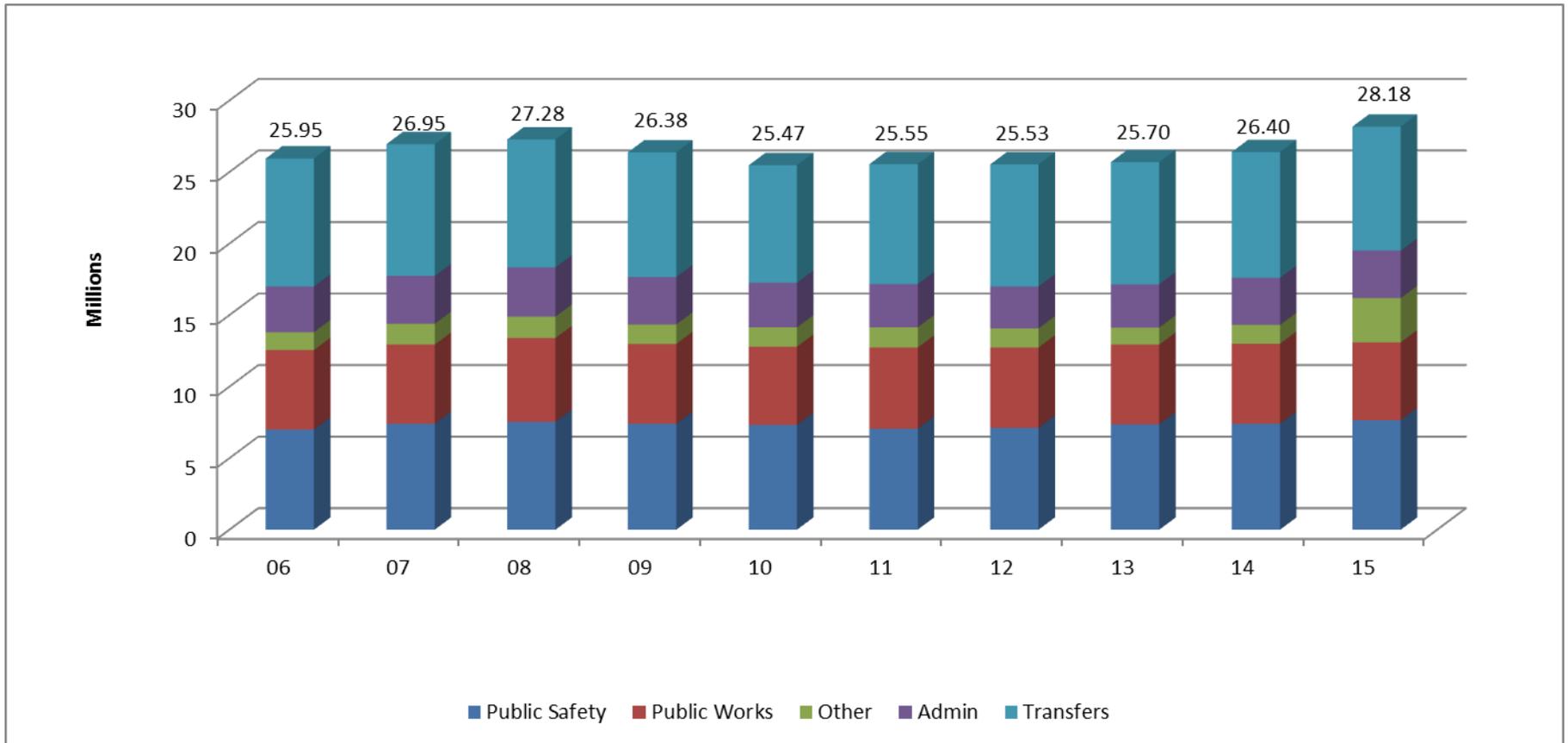
Convert from 56 to 40 hr positions - Convert vacation and sick leave accruals; vacation maximum coverage is converted to sick leave if applicable.
 Social Security Vote: January 1, 2010 (all new hires participate in Medicare and Social Security)

What About SPLOST?

- The SPLOST law, enacted by Georgia legislators in 1985, authorizes a county tax of 1% on items subject to the state sales tax for funding capital projects. It is neither a municipal tax, nor a joint county-municipal tax such as the regular Local Option Sales Tax (LOST).
- Voters approved our most recent SPLOST for our 5 Year 1% sales tax on November 5, 2013.



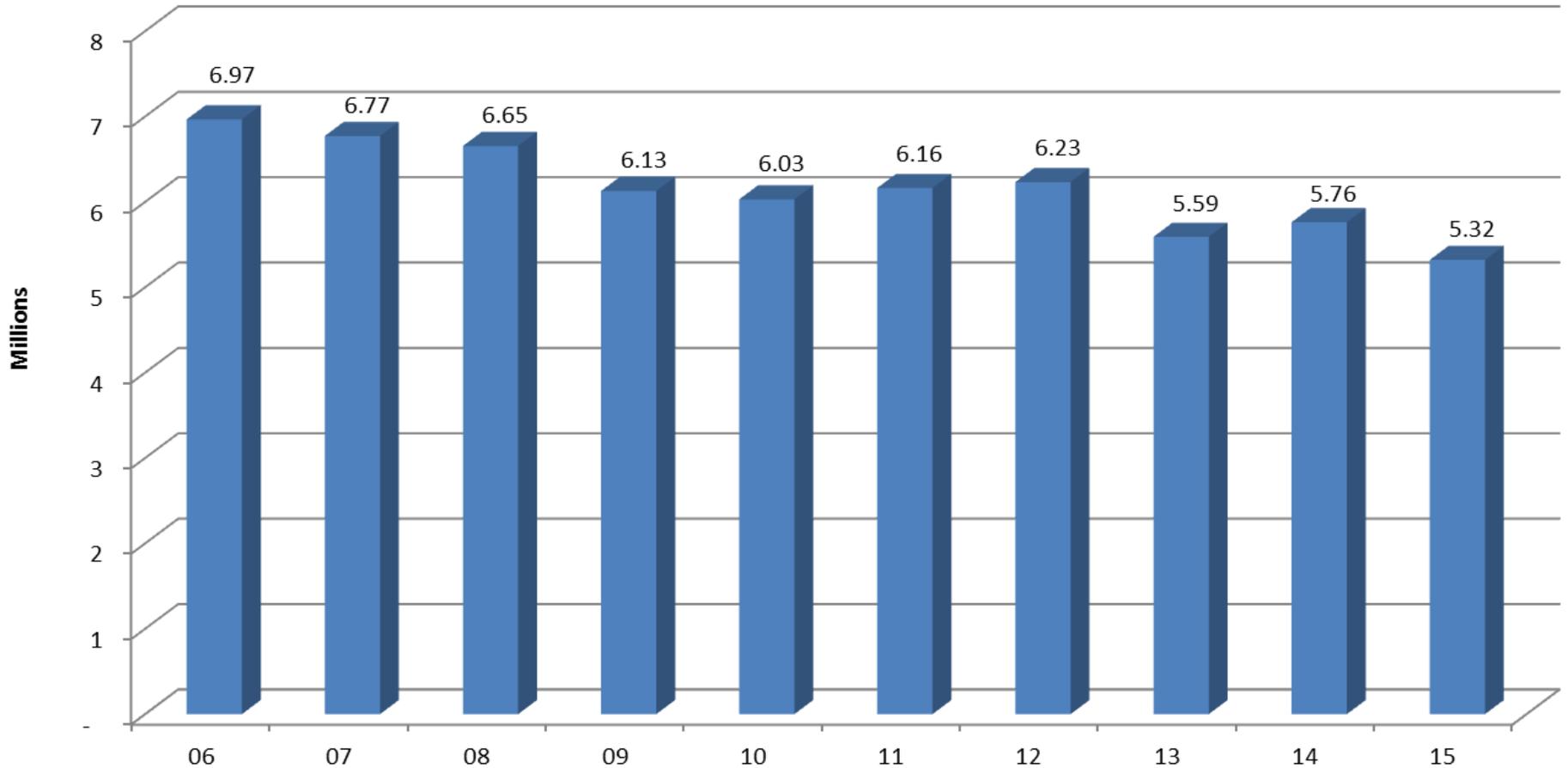
CITY OF ROME GENERAL FUND EXPENSES 2006 – 2015



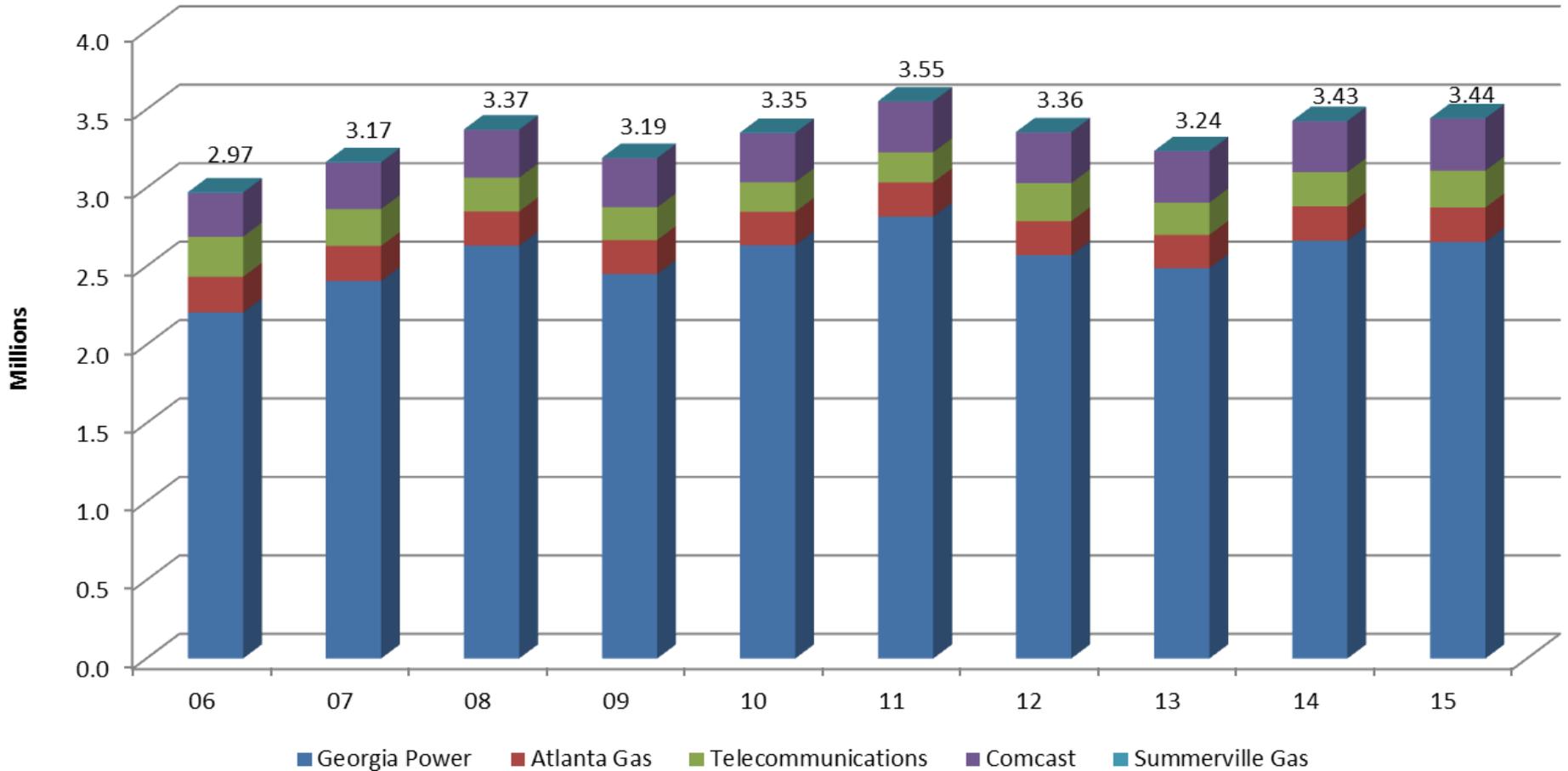
CITY OF ROME

LOCAL OPTION SALES TAX REVENUES

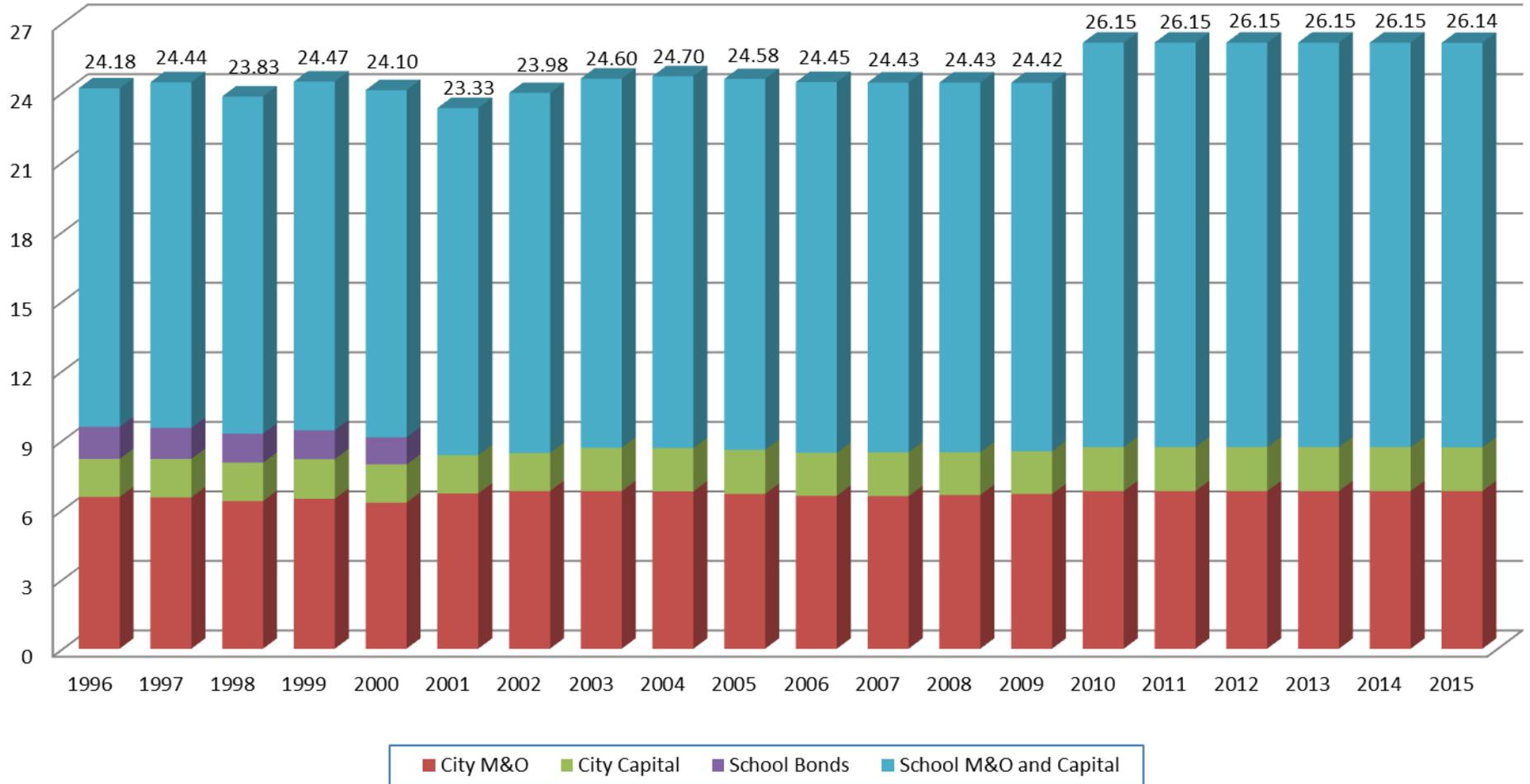
2006 - 2015



CITY OF ROME FRANCHISE FEE REVENUES 2006 - 2015



CITY OF ROME MILLAGE RATE 1996 – 2015



35 Year Comparison of City Millage Rate

- 1980 = 10.06
- 2015 = 8.686
- Decrease of 1.374

| | | City | | City | | City | City |
|------|-----|---------|--|---------|--|---------|---------|
| Year | | M&O | | Capital | | Bonds | Only |
| 1980 | | 9.88 | | 0.00 | | 0.18 | 10.06 |
| 1981 | | 9.87 | | 0.00 | | 0.20 | 10.07 |
| 1982 | | 8.89 | | 0.00 | | 0.18 | 9.07 |
| 1983 | | 8.65 | | 0.50 | | 0.18 | 9.33 |
| 1984 | | 8.63889 | | 0.50 | | 0.16666 | 9.30555 |
| 1985 | | 8.77 | | 1.00 | | 0.15 | 9.92 |
| 1986 | | 8.77 | | 2.00 | | 0.146 | 10.916 |
| 1987 | | 8.10 | | 1.80 | | 0.033 | 9.933 |
| 1988 | | 7.45 | | 1.80 | | 0.03 | 9.28 |
| 1989 | | 7.45 | | 1.46 | | 0.03 | 8.94 |
| 1990 | | 7.92 | | 1.47 | | 0.03 | 9.42 |
| 1991 | | 7.00 | | 1.35 | | 0.03 | 8.38 |
| 1992 | | 7.00 | | 1.50 | | 0.03 | 8.53 |
| 1993 | | 7.11 | | 1.52 | | 0.03 | 8.66 |
| 1994 | | 6.80 | | 1.50 | | 0.03 | 8.33 |
| 1995 | | 6.65 | | 1.68 | | 0.00 | 8.33 |
| 1996 | *** | 6.55 | | 1.64 | | 0.00 | 8.19 |
| 1997 | | 6.53 | | 1.66 | | 0.00 | 8.19 |
| 1998 | | 6.37 | | 1.66 | | 0.00 | 8.03 |
| 1999 | | 6.47 | | 1.71 | | 0.00 | 8.18 |
| 2000 | | 6.30 | | 1.65 | | 0.00 | 7.95 |
| 2001 | | 6.70 | | 1.65 | | 0.00 | 8.35 |
| 2002 | | 6.80 | | 1.64 | | 0.00 | 8.44 |
| 2003 | | 6.80 | | 1.87 | | 0.00 | 8.67 |
| 2004 | | 6.79 | | 1.87 | | 0.00 | 8.66 |
| 2005 | | 6.68 | | 1.90 | | 0.00 | 8.58 |
| 2006 | | 6.60 | | 1.85 | | 0.00 | 8.45 |
| 2007 | | 6.58 | | 1.90 | | 0.00 | 8.48 |
| 2008 | | 6.63 | | 1.85 | | 0.00 | 8.48 |
| 2009 | | 6.67 | | 1.85 | | 0.00 | 8.52 |
| 2010 | | 6.80 | | 1.90 | | 0.00 | 8.7 |
| 2011 | | 6.80 | | 1.90 | | 0.00 | 8.7 |
| 2012 | | 6.80 | | 1.90 | | 0.00 | 8.7 |
| 2013 | | 6.80 | | 1.90 | | 0.00 | 8.7 |
| 2014 | | 6.80 | | 1.90 | | 0.00 | 8.7 |
| 2015 | | 6.80 | | 1.886 | | 0.00 | 8.686 |

Possible Revenue Shortfall '16

- \$646,252 based upon final Digest numbers

**CITY OF ROME
TAX MILLAGE RATES**

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| TOTAL CITY M&O | <u>5</u> | <u>7,525,000</u> | <u>6,878,748</u> |
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| TOTAL CAPITAL TAX | | <u>1,890,000</u> | <u>1,845,437</u> |
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| SCHOOL M&O | | | |
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| Real Estate Transfer tax (estimates) | | 15,000 | 15,000 |
| Payment in Lieu of Taxes | | 420,800 | 379,668 |
| Prior Year Tax Allocation-estimated 2016 | | 500,000 | 600,000 |
| TOTAL SCHOOL M&O | | <u>0</u> <u>18,374,623</u> | <u>0</u> <u>18,588,805</u> |
| | | 214,182 | |

Hypothetical Across the Board Cuts

- 1% = \$275,360
- 2% = \$550,720
- 2.5% = \$688,400
- 3% = \$826,080

- 2.5% Cut Example for Departments
 - Police Department
 - \$196,789
 - Finance Department
 - Equals \$12,894
 - Clerk's Office
 - Equals \$8,837
 - Human Resources
 - Equals \$8,345

**CITY OF ROME
TAX MILLAGE RATES**

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F. Y. 2016- Rates -FINAL DIGEST TOTALS-CITY INCREASE

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|--|-----------------|---|-----|--|-------------------------|------------------------|-----------------------------|
| CITY M&O | | | | | | | |
| Real, Personal Property & Public Utilities | | | | | \$ 7,300,000 | \$ 7,300,000 | \$ 8,072,562 |
| 8.250 | \$1,063,578,704 | X | 92% | | | | |
| Motor Vehicles & Mobile Homes (estimates) | | | | | 225,000 | 225,000 | 225,000 |
| TOTAL CITY M&O | | | | | 5 | 7,525,000 | 8,297,562 |
| | | | | | | 772,562 | |
| CAPITAL TAX | | | | | | | |
| Real, Personal & Public Utilities | | | | | \$ 1,890,000 | 1,890,000 | 1,893,383 |
| 1.935 | \$1,063,578,704 | X | 92% | | | | |
| TOTAL CAPITAL TAX | | | | | | 1,890,000 | 1,893,383 |
| | | | | | | 3,383 | |
| SCHOOL M&O | | | | | | | |
| Real, Personal Property & Public Utilities | | | | | | 16,338,823 | 16,494,137 |
| 17.450 | \$1,016,368,532 | X | 93% | | | | |
| Motor Vehicles & Mobile Homes (estimates) | | | | | | 1,100,000 | 1,100,000 |
| Real Estate Transfer tax (estimates) | | | | | | 15,000 | 15,000 |
| Payment in Lieu of Taxes | | | | | | 420,800 | 379,668 |
| Prior Year Tax Allocation-estimated 2016 | | | | | | 500,000 | 600,000 |
| | | | | | | 0 | 0 |
| TOTAL SCHOOL M&O | | | | | | 18,374,623 | 18,588,805 |
| | | | | | | 214,182 | |

**ESTIMATED TAX IMPACT
2016 MILLAGE RATES**

**BASED ON FINAL
2016 TAX DIGEST**

\$1,063,578,704--CITY
\$1,016,368,532-SCHOOL

| | | \$100,000 ASSESMENT \$40,000 TAXABLE | \$150,000 ASSESMENT \$60,000 TAXABLE | \$200,000 ASSESMENT \$80,000 TAXABLE |
|----------------------------------|---------|---|---|---|
| OPTION: NO MILLAGE CHANGE | | | | |
| CITY | 6.8000 | 272.00 | 408.00 | 544.00 |
| CAPITAL | 1.8860 | 75.44 | 113.16 | 150.88 |
| SCHOOL | 17.4500 | 698.00 | 1,047.00 | 1,396.00 |
| | 26.1360 | 1,045.44 | 1,568.16 | 2,090.88 |

OPTION: OVERALL 1.5 MIL INCREASE

| | | | | |
|---------|--------|----------|----------|----------|
| CITY | 8.250 | 330.00 | 495.00 | 660.00 |
| CAPITAL | 1.935 | 77.40 | 116.10 | 154.80 |
| SCHOOL | 17.450 | 698.00 | 1,047.00 | 1,396.00 |
| | 27.635 | 1,105.40 | 1,658.10 | 2,210.80 |
| | | \$59.96 | \$89.94 | \$119.92 |

- Questions