



City of Grand Island

Tuesday, August 16, 2011

Special Meeting

Item I2

**Consideration of Providing Guidance to City Administration
Regarding Property Tax Levy Adjustment**

Staff Contact: Mary Lou Brown

Council Agenda Memo

From: Mary Lou Brown, City Administrator

Meeting: August 16, 2011

Subject: Consideration of Providing Guidance to City Administration Regarding Property Tax Levy Adjustment

Item #'s: I-2

Presenter(s): Mary Lou Brown, City Administrator

Background

The final property tax request will be presented for Council consideration on September 13, 2011 at the time that the Annual Single City Budget for Fiscal Year 2011-2012 is approved.

Prior to that, City Administration would like to receive Council's guidance pertaining to the property tax levy adjustment that should be planned. At Thursday's meeting, August 11, 2011, there was considerable conversation regarding the property mill levy for fiscal year 2011-2012.

Discussion

The total incremental revenue required for FY 2011-2012 is \$1,722,822. On August 11, 2011, Council approved the allocation of \$350,000 from the Food and Beverage Occupation Tax. This allocation will fund the State Fair Lottery Match. This memo is assuming that Council on August 16, 2011 will indicate that the fee revenue included of \$118,500 is to remain for revenue planning purposes.

The remaining revenue to be sourced is \$1,254,322. A mill levy increase of .0516 equates to \$1,254,618; the total City property tax levy would then be .3241.

The \$1,722,822 is calculated as follows:

\$1,268,500 incremental revenue identified in the proposed budget
416,841 delayed expense reduction related to fire and police study (reserve usage)
37,481 delayed expense reduction for CSO position pending fire and police study
\$1,722,822 total revenue

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand.
The Council may:

1. Approve the property tax levy adjustment from .2725 to .3241
2. Modify the recommended property tax levy.

Recommendation

City Administration recommends that the Council approve the recommended tax levy of .3241.

Sample Motion

Move to approve the FY2011-2012 recommended tax levy of .3241.

RESOLUTION 2011-214

WHEREAS, the Grand Island City Council has identified an interest in adjusting the current property tax mill levy; and

WHEREAS, the Grand Island City Council would like to provide direction for the adjustment for planning purposes; and

WHEREAS, based on the need for \$1,254,322 in incremental revenue; and

WHEREAS, a mill levy adjustment of .0516 would generate \$1,254,618; and

WHEREAS, the total City of Grand Island mill levy would increase from .2725 to .3241; and

WHEREAS, the final levy of the Municipality for the fiscal year 2011-2012 will be set when the Annual Single City Budget for fiscal year 2011-2012 is approved on September 13, 2011;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the mill levy for the City of Grand Island be assumed to increase from .2725 to .3241 for planning purposes.

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Adopted by the City Council of the City of Grand Island, Nebraska on August 16, 2011.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk