



# Truth In Millage (TRIM) Presentation

Regular Council Meeting  
July 12, 2016

# Objectives



## ❖ Approve a resolution establishing the Rolled-Back Rate

## ❖ Adopt a Proposed Millage Rate

To be in compliance with FS 200.065, the City must establish a proposed millage rate by August 4<sup>th</sup> (within 35 days of TRIM Compliance Process) for the 2017 Fiscal Year.

- Minimum Requirement – 3 of 5 Votes

## ❖ Set 1<sup>st</sup> Public Hearing – Sept. 6, 2016 at 6:00pm

## ☐ REMINDER

- The proposed rate you vote for tonight can be reduced when voting for an adopted millage rate, but cannot be increased.

# Historical Review

## Ad Valorem Tax Base



| Fiscal Year |  | Valuation       |  | % of Change |
|-------------|--|-----------------|--|-------------|
| FY2008      |  | \$1,178,240,071 |  | 3.8%        |
| FY2009      |  | \$1,168,009,451 |  | (0.9%)      |
| FY2010      |  | \$1,025,224,075 |  | (12.2%)     |
| FY2011      |  | \$906,460,404   |  | (11.6%)     |
| FY2012      |  | \$797,859,898   |  | (12.0%)     |
| FY2013      |  | \$771,155,034   |  | (3.3%)      |
| FY2014      |  | \$773,867,625   |  | 0.4%        |
| FY2015      |  | \$780,867,676   |  | 0.9%        |
| FY2016      |  | \$817,760,975   |  | 4.7%        |
| FY2017      |  | \$857,337,863   |  | 4.8%        |

FY2008-FY2016 is based on the Final Taxable Value.

# Historical Review of Millage and Ad Valorem Revenue History



| Fiscal Year | Valuation       | Millage | Ad Valorem Revenue | Revenue Variance from Previous Year | % of Change |
|-------------|-----------------|---------|--------------------|-------------------------------------|-------------|
| FY2008      | \$1,178,240,071 | 4.4891  | \$4,799,656        | (\$20,259)                          | (0.4%)      |
| FY2009      | \$1,168,009,451 | 4.4891  | \$4,542,124        | (\$257,532)                         | (5.4%)      |
| FY2010      | \$1,025,224,075 | 4.4891  | \$4,066,536        | (\$475,588)                         | (10.5%)     |
| FY2011      | \$906,460,404   | 4.9660  | \$4,040,240        | (\$26,296)                          | (0.6%)      |
| FY2012      | \$797,859,898   | 5.5813  | \$4,022,601        | (\$17,639)                          | (0.4%)      |
| FY2013      | \$771,155,034   | 5.9811  | \$4,173,108        | \$150,507                           | 3.7%        |
| FY2014      | \$773,867,625   | 5.9811  | \$4,235,127        | \$62,019                            | 1.5%        |
| FY2015      | \$780,867,676   | 5.9790  | \$4,275,054        | \$39,927                            | 0.9%        |
| FY2016      | \$817,760,975   | 5.9790  | *4,454,795         | \$179,741                           | 4.2%        |

\* FY 2016 represents Y-T-D collection.

# FY2017 TRIM Rate Options



|                                | Valuation     | Rate   | Gross Tax Revenue | Tax Revenue @ 95% | FY2016 – FY2017 Revenue Variance |
|--------------------------------|---------------|--------|-------------------|-------------------|----------------------------------|
| <b>FY2016 Adopted Rate</b>     | \$818,427,691 | 5.9790 | \$4,893,379       | \$4,648,710       |                                  |
| <b>FY 2017 Millage Options</b> |               |        |                   |                   |                                  |
| Current Rate-Proposed          | \$857,337,863 | 5.9790 | \$5,126,023       | \$4,869,722       | \$221,012 ← Proposed Rate        |
| Rolled-back Rate               | \$857,337,863 | 5.8759 | \$5,037,632       | \$4,785,750       | \$137,040                        |
| Majority Rate                  | \$857,337,863 | 8.9180 | \$7,645,740       | \$7,263,452       | \$2,614,742                      |

City Council may adopt any rate up to 9.8098 with a two-thirds vote.

# Reduction To Ad Valorem Due To Required TIF Payments To The CRA's From The General Fund



| CRA               | MILLAGE<br>5.9790<br>FY2017 CURRENT<br>PROPOSED RATE | MILLAGE<br>5.8759<br>FY2017 VALUATION<br>AT THE ROLLED-BACK<br>RATE | DIFFERENCE |
|-------------------|--|---|------------|
| DOWNTOWN<br>COCOA | \$617,094  | \$606,453   | \$10,641   |
| DIAMOND<br>SQUARE | \$62,571   | \$61,492  | \$1,079    |
| US 1<br>CORRIDOR  | \$71,338   | \$70,108  | \$1,230    |
| TOTAL to CRA's    | \$751,003  | \$738,053   | \$12,950   |

# What Does This Mean To The Single Family Property Owner?



|                         | Valuation         | FY 2016<br>5.9790 | *Valuation<br>With 0.7%<br>Increase | FY 2017<br>5.9790 | Increase | FY 2017<br>Max.<br>9.8098 |
|-------------------------|-------------------|-------------------|-------------------------------------|-------------------|----------|---------------------------|
| Single Family Residence | \$100,000         |                   | \$100,700                           |                   |          |                           |
| Less: Homestead         | <u>(\$50,000)</u> |                   | <u>(\$50,000)</u>                   |                   |          |                           |
| = Taxable Value         | \$50,000          | \$299             | \$50,700                            | \$303             | \$4      | \$467                     |
| Single Family Residence | \$150,000         |                   | \$151,050                           |                   |          |                           |
| Less: Homestead         | <u>(\$50,000)</u> |                   | <u>(\$50,000)</u>                   |                   |          |                           |
| = Taxable Value         | \$100,000         | \$598             | \$101,050                           | \$604             | \$6      | \$931                     |
| Single Family Residence | \$200,000         |                   | \$201,400                           |                   |          |                           |
| Less: Homestead         | <u>(\$50,000)</u> |                   | <u>(\$50,000)</u>                   |                   |          |                           |
| = Taxable Value         | \$150,000         | \$897             | \$151,400                           | \$905             | \$8      | \$1,394                   |
| Single Family Residence | \$300,000         |                   | \$302,100                           |                   |          |                           |
| Less: Homestead         | <u>(\$50,000)</u> |                   | <u>(\$50,000)</u>                   |                   |          |                           |
| = Taxable Value         | \$250,000         | \$1,495           | \$252,100                           | \$1,507           | \$12     | \$2,322                   |

\* The Save Our Homes, as provided in Section 193.155(1), F.S. limits the annual increase in homestead exempt properties assessments to either 3% or the CPI change, whichever is less. For 2016 the CPI cap is 0.7%, even though the City overall has a 4.8% increase in value.

# FY2017 Comparative City Rates



| Ranking  | City            | Current       | Rolled-back   | Proposed      |
|----------|-----------------|---------------|---------------|---------------|
| 1        | Palm Bay        | 8.5000        | 7.8365        | 8.4500        |
| 2        | Satellite Beach | 8.2900        | 7.8276        | 8.2309        |
| 3        | Titusville      | 7.9011        | 7.4141        | 7.7647        |
| 4        | Melbourne       | 7.6886        | 7.3351        | 7.3351        |
| 5        | Indialantic     | 6.4695        | 6.0609        | 6.2653        |
| 6        | Rockledge       | 6.3400        | 6.0371        | 6.2500        |
| <b>7</b> | <b>Cocoa</b>    | <b>5.9790</b> | <b>5.8759</b> | <b>5.9790</b> |
| 8        | Cocoa Beach     | 4.9798        | 4.7173        | 5.4798        |
| 9        | Cape Canaveral  | 3.4797        | 3.2989        | 3.4797        |
| 10       | West Melbourne  | 2.4633        | 2.3296        | 2.4633        |

Note: Ranking is established using the Proposed Rate.



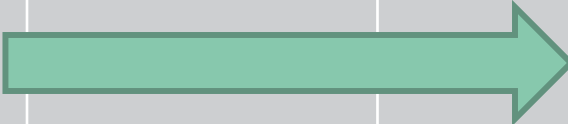
# Next Steps



- Budget Workshop – **August 4, 2016** at 5:30 pm
- 1<sup>ST</sup> Public Hearing – **Sept. 6, 2016** at 6:00 pm
  - Vote for a Proposed Millage Rate
  - Vote on the Proposed FY2017 Budget
- 2<sup>nd</sup> Public Hearing – **Sept. 14, 2016** at 6:00 pm
  - Adopt a Proposed Millage Rate
  - Adopt the FY2017 Budget

# FY2017 Staff Proposed Rate & 1<sup>st</sup> Public Hearing



|                                    | Valuation   | Rate   | Gross Tax Revenue | Tax Revenue @ 95% |
|------------------------------------|---|--------|-------------------|-------------------|
| Current FY 2016 Millage Rate       | \$818,427,691   | 5.9790 | \$4,893,379       | \$4,648,710       |
| Staff Proposed FY2017 Millage Rate | \$857,337,863   | 5.9790 | \$5,126,023       | \$4,869,722       |
| FY2017 Revenue Difference          |  |        | \$232,644         | \$221,012         |

1<sup>st</sup> Public Hearing on September 6, 2016 at 6:00pm at Cocoa City Hall

# Questions?

