

MINUTES
SECOND PUBLIC HEARING OF THE VALDOSTA CITY COUNCIL
6:00 P.M., THURSDAY, JULY 24, 2014
COUNCIL CHAMBERS, CITY HALL

OPENING CEREMONIES

Mayor John Gayle called the second Public Hearing for the adoption of a new millage rate to increase property taxes to order at 6:00 p.m. Council members present were: Tim Carroll, Ben Norton, Alvin Payton, Jr., Robert Yost, Sandra Tooley, and James Wright. Councilman Joseph "Sonny" Vickers was absent.

PUBLIC HEARING

Consideration of an Ordinance to adopt a new millage rate to increase property taxes for the City of Valdosta. (Second Hearing)

Mark Barber, Deputy City Manager of Administration, stated that this is a new area for us and he has had to do a lot of research since this is the first time in 22 years that we have increased the millage rate; however, more importantly, this is the first time that it has not been decreased as well. There has been a lot to learn about the difference in advertisement and things that go along with the millage rate increase. At the Budget Hearings, we did not have the digest numbers and we did not really know what it was going to be. Our net digest and what we assess make our revenue down approximately \$5.8 million. The biggest part of that was the value of our vehicles. There is now a new way that vehicles will be taxed so we are beginning to see that result. We had a \$12.3 million drop in the value of vehicles. The real and personal property increased about \$10.7 million however, losing \$12.3 million on vehicles took away any real growth that we had. Out of the \$10.7 million, we had \$771,000 which was reassessment growth. If we do not roll that back, then the State considers that a property tax increase even if the millage rate remains the same. If we were to roll back the reassessment growth this year, we would have had a millage rate of 4.100 as opposed to 4.102 as it was last year. We are now asking for a 2 mill increase to 6.102. The exemptions increased approximately \$4.5 million as well and that also led to the loss in value in the tax digest. The millage rates in Lowndes County are as follows with some of these already being adopted: City of Valdosta School System – 16.980, Lowndes County School System – 16.848, Lowndes County – 8.310, City of Valdosta – 6.102, City of Lake Park – 6.552, City of Remerton – 6.354, City of Hahira – 4.750, Parks and Recreation Authority – 1.250, and Industrial Authority – 1.000. The entities asking for a millage increase are: (1) the Lowndes County Board of Education – 14.725 to 16.848, (2) the Lowndes County Board of Commissioners – 7.303 to 8.310, (3) the City of Lake Park – 5.052 to 6.552, and (4) the City of Valdosta – 4.102 to 6.102. The Lowndes County Board of Commissioners' rate looks a little different from what was in the newspaper. Their overall millage rate for the County is 10.56 and it is derived by adding 8.30 mills for County operations, 1.25 mills for Parks and Recreation, and 1.00 mill for the Industrial Authority. They did increase from 7.303 to 8.310 for the County operations. The City of Valdosta's 6.102 millage rate increase does get us a little over \$2.9 million that we need to fund the General Fund Budget. We wanted \$500,000 to go back to building the Reserve Fund and then the rest was needed for the General Fund. If everything stays as is, that will give us a \$25,000 surplus. We know that things rarely go accordingly so we do not have a big buffer in what we are trying to; however, we are going to work hard to meet those requests. Even though we are asking for a 2.00 mill increase, we still have the lowest millage rate of cities that we benchmark against. The millage rates that affect a City of Valdosta resident are as: (1) City of Valdosta Schools – 16.980, (2) Lowndes County – 8.310, (3) City of Valdosta – 6.102, (4) Parks and Recreation Authority – 1.250, and (5) Industrial Authority – 1.00. Some residents wonder why they pay Lowndes County a tax even though they live in the City. The reason for that is that we all reside in Lowndes County so we owe Lowndes County a tax. The total tax that a resident would pay is 33.642 mills. For example, if a resident owns a piece of property valued at \$100,000, then they would pay the Valdosta City School System \$577 (50.47%), Lowndes County \$284 (24.70%), the City of Valdosta \$207 (18.14%), the Parks and Recreation Authority \$43 (3.72%), and the Industrial Authority \$34 (2.97%). The total amount a resident would pay is \$1,144. As far as a \$1.00 increase on \$100,000 piece of property, that increases the tax bill for the City by \$68. If the resident does an escrow then it would be approximately \$5.66 per month. For a \$150,000 piece of property, the increase is \$108 (\$9 per month) and for a \$200,000 piece of property is \$148 (\$12.33 per month). If you look at every \$1.00 that a citizen of Valdosta pays in taxes, \$.18 goes to the City of Valdosta, \$.04 goes to Parks and Recreation, \$.50 goes to the City School System, \$.25 goes to Lowndes County, and \$.03 goes to the Industrial Authority. Again, this is the first time in 22 years that we have had to increase the millage rate and we have actually lowered it many times.

Mayor Gayle stated that by State law we are required to have a Public Hearing on the millage increase at 6:00 p.m. so that is why we had to interrupt our regular Council Meeting. We will have another Public Hearing on the millage increase on August 7, 2014 at 5:00 p.m. prior to the Council Meeting. Mayor Gayle stated that at this time, citizens have the right to come forward and speak about the millage rate increase and asked if there was anyone who would like to do so. No citizens came forward to speak.

ADJOURNMENT

Mayor Gayle entertained a motion for adjournment.

A MOTION by Councilman Payton, seconded by Councilman Carroll, was unanimously adopted (6-0) to adjourn the July 24, 2014 second Public Hearing of the Valdosta City Council at 6:13 p.m. to meet again in Regular Session on Thursday, July 24, 2014.

City Clerk, City of Valdosta

Mayor, City of Valdosta