



XENIA CITY COUNCIL MEETING AGENDA REPORT

Meeting Date: October 29, 2008		Presenter: Appointed Officials
Title: Operating Levy Renewal or Replacement Options		
Agenda Location: n/a		
Past City Council Action: n/a		
Financials:		
Account #	Budget	Actual
n/a	n/a	n/a
TOTALS		
Summary:		
<p>The existing 3.5 mill operating levy was approved in 1959. In the 1970s, legislation was enacted that voted tax levies can never exceed the collected tax amount generated when it was first levied except for when property is annexed into the municipality. As County Auditors throughout the state increase property values, the effective millage gets reduced so that the collected amount remains the same. The current effective voted tax millage for residential property in the City of Xenia is approximately .92 mills on the 3.5 mill operating levy. The City Council needs to determine whether to renew the levy, which effectively would be at the rate of .92 mills for residents, replace the existing 3.5 mill levy, or add an additional 1.5 mills to 3.5 mill existing levy for a total of 5.0 mills.</p> <p>Collections on the existing 3.5 mill operating levy expire at the end of 2009. Therefore, it is necessary to either renew the existing levy or replace the existing levy. A renewal levy would not generate any additional revenue nor would it cost the taxpayers any additional dollars. The existing levy generates approximately \$427,000 a year. A replacement 3.5 mill levy would generate an additional \$800,000 (approximately) in revenue per year. A replacement 5.0 mill levy would generate an additional \$1.4 million (approximately) in revenue per year. For the additional cost to taxpayers for each replacement option, please see the attached information.</p> <p>The City Council is being asked to pass legislation to submit to the County Auditor for a determination of current tax valuation and the dollar amount that would be generated by each of the potential tax levies. In addition, the Council is being asked to introduce legislation for all three tax levy scenarios. The intent would be to pass one of the three Resolutions upon its second reading at the November 13, 2008, City Council meeting.</p> <p>A Special Election could be held in February, May, or August 2009. If the Council desires to place an issue on the February 3rd, 2009, Special Election ballot, legislation would need to be adopted no later than November 20, 2008, to meet the 75 day requirement per the Greene County Board of Elections. If the City determines to be on the February 3rd, 2009, Special Election ballot and would be the only entity on the ballot, the City would have to absorb the entire cost of the election. The estimate we received from the Greene County Board of Elections was approximately \$18,000.</p>		

Recommendations:

Action 1. Passage of an emergency Resolution to submit to the County Auditor for a determination of total current tax valuation and of a dollar amount that would be generated by each mill or fraction thereof for a 3.5 mill renewal levy, a 3.5 mill replacement levy, and a 5.0 replacement levy.

Action 2. Introduction of a Resolution to place a *3.5 mill renewal* operating levy on the February 3, 2009, special election ballot

Action 3. Introduction of a Resolution to place a *3.5 mill replacement* operating levy on the February 3, 2009, special election ballot

Action 4. Introduction of a Resolution to place a *5.0 mill replacement* operating levy on the February 3, 2009, special election ballot

Levy Information

3.5 Mill Operating Levy Renewal

Effective 1959

Current effective millage for residential – approx. .92 mills

Current renewal revenue = \$427,000

No cost increase to residents to renew 3.5 mill operating levy

3.5 Mill Operating Levy Replacement

To replace the existing 3.5 mill operating levy would increase revenue by approx. \$800,000

<u>Tax appraised value</u>	<u>Tax increase @ 2.58 mills</u>
\$ 50,000	\$ 39.51
\$ 75,000	\$ 59.26
\$100,000	\$ 79.01
\$125,000	\$ 98.77
\$150,000	\$118.52
\$200,000	\$158.03
\$225,000	\$177.78
\$250,000	\$197.53
\$300,000	\$237.04

5.0 Mill Operating Levy Replacement

To replace the existing 3.5 mill levy with a 5.0 mill operating levy would increase revenue by approx. \$1,400,000

<u>Tax appraised value</u>	<u>Tax increase @ 4.08 mills</u>
\$ 50,000	\$ 62.48
\$ 75,000	\$ 93.71
\$100,000	\$124.95
\$125,000	\$156.19
\$150,000	\$187.43
\$200,000	\$249.90
\$225,000	\$281.14
\$250,000	\$312.38
\$300,000	\$374.85

Income tax increase from 1.75% to 2.00%

An income tax increase from 1.75% to 2.00% would increase revenue by approx. \$1,443,000 based upon 2007 filing information

Income tax increase from 1.75% to 2.25%

An income tax increase from 1.75% to 2.25% would increase revenue by approx. \$2,885,000 based upon 2007 filing information

<u>Annual taxable income</u>	<u>Increase to 2.00%</u>	<u>Increase to 2.25%</u>
\$ 25,000	\$ 62.50	\$ 125.00
\$ 50,000	\$125.00	\$ 250.00
\$ 75,000	\$187.50	\$ 375.00
\$100,000	\$250.00	\$ 500.00
\$125,000	\$312.50	\$ 625.00
\$150,000	\$375.00	\$ 750.00
\$175,000	\$437.50	\$ 875.00
\$200,000	\$500.00	\$1,000.00
\$250,000	\$625.00	\$1,250.00