



Legislation Text

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TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator / Chief Financial Officer
Michael Walters Young, Budget & Analytics Manager

SUBJECT:

Consideration of Ordinance 2017-20, an Ordinance to Establish a Property Tax Rate for FY 2018; (05/11/17 Finance 3-0, 05/23/17 BOMA 1st Reading 8-0; 2nd Reading 6/13/17 BOMA 8-0). THIRD AND FINAL READING

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning property tax rates for the upcoming Fiscal Year 2017-2018.

Background

The City of Franklin relies upon a variety of funding sources to support operations. As in most cities across the United States, the City of Franklin is dependent in part upon a local property tax rate to support general operations, and to fund and service debt incurred on capital projects.

The City's proposed property tax rate is \$0.4176 per \$100 of assessed valuation, or no change from the current rate. The proposed FY18 budget recommends the continuation of the additional dedicated property tax funding (Invest Franklin) adopted by the BOMA last fiscal year. As a reminder, this consisted of:

- \$0.07 (.0700) per \$100 of assessed valuation - This component would be dedicated to infrastructure investments and transportation needs, including roadway improvements/expansions, parks, and City facility needs. One penny of this component would be specifically dedicated to funding for transit, connectivity through multi-use trails and sidewalks, and other alternatives to roadway transportation. Part of this amount is being dedicated to Debt Service in FY 2018.
- \$0.03 per \$100 of assessed valuation - This component would be dedicated to supporting City operations and service delivery.

Maintaining the rate will allow the City to focus on the application of these revenues to the projects of Invest Franklin and a sustained delivery of quality City services.

Financial Impact

The City forecasts to collect approximately \$19.4 million in property tax next fiscal year - approximately 1% higher than FY 2017 due to growth within the community.

Recommendation

Staff recommends approval of Ordinance 2017-20.