

**NOTICE OF MEETING**

**City Council of Peachtree City**

**SPECIAL CALLED MEETING**

**September 19, 2002**

**7:30 a.m.**

**and**

**6:30 p.m.**

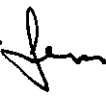
The Mayor and City Council of Peachtree City will hold special called meetings on Thursday, September 19, 7:30 a.m. and 6:30 p.m., at City Hall. The purpose of the meeting is to consider the millage rate for FY 2003.

# CITY OF PEACHTREE CITY

## INTEROFFICE MEMORANDUM

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**TO:** Mayor and City Council

**VIA:** Jim Basinger, City Manager 

**FROM:** Paul Salvatore, Director of Financial Services P.S.

**DATE:** September 10, 2002

**SUBJECT:** 2002 Tax Digest Information

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I am currently in receipt of the 2002 tax digest information from the Fayette County Tax Commissioner's Office. The 2002 digest information, which pertains to our fiscal year 2003, is summarized on the attached form (PT 32.1) provided by the county (see Attachment 1). On this form, please note that the assessed values for Personal Property decreased by over \$14M! This is mainly due to shrinkage of our industrial tax base, as previously discussed. More detailed tax digest information follows this summary form. Despite the decrease in personal property values, the net 2002 digest for all taxable property values within the city increased by approximately \$109M, or 8.5% over the 2001 digest. Of this amount, \$75.6M (or 69.4%) was attributable to reassessment of existing real property and \$33.4M (or 30.6%) was due to new growth.

The actual digest figures were within only 1.5% of staff's projections for assessed values that we used in preparing the FY 2003 budget. Based on the actual digest figures received, it is expected that an additional \$94K will be generated based upon the proposed millage rate of 4.703. However, due to the fact that the city's L.O.S.T revenues may be in serious jeopardy because of the recent position taken by Fayette County, as well as the fact that yet another plant closing was announced last week, staff strongly recommends that the proposed millage rate remain at 4.703. This comparison of actual versus budgeted digest information is presented in Attachment 2 to this memo. This attachment also illustrates what the impact would be on the FY 2003 budget if Council were to adopt the *rollback* millage rate of 4.083 - we would fall short of our Ad Valorem Tax revenue projection by over \$760K. Obviously (and unfortunately) our current financial position is such that we can't afford to even consider this as an option right now. Hence, we have scheduled the necessary public hearings to discuss the proposed tax increase.

Staff will be prepared to discuss this information at the public hearings, and will also present a Powerpoint presentation to explain the major factors (see Attachment 3) causing the need for the tax increase.

## COMPUTATION OF MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES FOR YEAR 2002

| COUNT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Fayette               | TAXING JURISDICTION                   | Peachtree City                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------|------------------------------------|
| <b>INFORMATION FOR THE SHADED PORTIONS OF THIS SECTION MUST BE ENTERED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                       |                                       |                                    |
| DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2001 DIGEST           | REASSESSMENT OF<br>EXISTING REAL PROP | OTHER CHANGES<br>TO TAXABLE DIGEST |
| REAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1,016,008,097         | 75,632,958                            | 36,420,516                         |
| PERSONAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 237,960,886           |                                       | -14,249,573                        |
| MOTOR VEHICLES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 104,969,840           |                                       | 2,852,580                          |
| MOBILE HOMES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0                     |                                       | 0                                  |
| TIMBER -100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0                     |                                       | 0                                  |
| HEAVY DUTY EQUIP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 81,126                |                                       | -33,650                            |
| GROSS DIGEST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1,359,019,929         | 75,632,958                            | 24,989,873                         |
| EXEMPTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 88,747,602            |                                       | -8,378,502                         |
| NET DIGEST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1,270,272,327         | 75,632,958                            | 33,368,375                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (PYD)                 | (RVA)                                 | (NAG)                              |
| 2001 MILLAGE RATE >>>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4.320                 | 2002 PROPOSED MILLAGE RATE >>>        |                                    |
| <b>THIS SECTION WILL CALCULATE AUTOMATICALLY UPON ENTRY OF INFORMATION ABOVE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                       |                                       |                                    |
| DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ABBREVIATION          | AMOUNT                                | FORMULA                            |
| 2001 Net Digest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | PYD                   | 1,270,272,327                         |                                    |
| Net Value Added-Reassessment of Existing Real Property                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | RVA                   | 75,632,958                            |                                    |
| Other Net Changes to Taxable Digest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | NAG                   | 33,368,375                            |                                    |
| 2002 Net Digest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | CYD                   | 1,379,273,660                         | (PYD+RVA+NAG)                      |
| 2001 Millage Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | PYM                   | 4.320                                 |                                    |
| Millage Equivalent of Reassessed Value Added                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ME                    | 0.237                                 | (RVA/CYD) * PYM                    |
| Rollback Millage Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | RR                    | 4.083                                 | PYM - ME                           |
| Total Ad Valorem Tax Levied for 2002 Tax Year >>>>>>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       | 5,631,574                             | CYD * RR/1000                      |
| Total Ad Valorem Tax Levied for 2001 Tax Year >>>>>>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       | 5,487,578                             | PYD * PYM/1000                     |
| Allowable Revenue Growth Without Public Hearings >>>>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       | 144,151                               | NAG * PYM/1000                     |
| <b>COMPUTATION OF PERCENTAGE INCREASE IN PROPERTY TAXES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                       |                                       |                                    |
| If the 2002 Proposed Millage Rate for this Taxing Jurisdiction exceeds the Rollback Millage Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Rollback Millage Rate | 4.083                                 |                                    |
| computed above, this section will automatically calculate the amount of increase in property                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2002 Millage Rate     | 0.000                                 |                                    |
| taxes that is part of the notice required in O.C.G.A. Section 48-5-32.1(c) (2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Percentage Increase   | -100.00%                              |                                    |
| <b>CERTIFICATIONS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                                       |                                    |
| I hereby certify that the amount indicated above is an accurate accounting of the total net assessed value added by the reassessment of existing real property for the tax year for which this rollback millage rate is being computed.                                                                                                                                                                                                                                                                                                                                                   |                       |                                       |                                    |
| Chairman, Board of Tax Assessors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                       | Date                                  |                                    |
| I hereby certify that the values shown above are an accurate representation of the digest values and exemption amounts for the applicable tax years.                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       |                                       |                                    |
| Tax Collector or Tax Commissioner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       | Date                                  |                                    |
| I hereby certify that the above is a true and correct computation of the rollback millage rate in accordance with O.C.G.A. Section 48-5-32.1 for the taxing jurisdiction for tax year 2002 and that the final millage rate set by the authority of this taxing jurisdiction for tax year 2002 is                                                                                                                                                                                                                                                                                          |                       |                                       |                                    |
| <b>CHECK THE APPROPRIATE PARAGRAPH BELOW THAT APPLIES TO THIS TAXING JURISDICTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |                                       |                                    |
| If the final millage rate set by the authority of the taxing jurisdiction for tax year 2002 exceeds the rollback rate, I further certify that the required advertisements, notices, and public hearings have been conducted in accordance with O.C.G.A. Sections 48-5-32 and 48-5-32.1 as evidenced by the attached copies of the published five year history and current digest advertisement, the "Notice of Intent to Increase Taxes" showing the times and places when and where the required public hearings were held, and a copy of the press release provided to the local media. |                       |                                       |                                    |
| If the final millage rate set by the authority of the taxing jurisdiction for tax year 2002 does not exceed the rollback rate, I further certify that the required five year history and current digest advertisement has been published in accordance with O.C.G.A. Section 48-5-32 as evidenced by the attached copy of such advertised report.                                                                                                                                                                                                                                         |                       |                                       |                                    |
| Signature of Responsible Party                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Title                 | Date                                  |                                    |

COUNTY NAME: PAYETTE COUNTY NUMBER: 112 DISTRICT NAME: PEACHTREE CITY  
 PAGE: 15

DISTRICT NUMBER: 05 PARCEL CNT: 11,362  
 RUNDATE: 09/04/2002 RUNTIME: 14:01

SUMMARY

| GROUP                         | COUNT  | ACRES    | ASSESSED VALUE |
|-------------------------------|--------|----------|----------------|
| -----RESIDENTAL-----          | 25,118 | 1,059.90 | 883,440,123    |
| ---RESIDENTAL TRANSITIONAL--- |        |          |                |
| -----HISTORIC-----            |        |          |                |
| -----AGRICULTURAL-----        | 11     | 415.20   | 2,173,574      |
| -----PREFERENTIAL-----        |        |          |                |
| -----CONSERVATION USE-----    | 2      | 154.80   | 624,152        |
| --ENVIRONMENTALLY SENSITIVE-- |        |          |                |
| -----COMMERCIAL-----          | 2,137  | 1,000.10 | 255,017,972    |
| -----INDUSTRIAL-----          | 367    | 1,361.70 | 194,415,620    |
| -----UTILITY-----             | 14     |          | 16,101,423     |

MOTOR VEHICLES 24,645 107,822,420

HEAVY DUTY EQUIPMENT 6 47,476

MOBILE HOMES

TIMBER - 100%

GROSS DIGEST 52,300 3,991.70 1,459,642,760

EXEMPTIONS BOND 546 82,349,100

NET BOND DIGEST 51,754 1,377,293,660

GROSS DIGEST 52,300 3,991.70 1,459,642,760

EXEMPTIONS M & O 51 80,369,100

NET M & O DIGEST 52,249 1,379,273,660

| TYPE  | TAX LEVIED<br>ASSESSED VALUE | TAXING<br>BODY | MILL<br>RATE | AMOUNT<br>OF TAX |
|-------|------------------------------|----------------|--------------|------------------|
| M & O | 1,379,273,660                | PEACHTREE CITY |              |                  |
| BOND  | 1,377,293,660                | COUNTY BOND    | .000000      |                  |

COUNTY NAME: FAYETTE COUNTY NUMBER: 112 DISTRICT NAME: PEACHTREE CITY  
PAGE: 13

DISTRICT NUMBER: 05 PARCEL CNT: 11,362  
RUNDATE: 09/04/2002 RUNTIME: 14:01

-----RESIDENTIAL-----

| CODE | COUNT  | ACRES  | ASSESSED VALUE |
|------|--------|--------|----------------|
| R1   | 10,375 |        | 684,691,482    |
| R3   | 10,814 | 463.20 | 188,752,231    |
| R4   | 45     | 389.80 | 3,817,878      |
| R5   | 6      | 206.90 | 1,974,300      |
| RA   | 106    |        | 1,634,514      |
| RB   | 383    |        | 789,161        |
| RF   | 3,389  |        | 1,780,557      |

-----AGRICULTURAL-----

| CODE | COUNT | ACRES  | ASSESSED VALUE |
|------|-------|--------|----------------|
| A5   | 11    | 415.20 | 2,173,574      |

-----CONSERVATION USE-----

| CODE | COUNT | ACRES  | ASSESSED VALUE |
|------|-------|--------|----------------|
| V4   | 1     | 6.80   | 135,508        |
| V5   | 1     | 148.00 | 488,644        |

-----COMMERCIAL-----

| CODE | COUNT | ACRES  | ASSESSED VALUE |
|------|-------|--------|----------------|
| C1   | 236   |        | 101,930,864    |
| C3   | 246   | 356.30 | 31,680,335     |
| C4   | 26    | 294.70 | 12,928,034     |
| C5   | 8     | 349.10 | 7,021,440      |
| CA   | 4     |        | 55,400         |
| CI   | 510   |        | 26,870,717     |
| CF   | 1,090 |        | 46,456,629     |
| CP   | 14    |        | 24,594,452     |
| CZ   | 3     |        | 3,480,101      |

-----INDUSTRIAL-----

| CODE | COUNT | ACRES  | ASSESSED VALUE |
|------|-------|--------|----------------|
| I1   | 128   |        | 58,253,418     |
| I3   | 97    | 446.70 | 7,710,864      |
| I4   | 46    | 432.20 | 6,425,963      |
| I5   | 11    | 482.80 | 3,975,613      |
| II   | 29    |        | 5,600,937      |
| IF   | 30    |        | 57,290,943     |
| IP   | 25    |        | 54,809,396     |
| IZ   | 1     |        | 348,486        |

COUNTY NAME: FAYETTE COUNTY NUMBER: 112 DISTRICT NAME: PEACHTREE CITY  
PAGE: 14

DISTRICT NUMBER: 05 PARCEL CNT: 11,362  
RUNDATE: 09/04/2002 RUNTIME: 14:01

-----UTILITY-----

| CODE | COUNT | ACRES | ASSESSED VALUE |
|------|-------|-------|----------------|
| U2   | 12    |       | 16,100,103     |
| U3   | 2     |       | 1,320          |

-----EXEMPT PROPERTY-----

| CODE  | COUNT | ACRES | ASSESSED VALUE |
|-------|-------|-------|----------------|
| E1    | 331   |       | 46,014,295     |
| E2    | 50    |       | 12,862,105     |
| E4    | 8     |       | 649,580        |
| E5    | 14    |       | 21,832,860     |
| E9    | 7     |       | 13,940,442     |
| TOTAL | 410   |       | 95,299,282     |

-----HOMESTEAD & PROPERTY EXEMPTIONS-----

| CODE | COUNT  | M&O AMOUNT  | BOND AMOUNT |
|------|--------|-------------|-------------|
| S1   | 7,744  | 15,488,000  |             |
| S2   | 495    | 1,980,000   | 1,980,000   |
| S5   | 10     | 422,715     | 422,715     |
| S6   | 1      | 3,288       |             |
| SF   | 39     | 79,403,849  | 79,403,849  |
| SV   | 2      | 542,536     | 542,536     |
| L3   | 7,744  | 23,232,000  |             |
| L4   | 495    | 495,000     |             |
| TL   | 16,530 | 121,567,388 | 82,349,100  |

### Summary of 2002 Digest/ No Rollback

| Year                     | Digest              | Mills | Taxes           |
|--------------------------|---------------------|-------|-----------------|
| 2002 Actual              | \$1,379,273,660     | 4.703 | \$6,486,724     |
| 2003 Budget              | \$1,359,191,390     | 4.703 | \$6,392,277     |
| <b>Difference</b>        | <b>\$20,082,270</b> |       | <b>\$94,447</b> |
| 4.703 Mills              |                     |       | \$6,486,724     |
| 1 Mill                   |                     |       | \$1,379,274     |
| 2001 Actual LOST Revenue |                     |       | \$5,771,809     |
| LOST Rollback            |                     |       | 4.185           |
| Net Millage              |                     |       | 4.703           |
| <b>Gross Millage</b>     |                     |       | <b>8.888</b>    |

### Summary of 2002 Digest/ With Rollback

| Year                     | Digest              | Mills | Taxes              |
|--------------------------|---------------------|-------|--------------------|
| 2002 Actual              | \$1,379,273,660     | 4.083 | \$5,631,574        |
| 2003 Budget              | \$1,359,191,390     | 4.703 | \$6,392,277        |
| <b>Difference</b>        | <b>\$20,082,270</b> |       | <b>(\$760,703)</b> |
| 4.083 Mills              |                     |       | \$5,631,574        |
| 1 Mill                   |                     |       | \$1,379,274        |
| 2001 Actual LOST Revenue |                     |       | \$5,771,809        |
| LOST Rollback            |                     |       | 4.185              |
| Net Millage              |                     |       | 4.083              |
| <b>Gross Millage</b>     |                     |       | <b>8.268</b>       |

## Major Factors Impacting FY 2003 Budget

### ■ Insurance Cost Increases\*:

|                         |           |      |
|-------------------------|-----------|------|
| ■ Health Insurance      | \$539K(1) | 62%  |
| ■ Property & Casualty   | \$ 89K    | 106% |
| ■ Worker's Compensation | \$ 60K    | 46%  |

### ■ Pension Cost Increases:

|                                            |           |       |
|--------------------------------------------|-----------|-------|
| ■ Defined Benefit Plan*                    | \$193K(2) | 39%   |
| ■ Public Safety<br>(Early Retirement Plan) | \$221K    | (new) |

### ■ Revenue Sources:

- Impact Fees- projected to decline by about \$80K, or 19%
- Industrial Tax Base\*- major decreases in personal property (equipment & inventory) due to major plant closing/cutbacks
  - Over \$30M value already removed from tax digest
  - TDK & Siemens among major companies affected
- Hotel/Motel Taxes\*- Shortfall in this revenue source has been experienced since September 11, 2001.
- Interest Earnings\*- Rates have been extremely low for most of the fiscal year, and are expected to remain low going in to FY 2004.
- L.O.S.T- Gov. Barnes' Local Option Sales Tax Holidays

\* Indicates items impacted by September 11, the economy and/or stock market decline

(1.) This amount indicates the increase over what was budgeted in FY 2002. The FY 2003 budget is actually only 4% over this years projected actual expenditures.

(2.) This amount was based upon an actuarial computation of what will be needed to fund a future defined benefit amount to be paid to employees at retirement. Since the asset portfolio set up to fund this future benefit shrank when the stock market declined, more funds are required to meet the future benefit amount.