



City of Saginaw

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MEMORANDUM

DATE: August 12, 2019

TO: Gabe Reaume, City Manager
Dolph Johnson, Assistant City Manager

FROM: Kim Quin, Finance Director

CC: Janice England, City Secretary

SUBJECT: City Council actions required to adopt the FY19/20 tax rate and budget

Attached is the Notice of Proposed Property Tax Rate that is required by state law and must be published in the Star Telegram and posted on the City's website by Saturday, August 24, 2019. We plan to publish on Thursday, August 22, 2019.

The effective tax rate is .430869 and the rollback tax rate is .469175. The proposed 2019 tax rate is .469000. State law requires certain Truth-In-Taxation procedures must be followed if the City increases the tax rate above the effective tax rate or the rollback tax rate, whichever is lower. The proposed tax rate is 8.85% higher than the effective tax rate and will generate 11.65% more tax revenues than last year.

Therefore, if the City Council plans to adopt the proposed tax rate of .469000 and FY19/20 budget, the Truth-In-Taxation requirements are triggered and the following procedures must be followed:

- At the August 20th City Council Meeting, the Council must vote to consider a tax rate of .469000 which is an increase of 8.85% above the effective tax rate. A motion must be made to propose that the Council place on the September 17th agenda the adoption of the proposed tax rate and schedule two public hearings, September 3th and September 10th, on the proposal for increasing the tax rate.
- Publish the "Notice of 2019 Tax Year Proposed Property Tax Rate" in the newspaper before August 24th.
- File a copy of the FY19/20 Proposed Budget with the City Secretary and post to the City website by August 17th.

- At the September 3rd Council Meeting, the City Council will hold the first public hearing on the tax rate increase. The City Council will not take any action on the tax rate at this meeting, but will hear any public comments about the proposed tax rate. After the end of the Public Hearing, the City Council must announce the date, time, and location at which they will vote on the tax rate.
- By September 5th the City must advertise a public hearing on the FY 19/20 Proposed Budget. This advertisement will state the proposed 11.65% increase in tax revenues.
- At the Special Council Meeting on September 10th, the City Council will hold the second public hearing on the tax rate increase. The City Council will hear any public comments about the proposed tax rate. After the end of the Public Hearing, the City Council must announce the date, time, and location at which they will vote on the tax rate.
- At the September 17th Council Meeting, the City Council must hold a public hearing on the FY19/20 Proposed Budget. After the hearing has ended, the Council must take separate votes on the budget, then the tax rate increase, and lastly the tax rate. The wording of the resolutions and motion to set the tax rate must include specific language to conform to the Truth-In-Taxation laws.