

# City of Flagstaff

## FY 2020-2021

### Budget

June 16, 2020





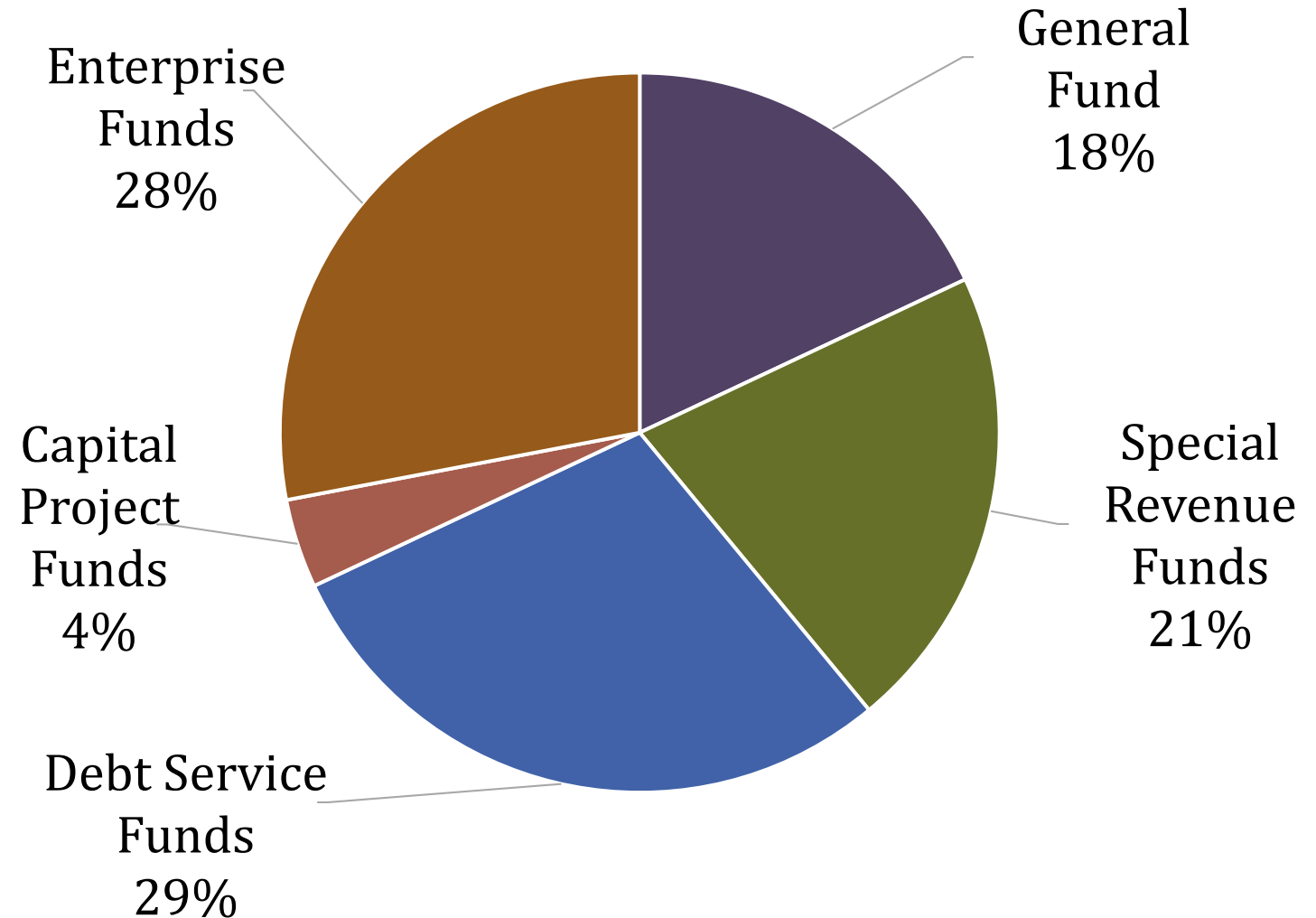
# Budget Timeline

- **June 2<sup>nd</sup> – Tentative Budget Adoption**
- **June 16<sup>th</sup>**
  - Public Hearing for Budget and Tax Levy
  - Final Budget Adoption
  - 1<sup>st</sup> Reading of Property Tax Ordinance
- **July 7<sup>th</sup>**
  - 2<sup>nd</sup> Reading and Adoption of Property Tax Ordinance

# Legal Schedule A

## Total FY 2020-2021 Budget: \$450,688,316

\$111.8M (33%) increase over FY 2019-2020

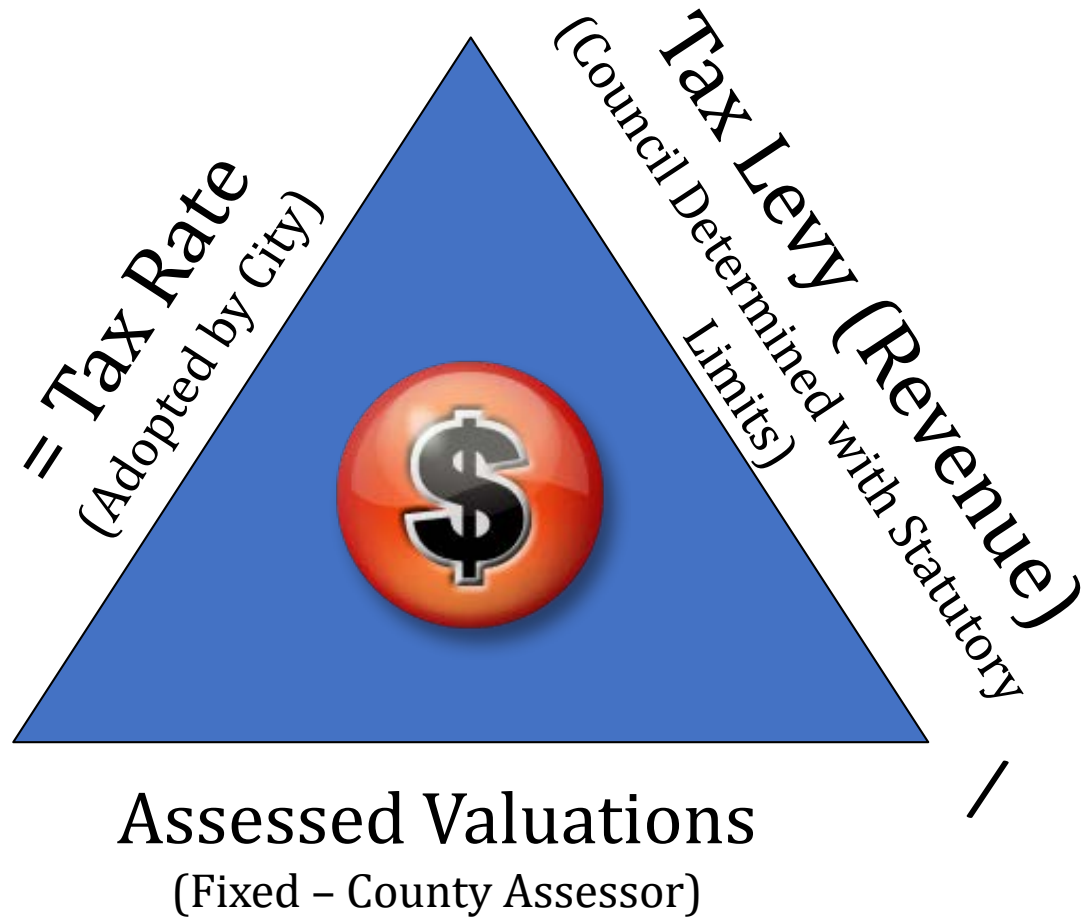




# Property Taxes

## Anatomy of Property Taxes

$$\text{Tax Levy (Revenue)} / \text{Assessed Valuation (AV)} = \text{Tax Rate}$$





# Proposed Property Tax

Total Proposed Primary Tax Levy: \$6,952,496

- New construction revenue totals \$60,474
- Assessed values increased 5.6% on average
- Proposed tax rate of \$0.7510 per \$100/AV
- Rate decrease from \$0.7933 in the prior year
- Unrestricted per state statutes

Total Proposed Secondary Tax Levy: \$7,406,121

- Proposed tax rate of \$0.8000 per \$100/AV
- Rate decrease from \$0.8366 in the prior year
- 1.9% levy increase
- Cannot exceed the estimated general obligation debt service payments for FY 2020-2021



# Property Tax Rates

Property Tax Rates	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021 Proposed
Primary	\$ 0.8121	0.8233	0.8334	0.7933	0.7510
Secondary	0.8366	0.8366	0.8366	0.8366	0.8000
Total	\$ 1.6487	1.6599	1.6700	1.6299	1.5510

- **Primary Property Tax Rate (FY 2020-2021)**
  - Proposed: .7510 per \$100/AV
  - Flat Levy: .7510 per \$100/AV
  - Maximum: .7660 per \$100/AV



# Property Assessed Values

	Budget 2020	Budget 2021	
	<u>Tax Year 2019</u>	<u>Tax Year 2020</u>	<u>% Increase</u>
Limited Net AV	\$868,806,647	\$925,765,090	6.6%
Full Cash Net AV	\$1,008,490,173	\$1,123,106,392	11.4%

- Determined by the County Assessor's Office
- New construction .9%
- Values based on valuation done in late 2018 for Tax Year 2020
- Limited assessed value is used to calculate both the primary and secondary property tax per State Statutes
- Limited assessed value is limited to maximum 5% increase per year for most real property



# City Property Tax Impact

## On Homeowners:

Impact on Home Owner-Primary:

	FY 2020 Value	Inc/Decr AV	FY 2021 Value	Incr/(Decr)	
	300,000	5.000%	315,000		
Primary Tax Estimate	237.99		236.57	(1.43)	-0.6%

Impact on Home Owner-Secondary:

	FY 2020 Value	Inc/Decr AV	FY 2021 Value	Incr/(Decr)	
	300,000	5.00%	315,000		
Secondary Tax Estimate	250.98		252.00	1.02	0.4%

- In FY 2019, City property taxes were 22% of the total homeowner property tax bill



# City Property Tax Impact

## Commercial Property:

Impact on Commercial-Primary:

	FY 2020 Value	Inc/Decr AV	FY 2021 Value	Incr/(Decr)	
	1,000,000	5.000%	1,050,000		
Primary Tax Estimate	1,427.94		1,419.39	(8.55)	-0.6%

Impact on Commercial-Secondary:

	FY 2020 Value	Inc/Decr AV	FY 2021 Value	Incr/(Decr)	
	1,000,000	5.00%	1,050,000		
Secondary Tax Estimate	1,505.88		1,512.00	6.12	0.4%

# Questions

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