

City Manager's Report

March 25, 2022

Council and Colleagues, greetings. These reports will be included in the City Council packet for regularly scheduled Council meetings. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization.

With the last CM Report being provided a week ago (March 15th), this report is quite abbreviated. There is one item that will require some Council input, provided below, and there are two supplemental reports – Economic Vitality and Information Technology. We will be covering work anniversaries at the subsequent Council Work Session.

Discussion on Public Notice of a Possible Primary Property Tax Levy Increase

Council this relates to the required posting of Public Notice related to a possible Primary Property Tax Levy (revenues) increase. This matter comes to you every year at this time. We are including in the City Manager's Report this year as we anticipate the outcome of this particular topic, but we nevertheless are obligated to have the discussion. It seems appropriate to have it in this Report accordingly.

We are seeking Council direction on posting a 60-day website notice related to Primary Property Tax. A notice is required to be posted on the City website and distributed through social media at least 60 days prior to adoption of a new tax or fee, or an increase in the rate of a tax or fee, per A.R.S. Section 9-499.15 ("60-day notice"). In past years, the City has posted the 60-day notice in the event Council would be considering adoption of either an increase in either the Primary Property Tax levy (revenues) or the Primary Property Tax rate. As the language of the statute has changed, it no longer appears necessary to post a 60-day notice if the rate is not being increased. For the next fiscal year, there will not be a rate increase in the Primary Property Tax because our maximum allowable rate must be lower than the current year due to increases in property valuations.

By way of background, Arizona's statutes allow cities to increase their Primary Property Tax levy (revenues) by 2% annually, excluding new construction added to the assessment rolls. If the cities do not utilize the maximum allowable levy, the increase is available in future years in addition to 2% allowed annually. The City did not assess the increase levy for FY 2020-21.

The current City Manager budget proposal will be discussed on April 21 and 22, 2022 at the Budget Retreat. The proposal does not include a recommendation to increase the Primary Property Tax levy. During the retreat, the City Council will have the ability to provide direction to amend the proposed budget, and in this context, the Council could propose a Primary Property Tax levy increase. Again, this would necessitate meeting the 60-day website notice.

Supplemental Reports

Council attached for your reading enjoyment is the February Monthly Update from Economic Vitality, and the March Monthly Update from Information Technology. Enjoy!

That's it for now, Council. Onward and upward!