



City of Dunwoody *Georgia*

Millage Rate Hearings

June/July 2022

Today's Purpose

- State law requires three public hearings if a city, county, or school system raises its property taxes. The official ones will be June 17 (8 a.m.); July 11 (8 a.m.) and July 11 (6 p.m.) Though, the city will also have discussions at other meetings.
- The City of Dunwoody has proposed raising the tax rate to 3.040 mills from 2.740 mills.
- For a newly purchased \$500,000 house, the tax bill would go from \$321 a year to \$378 a year, a \$57 increase.
- For a \$500,000 house that was purchased years ago and its assessment frozen at \$375,000, the tax bill would go from \$234 a year to \$276 a year, a \$42 increase.

Why the tax increase?

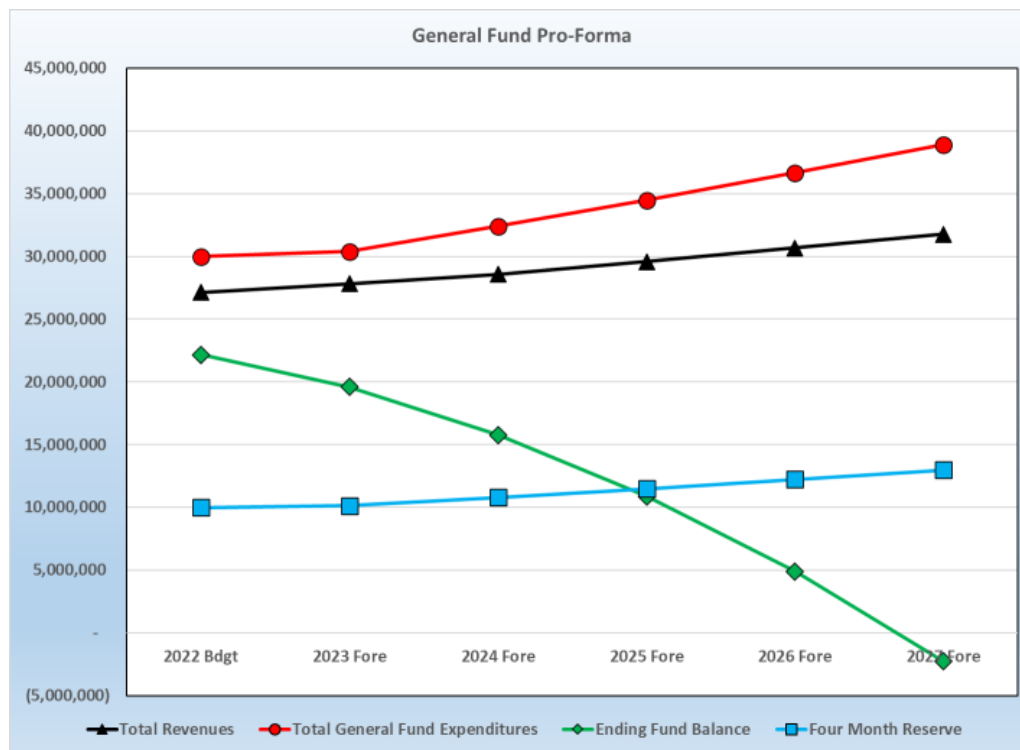
- The most obvious question is, “If the city is financially healthy, why does it need a tax increase?”
- *The answer: The fund balance (reserves) the city has is almost twice the minimum recommended for our size, but the current ongoing revenues do not project in the long term to cover future ongoing expense.*

General Fund 2022

FY2022 Original Budget			FY2022 at 2.740 mills			FY2022 at 3.040 mills	
Starting Balance	\$ 22.5		Starting Balance	\$ 22.5		Starting Balance	\$ 22.5
Taxes	\$ 19.7		Taxes (*)	\$ 20.6		Taxes (*)	\$ 21.7
Other Revenue	\$ 4.5		Other Revenue	\$ 5.4		Other Revenue	\$ 5.4
Total Revenue	\$ 24.2		Total Revenue	\$ 26.1		Total Revenue	\$ 27.1
Expenses	\$ 28.1		Expenses (**)	\$ 30.3		Expenses (**)	\$ 30.3
Ending Balance	\$ 18.6		Ending Balance	\$ 18.3		Ending Balance	\$ 19.4
(Use)/Gain of Fund Balance	\$ (3.9)		(Use)/Gain of Fund Balance	\$ (4.2)		(Use)/Gain of Fund Balance	\$ (3.1)
Req. Four Month Reserve	\$ 9.4		Req. Four Month Reserve	\$ 10.1		Req. Four Month Reserve	\$ 10.1
Months Reserved	7.91		Months Reserved	7.25		Months Reserved	7.67
Structural Deficit	\$ (3.9)		Structural Deficit	\$ (2.2)		Structural Deficit	\$ (1.1)

- This chart shows the original 2022 budget, a revision based on new revenue and 2.740 mills, and an option at 3.040 mills.
- The structural deficit with the 3.040 mill rate is small enough where a 3% swing in revenues/expenses could make the actual use of fund balance nil.

Short-Term Forecast



- The city also has five year operating forecasts. In those forecast, the goal is to make sure that there are adequate reserves five years out; however, given the conservative nature of the revenue projections, three years out on a projection still gives the city time to take corrective actions should the economy take an excessive downturn.

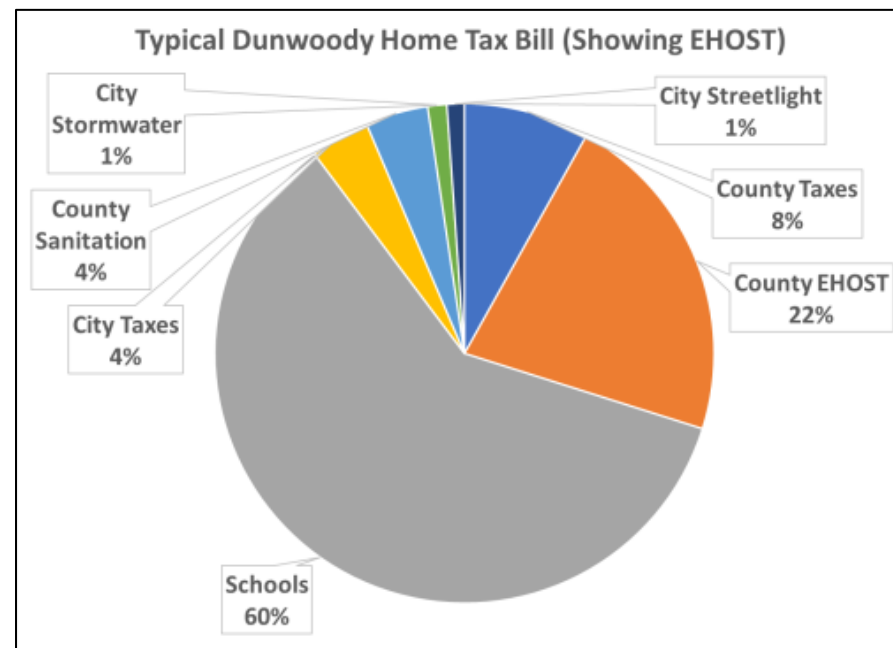
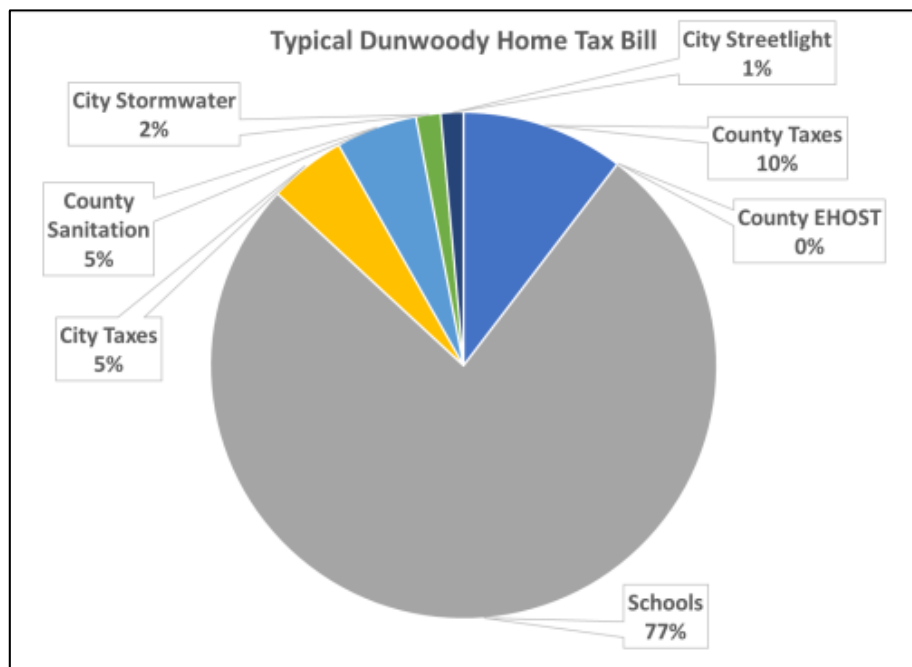
The Real Impact

Current House Value	Frozen House Value	Tax at 2.740	Tax at 3.040	Change
\$ 400,000	\$ 300,000	\$ 181	\$ 214	\$ 33
\$ 500,000	\$ 375,000	\$ 234	\$ 276	\$ 42
\$ 600,000	\$ 450,000	\$ 286	\$ 337	\$ 51
\$ 400,000	\$ 400,000	\$ 251	\$ 296	\$ 45
\$ 500,000	\$ 500,000	\$ 321	\$ 378	\$ 57
\$ 600,000	\$ 600,000	\$ 390	\$ 459	\$ 69

- The proposal before City Council has an impact on typical Dunwoody homes of between \$33 and \$69 a year.
- The freeze has made it so many houses are still paying in 2022 what they were paying in 2009.

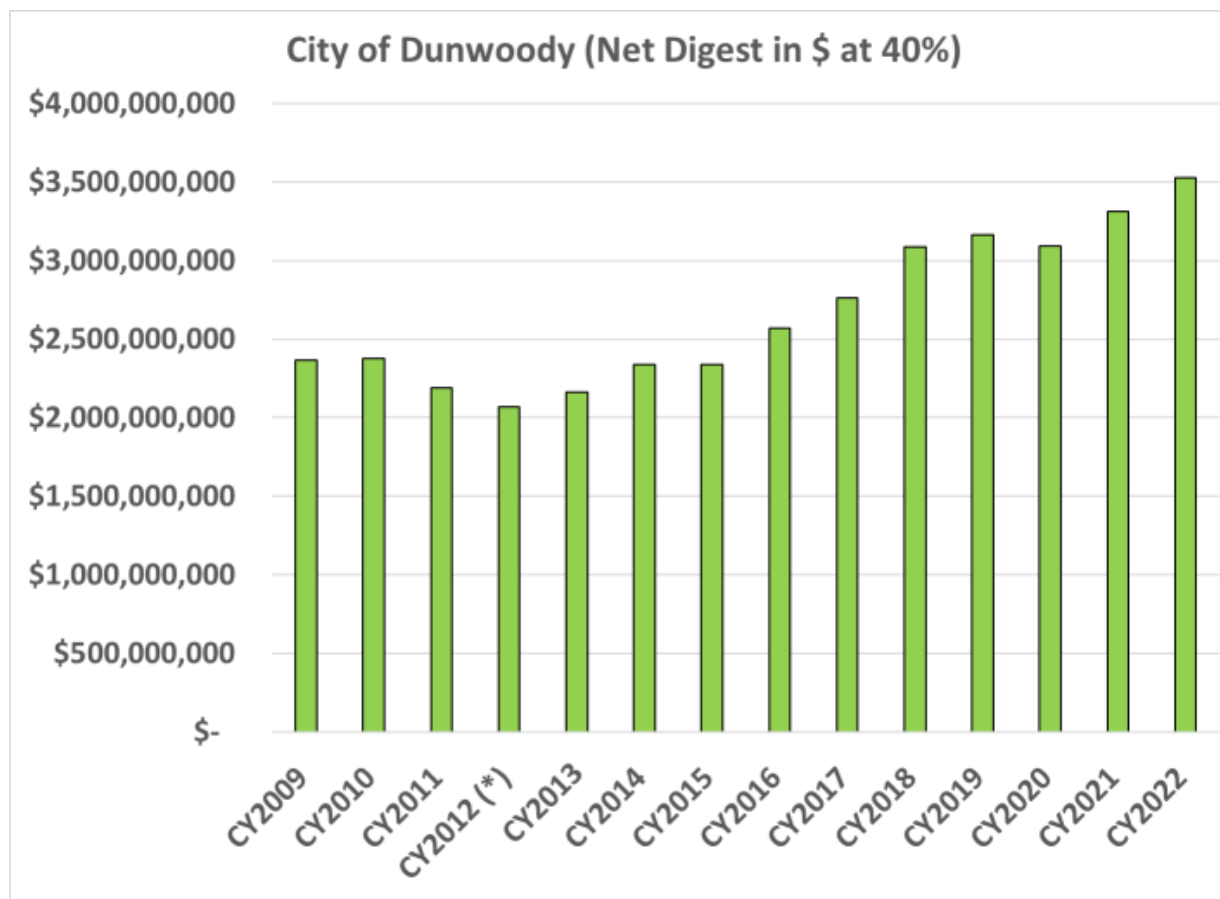
Your Typical Tax Bill (Two Views)

Depending on how one counts the EHOST credit (currently only given to countywide taxes), city taxes are 4 to 5% of a typical total bill.



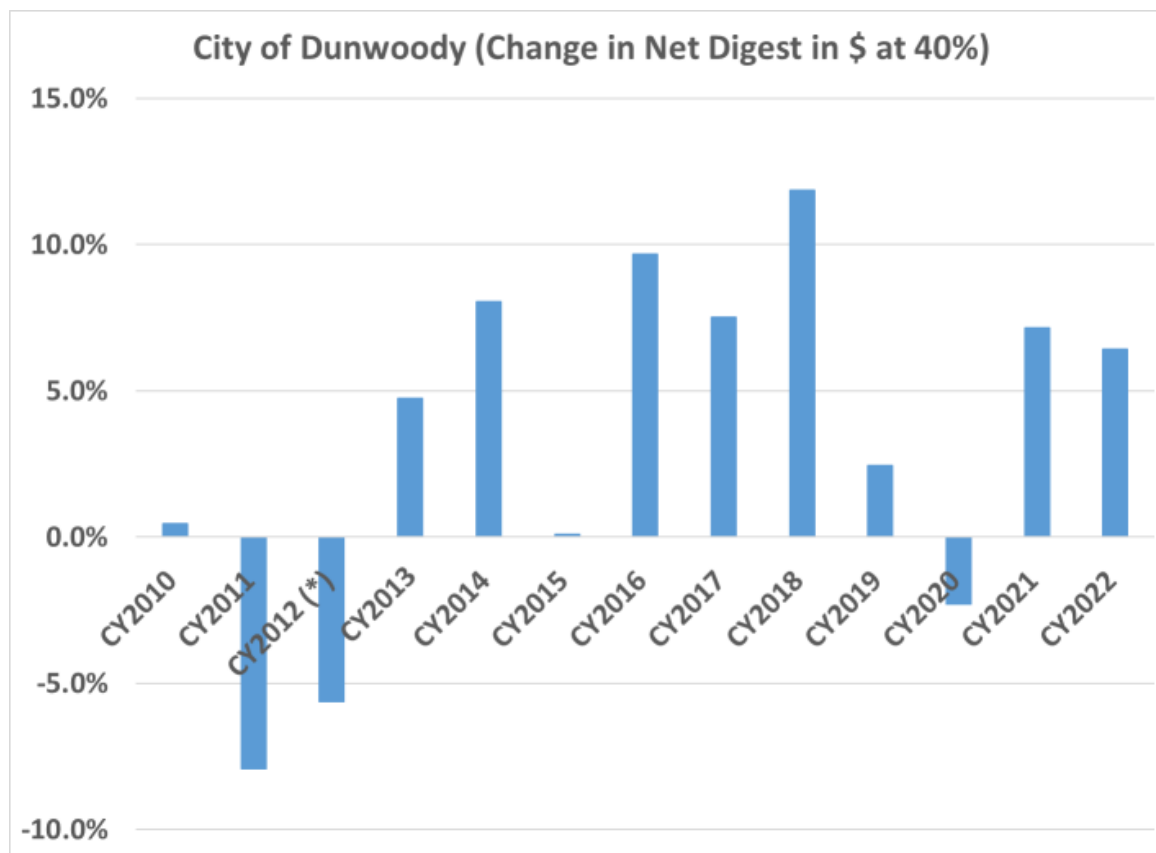
Schools are between 60-77% of the bill and the county is between 10-32%. Again, depending on how to count the EHOST credit.

Driving the Revenue



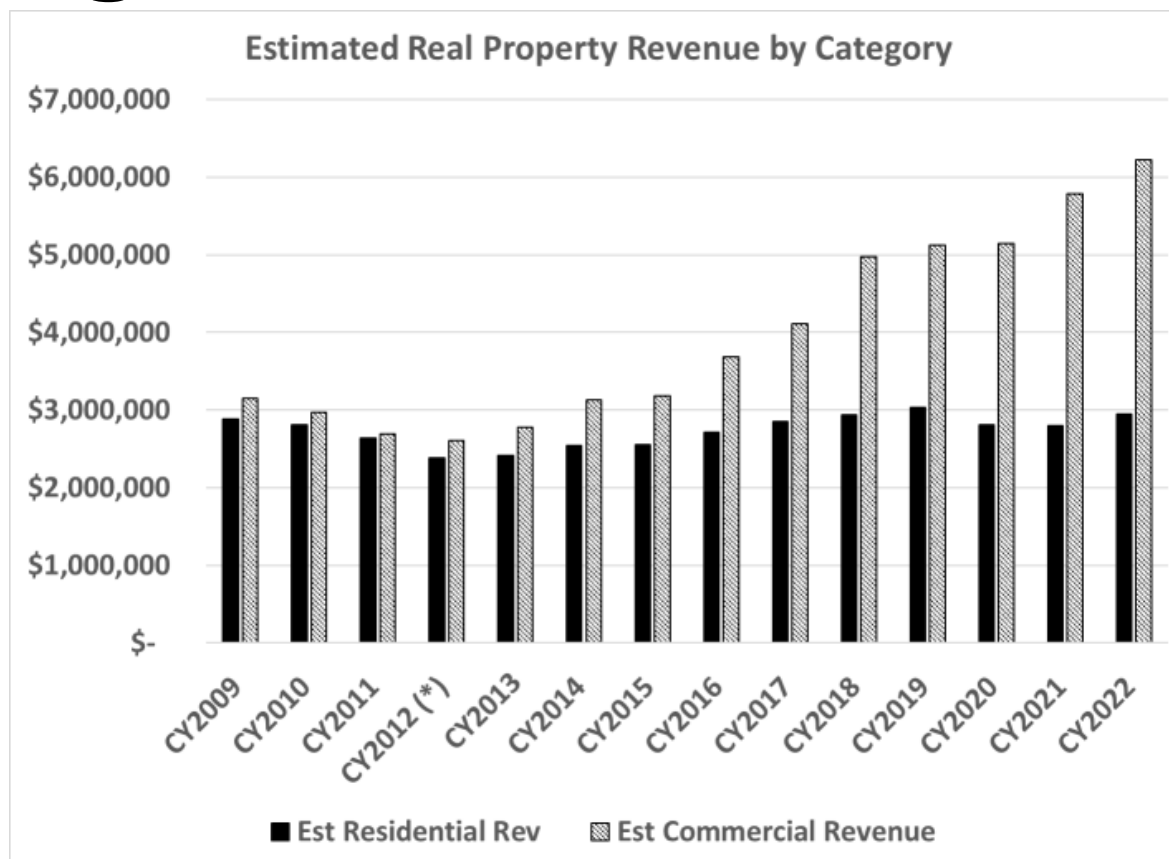
While the general trend of the digest (the city's main revenue source) has been up, the picture has not been perfect.

Driving the Revenue



In three years of the city's existence, values have gone down and two more years basically zero growth.

Driving the Revenue



But the most glaring trend is that at the start, city residents and businesses paid about the same amount in taxes. Over thirteen years, the residents pay the same amount and businesses are double.

So, what's the goal...

- The main goal of raising the millage rate to the statutory cap is to have ongoing revenue and ongoing expenses move closer to each other.
- With new parks on the horizon and residential tax bills frozen since incorporation, the most direct action that the city can take is moving the rate to the cap created by the city's founders.
- Projections show that raising to the cap will significantly mitigate the structural deficit and give room for some service growth in the short term.


IRVIN J. JOHNSON

DeKalb County Tax Commissioner

2021 County, School, State and City Millage Rates *Revised 9/08/2021

Millage rates are set by the authorities for their county, city, state or district.

	Unincorp	Avondale	BKHAVN	BKHAVN-ANX	BKHAVN-ANXB	Chamblee	Clarkston	Doraville
	<u>04</u>	<u>14</u>	<u>20/S1/T320</u>	<u>20A/T320A</u>	<u>20B/T320B</u>	<u>24</u>	<u>34</u>	<u>44</u>
General Opns	9.108	9.108	9.108	9.108	9.108	9.108	9.108	9.108
Hospitals	0.356	0.356	0.356	0.356	0.356	0.356	0.356	0.356
County Bnds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fire	2.996	2.996	2.996	2.996	2.996	2.996	2.996	2.996
Police	6.670	0.078	0.000	0.000	0.000	0.032	0.730	0.000
Special Svcs	1.176	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Unic Bonds	<u>0.504</u>	<u>0.000</u>	<u>0.504</u>	<u>0.504</u>	<u>0.504</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
County Total	20.810	12.538	12.964	12.964	12.964	12.492	13.190	12.460
School Opns	23.080	23.080	23.080	23.080	23.080	23.080	23.080	23.080
State	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Millage	<u>0.000</u>	<u>9.800</u>	2.740	2.740	2.740	<u>6.250</u>	<u>14.890</u>	<u>9.750</u>
City Svcs			0.000	6.450	3.500			
City Bond			<u>0.570</u>	<u>0.570</u>	<u>0.570</u>			
TOTAL	43.890	45.418	39.354	45.804	42.854	41.822	51.160	45.290

	Dunwoody	Lithonia	Atlanta	Pine Lake	Stonecrest	Stn. Mtn.	Tucker	Decatur
	<u>50</u>	<u>54</u>	<u>61</u>	<u>74</u>	<u>80</u>	<u>84</u>	<u>90</u>	<u>92</u>
General Opns	9.108	9.108	9.108	9.108	9.108	9.108	9.108	9.108
Hospitals	0.356	0.356	0.356	0.356	0.356	0.356	0.356	0.356
County Bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fire	2.996	2.996	0.000	2.996	2.996	2.996	2.996	0.000
Police	0.000	0.757	0.000	0.865	6.670	0.058	6.670	0.041
Special Svcs	0.000	0.104	0.000	0.104	0.583	0.000	0.583	0.000
Unic Bond	<u>0.504</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.504</u>	<u>0.000</u>	<u>0.504</u>	<u>0.000</u>
County Total	12.964	13.321	9.464	13.429	20.217	12.518	20.217	9.505
School Opns	23.080	23.080	0.000	23.080	23.080	23.080	23.080	0.000
State	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Millage	<u>2.740</u>	<u>10.021</u>	<u>32.350</u>	<u>19.324</u>	<u>1.336</u>	<u>17.818</u>	<u>0.900</u>	<u>34.920</u>
TOTAL	38.784	46.422	41.814	55.833	44.633	53.416	44.197	44.425

2021 City of Atlanta		2021 Emory Annex		2021 ATL Beltline SSD		2021 City of Decatur	
City Opns	0.00785	City Opns	0.00785	City Opns	0.00785	City Opns	0.011340
City Bonds	0.00188	City Bonds	0.00188	City Bonds	0.00188	City Bonds	0.002580
City Parks	0.00050	City Parks	0.00050	City Parks	0.00050	City Schools	<u>0.021000</u>
Library	0.00138	Library	0.00138	Library	0.00138	Total	0.034920
Atlanta Schls	0.02074	Atlanta Schls	0.00000	Atlanta Schls	0.02074	EHOST Factor 100% Gen Ops/ Hosp <i>varies yearly per BOC</i>	
School Bnd	<u>0.00000</u>	School Bnd	<u>0.00000</u>	School Bnd	0.00000		
Total	0.032350	Total	0.011610	ATL SSD	0.00200		
				Total	0.03435	EHOST 2020	94.40%



IRVIN J. JOHNSON
DeKalb County Tax Commissioner
2021 County, School, State and City Millage Rates

Millage rates are set by the authorities for their county, city, state or district.

	Perim-CID	Perim-CID	TKR SMT CID	TNL CID	E Metro CID	Ltl 5 Pts CID	TKR SUMT CID
	<u>S2(Dnwdy)</u>	<u>S3(Brkhvn)</u>	<u>S4(Tucker)</u>	<u>S5(Tucker)</u>	<u>S6/S6T2(Unic)</u>	<u>S7(Atlanta)</u>	<u>S8(Unic)</u>
General Opns	9.108	9.108	9.108	9.108	9.108	9.108	9.108
Hospitals	0.356	0.356	0.356	0.356	0.356	0.356	0.356
County Bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fire	2.996	2.996	2.996	2.996	2.996	0.000	2.996
Police	0.000	0.000	6.670	6.670	6.670	0.000	6.670
Special Svcs	0.000	0.000	0.583	0.583	1.176	0.000	1.176
Unic Bond	<u>0.504</u>	<u>0.504</u>	<u>0.504</u>	<u>0.504</u>	<u>0.504</u>	<u>0.000</u>	<u>0.504</u>
County Total	12.964	12.964	20.217	20.217	20.810	9.464	20.810
School Opns	23.080	23.080	23.080	23.080	23.080	0.000	23.080
State	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Millage	2.740	2.740	0.900	0.900	0.000	32.350	0.000
City Bond		0.570					
CID Millage	<u>4.000</u>	<u>4.000</u>	<u>5.000</u>	<u>3.000</u>	<u>3.000</u>	<u>3.500</u>	<u>5.000</u>
TOTAL	42.784	43.354	49.197	47.197	46.890	45.314	48.890

	TNL CID	Assembly CID	Metro S CID	ASMBLYCID 2	E Metro CID	Chamb/Dorv CID	Chamb/Dorv CID
	<u>S9(Unic)</u>	<u>S10T(Dorv)</u>	<u>S11(Unic)</u>	<u>S13T(Dorv)</u>	<u>S15(Stncrst)</u>	<u>S16(Chamblee)</u>	<u>S18/S18T(Dorv)</u>
General Opns	9.108	9.108	9.108	9.108	9.108	9.108	9.108
Hospitals	0.356	0.356	0.356	0.356	0.356	0.356	0.356
County Bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fire	2.996	2.996	2.996	2.996	2.996	2.996	2.996
Police	6.670	0.000	6.670	0.000	6.670	0.032	0.000
Special Svcs	1.176	0.000	1.176	0.000	0.583	0.000	0.000
Unic Bond	<u>0.504</u>	<u>0.000</u>	<u>0.504</u>	<u>0.000</u>	<u>0.504</u>	<u>0.000</u>	<u>0.000</u>
County Total	20.810	12.460	20.810	12.460	20.217	12.492	12.460
School Opns	23.080	23.080	23.080	23.080	23.080	23.080	23.080
State	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Millage	0.000	9.750	0.000	9.750	1.336	6.250	9.750
CID Millage	<u>3.000</u>	<u>25.000</u>	<u>5.000</u>	<u>25.000</u>	<u>3.000</u>	<u>5.000</u>	<u>5.000</u>
TOTAL	46.890	70.290	48.890	70.290	47.633	46.822	50.290

To: Members
Dunwoody City Council

From: J. Jay Vinicki
Assistant City Manager

Re: General Fund Millage Rate 2022

Date: 11 July 2022

Tonight is the final public hearing on the 2022 General Fund millage rate which is proposed at the nominal rate of 3.040 mills, though for over 90% of Dunwoody homeowners, this levy will be an effective 2.040 mills. The resolution before you will make that rate effective with this year's tax bills. In summary:

- For most typical Dunwoody homes (between \$400,000 and \$600,000), this increase would be between \$33 and \$69 a year, making total tax bills for General Fund services fall between \$214 and \$459 annually.
- For reference, the 2021 rates throughout the county are attached to this memorandum. If this 0.300 was added to the 2021 values, Dunwoody would still be the lowest combined rate of all taxing jurisdictions in the county, still below Brookhaven's 39.354. Note: The schedule does not reflect Dunwoody's unique 1.000 mill reduction which would make the city's number 38.084 for most all homeowners and further solidify it as the lowest in the county.
- Since incorporation, no Dunwoody homeowner has ever received an increase in their taxes through the reassessment process. Basically, whatever one paid in city taxes their first year in the city, that same property owner paid the same through 2021.
- Reviews of the city's incorporation study show a severe miscalculation in the service level for both the police and the parks system. This study also assumed a taxation level at the same rate as what the county charged, then indexed for inflation. It did not assume the freeze, nor did it assume the one mill exemption.
- Those combined factors have been actively managed by this and previous city councils, but it has come to the point as the city enters the 2020's that the public safety and park system service levels asked for by the citizens do not match the 2.740 mill rate levied by the city.

- This increase will be dedicated to two purposes: increases to public safety and other staff salaries along with shoring up the city's current structural deficit. In connection with this item, there is a separate agenda item which will adjust pay for police officers, detectives, and sergeants by 6% and 4% for all other city employees retroactive to the first pay period starting in July.
- This pay increase means that the positions of police officer, detective, and sergeant will have on average had their pay increased 20.8% since March 2021; with all other city employees receiving on average 13.0%.
- The second part of this funding will reduce the projected use of undesignated fund balance to approximately \$1 million from an original budgeted amount of \$3.9 million at the beginning of the fiscal year. Given current revenue projections, that would mean the end of year 2022 fund balance would be between seven and eight months, significantly above the minimum four-month reserve.

Please feel free to reach out to me with any questions.

**STATE OF GEORGIA
CITY OF DUNWOODY**

RESOLUTION 2022-07-XX

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF
DUNWOODY, GEORGIA TO FIX THE AD VALOREM TAX RATE OF THE
CITY OF DUNWOODY FOR FISCAL YEAR 2022 AND FOR OTHER
PURPOSES**

WHEREAS, the City of Dunwoody is charged with operating and maintaining City Government and pursuant to the Charter of the City of Dunwoody to provide for the assessment of ad valorem property taxes on all real and personal property subject to ad valorem taxation; and

WHEREAS, the millage rate set by the City of Dunwoody for fiscal year 2021 was 2.740 mills; and

WHEREAS, the City of Dunwoody has approved a contract with the Tax Commissioner of DeKalb County, Georgia to serve as Tax Collector for the City for the collection of ad valorem taxes; and

WHEREAS, the City Council has properly given notice, and held a public hearing, in accordance with the law of the State of Georgia, on July 11, 2022 at 6:00 p.m. for the purpose of receiving relevant evidence, testimony, and public comment concerning the proposed millage rate for ad valorem property taxes; and

WHEREAS, the Mayor and City Council, after hearing and after duly considering all such relevant evidence, testimony and public comment, has determined that it is in the best interest of, and necessary to meet the expenses and obligations of, the City of Dunwoody to set a levy in the amount of 3.040 mills on each \$1,000 of taxable value for all property subject to ad valorem taxation by the City.

THEREFORE, THE CITY COUNCIL OF THE CITY OF DUNWOODY, GEORGIA, HEREBY RESOLVES, as follows:

SECTION 1: The ad valorem tax at the rate for the City of Dunwoody, Georgia for the 2022 fiscal year on property subject to ad valorem taxation by the City, is hereby fixed at

3.040 mills on each \$1,000 of taxable value or any part thereof of the value of all real and personal property which under the Laws of this State is subject to taxation within the corporate limits of the City for this purpose. Said millage rate is hereby levied for general government purposes.

SECTION 2: Pursuant to the approved contract with the Tax Commissioner of DeKalb County the billing date and due date for ad valorem taxes for the City shall be the same as those for DeKalb County.

**STATE OF GEORGIA
CITY OF DUNWOODY**

RESOLUTION 2022-06-XX

SECTION 3: The Tax Commissioner of DeKalb County or other designated tax collector is hereby authorized to bill and collect ad valorem taxes for the City of Dunwoody for fiscal year 2022 based on the millage rate set herein and to take, on behalf of the City, such actions authorized by the approved contract with the Tax Commissioner and State of Georgia law as may be necessary for this process.

SECTION 4: This resolution hereby repeals any and all conflicting resolutions.

SECTION 5: This resolution shall become effective immediately upon its adoption by the City Council.

SO RESOLVED, this 11th day of July 2022.

Approved:

Lynn P. Deutsch, Mayor

ATTEST:

Approved as to Form and Content:

Sharon Lowery, City Clerk
Attorney (Seal)

City