



#1.

City of **Dunwoody** *Georgia*

2023 Millage Rate Public Hearings

June/July 2023

To: Members
Dunwoody City Council

From: J. Jay Vinicki
Assistant City Manager

Richard Platto
Finance Director

Re: 2023 Millage Rate

Date: 12 June 2023

Action

To adopt the 2023 General Fund millage rate at 3.040 mills and to authorize the mayor, city manager, city clerk, or designees to execute all documents necessary and proper to implement the adopted rate.

Summary

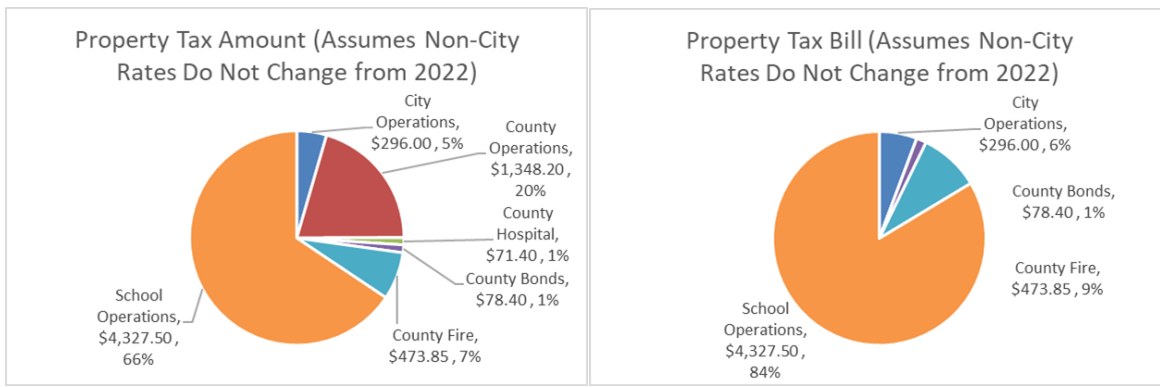
Staff proposed to keep the city's millage rate frozen this year at 3.040 mills. About one-third of city's General Fund budget is funded through property taxes. Now that the draft city digest figures are in, the Council must adopt the millage rate. There needs to be three public hearings per state law. The selected dates were those on which the city already had a scheduled Council meeting: June 12 (8 a.m. and 6 p.m.) and one on July 10 (6 p.m.)

State law also requires the city to advertise a 1.57% increase in taxes, despite the city having a law on its books where all homesteaded properties home values are frozen for city tax purposes. Approximately 85% of all residential properties have their values frozen, meaning unless the rate goes up, their city taxes will not go up. The rate is being held constant this year.

Also, all homestead properties receive an additional one mill reduction, so their effective tax from the city is 2.040.

If the other governments with taxing jurisdiction keep their rates the same, the 2023 bill for a typical Dunwoody home (\$500K value frozen at \$400k) will look as follows on the next page:

City	Current Value	Frozen Value							
Enter Home Value	\$ 500,000	\$ 400,000	500,000	400,000					
	Gross Assessment	Standard Exemption	Freeze	1 Mil Exemption	Net Assessment	Millage Rate	Tax Amount	E-Host Credit	Tax Bill
City Operations	\$ 200,000	\$ (10,000)	\$ (40,000)	\$ (52,632)	\$ 97,368	3.040	\$ 296.00	\$ -	\$ 296.00
County Operations	\$ 200,000	\$ (10,000)	\$ (40,000)	\$ -	\$ 150,000	8.988	\$ 1,348.20	\$ (1,348.20)	\$ -
County Hospital	\$ 200,000	\$ (10,000)	\$ (40,000)	\$ -	\$ 150,000	0.476	\$ 71.40	\$ (71.40)	\$ -
County Bonds	\$ 200,000	\$ -	\$ (40,000)	\$ -	\$ 160,000	0.490	\$ 78.40	\$ -	\$ 78.40
County Fire	\$ 200,000	\$ (10,000)	\$ (40,000)	\$ -	\$ 150,000	3.159	\$ 473.85	\$ -	\$ 473.85
School Operations	\$ 200,000	\$ (12,500)	\$ -	\$ -	\$ 187,500	23.080	\$ 4,327.50	\$ -	\$ 4,327.50
Total City Bill						39.233	\$ 6,595.35	\$ (1,419.60)	\$ 5,175.75



Recommendation

To adopt the 2023 General Fund millage rate at 3.040 mills and to authorize the mayor, city manager, city clerk, or designees to execute all documents necessary and proper to implement the adopted rate. Adoption shall be after the final public hearing on July 10.

Why Public Hearings?

- For tax purposes, the county property appraiser regularly reviews the value of all property in the county.
- *Dunwoody is keeping its property tax rate exactly the same.*
- If the value of property goes up, state law requires cities, counties, and schools to advertise that they are raising property taxes unless they actually reduce the tax rate.
- This law was created to protect homeowners. Some cities (like Dunwoody) have frozen homesteaded property values for residents meaning their total tax bill can't go up without the rate going up.
- Even with that law on the city books, state law trumps it and that's why we have public hearings.

Following the Law

- Publish Notice of Tax Increase at least one week before first public hearing. (June 1) ✓
- Send out press release in conjunction with Notice of Tax Increase. (June 1) ✓
- Post Notice of Tax Increase on city website. (June 1) ✓
- Hold first (and second) public hearings. One must be before noon, one between 6 and 7 p.m. (June 12)
- Publish Five Year Ad at least one week before final public hearing and adoption. (June 29)
- Hold final public hearing and adopt millage rate. (July 10)

The Nitty Gritty, Part 1

- Dunwoody's tax rate for 2023 is proposed to be exactly the same as it was for 2022 – 3.040 mills.
- The typical Dunwoody home is worth \$500,000 and frozen for tax purposes at \$400,000. That means their expected tax bill will be – \$296.00 or 81¢/day.



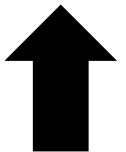
For those where visuals help, this is eighty-one cents.

The Nitty Gritty, Part 2

- Okay, that’s nice, but where does Dunwoody compare to everyone else in the county.
- Since, all cities can opt in and out of services, it’s good to show the various city rates, the county rate charged to that city, and the school rate.
- So..... **Dunwoody has the lowest aggregate tax rate in the entire county** and this chart doesn’t even account for the one mill reduction all homesteaded properties get.
- *Yes, we had to use 2022 rates because all cities are passing their 2023 rates now just like us. Things could change.*

DeKalb County Collective 2022 Millage Rates				
2022 Rates	County	Schools	City	Total
Pine Lake	13.580	23.080	18.422	55.082
Stone Mountain	12.677	23.080	16.500	52.257
Clarkston	13.294	23.080	14.890	51.264
Lithonia	13.481	23.080	11.021	47.582
Brookhaven Annex A	13.113	23.080	9.740	45.933
Avondale	12.695	23.080	9.800	45.575
Doraville	12.623	23.080	9.500	45.203
Stonecrest	19.612	23.080	1.257	43.949
Unincorporated	20.810	23.080	-	43.890
Tucker	19.612	23.080	0.848	43.540
Decatur (50%)	9.502	-	33.970	43.472
Brookhaven Annex B	13.113	23.080	6.790	42.983
Chamblee	12.652	23.080	6.250	41.982
Brookhaven	13.113	23.080	3.290	39.483
Dunwoody	13.113	23.080	3.040	39.233

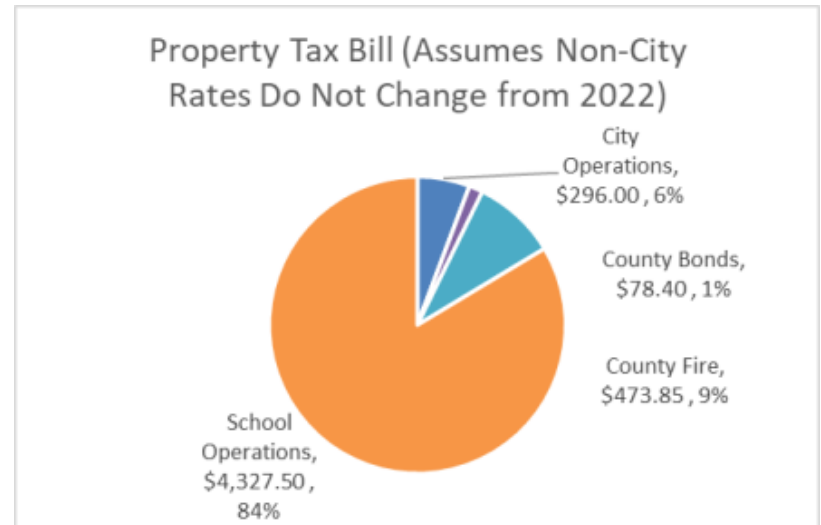
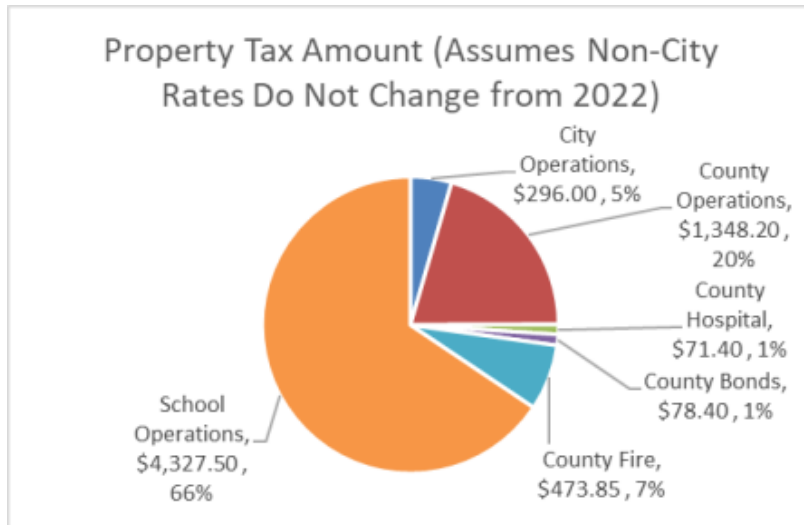
BTW, if your property qualifies this # gets reduced to 38.233 – making it even lower!



Your Tax Amount and Bill

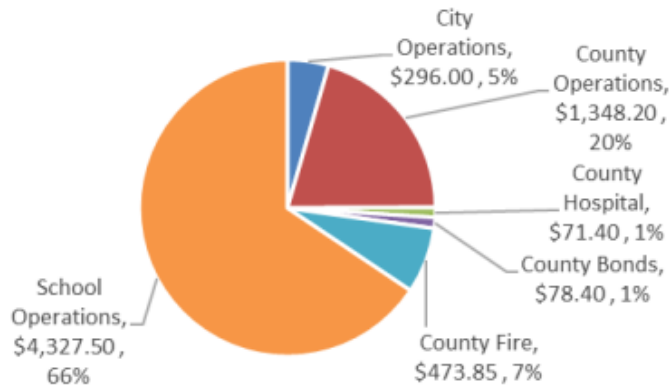
City	Current Value	Frozen Value							
Enter Home Value	\$ 500,000	\$ 400,000	\$59,350						
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Total City Bill						39.233	\$ 6,595.35	\$ (1,419.60)	\$ 5,175.75

Note: There's a state one time grant this year that will reduce the tax bill up to \$500. It's not included in this chart.

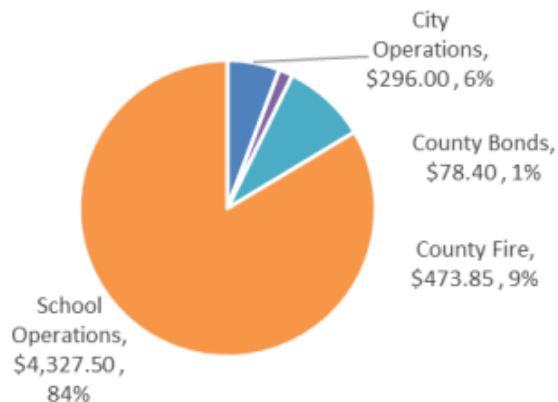


Why Two Charts?

Property Tax Amount (Assumes Non-City Rates Do Not Change from 2022)



Property Tax Bill (Assumes Non-City Rates Do Not Change from 2022)



- HOST (or e-HOST) forgives property taxes in DeKalb with a priority order: countywide taxes, then the unincorporated tax districts followed by the cities.
- To date, the cities and the unincorporated tax districts have not received any of the credits for HOST.
- Unlike an exemption which reduces the taxable value of your house, the HOST credit reduces what is billed.
- Showing it both ways, shows what the bill would be if the credit wasn't given; but also what the bill is when applying it.



Wait, wait, wait! FULL STOP!
What's this I keep hearing about bonds?
Where are they?

Yes, the city has placed on the ballot a question for voters to consider general obligation debt (G.O. Bonds) for parks and trails.

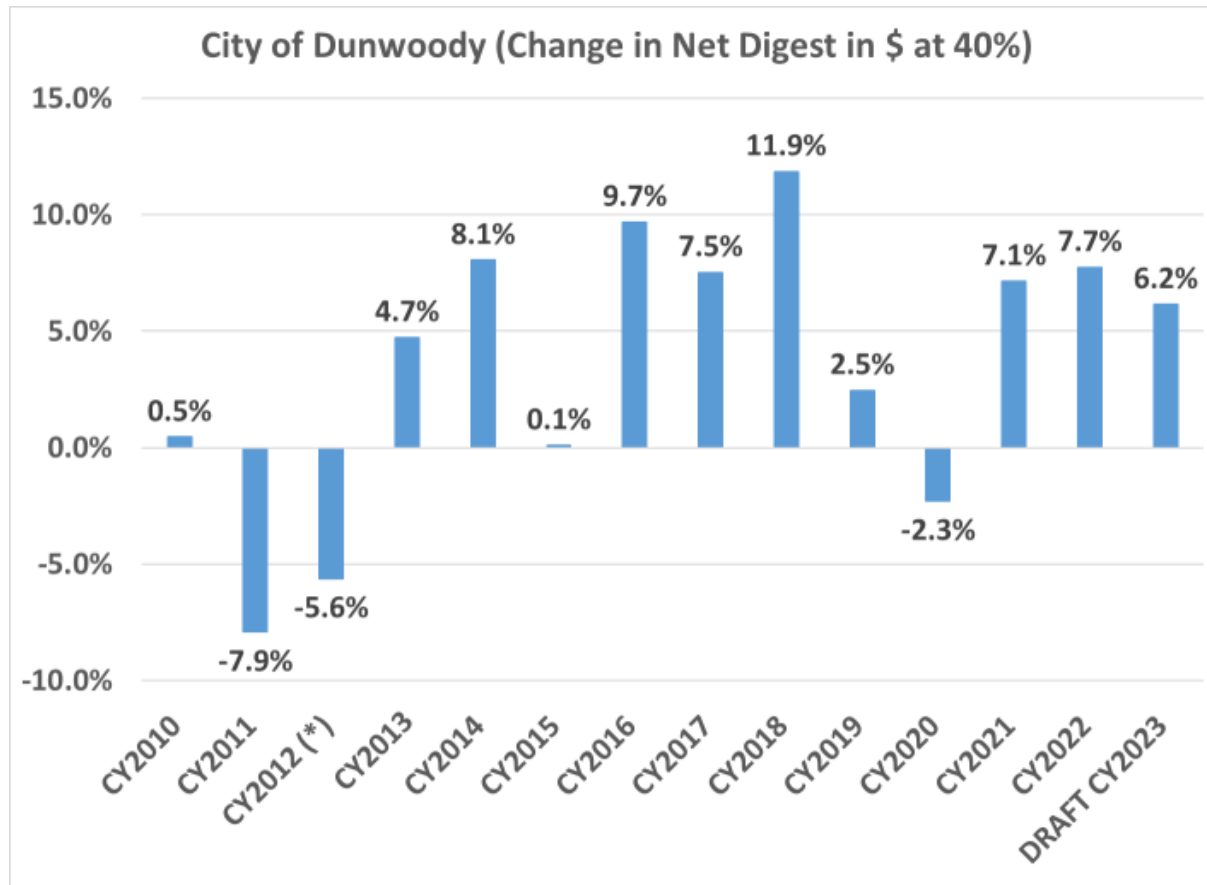
If approved by the voters, bonds would not be sold until 2024 at the earliest. There would be no effect on 2023 taxes.



More on Freezing Taxes...

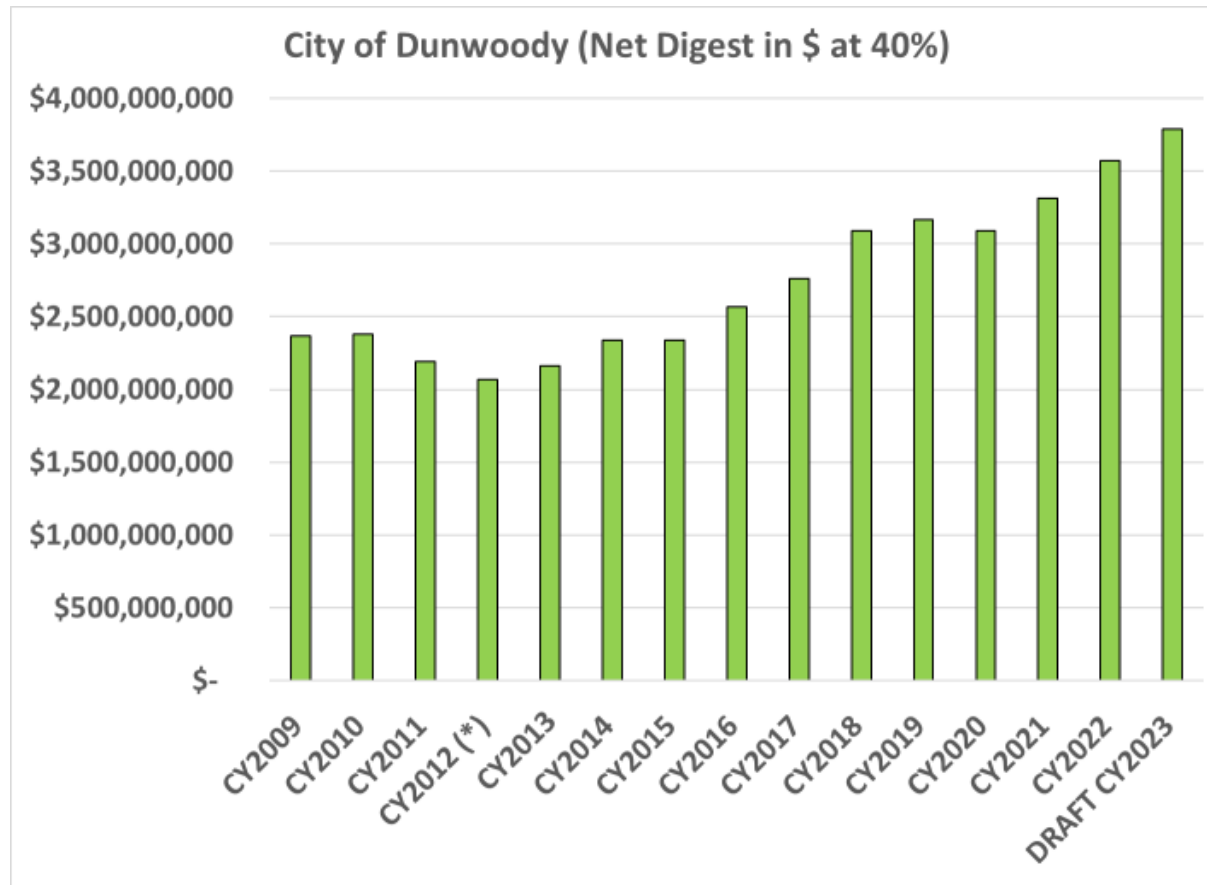
- **Georgia law says that if a city, county, or school system does not roll back their tax rate to offset increases in appraised values by the county property appraiser; there must be advertisements and public hearings about the increase.**
- **But long ago, Dunwoody did something to offset increases in property values. For the purposes of taxation, the city freezes the value of a home if it's the owner's primary residence and they file for the exemption.**
- **So, if you qualified – no matter what advertisement are run and what public hearing are held – your taxes stayed the same this year for city purposes.**

Health Check Up



Like financial advisors say, previous returns do not indicate future years results, but for three years running the city net digest has exceed 6%.

Health Check Up



Nothing ever goes in a straight line, but in general the digest has grown steadily in Dunwoody. The historical average has been 3.6%.



**Wait, wait, wait! FULL STOP! (Again.)
People keep saying you're running deficits.
How can you do that while you're growing?**

On that whole thing...

- First, some definitions....
 - A **deficit** is when expenditures exceed revenues.
 - A **structural deficit** is when ongoing expenditures exceed ongoing revenues.
 - Let's even throw a wrench in there. Add the word budget or actual in front of those terms.
 - If it's **budgeted**, that means it's planned for but may or may not happen.
 - If it's **actual**, that means it did happen.

Now, the math...

The next few slides are going to take the 2022 draft suit and show how the city's General Fund did not run a deficit.

The chart is kind of unwieldy, and we will break it apart, but here is it in all its glory.

	2022 Final Exp ACFR	ARP I (add)	ARP II (subtract)	CARES II (subtract)	2022 Final Exp Adj
Starting Fund Balance General	26,929,633	-	-	(1,602,907)	25,326,726
Starting Fund Balance CARES II	-	-	-	1,602,907	-
Taxes	23,715,525				23,715,525
Licenses & Permits	2,950,491				2,950,491
Intergovernmental	-	10,000,000	10,000,000		-
Charges For Services	1,012,871				1,012,871
Fines & Forfeitures	1,677,625				1,677,625
Investment Income	55,685				55,685
Contr & Don From Priv Sources	21,218				21,218
Miscellaneous Revenue	811,979				811,979
Motel/Motel + Motor Veh Rent	1,853,225				1,853,225
Recurring Revenues	32,098,619	10,000,000	10,000,000	-	32,098,619
Sale of Asssets	70,038				70,038
Creation of ARP 2	-				-
Other	-				-
Total Revenues	32,168,657	10,000,000	10,000,000	-	32,168,657
General Government	7,010,026		53,709	398,075	6,558,242
Judicial	1,185,384				1,185,384
Public Safety	11,545	9,715,220	5,310	6,235	9,715,220
Public Works	2,424,003	284,780		520	2,708,263
Recreation	4,532,558			784,200	3,748,358
Community Development	3,426,559		158,368	105,728	3,162,463
Debt Service	1,175,197		350,000		825,197
Recurring Expenditures	19,765,272	10,000,000	567,387	1,294,758	27,903,127
Arts/Nature Center	2,000,000				2,000,000
Creation of ARP 2	-				-
Other	-				-
Total Revenues	21,765,272	10,000,000	567,387	1,294,758	29,903,127
Ending Fund Balance	37,333,018	-	9,432,613	308,149	27,592,256
Non Spendable Fund Balance	(1,793,940)				(1,793,940)
Restricted Fund Balance	(111,322)				(111,322)
Assigned Fund Balance	(1,777,366)				(1,777,366)
Assigned ARP 2	-				-
Unassigned Fund Balance	33,650,390	-	9,432,613	308,149	23,909,628
Raw Gain/(Use) of Fund Balance	10,403,385	-	9,432,613	(1,294,758)	2,265,530
Structural Gain/(Use) of FB	12,333,347	-	9,432,613	(1,294,758)	4,195,492
Months Unassigned/Recurring	20.43				10.28

This is the exact way the audit will require the General Fund to be reported.

Now, the math...

The audit will require that ARP 1 **not** be included, but ARP2 and CARES 2 **have** to be included.

The audit isn't finished, but these number are close to what the final numbers will be.

That is a correct practice, but separating it shows the true relationships.

The General Fund starts 2022 with \$25.3M in the bank.

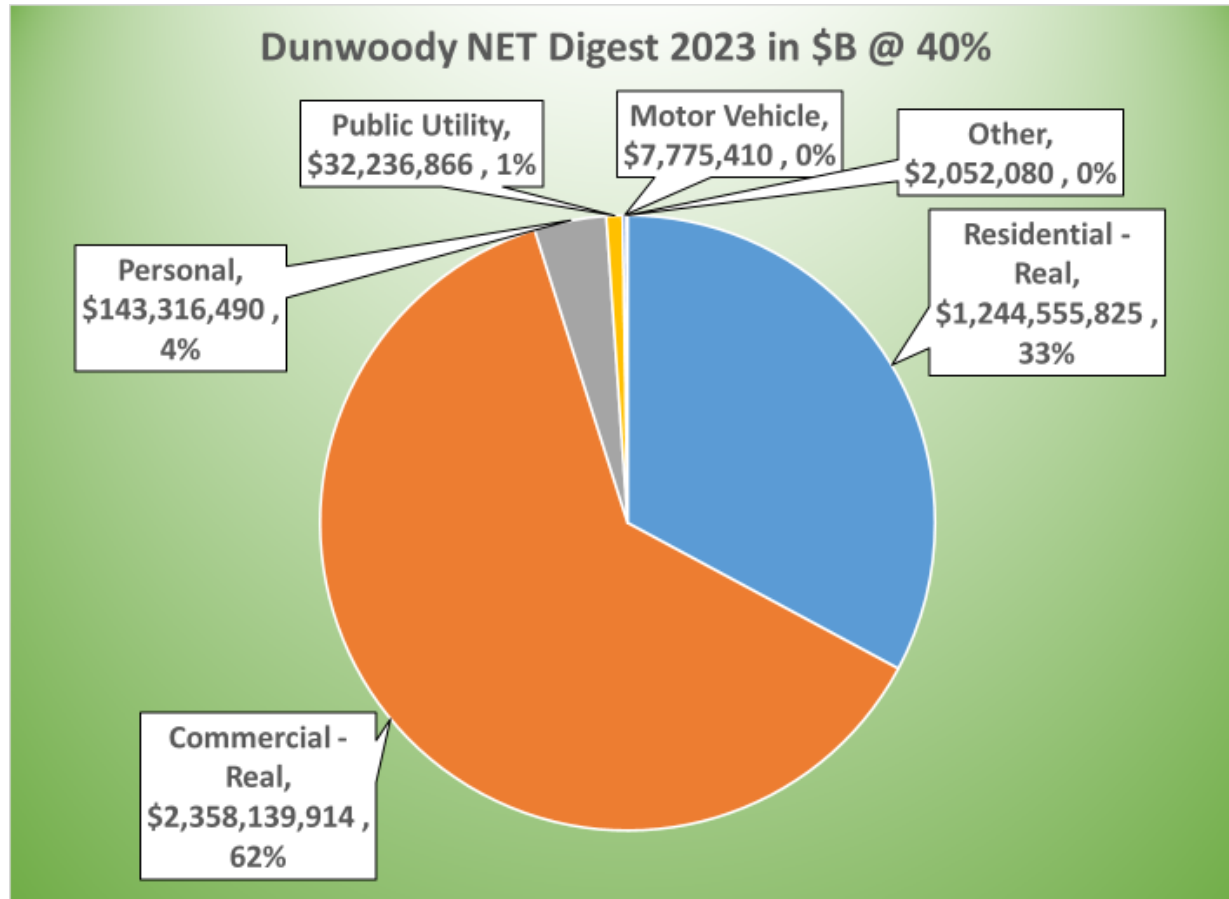
Recurring revenue is about \$31.1M with a small amount of one-time. The structural deficit was primarily cause by conservative revenue budgeting. This ensured that if a revenue downfall occurred, it would be covered. Luckily, it was never used.

The General Fund spent about \$29.9M with \$2M of that one time funding.

So the General Fund, when cleaned up for ARP/CARES, ran \$2.3M to the positive and \$4.2M on a structural basis.

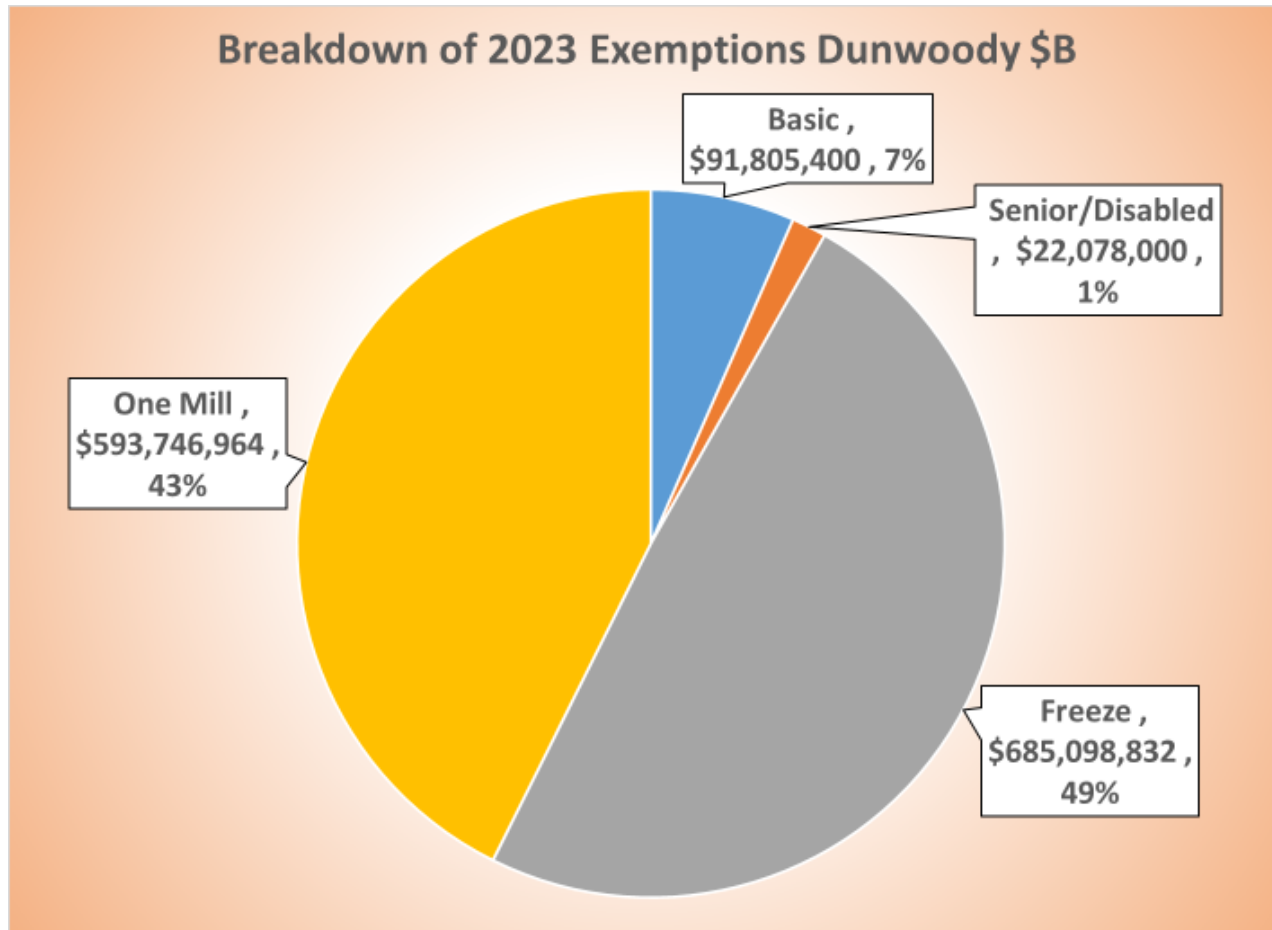
2022 General Fund (DRAFT audit figures from June 1)					
	2022 Final Exp ACFR	ARP I (add)	ARP II (subtract)	CARES II (subtract)	2022 Final Exp Adj
Starting Fund Balance General	26,929,633	-	-	1,602,907	25,326,726
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One Time Revenues	70,038	-	-	-	70,038
Total Revenues	32,168,657	10,000,000	10,000,000	-	32,168,657
Recurring Expenditures	19,765,272	10,000,000	567,387	1,294,758	27,903,127
One Time Expenditures	2,000,000	-	-	-	2,000,000
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Ending Fund Balance	37,333,018	-	9,432,613	308,149	27,592,256
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Restricted Fund Balance	(111,322)	-	-	-	(111,322)
Assigned Fund Balance	(1,777,366)	-	-	-	(1,777,366)
Unassigned Fund Balance	33,650,390	-	9,432,613	308,149	23,909,628

Other Info



The taxes on Dunwoody homes represents about 1/3 of the total tax revenue.

Other Info



The exemptions on residential homestead properties for the freeze and the one mill reduction are worth over \$1 billion.

Netx Steps

- Publish Notice of Tax Increase at least one week before first public hearing. (June 1) ✓
- Send out press release in conjunction with Notice of Tax Increase. (June 1) ✓
- Post Notice of Tax Increase on city website. (June 1) ✓
- Hold first (and second) public hearings. One must be before noon, one between 6 and 7 p.m. (June 12)
- Publish Five Year Ad at least one week before final public hearing and adoption. (June 29)
- Hold final public hearing and adopt millage rate. (July 11)

PT-32.1 - Computation of MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES - 2023				
COUNTY: DeKalb		TAXING JURISDICTION: Dunwoody		
ENTER VALUES AND MILLAGE RATES FOR THE APPLICABLE TAX YEARS IN YELLOW HIGHLIGHTED BOXES BELOW				
DESCRIPTION	2022 DIGEST	REASSESSMENT OF EXISTING REAL PROP	OTHER CHANGES TO TAXABLE DIGEST	2023 DIGEST
REAL	4,885,885,335	213,848,431	107,832,805	5,207,566,571
PERSONAL	168,826,095		6,727,261	175,553,356
MOTOR VEHICLES	8,612,270		(836,860)	7,775,410
MOBILE HOMES	0		0	0
TIMBER -100%	0		0	0
HEAVY DUTY EQUIP	0		0	0
GROSS DIGEST	5,063,323,700		213,848,431	113,723,206
EXEMPTIONS	1,494,742,553	155,776,970	(47,700,771)	1,602,818,752
NET DIGEST	3,568,581,147	58,071,461	161,423,977	3,788,076,585
	(PYD)	(RVA)	(NAG)	(CYD)
2022 MILLAGE RATE: 3.040		2023 MILLAGE RATE: 3.040		
CALCULATION OF ROLLBACK RATE				
DESCRIPTION	ABBREVIATION	AMOUNT	FORMULA	
2022 Net Digest	PYD	3,568,581,147		
Net Value Added-Reassessment of Existing Real Property	RVA	58,071,461		
Other Net Changes to Taxable Digest	NAG	161,423,977		
2023 Net Digest	CYD	3,788,076,585	(PYD+RVA+NAG)	
2022 Millage Rate	PYM	3.040	PYM	
Millage Equivalent of Reassessed Value Added	ME	0.047	(RVA/CYD) * PYM	
Rollback Millage Rate for 2023	RR - ROLLBACK RATE	2.993	PYM - ME	
CALCULATION OF PERCENTAGE INCREASE IN PROPERTY TAXES				
If the 2023 Proposed Millage Rate for this Taxing Jurisdiction exceeds Rollback Millage Rate computed above, this section will automatically calculate the amount of increase in property taxes that is part of the notice required in O.C.G.A. § 48-5-32.1(c) (2)	Rollback Millage Rate	2.993		
	2023 Millage Rate	3.040		
	Percentage Tax Increase	1.57%		
CERTIFICATIONS				
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. § 48-5-32.1 for the taxing jurisdiction for tax year 2022 and that the final millage rate set by the authority of this taxing jurisdiction for tax year 2022 is _____				
CHECK THE APPROPRIATE PARAGRAPH BELOW THAT APPLIES TO THIS TAXING JURISDICTION				
	If the final millage rate set by the authority of the taxing jurisdiction for tax year 2022 exceeds the rollback rate, I certify that the required advertisements, notices, and public hearings have been conducted in accordance with O.C.G.A. §§ 48-5-32 and 48-5-32.1 as evidenced by the attached copies of the published "five year history and current digest" advertisement and 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 2022 does not exceed the rollback rate, I certify that the required "five year history and current digest" advertisement has been published in accordance with O.C.G.A. § 48-5-32 as evidenced by the attached copy of such advertised report.			
Responsible Party		Title		Date

NOTICE

The **Dunwoody City Council** does hereby announce that the millage rate will be set at a meeting to be held at Dunwoody City Hall **4800 Ashford Dunwoody Rd, Dunwoody GA 30338 on Monday, July 10 at 6 p.m.** and pursuant to the requirements of O.C.G.A. § 48-5-32 does hereby publish the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past five years.

CURRENT 2023 PROPERTY TAX DIGEST AND 5 YEAR HISTORY OF LEVY

		COUNTY WIDE	2018	2019	2020	2021	2022	2023
C o u n t y w i d e	V A L U E	Real & Personal	3,908,290,585	4,027,435,240	4,080,149,924	4,560,120,737	5,054,711,430	5,383,119,927
		Motor Vehicles	24,293,260	18,153,600	13,510,350	10,378,120	8,612,270	7,775,410
		Mobile Homes	0	0	0	0	0	0
		Timber - 100%	0	0	0	0	0	0
		Heavy Duty Equipment	7,438	0	0	0	0	0
		Gross Digest	3,932,591,283	4,045,588,840	4,093,660,274	4,570,498,857	5,063,323,700	5,390,895,337
		Less Exemptions	845,171,410	882,030,465	1,002,379,554	1,258,399,350	1,494,742,553	1,602,818,752
	NET DIGEST VALUE	3,087,419,873	3,163,558,375	3,091,280,720	3,312,099,507	3,568,581,147	3,788,076,585	
	R A T E	Gross Maintenance & Operation Millage	2.7400	2.7400	2.7400	2.7400	3.0400	3.0400
		Less Rollback (Local Option Sales Tax)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
NET M&O MILLAGE RATE		2.7400	2.7400	2.7400	2.7400	3.0400	3.0400	
T A X	TOTAL M&O TAXES LEVIED	\$8,459,530	\$8,668,150	\$8,470,109	\$9,075,153	\$10,848,487	\$11,515,753	
	Net Tax \$ Increase		\$208,619	(\$198,041)	\$605,043	\$1,773,334	\$667,266	
	Net Tax % Increase		2.47%	-2.28%	7.14%	19.54%	6.15%	

NOTICE OF PROPERTY TAX INCREASE

The City of Dunwoody has tentatively adopted a millage rate which will require an increase in property taxes by 1.57% percent.

All concerned citizens are invited to the public hearing on this tax increase to be held at Dunwoody City Hall, 4800 Ashford Dunwoody Rd, Dunwoody GA 30338 on Monday, June 12 at 8 a.m.

Times and places of additional public hearings on this tax increase are at Dunwoody City Hall, 4800 Ashford Dunwoody Rd, Dunwoody GA 30338 on Monday, June 12 at 6 p.m. and on Monday, July 10 at 6 p.m.

This tentative increase will result in a millage rate of 3.040 mills, an increase of 0.047 mills. Without this tentative tax increase, the millage rate will be no more 2.993 mills. The proposed tax increase for a home with a fair market value of \$525,000 is approximately \$9.40 and the proposed tax increase for nonhomestead property with a fair market value of \$2,250,000 is approximately \$42.30



4800 Ashford Dunwoody Road
 Dunwoody, Georgia 30338
 dunwoodyga.gov | 678-382-6700

Press Release Announcing a Proposed Property Tax Increase

Dunwoody, GA – May 31, 2023 – The Dunwoody City Council today announces its intention to increase the 2023 property taxes it will levy this year by 1.57 percent over the rollback millage rate.

The millage rate citywide will remain at 3.040 mills, the same rate as 2022. This rate is at the cap permitted by the city's charter. The amount of a 1.57 percent increase listed above is the calculation required by state law, taking into account the impact of reassessments described below. However, the city of Dunwoody has assisted homeowners by instilling a property assessment freeze. Homestead properties that qualify for this freeze would see no increase in their 2023 taxes.

Each year, the board of tax assessors is required to review the assessed value for property tax purposes of taxable property in the county. When the trend of prices on properties that have recently sold in the county indicates there has been an increase in the fair market value of any specific property, the board of tax assessors is required by law to re-determine the value of such property and adjust the assessment. This is called a reassessment.

When the total digest of taxable property is prepared, Georgia law requires a rollback millage rate must be computed that will produce the same total revenue on the current year's digest that last year's millage rate would have produced had no reassessments occurred. The budget tentatively adopted by the Dunwoody City Council requires a millage rate higher than the rollback millage rate; therefore, before the Dunwoody City Council may finalize the tentative budget and set a final millage rate, Georgia law requires three public hearings to be held to allow the public an opportunity to express their opinions on the increase.

All concerned citizens are invited to the public hearings on this tax increase to be held at the Dunwoody City Hall, 4800 Ashford Dunwoody GA 30338 on Monday, June 12, 2023 at 8 a.m.; Monday, June 12, 2023, at 6 p.m.; and Monday, July 10, 2023, at 6 p.m.

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For more information regarding the City of Dunwoody, please contact Jennifer Boettcher, Communications Director: 678.382.6881, Jennifer.Boettcher@dunwoodyga.gov.