

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-31

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING THE RATE OF LEVY ON ASSESSED PROPERTY WITHIN THE CITY OF UNALASKA FOR FISCAL YEAR 2019

WHEREAS, Unalaska City Code § 6.28.010(B) states, "the Council shall annually by resolution establish the rate of levy on assessed property within the City"; and

WHEREAS, the Unalaska City Council reviewed options and information regarding the rate of levy.


NOW THEREFORE BE IT RESOLVED that the rate of levy on assessed property within the City of Unalaska, Alaska for Fiscal Year 2019 shall be set at 10.5 mills.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on May 8, 2018.



Frank Kelty
Mayor

ATTEST:



Marjie Veeder
City Clerk



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Thomas Thomas, City Manager
Date: May 8, 2018
Re: Resolution 2018-31, a Resolution of the Unalaska City Council establishing the rate of levy on assessed property within the City of Unalaska for Fiscal Year 2019

SUMMARY: Unalaska City Code Section 6.28.010(B) provides that “the Council shall annually by resolution establish the rate of levy on assessed property within the city. The annual rate of levy shall be determined before June 15.” By adopting Resolution 2018-31, Council will set the mill rate for FY19.

PREVIOUS COUNCIL ACTION: On May 9, 2017, through Resolution 2017-35, Council set the mill rate for FY18 at 10.5 mills.

BACKGROUND: The Council sets the mill rate annually.

DISCUSSION: One component of the annual property tax cycle is setting the mill rate. This rate is applied to both real property and business personal property values. In FY92, the mill rate was reduced from 12.78 mills to 11.78 mills. It remained at 11.78 mills until FY09 when it was reduced to 10.5 mills. A mill rate of 10.5 mills equates to \$1,050 per \$100,000 in assessed valuation. The attached chart indicates the impact of various changes in the mill rate.

Real Property: The preliminary 2018 (FY19) real property total value is \$665,483,019. Of that, \$232,401,510 is exempt from taxation for various reasons such as native allotments, or property owned by government or a religious organization. After deducting allowed exemptions totaling \$5,091,952, the taxable net value is \$427,989,557. This represents an increase in taxable net value of approximately \$11 million over last year.

Business Personal Property: The total reported value of business personal property is \$168,679,055. After applying allowed exemptions of \$2,100,000, the net taxable value of business personal property is \$166,579,055. This is a decrease of approximately \$7 million compared to last year.

Please remember these numbers are preliminary. The figures may change between publication of the packet and the May 8 meeting if the contract assessor settles with appellants, and they may change further after the Board of Equalization hearing.

ALTERNATIVES: Council may raise or lower the mill rate, or Council may choose to maintain the status quo at 10.5 mills.

FINANCIAL IMPLICATIONS: The attached spreadsheet shows increases or decreases in revenue based on a change in the mill rate.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2018-31.

PROPOSED MOTION: This is a consent agenda item.

CITY MANAGER COMMENTS: I recommend adoption of Resolution 2018-31.

PROPERTY TAX MILL RATE OPTIONS

| Rate of Levy | | Assessed Value | | Taxes | |
|--------------|---------------|--------------------|----------------------------|------------|---------------------|
| | | Real Property | Business Personal Property | Total Tax | Increase / Decrease |
| Mill Rate | Percent Rate | 427,989,557 | 166,579,055 | | |
| 5.00 | 0.500% | 2,139,948 | 832,895 | 2,972,843 | (3,270,127) |
| 5.50 | 0.550% | 2,353,943 | 916,185 | 3,270,127 | (2,972,843) |
| 6.00 | 0.600% | 2,567,937 | 999,474 | 3,567,412 | (2,675,559) |
| 6.50 | 0.650% | 2,781,932 | 1,082,764 | 3,864,696 | (2,378,274) |
| 7.00 | 0.700% | 2,995,927 | 1,166,053 | 4,161,980 | (2,080,990) |
| 7.50 | 0.750% | 3,209,922 | 1,249,343 | 4,459,265 | (1,783,706) |
| 8.00 | 0.800% | 3,423,916 | 1,332,632 | 4,756,549 | (1,486,422) |
| 8.50 | 0.850% | 3,637,911 | 1,415,922 | 5,053,833 | (1,189,137) |
| 9.00 | 0.900% | 3,851,906 | 1,499,211 | 5,351,118 | (891,853) |
| 9.50 | 0.950% | 4,065,901 | 1,582,501 | 5,648,402 | (594,569) |
| 10.00 | 1.000% | 4,279,896 | 1,665,791 | 5,945,686 | (297,284) |
| 10.50 | 1.050% | 4,493,890 | 1,749,080 | 6,242,970 | - |
| 11.00 | 1.100% | 4,707,885 | 1,832,370 | 6,540,255 | 297,284 |
| 11.50 | 1.150% | 4,921,880 | 1,915,659 | 6,837,539 | 594,569 |
| 11.78 | 1.178% | 5,041,717 | 1,962,301 | 7,004,018 | 761,048 |
| 12.00 | 1.200% | 5,135,875 | 1,998,949 | 7,134,823 | 891,853 |
| 12.50 | 1.250% | 5,349,869 | 2,082,238 | 7,432,108 | 1,189,137 |
| 13.00 | 1.300% | 5,563,864 | 2,165,528 | 7,729,392 | 1,486,422 |
| 13.50 | 1.350% | 5,777,859 | 2,248,817 | 8,026,676 | 1,783,706 |
| 14.00 | 1.400% | 5,991,854 | 2,332,107 | 8,323,961 | 2,080,990 |
| 14.50 | 1.450% | 6,205,849 | 2,415,396 | 8,621,245 | 2,378,274 |
| 15.00 | 1.500% | 6,419,843 | 2,498,686 | 8,918,529 | 2,675,559 |
| 15.50 | 1.550% | 6,633,838 | 2,581,975 | 9,215,813 | 2,972,843 |
| 16.00 | 1.600% | 6,847,833 | 2,665,265 | 9,513,098 | 3,270,127 |
| 16.50 | 1.650% | 7,061,828 | 2,748,554 | 9,810,382 | 3,567,412 |
| 17.00 | 1.700% | 7,275,822 | 2,831,844 | 10,107,666 | 3,864,696 |
| 17.50 | 1.750% | 7,489,817 | 2,915,133 | 10,404,951 | 4,161,980 |
| 18.00 | 1.800% | 7,703,812 | 2,998,423 | 10,702,235 | 4,459,265 |
| 18.50 | 1.850% | 7,917,807 | 3,081,713 | 10,999,519 | 4,756,549 |
| 19.00 | 1.900% | 8,131,802 | 3,165,002 | 11,296,804 | 5,053,833 |
| 19.50 | 1.950% | 8,345,796 | 3,248,292 | 11,594,088 | 5,351,118 |
| 20.00 | 2.000% | 8,559,791 | 3,331,581 | 11,891,372 | 5,648,402 |

Example: Homeowner with assessed value of \$300,000 at the current rate of 10.5 mills

| Mill Rate | Percent Rate | Assessed Value | Tax |
|-----------|--------------|----------------|----------|
| 10.5 | 1.050% | \$ 300,000 | \$ 3,150 |