

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2023-10

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING THE RATE OF LEVY ON ASSESSED PROPERTY WITHIN THE CITY OF UNALASKA FOR FISCAL YEAR 2024

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 2024 shall be set at 10.5 mills.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on March 28, 2023.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Chris Hladick, Interim City Manager
Date: March 28, 2023
Re: Resolution 2023-10: Establishing the rate of levy on assessed property within the City of Unalaska for Fiscal Year 2024

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 2023-10, Council will set the rate of levy, also referred to as the millage or mill rate, for FY24.

PREVIOUS COUNCIL ACTION: Council establishes the rate of levy each year.

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. For FY23 Council reduced the mill rate to 9.0. A mill rate of 10.5 mills equates to \$1,050 tax per \$100,000 in assessed valuation. The attached chart indicates the impact on property tax revenue with changes in the mill rate using this year's assessed value estimates.

ALTERNATIVES: Council may increase or decrease the mill rate. Staff is recommending that the mill rate be returned to 10.5 mills and is preparing the FY24 budget with that in mind.

FINANCIAL IMPLICATIONS: The attached spreadsheet shows increases or decreases in revenue based on a change in the mill rate, using current property tax values.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2023-10.

PROPOSED MOTION: I move to adopt Resolution 2023-10.

CITY MANAGER COMMENTS: I support Staff's recommendation and the FY24 budget is being prepared based on a mill rate of 10.5.

ATTACHMENT: Chart with mill rate levy options

PROPERTY TAX MILLAGE RATE OPTIONS

Rate of Levy		Assessed Value		Property Tax Revenue	
		FY24 Estimated Real Property Value	FY24 Estimated Business Personal Property Value	Tax Revenue	Increase/Decrease Compared to 10.5 mills
Mill Rate	Percent Rate	574,246,800	264,782,693		
5.00	0.500%	2,871,234	1,323,913	\$ 4,195,147	\$ (4,614,662)
5.50	0.550%	3,158,357	1,456,305	\$ 4,614,662	\$ (4,195,147)
6.00	0.600%	3,445,481	1,588,696	\$ 5,034,177	\$ (3,775,633)
6.50	0.650%	3,732,604	1,721,088	\$ 5,453,692	\$ (3,356,118)
7.00	0.700%	4,019,728	1,853,479	\$ 5,873,206	\$ (2,936,603)
7.50	0.750%	4,306,851	1,985,870	\$ 6,292,721	\$ (2,517,088)
8.00	0.800%	4,593,974	2,118,262	\$ 6,712,236	\$ (2,097,574)
8.50	0.850%	4,881,098	2,250,653	\$ 7,131,751	\$ (1,678,059)
9.00	0.900%	5,168,221	2,383,044	\$ 7,551,265	\$ (1,258,544)
9.50	0.950%	5,455,345	2,515,436	\$ 7,970,780	\$ (839,029)
10.00	1.000%	5,742,468	2,647,827	\$ 8,390,295	\$ (419,515)
10.50	1.050%	6,029,591	2,780,218	\$ 8,809,810	\$ -
11.00	1.100%	6,316,715	2,912,610	\$ 9,229,324	\$ 419,515
11.50	1.150%	6,603,838	3,045,001	\$ 9,648,839	\$ 839,029
11.78	1.178%	6,764,627	3,119,140	\$ 9,883,767	\$ 1,073,958
12.00	1.200%	6,890,962	3,177,392	\$ 10,068,354	\$ 1,258,544
12.50	1.250%	7,178,085	3,309,784	\$ 10,487,869	\$ 1,678,059
13.00	1.300%	7,465,208	3,442,175	\$ 10,907,383	\$ 2,097,574
13.50	1.350%	7,752,332	3,574,566	\$ 11,326,898	\$ 2,517,088
14.00	1.400%	8,039,455	3,706,958	\$ 11,746,413	\$ 2,936,603
14.50	1.450%	8,326,579	3,839,349	\$ 12,165,928	\$ 3,356,118
15.00	1.500%	8,613,702	3,971,740	\$ 12,585,442	\$ 3,775,633
15.50	1.550%	8,900,825	4,104,132	\$ 13,004,957	\$ 4,195,147
16.00	1.600%	9,187,949	4,236,523	\$ 13,424,472	\$ 4,614,662
16.50	1.650%	9,475,072	4,368,914	\$ 13,843,987	\$ 5,034,177
17.00	1.700%	9,762,196	4,501,306	\$ 14,263,501	\$ 5,453,692
17.50	1.750%	10,049,319	4,633,697	\$ 14,683,016	\$ 5,873,206
18.00	1.800%	10,336,442	4,766,088	\$ 15,102,531	\$ 6,292,721
18.50	1.850%	10,623,566	4,898,480	\$ 15,522,046	\$ 6,712,236
19.00	1.900%	10,910,689	5,030,871	\$ 15,941,560	\$ 7,131,751
19.50	1.950%	11,197,813	5,163,263	\$ 16,361,075	\$ 7,551,265
20.00	2.000%	11,484,936	5,295,654	\$ 16,780,590	\$ 7,970,780

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

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