

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2024-14

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING THE RATE OF LEVY ON ASSESSED PROPERTY WITHIN THE CITY OF UNALASKA FOR FISCAL YEAR 2025

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 2025 shall be set at 10.5 mills.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on April 23, 2024.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Estkarlen P. Magdaong
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Estkarlen P. Magdaong, City Clerk
Through: Marjie Veeder, Acting City Manager
Date: April 23, 2024
Re: Resolution 2024-14: Establishing the rate of levy on assessed property within the City of Unalaska for Fiscal Year 2025

SUMMARY: Unalaska City Code Section 6.28.010(B) provides that the City 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 2024-14, Council will set the rate of levy, also referred to as the millage or mill rate, for FY25.

PREVIOUS COUNCIL ACTION: Council establishes the property tax 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. In FY24 Council raised the mill rate back to 10.5. 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 recommends that the mill rate remain at 10.5 mills and is preparing the FY25 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 required.

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2024-14.

PROPOSED MOTION: I move to adopt Resolution 2024-14.

CITY MANAGER COMMENTS: I support Staff's recommendation and the FY25 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	
		FY25 Estimated Real Property Value	FY25 Estimated Business Personal Property Value	Tax Revenue	Increase/Decrease Compared to 10.5 mills
Mill Rate	Percent Rate	585,852,574	260,956,187		
5.00	0.500%	2,929,263	1,304,781	\$ 4,234,044	\$ (4,657,448)
5.50	0.550%	3,222,189	1,435,259	\$ 4,657,448	\$ (4,234,044)
6.00	0.600%	3,515,115	1,565,737	\$ 5,080,853	\$ (3,810,639)
6.50	0.650%	3,808,042	1,696,215	\$ 5,504,257	\$ (3,387,235)
7.00	0.700%	4,100,968	1,826,693	\$ 5,927,661	\$ (2,963,831)
7.50	0.750%	4,393,894	1,957,171	\$ 6,351,066	\$ (2,540,426)
8.00	0.800%	4,686,821	2,087,649	\$ 6,774,470	\$ (2,117,022)
8.50	0.850%	4,979,747	2,218,128	\$ 7,197,874	\$ (1,693,618)
9.00	0.900%	5,272,673	2,348,606	\$ 7,621,279	\$ (1,270,213)
9.50	0.950%	5,565,599	2,479,084	\$ 8,044,683	\$ (846,809)
10.00	1.000%	5,858,526	2,609,562	\$ 8,468,088	\$ (423,404)
10.50	1.050%	6,151,452	2,740,040	\$ 8,891,492	\$ -
11.00	1.100%	6,444,378	2,870,518	\$ 9,314,896	\$ 423,404
11.50	1.150%	6,737,305	3,000,996	\$ 9,738,301	\$ 846,809
11.78	1.178%	6,901,343	3,074,064	\$ 9,975,407	\$ 1,083,915
12.00	1.200%	7,030,231	3,131,474	\$ 10,161,705	\$ 1,270,213
12.50	1.250%	7,323,157	3,261,952	\$ 10,585,110	\$ 1,693,618
13.00	1.300%	7,616,083	3,392,430	\$ 11,008,514	\$ 2,117,022
13.50	1.350%	7,909,010	3,522,909	\$ 11,431,918	\$ 2,540,426
14.00	1.400%	8,201,936	3,653,387	\$ 11,855,323	\$ 2,963,831
14.50	1.450%	8,494,862	3,783,865	\$ 12,278,727	\$ 3,387,235
15.00	1.500%	8,787,789	3,914,343	\$ 12,702,131	\$ 3,810,639
15.50	1.550%	9,080,715	4,044,821	\$ 13,125,536	\$ 4,234,044
16.00	1.600%	9,373,641	4,175,299	\$ 13,548,940	\$ 4,657,448
16.50	1.650%	9,666,567	4,305,777	\$ 13,972,345	\$ 5,080,853
17.00	1.700%	9,959,494	4,436,255	\$ 14,395,749	\$ 5,504,257
17.50	1.750%	10,252,420	4,566,733	\$ 14,819,153	\$ 5,927,661
18.00	1.800%	10,545,346	4,697,211	\$ 15,242,558	\$ 6,351,066
18.50	1.850%	10,838,273	4,827,689	\$ 15,665,962	\$ 6,774,470
19.00	1.900%	11,131,199	4,958,168	\$ 16,089,366	\$ 7,197,874
19.50	1.950%	11,424,125	5,088,646	\$ 16,512,771	\$ 7,621,279
20.00	2.000%	11,717,051	5,219,124	\$ 16,936,175	\$ 8,044,683

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