

**City Council of Peachtree City
Special Called Meeting Minutes
Thursday, August 11, 2022
9:00 a.m.**

The Mayor and Council of Peachtree City met for a special called meeting on Thursday, August 11, 2022, the first of three required public hearings on the 2022 millage rates. Mayor Kim Learnard called the meeting to order at 9 a.m. Council members attending: Gretchen Caola, Frank Destadio, and Mike King. Phil Prebor was absent.

Financial Services Director Paul Salvatore first displayed the City's tax millage rates over the past 10 years, pointing out there had been a gradual reduction from 7.178 in 2012 to the current 6.043 mills. The millage rate was 6.043 last year, which was a full rollback, and would stay the same for the coming year, which was fiscal year (FY) 2023. Millage was broken into two parts: Maintenance and Operation (M & O) and bond. They had not had a bond millage rate in about three years, Salvatore observed.

Anyone whose house had increased in assessed value over the past year would see a millage rate increase. The total digest increased by 17.59%, he stated, and 12.62% of that was due to reassessments of existing property. The balance came from new added growth in the digest, mainly on the west side of town.

Salvatore had created a chart that showed the financial impact on citizens. It displayed various home values, from \$100,000 to \$500,000, along with what the City tax bill would be with the 6.043 millage rate and what it would be if there was a rollback. He had calculated the difference as a total and divided it to show the additional amount per month the homeowner would pay.

A rollback would cost the City at least \$2.036 million, Salvatore pointed out. By comparison, the rollback last year cost them about \$520,000. That money if they had not done the rollback would be more than \$600,000 this year. If they did a rollback this year, it would mean the City lost about \$2.3 million to \$3 million in revenue because it was cumulative. That was why they recommended keeping the millage rate the same; that \$2.3 million would have a significant impact on the budget, which increased by 12% this year due to inflation and new expenses such as three new police officers and a new fire station.

Were they adding school resource officers at the elementary schools? Learnard asked, and Interim City Manager Bernie McMullen said the School Superintendent had not requested them.

Salvatore said that completed his presentation; now they could entertain comments from the public, followed by Council discussion.

The Mayor opened the public hearing.

Dan Smith said he felt the 50% reserve fund was too much. He understood how Council might want to save as much as possible, but taxpayers might want to keep their money. Council spent it appropriately, but taxpayers spent it better, he commented, adding he would like to see the rollback and put that \$2 million in taxpayers' hands.

Bob Moseley said he had received an estimated tax bill. Would it be amended for this adjustment? Learnard said the bill would be paid in October. So, the estimate he had received was correct? Moseley asked, and Learnard affirmed that.

The Mayor asked Salvatore if he would clarify? Salvatore said he was not sure what Moseley was referring to; was it from the Tax Assessor, telling him what the assessed value of his home was? Moseley said that was correct, and it contained a figure he expected to be paying for taxes in the fall. Would it change now? Salvatore said it should not change from what the Tax Assessor had sent. It could change if there was a mistake or if someone had appealed the assessment, but otherwise, he remarked, it was what it was.

Did the 17% increase start in 2023? Moseley asked. There were two things that impacted what he would pay in taxes, McMullen remarked: the assessed value and the millage rate for both the municipality and the County. The municipality portion was based on that 6.043 mills. Their recommendation was that the millage rate for the municipality stay the same. That was the millage rate that would show on Moseley's estimated tax bill. Any increase would come from an increase in the County's assessed value of his house. Nothing they were proposing today would change anything he had received from the County.

Caola asked if she was correct in assuming the bill received in April was for the amount due in November? Salvatore confirmed that. Nothing they were doing would change that bill, but it would change if they had a rollback, she stated.

Clint Holland said the increase in taxes turned out to equal about what the inflation rate was over the past year. It made sense that if they were paying more at the grocery store, why should they not pay more in taxes?

Mike Murtaugh said he felt Council was a good steward of the tax dollars, but he was concerned that they were relying too much on the Special Purpose Local Option Sales Tax (SPLOST). Murtaugh recalled recent conversations about the lack of affordable housing in Peachtree City. What were they doing to attract industrial and commercial development? Could they put together a committee? They needed to increase that tax base to spread out the cost of operations.

Mark Hicks said his biggest concern was the 12.62% increase. He thought they should come up with something in the middle rather than just accepting this.

There were no further comments, and Learnard closed the public hearing.

King had questions about what would happen if they changed the millage rate from 6.043? Would the tax bill change this year or next? Salvatore said it was a little confusing because the fiscal year started in October, so FY 2023 would begin in October 2022. The County went by the tax year, so the assessment was done as of January 1, 2022, and the tax bills would go out in October based on that value. They used those values and projections to fund the FY 2023 budget.

Right now, on that tax bill, McMullen said, there was a section that listed the estimated tax for Peachtree City. If Council raised the millage rate that was listed on that bill, the City taxes that were due this November would go up and would go down if they approved a decrease.

King also addressed the issue of the reserves, noting it had long been a goal of Council to get to this point because if meant they would not have to borrow money for maintenance, as they had been forced to do in the past. Now they could do things on a pay as you go basis. He noted that if they proceeded without a rollback, it would cost the owner of a \$500,000 home an additional \$135 in taxes a year. That was not a lot of money, although he did agree the average family could spend their money better than he could.

Destadio asked Salvatore to explain more about how a rollback would be ongoing. Once you lowered the millage rate, Salvatore told him, unless you raised it back the next year, there would be an impact of \$2 million—maybe higher if there were appeals. Last year they did a full rollback and reduced revenue by roughly \$520,000. If they had not done that, and it had stayed in the budget, they would have that \$520,000 this year, plus the 12% on top of that. That would equal revenue of about \$640,000, he calculated, and it was an increasing ongoing impact as long as the digest kept going up. This year, there was an impact of \$640,000 from last year's rollback. A rollback this year would add \$2 million to that.

Destadio referred to the long list of potential projects Council was going to have to consider soon, ranging from replacing the Kedron bubble to maintenance at the Tennis Center. These were all amenities the citizens wanted, and he did not know where they could take \$2 million out, not just this year, but every year going forward.


Regarding the use of the use of the reserves, Salvatore noted their policies allowed reserves to be used only for one-time capital expenses. They did not want to raise the millage rate just to put money in reserves; in fact, there were policies that said they could not be used for ongoing expenses. If there was an economic downturn, and they did not want to raise the millage rate, it would be okay to dip into the reserves until the situation improved. But to use it for \$2 million this year, the next year and so on would just erode away the reserves.

Destadio commented that he would love to decrease everyone's taxes, but it was not possible to constantly decrease taxes and keep the amenities. The SPLOST was for projects they were not otherwise capable of funding, and he noted that if the SPLOST did not pass, it would have a significant impact on the budget and there would be things they could not do, such as maintain roads and infrastructure at the present level, along with equipment purchases for the Fire and Police departments. While everyone would like to see a decrease in taxes, he did not see anything in the budget they could cut. He said more police officers were needed to combat crime, and the police wanted an armored vehicle to replace an old ambulance they were using for tactical operations.

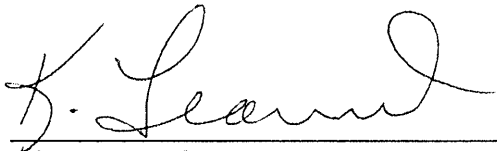
Caola said she wanted to point out that a home with an assessed value of \$500,000 would be paying an additional \$11.28 a month. That was the cost of not doing the rollback. Salvatore confirmed, but doing the rollback would cost the City \$2 million. Caola said \$11 was an insignificant amount of money, although she wished they could leave it with the taxpayers. She, too, would like to decrease taxes, but she wanted to make sure all citizens had the things they needed and had had in the past. She did not see what they could cut off the list for \$2 million.

Salvatore stated they would need two more public hearings. One would be at 9 a.m. August 18, followed by the final public hearing at the Council meeting that evening. The next item on the agenda would be to take action to adopt the millage rate.

There being no further business, Destadio moved to adjourn the meeting at 9:28 a.m. King seconded. Motion carried unanimously.



Martha Barksdale, Recording Secretary



Kim Learnard, Mayor