

MINUTES
Public Hearing of the College Park City Council
Tuesday, May 12, 2009
Constant Yield Tax Rate for FY 2010
7:15 p.m.

PRESENT: Mayor Brayman; Councilmembers Molinatto, Wojahn, Catlin, Perry, Karen Hampton and Mary Cook; Student Liaison Dan Hartinger.

ABSENT: Councilmembers Stullich and Mark Cook.

ALSO PRESENT: Joe Nagro, City Manager; Suellen Ferguson, City Attorney; Janeen Miller, City Clerk; Sara Imhulse, Assistant to the City Manager; Steve Groh, Director of Finance; Leo Thomas, Deputy Director of Finance; Bob Ryan, Director of Public Services; Steve Halpern, City Engineer; Robert Stumpff, Director of Public Works.

Mayor Brayman opened the public hearing on the FY 2010 Constant Yield Tax Rate at 7:15 p.m. and invited Mr. Groh to give an overview.

Mr. Groh stated that the state annually calculates the real property assessments and parcels them out to counties and municipalities. The process they use makes certain assumptions because it occurs prior to when the final assessments are reported. In January, the state calculates what it believes will be the net assessable base for the City. Then they apply our prior year tax rate to their estimated assessments, to result in what they believe would be the “constant yield tax rate” meaning that in order to realize the same amount of real property tax revenue in FY 2010 as it did in FY 2009, the City would have to reduce its tax rate. To achieve the same revenue, the tax rate would have to be reduced to 28.8 cents. The city’s tax rate currently is 32.2 cents. The state requires specific public notice and this public hearing because the city is not planning to lower its tax rate to 28.8 cents to achieve the constant yield of revenue.

Councilmember Mary Cook asked why the City wants to keep the tax rate at 32.2 cents instead of lowering it. Mr. Groh replied that the FY 2010 budget includes increases in operating and personnel costs that have to be covered. The FY 2010 budget does not dip into the undesignated reserve to balance the budget for the first time in 17 years.

Councilmember Perry commented on the state’s advertising requirement of the constant yield tax rate.

Mayor Brayman commented on the impact of the homestead tax credit on the amount of tax a person would pay. The homestead tax credit limits the increase of the taxable assessment to a certain percentage for owner occupied homes. The City’s homestead tax credit rate is 4%, vs. the state’s rate of 10%.

Public Comment:

Tim Miller, 5119 Niagara Place: He believes the tax rate should be lowered to 28.8 cents and that the City should not give merit increases at this time. He believes the values of homes and thus assessments will drop. We should look at raising the tax rate next year.

Larry Bleau, 4901 Niagara Road, President, North College Park Citizens Association: The NCPCA believes the tax rate should not be increased so much. He thinks it would be fair to cut \$300,000 from the budget, and lower the tax rate by 1.2 cents, so the rate would be .310 instead of .322. The NCPCA had asked the City to give back some money to the citizens. Such a reduction would not give the break to rental properties or commercial properties.

There being no further public comment, Mayor Brayman declared the hearing closed at 7:38 p.m.

Janeen S. Miller
City Clerk

Date Approved