



City of CHARLOTTE

MEMORANDUM

TO: Mayor Lewis and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: Budget Resolution

DATE: May 25, 2018

You will find elsewhere in the agenda packet a budget resolution that includes changes to the property tax levies authorized by it.

The first of these changes, which was included in the version distributed to you at the prior Council meeting, affects the levy required for the bond issue associated with the construction of the West Side Fire Station. My original projection of millage required this year was based on incorrect information about the refunding of that bond issue. The refunding does permit a reduction in the millage this year from 1 mill to .9 mill as the savings from the refunding are passed on to taxpayers.

The second change affects the 2 mill levy in the Downtown Development Authority district. This maximum authorized millage is reduced to 1.9936 mills due to a Headlee Amendment rollback. This rollback is required when property values would result in an increase in tax revenues in excess of the rate of inflation. It is interesting to note that there is not Headlee reduction this year for the general fund millage. This indicates that property values in the DDA are increasing a faster rate than those generally in the City. The reduction would reduce DDA revenues by an estimated \$43.