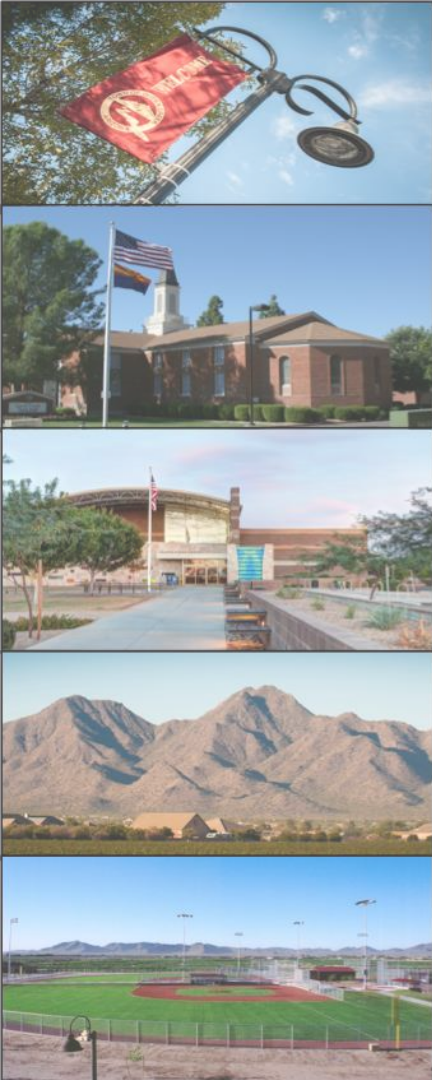




FY 2018-19 STREETLIGHT IMPROVEMENT DISTRICTS (SLIDs) TAX LEVIES

Town Council Meeting

July 18, 2018



TONIGHT'S ACTION

- Consider a Motion to Approve Ordinance 668-18 Setting the Secondary Property Tax Levy for Streetlight Improvement Districts for FY 2018-19 at \$452,468 and the Necessary Transfers from the General Fund of \$232,547 and Budget Adjustments

SLID OVERVIEW

- Districts formed so that property owners benefitting from the streetlights pay for the operating costs
- Town must adopt ordinance levying a Special Taxing District Property Tax in an amount sufficient to pay the expense of each streetlight district in the Town





SLID OVERVIEW (CONCLUDED)

- Each SLID Property Tax Varies
 - Statutory Cap is \$1.20 per \$100 of Assessed Value (AV)
 - Lowest Rate : \$0.02 per \$100 of AV
 - Highest Rate: \$1.20 per \$100 of AV
- The Property Tax Levy is Affected By:
 - Number and Types of Streetlights
 - Number of Parcels and Total Assessed Valuation (Age /Maturity of SLID)

LIFE CYCLE OF A SLID

- Years 1 – 3
 - Assessed Values Are Still Developing
 - Electricity Expenses Exceed Revenues
 - Arrears Amount Created
- Year 4 – 6
 - Assessed Values Increase Enough to Pay Annual Expense
 - Arrears Amount Reduced and Eliminated
- Years 7+
 - Full Maturity
 - Levy Set to Cover Annual Expenses



QUEEN CREEK SLID LEVY EXAMPLE SINGLE-FAMILY HOME



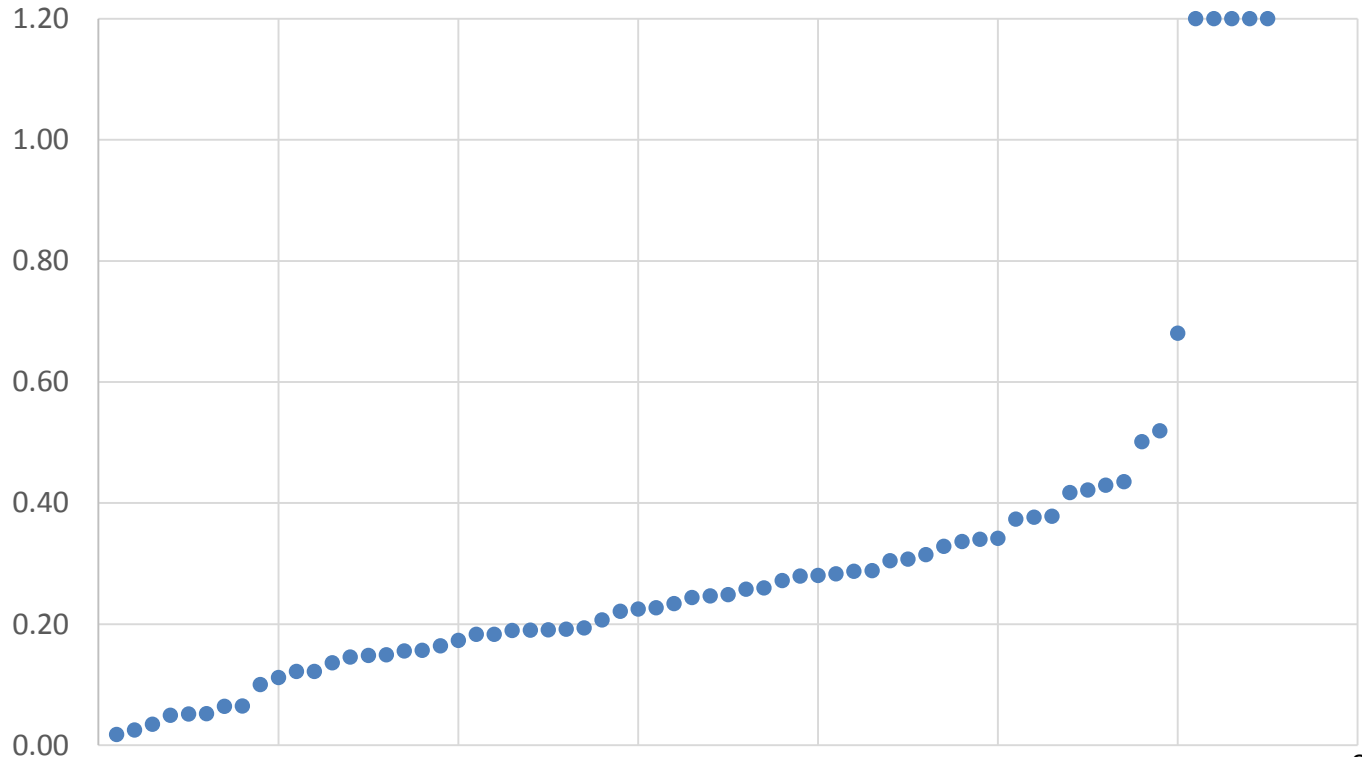
	Amount
A) Limited Property Value (LPV) FY 18-19 Median	\$210,728
B) Residential Assessment Ratio	<u>10%</u>
C) Assessed Value at 10% of LPV (A x B)	\$21,073
D) Conversion to a “per \$100” AV (C/\$100)	<u>\$211</u>
E)SLID Rate per \$100 AV	\$0.25
F) SLID Assessment (D x E)	\$53

FY 2018-19 SLIDs

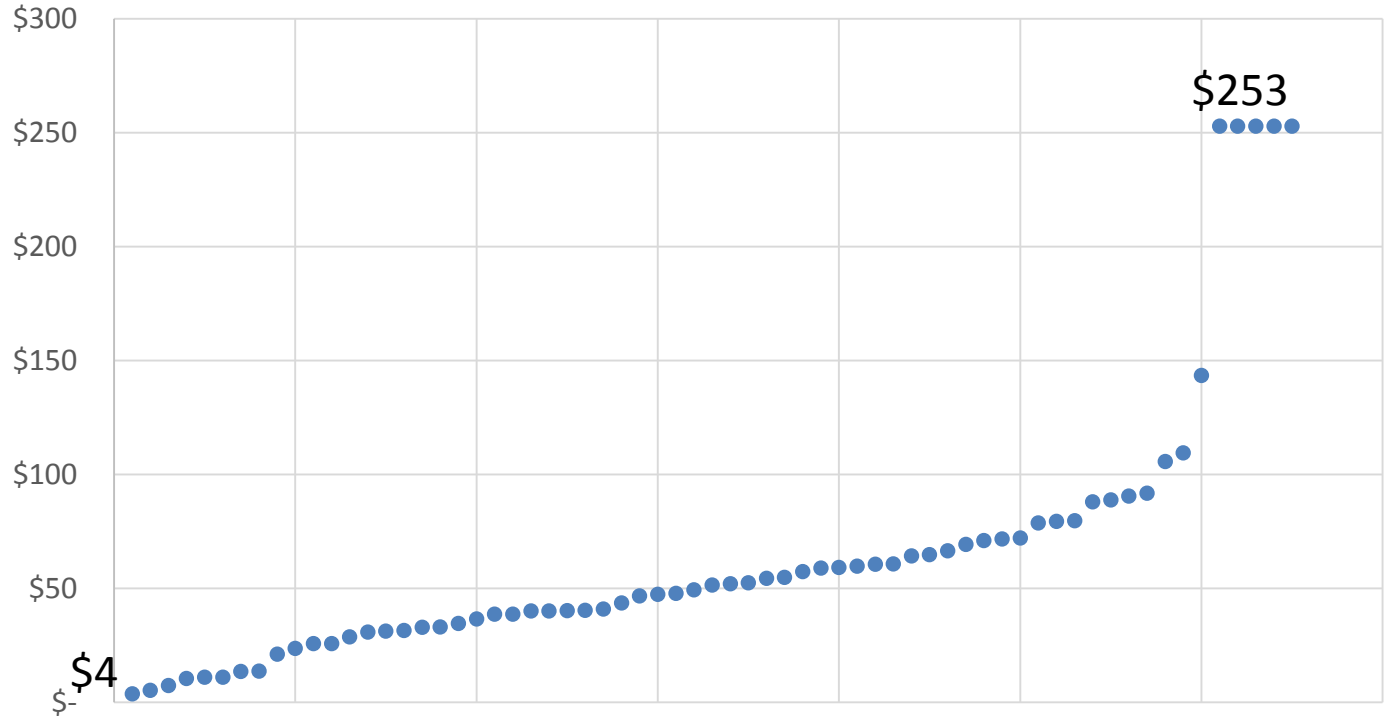
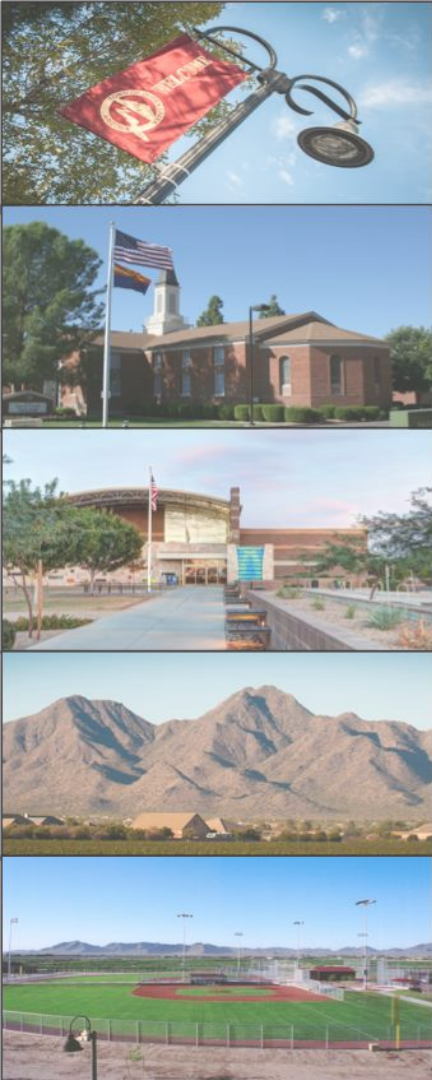
- \$452K in Assessments for FY 2018-19
 - Includes an Estimated 3% Increase in Electric Expense
 - Reflects Staff Recommended Corrections (Discussed Later)
- Number of SLIDs: 91
- Number of Parcels: 13,820



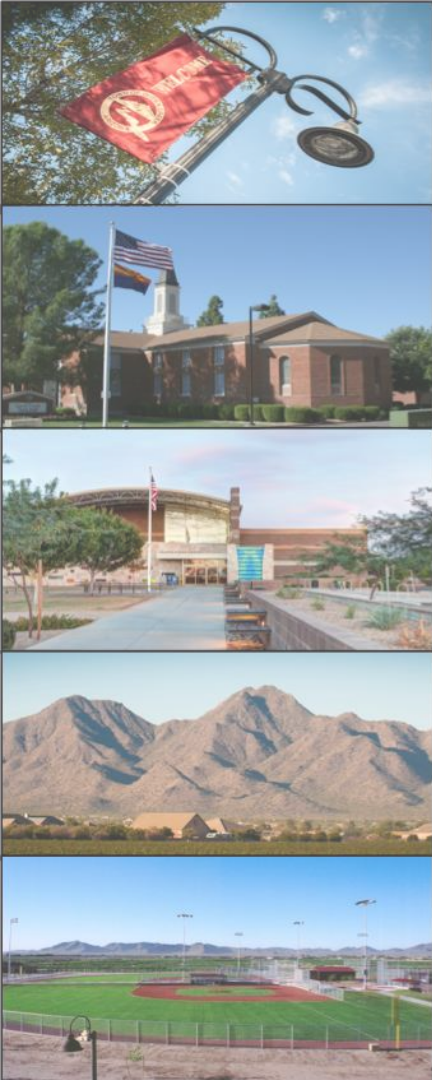
FY 18-19 SLID PROPERTY LEVY RATES



FY 18-19 SLID PROPERTY TAXES*

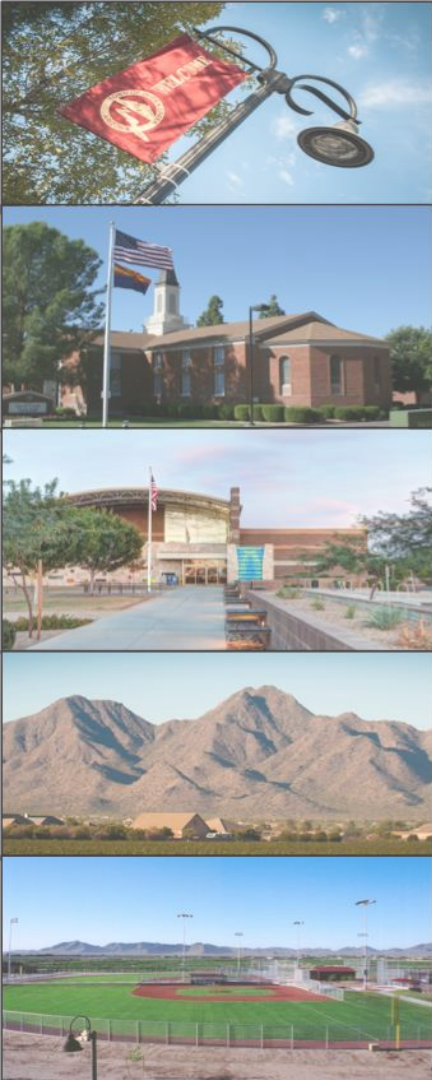


* Based on \$210,728 Median Value



RECONCILIATION

- Individual SLID Account Balances Not Maintained
 - Expenses Recorded by SLID but Not Revenues
- Staff Reconstructed Each Individual SLID Account Balance
 - Corrections Are Necessary
 - Over and Under Tax Payments Identified
 - Corrections Are Reflected in FY 18-19 Property Tax Levies



RECONCILIATION (CONCLUDED)

- **Individual SLID Balances Do Not Equal Town's Books**
 - Town's Books are \$60,049 Short of Reconstructed Balance as of July 1, 2017
 - Reconstructed Balance is \$113,839
 - Town's Book Balance is \$53,790
- **Staff Recommendation**
 - Transfer \$60,049 From the General Fund to the Appropriate SLID Accounts

SUMMARY OF SLID ACCOUNT STATUS

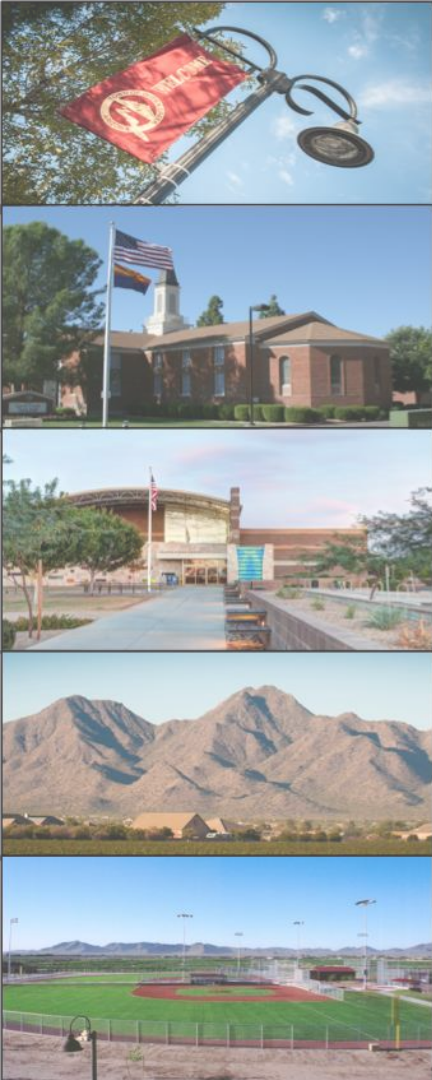
Status	Amount	# of SLIDs	Taxpayers
Over Paid	\$187K	40	5,974
Under Paid	\$172K	39	6,306
No Correction Needed		1	146
In Arrears @ Maximum Levy	\$41K	3	396
First Year SLIDs		<u>8</u>	<u>998</u>
TOTAL		91	13,820



OVER PAID SLIDS

- 40 SLIDs (5,974 Parcels)
- Staff Recommendation
 - Do Not Levy or Reduce Property Taxes Until Account Balance is Reduced to 10% of Annual Expenses or \$500, whichever is greater
 - \$187K Reduction of Property Taxes
 - Could Be Up to 3 Years of Zero Property Taxes





UNDER PAID SLIDS

- 39 SLIDs (6,306 Parcels)
- Staff Recommendation
 - Transfer \$172K from the General Fund to the 39 SLIDs to Equal the Reconstructed Account Balances
 - Issues Goes Back Up to 10 Years Ago
 - Some Property Owners Could be Different Now

CORRECT SLID

- One SLID (146 Parcels)



SLIDS IN ARREARS AT MAX LEVY

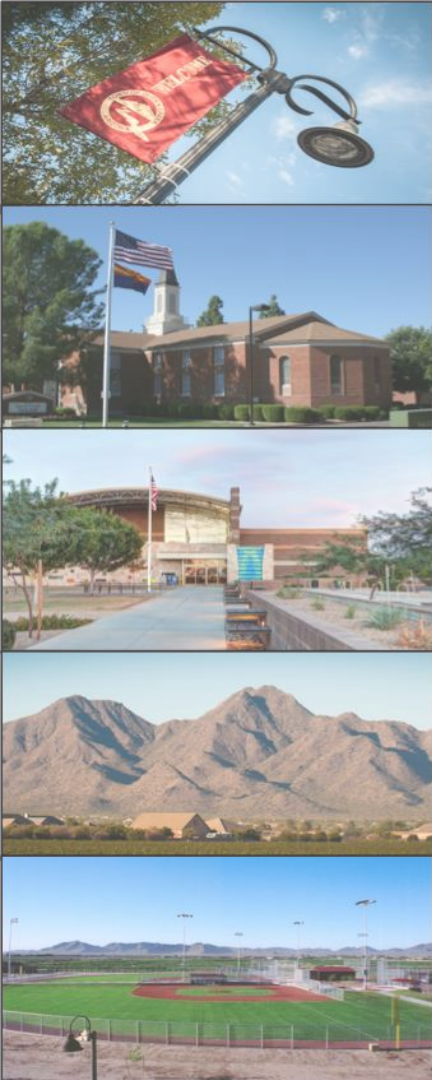
- 3 SLIDs (396 Parcels)
- \$41K In Arrears
- Staff Recommendation
 - No Correction Necessary
 - Allow Arrears Amount to Paid Back Over Time as Assessed Values Increase



FIRST YEAR SLIDS

- 8 SLIDs (998 Parcels)
- At Maximum Levy Rate





ACTION REQUIRED

- Approve Ordinance 668-18 Setting the Secondary Property Tax Levy for Streetlight Improvement Districts for FY 2018-19 at \$452,468 and the Necessary Transfers from the General Fund of \$232,547 and Budget Adjustments