

INTRODUCED BY ALDERMAN HUETHER

BILL NO. 24-2545

ORDINANCE NO. 24-2427

AN ORDINANCE ESTABLISHING AND LEVYING THE RATE OF TAXATION UPON ALL REAL AND PERSONAL PROPERTY IN THE CITY OF MANCHESTER FOR CALENDAR YEAR 2024.

WHEREAS, by Ordinance No. 23-2395 the Board of Aldermen of the City of Manchester adopted the budget for fiscal year 2024; and,

WHEREAS, it is necessary for the City of Manchester to establish and levy a tax upon all real and personal property in the City to produce the level of revenue projected in the fiscal year 2024 budget; and,

WHEREAS, the fiscal year 2024 budget assumed the imposition of a property tax levy for general municipal purposes: and,

WHEREAS, in 2018, the City issued \$9.0 million in general obligation bonds and in 2020 the City issued another \$7.0 million in general obligation bonds as approved by the voters for the purposes of constructing, reconstructing, extending, repairing and improving the City of Manchester's streets and sidewalks, including acquiring any land or right-of-way; and,

WHEREAS, the payment of principal and interest for the outstanding Series 2018 and Series 2020 General Obligation Bonds requires the levying of a property tax for the debt service for said bonds; and,

WHEREAS, a duly noticed public hearing was held on September 3, 2024, to present the proposed tax rates and allow for public comment on the proposed 2024 property tax levies for General Operating Fund and Debt Service Fund; and

WHEREAS, the tax rates referenced herein have been calculated and reviewed in accordance with Chapter 137 of the Revised Statutes of Missouri.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF MANCHESTER, STATE OF MISSOURI, AS FOLLOWS:

Section One: A tax rate of Three and One-tenth Cents (\$0.031) per One Hundred Dollars (\$100) of assessed valuation upon all residential property in the City of Manchester is hereby established and levied for calendar year 2024 for general municipal purposes.

Section Two: A tax rate of Two and Nine-tenth Cents (\$0.029) per One Hundred Dollars (\$100) of assessed valuation upon all commercial property in the City of Manchester is hereby established and levied for calendar year 2024 for general municipal purposes.

Section Three: A tax rate of Five Cents (\$0.050) per One Hundred Dollars (\$100) of assessed valuation shall be established and levied upon all personal property in the City of Manchester for calendar year 2024 for general municipal purposes.

Section Four: There is no tax rate levied on agricultural property, as there is no agricultural property in the City at this time.

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Section Five: A tax rate of Twenty-eight Cents (\$0.28) per One Hundred Dollars (\$100) of assessed valuation upon all residential, commercial, and personal property in the City of Manchester is hereby established and levied for calendar year 2024 for the payment of principal and interest of the outstanding Series 2018 and Series 2020 General Obligation Bonds.

Section Six: Penalties for the failure to pay taxes based upon the aforesaid levy shall be the maximum allowed by law.

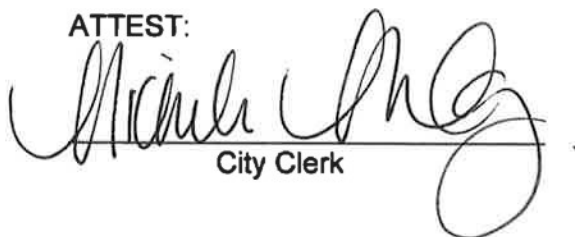
Section Seven: This Ordinance, having been read in full or by title two times prior to passage, shall be in full force and effect from and after its passage and approval as provided by law.

PASSED AND APPROVED THIS 16 DAY OF SEPTEMBER 2024.

CITY OF MANCHESTER, MISSOURI

By: 
Mayor

ATTEST:


City Clerk



MANCHESTER
MISSOURI

To: Mayor Clement and Board of Aldermen
 From: Shawn Sieve, Director of Finance
 CC: Justin Klocke, City Administrator
 Date: September 3, 2024
 Re: Maximum allowed tax rates

Board of Aldermen members typically inquire about the maximum property tax rates allowed under State of Missouri law. In the past, the Board decided to impose a lower property tax rate on behalf of the City (Voluntarily Reduced Property Tax Rate). Attached is a report from the State Auditor's Office describing the process to increase the City's property taxes to the maximum rate. This change is only allowed in even numbered tax years. The next available timeframe to adjust property tax rates would be for the 2026 property tax rates.

The chart below shows the 2024 Voluntarily Reduced Property Tax Rates compared to the Maximum Tax Rate allowed by the State of Missouri. The far-right column shows the percentage difference between 2024 Voluntarily Reduced Property Tax Rates and the Maximum Rate allowable by the State of Missouri. An additional \$1,255,643 would be collected if the tax rates were increased to the maximum rate allowable.

	<u>Assessed</u> <u>Valuation 2024</u>	<u>2024 - General</u> <u>Operating</u> <u>Fund -</u> <u>Voluntarily</u> <u>Reduced - Tax</u> <u>Rate</u>	<u>2024 - General</u> <u>Fund Operating</u> <u>Tax Dollars -</u> <u>Voluntarily</u> <u>Reduced</u>	<u>2024 - Max</u> <u>General</u> <u>Operating</u> <u>Fund -</u> <u>Maximum - Tax</u> <u>Rate</u>	<u>2024 - General</u> <u>Fund Operating</u> <u>Tax Dollars -</u> <u>Maximum</u>	<u>Dollar Difference</u> <u>from 2024</u> <u>Voluntarily</u> <u>Reduced Rate to</u> <u>the Maximum</u> <u>Allowed Rate</u>	<u>Percentage</u> <u>Difference in</u> <u>Dollars from</u> <u>Voluntarily</u> <u>Reduced Rate</u> <u>to Maximum</u> <u>Rate</u>
Residential Real Estate	\$ 403,667,170	0.00031	\$ 125,137	0.00240	\$ 968,801	\$ 843,664	574.19%
Commercial Real Estate	\$ 78,895,174	0.00029	\$ 22,880	0.00284	\$ 224,062	\$ 201,183	779.31%
Personal Property	\$ 62,924,058	0.00050	\$ 31,462	0.00385	\$ 242,258	\$ 210,796	570.00%
Totals	\$ 545,486,402		\$ 179,478		\$ 1,435,121	\$ 1,255,643	



PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

8/20/2024

Informational Summary Page

(2024)

For Political Subdivisions Other Than School Districts With a Separate Rate on Each Subclass of Property

City of Manchester

09-096-0049

General Revenue

Name of Political Subdivision

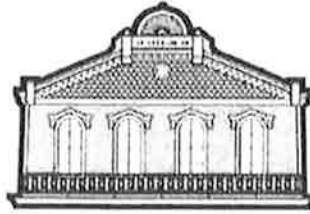
Political Subdivision Code

Purpose of Levy

This page shows the information that would have been on the line items for the Summary Page had no voluntary reduction(s) been taken in prior even numbered year(s). The information on this page should not be used in the current year unless the taxing authority wishes to reverse any voluntary reduction(s) taken in prior even numbered year(s) and follows the following steps in an even numbered year.

- Step 1 The governing body should hold a public hearing and adopt a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate.
Step 2 Submit a copy of the resolution, policy statement, or ordinance to the State Auditor's Office for review.

Table with 5 columns: Residential, Agriculture, Commercial, Personal Property, Prior Method Single Rate. Rows include: A. Prior year tax rate ceiling, B. Current year rate computed, C. Amount of rate increase authorized by voters for current year, D. Rate to compare to maximum authorized levy to determine tax rate ceiling, E. Maximum authorized levy, F. Current year tax rate ceiling.



MANCHESTER
MISSOURI

To: Mayor Clement and Board of Aldermen
 From: Shawn Sieve, Director of Finance
 CC: Justin Klocke, City Administrator
 Date: August 26, 2024
 Re: 2024 Property Tax Rate – Establishment

Included on the September 3, 2024, Board of Aldermen Agenda is a Public Hearing and first reading of an ordinance approving the 2024 property tax rates for residential, commercial, and personal property.

Summary --

- Total assessed value increased by 1.97% to \$534,972,670.
- 2024 total tax rates:
 - Residential Real Estate remained at a rate of \$.3110
 - Commercial Real Estate decreased by \$0.02 to \$0.3090.
 - The reduction is due to the increase in Commercial Real Estate Assessments after the payoff of TIF bonds.
 - Personal property tax rate remains the same at \$0.330.
- These tax rates include the voter approved \$0.280 debt service levy related to the 2018 and 2020 General Obligation Bonds issued for Proposition S-Concrete Streets.

Below is a chart of the 2024 assessments as compared to 2023 and the percentage change from 2023 to 2024, and the tax dollars generated for each category for General Operating and Debt.

<u>Certified Taxable Assessed Valuation</u>	<u>2024</u>	<u>2023</u>	<u>Percentage Change 2023 to 2024</u>	<u>Dollar Change 2023 to 2024</u>
Residential Real Estate	\$ 403,667,170	\$ 403,118,460	0.14%	\$ 548,710
Commercial Real Estate	\$ 78,895,174	\$ 63,650,693	23.95%	\$ 15,244,481
Personal Property	\$ 62,924,058	\$ 68,203,517	-7.74%	\$ (5,279,459)
Totals	\$ 545,486,402	\$ 534,972,670	1.97%	\$ 10,513,732
New Construction and Improvements included in Assessed Values	\$ 2,810,660	\$ 7,039,070		
	2024 General Operating Fund Tax Rate	2024 General Operating Fund Tax Dollars	2024 Debt Tax Rate	2024 - Debt Service Fund - Tax Revenue
Residential Real Estate	0.031	\$ 125,137	0.28	\$1,130,268
Commercial Real Estate	0.029	\$ 22,880	0.28	\$220,906
Personal Property	0.050	\$ 31,462	0.28	\$176,187
Totals		\$ 179,478		\$1,527,362
Estimate Per City of Manchester 2024 Budget		\$ 166,000		\$1,240,000

Properties are assessed by St. Louis County Assessor's Office and the tax rates are based on the certified assessed valuations as of July 1, 2024.

Billing and collection of property is performed by St. Louis County Collector of Revenue. The 2024 property taxes are collected near the end of the calendar year and the tax rates are based on the assessments for residential, commercial, and personal property plus new construction and an inflation factor (3.4%) to calculate new property tax dollars that can be captured in 2024. The Missouri State Auditor's Office has a calculator that the City uses to calculate the dollars and rates.

The \$0.280 debt service rate is the maximum rate that was approved by a vote of the residents and used to pay off the 2018 and 2020 General Obligation Bond Debt used for PROP S concrete streets.

Included on the **Tuesday**, September 3, 2024, Board of Alderman agenda is first reading of an ordinance to levy the property rates as proposed. The second reading will occur at the regular Board of Aldermen meeting on Monday September 16, 2024. The 2024 property tax rates are required to be certified and filed with St. Louis County by the end of September 2024.



THE CITY OF
MANCHESTER
 MISSOURI

PUBLIC HEARING NOTICE
Board of Aldermen Meeting
September 3, 2024
7:00 pm

Property Tax Rate Establishment for 2024 Property Tax Billings

The Board of Aldermen of the City of Manchester will hold a public hearing at 7:00 pm on Tuesday, September 3, 2024, via Zoom and in person at the Manchester Justice Center, 200 Highlands Blvd, at which time citizens may comment on the proposed 2024 Property Tax Levy for the City's General Operating Fund and Debt Service Fund.

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If you have any questions, please contact:
 Shawn Sieve
 City of Manchester
 Director of Finance
ssievc@manchestermo.gov
 (636) 207-2822