

CITY OF PORT ORANGE

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FOR IMMEDIATE RELEASE

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City of Port Orange Announces a Proposed Property Tax Increase

Port Orange, FL – The City of Port Orange today announces its intention to increase the millage rate from last year's rate of 4.4881 to 4.6288, which is a 3.13% increase over last year and 9.99% over rollback. The only service addition this year is medical transport. The net cost of the medical transport to the general fund is estimated to be \$217,047, which equates to .0712 mill. Excluding the medical transport, the tax increase would be 1.55% over the FY18 budget and 8.3% over the rollback rate.

The increase in taxes, along with other general fund revenue sources, will increase the city's general fund revenue \$2,159,261 from last year's budget. For FY19, the city has decided not to augment the general fund revenue by appropriating additional fund equity as it had in recent years to control the millage rate. The reason they chose not to appropriate fund equity was due to the depletion of the reserves as a result of recent hurricanes. When the city falls below the recommended percentage of fund balance, it must provide a plan to get back within fund balance limits within three years. We expect future FEMA reimbursements and unexecuted budget dollars will be sufficient to reestablish those reserves within the next two years.

In addition to the medical transport, the increase in revenue will be used to fund current programs at the current level of service considering increased costs for inflation. Such costs include vehicle maintenance, increased costs of electricity for new buildings, salary increases due to previous year Union contracts and additional staff positions. The city has also invested in an ADA transition plan to ensure the city has a strong plan for current and future compliance, additional police officers, and a firefighter in addition to the three included in the cost for medical transport.

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