FY27 Tentative Millage Rate

Called Board Meeting

August 18, 2026

Millage Rate Timeline

Aug 18, 2026	Called Board Meeting to Approve Advertising Tentative Millage Rate
Aug 26, 2026	First Newspaper Advertisement
Sep 2, 2026	Second Newspaper Advertisement
Sep 3, 2026 12:00 PM	Called Board Meeting for Public Hearing #1
Sep 3, 2026 6:00 PM	Called Board Meeting for Public Hearing #2
Sep 10, 2026	Called Board Meeting for Public Hearing #3 & Vote to Adopt Millage Rate

Funding Considerations

1. Sales Ratio

31.92% (Active Appeal)

Active Appeal: Currently under appeal with the Board of Assessors.

Funding Impact: A ratio near 40% secures full taxable value of utility properties.

Revenue Risk: Current 31.92% ratio risks a **20% reduction** in utility property tax revenue.

Impact:
Potential reduction of $1,877,236.

2. Future LFMS Impact

40% ÷ 31.92% = 1.253 (≈25.3%)

Sales Ratio: State uses 31.92% to equalize values, raising equalized digest.

LFMS Increase: Higher equalized digest increases LFMS, reducing net QBE funding.

Future Cycle: Affects future funding cycles, not current budget.

Projected Impact:
+$1.75M to LFMS

3. Fund Reserve

Target: 25% of Revenue

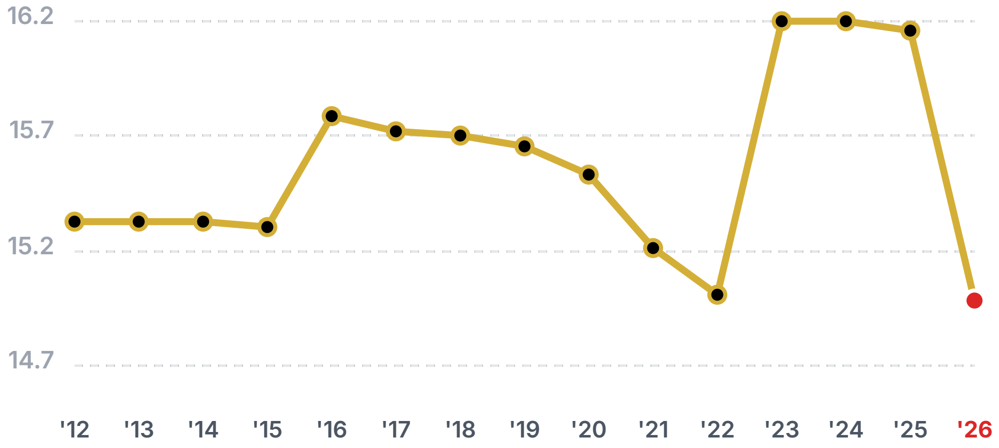
Moody's Statement: "Sustained maintenance of balanced operations and fund balance closer to 25%."

DOE Policy: State DOE increased recommended fund reserve from 15% to 25%.

Strategic Value:
Strengthens credit ratings. Reduces TANS. Absorbs lower tax collection rates.

Historical Millage Rate Perspective | 2012–2026

Tax years 2012–2025 actual | 2026 proposed



2026 Proposed Rate

14.999

mills

↓ 1.172 mills

7.25% below current rate

Reduction from 16.171 to 14.999 reduces the tax for an individual with a 350k home by **$164**.

Lowest millage rate in at least 15 years

Current: 16.171 mills • Proposed: 14.999 mills • 2026 rollback: 13.175 mills

Proposed Millage Rate Budget Impact

Millage Rate Scenarios

Comparison of millage rate impacts on general fund

Current Millage Rate

16.171 mills

Leads to $4.6M surplus

Proposed Millage Rate

14.999 mills

Results in $1.9M surplus

Rollback Millage Rate

13.175 mills

Results in $2.2M deficit

Critical Reminders & Risks

Offsetting factors impacting the projected surplus

Utility Revenue Reduction

Projected potential reduction of **$1.8M – $1.9M**

QBE Funding Reduction

Due to projected LFMS increase of **$1.75M**

Combined, these potential external reductions (~$3.6M) could fully offset the proposed $1.9M budget surplus.