

**Meeting of the City of Sandy Springs City Council – SUMMARY MINUTES**

**Barfield Conference Room, Sandy Springs City Hall and Broadcast Via Live Webinar and Teleconference**

**August 14, 2023 8:30 AM**

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**The Special Called Meeting of the Sandy Springs City Council was held on August 14, 2023 at 8:30 AM, Mayor Rusty Paul presiding.**

**I. Call to Order**

**Mayor Rusty Paul** called the meeting to order at 8:30 a.m.

**II. Roll Call**

**Members Present:** Mayor Rusty Paul, Councilmember John Paulson, Councilmember Melody Kelley, Councilmember Melissa Mular, Councilmember Andrew Bauman, Councilmember Jody Reichel

**Members Absent:** Councilmember Tibby DeJulio

**III. Approval of Meeting Agenda**

**Motion and vote.** A motion was made by **Councilmember John Paulson**, seconded by **Councilmember Jody Reichel**, to approve the meeting agenda. The motion carried by unanimous vote.

**IV. Public Hearing**

A. **2023-229** Ad Valorem Tax Rate Public Hearing 1 for 2023 Millage Rate

**Eden Freeman, City Manager**, welcomed City Council, City Staff, and guests to the first of three public hearings to set the 2023 millage rate and introduced **Toni Carlisle, Chief Financial Officer**, who would present the proposed millage rate information. The millage rate is the same as it is in the City of Sandy Springs Charter at 4.731.

**Chief Financial Officer Carlisle** presented a yearly update on tax funds collected. The total for Sandy Springs is 31.851% and allocations are as follows: State 0.0%; Sandy Springs 14.9%; Fulton Bonds 0.6%; Fulton Operations & Maintenance 29.3%; and Fulton School District 55.2%.

Millage rates for local cities in Fulton County are as follows:

## Millage Rates

The amount per \$1,000 of property value used to calculate local property taxes.

- 2023 Georgia County Ad Valorem Tax Digest Millage Rates
  - Alpharetta: 4.951 M&O + .799 Bond
  - Atlanta: 8.520 M&O + 1.880 Bond
  - Johns Creek: 3.986 M&O + 0.390 Bond
  - Milton: 4.469 M&O + .452 Bond
  - Roswell: 4.463
  - Sandy Springs: 4.731\*

*\*Per City Charter: For all years, the millage rate imposed for ad valorem taxes on real property shall not exceed 4.731 unless a higher limit is recommended by resolution of the city council and approved by the qualified voters of the City of Sandy Springs*

For tax and value for the City of Sandy Springs, an example of a home with a Fair Market Value (FMV) at \$500,000 with basic homestead exemption is as follows.

## Homestead Exemption

- Established by state law and approved by citizen vote
- Your home is appraised at Fair Market Value (FMV)
- The Assessed Value for tax purposes is 40% of FMV
- Taxes are calculated using city, school and county millage tax rates

Example: FMV	\$500,000
• Assessed Value @ 40%	\$200,000
• Less: Basic Homestead	<u>\$15,000</u>
• Taxable Value	<u>\$185,000</u>

Other examples were reviewed on homes valued at \$626,000 and \$1,080,000.

## Homestead Exemption

Average Homeowner/Taxpayer View

### Average Homeowner/Taxpayer View

	Fair Market Value (FMV) 100%	Assessed Value (AV) 40%	W/O Homestead
Average Property Value	626,567	626,567	626,567
Less: Exemptions	<u>(15,000)</u>	<u>(15,000)</u>	-
Taxable Value	611,567	611,567	626,567
Millage Rate		<u>0.004731</u>	<u>0.004731</u>
<b>Tax Levy @ 4.731</b>		<b>2,893.32</b>	<b>2,964.29</b>
<i>Proposed</i>	4.7310	2,893.32	2,964.29
<i>Rollback</i>	4.3803	2,678.82	2,744.52
<i>Increase/Decrease</i>	<u>0.3507</u>	<u>214.50</u>	<u>219.77</u>
<b>Total</b>	<b>8.01%</b>	<b>0.08007</b>	<b>0.08007</b>

## Homestead Exemption

Average Homeowner/Taxpayer View

### Average Homeowner/Taxpayer View

	Fair Market Value (FMV) 100%	Assessed Value (AV) 40%	W/O Homestead
Average Property Value	1,080,000	1,080,000	1,080,000
Less: Exemptions	(15,000)	(15,000)	-
Taxable Value	1,065,000	1,065,000	1,080,000
Millage Rate		0.004731	0.004731
Tax Levy @ 4.731		5,038.52	5,109.48
<i>Proposed</i>	4.7310	5,038.52	5,109.48
<i>Rollback</i>	4.3803	4,664.97	4,730.68
<i>Increase/Decrease</i>	0.3507	373.54	378.80
<b>Total</b>	<b>8.01%</b>	<b>0.08007</b>	<b>0.08007</b>

**Mayor Rusty Paul** said there is a provision in law that raises the homestead exemption so that the maximum tax increase would be either 3% or the Consumer Price Index (CPI), whichever is lower.

**Chief Financial Officer Carlisle** said this is taken into consideration for the calculation. We spoke to **Henry Brigham, Information Systems Manager at the Fulton County Tax Assessors Office** and were told the maximum of 3% is taken off before the tax bill goes out.

**Councilmember Andy Bauman** said it probably does not. The increases are mitigated by this, but you could probably apply any homestead exemption. The key number with the example of the home with a FMV of \$1,080,00 is 8%. This is a base level case. The 8% is the amount of the rollback and the tax assessment base is about 8% higher because you will have to rollback the millage rate 8%.

**Mayor Paul** stated this is why it is confusing. A homeowner cannot have an increase of more than 3%. We are looking at the aggregate number.

**Chief Financial Officer Carlisle** said the \$1,080,000 property value is what **Fulton County Information Systems Manager Brigham** provided to us and takes into consideration the maximum of 3%.

**Councilmember Bauman** stated that would be an 8% savings because the millage rate would come back. Our floating rate cap affects homestead exemption but does not affect the millage rate. It would be a greater reduction.

**Chief Financial Officer Carlisle** said the information provided will be reviewed and we will seek additional clarification.

**Councilmember Bauman** said it is fact specific if there is a house with no assessment change and this was their homestead exemption. This is a base level of somebody that has the same assessment as their prior year. You would need another line item if the prior year property value assessment had been \$850,000 for example, because your exemptions would go up. If the house was sitting at a flat assessed value, you do not get the benefit. There are a lot of moving parts.

**Mayor Paul** asked what is the aggregate dollar impact on the budget?

**City Manager Freeman** said if there was a rollback to the revenue neutral number of 4.3803, that would result in a reduction in revenue collections of \$3,528,422.00.

**Councilmember Bauman** stated the \$3,528,422.00 includes commercial properties and the homestead properties would only get a percentage of that.

**City Manager Freeman** said we have the data, and it will be updated before our second public hearing.

**Councilmember Bauman** said our millage rate applies to every property regardless of their status and you cannot rollback on just homestead properties.

**Mayor Paul** said the only way this is affected is with the homestead exemption and, is what we tried to do with the floating homestead exemption to keep the taxes on residences as low as possible.

**Councilmember Bauman** said the only way you can distinguish would be to grant a greater baseline homestead exemption.

**Chief Financial Officer Carlisle** said we will contact Fulton County for additional clarification.

**Chief Financial Officer Carlisle** continued the basic homestead exemptions identified as of last Friday for each local city are as follows:

### **Basic Homestead Exemptions**

- Alpharetta: \$45,000
- Atlanta: \$40,000
- Johns Creek: \$15,000
- Milton: \$15,000 (Set Sep 2023)
- Roswell: \$0
- Sandy Springs: \$15,000, plus 3% CPI Exemption
- Fulton County: \$30,000
- Fulton County Schools: \$2,000 (plus 3% floating homestead)

Fulton County indicated that the CPI had been applied to the tax values.

## CPI Exemption

- Ordinance approved by Sandy Springs residents to limit tax increases
- CPI limits the annual increase of your base property assessment to 3% or the Consumer Price Index (CPI), whichever is less
- CPI is set when you purchase your property. Fulton County updates annually
  - Fulton has set CPI figures for 2022 @ 3%
- Fulton County also implements a CPI Exemption for county portion. CPI exemption is not included in the Fulton Schools tax assessment
  - Fulton Schools basic exemption is \$2,000

The deadline for property tax appeals was July 24, 2023, and the anticipated completion of the appeals was planned for 10-working days from the deadline depending on the number of applications received. There is still no count of the total received. The assessment must be completed for the appeals.

**Councilmember Bauman** said as a result of inflation, regardless of if a property value went up a lot, the most City of Sandy Springs tax could go up is 3%. For several years, until this year, inflation was virtually zero and it has not gone up at all. Can we raise homestead exemption on certain categories without changing the millage rate?

**City Manager Freeman** said I will ask the City Attorney's office to advise.

**Councilmember Bauman** said one way to try to mitigate potential tax impact to homeowners without changing the millage rate would be through homestead exemptions. It is not a huge amount of money. Some people have been living in their homes that have a high value because of their longevity in Sandy Springs. They may have purchased a ranch house for about \$100,000 and over time the property is worth \$2,000,000. There are people on fixed incomes at all levels of property home values that are feeling the impact of inflation and the impact of the rise of values over a long term. As a city we should consider providing a little bit of relief and what the impact would be across the board for homes. We may also want to tie veterans, disabled veterans, or seniors for example, or potentially do a freeze for only people need.

**Mayor Paul** stated the challenge is we have already passed a budget based on a millage rate and we would have to adjust it.

**Councilmember Bauman** said we should be mindful of this. We should consider if \$15,000 is the correct homestead exemption number in comparison with other communities. I am cautious about a rollback because in many ways it is inequitable. People get the benefit though they have not had increases on their own properties.

**Mayor Paul** said there are situations such as with apartment complexes that get a hefty cut which does not help tenants.

**Councilmember Bauman** said this is a macro-level concept, but it is not targeted to the people who have felt the impact of the increases.

**Mayor Paul** said this is probably helping affluent people, commercial, and apartment owners. As a senior and before, I have argued that the school system should have some kind of break. They have fought and about 55% will not have the impact.

**Councilmember Bauman** said for 10 years I have most consistently heard from seniors and, I have not encountered somebody that does not feel like they get value for their Sandy Spring taxes. This is not what I hear about. It is their total tax bill.

**City Manager Freeman** said we will work to provide additional answers for the next hearing, and we will also consider this during the next year budget process.


There being no public comment, **Mayor Rusty Paul** closed the public hearing.

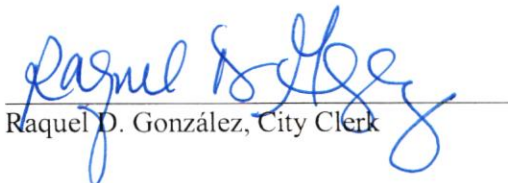
#### V. Adjournment

**Motion and vote.** A motion was made by **Councilmember John Paulson**, seconded by **Councilmember Jody Reichel**, to adjourn the meeting. The motion carried by unanimous vote.

The meeting adjourned at 8:49 a.m.

Approved: September 5, 2023

  
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Russell K. Paul, Mayor

  
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Raquel D. González, City Clerk