

From the Mayor...

January 4, 2019

Two weeks ago, at the last City Council meeting of 2018, the final municipal property tax rate for 2019 was approved. We were all very happy with the result. The rate has remained essentially the same since 2017. That's three years in a row of no increase in the city rate!

The stability of our tax rate can be attributed to the diligent work of our department heads, City Council, and Clerk-Treasurer's office. Preparing, refining, and approving a municipal budget is a very involved process.

How does the city establish its final municipal property tax rate?

The budgeting process establishes a 'levy'. That is simply the total amount of funds the city must raise through property taxes to support the budget and maintain adequate reserves.

The levy is then divided by the total assessed value (AV) of the city to determine the municipal property tax rate. The total AV is the value of all of the taxable property (both personal and real) within the city. For 2019 it was \$916 million.

How does the city tax rate affect the total property tax rate you pay on your home?

The total property tax rate you pay as a citizen of the city of Warsaw is the sum of the municipal property tax rate and typically the rates established by the school corporation, county, township, library, and solid waste management district.

As an example, the 2018 total property tax rate for a Warsaw city taxpayer in Wayne Township was \$2.50. The municipal portion of the rate was \$1.27. The remainder comes from the other local units listed above. The property tax rates are per one hundred dollars of assessed value of your property.

The annual budgets must take into account inflationary increases in the cost of wages, materials, and services. Also, as we grow, the costs to expand city services increases. Both of these factors will increase the levy.

But the math remains in our favor if we grow our AV. Spreading those increased expenses across a larger tax base will lessen the individual impact.

Warsaw's total AV has grown steadily over the past seven years. It is up fifteen percent. That means we have broadened our tax base with over \$120 million of new investment in our city. The result is a downward pressure on the tax rate.

By creating opportunity through collaboration, careful planning, and leveraged investment, we are now seeing the benefits of growth for our taxpayers.

This growth can largely be attributed to the tech park development, the recent airport industrial park annexation, retail and commercial growth, downtown development, and residential growth.

Proactive visioning and planning, the leadership of both the City Council and Redevelopment Commission, and the importance of TIF funding are all key elements to the progress we have enjoyed.

Growth helps stabilize the property tax rates for our citizens, increases our population, and creates opportunity to attract investment.

Your city leadership will continue to keep the stability of the tax rate a priority.