

**CONSIDERATION OF APPROVAL OF THE 2018-19 TAX RATE FOR
MAINTENANCE AND OPERATIONS (M&O RATE)
AND INTEREST AND SINKING (I&S)**

Action Item:

The M&O tax rate of 1.04 is the highest tax rate allowed (for Maintenance and Operations purposes) without voter approval. This is the same rate as last year, and it is believed that the district can effectively operate with the same rate this year.

The I&S tax rate is set in order to pay old debt (bond) payments, as these “bond issues” were approved by the taxpayers/voters in years past. The tax rate that is needed fluctuates from year to year because of certain variables including, but not limited to, the amount of each year’s bond payment, changes in interest rates, changes related to re-called (or refinanced) bonds, changes in the taxable values of the district from year to year, availability of state funding regarding debt, such as IFA or EDA funds, and the use of available I&S fund balance dollars that may be applied to the debt payment. The proposed I&S rate is .08800, which is what Mike and I are recommending for approval.

Recommendation:

I recommend a motion to be made as presented below:

“I move to approve the adoption of an M&O property tax rate of \$1.04 and an I&S property tax rate of 0.08800, for a total tax rate of \$1.12800 to support the 2018-19 budget.”