

Basalt Mill Levy Update

The Town of Basalt recently notified its residents that its property tax rate – or mill levy – had potentially been incorrectly set. The following information and the enclosed survey are meant to update all Basalt residents and to seek your feedback as the Town works toward a solution.

The Town is continuing a thorough and transparent analysis since learning that previous efforts to keep property taxes stable and municipal services funded may not have been in compliance with the state's taxing and spending limits – known as TABOR.

The Town's mill levy issue started with property tax collected in 2011, which is the first year the mill levy rate was increased after reaching its lowest point.

Basalt voters gave permission in 1994 to keep the property tax rate at its then-current level, as allowed under the state law, so the Town could invest tax revenue generated in a wide range of services provided to the public. In following years, Town leaders lowered the mill levy at some points and raised it at other times to maintain a stable funding base for public services.

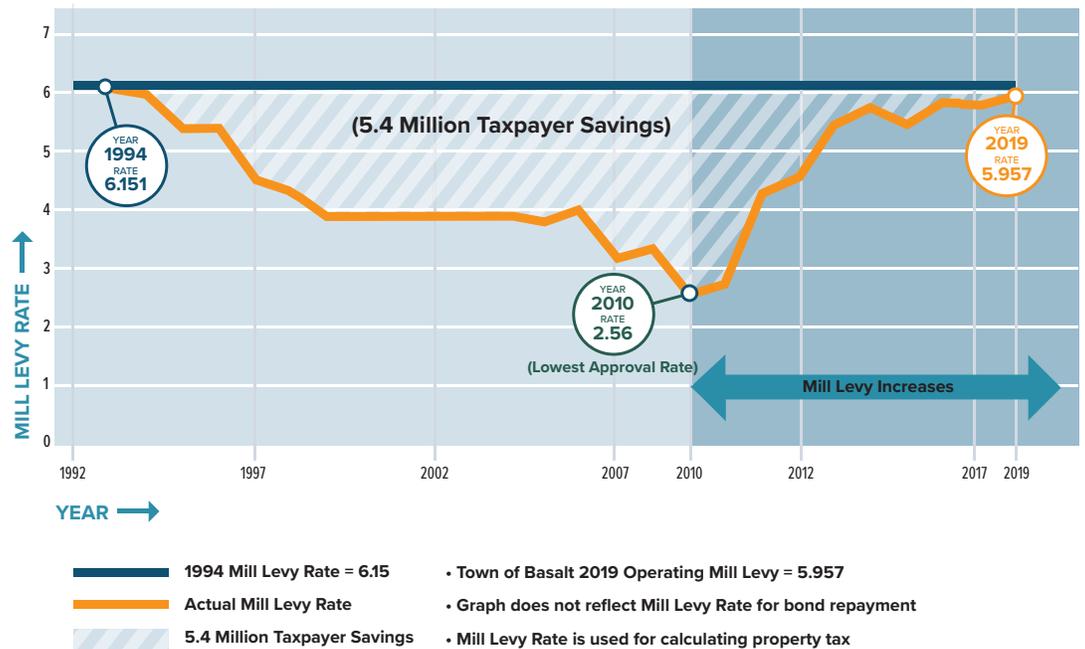
It only recently came to the attention of Town Council when the current Town manager, attorney and finance director discovered that increases in the mill levy may have required a subsequent vote.

Regardless of the status of these adjustments to the mill levy, they were not done to create new spending but to avoid fluctuations in our operating budget.

Next Steps and Potential Ballot Question

Our first step alongside our continuing review was

TOWN OF BASALT | GENERAL OPERATING MILL LEVY RATE BY YEAR



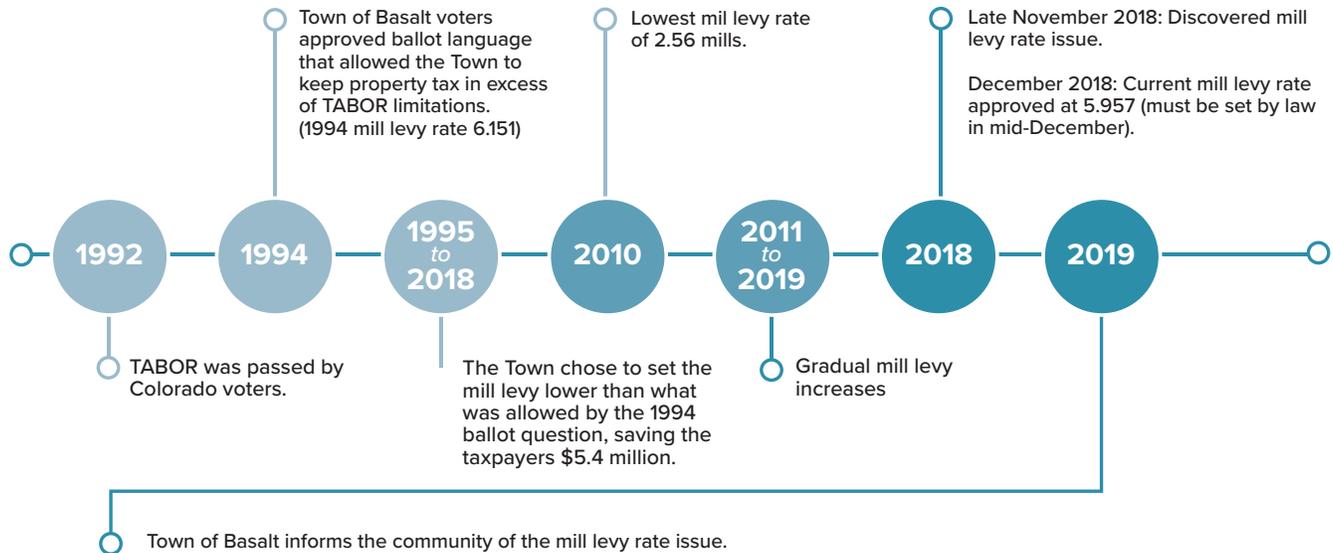
to hold public meetings to share details, as well as to gauge your concerns. Our public outreach will continue as we review and analyze our options as a community.

The options include going to the ballot in November to ask voters to reaffirm the intent of our citizens in 1994. We would seek permission to set and maintain a stable property tax rate and to allow the Town to retain the revenue it collected in the past. This gives the community the ability to sustain basic services such as public safety, parks and recreation, and fire and flood mitigation.

Please Provide Your Feedback

It is essential that we keep you informed and that we receive your input even before we decide whether to place a question on the ballot. Local government needs to hear from its citizens to be truly responsive, and that is why we are striving to make this an open process that invites your participation.

Mill Levy Rate Timeline and FAQs



What is the current General Fund mill levy rate?

The current Town of Basalt General Fund mill levy of 5.957 was set in December as part of the budget process. This rate was set during the time frame that the Town was researching the issue, so it was calculated using a similar method as prior years.

How did the Town discover this issue?

- The Town’s Finance Director identified a potential issue with the way the mill levy rate for general services had been set while preparing the 2019 budget.
- The Town Attorney and Finance Director jointly reviewed the issue with the Town Manager and informed the Town Council of their initial research.
- Council requested further review of this issue and transparent communication to the community.

What are the possible solutions?

1. The Town may keep the current mill levy rate

based on the 1994 voter approval.

2. The Town can propose a ballot question to the voters in November asking to set the mill levy rate and keep prior revenues collected.
3. The Town can reduce the services it is able to provide and lower the mill levy to the 2010 rate of 2.56.

What services would be reduced if the Town was required to reduce the mill levy rate?

It has not yet been determined which services would be reduced, however, examples of services provided by the Town through the mill levy include:

- Public safety/police
- Fire & Flood mitigation
- Roads, sidewalks & trails
- Plowing & street sweeping
- Parks maintenance
- Recreation programs
- Building safety & planning

Mill Levy Refund Estimate for Residential and Commercial Properties

Community members have asked the Town of Basalt to provide an estimated refund. Town finance staff has developed a simple estimate based on the average residential property value within the Town. The estimate is based on a single refund of the previous 4 years.

The Town has made no determination regarding whether or when a potential refund may be paid. Any potential refund, if determined to be owed, would be subject to variation in amount and timing based upon the refund method chosen.

Average Home Value: \$682,561

Total estimated potential refund: \$676

Per \$100,000 in **Actual Home Value**

Total estimated potential refund: \$99

Per \$100,000 in **Commercial Value**

Total estimated potential refund: \$399



101 Midland Avenue
Basalt, CO 81621

Please Open: **COMMUNITY SURVEY INSIDE** and important information
about the Town of Basalt's Mill Levy

Your input will help shape how the Town of Basalt moves forward

The Basalt Town Council may ask voters in November to approve the Town's property tax rate – or mill levy – in order to address concerns about how the rate has been set over the past years.

Basalt is moving quickly to develop a plan of action to correct any problems that may have arisen, and to ensure the Town's fiscal policies are in sync with state law – and accountable to taxpayers.

Town Council and administrators will use the information gathered as part of this community opinion survey – as well as other public input – in deciding whether to place one or more questions on the November 2019 ballot. **The Town Council has not made a decision about a proposed question, but**

needs your engagement and opinions so that the Town can develop a collaborative and successful process to address the mill levy issue.

Can you take a few minutes to fill out the included survey and comment on this issue? Consider this a town hall meeting around your kitchen table. The survey should take only a few minutes to complete and can be found online at the address below.

Questions and Comments:

If you have questions about the Town of Basalt's mill levy, please contact:

Christy Hamrick, Town Finance Director
christy.hamrick@basalt.net
970-927-4701

or visit <http://bit.ly/BasaltMillLevy>

Visit <http://bit.ly/BasaltMillLevy> to complete this Community Opinion Survey