

MINUTES OF THE MEETING OF THE
FINANCE COMMITTEE
HELD ON THE 3rd DAY OF AUGUST, 2020

The Caddo Parish Finance Committee met, on the above date, at 1:00 p.m., via Zoom teleconference, with Mr. John E. Atkins, Chairman, presiding, and the following members in attendance: Commissioners Atkins, Burrell, Chavez, Johnson, and Young (5). ABSENT: None (0).

Mr. Burrell gave the invocation, and the Pledge of Allegiance was led by Mr. Young.

CERTIFICATE OF TELECONFERENCE

WHEREAS, the Governor of the State of Louisiana has declared a statewide Public Health emergency, inclusive of Caddo Parish, in Proclamation Number 25 JBE 2020; and,

WHEREAS, the Governor, has further extended that declaration via Proclamations Number 96 JBE 2020 and Number 97 JBE 2020; and

WHEREAS, R.S. 42:17.1 allows members of political subdivisions to participate in its meetings electronically under certain limited circumstances.

THEREFORE, in accordance with the Provisions of R.S. 42:17.1, the presiding officer of the Caddo Parish Commission hereby certifies that this meeting is to address matters that are:

- (a) directly related to the public Commission's response to the Coronavirus Pandemic and are critical to the health, safety, or welfare of the public.
- (b) that if they are delayed will cause curtailment of vital public services or severe economic dislocation and hardship.
- (c) critical to continuation of the business of the Commission and that are not able to be postponed to a meeting held in accordance with the other provisions of Open Meetings Law due to a legal requirement or other deadline that cannot be postponed or delayed by the public body

Date: July 29th, 2020
/s/Mario Chavez, President

NEW BUSINESS

Mr. Atkins thanked everyone for attending the meeting and stated that the Committee will be discussing the following items:

- Discuss the 2020 Taxable Property Reassessment/ 2020 Millage Rates

Mr. Atkins said that he would like to take each of the four millage requests independently. The Committee started the discussion with the Bond Millage.

Mrs. Barnett said that the Bond Millage is a set millage at 1.5 mils, which is to ensure enough taxes are collected to pay debts.

Mr. Atkins wanted to know if the mils are set based on the interest. Mrs. Barnett explained that it is set based on the need to make payments. She also mentioned that at one point the mils were over 6 mils, but now it is at 1.5 mils, so they've decreased over the years.

It was **moved by Mr. Atkins**, seconded by Mr. Young, *to forward the ordinance regarding the Bond Millage to the full body for consideration. Motion carried*, as shown by the following roll call votes: AYES: Commissioners Atkins, Burrell, Chavez, and Young (4). NAYS: None (0). ABSENT: Commissioner Johnson (1). ABSTAIN: None (0).

The Committee then moved onto the Rail Millage. Mr. Atkins explained that this millage is established by the Tax Commission and set by state statute, but the local governing bodies are asked to approve the levels.

Mr. Burrell asked for an explanation of the Rail Millage. Mrs. Barnett said that the Rail Millage is the millage on the railroads and the infrastructure related to the railroads. She further explained that the Tax Commission sets the millage, and the Parish is accepting the millage that they set in order to collect property taxes on that property.

Mr. Young wanted to know if there was any reason to doubt that this millage is adequate. Mr. Atkins said that the millage has been at the same level for many years and provides a nice balance with the Commission and the railroads.

It was **moved by Mr. Atkins**, seconded by Mr. Chavez, *to forward the ordinance regarding the Rail Millage to the full body for consideration.* Motion carried, as shown by the following roll call votes: AYES: Commissioners Atkins, Burrell, Chavez, Johnson, and Young (5). NAYS: None (0). ABSENT: None (0). ABSTAIN: None (0).

The Committee then moved onto the Timber Millage. Mr. Atkins explained that this is a similar situation as the Rail Millage. This millage is established by the Tax Commission and set by state statute, but the local governing bodies are asked to approve the levels.

It was **moved by Mr. Johnson**, seconded by Mr. Chavez, *to forward the ordinance regarding the Timber Millage to the full body for consideration.* Motion carried, as shown by the following roll call votes: AYES: Commissioners Atkins, Burrell, Chavez, Johnson, and Young (5). NAYS: None (0). ABSENT: None (0). ABSTAIN: None (0).

The Committee then moved onto the Tax Millages. Mr. Atkins explained that this deals with the Parish's overall property tax millage as it relates to the properties owned within Caddo Parish. An assessment is conducted each to assess the value of the properties in the Parish. Due to coronavirus, this year's assessment came in at nearly \$25M below the 2019 assessment. The \$25M represents approximately a decline of 1.3% from the property values as it was done previously.

He also explained that historically, the Commission has kept with the millage rates the same even though the property values increased. In this particular case, the property taxes are declining, so Administration is suggesting that the millage rates be "bumped up" to maximum allowable rates, which on represents about 0.5 mils. Mr. Atkins also said that if the Commission were to apply last year's millage rates to the current assessment, the Commission would have approximately \$800,000 less in revenue coming in 2020 than in 2019. If the millage rates are bumped up to the maximum allowable rates, then the amount of revenue coming in would be slightly less than the amount of revenue (approximately \$20,000) that came in in 2019.

Mr. Burrell wanted to know which properties were being assessed at this time. Mr. Atkins said that these are privately owned properties scattered throughout the Parish, including homes that are above the Homestead Tax Exemption, as well as commercially owned properties and inventories.

Mr. Burrell wanted to know if an assessment has been conducted on utilities, such as phone, etc. Dr. Wilson stated that they do. Mrs. Barnett said that they do report the top 10 property tax payers each year, and Southwestern Electric Power Company is the Parish's top tax payer. She said that the utilities do pay the largest amount of taxes. She also provided the Committee members of copy of the CAFR.

Mr. Young wanted to know if the millage rates are bumped up this year, will they remain bumped up next year. Dr. Wilson said that the Commission adopts the property millages every year in June. He also explained that the rate cannot go above the assessed values, which occurs every four years. He also pointed out that for the last 18 years, the Parish has never rolled forward any millages.

Mrs. Bryant explained that the properties that have been assessed would not change the property values until the next reassessment, unless they appeal. Only new properties would result in an increase within that four-year period.

Mr. Chavez wanted to know the increase that the homeowners would have to pay next year on their property taxes. Mrs. Barnett explained that this would not be an increase in what they are currently paying; it would change the rate downward. She gave an example if a person had a \$100,000 home, they would save \$1 every year if the millage rates were kept the same. She said that this change would be miniscule.

Mr. Young clarified that the person who would notice the savings would be a person who had millions of dollars' worth of property. Mrs. Barnett agreed. She said that the value of their property would have to be significant to "even get a \$100 savings".

It was **moved by Mr. Johnson**, seconded by Mr. Young, *to recommend to the full body Administration's recommendations to follow the modest bumps to the millage rates.*

Mr. Johnson based upon the information presented, the majority of the citizens of the Parish will not notice the bump in the millages.

I just wanted to say briefly as a policy matter that in a time of economic distress if we were going to make some sort of a discount to our population we would, it would be wiser for us probably to make it toward those who had lower incomes and lower network, rather than to these very big businesses that are used to paying this tax level anyway, Mr. Young said.

At this time, Mr. Johnson's motion carried, as shown by the following roll call votes: AYES: Commissioners Atkins, Burrell, Chavez, Johnson, and Young (5). NAYS: None (0). ABSENT: None (0). ABSTAIN: None (0).

There being no further business to come before the Committee, the meeting was adjourned at 1:30 p.m.



Michelle Nations
Assistant Commission Clerk