Meeting Date: 06/15/2010

ACTION	TYPE OF ITEM
☐ Approved Recommendation	■ Info/Consent
☐ Ord. No(s). _____	☐ Report
■ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Michael More _____ Agenda Item No. I-8

Reviewed By: City Manager _____ City Attorney _____ Finance _____ Other *(Specify)*

DATE: June 1, 2010

TO: City Council

FROM: Michael More, Financial Services Manager
Finance Department

SUBJECT: FY 2010-11 Property Tax Rate for Voter Approved Obligations

RECOMMENDATION

That City Council adopt a resolution establishing the FY 2010-11 tax rates on property in the City of Oxnard for the payment of voter approved obligations.

DISCUSSION

Each year the City Council must adopt a resolution establishing the annual tax rate on property in the City of Oxnard for the payment of voter approved obligations. The City of Oxnard currently has one obligation, the costs for public safety retirement, which is exempt from the 1 percent tax limitation established by Proposition 13.

On June 8, 1978, California voters approved Proposition 13, the Jarvis-Gann Initiative, which added Article XIIIA to the California Constitution. Article XIIIA limits the amount of ad valorem taxes on real property to 1 percent of the "full cash value" as determined by the County Assessor, but exempts from the 1 percent tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978.

A special municipal election held on October 23, 1951 authorized the City to enroll its fire and police safety employees in the California State Employees' Retirement System (renamed the Public Employees' Retirement System (PERS)), and obligated the City to pay the annual costs of participation in the retirement system. The recommended budget for 2010-11, will include approximately 100 fire positions and 238 police positions covered under the voter approved authorization. The estimated Fiscal Year 2010-11 retirement expense for these positions is $12,898,128 all of which is funded by the City's tax rate for voter-approved obligations of $.076637 property taxes.

Section 96.31 of the Revenue and Taxation Code provides that property tax rates used to support pension programs may not exceed the rate levied in 1982-83 or 1983-84, when the City tax rate for

public safety retirement was $.076637. The tax rate for FY 2010-11 is $.076637, the maximum allowable tax rate.

Tax Districts

The City has two districts, District I and District IV. District IV consists of property that in December 1969 was annexed to the City, but not to District I. The City's tax rate for voter-approved obligations applies only in District I.

All annexations to the City now also require annexation to Tax District I, making the territory liable for voter-approved indebtedness of the City.

FINANCIAL IMPACT

The estimated retirement cost for FY 2010-11 for 338 public safety employees is $12,898,128. The proposed tax rate is expected to generate an amount sufficient to cover this cost; therefore, there is no anticipated impact to the General Fund.

MJM

Attachment No. 1 - Resolution Establishing the FY 2010-11 Property Tax Rate for Voter Approved Obligations

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ESTABLISHING THE FISCAL YEAR 2010-11 PROPERTY TAX RATE FOR VOTER APPROVED OBLIGATIONS

WHEREAS, Section 2237.2 of the Revenue and Taxation Code requires that within 90 days of the end of the fiscal year, the City report to the County Controller the tax rate and total revenues expected to be generated in the current fiscal year for voter approved obligations; and

WHEREAS, the City's adopted budget for the fiscal year 2010-11 appropriates monies required to pay voter approved obligations of the City; and

WHEREAS, the Ventura County Auditor-Controller provided an estimated assessed valuation of City tax districts for tax rate purposes.

NOW, THEREFORE, the City Council of the City of Oxnard hereby determines and resolves that the following amounts of revenue from property taxes are required for the current fiscal year to pay the City's obligation for public safety retirement expenditures:

	Total Property Taxes From Current Tax Rates On Secured Roll Assessed Values
Public Safety Retirement Fund	
Total Public Safety Retirement for FY 2010-11	$12,898,128
Total Property Taxes From Current Tax Rates on Secured Roll Assessed Values	$12,898,128

The City Council of the City of Oxnard further resolves that for the purpose of raising such revenue the rates of taxation for the different portions of the City are hereby fixed and taxes are hereby levied on the taxable property in the City for the fiscal year beginning July 1, 2010, in the number of dollars upon each one hundred dollars of the assessed value of the property as assessed by the County Assessor and equalized by the Board of Equalization of the County of Ventura as set forth in the following table. The taxes levied upon property in each portion of the City hereinafter described and designated by a tax district number is at the rate set in the column headed by the tax district number which is prefixed to the description of such portion of the City as hereinafter stated.

TAX DISTRICT I

All territory included within the boundaries of the City, as originally incorporated, and all territory annexed to the City by action of the City Council by annexation proceedings, excepting there from Annexation No. 69-9.

ATTACHMENT NO. 1
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TAX DISTRICT IV

All territory annexed to the City by action of the City Council as described in Ordinance No. 1255, adopted November 12, 1969, to become effective December 12, 1969, known and referred to Annexation No. 69-9 (Rancho La Ribera).

	DISTRICT I	DISTRICT IV
Public Safety Retirement Fund Tax Rate Required (Per Mil)	0.076637	-0-
Total Tax District Tax Rates (Per Mil)	0.076637	-0-

The City Council of the City of Oxnard further resolves that the foregoing tax rate is determined to be necessary to provide revenues required for the stated purpose during the period specified; that the City Council does hereby levy this sum on the property in such tax districts for Fiscal Year 2010-11; that in accordance with Government Code Section 36936.1, the City Clerk is instructed to cause this resolution to be published one time in the Ventura County Star within 15 days after adoption; and that the City Clerk is instructed to transmit immediately to the County Auditor a certified copy of this resolution.

PASSED AND ADOPTED this _____ day of June, 2010, by the following vote:

AYES:

NOES:

ABSENT:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Alan Holmberg, City Attorney

ATTACHMENT NO. 1
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