

DATE ISSUED: July 31, 2002

REPORT NO. 02-172

ATTENTION: Honorable Mayor and City Council
Docket of August 5, 2002

SUBJECT: Tax Rate Ordinance for Fiscal Year 2003

SUMMARY

Issues – Shall the City Council adopt an ordinance setting tax rates for Public Safety Communications Bond Interest and Redemption, and Zoological Exhibits?

Manager's Recommendation – Adopt the ordinance.

Other Recommendations – None.

Fiscal Impact – The Fiscal Year 2003 Budget includes \$2,355,335 for Public Safety Communication Bonds, and \$5,064,441 for Zoological Exhibits.

BACKGROUND

It is necessary to set a tax rate to provide sufficient funds to pay interest and redemption on outstanding Public Safety Communications Bonds for capital improvements, to be paid off in annual installments by Fiscal Year 2012. On June 5, 1990, voters approved the issuance of \$25,500,000 of general obligation bonds for the Public Safety Communications Project. This project included new Police and Fire communications centers, new Police and Fire/Emergency Medical Services computer police field units and 800 megahertz radio systems. The tax levied for Zoological Exhibits is mandated by the City Charter. The zoological exhibits in Balboa Park are financed from a fixed property tax levy (\$.005 per \$100 of assessed valuation) as authorized by Section 77A of the City Charter.

The following is a comparison of Fiscal Year 2002 and Fiscal Year 2003 tax rates:

<u>Purpose</u>	<u>FY 2002 Tax Rate Per \$100 AV*</u>	<u>FY 2003 Tax Rate Per \$100 AV*</u>
Public Safety Communication Bonds	0.00225	0.00211
Zoological Exhibits	0.00500	0.00500

*Assessed Valuation

The tax rate for the Public Safety Communications Bond is being reduced as the proposed tax is applied to a higher base due to the increase in assessed valuations, creating the amount necessary to pay the interest and redemption of the bonds. The Zoological Exhibits tax rate remains unchanged consistent with City Charter Section 77A.

The Charter of San Diego, Section 75 requires that an annual Tax Levy be adopted by ordinance no later than the last day of August of each year.

Respectfully submitted,

Lisa Irvine
Financial Management Director

Approved: Patricia T. Frazier
Deputy City Manager

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