

DATE ISSUED: July 27, 2005

REPORT NO. 05-162

ATTENTION: Honorable Mayor and City Council  
Docket of August 1, 2005

SUBJECT: Tax Rate Ordinance for Fiscal Year 2006

#### SUMMARY

Issue – Shall the City Council adopt an ordinance setting tax rates for Public Safety Communications Bonds, and Zoological Exhibits?

Manager’s Recommendation – Adopt the Ordinance.

Other Recommendations – None.

Fiscal Impact – Funding is appropriated in the Fiscal Year 2006 Budget for Public Safety Communication Bonds, \$2,329,135, and for Zoological Exhibits, \$6,642,067.

#### BACKGROUND

##### Public Safety Communications Bonds

On June 5, 1990, voters approved the issuance of \$25,500,000 of general obligation bonds for the Public Safety Communications Project. The project included new Police and Fire communications centers, new Police and Fire/Emergency Medical Services computer police field units and 800 megahertz radio systems. It is necessary to set a tax rate to provide sufficient funds to pay scheduled principal and annual interest payments on outstanding Public Safety Communications Bonds for capital improvements, to be paid off in annual installments by Fiscal Year 2012.

Zoological Exhibits

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 tax levied for Zoological Exhibits is mandated by the City Charter.

The following is a comparison of Fiscal Year 2005 and Fiscal Year 2006 tax rates:

<u>Purpose</u>	<u>FY 2005 Tax Rate Per \$100 AV*</u>	<u>FY 2006 Tax Rate Per \$100 AV*</u>
Public Safety Communication Bonds	0.00170	0.00145
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. Amounts derived from the tax levy will be used to pay scheduled principal and annual interest payments on 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,

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Ronald H. Villa  
Financial Management Director (Acting)

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Approved: Lisa Irvine  
Deputy City Manager

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