

Legislation Text

File #: BILL NO. 21-14, **Version:** 1

An Ordinance Calling an Election to Authorize an Increase in the City's General Fund Operations Property Tax Levy Rate in the Amount of Ten Cents Per One Hundred Dollars of Assessed Valuation and Directing Staff to Prepare an Ordinance Reducing the General Obligation Debt Service Levy by an Equivalent Amount During the Levy Rate Setting Process in 2021.

(Note: First reading by Council on January 12, 2021. Passed by unanimous vote.)

Issue/Request:

An ordinance calling for an election to raise the general fund operating property tax levy in the amount of ten cents per \$100 of assessed valuation, and directing staff to prepare an ordinance to lower the general obligation debt service levy by an equivalent amount.

Key Issues:

The City wants to assure the continuation of quality municipal services to the community. Assigning a portion of the existing general obligation debt service tax levy to the general fund operations tax levy helps to transfer the benefit of the City's growth in assessed valuation to operational funds. The proposed ballot issue indicates this transfer would be done in a manner that it would not increase the existing tax burden on the property tax payer.

Proposed City Council Motion:

I move for adoption of an Ordinance Calling an Election to Authorize an Increase in the City's General Fund Operations Property Tax Levy Rate in the Amount of Ten Cents Per One Hundred Dollars of Assessed Valuation and Directing Staff to Prepare an Ordinance Reducing the General Obligation Debt Service Levy by an Equivalent Amount During the Levy Rate Setting Process in 2021

Background:

At December 17, 2020 meeting of the City Council, staff presented information related to reducing the general obligation debt service property tax levy rate by 10 cents and increasing the general fund operations property tax levy rate by the same amount. As a result of this discussion, the Council directed staff to prepare a draft ordinance including the ballot language for review at the January 5, 2021 meeting. Staff has discussed the language with bond counsel and have ensured that the language provided will not violate any existing bond covenants. At the January 5, 2021 City Council meeting the Council reviewed the draft ordinance and directed staff to proceed with this ordinance.

Brian Head, City Attorney
David Bushek, Chief Counsel of Economic Development

Staff recommends approval of this bill.

