RESOLUTION NO. 2017-45

A RESOLUTION OF THE CITY OF MARINA CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO LEVYING OF SPECIAL TAXES FOR FISCAL YEAR 2017-2018

WHEREAS, The City of Marina requests that the Monterey County Auditor-Controller enter the special tax identified in Exhibit "A" on the property tax roll for collection and distribution by the Monterey County Treasurer-Tax Collector commencing with the property tax bills for fiscal year 2017-2018 (**"EXHIBIT A"**).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Marina as follows:

1. The City hereby certifies that it has, without limitation, complied with all legal procedures and requirements necessary for the levying and imposition of the special taxes identified in **EXHIBIT A** regardless of whether those procedures and requirements are set forth in the Constitution of the State of California, in State statutes, or in the applicable decisional law of the State of California.

2. The City further certifies that, except for the sole negligence or misconduct of the County of Monterey, its officers, employees and agents, the City shall be solely liable and responsible for defending, at its sole expense, cost and risk, each and every action, suit or other proceeding brought against the County of Monterey, its officers, employees and agents for every claim, demand or challenge to the levying or imposition of the special tax identified in **EXHIBIT A** and that the City shall pay or satisfy any judgment rendered against the County of Monterey, its officers, employees and agents on every such action, suit, or other proceeding, including all claims for refunds and interest thereon, legal fees, court costs and administrative expenses of the County of Monterey to correct the tax rolls.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 16th day of May, 2017, by the following vote:

AYES: COUNCIL MEMBERS: Amadeo, Morton, O'Connell, Brown, Delgado
NOES: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: None

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Bruce C. Delgado, Mayor

ATTEST:

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Anita Sharp, Deputy City Clerk

EXHIBIT A

ATTACHMENT TO RESOLUTION NO. 2017-45 OF THE CITY OF MARINA, COUNTY OF MONTEREY, CALIFORNIA, CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO THE LEVYING OF SPECIAL TAX LEVIED AS AN INCIDENT OF PROPERTY OWNERSHIP FISCAL YEAR 2017-2018

SPECIAL TAX RATE (per $100 assessed value)
: 2015 General Obligation Refunding Bonds
$.021612

RESOLUTION NO. 2017-44

A RESOLUTION OF THE CITY OF MARINA FIXING AND LEVYING A TAX TO PAY PRINCIPAL AND INTEREST FOR THE 2015 GENERAL OBLIGATION REFUNDING BONDS, FOR FISCAL YEAR 2017-2018

WHEREAS, Section 2270 of the Revenue and taxation Code authorizes the City to levy taxes to pay principal, interest and administrative costs on voter-approved bonded indebtedness of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Marina as follows:

1. The City has determined the total 2017-2018 general obligation bonded indebtedness cost to be $452,881 for the 2015 General Obligation Refunding Bonds.

2. There is hereby fixed, assessed and levied a tax at the rate of $.0.021612 per One Hundred Dollars of assessed valuation for the 2015 General Obligation Refunding Bonds (0.00021612 per assessed value) on all of the property within the City of Marina subject to the payment of bonded indebtedness of the City.

3. The City Clerk shall transmit to the County Auditor a statement of the rate of taxation so fixed by the City Council and the tax computation worksheet. Transmission of a certified copy of this resolution to the Monterey County Auditor Controller constitutes compliance with this directive.

4. The Tax Collector of the County of Monterey shall collect the aforementioned tax in accordance with Section 2270 of the Revenue and Taxation Code.

5. The net amount of said tax, when collected, shall be paid to the Treasurer of the County of Monterey to be held by him/her as depository of the City of Marina, under the general requirements and penalties provided by law for the settlement of other taxes.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 16th day of May 2017 by the following vote:

AYES: COUNCIL MEMBERS: Amadeo, Morton, O'Connell, Brown, Delgado
NOES: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None

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Bruce C. Delgado, Mayor

ATTEST:

____
Anita Sharp, Deputy City Clerk

May 2, 2017 Item No. **8f(1)**

Honorable Mayor and Members
Of the Marina City Council

City Council Meeting
of May 16, 2017

CITY COUNCIL TO CONSIDER ADOPTING RESOLUTION NO. 2017-, FIXING AND LEVYING A SPECIAL TAX FOR PRINCIPAL AND INTEREST PAYMENTS AND ADMINISTRATIVE COSTS ON THE CITY'S 2015 GENERAL OBLIGATION REFUNDING BONDS FOR FISCAL YEAR 2017-18; AND RESOLUTION NO. 2017-, CERTIFYING COMPLIANCE WITH STATE LAW (PROPOSITION 218) WITH RESPECT TO SPECIAL TAXES FOR THE 2015 GENERAL OBLIGATION REFUNDING BONDS TAX LEVY FOR FISCAL YEAR 2017-18

RECOMMENDATION:
It is requested that the City Council:

1. Consider adopting Resolution No. 2017-, fixing and levying a special tax for principal and interest payments and administrative costs on the 2015 General Obligation Refunding Bonds for fiscal year 2017-18; and
2. Consider adopting Resolution No. 2017-, certifying compliance with State Law (Proposition 218) with respect to special taxes for the 2015 General Obligation Refunding Bonds Levy for Fiscal Year 2017-18.

BACKGROUND:
California Revenue and Taxation Code Section 2270 authorizes the City to levy taxes to pay principal and interest due on voter-approved bonded indebtedness. On May 12, 2015, the City issued $7,640,000 general obligation bonds to refund the 2005 General Obligation Library Construction Bond Issue. No other general obligation bonds are currently outstanding; thus for 2017/18, only the 2015 general obligation bonded debt tax levy will be required. The Monterey County Auditor Controller requires that the Council approve by resolution the amount of the tax levy and submit the tax levy no later than August 1, 2017 for inclusion on the 2017-2018 property tax bills.

Except for the Constitutionally-limited 1% ad valorem tax, the Monterey County Auditor-Controller will not place special taxes on the rolls unless the City Council certifies by resolution that the City is in compliance with Proposition 218, the 1996 '*Right to Vote on Taxes Act*' with respect to each such tax. The Certification Resolution must contain hold harmless and indemnification provisions for administrative expenses of the County associated with collection of the City's special taxes placed on the rolls. This certification, along with a copy of the resolution setting the special taxes and certain other documentation, must be submitted to the County no later than August 1, 2017.

ANALYSIS:
The following table details the computation of the special tax rate for 2017-18:

FY 2017/18 Assessed Values (estimated):*			
Secured:			$ 1,835,241,500
Unsecured:			71,405,950
	total assessed value		$ 1,906,647,451
2016/17 General Obligation Debt Service Requirement			
(per $100 assessed value):	Bond Principal	$ 195,000	
	Bond Interest	252,881	
	Trustee & admin Fees	5,000	
	Total Debt Service	$ 452,881	
	Less: Cash available	- 40,837	
	total required for debt svc		$ 412,044
	TAX RATE (per $100 assessed value,rounded)		$ 0.021612

* 2017-18 assessed valuations were not available from the County of Monterey at the time of this report. However, due to a recovering economy and City economic development, 2016-17 assessed values were about 9% higher than the previous year. Therefore, for purposes of the 2017/18 tax levy, it has been assumed that FY 2017-18 assessed values will increase by 5% from 2016-17 values. These estimated assessed values produce a tax rate of $21.612 per $100,000 assessed value for the 2015 refunding bond issue, as shown above. Note: tax rates must be rounded to the nearest even number for placement on the tax roll. For FY 16-17, the levy was $23.068, which reflected higher interest payments than for FY 17-18.

FISCAL IMPACT:
Revenue collected will be credited to General Fund No 100, as a general purpose revenue.

CONCLUSION:
This request is submitted for City Council consideration and possible action.

Respectfully submitted,

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Lauren Lai CPA
Finance Director
City of Marina

REVIEWED/CONCUR:

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Layne P. Long
City Manager
City of Marina