



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
**FROM:** Administrative Services Director Carlos Olvera  
**MEETING DATE:** JUNE 7, 2006  
**SUBJECT:** ANNUAL PROPERTY TAX LEVY FOR DEBT SERVICE

**RECOMMENDATION:**

That the City Council pass to print the attached Ordinance, which sets a tax rate of \$.005 on the assessed value of property in Pacific Grove, to pay the debt service on the 1990 Butterfly Habitat Bonds. Also, that the City Council approve the attached Resolution, which certifies compliance with the law concerning the levying of taxes.

**DISCUSSION:**

The City refinanced the 1990 Butterfly Habitat Bond in February 1, 2004 to take advantage of the lower interest rates available reducing the interest rate 1.55% for the next 13 years. The total debt service for this issue for the coming fiscal year is \$91,887.68. Subtracting the balance on hand from prior assessments and applying the result to the estimated value of the assessment roll results in a tax rate of \$.005. The attached ordinance reflects the proposed rate. After approval by the Council, the Monterey County Auditor-Controller's Office will be notified to apply this rate to Pacific Grove property tax assessments. After collection by the County, the funds are forwarded to the City to meet the debt obligations.

Starting seven years ago, Monterey County requests that all agencies in the county that impose property tax levies include in their annual requests a resolution certifying that the agency has met the legal obligations involved in establishing tax levies. The resolution requested by the County is attached and part of the recommended action is to approve it.

The recommended actions are to pass to print the ordinance levying the taxes and to approve the resolution certifying the City has followed proper legal procedures to enact the levy. If there are any questions or concerns regarding this issue, please contact me.

**FISCAL IMPACT:**

The revenues from the proposed assessment and the debt service payments are included in the Preliminary 2006/2007 Budget.

**ATTACHMENTS:**

Resolution and Ordinance.





