



AGENDA REPORT

Meeting Date: August 18, 2009

Item Number: F-8

To: Honorable Mayor & City Council

From: Noel Marquis, Assistant Director of Administrative Services

Subject: RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS FIXING THE RATE OF TAXES TO PAY THE BONDED AND OTHER VOTER-APPROVED INDEBTEDNESS OF THE CITY FOR THE FISCAL YEAR 2009/2010

Attachments:

1. Resolution
2. Exhibits

RECOMMENDATION

Staff recommends adoption of the resolution fixing the rate of taxes for the Fiscal Year 2009/2010 to 0.014700 per \$100 of assessed valuation.

INTRODUCTION

This report seeks City Council approval and adoption of the resolution fixing the rate of taxes for Fiscal Year 2009/2010 at 0.014700 per \$100 of assessed valuation. The City is required to submit a copy of the resolution fixing the rate of property taxes to the County of Los Angeles by the end of August each year so that the rate may be included in the current year's assessments.

DISCUSSION

In accordance with the provisions of Article XIII A of the Constitution of the State of California, the City may levy an annual tax rate for the repayment of interest and principal on general obligation bonds and other voter-approved indebtedness. This rate is in addition to the general rate of 1% of full market value authorized in the above-noted Constitution article. Expenditures recoverable under this provision reflect the costs of improved retirement benefits for public safety personnel as approved by voters in an election in 1974. For Fiscal Year 2009/2010, the expenditures for public safety retirement benefits which can be recovered by the property tax override equal \$3,095,169.94.

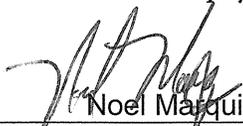
With total secured assessed valuation of \$21,055,877,380 for fiscal year 2009/2010 a levy of \$0.014700 per \$100 of assessed valuation is required to recover the cost of the above expenditures. This compares with a rate of \$0.0146226 in the previous year. The following table is a comparison of the current tax levy and the levy for last fiscal year.

	Prior Fiscal Year	Current Fiscal Year	Difference
Assessed Value	19,813,776,889	21,055,787,380	1,242,010,491
Levy Per \$100 of AV	0.014226	0.014700	0.000474
Total Levy	2,818,708	3,095,170	276,462

The slight increase in the rate of tax override is due to increased payroll costs and increased property valuation upon which the contribution rate is calculated. The methodology is consistent with prior years.

FISCAL IMPACT

This tax override will recover \$3,095,170 of City expenditures for this year's public safety personnel retirement payments.



Noel Marquis
Finance Approval



Scott G. Miller
Approved By

Attachment 1

Resolution

RESOLUTION NO. _____

**RESOLUTION OF THE COUNCIL OF THE CITY OF
BEVERLY HILLS FIXING THE RATE OF TAXES TO PAY
THE BONDED AND OTHER VOTER-APPROVED
INDEBTEDNESS OF THE CITY FOR THE FISCAL YEAR
2009/2010**

The Council of the City of Beverly Hills does resolve as follows:

Section 1. Pursuant to law, there hereby is fixed and levied the rate of taxes, designated in the number of cents upon each One Hundred Dollars (\$100.00) of the assessed value to be taxed as assessed by the County Assessor and equalized by the Board of Supervisors of the County of Los Angeles, as set forth in Section 2 hereof.

Section 2. Upon all of the taxable property in each of the taxing districts within the City of Beverly Hills, there hereby is fixed and levied the rate of taxes as follows:

All Districts \$0.014700

The rate so fixed is needed to raise the amount necessary to make annual payments for other indebtedness of the City approved by the voters prior to July 1, 1978.

Section 3. The City Clerk shall cause this resolution to be published and circulated in the City within fifteen (15) days after its passage, in accordance with Section 36936.1 of the Government Code; shall certify to the adoption and publishing of this resolution and shall cause this resolution and his certification, together with proof of publication, to be entered in the Book of Resolutions of the Council of this City.

Adopted:

NANCY KRASNE
Mayor of the City of
Beverly Hills, California

ATTEST:

(SEAL)
BYRON POPE
City Clerk

Approved as to form:



LAURENCE S. WIENER
City Attorney

Approved as to content:

RODERICK J. WOOD
Interim City Manager



SCOTT G. MILLER
Director of Administrative
Services/CFO

Attachment 2

Exhibits

**COUNTY OF LOS ANGELES
AUDITOR-CONTROLLER, TAX DIVISION**

2008-09 SECURED TAX RATES

ACCT #	AGENCY NAME	TAX RATE
120.01	CITY-BEV HILLS TD #1	0.0147
120.02	CITY-BEV HILLS TD #2	0.0147
120.03	CITY-BEV HILLS TD #3	0.0147
120.04	CITY-BEV HILLS TD #4	0.0147
120.05	CITY-BEV HILLS TD #5	0.0147

I, Scott Miller, am the Director of Administrative Services and Chief Financial Officer of the City of Beverly Hills and I hereby certify that the tax rates levied herein are exempt from the application of Article XIII A, Section 1(A) or the Constitution of the State of California.

AUTHORIZED SIGNATURE

Director Admin Svcs/CFO
TITLE

DATE

**COUNTY OF LOS ANGELES
AUDITOR - CONTROLLER/TAX DIVISION**

SV13 07/30/09

ASSESSED VALUATIONS AUGUST 2009

0228

TAXING AGENCY 20.00 CITY TOTAL - CITY-BEV HILLS TD**SECURED VALUATIONS**

LOCALLY ASSESSED -

LAND 12838199857

IMPROVEMENTS 8277200614

PERSONAL PROPERTY 42319082

LESS: EXEMPTIONS¹ 101932173

TOTAL - LOCALLY ASSESSED 21055787380

PUBLIC UTILITY (ST. BOARD OF EQUAL.)

LAND

IMPROVEMENTS

PERSONAL PROPERTY

TOTAL - PUBLIC UTILITY

TOTAL - SECURED VALUATIONS 21055787380

UNSECURED VALUATIONS²

LAND

IMPROVEMENTS 186195976

PERSONAL PROPERTY 393861389

LESS: EXEMPTIONS¹ 1288000

TOTAL - UNSECURED VALUATIONS 578769365

GRAND TOTAL 21634556745AIRCRAFT³SECURED
HOMEOWNER EXEMPTION⁴ 35515200UNSECURED
HOMEOWNER EXEMPTION⁵TOTAL
HOMEOWNER EXEMPTION 35515200¹ Exclusive of Homeowner Exemption.² Tax levied at last year's secured rate.³ Taxed at full rate & distributed according to 5451 to 5456 of the Revenue & Taxation Code.⁴ Do not add to exemptions for rate setting purposes.⁵ Subtract from "Total-Unsecured Valuations" for determination of Unsecured Tax Revenue.

The above information was compiled from the official records of the County of Los Angeles.

AUDITOR - CONTROLLER

By Susan Linschoten
Chief, Tax Division

Public Safety Payroll Costs by Union 09/10

Department	Personnel Bargaining Unit	No.	Annual Salary
17	EM	2	388,626.14
	PM	8	1,450,485.69
	PS	122	12,652,996.71
			14,492,108.54
20	EM	2	438,465.24
	FM	2	346,767.84
	FS	75	9,104,634.33
			9,889,867.41
			24,381,975.95

CITY OF BEVERLY HILLS
FINANCE ADMINISTRATION
Fiscal Year 2009/2010
Sworn Personnel - Salaries Subject to PERS
minus CHP floor

	Salaries Subject to PERS
Fire Department	\$ <u>9,889,867.41</u>
Police Department	\$ <u>14,492,108.54</u>
Total Public Safety Salaries	\$ <u><u>24,381,975.95</u></u>
PERS Rate	25.389%
PERS Cost	\$ 6,190,339.87
Less CHP Element	<u>(3,095,169.94)</u>
Net PERS after CHP Element	\$ <u><u>3,095,169.94</u></u>
Assessed Valuation	
Total Locally Assessed	\$ <u><u>21,055,787,380.00</u></u>
Property Tax at \$1 per \$100 of AV	\$ <u><u>210,557,873.80</u></u>
Tax rate to recover PERS cost for Fiscal Year 08/09	\$ 0.014700
Fiscal Year 08/09 Assessed Valuation	\$ 19,813,776,889.00
Fiscal Year 08/09 Tax Rate	\$ 0.014226