

SUBJECT: Setting the General Obligation Bond Tax Rate of .0046% for the 2024/25 tax roll

DEPARTMENT: Finance and Information Systems

STAFF: Kerry Breen, City Treasurer/Director of Finance and Information Systems
Angela Ausemus, Accountant II

TITLE/RECOMMENDATION

Adopt a resolution adopting the General Obligation Bond Tax Rate of .0046% for the 2024/25 property tax roll and requesting submittal to Contra Costa County.

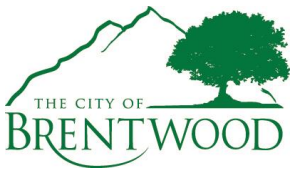
FISCAL IMPACT

The property tax levy is expected to generate the amount required to pay the General Obligation Bond debt service of \$720,000, as well as fund administrative costs, and maintain the reserve fund for fiscal year 2024/25. The applicable revenues and expenses are included in the 2024/25 General Obligation Bond Debt Service Fund Operating Budget.

BACKGROUND

On November 6, 2001, voters passed Measure J, authorizing the City of Brentwood to issue General Obligation Bonds ("Bonds") in the principal amount of six million dollars to finance the construction, acquisition, and improvement of a new police station, and all costs incident thereto.

The Bond Official Statement stipulates that the City Council has the power and is obligated to annually levy ad valorem taxes for payment of principal, interest and accreted value of the Bonds upon all property within the City subject to taxation by the City, without limitation of rate of amounts (except certain personal property, which is taxable at limited rates). It further establishes that the annual tax rate will be based on the assessed value of taxable property in the City. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the City may cause the annual tax rate to fluctuate.



CITY COUNCIL AGENDA ITEM NO. E.7
08/27/2024

Based on the debt service requirements for fiscal year 2024/25 and the assessed value certification provided by Contra Costa County, a tax rate of .0046% will need to be assessed against all taxable property in the City of Brentwood. The tax rate percentage is multiplied by property assessed valuations to arrive at the total tax. Due to property assessed valuations increasing almost \$527 million from the prior year, no increase is required in the tax rate for 2024/25.

Contra Costa County requires the City Council to pass a resolution annually setting the tax rate for the General Obligation Bond in order to place the assessment. This rate equates to \$4.60 per \$100,000 of assessed valuation and is the same amount per \$100,000 as the 2023/24 rate.

CITY COUNCIL STRATEGIC INITIATIVE

Not Applicable.

PREVIOUS ACTION

Previous Action by the City Council is included on Attachment 1.

DATE OF NOTICE

Not Applicable.

ENVIRONMENTAL DETERMINATION

Not Applicable.

ALTERNATIVE OPTION(S)

Alternative Options to the Staff Recommendation:

1. Do not approve the FY 2024/25 General Obligation Bond tax rate, resulting in the inability of the City to levy the annual tax required to pay the debt service. This would likely result in litigation from bondholders due to the City's legal obligation to annually levy ad valorem taxes in support of the bond.

ATTACHMENTS

1. Previous Action
2. Resolution