

**CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Action A 3

DATE: October 28, 2010

SUBJECT: Adoption of Ordinance 1095-10 setting the tax levy for 2011 for the 2004 GO Police Bond

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

ISSUE:

The issue before the Council is the introduction of Ordinance 1095-10 (Attachment A) which sets the tax levy for the 2004 General Obligation Police Bond. The amount of the levy for 2011 is \$29,528.

SUMMARY:

In 2004, the City issued bonds to pay for the 800 MHz communication system and for capital improvements to the Police Station. The ordinance setting the annual levy amount to make the bond payments is adopted as part of the budget process.

This was a 20 year bond issue with average payments of \$31,000 per year. Additional property taxes are levied annually to cover the cost of the bonds. The average cost per household is \$19.25 per year.

The average interest paid on this bond is at 4.7%/ City staff will be researching whether the city can refinance this bond and the Community Center bond at a lower interest rate.

Revenues: \$29,538 tax levy on real property

Expenses: \$29,538 bond principal and interest

205 GO POLICE BOND

Resources		2,008	2,009	2,010	2,011
Account	Description	Actual	Actual	Adopted	Requested
205-000-308-10-000	Beginning Fund Balance	16,034	16,061	0	0
205-000-311-11-000	Property Tax	30,739	29,459	30,085	29,538
205-000-361-11-000	Investment Interest	636	209	315	300
205-000-397-10-000	Operating Transfer In	0	10,249	0	0
	Total Resources	47,409	55,977	30,400	29,838

Expenses		2,008	2,009	2,010	2,011
Account	Description	Actual	Actual	Adopted	Requested
205-205-591-80-410	Professional Services	304	607	315	300
205-205-591-80-700	Bond Payment - Principal	15,000	15,000	15,000	15,000
205-205-591-80-800	Bond Payment - Interest	16,045	15,595	15,085	14,538
	Total Expenses	31,349	31,202	30,400	29,838

STAFF RECOMMENDATION

Move to introduce Ordinance 1095-10, setting the 2011 Tax Levy for the General Obligation Police bond for a first reading and pass it on for a second reading.

Attachments: A. Ordinance 1095-10

**CITY OF SULTAN
SULTAN WASHINGTON**

ORDINANCE 1095-10

AN ORDINANCE OF THE CITY OF SULTAN FIXING THE AMOUNT OF TAXES TO BE LEVIED FOR THE GENERAL OBLIGATION BONDS AS APPROVED BY THE VOTERS ON TAXABLE PROPERTY WITHIN THE CITY OF SULTAN FOR THE YEAR 2011

WHEREAS, Proposition No. 1 Emergency Radio System and Health and Safety Bonds was approved by the voters on September 14, 2004, and

WHEREAS, that election allowed bonds to be issued and a regular property tax to be levied each year for a maximum term of 20 years, and

WHEREAS, the bonds have been issued and taxes need to be collected, now therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SULTAN that Snohomish County tax the City's taxpayers for the year 2011 for a total of Twenty nine thousand five hundred thirty eight dollars and 00/100 (\$29,538) so as to cause collection of these funds to cover the cost of the required bond debt service payments.

Effective Date: This ordinance shall be in full force and effect five days after publication as required by law.

REGULARLY ADOPTED this day of November 2010.

Carolyn Eslick, Mayor

Attest:

Laura J. Koenig, City Clerk

Approved as to form:

Margaret King, City Attorney

Published: