

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Service
SUBJECT: Property Tax Reporting Services
DATE: May 16, 2006

NEEDS:

For the City Council to consider expanding the current contract for property tax reporting services provided by HdL Companies.

FACTS:

1. The City currently contracts with HdL Companies for sales tax and property tax reporting services and software but the property tax reporting software is limited to properties within the Redevelopment Agency boundaries.
2. While property tax revenues have always been a major source of revenue for the City's General Fund, its importance has arisen recently due to the following factors:
 - a. ERAF (property tax) backfill for the decrease in sales tax revenues due to the "triple flip".
 - b. The conversion of 66% of the City's motor vehicle license fees to a property tax revenue.
 - c. The growth in assessed valuation in Paso Robles from existing home sales and new development.
 - d. Major land annexations that are subjected to the County's property tax sharing agreements.
3. HdL's property tax auditing, reporting and software services will assist and improve the City's administration of property tax revenues and projections of revenues going forward at a very modest cost.

**ANALYSIS &
CONCLUSION:**

As noted above, the City already contracts with HdL for property auditing and reporting services for the Redevelopment Agency. It is desirable that these services be provided on a city wide basis in order to more accurately monitor and project General Fund revenues derived from property taxes.

The services provided include the auditing of property tax sharing agreements with the County to assure the City is receiving its full apportionment of property taxes. Expanding HdL's services to include all City properties will allow the City quick easy access to data relative to all parcels within the City. The property tax data base will be compatible with any GIS system installed and will likely assist in establishing the base line property inventory.

It will also serve to enhance desk auditing of business licensees when the current business license software is upgraded.

FISCAL
IMPACT:

To extend the current property tax reporting services to include the entire City would cost an additional \$6,200 annually.

OPTIONS:

- a. Adopt Resolution No. 06-xxx approving a reoccurring budget appropriation in the amount of \$6,200 to budget account 100-140-5224-125 from the General Fund Reserves to expand the HdL Property tax services including software; or
- b. Amend, modify or reject above option.

RESOLUTION NO. 06-xxx
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING THE EXPANSION OF CURRENT PROPERTY TAX REPORTING
AND SOFTWARE SERVICES WITH HdL COMPANIES AND
RELATED BUDGET APPROPRIATION

WHEREAS, the City currently contracts with HdL Companies for property tax reporting and auditing services but said property tax services are limited to properties solely within the Redevelopment Agency boundaries; and

WHEREAS, property taxes are a major General Fund revenue source funding many general City Services; and

WHEREAS, the importance of property taxes is growing given the “triple flip”, property tax backfill for motor vehicle license fees and the growth of assessed valuation due to new development and re-sale of existing home inventories; and

WHEREAS, HdL Companies is prepared to expand said property tax reporting services at a modest cost; and

WHEREAS, a budget appropriation is desired for expanding property reporting services to all properties within city boundaries.

THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of El Paso de Robles approves a base budget appropriation from General Fund Reserves to budget account 100-140-5224-125.

BE IT FURTHER RESOLVED that the City Council of the City of El Paso de Robles authorizes the Director of Administrative Services to expand the existing contract with HdL Companies for citywide property tax reporting services.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 16th day of May 2006 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Cathy David, Deputy City Clerk