



## REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.

COUNCIL MEETING 6/23/2016

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

June 23, 2016

FROM: JANE SUMPTER, Budget Manager  
Budget and Management Studies

BY: SHARON MC DOWELL, Senior Budget Analyst  
Budget and Management Studies

SUBJECT: ADOPTION OF PROPERTY TAX OVERRIDE ORDINANCE

### RECOMMENDATIONS

It is recommended that the Council of the City of Fresno adopt the attached Property Tax Override (PTO) Ordinance which will take effect upon adoption as provided in Charter Section 600(b) and 610(b).

### EXECUTIVE SUMMARY

The Proposed FY 2017 Budget assumes a portion of the City's retirement contributions for employees will be funded through a PTO. Adoption of the attached Ordinance allows General Fund resources, which otherwise will have to be applied to funding these retirement costs, to thereby be freed up to fund other General Fund activities. Failure to adopt the attached Ordinance without adding replacement revenues will result in the General Fund being out of balance.

### BACKGROUND

The City Council and the Mayor must adopt a budget for FY 2017 by June 30, 2016. That budget assumes that a portion of the City's retirement contributions for employees will be funded through a PTO of \$0.032438 per \$100 of gross assessed valuation. General Fund resources, which otherwise will have to be applied to these retirement costs, will thereby be freed up to fund other General Fund activities. This is a routine Budget action adopted by Council annually.

### FISCAL IMPACT

Failure by the City Council to adopt the attached Ordinance without adding replacement revenues will result in the General Fund being out of balance.

Attachment(s):  
PTO Staff Report\_Signature  
PTO Resolution\_Signature