



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	#4
COUNCIL MEETING	6/25/2010

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

June 25, 2010

FROM: R. RENENA SMITH, Budget Director  
Budget and Management Studies Division

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

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 2011 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 2011 by June 30, 2010. 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.

Attachments

**BILL NO. \_\_\_\_\_**

**INTRODUCED BY COUNCILMEMBER \_\_\_\_\_**

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE OF THE CITY OF FRESNO, CALIFORNIA, AUTHORIZING THE LEVY AND COLLECTION OF A PROPERTY TAX ON TAXABLE PROPERTY IN THE CITY OF FRESNO FOR PARTIAL FUNDING OF THE FRESNO FIRE AND POLICE RETIREMENT SYSTEM AND THE FRESNO CITY EMPLOYEES' RETIREMENT SYSTEM FOR THE FISCAL YEAR BEGINNING JULY 1, 2010

THE COUNCIL OF THE CITY OF FRESNO DOES ORDAIN AS FOLLOWS:

WHEREAS, Section 96.31 of the Revenue and Taxation Code, a statute enacted prior to August 1, 1985, authorized a local agency to impose a property tax rate to make payments in support of pension programs approved by the voters before July 1, 1978, provided the local agency imposed the property tax rate in the 1982-83 or 1983-84 fiscal year; and

WHEREAS, the Fire and Police Retirement System and the Employees' Retirement System are pension programs approved by the voters before July 1, 1978; and

WHEREAS, the Council duly adopted Ordinance 83-116 on August 16, 1983, authorizing the levy and collection of a property tax fixed, designated and levied as retirement funds at the rate of .032438 per \$100.00 of gross assessed valuation for the 1983-84 fiscal year; and

WHEREAS, the Superior Court of the State of California validated said tax in Action No. 300260-7 (City of Fresno versus Superior Court (1984) 156 Cal.App.3d 1137); and

WHEREAS, pursuant to Section 7-201 of the Fresno Municipal Code the County of Fresno is authorized to assess, equalize, levy and collect ad valorem taxes on taxable property within the City of Fresno.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF FRESNO DOES ORDAIN AS FOLLOWS:

SECTION 1. The County of Fresno is hereby instructed to levy upon the taxable property of the City of Fresno for the fiscal year beginning July 1, 2010, a property tax which is fixed, designated, and levied as follows:

**FIRE AND POLICE RETIREMENT FUNDS AND EMPLOYEES' RETIREMENT FUNDS**

SECTION 2. The tax shall be levied at a rate of .032438 per \$100.00 of gross assessed valuation.

SECTION 3. The tax shall be levied and collected pursuant to Section 7-201 of the Fresno Municipal Code.

SECTION 4. The City Controller is authorized and directed to apply the tax proceeds produced by this ordinance only toward indebtedness incurred by the City in maintaining the level of retirement benefits that existed under the Fire and Police Retirement System and the Employees' Retirement System at the time of adoption of the Charter by the electorate of this City in 1957, for all current and future employees, consistent with the decision, holding, findings and final determination of the courts in this action referenced above.

SECTION 5. This ordinance constitutes an ordinance providing for a tax levy on property and may be adopted on the day of its introduction, and shall be effective upon adoption pursuant to Sections 600(b) and 610(b) of the Charter of the City of Fresno.

**CLERK'S CERTIFICATION**

STATE OF CALIFORNIA )  
COUNTY OF FRESNO ) ss.  
CITY OF FRESNO )

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Ordinance was adopted by the Council of the City of Fresno, California, at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_ 2010.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

Mayor Approval: \_\_\_\_\_, 2010  
Mayor Approval/No Return: \_\_\_\_\_, 2010  
Mayor Veto: \_\_\_\_\_, 2010  
Council Override Veto: \_\_\_\_\_, 2010

REBECCA E. KLISCH  
City Clerk

By \_\_\_\_\_

APPROVED AS TO FORM  
CITY ATTORNEY'S OFFICE

BY: \_\_\_\_\_  
Chief Assistant City Attorney