

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Establishing the Appropriations Limit )  
for the Fiscal Year 2021-2022 in )  
Accordance with California Constitution )  
Article XIII (B) )

RESOLUTION NO. 21-13952

The Pittsburg City Council FINDS AND DETERMINES as follows:

WHEREAS, Article XIII(B) of the California Constitution, which was added by Proposition 4, establishing expenditure limits for cities; and

WHEREAS, State-implementing legislation (Government Code Section 7910) requires the City of Pittsburg to annually adopt a resolution establishing its Appropriations Limit for the following fiscal year; and

WHEREAS, effective FY 1990-91 Proposition 111 has amended Article XIII (B) to allow a selection of annual adjustment factors (price and population) which must also be adopted at a regularly scheduled meeting; and

WHEREAS, the City selected the County's population change and the change in California per Capita Personal Income factors to compute the Appropriations Limit; and

WHEREAS, the Division Manager – Reporting has made the calculations specified in said Law and concludes that the appropriations subject to limitation is the sum of one hundred eighty-seven million, four hundred eighty-nine thousand, and sixty-two dollars (\$187,489,062); and

WHEREAS, pursuant to said law the calculations have been made available to the public for two (2) weeks prior to the date of the adoption of this resolution. A copy of the calculation is on file in the City of Pittsburg Finance Department.

NOW, THEREFORE, the City Council DOES RESOLVE as follows:

Section 1.

The recitals set forth are true and correct statements and hereby incorporated.

Section 2.

The City Council does hereby authorize and approve that the Fiscal Year 2021-22 Appropriations Limit of the City of Pittsburg is established at \$187,489,062 using the County's Population Change and the change in the California per Capita Personal Income factors; and

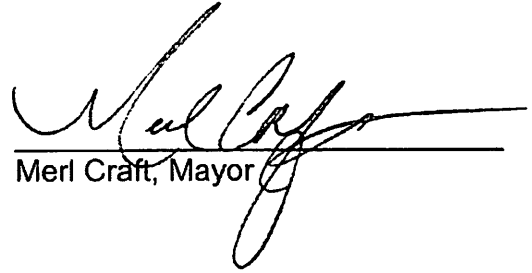
PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 21st of June 2021, by the following vote:

AYES: Banales, Killings, Scales-Preston, White

NOES: None

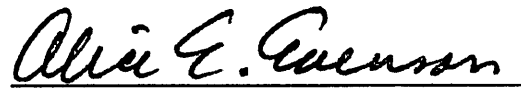
ABSTAINED: None

ABSENT: Craft



Merl Craft, Mayor

ATTEST:



Alice E. Evenson, City Clerk

City of Pittsburg Fiscal Year 2021-22  
Gann Appropriations Limit Calculations

	<u>City Population Change</u>	<u>County Population Change</u>
Population Change as of January 1, 2021	1 <sup>(1)</sup>	1.0035 <sup>(1)</sup>
	<u>Per Capita Change</u>	<u>Consumer Price Index CPI of Contra Costa County</u>
Cost of Living FY 2021-22	1.0573 <sup>(1)</sup>	1.029 <sup>(2)</sup>
FY 21-22 Gann Limit Growth Factor 1 + Larger of County and City Population		<u>1.0035</u>
1 + Larger of Per Capita Change and 12-Month Change in CPI for County		x <u>1.0573</u>
<b>INCREASE in City's Appropriations Limit for FY 2021-22</b>		<u><u>1.061001</u></u>
FY 2020-21 Appropriations Limit		\$ 176,709,600 <sup>(3)</sup>
Growth Factor		x <u>1.061001</u>
<b>FY 2021-22 APPROPRIATIONS LIMIT</b>		<u><u>\$ 187,489,062</u></u>

NOTE:

- (1) California Department of Finance Letter Dated May, 2021
- (2) Bureau of Labor Statistics CPI, 2020 Avg Change - SF Area (includes Contra Costa County)
- (3) FY2020-21 General Fund Appropriations Limit



Gavin Newsom • Governor

State Capital • Room 1145 • Sacramento CA • 95814-4998 • [www.dof.ca.gov](http://www.dof.ca.gov)

May 2021

Dear Fiscal Officer:

**Subject: Price Factor and Population Information**

**Appropriations Limit**

California Revenue and Taxation Code section 2227 requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2021, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2021-22. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2021-22 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

**Population Percent Change for Special Districts**

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

**Population Certification**

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2021.**

**Please Note:** The prior year's city population estimates may be revised. The per capita personal income change is based on historical data. Given the stay-at-home orders due to COVID-19, growth in the coming years may be substantially lower than recent trends.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

Erika Li

Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2021-22 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2021-22	5.73

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2021-22 appropriation limit.

**2021-22:**

Per Capita Cost of Living Change = 5.73 percent  
 Population Change = -0.46 percent

Per Capita Cost of Living converted to a ratio:  $\frac{5.73 + 100}{100} = 1.0573$

Population converted to a ratio:  $\frac{-0.46 + 100}{100} = 0.9954$

Calculation of factor for FY 2021-22:  $1.0573 \times 0.9954 = 1.0524$

Fiscal Year 2021-22

**Attachment B**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2020 to January 1, 2021 and Total Population, January 1, 2021**

<b>County City</b>	<b><u>Percent Change</u> 2020-2021</b>	<b><u>--- Population Minus Exclusions ---</u></b>		<b><u>Total Population</u></b>
		<b>1-1-20</b>	<b>1-1-21</b>	<b>1-1-2021</b>
<b>Contra Costa</b>				
Antioch	0.55	112,236	112,848	112,848
Brentwood	1.28	65,263	66,097	66,097
Clayton	-0.19	11,290	11,268	11,268
Concord	-0.14	129,453	129,273	129,273
Danville	0.15	43,840	43,906	43,906
El Cerrito	0.04	24,835	24,846	24,846
Hercules	1.45	25,494	25,864	25,864
Lafayette	0.15	25,321	25,358	25,358
Martinez	-0.32	36,946	36,827	36,827
Moraga	0.38	16,756	16,820	16,820
Oakley	1.48	42,268	42,895	42,895
Orinda	0.50	18,984	19,078	19,078
Pinole	-0.11	19,390	19,369	19,369
Pittsburg	0.00	74,501	74,498	74,498
Pleasant Hill	0.02	34,127	34,133	34,133
Richmond	-0.14	110,288	110,130	110,130
San Pablo	-0.12	31,078	31,041	31,041
San Ramon	0.58	83,376	83,863	83,863
Walnut Creek	1.03	70,592	71,317	71,317
Unincorporated	0.35	173,731	174,339	174,423
<b>County Total</b>	<b>0.35</b>	<b>1,149,769</b>	<b>1,153,770</b>	<b>1,153,854</b>

\*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Fiscal Year 2021-22

**Attachment C**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2020 to January 1, 2021**

County	Percent Change	--- Population Minus Exclusions ---	
	2020-21	1-1-20	1-1-21
<b>Alameda</b>			
Incorporated	-0.36	1,513,580	1,508,085
County Total	-0.37	1,661,183	1,654,975
<b>Alpine</b>			
Incorporated	0.00	0	0
County Total	-0.96	1,146	1,135
<b>Amador</b>			
Incorporated	-0.59	12,069	11,998
County Total	-0.42	33,613	33,472
<b>Butte</b>			
Incorporated	0.72	142,227	143,255
County Total	-3.01	208,951	202,669
<b>Calaveras</b>			
Incorporated	-0.05	4,040	4,038
County Total	0.00	44,951	44,952
<b>Colusa</b>			
Incorporated	1.14	11,622	11,755
County Total	0.99	22,030	22,248
<b>Contra Costa</b>			
Incorporated	0.35	976,038	979,431
County Total	0.35	1,149,769	1,153,770
<b>Del Norte</b>			
Incorporated	0.15	4,067	4,073
County Total	0.49	24,566	24,686
<b>El Dorado</b>			
Incorporated	0.33	34,174	34,286
County Total	0.96	193,435	195,297

\*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



**Office of the City Manager  
65 Civic Avenue  
Pittsburg, CA 94565**

**MEMO:** June 21, 2021  
**TO:** Mayor and Council Members  
**FROM:** Garrett Evans, City Manager  
**RE:** Adopt Resolution Establishing the Appropriations Limit for the 2021-22 Fiscal Year in Accordance with Proposition 111 and Article XIII (B)

**EXECUTIVE SUMMARY**

In November 1979, the voters of California approved Proposition 4, commonly known as the Gann Initiative. This proposition created Article XIII (B) of the State Constitution placing limits on the amount of revenue which can be appropriated by all government entities in any fiscal year. The legislation mandates all governing bodies including the City of Pittsburg to annually establish the Appropriations Limit.

**FISCAL IMPACT**

There is no impact to the City of Pittsburg budget. The FY 2021-22 Appropriations Limit is \$187,489,062 and will exceed the General Fund estimated spending plan of \$51,290,812.

**RECOMMENDATION**

Staff recommends that the City Council adopt this Resolution in compliance with the State of California legislative requirement for the City Council to annually establish the Appropriations Limit.

**BACKGROUND**

In 1979, Proposition 4, known as the Gann Initiative was approved by the California voters. As a result, Article XIII (B) of the State Statute (Government Code Section 7900-10) was enacted and it requires that each year thereafter, the governing body of each local jurisdiction shall by resolution, establish its Appropriations (spending) limit for the following fiscal year. The determination of the appropriations limit is considered to be a legislative act and should be adopted at a regular council meeting.



Proposition 111, approved by California voters in 1990, amended Article XIII (B) further, and Council action is necessary to implement the amendments effective for FY 2005-06 and thereafter.

The amendments of Proposition III specify that the annual adjustment factors in calculating the Appropriations Limit will be increased by:

- The change in population growth for City **OR** County (whichever is higher)
- The change in California Per Capita Personal Income

**OR**

The growth in the average change in the County Consumer Price Index (whichever is higher).

Pursuant to Proposition III amendments, staff has calculated the FY 2021-22 Appropriations Limit (see attached Gann Calculations) using the City Population change and the change in California per Capita Personal Income factors. The basis for the selection methodology is that the City's Population Change is higher than the County's population growth and the change in the California Per Capita Personal Income factor is higher than the Change in the Contra Costa County Consumer Price Index. The City's Appropriations limit for FY2021-22 is \$187,489,062.

### **SUBCOMMITTEE FINDINGS**

This item not presented to a subcommittee.

### **STAFF ANALYSIS**

Establishing the Appropriations Limit is a State of California mandate which requires all cities to adopt a respective Resolution at the beginning of each fiscal year.

The Appropriations subject to Limitation for Fiscal Year 2021-22 is \$51,290,812 against the calculated limit of \$187,489,062.

Appropriations subject to the limit for fiscal year 2020-21 totaled \$43,124,579 against the Adopted Limit of \$176,709,600 for that same year.

### **ATTACHMENTS:**

Resolution  
California Department of Finance Letter dated May 2021  
Gann Calculations

Report Reviewed By: Laura Mendez, Finance Manager - Reporting

Emily Plummer-Boyd, Interim Director of Finance