

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adopt Resolution Establishing the )  
Appropriations Limit for the Fiscal Year )  
2022-23 in Accordance with California )  
Constitution Article XIII (B) )

RESOLUTION NO. 22-14109

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 two hundred and two million, one hundred sixty-eight thousand, and seven hundred and six dollars (\$202,168,706); 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 BE IT RESOLVED, the City Council finds and determines 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 2022-23 Appropriations Limit of the City of Pittsburg is established at \$202,168,706 using the County's Population Change and the change in the California per Capita Personal Income factors.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 20th of June 2022, by the following vote:

AYES: Banales, Killings, Scales-Preston, White

NOES: None

ABSTAINED: None

ABSENT: Craft

  
\_\_\_\_\_  
Holland Barrett White, Mayor

ATTEST:

  
\_\_\_\_\_  
Alice E. Evenson, City Clerk

City of Pittsburg Fiscal Year 2022-23  
Gann Appropriations Limit Calculations

	<u>City Population Change</u>	<u>County Population Change</u>	
Population Change as of January 1, 2022	0.9917 <sup>(1)</sup>	1.0026 <sup>(1)</sup>	
	<u>Per Capita Change</u>	<u>Consumer Price Index CPI of Contra Costa County</u>	
Cost of Living FY 2022-23	1.0755 <sup>(1)</sup>	1.031 <sup>(2)</sup>	
FY 22-23 Gann Limit Growth Factor 1 + Larger of County and City Population		<u>1.0026</u>	
1 + Larger of Per Capita Change and 12-Month Change in CPI for County		x <u>1.0755</u>	
<b>INCREASE in City's Appropriations Limit for FY 2022-23</b>		<u><u>1.078296</u></u>	
FY 2021-22 Appropriations Limit		\$ 187,489,062 <sup>(3)</sup>	
Growth Factor		x <u>1.078296</u>	
<b>FY 2022-23 APPROPRIATIONS LIMIT</b>		<u><u>\$ 202,168,706</u></u>	

NOTE:

- (1) California Department of Finance Letter Dated May, 2022
- (2) Bureau of Labor Statistics CPI, 2021 Avg Change - SF Area (includes Contra Costa County)
- (3) FY2021-22 General Fund Appropriations Limit



May 2022

Dear Fiscal Officer:

**Subject: Price Factor and Population Information**

**Appropriations Limit**

California Revenue and Taxation Code section 2227 requires the Department of 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, 2022, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2022-23. 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 2022-23 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, 2022.**

**Please Note:** The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

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

KEELY MARTIN BOSLER  
Director  
By:

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 2022-23 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2022-23	7.55

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2022-23 appropriation limit.

**2022-23:**

Per Capita Cost of Living Change = 7.55 percent  
 Population Change = -0.30 percent

Per Capita Cost of Living converted to a ratio:  $\frac{7.55 + 100}{100} = 1.0755$

Population converted to a ratio:  $\frac{-0.30 + 100}{100} = 0.997$

Calculation of factor for FY 2022-23:  $1.0755 \times 0.997 = 1.0723$

Fiscal Year 2022-23

**Attachment B**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2021 to January 1, 2022 and Total Population, January 1, 2022**

<b>County City</b>	<b><u>Percent Change</u></b>	<b><u>--- Population Minus Exclusions ---</u></b>		<b><u>Total Population</u></b>
	<b>2021-2022</b>	<b>1-1-21</b>	<b>1-1-22</b>	<b>1-1-2022</b>
<b>Contra Costa</b>				
Antioch	-0.06	115,142	115,074	115,074
Brentwood	0.18	64,224	64,342	64,342
Clayton	-0.92	10,964	10,863	10,863
Concord	-0.90	124,755	123,634	123,634
Danville	-0.05	43,373	43,352	43,352
El Cerrito	-0.08	25,671	25,650	25,650
Hercules	-1.01	26,357	26,091	26,091
Lafayette	-0.61	25,217	25,064	25,064
Martinez	-0.77	37,195	36,908	36,908
Moraga	-0.59	17,206	17,105	17,105
Oakley	2.08	43,627	44,533	44,533
Orinda	-0.09	19,496	19,478	19,478
Pinole	-1.01	18,819	18,628	18,628
Pittsburg	-0.83	75,788	75,156	75,156
Pleasant Hill	-0.90	34,335	34,026	34,026
Richmond	-0.13	114,643	114,489	114,489
San Pablo	-0.89	31,793	31,510	31,510
San Ramon	-0.48	84,226	83,820	83,820
Walnut Creek	-0.96	70,566	69,891	69,891
Unincorporated	-0.55	177,843	176,857	176,941
<b>County Total</b>	<b>-0.41</b>	<b>1,161,240</b>	<b>1,156,471</b>	<b>1,156,555</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 2022-23

**Attachment C**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2021 to January 1, 2022**

<b>County</b>	<b><u>Percent Change</u></b> <b>2021-22</b>	<b><u>--- Population Minus Exclusions ---</u></b>	
		<b>1-1-21</b>	<b>1-1-22</b>
<b>Alameda</b>			
Incorporated	-0.53	1,507,763	1,499,840
County Total	-0.62	1,659,616	1,649,285
<b>Alpine</b>			
Incorporated	0.00	0	0
County Total	0.42	1,195	1,200
<b>Amador</b>			
Incorporated	1.23	13,780	13,949
County Total	0.16	36,382	36,440
<b>Butte</b>			
Incorporated	0.44	138,002	138,604
County Total	-2.44	206,640	201,608
<b>Calaveras</b>			
Incorporated	-0.49	3,641	3,623
County Total	-0.40	45,166	44,986
<b>Colusa</b>			
Incorporated	0.50	11,886	11,946
County Total	0.16	21,773	21,807
<b>Contra Costa</b>			
Incorporated	-0.38	983,397	979,614
County Total	-0.41	1,161,240	1,156,471
<b>Del Norte</b>			
Incorporated	-0.88	4,111	4,075
County Total	-0.56	25,330	25,187
<b>El Dorado</b>			
Incorporated	-0.93	32,144	31,845
County Total	-0.32	190,989	190,383

\*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 20, 2022

**TO:** Mayor and Council Members

**FROM:** Garrett Evans, City Manager

**RE:** Adopt Resolution Establishing the Appropriations Limit for the 2022-23 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 2022-23 Appropriations Limit is \$202,168,706 and will exceed the General Fund estimated spending plan of \$57,657,094.

**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 2022-23 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 FY2022-23 is \$202,168,706.

### **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 2022-23 is \$57,657,094 against the calculated limit of \$202,168,706.

Appropriations subject to the limit for fiscal year 2021-22 totaled \$51,290,812 against the Adopted Limit of \$187,489,062 for that same year.

### **ATTACHMENTS:**

Resolution  
California Department of Finance Letter dated May 2022  
Gann Calculations

Report Reviewed By: Laura Mendez, Finance Manager - Reporting

Paul Rodrigues-Finance Director