

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adopt Resolution Establishing the)
Appropriations Limit for the Fiscal)
Year 2012-2013 in Accordance with)
Proposition III and Article XIII (B))

RESOLUTION NO. 12-11835

The Pittsburg City Council DOES RESOLVE as follows:

Whereas, Article XIII (B) of the California Constitution Proposition IV establishes 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 III 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 City's population change and the change in California per Capita Personal Income factors to compute the Appropriations Limit; and

Whereas, the Division Manager – Accounting has made the calculations specified in said Law and concludes that the appropriations subject to limitation is the sum of One Hundred-nineteen million, eighteen thousand, three-hundred-thirty-six Dollars (\$119,018,336); 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 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 authorized and approve that the Fiscal Year 2012-2013 Appropriations Limit of the City of Pittsburg is established at \$119,018,336 using the City's Population Change and the change in the California per Capita Personal Income factors; and

That this Resolution shall take effect immediately upon adoption.

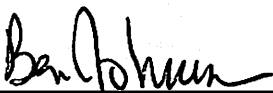
PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 18th of June, 2012, by the following vote:

AYES: Casey, Evola, Longmire, Parent, Johnson

NOES: None

ABSTAINED: None

ABSENT: None



Ben Johnson, Mayor

ATTEST:



Alice E Evenson, City Clerk

City of Pittsburg Fiscal year 2010-2011
Gann Appropriations Limit Calculations

	<u>City Population Change</u>	<u>County Population Change</u>	
Population Change as of January 1, 2012	1.52 (1)	0.83 (1)	
	<u>Per Capita Change</u>	<u>Non-Residential New Construction</u>	
Cost of Living FY 2012-13	1.0377 (1)	0.036 (2)	
FY 12-13 Gann Limit Growth Factor 1 + Larger of County and City Population		<u>1.0152</u>	
1 + Larger of Per Capita Change and Non-residential New Construction		<u>1.038</u>	x
INCREASE in City's Appropriations Limit for FY 2012-13 -		<u><u>1.05347304</u></u>	
FY 2011 -12 Appropriations Limit		\$ 112,977,107 (3)	
Growth Factor		1.05347304	x
FY 2012 -13 APPROPRIATIONS LIMIT		<u><u>\$ 119,018,336</u></u>	

NOTE:

- (1) California Department of Finance Letter Dated May, 2012
- (2) Contra Costa County Fund 04210, Prop. 111 C & I Fiscal Year 2011-2012
- (3) Proposed FY2011-12 General Fund Budget



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

DATE: 5/30/2012
TO: Mayor and Council Members
FROM: Joe Sbranti, City Manager
SUBJECT: Adopt Resolution Establishing the Appropriations Limit for the 2012-2013 Fiscal Year in Accordance with Proposition III and Article XIII (B)
MEETING DATE: 6/18/2012

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 2012-2013 Appropriations Limit is \$119,018,336 and will exceed the estimated General Fund spending plan of \$30.8 Million.

RECOMMENDATION

Staff recommends that the City Council adopt this Resolution in compliance of 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 III, approved by California voters in 1990, amended Article XIII (B) further, and Council action is necessary to implement the amendments effective for fiscal year 2005-2006 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 non-residential assessed valuation due to the new construction within the City (whichever is higher).

Pursuant to Proposition III amendments, staff has calculated the fiscal year 2012-2013 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 non-residential assessed valuation. The Appropriations subject to limitations for Fiscal Year 2012- 2013 is \$119,018,336.

SUBCOMMITTEE FINDINGS

N/A

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 2012 –2013 is \$30,785,299 against the calculated limit of \$119,018,336.

Appropriations subject to the limit for fiscal year 2011-12 totaled \$31,023,775 against the Adopted Limit of \$112,977,107 for that same year.

ATTACHMENTS: Resolution
GANN Calculations

Report Prepared By: Deborah M. Yamamoto, Division Manager – Accounting
Reviewed by: Tina Olson, Director of Finance