

**BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG**

**In the Matter of:**

**Adopt Resolution establishing the Appropriations )      RESOLUTION NO. 05- 10315**  
**Limit for the Fiscal Year 2005-2006 in Accordance )**  
**With Proposition III and Article XIII (B) )**  
**\_\_\_\_\_ )**

The Pittsburg City Council DOES RESOLVE as follows:

A. WHEREAS, Article XIII (B) of the California Constitution Proposition IV establishes expenditure limits for cities; and

B. 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

C. 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

D. WHEREAS, the City selected the City's population change and the City's Non-residential assessed valuation growth factors to compute the Appropriations Limit; and

E. WHEREAS, the Director of Finance has made the calculations specified in said law and concludes that the appropriations subject to limitation is the sum of Seventy-six Million, Three-hundred eighty-one thousand, Nine-hundred ninety-five Dollars (\$76,381,995); and

F. 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. Finding**

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

**Section 2. Authorizations**

A. The City Council does hereby authorize and approve that the FY 2005-06 Appropriations Limit of the City of Pittsburg is established at \$76,381,995 using the City's Population change and the City's Non-residential assessed valuation growth change

factors;

B. That this Resolution shall take effect immediately upon adoption.

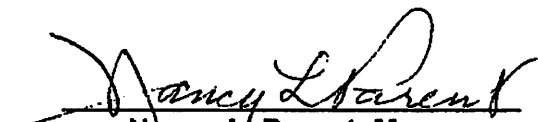
**PASSED AND ADOPTED** by the City Council of the City of Pittsburg at a regular meeting on the 20th of June, 2005, by the following vote:

**AYES:** Council Member Casey, Glynn, Johnson, Kee and Mayor Parent

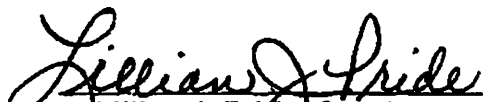
**NAYS:** None

**ABSTAINED:** None

**ABSENT:** None

  
Nancy L. Parent, Mayor

**ATTEST:**

  
Lillian J. Pride, City Clerk



**OFFICE OF THE CITY MANAGER  
65 Civic Avenue  
Pittsburg, California 94565**

**DATE:** June 20, 2005  
**TO:** Mayor and Council Members  
**FROM:** Marc S. Grisham, City Manager  
**SUBJECT: ADOPT RESOLUTION ESTABLISHING THE APPROPRIATIONS LIMIT FOR  
THE 2005-2006 FISCAL YEAR IN ACCORDANCE WITH PROPOSITION III  
AND ARTICLE XIII (B).**

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**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 2005-2006 Appropriations Limit is \$76,381,995 and will exceed the estimated General Fund spending plan of \$33.4 Million.

**RECOMMENDATION:**

Staff recommends adoption of Resolution because it is a State law 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 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 year. The determination of the appropriations limit is considered to be a legislative act and should be adopted at a regular meeting.

Mayor and Council Members  
June 20, 2005  
Page 2

Proposition III, approved by voters in 1990, amended Article XIII (B) further, and Council action is necessary to implement the amendments effective for FY 2005-2006.

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 FY 2005-2006 Appropriations Limit using the City population change and the City Non-residential assessed valuation growth factors. The basis for the selection methodology is that the City population change is higher than the County's and the City's non-residential assessed valuation growth change is higher than the California per capita income factor.

The Appropriations subject to limitations for Fiscal Year 2005-2006 is \$76,381,995.

**STAFF ANALYSIS:**

It is mandated that Cities adhere to this requirement and that a Resolution be adopted at the beginning of each year.

The Appropriations subject to Limitation for Fiscal Year 2005-2006 is \$76,381,995.

Appropriations subject to the Limit for FY 2004-05 totaled \$32,104,908 against the Adopted Limit of \$68,161,743 for that year.

  
Marc S. Grisham, City Manager

Report Prepared By: \_\_\_\_\_  
Agnes C. Lee, Accountant II

Report Reviewed By: \_\_\_\_\_  
Marie Simons, Director of Finance

## ENVIRONMENTAL REVIEW CHECKLIST

**AGENDA MEETING DATE:** June 20, 2004  
**AGENDA DATA DESCRIPTION:** Adopt Resolution establishing the Appropriations Limit for the 2005-2006 Fiscal Year in accordance with Proposition III and Article XIII B.

ALL ACTIONS OF THE CITY COUNCIL MUST BE CONSIDERED FOR ENVIRONMENTAL REVIEW. COMPLETE THE CHECKLIST BELOW AND **ATTACH TO THE APPROPRIATE AGENDA DATA SHEET**. THE EXEMPTION, NEGATIVE DECLARATION OR EIR DETERMINATIONS MUST BE REFERENCED IN THE RESPECTIVE STAFF REPORT AND COPIES ATTACHED WHERE APPROPRIATE.

1.  **This is not a project.** No environmental documents must be filed. A project is any activity which may cause a direct physical change in the environment or a reasonably foreseeable indirect change in the environment, and is either (1) undertaken by the City, (2) partly or fully subsidized by the City, or (3) permitted by the City. Only "discretionary projects" are subject to CEQA. Moreover, purchases for supplies, personnel related actions, emergency repairs and general policy-making are examples of actions which are not a project. If any of the following environmental factors would be potentially affected, further environmental review may still be required:

<input type="checkbox"/> Aesthetics	<input type="checkbox"/> Agriculture Resources	<input type="checkbox"/> Air Quality
<input type="checkbox"/> Biological Resources	<input type="checkbox"/> Cultural Resources	<input type="checkbox"/> Geology/Soils
<input type="checkbox"/> Hazards & Hazardous Materials	<input type="checkbox"/> Hydrology/Water Quality	<input type="checkbox"/> Land Use/Planning
<input type="checkbox"/> Mineral Resources	<input type="checkbox"/> Noise	<input type="checkbox"/> Population/Housing
<input type="checkbox"/> Public Services	<input type="checkbox"/> Recreation	<input type="checkbox"/> Transportation/Traffic
<input type="checkbox"/> Utilities/Service Systems	<input type="checkbox"/> Mandatory Findings of Significance	

2.  This is a project, but it is **statutorily exempt** under Section \_\_\_\_\_, Article 18 of the Guidelines for the Implementation of the California Environmental Quality Act or other applicable statutory exemption not listed in the Guidelines.
3.  This is a project, but it is **categorically exempt** from environmental review under Section \_\_\_\_\_, Article 19 of the Guidelines for Implementation of the California Environmental Quality Act and no exceptions to the categorical exemption apply.
4.  This is a project, but is subject to the "common sense" exemption to CEQA, because it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. The basis for this determination must be set forth in writing in the Council's findings.
5.  A  **Negative Declaration**  **Mitigated Negative Declaration (ND/MND)** was prepared for this project or the impacts were addressed under a previously completed ND/MND. The Initial Study and ND/MND prepared by the City must be attached to the Council materials for Council review and approval. The Council must adopt a resolution (re)adopting the Negative Declaration or Mitigated Negative Declaration and possibly a mitigation monitoring or reporting program as part of the project approval.
6.  An **Environmental Impact Report (EIR)** was prepared for this project or the impacts have been addressed under a previously completed and certified EIR, SCH No. \_\_\_\_\_. The EIR must be provided to Council for review and approval. As part of the project approval, the Council must adopt resolutions (re)certifying the EIR and adopting findings, a mitigation monitoring or reporting program and if necessary, a statement of overriding considerations.
7.  This project falls under the " \_\_\_\_\_ " **Master EIR, State Clearinghouse** No. \_\_\_\_\_, The new Initial Study prepared pursuant to Section 21157.1 of the Public Resources Code must be attached to the Council materials for Council review and approval. The Council must adopt a resolution adopting certain required findings based on this Initial Study as part of the project approval.

**REVIEWED AND APPROVED BY:** \_\_\_\_\_, **PLANNING DEPARTMENT**

**NOTE:** CEQA regulations are located in the State Public Resources Code, which can be viewed on the internet at: [www.leginfo.ca.gov](http://www.leginfo.ca.gov). Should you need further assistance in determining the applicability of CEQA to a Council action, please contact Planning Staff x. 4920.

**CITY OF PITTSBURG  
FY 2005-2006 APPROPRIATIONS LIMIT**

	<b>CITY POPULATION CHANGE</b>	<b>COUNTY POPULATION CHANGE</b>
<b>POPULATION CHANGE AS OF JANUARY 1, 2005</b>	0.0132 (1)	0.0118 (1)
	<b>PER CAPITA CHANGE</b>	<b>NON-RESIDENTIAL NEW CONSTRUCTION</b>
<b>Cost of Living FY 2004-05</b>	0.0526 (1)	0.1060 (2)
<b>FY 04-05 Gann Limit Growth Factor</b>		
<b>1 + Larger of County and City Population Change</b>		<b>1.0132</b>
<b>1+ Larger of Per Capita Change and Non-residential New Construction</b>	X	<b>1.106</b>
<b>Increase in City's Appropriations Limit for FY 2005-06</b>		<b>1.12059920</b>
<b>FY 2004-05 Appropriations Limit</b>		<b>\$68,161,743 (3)</b>
<b>Growth Factor</b>	X	<b>1.12059920</b>
<b>FY 2005-2006 APPROPRIATIONS LIMIT</b>		<b>\$76,381,995</b>

**NOTE:**

- 1) Enclosure- CA Dept. of Finance Price and Population Information.
- 2) Enclosure- Fund 04210 , Prop. 111 New C & I for FY 2004-2005 dated 6/26/04.
- 3) Approved by Council Resolution No. 04-10092 dated June 21, 2004.





DEPARTMENT OF  
**FINANCE**

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May, 2005

Dear Fiscal Officer:

**Subject: Price and Population Information**

MAY 03 2005

### **Appropriations Limit**

The California Revenue and Taxation Code, Section 2227, mandates 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, 2005, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2005-06. Enclosure I 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 2005-06 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county and incorporated areas population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations, as noted.

### **Population Percent Change for Special Districts**

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code, Section 2228, for the various population options available to special districts to assess population change in their district. Article XIII B, Section 9, of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. No State agency reviews the appropriations limit.

### **Population Certification**

The population certification program applies only to cities and counties. 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 3, 2005.**

**Please Note:** City population estimates are controlled to independently calculated county population estimates. Due to county estimates revisions for 2001 through 2004 prior year city population estimates for local areas have also been revised.

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

Sincerely,

TOM CAMPBELL

Director

By:

STEPHEN W. KESSLER

Chief Deputy Director

Enclosure



May 1, 2005

Enclosure I

- 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 2005-2006 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2005-2006	5.26

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2005-2006 appropriation limit.

**2005-2006:**

Per Capita Change = 5.26 percent  
Population Change = 1.50 percent

Per Capita converted to a ratio:  $\frac{5.26 + 100}{100} = 1.0526$

Population converted to a ratio:  $\frac{1.50 + 100}{100} = 1.015$

Calculation of factor for FY 2005-2006:  $1.0526 \times 1.015 = 1.0684$

Enclosure II  
 Annual Percent Change in Population Minus Exclusions (\*)  
 January 1, 2004 to January 1, 2005 and Total Population, January 1, 2005

County City	Percent Change 2004-2005	Population Minus Exclusions		Total Population
		1-1-04	1-1-05	1-1-2005
<b>CONTRA COSTA</b>				
ANTIOCH	-0.05	101,097	101,049	101,049
BRENTWOOD	9.84	37,246	40,912	40,912
CLAYTON	-0.57	11,045	10,982	10,982
CONCORD	-0.55	125,377	124,697	124,799
DANVILLE	-0.43	43,459	43,273	43,273
EL CERRITO	-0.47	23,517	23,407	23,407
HERCULES	7.09	21,814	23,360	23,360
LAFAYETTE	-0.43	24,421	24,317	24,317
MARTINEZ	-0.45	36,985	36,818	36,818
MORAGA	-0.49	16,516	16,435	16,435
OAKLEY	2.15	27,670	28,265	28,265
ORINDA	-0.29	17,849	17,797	17,797
PINOLE	-0.17	19,638	19,604	19,604
PITTSBURG	1.32	61,791	62,605	62,605
PLEASANT HILL	-0.44	33,786	33,638	33,638
RICHMOND	0.83	102,162	103,012	103,012
SAN PABLO	0.50	31,187	31,344	31,344
SAN RAMON	4.45	48,855	51,027	51,027
WALNUT CREEK	0.05	66,466	66,501	66,501
UNINCORPORATED	2.40	157,956	161,754	161,754
<b>COUNTY TOTAL</b>	<b>1.18</b>	<b>1,008,837</b>	<b>1,020,791</b>	<b>1,020,898</b>

(\*) Exclusions include residents on federal military installations and group quarters residents in state mental institutions and state and federal correctional institutions.

DISTRICT YEAR	VRC	LAND VALUE	NET INCR VALUE	PCT	NET INCR VALUE	PCT	NET INCR VALUE	PCT	TOTAL VALUE	PCT
04208	2004	PSI INC	4,591,331		1,317,297		28,424		28,424	
		MG	27,601,192		1,178,331		92,123		1,414,011	
		SECURED	82,192		1,388,966		63,600		1,150,730	
		UNSECURED			13,277,356		15,277,356		234,457	
		C&I INCREASE	158,966		15,277,356		13,042,439		15,277,356	
04208	2004	SEC UNS	1,332,295,151		2,226,786,047		3,559,081,198		3,559,081,198	
04208	2004	TOTAL	2,535,923		2,389,433,281		3,724,264,355		3,724,264,355	
04208	2004	TOTAL	1,334,831,074		2,121,420,914		2,121,420,914		2,121,420,914	
04208	2004	TOTAL	4,668,822		1,711,578,535		1,711,578,535		1,711,578,535	
04208	2004	TOTAL	2,377,526		5,224,028,749		3,475,746,019		3,475,746,019	
04208	2004	TOTAL	182,113,748	0.0%	126,404,332	0.1%	248,518,080	5.2%	248,518,080	5.2%
04209	2004	PSI INC	421,648		3,286,624		13,042,571		13,042,571	
		MG	7,489,927		14,085,851		3,708,272		3,708,272	
		SECURED	91,275		17,371,978		9,230,592		9,230,592	
		UNSECURED			17,371,978		6,151,247		6,151,247	
		C&I INCREASE	4,911,575		467,995,837		15,392,229		15,392,229	
04209	2004	SEC UNS	2,313,148,928		5,335,340,430		7,648,489,358		7,648,489,358	
04209	2004	TOTAL	2,10,821,162		5,158,535,754		7,817,846,294		7,817,846,294	
04209	2004	TOTAL	2,323,970,110		5,493,876,184		6,507,157,109		6,507,157,109	
04209	2004	TOTAL	2,464,889,538		5,023,880,349		7,107,595,624		7,107,595,624	
04209	2004	TOTAL	4,075,711,877	2.0%	467,995,837	3.7%	716,251,070	2.1%	716,251,070	2.1%
04210	2004	PSI INC	1,311,5		3,840,319		3,840,319		3,840,319	
		MG	2,003,016		27,129,379		122,876		122,876	
		SECURED	207,761		28,599,810		30,275,425		30,275,425	
		UNSECURED			28,599,810		28,057,192		28,057,192	
		C&I INCREASE	3,507,461		28,390,840		28,057,982		28,057,982	
04210	2004	SEC UNS	1,195,469,167		2,751,437,602		3,946,806,769		3,946,806,769	
04210	2004	TOTAL	1,171,880,490		3,409,377,872		4,622,727,529		4,622,727,529	
04210	2004	TOTAL	1,213,349,657		3,621,094,222		5,648,928,871		5,648,928,871	
04210	2004	TOTAL	1,021,834,819		3,509,885,026		4,765,095,011		4,765,095,011	
04210	2004	TOTAL	1,041,034,660		98,388,624		4,198,083,901		4,198,083,901	
04210	2004	TOTAL	166,314,997	2.1%	98,388,624	28.9%	264,703,621	10.6%	264,703,621	10.6%

*Handwritten:* STOPS Argued for 25-2-169a7