

Legislation Text

File #: #18-209, Version: 1

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DATE OF MEETING: 06/18/18

SUBJECT:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO ESTABLISHING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2018/19

CITY MANAGER RECOMMENDATION

Adopt Resolution

COMPLIANCE STATEMENTS

General Fund Reserves Protection and Increase Financial Transparency are adopted policy items under the FY 2018-21 City Council Priority Workplan, effective November 1, 2017.

CEQA Compliance Statement

This agenda item is not subject to CEQA.

BACKGROUND

Sponsored by Paul Gann, California Proposition 4 (the "Gann Limit" Initiative) was approved by California voters in a November 1979 statewide special election ballot. The legislation established annual appropriation limits on state and local governmental entities based on the previous fiscal year's appropriations and calculated by a formula including changes in cost of living, population and other specified factors. Any revenues received in excess of appropriations permitted by this measure were to be returned by revision of tax rates or fee schedules within two fiscal years.

According to the State of California Department of Finance, population totals in Contra Costa County increased by 0.88% during 2017/18, while San Pablo's population change increased by 0.67%, and California's per capita personal income improved by 3.67%. Converting the above factors (population increase of 0.88% by per capita personal income increase of 3.67%) results in the following: $1.088 \times 1.0367 = 1.0458$.

Multiplying the FY 2017/18 Appropriation Limit of \$41,744,341 (see Exhibit "A" attached to Resolution) by 1.0458 results in a FY 2018/19 Appropriation Limit of \$43,657,190. This limit applies only to the expenditures funded by "proceeds of taxes" as defined by the Constitution, not to user or regulatory fees. Proceeds of taxes are revenues such as property taxes, sales taxes, utility user taxes, business license fees, state subventions such as motor vehicle in-lieu, mandated costs reimbursements, etc.

Budget, Fiscal & Legislative Standing Committee: On June 12, 2018, the Budget, Fiscal & Legislative Standing Committee (Calloway/Kinney) reviewed the Appropriation Limit for FY 2018/19 and recommended its approval by the City Council.

FISCAL IMPACT

The City's proposed expenditures funded by proceeds of taxes are within the appropriation limit-there is no fiscal impact.