

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Adopt Resolution establishing the Appropriations) RESOLUTION NO. 04- 10092
Limit for the Fiscal Year 2004-2005 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 Contra Costa County's population change and the California Per Capita Personal Income change 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 Sixty-eight Million, One-Hundred sixty-one thousand, Seven-hundred forty-three Dollars (\$68,161,743); 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 2004-05 Appropriations Limit of the City of Pittsburg is established at \$68,161,743 using the County's Population change and the California Per Capita Personal Income 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 21st of June, 2004, by the following vote:

AYES: Member Beals, Glynn, Kee, Parent and Mayor Rios

NAYS: None


ABSTAINED: None

ABSENT: None



Aleida Rios, Mayor

ATTEST:


Lillian J. Pride, City Clerk



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

DATE: June 21, 2004

TO: Mayor and Council Members

FROM: Marc S. Grisham, City Manager

SUBJECT: ADOPT RESOLUTION ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE 2004-2005 FISCAL YEAR IN ACCORDANCE WITH PROPOSITION III 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 2004-2005 Appropriations Limit is \$68,161,743 and will exceed the estimated General Fund spending plan of \$31.3 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.

Proposition III, approved by voters in 1990, amended Article XIII (B) further, and Council

action is necessary to implement the amendments effective for FY 2004-2005.

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 2004-2005 Appropriations Limit using the County population change and the California Per Capita Personal Income factors. The basis for the selection methodology is that the County population change is higher than the City's and the California Per Capital Personal Income is higher than the City's non-residential assessed valuation growth change factor.

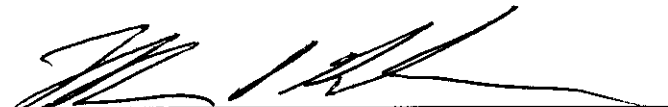
The Appropriations subject to limitations for Fiscal Year 2004-2005 is \$68,161,743.

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 2004-2005 is \$68,161,743.

Appropriations subject to the Limit for FY 2003-04 totaled \$31,681,089 against the Adopted Limit of \$65,266,060 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

AGENCY MEETING DATE: June 21, 2004

AGENDA DATA DESCRIPTION: Adopt Resolution Establishing the Appropriations Limit for the 2004-2005 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 action, which has a direct or indirect potential to result in a physical change in the environment. 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:
 - Aesthetics
 - Agriculture Resources
 - Air Quality
 - Biological Resources
 - Cultural Resources
 - Geology/Soils
 - Hazards & Hazardous Materials
 - Hydrology/Water Quality
 - Land Use/Planning
 - Noise
 - Population/Housing
 - Mineral Resources
 - Recreation
 - Transportation/Traffic
 - Public Services
 - Mandatory Findings of Significance
 - Utilities/Service Systems
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.
3. This is a project, but it is **categorically exempt** from environmental review under Class _____, Article 19 of the Guidelines for Implementation of the California Environmental Quality Act.
4. 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 of Mitigated Negative Declaration for a non-exempt project as part of the project approval.
5. 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 attached to the Council materials for Council review and approval. The Council must adopt a resolution (re) certifying the EIR as part of the project approval.
6. This project falls under the A _____ @ **Master EIR**, State Clearinghouse No. _____. The new Initial Study prepared pursuant to Section 2.1157.1 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.

NOTE: CEQA regulations are located in the State Public Resources Code, which can be viewed on internet at: www.leginfo.ca.gov. Should you need further assistance in determining the applicability of CEQA to a Council action, please contact planning Staff at Extension 4920.

**CITY OF PITTSBURG
FY 2004-2005 APPROPRIATIONS LIMIT**

	CITY POPULATION CHANGE	COUNTY POPULATION CHANGE
POPULATION CHANGE AS OF JANUARY 1, 2004	0.0091 (1)	0.0112 (1)
	PER CAPITA CHANGE	NON-RESIDENTIAL NEW CONSTRUCTION
Cost of Living FY 2003-04	0.0328 (1)	(0.1660) (2)
FY 03-04 Gann Limit Growth Factor		
1 + Larger of County and City Population Change		1.0112
1+ Larger of Per Capita Change and Non-residential New Construction	X	1.0328
Increase in City's Appropriations Limit for FY 2004-05		1.04436736
FY 2003-04 Appropriations Limit		\$65,266,060 (3)
Growth Factor	X	1.04436736
FY 2004-2005 APPROPRIATIONS LIMIT		\$68,161,743 (4)

NOTE:

- 1) Enclosure- CA Dept. of Finance Price and Population Information.
- 2) Enclosure- Fund 04210 , Prop. 111 New C & I for FY 2003-2004 dated 6/30/03.
- 3) Approved by Council Resolution No. 03-9877 dated 8/04/04.


**DEPARTMENT OF
FINANCE**

 STATE OF CALIFORNIA DEPT.
OF FINANCE DIVISION

ARNOLD SCHWARZENEGGER, GOVERNOR

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

MAY 30 11:32

See - 1 and 2
ly

May 3, 2004

Dear Fiscal Officer:

Subject: Price and Population Information
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, 2004, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2004-05. 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 2004-05 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 4, 2004.**

Please Note: City population estimates are controlled to independently calculated county population estimates. Due to county estimates revisions for 2001 through 2003 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,

 DONNA ARDUIN
Director

By:

 MICHAEL C. GENEST
Chief Deputy Director

Enclosure

May 1, 2004

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 2004-2005 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2004-2005	3.28

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2004-2005 appropriation limit.

2004-2005:

Per Capita Change = 3.28 percent
Population Change = 1.52 percent

Per Capita converted to a ratio: $\frac{3.28 + 100}{100} = 1.0328$

Population converted to a ratio: $\frac{1.52 + 100}{100} = 1.0152$

Calculation of factor for FY 2004-2005: $1.0328 \times 1.0152 = 1.0485$

Enclosure II
 Annual Percent Change in Population Minus Exclusions (*)
 January 1, 2003 to January 1, 2004 and Total Population, January 1, 2004

County City	Percent Change 2003-2004	Population Minus Exclusions		Total Population
		1-1-03	1-1-04	1-1-2004
CONTRA COSTA				
ANTIOCH	1.54	99,065	100,590	100,590
BRENTWOOD	12.39	32,975	37,060	37,060
CLAYTON	0.32	10,955	10,990	10,990
CONCORD	0.08	124,655	124,749	124,856
DANVILLE	0.30	43,115	43,243	43,243
EL CERRITO	-0.33	23,476	23,398	23,398
HERCULES	6.18	20,441	21,704	21,704
LAFAYETTE	-0.19	24,345	24,298	24,298
MARTINEZ	-0.01	36,809	36,805	36,805
MORAGA	-0.22	16,478	16,442	16,442
OAKLEY	2.20	26,938	27,530	27,530
ORINDA	-0.17	17,788	17,757	17,757
PINOLE	0.28	19,485	19,540	19,540
PITTSBURG	0.91	60,926	61,481	61,481
PLEASANT HILL	0.06	33,599	33,618	33,618
RICHMOND	0.51	101,142	101,655	101,855
SAN PABLO	0.98	30,732	31,033	31,033
SAN RAMON	3.53	46,951	48,609	48,609
WALNUT CREEK	0.16	65,845	65,950	65,950
UNINCORPORATED	0.27	156,932	157,350	157,350
COUNTY TOTAL	1.12	992,652	1,003,802	1,003,909

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

**CALCULATION ON FY 2003-2004 BUDGET AGAINST
FY 2003 - 2004 APPROPRIATIONS LIMIT**

FY 2003 - 2004 Appropriations Limit	\$65,266,060
FY 2003 - 2004 Actual Budget Subject to Limit	* <u>\$31,681,089</u>
Difference	<u><u>\$33,584,971</u></u>

*** Actual Appropriations Subject to Limit:**

Fund # 10	General Fund	\$31,681,089
		<hr/>
	TOTAL	<u><u>\$31,681,089</u></u>

DISTRICT YEAR VRC	PSI VALUE	PCT	PSI VALUE	PCT	TOTAL VALUE	PCT
04209 2003	613,086		53,429		53,429	
SECURED	952,647				8,856,603	
UNSECURED	1,505,717				8,869,128	
NET INCREASE	1,565,781				17,779,160	
04209 2003	2,064,689,518				21,370,045	
04209 2003	11,025,359				39,149,205	
TOTAL	2,075,714,877				6,941,157,109	
04209 2003	1,798,481,244				160,438,115	
SECURED	11,473,322				7,101,595,224	
UNSECURED	1,809,906,696				6,183,168,593	
NET INCREASE	639,808,127	0.6%			8,346,068,645	
TOTAL	13,282,788,267	5.2%			755,526,578	

DISTRICT YEAR VRC	PSI VALUE	PCT	PSI VALUE	PCT	TOTAL VALUE	PCT
04210 2003	84,294		850,756		850,756	
SECURED	602,402				357,422	
UNSECURED	556,786				3,880,252	
NET INCREASE	686,786				5,088,460	
04210 2003	1,027,834,649				3,648,928,871	
04210 2003	19,200,011				709,095,037	
TOTAL	1,047,034,660				4,358,023,908	
04210 2003	893,781,960				3,297,185,440	
SECURED	18,511,275				2,091,435,507	
UNSECURED	875,268,685				4,388,620,947	
NET INCREASE	184,757,425	0.4%			30,597,039	16.6%

City of Pittsburg

DISTRICT YEAR VRC	PSI VALUE	PCT	PSI VALUE	PCT	TOTAL VALUE	PCT
04211 2003	2,207,146		81,684		81,684	
SECURED	2,207,146				3,607,146	
UNSECURED					3,525,462	
NET INCREASE	2,207,146				5,282,794	
04211 2003	837,603,164				6,805,256	
04211 2003	1,781,448				1,971,313,458	
TOTAL	839,384,612				2,000,863,537	
04211 2003	676,189,290				1,724,249,185	
SECURED	1,754,305				29,550,079	
UNSECURED	674,434,985				2,000,863,537	
NET INCREASE	161,836,479	1.6%			250,898,227	3.5%

250-6-869

5/4/04 To Legnes Re