

DATE: 6/15/99 AGENDA ITEM # 123  
( ) APPROVED ( ) DENIED  
( ) CONTINUED TO \_\_\_\_\_

TO: James L. App, City Manager  
FROM: Mike Compton, Director of Administrative Services  
SUBJECT: Appropriatin Limit  
DATE: June 15, 1999

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Needs: For the City Council to consider adoption of a resolution approving the appropriations limit for fiscal year 2000.

Facts:

1. Article XIII B of the State Constitution requires state and local governments to annually adopt an appropriations limit.
2. Article XIII B was added to the State Constitution in November, 1979 when voters approved Proposition 4.
3. The appropriations limit may be adjusted annually by a factor comprised of the change in population combined with either the change in California per capita personal income or the change in the local assessment roll due to local non-residential construction.
4. The data required to complete the calculation is provided by the State of California, Department of Finance.
5. The City's annual population change for the period ending 1/1/99 was 3.67% as calculated by the Department of Finance.
6. The change in California's per capita personal income was 4.53%.

Analysis  
and  
Conclusion:

The appropriation limitation calculation was first applied in fiscal year 1978-79. While described as an 'appropriation' limit, Proposition 4 was, in essence, a tax revenue limit. Local agencies were required to classify revenues as either 'proceeds from taxes' or 'non-proceeds from taxes'. The total amount of 'non-proceeds from taxes' was deducted from total appropriations and the difference became the local agencies' appropriation limit.

If the agencies' 'proceeds from taxes' exceeded the amount of the appropriation limit, the difference had to be refunded to taxpayers within two years or in lieu of a refund, the agency could undertake an election to receive voter approval to keep the extra taxes.

As noted above, this limit may be adjusted annually by the percent change in population and the % change in California per capita personal income or the percent change in the local assessment roll due to local nonresidential construction. Based upon these annual adjustments, it is highly unlikely that the City would ever experience difficulties in staying within the limit.

Fiscal  
Impact:

None. The City's proceeds from taxes and expenditures continue to be well below the appropriations' limit.

Options:

- a. That the Council adopt a resolution approving an appropriation limit for the fiscal year 1999-00 operating and maintenance budget; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 99-

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF EL PASO DE ROBLES  
ADOPTING AN APPROPRIATIONS LIMIT  
CALCULATION FOR FISCAL YEAR 1999-00

WHEREAS, the City Council of the City of El Paso de Robles must annually adopt an appropriations limit; and

WHEREAS, the State of California has provided the necessary data for the City of El Paso de Robles to calculate its appropriations limit.

THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of El Paso de Robles adopts the appropriation limitation attached herewith as Exhibit "A" for the fiscal year ending June 30, 2000.

APPROVED AND ADOPTED by the City Council of the City of El Paso de Robles this 15th day of June, 1999 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Duane J. Picanco, Mayor

Attest:

\_\_\_\_\_  
Dennis Fansler, City Clerk

CITY OF EL PASO DE ROBLES  
 APPROPRIATION LIMITATION CALCULATION  
 FISCAL YEAR 1999-00

Appropriation Limitation	\$19,996,836
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Total Budget as Approved	\$21,310,200

Less:

(1) Appropriations Not Subject to Limitation

Debt Service	1,362,100	
Sewer Operations	2,111,900	
Water Operations	2,506,100	
Airport Operations	373,700	
Solid Waste Operations	1,112,500	
Transit Operations	503,000	
CDBG	961,800	
Redevelopment Agency	968,300	
Capital Replacement	521,500	
Senior Endowment	9,300	
TDA Article 8a	30,000	
Landscape & Lighting	141,300	
		<u>(10,601,500)</u>

(2) Non-Proceeds From Taxes

Vehicle Code Fines	35,000	
Court Fines	5,000	
Traffic School Fees	23,000	
Library Fines	27,000	
Engineering Insp. Fees	80,000	
Library Copies	3,500	
Library Rental Fees	7,600	
State Library Funds	62,000	
Public Safety Grants	114,200	
Public Safety/Housing	20,000	
State POST Reimbursements	12,000	
State Mandate Payments	20,000	
Building Permits	317,500	
Planning Fees	174,300	
Weed Abatement	10,500	
Police Services Fees	55,000	
Fire Services Fees	7,000	
Recreation Rents	107,900	
Recreation Fees	450,000	
Recreation Grants/Aids	25,000	

Recreation Fund Raisers	27,200	
Greyhound Commissions	21,000	
Library Services	12,000	
Self Storage Unit Rents	21,400	
Miscellaneous Rents	54,200	<u>(1,692,300)</u>

Net Appropriations Subject to Limitation \$9,016,400

CITY OF EL PASO DE ROBLES  
 APPROPRIATION LIMITATION CALCULATION  
 DETERMINATION OF APPROPRIATION LIMITATION  
 FISCAL YEAR 1999-00

1978-79 Fiscal Year Appropriation Limitation		\$ 2,746,539
Change in CPI - March 1978 to March 1979	10.17%	X <u>1.1017</u>
		3,025,862
Change in Population - 1/1/79 to 1/1/80	2.17%	X <u>1.0217</u>
		3,091,523
Change in per capita income - 1979-1980	12.11%	X <u>1.1211</u>
		3,465,907
Change in Population - 1/1/80 to 1/1/81	11.35%	X <u>1.1135</u>
		3,859,287
Change in per capita income - 1980-1981	9.12%	X <u>1.0912</u>
		4,211,254
Change in Population - 1/1/81 to 1/1/82	6.25%	X <u>1.0625</u>
		4,474,457
Change in CPI - March 1981 to March 1982	6.79%	X <u>1.0679</u>
		4,892,819
Change in Population - 1/1/82 to 1/1/83	10.09%	X <u>1.1009</u>
		5,386,505
Change in per capita income - 1982-1983	2.35%	X <u>1.0235</u>
		5,513,088
Change in Population - 1/1/83 to 1/1/84	2.73%	X <u>1.0273</u>
		5,663,595
Change in CPI - March 1983 to March 1984	4.74%	X <u>1.0474</u>
		5,932,049
Change in Population - 1/1/84 to 1/1/85	7.10%	X <u>1.0710</u>
		6,353,225
Change in CPI - March 1984 to March 1985	3.74%	X <u>1.0374</u>
		6,590,835
Change in Population - 1/1/85 to 1/1/86	7.95%	X <u>1.0795</u>
		7,114,807
Change in CPI - March 1985 to March 1986	2.30%	X <u>1.0230</u>
		7,278,447
Change in Population - 1/1/86 to 1/1/87	9.63%	X <u>1.0963</u>
		7,979,362
Change in per Capita Income - Fiscal Year '88	3.47%	X <u>1.0347</u>
		8,256,246
Change in Population - 1/1/87 to 1/1/88	6.94%	X <u>1.0694</u>
		8,829,229
Change in per Capita Income - Fiscal Year '89	4.66%	X <u>1.0466</u>
		9,240,671
Change in Population - 1/1/88 to 1/1/89	5.30%	X <u>1.0530</u>
		9,730,427
Change in per Capita Income - Fiscal Year '90	5.19%	X <u>1.0519</u>

CITY OF EL PASO DE ROBLES  
 APPROPRIATION LIMITATION CALCULATION  
 DETERMINATION OF APPROPRIATION LIMITATION  
 FISCAL YEAR 1999-00

		10,235,436
Change in Population - 1/1/89 to 1/1/90	5.81%	X <u>1.0581</u>
		10,830,115
Change in per Capita Income - Fiscal Year '91	4.21%	X <u>1.0421</u>
		11,286,063
Change in Population - 1/1/90 to 1/1/91	6.65%	X <u>1.0665</u>
		12,036,586
Change in per Capita Income - Fiscal Year '92	4.14%	X <u>1.0414</u>
		12,534,901
Change in Population - 1/1/91 to 1/1/92	10.07%	X <u>1.1007</u>
		13,797,166
Change in per Capita Income - Fiscal Year '93	-.64%	X <u>-1.0064</u>
		13,708,864
Change in Population - 1/1/92 to 1/1/93	1.75%	X <u>1.0175</u>
		13,948,769
Change in per Capita Income - Fiscal Year '94	2.72%	X <u>1.0272</u>
		14,328,176
Change in Population - 1/1/93 to 1/1/94	1.87%	X <u>1.0187</u>
		14,596,113
Change in per Capita Income - Fiscal Year '95	0.71%	X <u>1.0071</u>
		14,699,745
Change in Population - 1/1/94 to 1/1/95	0.79%	X <u>1.0079</u>
		14,815,873
Change in per Capita Income - Fiscal Year '96	4.67%	X <u>1.0467</u>
		15,655,933
Change in Population - 1/1/95 to 1/1/96	2.57%	X <u>1.0257</u>
		16,058,290
Change in per Capita Income - Fiscal Year '97	4.67%	X <u>1.0467</u>
		16,808,212
Change in Population - 1/1/96 to 1/1/97	2.54%	X <u>1.0254</u>
		17,235,141
Change in per Capita Income - Fiscal Year '97	4.15%	X <u>1.0415</u>
		17,950,399
Change in Population - 1/1/97 to 1/1/98	2.8%	X <u>1.0280</u>
		18,453,011
Change in per Capita Income - Fiscal Year '98	4.53%	X <u>1.0453</u>
		19,288,932
Change in Population - 1/1/98 to 1/1/99	3.67%	X <u>1.0367</u>

APPROPRIATION LIMIT Fiscal Year 1999-00

\$ 19,996,836  
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CITY OF EL PASO DE ROBLES  
 APPROPRIATION LIMITATION CALCULATION  
 FISCAL YEAR 1978-79

GENERAL FUND APPROPRIATIONS	\$2,7989,973
LIBRARY FUND APPROPRIATIONS	56,021
WATER OPERATIONS FUND APPROPRIATIONS	363,795
SEWER OPERATIONS FUND APPROPRIATIONS	157,229
PARKS & RECREATION FUND APPROPRIATIONS	181,708
GAS TAX FUND APPROPRIATIONS	309,500
SB 325 FUND APPROPRIATIONS	31,635
REVENUE SHARING FUND APPROPRIATIONS	139,412
AIRPORT OPERATIONS APPROPRIATIONS	<u>193,917</u>
 TOTAL GOVERNMENTAL FUND APPROPRIATIONS	 4,233,190
 LESS:	
REVENUE FROM NON-PROCEEDS OF TAXES	<u>1,486,651</u>
 APPROPRIATIONS SUBJECT TO LIMITATION	 \$2,746,539 -----



CITY OF EL PASO DE ROBLES  
 APPROPRIATION LIMITATION CALCULATION  
 SCHEDULE TO CATEGORIZE REVENUES  
 FISCAL YEAR 1978-79

<u>Taxes</u>	<u>Proceeds From Taxes</u>	<u>Non-proceeds From Taxes</u>
Property Taxes	\$397,403	\$ -
Sales Taxes	783,576	
Franchise Taxes	46,138	
Business License Taxes	93,056	
Real Property Taxes	13,750	
Transient Occupancy Taxes	111,293	
 <u>Licenses &amp; Permits</u>		
Bicycle Permits		354
Construction Permits		53,463
 <u>Fines, Forfeits &amp; Penalties</u>		
Vehicle Code Fines		44,100
Court Fines		16,419
Library Fines		2,326
 <u>Revenue From Other Agencies</u>		
State Alcoholic Bev. Licenses	8,897	
State Motor Vehicle Fees	118,353	
State Trailer Coach Fess	3,790	
Other State Grants	202,275	
State Homeowners' Exemption	24,796	
State Bus. Inventory Exemption	12,231	
State Cigarette Taxes	40,145	
State Gas Tax		78,339
Other Federal Grants		681,303
Other Taxes in Lieu	2,062	
Federal Revenue Sharing	176,781	
 <u>Charges for Current Services</u>		
Zoning Fees		63,986
Street & Curb Fees		3,290
Engineering Fees		7,873
Plan Checking Fees		10,316
Subdivision Fees		11,740
Sale of Maps & Publications		3,324

	<u>Proceeds From Taxes</u>	<u>Non-proceeds From Taxes</u>
<u>Charges for Current Services (cont'd.)</u>		
Other Filing Fees		695
Police Service Fees		2,808
Fire Service Fees		81
Sewer Connection Fees		49,280
Refuse Collection Fees		7,931
Sewer Service Fees		189,488
Parks & Recreation Fees		75,217
Weed Abatement		5,559
Other		8,671
 <u>Revenue From Use of Money &amp; Property</u>		
Investment Earnings	25,481	16,291
Rents & Concessions		8,375
Sale of Property		120,422
 <u>Other Revenue</u>		
Contr. From Non-gov't. Sources		25,000
Miscellaneous	<u>243,324</u>	<u>          </u>
 TOTAL REVENUES	 \$2,303,351 -----	 \$1,486,651 =====

## DEPARTMENT OF FINANCE

OFFICE OF THE DIRECTOR  
STATE CAPITOL, ROOM 1145  
SACRAMENTO, CA 95814-4906



RECEIVED

MAY - 4 1999

ADMINISTRATIVE SERVICES

May 1, 1999

Dear Fiscal Officer:

**PRICE AND POPULATION INFORMATION****Appropriations Limit**

The Department of Finance is mandated to provide population and California per capita personal income change data to local jurisdictions to use in calculating their appropriations limits. The enclosures contain the official price factor and the population percentage change for setting your 1999-2000 appropriations limit. These data are effective for January 1, 1999, and were calculated on a base that excludes federal and state institutionalized populations and military populations as noted. Enclosure I provides the change in California's per capita personal income. An example of how to utilize this price factor and the population percentage change in calculating your 1999-2000 limit is included. Enclosures II and IIA provide population percentage change for cities and counties, and their incorporated areas.

**Population Percentage Change for Special Districts**

Some special districts are required to establish appropriations limits. These districts should consult the state code for the various population factors that may be used for purposes of assessing change in population. Other districts are exempt under Article XIII B, Section 9(c). This letter may be received by such special districts. However, it should not be construed as a Department of Finance requirement to establish an appropriations limit.

**Population Certification**

The certification program applies only to cities and counties. It is mandated that if a Department of Finance population estimate is greater than the current certified population, the Department shall automatically file a certified copy with the State Controller's Office not less than 25 days nor more than 30 days after completion of the estimate. **The Department will certify the higher estimate unless a written request not to certify is received within 25 days of the completion of the estimate.** A city or county requesting that its higher estimate not be certified will remain at the current certified population. The Department of Finance will not certify a population estimate that is lower than the current certified population unless requested to do so by a city or county in writing by June 1, 1999.

Fiscal Officer  
May 1, 1999  
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Questions about population should be addressed to the Demographic Research Unit at  
(916) 323-4086.

Sincerely,

A handwritten signature in black ink that reads "B. Timothy Gage". The signature is written in a cursive style with a large, sweeping initial "B".

B. TIMOTHY GAGE  
Director

Enclosures

- 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 changes to be used in setting the 1999-2000 appropriation limit are:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
1999-2000	4.53

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 1999-2000 appropriations limit.

1999-2000:

Per Capita Change = 4.53 percent  
 Population Change = 1.66 percent

Per Capita converted to a ratio:  $\frac{4.53 + 100}{100} = 1.0453$

Population converted to a ratio:  $\frac{1.66 + 100}{100} = 1.0166$

Calculation of factor for FY 1999-2000:  $1.0453 \times 1.0166 = 1.0627$

**Enclosure II**  
**Annual Percent Change in Population Minus Exclusions (\*) January 1,**  
**1998 to January , 1999 and Total Population January 1, 1999**

County City _	<u>Percent Change</u>	<u>Population Minus Exclusions</u>		<u>Total Population</u>
	1998-99	1-1-98	1-1-99	1-1-99
<b>SAN LUIS OBISPO</b>				
ARROYO GRANDE	2.62	15,599	16,007	16,007
ATASCADERO	1.76	25,028	25,469	25,469
EL PASO DE ROBLES	3.67	20,939	21,708	22,494
GROVER BEACH	2.49	12,340	12,647	12,647
MORRO BAY	1.39	9,736	9,871	9,871
PISMO BEACH	2.48	8,277	8,482	8,482
SAN LUIS OBISPO	1.57	42,201	42,863	42,863
UNINCORPORATED	2.42	93,681	95,950	103,765
<b>COUNTY TOTAL</b>	<b>2.28</b>	<b>227,801</b>	<b>232,997</b>	<b>241,598</b>

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

13-14