

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Appropriation Limit - Fiscal Year 2004
DATE: September 2, 2003

Needs: For the City Council to consider adoption of a resolution approving the "Appropriations Limit" for fiscal year 2004.

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 1/1/023 was 5.01% as calculated by the Department of Finance.
6. The change in California's per capita personal income was a negative 2.31%.

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-tax proceeds'. The total amount of 'non-tax proceeds' 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 percent 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. The appropriation limit is \$30,379,200 while the total City appropriations subject to the limit are only \$14,299,200.

Options:

- a. Adopt Resolution No.03-xx approving an appropriation limit for the fiscal year 2003-04 operating and maintenance budget; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ADOPTING AN APPROPRIATIONS LIMIT CALCULATION FOR
FISCAL YEAR 2003-04

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, 2004.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 2nd day of September 2003 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

CITY OF EL PASO DE ROBLES
 APPROPRIATION LIMITATION CALCULATION
 FISCAL YEAR 2003-04

Appropriation Limitation **\$29,900,183**

Total Original Operating Budget as Approved \$30,379,200

Less:

(1) Appropriations Not Subject to Limitation

Debt Service (non-enterprise)	5,086,400	
Sewer Operations	2,783,000	
Water Operations	2,724,800	
Airport Operations	403,900	
Transit Operations	961,500	
TDA Article 8a	35,000	
CDBG	212,600	
Redevelopment Agency	75,000	
Capital Replacement	453,400	
Senior Endowment	18,300	
Landscape & Lighting	<u>495,700</u>	<u>(13,249,600)</u>

(2) Non-Tax Proceeds (revenues)

Public Safety Sales Taxes	215,000	
Building Permits	760,000	
Vehicle Code Fines	50,000	
Court Fines	12,500	
Parking Fines	16,000	
Traffic School Fees	12,000	
Library Fines	38,000	
Self Storage Unit Rents	28,000	
Recreation Rents	95,800	
Library Rental Fees	3,500	
Library Copies	4,000	
State Library Funds	50,000	
State POST Reimbursements	31,000	
State Mandate Payments	40,000	
Public Safety Grants	153,900	
Recreation Partnerships	34,900	
Engineering Insp. Fees	75,000	
Planning Fees	493,000	
Police Services Fees	65,000	
Fire Services Fees	64,800	
Recreation Fees	496,000	
Greyhound Commissions	20,000	
Library Service Fees	2,000	
Miscellaneous Rents	70,000	<u>(2,830,400)</u>

Net Appropriations Subject to Limitation **\$14,299,200**

CITY OF EL PASO DE ROBLES
 APPROPRIATION LIMITATION CALCULATION
 FISCAL YEAR 2003-04

CITY OF EL PASO DE ROBLES
 APPROPRIATION LIMITATION CALCULATION
 DETERMINATION OF APPROPRIATION LIMITATION
 FISCAL YEAR 2003-04

1978-79 Fiscal Year Appropriation Limitation		\$ 2,746,539
Change in CPI - March 1978 to March 1979	10.17%	<u>X 1.1017</u>
		3,025,862
Change in Population - 1/1/79 to 1/1/80	2.17%	<u>X 1.0217</u>
		3,091,523
Change in per Capita Income - 1979-1980	12.11%	<u>X 1.1211</u>
		3,465,907
Change in Population - 1/1/80 to 1/1/81	11.35%	<u>X 1.1135</u>
		3,859,287
Change in per Capita Income - 1980-1981	9.12%	<u>X 1.0912</u>
		4,211,254
Change in Population - 1/1/81 to 1/1/82	6.25%	<u>X 1.0625</u>
		4,474,457
Change in CPI - March 1981 to March 1982	6.79%	<u>X 1.0679</u>
		4,892,819
Change in Population - 1/1/82 to 1/1/83	10.09%	<u>X 1.1009</u>
		5,386,505
Change in per Capita Income - 1982-1983	2.35%	<u>X 1.0235</u>
		5,513,088
Change in Population - 1/1/83 to 1/1/84	2.73%	<u>X 1.0273</u>
		5,663,595
Change in CPI - March 1983 to March 1984	4.74%	<u>X 1.0474</u>
		5,932,049
Change in Population - 1/1/84 to 1/1/85	7.10%	<u>X 1.0710</u>
		6,353,225
Change in CPI - March 1984 to March 1985	3.74%	<u>X 1.0374</u>
		6,590,835
Change in Population - 1/1/85 to 1/1/86	7.95%	<u>X 1.0795</u>
		7,114,807
Change in CPI - March 1985 to March 1986	2.30%	<u>X 1.0230</u>
		7,278,447
Change in Population - 1/1/86 to 1/1/87	9.63%	<u>X 1.0963</u>
		7,979,362
Change in per Capita Income - Fiscal Year '88	3.47%	<u>X 1.0347</u>
		8,256,246
Change in Population - 1/1/87 to 1/1/88	6.94%	<u>X 1.0694</u>
		8,829,229
Change in per Capita Income - Fiscal Year '89	4.66%	<u>X 1.0466</u>
		9,240,671
Change in Population - 1/1/88 to 1/1/89	5.30%	<u>X 1.0530</u>
		9,730,427
Change in per Capita Income - Fiscal Year '90	5.19%	<u>X 1.0519</u>
		10,235,436
Change in Population - 1/1/89 to 1/1/90	5.81%	<u>X 1.0581</u>
		10,830,115
Change in per Capita Income - Fiscal Year '91	4.21%	<u>X 1.0421</u>
		11,286,063

CITY OF EL PASO DE ROBLES
 APPROPRIATION LIMITATION CALCULATION
 FISCAL YEAR 2003-04

Change in Population - 1/1/90 to 1/1/91	6.65%	<u>X</u> 1.0665 12,036,586
Change in per Capita Income - Fiscal Year '92	4.14%	<u>X</u> 1.0414 12,534,901
Change in Population - 1/1/91 to 1/1/92	10.07%	<u>X</u> 1.1007 13,797,166
Change in per Capita Income - Fiscal Year '93	-.64%	<u>X</u> -1.0064 13,708,864
Change in Population - 1/1/92 to 1/1/93	1.75%	<u>X</u> 1.0175 13,948,769
Change in per Capita Income - Fiscal Year '94	2.72%	<u>X</u> 1.0272 14,328,176
Change in Population - 1/1/93 to 1/1/94	1.87%	<u>X</u> 1.0187 14,596,113
Change in per Capita Income - Fiscal Year '95	0.71%	<u>X</u> 1.0071 14,699,745
Change in Population - 1/1/94 to 1/1/95	0.79%	<u>X</u> 1.0079 14,815,873
Change in per Capita Income - Fiscal Year '96	4.67%	<u>X</u> 1.0467 15,655,933
Change in Population - 1/1/95 to 1/1/96	2.57%	<u>X</u> 1.0257 16,058,290
Change in per Capita Income - Fiscal Year '97	4.67%	<u>X</u> 1.0467 16,808,212
Change in Population - 1/1/96 to 1/1/97	2.54%	<u>X</u> 1.0254 17,235,141
Change in per Capita Income - Fiscal Year '98	4.15%	<u>X</u> 1.0415 17,950,399
Change in Population - 1/1/97 to 1/1/98	2.8%	<u>X</u> 1.0280 18,453,011
Change in per Capita Income - Fiscal Year '99	4.53%	<u>X</u> 1.0453 19,288,932
Change in Population - 1/1/98 to 1/1/99	3.67%	<u>X</u> 1.0367 19,996,836
Change in per Capita Income - Fiscal Year '00	4.91%	<u>X</u> 1.0491 20,978,681
Change in Population - 1/1/99 to 1/1/00	3.01%	<u>X</u> 1.0301 21,610,139
Calculation Factor for Fiscal Year '01	11.3%	<u>X</u> 1.1130 24,052,085
Change in Population - 1/1/00 to 1/1/01	3.26%	<u>X</u> 1.0326 24,836,183
Change in Local Assessment Roll – Fiscal Year '02	7.82%	<u>X</u> 1.0782 26,778,372
Change in Population – 1/1/01 to 1/1/02	3.93%	<u>X</u> 1.0393 27,830,763
Change in per Capita Income – Fiscal Year '03	2.31%	<u>X</u> 1.0231 28,473,653
Change in Population – 1/1/02 to 1/1/03	5.01%	<u>X</u> 1.0501
APPROPRIATION LIMIT Fiscal Year 2003-04		<u>\$ 29,900,183</u>

CITY OF EL PASO DE ROBLES
APPROPRIATION LIMITATION CALCULATION
FISCAL YEAR 2003-04

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	<u>\$2,746,539</u>

CITY OF EL PASO DE ROBLES
 APPROPRIATION LIMITATION CALCULATION
 FISCAL YEAR 2003-04

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

	<u>Proceeds From Taxes</u>	<u>Non-proceeds From Taxes</u>
<u>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 & Permits</u>		
Bicycle Permits		354
Construction Permits		53,463
 <u>Fines, Forfeits & 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
Other Filing Fees		695
Police Service Fees		2,808
Fire Service Fees		81
Sewer Connection Fees		49,280
Refuse Collection Fees		7,931

CITY OF EL PASO DE ROBLES
 APPROPRIATION LIMITATION CALCULATION
 FISCAL YEAR 2003-04

<u>Charges for Current Services (con't)</u>		
Sewer Service Fees		189,488
Parks & Recreation Fees		75,217
Weed Abatement		5,559
Other		8,671
 <u>Revenue From Use of Money & 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 =====