



City Council Staff Report

DATE: July 7, 2010 Consent Calendar
SUBJECT: ADOPTION OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2010-11
FROM: David H. Ready, City Manager
BY: Department of Finance and Treasurer

SUMMARY

The City Council is required to annually adopt an appropriations limit for the new fiscal year. Article XIII B of the California Constitution requires government units to establish an annual appropriations limit. This is done by using 1978-79 as a base year and allowing the base to increase in future years by the percentage of growth in population of the City or County, whichever is greater, and by the increase in California Per Capita Personal Income.

RECOMMENDATION:

Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, ADOPTING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR ENDING JUNE 30, 2011."

STAFF ANALYSIS:

The State of California in Article XIII B of the California Constitution requires government units to establish an annual appropriations limit. This is done by establishing 1978-79 as a base year and allowing the base to increase in future years by the percentage of growth in population of the City or County, whichever is greater, and by the increase in California Per Capita Personal Income.

Guidelines and statistical data for calculation of the appropriation limit are provided by the League of California Cities and the Department of Finance of the State of California.

The City's Finance Department has calculated the City's fiscal 1978-79 base year appropriation limit to be \$13,429,805. Using information supplied by the State Department of Finance, the fiscal year 2010-11 appropriation limit is calculated to be \$117,235,889.

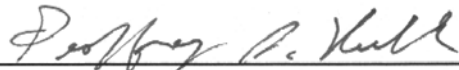
It is important to point out that only specific revenues and appropriations are subject to limitation. All of the City's enterprise and intra-governmental service funds are exempt. In addition, Federal funds are exempt.

The appropriation amount subject to the limit was calculated to be \$55,487,733, which is \$61,748,156 less than the 2010-11 appropriation limit.

The total calculations are very detailed and are not provided with this report, but are available for review at the office of the City Clerk or at the Department of Finance. The formula for calculations to determine the new appropriations limit is established by the State Department of Finance.

FISCAL IMPACT:

None.



Geoffrey S. Kiehl
Director of Finance and Treasurer



David H. Ready
City Manager

Attachments:

Proposed Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, ADOPTING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR ENDING JUNE 30, 2011.

WHEREAS Article XIII B of the Constitution of the State of California mandates an appropriation and expenditure limit on various units of government, including the City of Palm Springs; and

WHEREAS that limit has been calculated by the Finance Department of the City of Palm Springs using current guidelines provided by the State Department of Finance; and

WHEREAS the City Council of the City of Palm Springs desires to formally adopt that appropriations limit for the City.

WHEREAS the options for calculation will be California Per Capita Income and the City of Palm Springs population growth;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Palm Springs that, in accordance with Article XIII B of the Constitution of the State of California, the appropriations limit for the City of Palm Springs for the fiscal year 2010-11 is \$117,235,889.

ADOPTED this 7th day of July, 2010.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California