

# *City of Brisbane*

## *Agenda Report*

To: City Council via City Manager  
From: Administrative Services Director  
Subject: Fiscal Year 2012/13 Appropriation Limit  
Date: Meeting of June 18, 2012

### **Recommendation:**

Adopt Resolution 2012-14 establishing the Appropriation Limit for Fiscal Year 2012/13.

### **Background:**

Proposition 4 was adopted by California voters in November of 1979. This measure, codified Article XIII B of the California Constitution, (Government Code 7901). This section specifies that governmental entities must calculate and adopt annually an appropriation limit beginning with fiscal year 1978-79.

In June of 1990, California voters approved Proposition 111 which amended Government Code Section 7901 as it applies to the Appropriation Limit. According to Proposition 111 cities are permitted to adjust their appropriation limit annually by the following two factors:

1. Either the percentage change in the California per capita personal income for the preceding year or the percentage change in the growth of non-residential assessed valuation due to non-residential construction; and
2. Either the percentage change in population of the City or the County.

Attached is the calculation of the appropriation limit as allowed by Proposition 111.

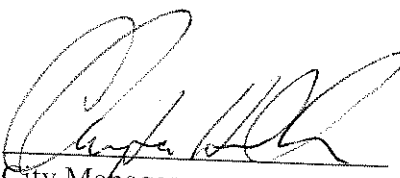
### **Fiscal Impact:**

The City's appropriation limit for FY 2011/12 is \$15,870,794. The City will receive \$8,230,149, in taxes, including the Guadalupe Valley Municipal Improvement District. Therefore, the City will receive about \$7,640,645 less in taxes than is allowed under the appropriation limit.

### **Attachments:**

Proposed Resolution  
Appropriation Limit Calculation

  
\_\_\_\_\_  
Stuart Schillinger  
Administrative Services Director

  
\_\_\_\_\_  
City Manager

**RESOLUTION NO. 2012-14**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE  
ESTABLISHING THE APPROPRIATION LIMIT FOR THE FISCAL YEAR  
2012/13 PURSUANT TO ARTICLE XIII B AS AMENDED OF THE CALIFORNIA  
STATE CONSTITUTION**

**WHEREAS**, Proposition 4 was approved by the California voters on November 6, 1979, thereby adding Article XIII B of the California State Constitution; and

**WHEREAS**, on June 4, 1990 the California Voters amended Article XIII B and the California Constitution by approving Proposition 111 which became effective July 1, 1990; and

**WHEREAS**, it is the desire of the City Council of the City of Brisbane to establish the Appropriation Limit for the Fiscal Year 2012/13 pursuant to Article XIII B as amended of the California State Constitution; and

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Brisbane hereby finds and determines;

1. That during the Fiscal Year 2011/12 the California Per Capita Income (CPCPI) increased by 3.77% and that the Non-Residential Construction Growth factor was not available from the County Assessor.
2. That during Fiscal Year 2011/12, the percentage increase in the County of San Mateo and the City of Brisbane population was 0.98% and 0.86% respectively.
3. That the higher percentage shown in 1 and 2 above be applied to determine the appropriation limit for Fiscal Year 2012/13.
4. That the 2012/13 appropriation limit for the City of Brisbane is calculated to be \$15,870,794.

**BE IT FURTHER RESOLVED THAT** any revenues from proceeds of taxes and user fees in excess of costs received during the Fiscal Year 2012/13 over and above the appropriated limit of \$15,870,774 must be returned to the taxpayers of the City of Brisbane in accordance with the procedure to be adopted by the City Council of the City of Brisbane when such amount of refund is determined.

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**Cliff Lentz**  
**Mayor**

I hereby certify that the foregoing Resolution No. 2012-14 was duly and regularly adopted at a meeting of the Brisbane City Council on June 18, 2012 by the following vote:

AYES:

NOES:

ABSENT:

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**Sheri Marie Spediacci**

**City Clerk**

**CITY OF BRISBANE  
COMPUTATION OF APPROPRIATION LIMIT  
FOR FISCAL YEAR 2012/2013**

	(1)	(2)	(3)
	<b>% Change in CPCPI</b>	<b>% Change in Non-Residential Construction</b>	<b>The Greater % Change</b>
1 % Change in CPCPI or Non-Residential Construction	3.77%	NA	3.77%
	<b>% Change In County Population</b>	<b>% Change In City Population</b>	<b>The Greater % Change</b>
2 % Change in County or City Population	0.98%	0.86%	0.98%

**CALCULATIONS**

a	Prior year's Appropriation Limit	\$15,146,085
b	Multiply 1+Line 1 by 1 + Line 2	104.79%
c	Multiply Line (a) by Line (b), and subtract Line (a)	\$725,035
d	Add Lines (a), and (c) and enter total here	\$15,871,120
e	<b>APPROPRIATION LIMIT FOR 2012/13</b>	<b>\$15,871,120</b>
	<b>Estimated tax proceeds as budgeted for fiscal year 2012/13</b>	<b>\$8,230,149</b>
	<b>Estimated Excess Limit Capacity or (Tax Proceeds)</b>	<b>\$7,640,971</b>