



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: June 6, 2023

TO: Paul Buddenhagen, City Manager

FROM: Lawrence Chiu, Finance Director

SUBJECT: Resolution Of The City Council Of The City Of Emeryville Adopting An Appropriations Limit For The Fiscal Year 2024 of \$141,294,720

RECOMMENDATION

Staff recommends that the City Council adopt the above-entitled resolution in compliance with the state law requirement that the City Council establish an annual Appropriations Limit.

BACKGROUND

In 1979, Proposition 4, known as the Gann Initiative, was approved by the California voters. As a result, Article XIII (B) of the California Constitution (Government Code Section 7900-10) places a limit on appropriations from most government revenue sources, including tax proceeds, and requires that the governing body of a local jurisdiction annually establish, by resolution, an appropriations (spending) limit for the following fiscal year. The determination of an appropriations limit is a legislative act and adopted at a regularly scheduled City Council meeting.

Proposition 111, approved by California voters in 1990, further amended Article XIII (B) and updated the base year for calculating the appropriation limit to fiscal year 1986-87 beginning in fiscal year 1990-91.

Proposition 111 also revised that the annual adjustment factors used to calculate an Appropriations Limit to include:

- A change in population growth for City **OR** County (whichever is higher); and
 - A change in California Per Capita Personal Income
- OR**
- The average change in Alameda County's Consumer Price Index (whichever is higher).

Given these adjustment factors, staff calculated the Fiscal Year 2024 Appropriations Limit (see attached Gann Calculations) using the City's population change and the change in California per capita personal income factors. The basis for selection of this methodology is because the City's population change is higher than Alameda County's

population growth and the change in the California per capita personal income factor is lower than the change in Alameda County's Consumer Price Index. Based on these calculations, the City's appropriations limit for Fiscal Year 2024 is \$141,294,720.

DISCUSSION

Establishing an appropriations limit is a state law requirement that all cities must adopt at the beginning of each fiscal year at a regularly scheduled City Council meeting.

PREPARED BY: Lawrence Chiu, Finance Director

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Paul Buddenhagen, City Manager

Attachments:

- Draft Resolution
 - Attachment A – Gann Appropriations Limit Calculation Fiscal Year 2024