



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: June 7, 2022

TO: Christine Daniel, City Manager

FROM: Brad Farmer, Finance Director

SUBJECT: Resolution Of The City Council Of The City Of Emeryville Adopting An Appropriations Limit For The 2022-23 Fiscal Year Of \$132,398,346

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 FY 2020-21 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 higher than the change in Alameda County's Consumer Price Index. Based on this calculation, the City's appropriations limit for FY2022-23 is \$132,398,346.

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: Brad Farmer, Finance Director

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



Christine Daniel, City Manager

Attachments:

1. Draft Resolution
Appendix A – Gann Appropriations Limit Calculation FY 2022-23