



# City of Emeryville

CALIFORNIA

## MEMORANDUM

**DATE:** June 1, 2021

**TO:** Christine Daniel, City Manager

**FROM:** Brad Farmer, Finance Director

**SUBJECT:** Resolution Of The City Council Of The City Of Emeryville Adopting The Appropriations Limit For The 2021-22 Fiscal Year At \$130,029,052

### RECOMMENDATION

Staff recommends that the City Council adopt a resolution in compliance with the State of California legislative requirement for the City Council to establish the 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 State Statute (Government Code Section 7900-10) was enacted and it requires that each year thereafter, the governing body of each local jurisdiction shall by resolution, establish its Appropriations (spending) limit for the following fiscal year. The determination of the appropriations limit is considered to be a legislative act and should be adopted at a regular council meeting.

Proposition III, approved by California voters in 1990, amended Article XIII (B) further, and Council action is necessary to implement the amendments effective for FY 2005-06 and thereafter.

The amendments of Proposition III specify that the annual adjustment factors in calculating the Appropriations Limit will be increased by:

- The change in population growth for City **OR** County (whichever is higher)
  - The change in California Per Capita Personal Income
- OR**
- The growth in the average change in the County Consumer Price Index (whichever is higher).

Pursuant to Proposition III amendments, staff has calculated the FY 2020-21 Appropriations Limit (see attached Gann Calculations) using the City Population change and the change in California per Capita Personal Income factors. The basis for the selection methodology is that the City's Population Change is higher than the County's population growth and the change in the California Per Capita Personal Income factor is

higher than the Change in the Contra Costa County Consumer Price Index. The City's Appropriations limit for FY2021-22 is \$130,157,757.

## **DISCUSSION**

Establishing the Appropriations Limit is a State of California mandate which requires all cities to adopt a respective Resolution at the beginning of each fiscal year.

The Appropriations subject to Limitation for Fiscal Year 2021-22 is \$44,464,033, or 34% of the calculated limit of \$130,157,757.

Appropriations subject to the limit for fiscal year 2020-21 totaled \$47,743,323, or 39% of the Adopted Limit of \$121,764,527.

**PREPARED BY:** Brad Farmer, Finance Director

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



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Christine Daniel, City Manager

## **ATTACHMENTS:**

1. Draft Resolution  
Appendix A – Gann Appropriations Limit Calculation FY 2021-22