

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 6/16/08		Item Number: <u>C-2</u>	
AGENDA ITEM: Adoption of a Resolution Approving and Adopting the Annual Appropriations Limit for Fiscal Year 2008-09.			
Contact Person/Dept.: Mary V. Noller, Budget & Finance		Phone Number: (310) 253-6012	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐	Attachments: ☒
Public Notification: Notification published in the Culver City News on May 29, 2008 and June 5, 2008; Master E-Mail Notification List (06/11/08);			
Department Approval: Jeff Muir (06/11/08)		City Attorney Approval: Carol Schwab (by H. Baker) (06/11/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (06/11/08)		City Manager Approval: Jerry B. Fulwood (06/12/08)	

RECOMMENDATION:

Staff recommends the City Council adopt the Resolution approving and adopting the Annual Appropriations Limit for Fiscal Year 2008-09.

BACKGROUND/DISCUSSION:

The Appropriations Limit, otherwise known as the Gann Limit or Proposition 4, approved by the voters on November 6, 1979, added Article XIII B to the State Constitution. Article XIII B places an appropriations limit on State and local governments and requires them to establish their appropriations limit by resolution each year at a regularly scheduled meeting or a noticed special meeting.

As adopted in 1979, Article XIIIB provided that Fiscal Year 1978-79 would be considered the "base year" used to calculate the appropriations limit. Article XIIIB was amended by the voters in 1990 with Proposition 111, which provided Fiscal Year 1986-1987 would become the "base year."

FISCAL ANALYSIS:

As mentioned, the base year for calculating the appropriations limit is Fiscal Year 1986-87. Each subsequent year, the total annual appropriations subject to the limit may not exceed the appropriations limit for the prior year adjusted for changes in the cost-of-living and city or county population.

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Based on the proposed 2008-09 budget, the Finance Department has calculated the City's 2008-09 Appropriations Limit to be \$79,229,281. The City's 2008-09 appropriations that are applicable to this limit are expected to be \$30,357,049 under the appropriations limit.

ATTACHMENTS:

1. Proposed Resolution
2. Exhibit A – Analysis of Effect of Appropriations Limit on Estimated Revenue
3. Exhibit B – Appropriations Limit
4. Schedule I – Analysis of Estimated Revenues

MOTION:

That the City Council:

Adopt the Resolution approving and adopting the Annual Appropriations Limit for Fiscal Year 2008-09.