

**City of Culver City, California
Agenda Item Report**

Meeting Date: 6/11/12		Item Number: <u>C-2</u>	
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution Approving and Adopting the Annual Appropriations Limit for Fiscal Year 2012/2013.			
Contact Person/Dept.: Mary V. Noller, Budget & Accounting Operations		Phone Number: (310) 253-6012	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: (E-Mail) Agenda and Meetings – City Council (06/08/12); Notification published in the Culver City News on May 24, 2012 and May 31, 2012.			
Department Approval: Jeff Muir ()		City Attorney Approval: Carol Schwab (by H. Baker) (06/06/12)	
Fiscal Impact Review: Jeff Muir (by M. Noller) (06/06/12)		City Manager Approval: John M. Nachbar (06/07/12)	

RECOMMENDATION:

Staff recommends the City Council adopt a Resolution approving and adopting the Annual Appropriations Limit for Fiscal Year 2012/2013.

BACKGROUND/DISCUSSION:

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 XIII B provided that Fiscal Year 1978-79 would be considered the “base year” used to calculate the appropriations limit. Article XIII B was amended by the voters in 1990 through the approval of 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 1986/1987. 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.

Based on the City Manager's Proposed Budget for Fiscal Year 2012/2013, the Finance Department has calculated the City's 2012/2013 Appropriations Limit to be \$84,791,997. The City's 2012/2013 appropriations from the proposed budget that

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are applicable to this limit are \$69,085,716, which is \$15,706,280 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 a Resolution approving and adopting the annual Appropriations Limit for Fiscal Year 2012/2013.