

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

Meeting Date: 06/22/15		Item Number: JPH-1	
JOINT CITY COUNCIL/SUCCESSOR AGENCY BOARD/HOUSING AUTHORITY BOARD/PARKING AUTHORITY BOARD AGENDA ITEM: 1) Adoption of a City Council Resolution Approving and Adopting the Annual Appropriations Limit for Fiscal Year 2015/2016; and 2) Adoption of Respective Resolutions Adopting the Fiscal Year 2015/2016 Budget for the City of Culver City, the Successor Agency to the Culver City Redevelopment Agency; the Culver City Housing Authority, and the Culver City Parking Authority.			
Contact Person/Dept.: Jeff Muir, CFO		Phone Number: 310-253-5865	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒ Date: _____			
Public Notification: (Email) Meetings and Agendas – City Council (06/18/15); (E-mail) Ongoing Topics – Fiscal and Budget Issues (06/18/15); (PUBLISH) Culver City News (06/11/15)			
Department Approval: Jeff Muir (06/15/15)		City Attorney Approval: Carol Schwab (by H. Baker) (06/16/15)	
Chief Financial Officer: Jeff Muir (by M. Noller) (06/16/15)		City Manager Approval: John M. Nachbar (06/16/15)	
<u>RECOMMENDATION:</u> Staff recommends (1) the City Council adopt a resolution approving and adopting the Annual Appropriations Limit for Fiscal Year 2015/2016; and (2) the City Council and the Boards of the Successor Agency to the Culver City Redevelopment Agency (Successor Agency); Culver City Housing Authority (Housing Authority), and the Culver City Parking Authority (Parking Authority) (collectively, “Boards”) adopt respective resolutions approving the Fiscal Year 2015/2016 Budgets for the City of Culver City, Successor Agency, Housing Authority, and Parking Authority. <u>PROCEDURE:</u> 1) Mayor/Chairs seek motion to receive and file the Affidavit of Publication; 2) Mayor/Chairs seek a Motion to open the Joint Public Hearing; 3) Mayor/Chairs request a staff report, if desired; 4) Mayor/Chairs call for, and the City Council/Boards receive, public testimony; 5) Mayor/Chairs seek a Motion to close the Joint Public Hearing; 6) City Council adopts resolution approving the Annual Appropriations Limit for Fiscal Year 2015/2016; 7) City Council and Boards adopt respective resolutions approving the Fiscal Year 2015/2016 Budgets for the City of Culver City, Successor Agency, Housing Authority, and Parking Authority.			

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BACKGROUND / DISCUSSION:

Annual Appropriation Limit:

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 the 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 1978/1979 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." 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.

Fiscal Year 2015/2016 Budget

The City Manager's/Executive Director's Proposed Budgets for Fiscal Year 2015/2016 were presented to the City Council and Boards on Monday, May 11, 2015. Since that time, the City Council and Boards have held two (2) public budget sessions to review and discuss the needs of the City departments and other Bodies, and one (1) publicized agenda item requesting the Public's input on the budget in meeting the service expectations of the community. These meetings were in addition to the opportunities provided to the City's various Commissions, Committees, and Board to provide input on the City Manager's Proposed Budget. The City Council also called three Special Meetings in March 2015 to review the work plans of each of the City's Departments and allow for additional public input. Further, the City Council held Special Meetings on May 18 and May 19, 2015, to review the associated budget requests and allow for public input. As a result of these meetings, staff has prepared any changes directed by the City Council and incorporated such changes into the budget resolutions presented to the City Council and Boards for approval this evening.

FISCAL ANALYSIS:

As mentioned, the base year for calculating the appropriations limit is Fiscal Year 1986/1987. Based on the City Manager's/Executive Director's Proposed Budget for Fiscal Year 2015/2016, the Finance Department has calculated the City's 2015/2016 Appropriation Limit to be \$93,996,702. The City's 2015/2016 appropriations from the

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proposed budget that are applicable to this limit are \$69,260,506, which is \$24,736,196 under the appropriations limit.

The City Manager's/Executive Director's Proposed Budget for Fiscal Year 2015/2016 provides \$223,431,211 of appropriations authority in all funds (including Internal Service Funds). It anticipates \$200,820,618 in revenue, with the balance to be made up from reserves. General Fund operating costs are anticipated to be fully covered by operating revenues, with some use of reserves for one-time costs and Capital Improvement Projects. Further information is provided in the City Manager's/Executive Director's Budget Message.

ATTACHMENTS:

1. Proposed Resolution for Annual Appropriation Limit
2. Exhibit A – Analysis of Effect of Appropriations Limit on Estimated Revenue
3. Exhibit B – Appropriations Limit
4. Schedule I – Analysis of Estimated Revenues.
5. City and Boards' Proposed Budget Resolutions
6. Adjustments to the City Manager's Proposed Budget for Fiscal Year 2015/2016
7. Exhibit A – Schedule of Revenues and Expenditures by Fund
8. Exhibit B – Summary of Revenues
9. Exhibit C – Appropriations by Department
10. Exhibit D – Changes to the Proposed Personnel Position Allocations
11. Exhibit E – Capital Improvement Budget by Funding Source
12. Exhibit F – Schedule of Equipment Replacement Fund Appropriations by Department and Vehicle
13. Exhibit G – Blanket Purchase Orders Exceeding \$30,000 for Fiscal Year 2015/2016

MOTION:

That the City Council:

Adopt a resolution approving and adopting the annual Appropriations Limit for Fiscal Year 2015/2016; and,

That the City Council and Boards:

Adopt respective resolutions approving the Fiscal Year 2015/2016 Budget for the City of Culver City, Successor Agency, Housing Authority, and Parking Authority.