

STAFF REPORT

CITY OF YORBA LINDA

Finance Department

DATE: JUNE 2, 2009

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: SUSAN L. HARTMAN, FINANCE DIRECTOR *sh*

SUBJECT: 2009-2010 AND 2010-2011 APPROPRIATION LIMIT

RECOMMENDATION

Staff recommends that the City Council approve Resolution No. 2009-4011 calculating and establishing the appropriation limit for fiscal years 2009-10 and 2010-2011.

BACKGROUND

Pursuant to Article XIIB of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit. Resolution 2007-3860 meets this requirement.

ANALYSIS

The appropriation limit was originally based on actual appropriations for fiscal year 1978-1979 and is recalculated each year using population and inflation factors issued by the State Department of Finance and Orange County. It is in the City's best interest to choose the population and inflation factors that generate the largest increase to the appropriations limit. Therefore, the factors used for this year's calculation were the changes in the County's Population (1.02%) and the California Per Capita Personal Income factor (.0062%)

The City's fiscal year 2009-2010 & 2010-11 appropriation limits and budgeted tax receipts are shown as part of the attached Resolution. The 2009-2010 appropriation limit is calculated at \$49,072,015 with budgeted tax receipts of \$23,256,100. The \$25,815,915 difference between the two amounts is the City's margin for allowable taxable growth. For the following year, the appropriation limit is calculated at \$49,879,888 with budgeted tax receipts of \$22,847,500.

FISCAL IMPACT

None

RECOMMENDATION

Staff recommends that the City Council approve Resolution No. 2009-4011 calculating and establishing the appropriation limit for fiscal years 2009-10 and 2010-2011.


ALTERNATIVES

1. City Council decides to choose the alternate factors which would result in a smaller appropriation limit calculation.
2. That the City Council not approve Resolution 2009-4011.

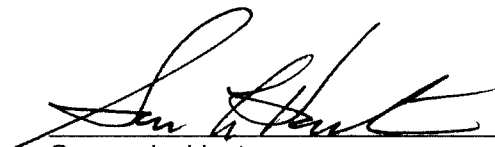
ATTACHMENT

Resolution 2009-4011

Approved by:



William R. Kelly
Interim City Manager



Susan L. Hartman
Finance Director

RESOLUTION NO. 2009-4011

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YORBA LINDA
APPROVING AND ADOPTING THE APPROPRIATIONS LIMIT FOR
FISCAL YEARS 2009-2010 AND 2010-2011**

WHEREAS, the voters of California, on November 6, 1979, added Article XIII B to the State Constitution placing a restriction on the amount of proceeds of tax revenues which can be appropriated by state and local governments during a fiscal year; and

WHEREAS, Article XIII B provides that the appropriations limit for each fiscal year is calculated by adjusting the base year appropriations of Fiscal Year 1978-1979 for changes in the cost of living and population; and

WHEREAS, the City Council may choose to use as adjustment factors either the annual growth in California Per Capita Income or the growth in the non-residential assessed valuation due to new construction within the City, and the City's population growth or the population growth of the County of Orange, as provided by the State Department of Finance; and

WHEREAS, the selection of adjustment factors, calculation of the limit, and budgeted tax receipts are attached as Exhibit A; and

WHEREAS, the City of Yorba Linda has complied with all the provisions of Article XIII B in determining the appropriation limit for Fiscal Years 2009-2010 and 2010-2011.

NOW, THEREFORE, BE IT RESOLVED that the appropriations subject to limitation for the City of Yorba Linda for Fiscal Years 2009-2010 shall be \$49,072,015 and \$49,879,888 for Fiscal Year 2010-2011.

PASSED, APPROVED AND ADOPTED on June 2, 2009.

MARK SCHWING, MAYOR
CITY OF YORBA LINDA

ATTEST:

KATHIE M. MENDOZA, CITY CLERK
CITY OF YORBA LINDA

APPROVED AS TO FORM:

CITY ATTORNEY

COUNTY OF ORANGE)
STATE OF CALIFORNIA) **ss**

I, KATHIE M. MENDOZA, City Clerk of the City of Yorba Linda, California, DO
HEREBY CERTIFY that the foregoing Resolution was adopted at a regular meeting of the
City Council of the City of Yorba Linda held on June 2, 2009, and was carried by the
following roll call vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

KATHIE M. MENDOZA, CITY CLERK
CITY OF YORBA LINDA

**EXHIBIT A
CITY OF YORBA LINDA
CALCULATION OF APPROPRIATION LIMIT
FISCAL YEARS 2009-2010 AND 2010-2011**

APPROPRIATION LIMIT 2008-2009 **\$ 48,277,227**

2009-2010 Adjustment Factors

Population: (Choose one population factor)

City	0.7900%	
Orange County	1.0200%	1.0102
		x

Inflation: (Choose one Inflation factor)

California Per Capita Income	.0062%	1.0062
Non-Residential Construction	.0007%	

Combined Adjustment Factor x 1.016463

APPROPRIATION LIMIT 2009-2010 **\$ 49,072,015**

2010-2011 Adjustment Factors

Population: (Choose one population factor)

City	0.7900%	
Orange County	1.0200%	1.0102
		x

Inflation: (Choose one Inflation factor)

California Per Capita Income	.0062%	1.0062
Non-Residential Construction	.0007%	

Combined Adjustment Factor x 1.016463

APPROPRIATION LIMIT 2010-2011 **\$ 49,879,888**

Budgeted Tax Receipts for fiscal year 2009-2010 = \$23,256,100
Budgeted Tax Receipts for fiscal year 2010-2011 = \$22,847,500