

RESOLUTION NO. 65-2023

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFICA
ESTABLISHING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2023-2024
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION**

WHEREAS, Proposition 4 was adopted by voters on November 6, 1979, thereby adding Article XIII B of the California State Constitution, and

WHEREAS, it is the desire of the City Council of the City of Pacifica to establish the Appropriation Limit for fiscal year 2023-2024 pursuant to Article XI B of the California State Constitution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFICA THAT:

1. the appropriations subject to limitations for the fiscal year 2023-2024 were \$39,964,331;
2. the January 1, 2023 factors for the California per capita personal income increased by 4.44% and the population of the City of Pacifica decreased by 0.9959%;
3. the Appropriation Limit subject to limitation for the fiscal year 2023-2024 totals \$53,039,802; and

BE IT FURTHER RESOLVED that \$53,039,802 is hereby appropriated to "Reserve for General Operations." The appropriations authorized by the adopted budget shall be chargeable to said account. Any unspent or unencumbered budget appropriations, and any balance of appropriations in the Reserve account shall not be expended without prior authorization from the City Council of the City of Pacifica, and

BE IT FURTHER RESOLVED that any revenues from proceeds of taxes and user fees in excess of costs received during the fiscal year 2023-2024 over and above the appropriated limit of \$53,039,802 must be returned to the taxpayers of the City of Pacifica in accordance with the procedure to be adopted by the Council of the City of Pacifica when such amount of refund is determined.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Pacifica, California, held on the 26th day of June, 2023, by the following vote:

AYES, Councilmembers: Beckmeyer, Bier, Bigstych, Bots, Vaterlaus.

NOES, Councilmembers: n/a

ABSENT, Councilmembers: n/a

ABSTAIN, Councilmembers: n/a.

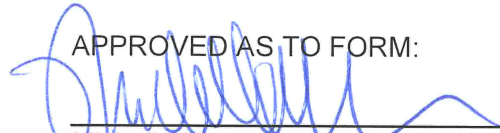

Tygarjas T. Bigstych, Mayor

ATTEST:



Sarah Coffey, City Clerk

APPROVED AS TO FORM:



Michelle Kenyon, City Attorney

**ANNUAL APPROPRIATION LIMIT
FISCAL YEAR 2021-2022**

Appropriations Limitation, imposed by Propositions 4 and 111, establishes a formula to restrict the amount of revenues that can be appropriated in any fiscal year. The Limit is based on actual appropriations for base fiscal year 1978-79 and is increased annually using the growth in population and the consumer price index as well as commercial property development within the City during the year. Revenues that are restricted to the limitation are those which are referred to as “proceeds of taxes”, such as sales tax, property tax and business license tax.

The City must adopt an appropriation limit for each fiscal year. Beginning with the fiscal year 1990-1991, the law provides the local agency with an option to calculate the adjustment factors by the following formulas:

- Inflation - Either the percentage change in the California per capital income or the percentage change in the local assessment roll from the preceding year due to the addition of local non-residential construction.
- Population - Either the City’s own population growth or the population growth of the entire County.

Historically Calculated Appropriations Limits:

Fiscal Year	Method Used	Limit
2008-2009	CA Income/San Mateo Population	29,912,483
2009-2010	CA Income/San Mateo Population	30,462,125
2010-2011	CA Income/San Mateo Population	30,035,741
2011-2012	CA Income/San Mateo Population	31,048,271
2012-2013	CA Income/San Mateo Population	32,534,535
2013-2014	CA Income/San Mateo Population	34,573,086
2014-2015	CA Income/San Mateo Population	34,897,143
2015-2016	CA Income/San Mateo Population	36,592,519
2016-2017	CA Income/San Mateo Population	38,908,408
2017-2018	CA Income/San Mateo Population	40,570,055
2018-2019	CA Income/San Mateo Population	42,269,940
2019-2020	CA Income/San Mateo Population	44,019,916
2020-2021	CA Income/San Mateo Population	45,604,633
2021-2022	CA Income/San Mateo Population	47,856,145
2022-2023	CA Income/San Mateo Population	50,995,869
2023-2024	CA Income/San Mateo Population	53,039,802

Calculations:

Fiscal Year 2022-2023 Limit: \$50,995,869

Adjustment Factors:

1. California per capital income change = 4.44%
2. San Mateo County Population change = -0.9959%

Total Adjustment: 1.0401

APPROPRIATIONS LIMIT CALCULATIONS
FISCAL YEAR 2023-2024
CITY OF PACIFICA

Step 1	Total all appropriations (2023-2024) operating and capital from general and special funds	\$ 78,910,376
Step 2	Deduct:	
	1. Non-Proceeds of Taxes	\$ (38,825,250)
	2. Exempt Expenditures (Debt Service, Medicare)	\$ (329,250)
	Add:	
	1. Excess user fees which exceed actual costs	<u>\$ 208,455</u>
Step 3	Equals appropriations subject to limit (Step 1 - Step 2)	\$ 39,964,331
Step 4	Compare against 2023-2024 Appropriations Limit (from below)	<u>\$ 53,039,802</u>
	Dollar Amount Under Limit (Step 4 - Step 3)	\$ 13,075,471
	Percentage of Limit (Step 3/Step 4)	75.35%
Step 5	Fiscal Year 22-23 Appropriation Limit	\$ 50,995,869
Step 6	Fiscal year Growth Factor based on Non-Residential California per capita personal income growth 4.44% and the City of Pacifica Population Change -0.9959% $((4.44+100)/100) \times ((-0.9959+100)/100)$	1.0401
Step 7	FY 23-24 Appropriations Limit (Step 5 x Step 6)	\$ 53,039,802
Step 8	FY 23-24 Appropriations Subject to Limit (from above)	\$ 39,964,331
Step 9	Dollar Amount Under Limit (Step 7 - Step 8)	\$ 13,075,471
Step 10	Percentage of Limit (Step 8/Step 7)	75.35%
Step 11	Percentage Under Limit (Step 9/Step 7)	24.65%