

RESOLUTION NO. 2801

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA
SETTING FORTH THE APPROPRIATIONS LIMIT FOR THE
CITY OF YREKA FOR FISCAL YEAR 2009-2010

WHEREAS, Article XIII B of the Constitution of the State of California as implemented by SB 1352 of 1980 and amended by Proposition 111 of 1990 specifies that the total annual appropriations limit of the City shall be adjusted for the change in population and the change in cost of living; and

WHEREAS, the Department of Finance has provided the population estimate for the City of Yreka as of January 1, 2009; to be 7,443 and

WHEREAS, the annual percentage change population estimate for the City of Yreka is an increase of 0.57% and the change in the California per capita personal income is an increase of 0.62%.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka that it does determine that the appropriations limit for Fiscal Year 2009-2010 is \$13,777,517. Appropriations subject to the Gann Limit are \$5,726,578.

Passed and adopted this 17th day of September 2009, by the following vote:

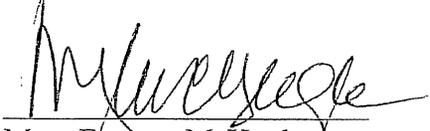
AYES: AMARAL, GRIFFIN, McNEIL & SIMMEN

NAYS: NONE

ABSENT: Darrow


Tom Amaral, Mayor

APPROVED AS TO FORM:


Mary Frances McHugh
City Attorney

ATTEST: 
Liz Casson, City Clerk

ADVICE MEMO

To: Members of the City Council
From: Mary Frances McHugh, City Attorney
Re: Gann Limit – Resolution 2801
Date: Friday, September 11, 2009
17, 2009

Meeting date: Thursday, September 17, 2009

Summary Recommendation: Adopt Resolution 2801 setting forth the Appropriation Limits for the City of Yreka for the Fiscal Year 2009/2010.

Discussion:

Article XIII B of the California Constitution (Article 4) and related implementing legislation provide for an annual "appropriations limit" for each entity of local government and require the governing body of each local jurisdiction to establish its appropriation limit by resolution each year.

The appropriation limit does not apply to the entire City budget but only to the appropriation of "proceeds of taxes" in the City's "general government" type funds. From 1980-81 to 1989-90, each year's appropriation limit was based on the previous year's limit, multiplied by the percentage change in population and the percentage change in the United States Consumer Price Index or the change in California per capita income, whichever was less. Proposition 111, which was approved by the voters in June 1990, amended the factors used in the calculation of each year's limit. The factors to be used now are:

Population Factor - At the City's option, either the annual change in City or County population.

Price Factor - At the City's option, either the change in California per capita income or increase in non-residential assessed valuation due to new construction.

The formula to be used in calculating the growth rate is:

$$\frac{\% \text{ change in population} + 100.00}{100}$$

*times
either*

$$\frac{\% \text{ change in per capita income} + 100.00}{100.00}$$

Or

$$\frac{\text{Change in non-residential assessments} + 100.00}{100.00}$$

The resultant rate times the previous appropriation limit equals the new appropriation limit.

Both the California per capita personal income price factor and the population percentage change factors are provided by the State Department of Finance (DOF) to local jurisdictions each year. Population percentage change factors estimate changes in the City's population between January of the previous fiscal year and January of the current fiscal year. These numbers provide the factor to be used in the City's calculation of the Gann limit.

In May 2009, the State Department of Finance notified each city of the population changes and the per capita personal income factor to be used in determining appropriation limits.

The Finance Director, using the change in per capita income method, has made the following calculation as applied to the City of Yreka for 2009/10 is: The population at January 1 of the previous year compared to January 1, 2009 (DOF Estimates 7,443) is a 0.57% increase. The change in the California per Capita Income for 2009/10 is 0.62%

The factor for determining the year-to-year increase computed as:

$$\frac{0.57 + 100.00}{100.00} \times \frac{0.62 + 100.00}{100.00} = 1.01193534$$

Applying this year's factor of 1.01193534 to last year's limit of \$13,615,017, the Gann limit for Fiscal Year 2009/10 is \$13,777,517. With appropriations subject to the limit totaling approximately \$5,726,578, the City of Yreka is not at risk of exceeding the Gann limit.

RECOMMEND: ADOPT RESOLUTION 2801 setting forth the Appropriation Limits for the City of Yreka for the Fiscal Year 2009/2010.

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RESOLUTION NO. 2802

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEAR 2009-2010

WHEREAS, it is the desire of the City Council to adopt the 2009-2010 budget,

NOW THEREFORE, BE IT RESOLVED that the proposed budget for the 2009-2010 fiscal year consisting of Estimated Revenues of \$13,612,556; and Personnel, Operating, and Capital Outlay of \$14,788,007; is hereby adopted and shall be the financial plan for the 2009-2010 fiscal year. Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Year 2009-2010 Budget", and the City Manager is authorized to make such transfers within major categories of expenditure (Personnel, Capital and Maintenance & Operation) as may be necessitated by changing circumstances.

Passed and adopted this 17th day of September, 2009 by the following vote:

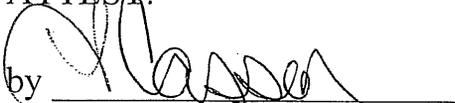
AYES: AMARAL, GRIFFIN, McNEIL & SIMMEN

NOES: NONE

ABSENT: Darrow


Tom Amaral, Mayor

ATTEST:

by 
Liz Casson, City Clerk

APPROVED AS TO FORM


Mary Frances McHugh,
City Attorney

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