



AGENDA REPORT
SAN CLEMENTE CITY COUNCIL MEETING
 Meeting Date: June 19, 2012

Agenda Item 6E
 Approvals: _____
 City Manager [Signature]
 Dept. Head [Signature]
 Attorney [Signature]
 Accounting _____
 Other _____

Department: Finance & Administrative Services
Prepared By: Tom Rendina, Municipal Services Manager

Subject: ***ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2013.***

Summary: Article XIII B of the California Constitution requires that cities annually establish an appropriations limit by formal resolution of the governing body. Article XIII B further specifies that this appropriations limit may increase annually by a factor comprised of the changes in population for the City combined with either the change in California per capita personal income or the change in the local assessment roll due to nonresidential construction.

Please find attached the calculation of San Clemente's appropriation limit for the fiscal year 2013. For the fiscal year 2013 calculation, the annual adjustment factor is based on population change and the change in per capita personal income. This results in an overall increase in the appropriations limit of \$3,089,923 or 4.7%. The budgeted proceeds of taxes total \$34,895,721, which represents approximately 50.6% of the \$68,973,136 the City is entitled to appropriate for fiscal year 2013. In addition, the City remains in compliance with the appropriations limit established for the fiscal year 2012.

For purposes of this calculation, the per capita personal income change and the year-to-year population increase have been provided by the State Department of Finance, while the increase in non-residential new construction has been furnished by the County Assessor's Office.

Recommended Action: STAFF RECOMMENDS THAT the City Council:

1. Approve selection of the following annual adjustment factors:
 - a. Population increase for the County of Orange
 - b. Increase in California per capita personal income.
2. Approve the attached resolution establishing the appropriations limit for the fiscal year 2013.

Fiscal Impact: None

Attachments: Resolution establishing appropriations limit for fiscal year 2013
 Supporting schedules.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION.

WHEREAS, Article XIII B of the California Constitution provides that the total annual appropriations subject to limitation of each government entity, including this City, shall not exceed the appropriations limit of such government entity for the prior year adjusted for changes in the local assessment roll for non-residential construction or personal income and population, except as otherwise provided in said Article XIII B and implementing State Statutes; and

WHEREAS, pursuant to Article XIII B of the California Constitution, and Section 7900 et seq. of the California Government Code, the City is required to establish its annual appropriations limit; and

WHEREAS, the Municipal Services Manager of the City of San Clemente has calculated and determined that the appropriations limit be established in the amount of \$68,973,136 for the Fiscal Year 2013 (the "Appropriations Limit").

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council of the City of San Clemente, California finds that the Appropriations Limit in the amount of \$68,973,136 is hereby established for said Fiscal Year 2013.

SECTION 2. That all supporting documentation used in the determination of the Appropriations Limit shall be made available at the office of the City Municipal Services Manager during normal business hours for the personal inspection of the public.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED this ____ day of _____, _____.

ATTEST:

City Clerk of the City of
San Clemente, California

Mayor of the City of
San Clemente, California

STATE OF CALIFORNIA)
COUNTY OF ORANGE) §
CITY OF SAN CLEMENTE)

I, JOANNE BAADE, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. _____ was adopted at a regular meeting of the City Council of the City of San Clemente held on the _____ day of _____, _____, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this ____ day of _____, _____.

CITY CLERK of the City of
San Clemente, California

Approved as to form:

City Attorney

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City of San Clemente
Article XIII B: Appropriations Limit Computation
For The Fiscal Year 2013

1. Appropriations limit for 2012	\$ 65,883,213	(1)
2. Annual Adjustment Factor		
a. Per capita personal income change	3.77%	(2)
b. Population change	0.89%	(3)
(1.0377 times 1.0089)		
	1.0469	
3. FY 2012 limit times annual adjustment factor	68,973,136	
4. Less FY 2012 excess user fees	0	
5. Appropriations Limit for FY 2013	68,973,136	
6. FY 2013 proceeds from taxes	34,895,721	
7. Margin	\$ 34,077,415	(4)

Notes:

- (1) Established by resolution 11-28
- (2) Source is the State Department of Finance
- (3) The higher of the City population change or the total County population change is used for this factor. For 2013, the County change exceeds the City. The difference in County population of 3,054,832 at 1/12 and population of 3,027,832 at 1/11 divided by 3,027,832 = 0.89%
- (4) The comparable margin projected for FY 2012 is \$32,260,569 (\$65,883,213 less \$33,622,644)

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**City of San Clemente
Allocation of Revenues
Between Proceeds & Nonproceeds of Taxes**

	<u>Projected 2012</u>		<u>Budgeted 2013</u>	
	<u>Taxes</u>	<u>Nontaxes</u>	<u>Taxes</u>	<u>Nontaxes</u>
General Fund:				
Property Tax	<u>23,700,800</u>		<u>24,324,890</u>	
Other Taxes				
Sales & Use Tax	7,079,290		7,425,670	
Transient Occupancy Tax	1,503,250		1,542,160	
Property Transfer Tax	400,000		400,000	
Business License Tax	784,000		800,000	
Total Other Taxes	<u>9,766,540</u>		<u>10,167,830</u>	
Licenses and Permits		<u>973,490</u>		<u>976,610</u>
Fines, Forfeitures and Penalties		<u>921,500</u>		<u>939,000</u>
From the Use of Money and Property		<u>1,917,500</u>		<u>1,993,910</u>
Less: Unallocated Interest		<u>(384,980)</u>		<u>(343,000)</u>
Total From Money and Property		<u>1,532,520</u>		<u>1,650,910</u>
Franchise Fees		<u>2,375,000</u>		<u>2,409,250</u>
Revenue From Other Agencies				
Other Federal Grants		383,200		38,000
Motor Vehicle Tax	34,020		0	
Other State Grants	21,920		0	
Special District Augmentation Fund	490		0	
Homeowners Exemption	160,500		160,500	
State Grants		<u>193,160</u>		<u>194,140</u>
Total Revenue From Other Agencies	<u>216,930</u>	<u>576,360</u>	<u>160,500</u>	<u>232,140</u>
Current Service Charges		<u>6,923,820</u>		<u>7,418,270</u>
Other Income		<u>1,525,910</u>		<u>729,230</u>
Sub-Total	<u>33,684,270</u>	<u>14,828,600</u>	<u>34,653,220</u>	<u>14,355,410</u>
Interest Allocation Percentage	<u>69.4%</u>	<u>30.6%</u>	<u>70.7%</u>	<u>29.3%</u>
Interest Allocation	<u>267,176</u>	<u>117,804</u>	<u>242,501</u>	<u>100,499</u>
Total General Fund	<u>33,951,446</u>	<u>14,946,404</u>	<u>34,895,721</u>	<u>14,455,909</u>
Other Funds				
Special Revenue Funds		<u>11,874,310</u>		<u>7,577,440</u>
Capital Projects Funds		<u>21,396,820</u>		<u>957,810</u>
Enterprise Funds				
Water		36,368,750		20,565,280
Sewer		39,092,050		14,926,260
Solid Waste Management		273,340		220,790
Storm Drain Utility		5,885,270		3,477,650
Golf		2,319,130		2,601,190
Clean Ocean		3,512,440		3,091,680
Total Enterprise Funds		<u>87,450,980</u>		<u>44,882,850</u>
Totals	<u>33,951,446</u>	<u>135,668,514</u>	<u>34,895,721</u>	<u>67,874,009</u>

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