

SUBJECT: ADOPTION OF ANNUAL APPROPRIATION LIMIT

SOURCE: Finance Department

COMMENT: Article XIII – B of the California Constitution requires that each governmental agency must adopt an appropriation limit each fiscal year. This limit represents the maximum amount of tax revenue that can be appropriated during the fiscal year.

The State Department of Finance has provided the percentage change in population for the City of Porterville and the percentage change in per capita personal income for the 2014/2015 fiscal year calculation. Based on this information and the guidelines established by the State, the appropriation limit for 2014/2015 fiscal year is \$55,693,099. Budgeted tax proceeds subject to limitation are \$19,701,250. The City continues to appropriate well below the maximum limit allowed by law.

RECOMMENDATION: That the City Council approve the attached resolution adopting the appropriation limit of \$55,693,099 for the 2014/2015 fiscal year.

ATTACHMENTS: Draft Resolution  
Worksheets

D.D. ME Appropriated/Funded MP C.M. J

Item No. 25

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PORTERVILLE SETTING THE APPROPRIATION LIMIT FOR THE  
2014/2015 FISCAL YEAR

WHEREAS, Article XIII – B of the California Constitution requires that each governmental agency adopt an appropriation limit each fiscal year; and

WHEREAS, the State of California has presented the guidelines for the consumer price index, the per capita personal income, and the population data for local governments to compute the appropriation limit;

NOW, THEREFORE, be it resolved by the City Council of the City of Porterville, the appropriation limit for the 2014/2015 fiscal year is \$55,693,099 as computed on the attached worksheet.

Passed, approved and adopted this 5<sup>th</sup> day of August 2014.

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Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

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By: Patrice Hildreth, Chief Deputy City Clerk

**CITY OF PORTERVILLE  
APPROPRIATION LIMIT DOCUMENTATION  
FISCAL YEAR 2014-2015**

**PROCEEDS OF TAXES CALCULATION      APPROPRIATION LIMIT CALCULATION**

|                         | [1]<br>PROCEEDS<br>OF TAXES | PROCEEDS<br>OTHER THAN<br>TAXES | TOTAL<br>ESTIMATED<br>REVENUES | YEAR      | [2]<br>CALIFORNIA<br>PCPI CHANGE | [3]<br>POPULATION<br>CHANGE | LIMIT  |
|-------------------------|-----------------------------|---------------------------------|--------------------------------|-----------|----------------------------------|-----------------------------|--|
| PROPERTY TAXES          | 7,031,942                   |                                 | 7,031,942                      | 1986-1987 | BASE YEAR                        |                             | 10,422,371                                     |
| SALES & USE TAXES       | 7,512,213                   |                                 | 7,512,213                      | 1987-1988 | 3.47%                            | 1.75%                       | 10,972,748                                     |
| UTILITY USERS TAX       | 4,000,000                   |                                 | 4,000,000                      | 1988-1989 | 4.66%                            | 2.27%                       | 11,744,767                                     |
| TRANSIENT OCCUPANCY TAX | 350,000                     |                                 | 350,000                        | 1989-1990 | 5.19%                            | 8.28%                       | 13,377,258                                     |
| BUSINESS LICENSE        | 410,000                     |                                 | 410,000                        | 1990-1991 | 4.21%                            | 7.03%                       | 14,920,454                                     |
| OTHER TAXES             | 215,000                     |                                 | 215,000                        | 1991-1992 | 4.14%                            | 3.79%                       | 16,127,057                                     |
| FRANCHISE FEES          |                             | 1,476,134                       | 1,476,134                      | 1992-1993 | -0.64%                           | 4.51%                       | 16,746,519                                     |
| PERMITS                 |                             | 342,000                         | 342,000                        | 1993-1994 | 2.72%                            | 4.26%                       | 17,934,831                                     |
| REVENUE FROM STATE      |                             |                                 |                                | 1994-1995 | 0.71%                            | 3.63%                       | 18,717,825                                     |
| MOTOR VEHICLE IN LIEU   | 23,000                      |                                 | 23,000                         | 1995-1996 | 4.72%                            | 2.40%                       | 20,071,738                                     |
| HOMEOWNERS RELIEF       | 27,000                      |                                 | 27,000                         | 1996-1997 | 4.67%                            | 2.85%                       | 21,607,847                                     |
| OTHER REV FR STATE      |                             | 4,659,762                       | 4,659,762                      | 1997-1998 | 4.67%                            | 2.71%                       | 23,229,852                                     |
| OTHER INTERGOVTAL REV   |                             | 14,113,041                      | 14,113,041                     | 1998-1999 | 4.53%                            | 2.05%                       | 24,779,949                                     |
| USE OF MONEY & PROPERTY |                             |                                 |                                | 1999-2000 | 4.91%                            | 1.61%                       | 26,415,190                                     |
| INTEREST                | 132,095                     | 374,605                         | 506,700                        | 2000-2001 | 7.82%                            | 1.33%                       | 28,859,653                                     |
| RENT                    |                             | 288,715                         | 288,715                        | 2001-2002 | -1.27%                           | 2.07%                       | 29,082,943                                     |
| FINES & FORFEITURES     |                             | 215,000                         | 215,000                        | 2002-2003 | 2.31%                            | 2.56%                       | 30,516,481                                     |
| CHARGES FOR SERVICES    |                             | 33,384,056                      | 33,384,056                     | 2003-2004 | 3.28%                            | 2.43%                       | 32,283,295                                     |
| OTHER REVENUES          |                             | 1,017,194                       | 1,017,194                      | 2004-2005 | 5.26%                            | 2.45%                       | 34,813,941                                     |
|                         |                             |                                 |                                | 2005-2006 | 3.96%                            | 2.18%                       | 36,981,571                                     |
|                         |                             |                                 |                                | 2006-2007 | 4.42%                            | 14.26%                      | 44,122,820                                     |
|                         |                             |                                 |                                | 2007-2008 | 4.29%                            | 1.99%                       | 46,931,401                                     |
|                         |                             |                                 |                                | 2008-2009 | 0.62%                            | 1.79%                       | 48,067,656                                     |
|                         |                             |                                 |                                | 2010-2011 | -2.54%                           | 1.98%                       | 47,774,303                                     |
|                         |                             |                                 |                                | 2011-2012 | 2.51%                            | 1.47%                       | 49,693,348                                     |
|                         |                             |                                 |                                | 2012-2013 | 3.77%                            | 1.28%                       | 52,226,842                                     |
|                         |                             |                                 |                                | 2013-2014 | 5.12%                            | 0.92%                       | 55,405,944                                     |
|                         |                             |                                 |                                | 2014-2015 | -0.23%                           | 0.75%                       | 55,693,099                                     |
|                         |                             |                                 |                                |           |                                  |                             | <u>19,701,250</u>                              |
|                         |                             |                                 |                                |           |                                  |                             | PROCEEDS OF TAXES                              |
|                         |                             |                                 |                                |           |                                  |                             | <u>35,991,849</u>                              |
|                         |                             |                                 |                                |           |                                  |                             | PROCEEDS OF TAXES<br>UNDER APPROPRIATION LIMIT |

[1] Per City of Porterville 2014-2015 Annual Budget adopted by City Council on August 5, 2014.

[2] Per State Department of Finance (per capita personal income).

[3] Per State Department of Finance (population growth of City or County, whichever is greater).

CITY OF PORTERVILLE  
 APPROPRIATION LIMIT DOCUMENTATION  
 FISCAL YEAR 2014-2015

|                         | GENERAL    | MEAS H    | SPECIAL GAS TAX | LTF       | TRAFFIC SAFETY | ZALUD ESTATE | CDBG      | TRANSIT   | COPS    | SEWER OPER | SOLID WASTE | AIRPORT   | GOLF COURSE | WATER OPER | GEN GOV DEBT SERV |
|-------------------------|------------|-----------|-----------------|-----------|----------------|--------------|-----------|-----------|---------|------------|-------------|-----------|-------------|------------|-------------------|
| PROPERTY TAXES          | 7,023,442  |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| SALES & USE TAXES       | 4,266,959  | 3,245,254 |                 |           |                |              |           |           | 8,500   |            |             |           |             |            |                   |
| UTILITY USERS TAX       | 4,000,000  |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| TRANSIENT OCCUPANCY TAX | 350,000    |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| BUSINESS LICENSE        | 410,000    |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| OTHER TAXES             | 215,000    |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| FRANCHISE FEES          | 1,476,134  |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| PERMITS                 | 342,000    |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| REVENUE FROM STATE      |            |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| MOTOR VEHICLE IN LIEU   | 23,000     |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| HOMEOWNERS RELIEF       | 27,000     |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| OTHER REV FR STATE      | 138,000    |           | 1,384,439       |           |                |              | 540,000   | 982,556   | 196,217 |            |             | 10,000    |             |            |                   |
| OTHER INTERGOVTAL REV   | 76,500     |           | 763,000         | 6,028,259 |                |              | 667,621   | 6,381,561 | 25,100  |            |             |           |             |            |                   |
| USE OF MONEY & PROPERTY |            |           |                 |           |                |              |           |           |         |            |             |           |             |            |                   |
| INTEREST                | 100,000    | 25,000    | 15,000          | 10,000    | 200            | 500          | 20,000    | 2,000     | 1,000   | 25,000     | 12,000      | 6,000     |             | 15,000     | 5,000             |
| RENT                    | 114,401    |           |                 |           |                |              | 26        |           |         |            |             | 158,288   |             |            |                   |
| FINES & FORFEITURES     | 65,000     |           |                 |           | 150,000        |              |           |           |         |            |             |           |             |            |                   |
| CHARGES FOR SERVICES    | 3,988,783  | 2,500     |                 |           |                | 3,500        | 232,000   | 637,000   | 500     | 6,528,000  | 5,596,000   | 1,237,100 | 218,000     | 4,782,000  | 508,491           |
| OTHER REVENUES          | 179,500    |           |                 |           |                | 1,000        |           |           |         | 187,454    | 90,000      | 2,000     | 2,700       | 107,000    |                   |
|                         | 22,795,719 | 3,272,754 | 2,162,439       | 6,038,259 | 150,200        | 5,000        | 1,459,621 | 8,003,143 | 222,817 | 6,740,454  | 5,698,000   | 1,421,888 | 220,700     | 4,904,000  | 513,491           |

|                         | RISK MGMT | EQUIP MAINT | LMD    | WATER REPLACE | SOLID WASTE RE | SEWER REVOLV | TRANSIT IMPACT | PARK DEVEL | WWTP RESERVE | STORM DRAIN DEVELOP | BLDG CONSTR | GEN FUND EQUIP REPL | AIRPORT REPL AND DEVEL | GOLF COURSE REPL | EQUIP MAINT REPL | TOTAL ESTIMATED REVENUES |
|-------------------------|-----------|-------------|--------|---------------|----------------|--------------|----------------|------------|--------------|---------------------|-------------|---------------------|------------------------|------------------|------------------|--------------------------|
| PROPERTY TAXES          |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 7,031,942                |
| SALES & USE TAXES       |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 7,512,213                |
| UTILITY USERS TAX       |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 4,000,000                |
| TRANSIENT OCCUPANCY TAX |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 350,000                  |
| BUSINESS LICENSE        |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 410,000                  |
| OTHER TAXES             |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 215,000                  |
| FRANCHISE FEES          |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 1,476,134                |
| PERMITS                 |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 342,000                  |
| REVENUE FROM STATE      |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  |                          |
| MOTOR VEHICLE IN LIEU   |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 23,000                   |
| HOMEOWNERS RELIEF       |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 27,000                   |
| OTHER REV FR STATE      |           |             |        | 1,400,000     |                |              |                |            |              |                     |             |                     | 8,550                  |                  |                  | 4,659,762                |
| OTHER INTERGOVTAL REV   |           |             |        |               |                |              |                |            |              |                     |             |                     | 171,000                |                  |                  | 14,113,041               |
| USE OF MONEY & PROPERTY |           |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  |                          |
| INTEREST                | 15,000    | 1,500       |        | 40,000        | 20,000         | 40,000       | 8,000          |            | 75,000       | 15,000              | 4,000       | 45,000              | 3,000                  | 1,000            | 2,500            | 506,700                  |
| RENT                    |           | 16,000      |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 286,715                  |
| FINES & FORFEITURES     |           |             |        |               |                | 130,114      | 150,000        | 20,000     | 387,792      | 100,000             |             | 800,000             | 24,186                 | 29,112           | 133,074          | 215,000                  |
| CHARGES FOR SERVICES    | 4,164,816 | 3,103,000   | 81,628 | 196,226       | 412,362        | 45,000       | 155,162        |            | 125,000      |                     |             |                     |                        |                  |                  | 33,384,056               |
| OTHER REVENUES          | 40,250    |             |        |               |                |              |                |            |              |                     |             |                     |                        |                  |                  | 1,017,194                |
|                         | 4,220,066 | 3,120,500   | 81,628 | 1,791,388     | 432,362        | 215,114      | 158,000        | 20,000     | 587,792      | 115,000             | 4,000       | 845,000             | 206,736                | 30,112           | 135,574          | 75,571,757               |

• Source: City of Porterville 2014-2015 Annual Budget adopted by City Council on August 5, 2014.