

RESOLUTION NO. 2015-34

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ORANGE COVE ADOPTING THE ANNUAL
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015-16**

WHEREAS, Article XIII B of the California Constitution requires cities to adopt annual appropriation limits; and

WHEREAS, the annual adjustment factors used in determining the appropriation limit require a recorded vote of the City Council; and

WHEREAS, any challenge to the appropriation limit must be brought within 45 days of the effective date of this resolution.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Orange Cove, California, as follows:

1. The above recitals are true and correct and are adopted as the findings of the City Council.

2. That the Appropriation Limit for Fiscal Year 2015-16 is hereby set at \$2,981,412 and that one copy of the Appropriation Limit Worksheet, attached hereto and made a part of hereof, describes how the appropriation limit was computed.

3. That the City has used the change in California's per capita personal income and the City's population growth as annual adjustment factors for determining the Appropriation Limit, but that these factors may change in the future should other pertinent information become available.

4. Any challenges to said Appropriation Limit must be filed in writing with the City no later than 45 days after the adoption of this Resolution.

5. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

6. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

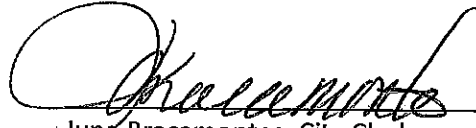
This Resolution was adopted at a Special Meeting of the City Council of the City of Orange Cove held on June 30, 2015, by the following vote:

AYES:	Mayor Lopez, Silva, Garcia, Pineda and Cervantes
NOES:	None
ABSENT:	None
ABSTAIN:	None



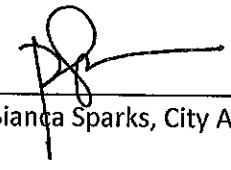
Victor P. Lopez, Mayor

ATTEST:



June Bracamontes, City Clerk

APPROVED AS TO FORM



Bianca Sparks, City Attorney

Memo

To: Honorable Mayor and City Council

From: Lan Bui, Finance Director

cc: Sam Escobar, City Manager

Date: June 29, 2015

Re: Adopt Resolution No. 2015-34 Adopting the Annual Appropriations Limit for Fiscal Year 2015-16

BACKGROUND

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the “Gann Initiative”. The proposition created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of the government. Proposition 4 became effective for the 1980-81 fiscal year, however the formula for calculating the limits was based on the 1978-79 “base year” revenues. Proposition 111, approved by the voters in June 1990, provided new adjustment formulas to make the Appropriations Limit more responsive to local growth issues.

The Appropriation Limit applies to “all taxes levied by and for” an agency. This would include revenue received from property tax, sales tax, business license tax, motor vehicle fines, etc. It does not include Enterprise Fund revenues or Successor Agency’s tax increment revenues. (Successor Agencies did not have the power to levy a property tax and were therefore exempt from the Appropriation Limit requirements.)

Article XIII B of the California Constitution specifies that each City, when calculating their Appropriation Limit, may choose the growth in California per Capita Income or the growth in non-residential assessed valuation due to new construction within the City and the population growth of the City or that of the County of Fresno. These are both annual elections.

For the 2015-16 Appropriation Limit, the City of Orange Cove has used the change in California’s per capita personal income and the population growth of the City of Orange Cove. Proposition 111 requires a review of the Appropriations Limit during the annual financial audit. The limit applies both to appropriation of tax proceeds and taxes received. For fiscal year 2014-15, both revenues and appropriations are well within the Constitutional limit of \$2,876,603.

RECOMMENDATION:

That the City Council adopt Resolution No. 2015-34 establishing the 2015-16 Appropriation Limit at \$2,981,412.

FISCAL IMPACT

None

ACTIONS FOLLOWING APPROVAL:

The Mayor will sign the resolution

CONFLICT OF INTEREST:

None.



CITY OF ORANGE COVE
APPROPRIATIONS LIMIT SCHEDULE
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

	AMOUNT	SOURCE
A. Appropriations limit for the year ending June 30, 2015	\$2,876,603	Prior year schedule
B. Calculation Factors:		
1. Population decrease %	0.9983	County of Fresno
2. Inflation increase %	<u>1.0382</u>	Dept. of Finance
3. Total adjustment factor %	1.0364	
C. Annual Adjustment Increase	\$ <u>104,809</u>	(B3 x A)
D. Appropriation limit for the year ending June 30, 2016	<u>\$ 2,981,412</u>	(A+C)

1. Pursuant to Government Code Section 7910, the Orange Cove City Council will consider adopting a resolution on June 30, 2015 to establish its appropriation limit for fiscal year 2015-16. Documentation used in the determination of the appropriations limit is available for public inspection during regular business hours, at the City Hall located on 633 6th Street, Orange Cove, CA 93646.
2. The 2015-16 appropriations limit was developed based upon information provided by the State of California Department of Finance and Government Code Section 7900 et seq. using the per capital personal income and population change method.
3. The above illustrates the appropriation limit for the 2015-16 fiscal year has been calculated at \$2,981,412. This limit applies both to appropriation of tax proceeds and taxes received. Both revenues and appropriation for fiscal year 2014-15 are well within the Constitutional limits.