

CITY OF PETALUMA, CALIFORNIA
MEMORANDUM

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DATE: August 31, 2011

TO: Claire Cooper, City Clerk

FROM: Bill Mushallo, Finance Director



SUBJECT: Gann Appropriations Limit for FY 2011-2012

Attached is the Gann Appropriations Limit Calculation for FY 2011-2012, which is to be made available to the public for review for fifteen days prior to the public hearing. The public hearing is scheduled for September 19, 2011. Anyone interested in reviewing this report should contact the Petaluma City Clerk's Office, 11 English Street, Petaluma, CA 94952. The staff report will be available online on September 14, 2011.

**CITY OF PETALUMA, CA
 APPROPRIATIONS LIMITS CALCULATION
 FY2011-2012 ADOPTED BUDGET**

APPROPRIATIONS LIMIT

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit - June 30, 2011	\$ 111,107,699	Adopted Budget
B. Adjustment Factors		
1. Growth in City of Petaluma population	1.0088	State Finance
2. Growth in California Per Capita Income	1.0251	State Finance
Total Adjustment %	1.0341	(B1 * B2)
C. Annual Adjustment \$	<u>3,791,092</u>	(B*A)
D. Other Adjustments		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fees (-)	-	
Assumed Responsibility (+)	-	
SubTotal	<u>-</u>	
E. Total Adjustments	<u>3,791,092</u>	(C+D)
F. This Year's Limit - June 30, 2012	<u>\$ 114,898,791</u>	(A+E)

CITY OF PETALUMA, CA
 APPROPRIATIONS LIMIT ANALYSIS
 FISCAL YEAR 2011-2012

Revenue Summary

	Proceeds of Taxes	Non-Proceeds of Taxes	Exemptions	Total
TAXES	21,899,700	0	0	21,899,700
STATE	5,788,750	55,000	0	5,843,750
OTHER GOVERNMENTS	0	8,555,770	0	8,555,770
LOCALLY RAISED	0	6,391,200	0	6,391,200
USER FEES	0	4,656,900	0	4,656,900
OTHER MISCELLANEOUS AND INTERFUND TRANSFERS	0	337,300	3,067,500	3,404,800
INTEREST INCOME	89,479	64,621	0	154,100
Total	27,777,929	20,060,791	3,067,500	50,906,220



May 2011

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit

The California Revenue and Taxation Code, Section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2011, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2011-2012. Enclosure I provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2011-2012 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county's and incorporated area's summed population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code, Section 2228 for further information regarding the appropriation limit. You can access the Code from the following website: "<http://www.leginfo.ca.gov/calaw.html>" check box: "Revenue and Taxation Code" and enter 2228 for the search term to learn more about the various population change factors available to special districts to calculate their appropriations limit. Article XIII B, Section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Consult the following website: "http://www.leginfo.ca.gov/const/article_13B" for additional information. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No State agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. The Federal 2010 Census population counts for cities and counties have been certified to the State Controller's Office. Revenue and Taxation Code Section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2011.**

Please Note: The population estimates provided in this report incorporate 2010 Census numbers as benchmarks. Therefore, the population estimates for 2010 and 2011 published in this report for your jurisdiction may be noticeably different from the previous year estimates.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

May 2011

Enclosure I

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. The cost-of-living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the 2011-2012 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2011-2012	2.51

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2011-2012 appropriation limit.

2011-2012:

Per Capita Cost of Living Change = 2.51 percent
Population Change = 0.77 percent

Per Capita Cost of Living converted to a ratio: $\frac{2.51 + 100}{100} = 1.0251$

Population converted to a ratio: $\frac{0.77 + 100}{100} = 1.0077$

Calculation of factor for FY 2011-2012: $1.0251 \times 1.0077 = 1.0330$

Enclosure II
Annual Percent Change in Population Minus Exclusions
January 1, 2010 to January 1, 2011 and Total Population, January 1, 2011

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2010-2011	1-1-10	1-1-11	1-1-2011
Sonoma				
Cloverdale	0.78	8,598	8,665	8,665
Cotati	0.76	7,253	7,308	7,308
Healdsburg	2.15	11,233	11,475	11,475
Petaluma	0.88	57,808	58,319	58,319
Rohnert Park	0.71	40,903	41,194	41,194
Santa Rosa	0.80	167,522	168,856	168,856
Sebastopol	0.73	7,369	7,423	7,423
Sonoma	0.78	10,628	10,711	10,711
Windsor	0.67	26,758	26,936	26,936
Unincorporated	0.97	143,531	144,926	146,238
County Total	0.87	481,603	485,813	487,125

(*) Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.