



## Town of Atherton

### **CITY COUNCIL STAFF REPORT – CONSENT AGENDA**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
GEORGE RODERICKS, CITY MANAGER**

**FROM: ROBERT BARRON, FINANCE DIRECTOR**

**DATE: JULY 16, 2014**

**SUBJECT: ADOPTION OF A RESOLUTION TO CORRECT THE ADOPTED  
APPROPRIATIONS LIMITS FOR FY 2014-15**

#### **RECOMMENDATION**

Adopt the attached *revised* resolution setting the Appropriation Limit for FY 2014-15 at \$11,335,317.

#### **BACKGROUND**

On June 18, 2018 with the presentation of the FY 2014-15 operating budget, the Council also adopted the resolution for setting the Appropriation Limit for FY 2014-15. The limit calculated for 2014-15 was \$12,672,397. Since the adoption of the resolution the Town had its interim audit performed by Maze & Associates. During audit testing, the independent auditor reviewed the Gann Limit (appropriations limit) calculation and found an error in the calculation percentage used for the population conversion ratio. They recommended we revise the calculation and update the resolution for FY 2014-15 Gann Limit.

In adjusting for the population conversion ratio correction, the limit for 2014-15 is \$11,335,317. With the correction to appropriation limit calculation, the Town is still in compliance with the Gann Limit requirement for FY 2014-15.

#### **FISCAL IMPACT**

None

#### **Attachment:**

Resolution Adopting the Appropriation Limit for FY 2014-15  
Appropriation Spending Limit Calculation Worksheet

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF  
ATHERTON ESTABLISHING THE APPROPRIATIONS LIMIT  
FOR FISCAL YEAR 2014-2015 PURSUANT TO ARTICLE X111 B OF  
THE CALIFORNIA CONSTITUTION**

**WHEREAS**, Article XIII B of the Constitution of the State of California provides that the total annual appropriations limitation of each government entity, including this Town, shall not exceed the appropriations limit of such entity of government for the prior year adjusted for certain changes mandated by Proposition 4 passed in November, 1979 and Proposition 111 passed in June, 1990, except as otherwise provided for in said Article XIII B and implementing State statutes; and

**WHEREAS**, pursuant to Article X111 B, and Section 7900 et seq of the California Government Code, the Town is required to set its appropriations limit for each fiscal year; and

**WHEREAS**, the Finance Director of the Town of Atherton has conducted the necessary analysis and calculations to determine the appropriations limit for Fiscal Year 2014-15, relying on the permanent Fiscal Year 1993-94 limit approved by the voters on November 3, 1994, and the following two adjustment factors: change in population for the County of San Mateo or Atherton, whichever is higher, and change in cost of living as provided by the State of California, Department of Finance; and

**WHEREAS**, based on such calculations, the Finance Director has determined the said appropriations limit, and pursuant to Section 7910 of the Government Code, has made available to the public the documentation used in the determination of the limit.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the Town of Atherton that the new appropriations limit for the Fiscal Year 2014-15 shall be and is hereby set in the amount of **\$11,335,317** and its calculations as set forth in Attachment 1, copy of which is attached hereto.

\* \* \* \* \*

*I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 16<sup>th</sup> day of July, 2014, by the following vote:*

*AYES: Council Members:  
NOES: Council Members:  
ABSENT: Council Members:  
ABSTAIN: Council Members:*

\_\_\_\_\_  
Cary Wiest, MAYOR  
Town of Atherton

ATTEST:



## Appendix-C

## APPROPRIATIONS SPENDING LIMIT (GANN LIMIT)

**Town of Atherton**  
**APPROPRIATIONS SPENDING LIMIT**  
**Prop 4 - Gann Limit FY 2014-15**

Schedule 1: Calculation of Spending Limit

Last Year's Limit (FY 2013-14)	11,255,965
Prior Year Parcel Tax Adjustment	<u>(2,790,000)</u>
Adjusted Last Year's Limit (FY 2014-15)	8,465,965

## Adjustment Factors:

A. Population (County)	1.0117
C. Inflation	<u>0.9977</u>
A times C	<u>1.0094</u>

Total Adjustment (Percent) 0.0094

Total Adjustment (Dollars) 79,352

## Other Adjustments:

Parcel Tax Adjustment (+) 2,790,000

New Appropriation Limit for Fiscal Year 2014-15 11,335,317

Schedule 2: Appropriations Compared to Limit

Proceeds from Taxes (Fm Schedule 3)	<u>10,396,987</u>
Appropriations Subject to Limit FY 2014-15	<u>10,396,987</u>
Appropriations Limit for FY 2014-15	<b>11,335,317</b>
Amount under Appropriations Limit	<u><u>938,330</u></u>

Schedule 3: Determination of Proceeds of Taxes

Per Budget for FY 2014-15

	Proceeds of Taxes	Non- Proceeds	Total
Revenues			
Property Tax	7,773,091		7,773,091
Sales Tax	158,311		158,311
Public Safety Sales Tax		74,300	74,300
Parcel Tax	1,860,000		1,860,000
County Measure A	250,000		250,000
Business License	215,210		215,210
Motor Vehicle License Fee	-		-
Homeowners Exemption	35,136		35,136
Franchise Fees		814,044	814,044
Development Fees/Permits		2,038,742	2,038,742
Fines & Forfeiture		56,127	56,127
Fees for Services		109,631	109,631
Rentals		135,892	135,892
Miscellaneous		<u>209,257</u>	<u>209,257</u>
	<u>10,291,748</u>	<u>3,437,993</u>	<u>13,729,741</u>
Interest Income	105,239	35,155	140,394
Total	<u><u>10,396,987</u></u>	<u><u>3,473,148</u></u>	<u><u>13,870,135</u></u>