

RESOLUTION R16-19

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PALOS VERDES ESTATES, CALIFORNIA
ESTABLISHING THE FISCAL YEAR 2016-2017 APPROPRIATIONS LIMIT
FOR THE CITY OF PALOS VERDES ESTATES**

WHEREAS, the voters of California on November 6, 1979, added Article XIII B to the State Constitution placing various limitations on the appropriations of the state and local governments; and

WHEREAS, Article XIII B, as modified in June 1990, provides that the appropriations limit for fiscal year 2016-2017 is hereby amended by properly calculating the adjustment to the base year appropriations of fiscal year 1978-79 for changes in certain permitted factors; and

WHEREAS, to the best of the City's knowledge and belief, the State Department of Finance figures reflect the following statistics relevant to the calculation of the City's 2016-2017 Fiscal Year Appropriations Limit:

California per capita income, +5.37% (plus five and 37/100 percent).


Population Adjustment for the County of Los Angeles, +0.85% (plus 85/100 percent).

NOW THEREFORE, the City Council of the City of Palos Verdes Estates DOES RESOLVE AS FOLLOWS:

Section 1. That the following factors shown above shall be the basis of computing the 2016-2017 Fiscal Year Appropriations Limit and based on the foregoing figures (attached herein as EXHIBIT A) and the provisions of Article XIII B of the Constitution of the State of California, that the City of Palos Verdes Estates appropriations subject to limitation for the 2016-17 Fiscal Year shall be \$21,437,489.

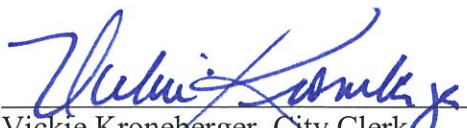
Section 2. The City Clerk shall certify to the passage and adoption of Resolution R16-19.

PASSED, APPROVED AND ADOPTED on this 28th day of June, 2016.



Jennifer L. King, Mayor

ATTEST:



Vickie Kroneberger, City Clerk

APPROVED AS TO FORM:



Christi Hogin, City Attorney

GANN APPROPRIATIONS LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Appropriations Limit, was adopted by California voters in 1980 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can appropriate and spend each year.

The limit is different for each agency and changes each year. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in FY 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. Inflationary adjustments are, by law, based on increases in the California per capita income or the increase in non-residential assessed valuation due to new construction. Population adjustments are based on city population growth or county population growth, based on city population growth or county population growth.

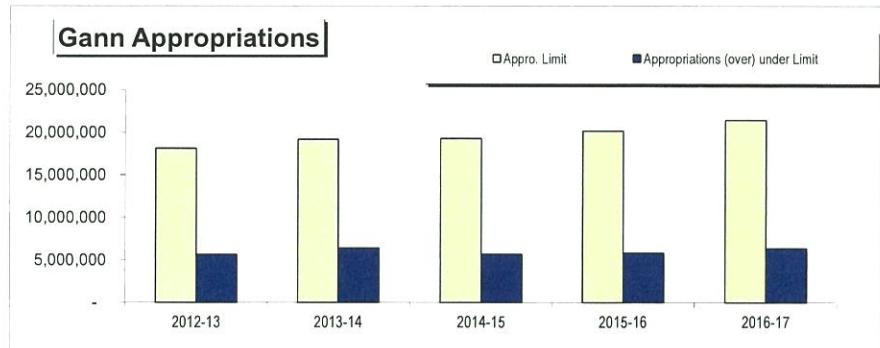
For FY 2016-17 the City of Palos Verdes Estate's estimated tax proceeds to be received, as well as tax proceeds appropriated by the City Council will, as in prior years, continue to be under the legal limit. The appropriations limit for FY 2016-17 is \$21,437,489. This is the maximum amount of tax proceeds the City will be able to appropriate and spend in the coming fiscal year. The City's estimated proceeds of taxes is \$15,092,331 resulting in appropriations being under the limit by \$6,345,159.

Trends

Appropriation Limit
Appropriations Subject to Limit
Appropriations (Over) Under Limit

2012-13	2013-14	2014-15	2015-16	2016-17
18,109,534	19,168,095	19,273,177	20,173,490	21,437,489
12,459,000	12,801,220	13,596,230	14,354,934	15,092,331
5,650,534	6,366,875	5,676,947	5,818,556	6,345,159

Appropriation Limit
Appropriations Subject to Limit



Appropriations Limit Worksheet 2016-17

A. Last Year's Limit (Audited)	20,173,490	
B. Adjustment Factors		
1 Population % - L.A. Co.	1.0085	State Department of Finance
2 Inflation % - Per Capita	1.0537	State Department of Finance
C. Total Adjustment (B1 x B2)	1.0627	
D. Other Adjustments:	0	
Sub-Total	0	
E. This Year's Limit	\$ 21,437,489	A x C

**APPROPRIATIONS LIMIT
APPROPRIATIONS SUBJECT TO LIMITATION**

Worksheet #3

**CITY OF PALOS VERDES ESTATES
FY: 2016-17**

	<u>AMOUNT</u>
Appropriations Limit for 2015-16	\$ 20,173,490
Adjustment Factors:	
Change in Population - County	1.0085
Change in Per Capita income	1.0537
Total Adjustment %	1.0627
Annual/Other Adjustments:	
Appropriations Limit for 2016-17	<u>21,437,489</u>
Appropriations Subject to Limit:	
Proceeds of Taxes	15,092,331
Minus Exclusions	-
Appropriations Subject to Limit	15,092,331
Appropriations Over (Under) Limit	<u>\$ (6,345,159)</u>

EXHIBIT A

**APPROPRIATIONS LIMIT
 CALCULATION OF PROCEEDS OF TAXES
 CITY OF PALOS VERDES ESTATES
 FY: 2016-17**

Worksheet #1

REVENUE	PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	TOTAL
Taxes:			
Property Tax	\$ 7,648,833		\$ 7,648,833
VLF In-Lieu	-		-
Sales & Use Tax	377,000		377,000
Franchise Tax	561,135		561,135
Business License Tax	208,000		208,000
Fire Parcel	4,688,992		4,688,992
Real Estate Transfer Tax	200,000		200,000
State Revenue:			
Motor Vehicle In-Lieu	1,317,554		1,317,554
Home Owner Relief		49,000	49,000
Gasoline Tax		360,192	360,192
SB 90 State Mandate Reimbursement		1,500	1,500
State Law Enforcement Grants		106,000	106,000
Other State Revenue		371,567	371,567
Other Government Revenue:			
Federal Law Enforcement Grants		-	-
Proposition A Transit		251,565	251,565
Proposition C Transit		209,892	209,892
Measure R		157,812	157,812
Other		-	-
Local Revenue:			
Development Fees		994,000	994,000
Rents and Concessions		1,298,100	1,298,100
Fines and Forfeitures		150,000	150,000
User Fees		87,500	87,500
Administrative Allocation		1,140,993	1,140,993
Assessments		-	-
Other Revenue:			
Miscellaneous		55,420	55,420
Total Non-Interest Revenue	15,001,514	5,233,541	20,235,055
Interest Earnings	90,817	31,683	122,500
Total Revenue	15,092,331	5,265,224	20,357,555

**APPROPRIATIONS LIMIT
INTEREST EARNINGS
PRODUCED BY TAXES**

Worksheet #2

CITY OF PALOS VERDES ESTATES

FY: 2016-17

	<u>AMOUNT</u>	<u>SOURCE</u>
A. Tax Proceeds (Excluding Interest)	\$ 15,092,331	Worksheet #1
B. Minus Exclusions	0	
C. Net Invested Taxes	15,092,331	
D. Total Revenue (Excluding Interest) Revenue + Reserve Withdrawals	20,357,555	Worksheet #1
E. Tax Proceeds as a % of Budget	74.14%	(C/D)
F. Interest Earnings	122,500	Budget
G. Amount of Interest Earned From Taxes	90,817	(E*F)
H. Amount of Interest Earned From Non-Taxes	31,683	(F-G)

CITY OF PALOS VERDES ESTATES FY 2016-17 ESTIMATED REVENUES

DESCRIPTION	ACCOUNT	2015	2016	2017	2018
		BUDGET	BUDGET	PROPOSED	PROPOSED
GENERAL FUND:					
SECURED PROPERTY TAX	30100	6,157,000.00	6,694,000.00	7,353,833	7,632,689
UNSECURED PROPERTY TAX	30200	255,000.00	255,000.00	287,000	292,000
PROPERTY TAX PRIOR	30600	(10,000.00)	(10,000.00)	(10,000)	(10,000)
PENALTIES & DELINQUENCIE	30900	47,000.00	47,000.00	18,000	18,000
HOMEOWNERS PTR	35210	50,000.00	47,000.00	49,000	49,000
PROPERTY TAX		6,499,000.00	7,033,000.00	7,697,833.00	7,981,689.00
ERAF/VLF TAX RETURN	35316	1,206,000.00	1,281,000.00	1,317,554	1,375,395
PROPERTY TAX IN LIEU		1,206,000.00	1,281,000.00	1,317,554.00	1,375,395.00
SALES TAX	31100	150,000.00	158,000.00	192,000	194,000
PSAF (SALES TAX)	35300	131,000.00	147,000.00	160,000	160,000
ERAF/SALES TAX RETURN	35315	48,000.00	59,000.00	25,000	25,000
SALES TAX		329,000.00	364,000.00	377,000.00	379,000.00
PROPERTY TRANSFER	31500	168,000.00	205,000.00	200,000	200,000
BUSINESS LICENSE TAX	31400	207,000.00	213,000.00	208,000	208,000
FRANCHISE TAX WATER	31300	118,000.00	134,000.00	114,854	115,000
FRANCHISE TAX GAS	31310	61,000.00	64,000.00	50,000	50,000
FRANCHISE TAX ELECTRIC	31320	127,000.00	137,000.00	128,000	130,560
FRANCHISE TAX CABLE	31330	231,000.00	252,000.00	268,281	273,646
FRANCISE TAX		537,000.00	587,000.00	561,134.53	569,206.49
CONSTRUCTION PERMITS	37100	504,000.00	438,000.00	425,000	425,000
REISSUED BUILDING PERMIT	37101	41,000.00	77,000.00	12,000.00	12,000.00
MISC PUBLIC WORKS PERMIT	37110	85,000.00	107,000.00	100,000.00	100,000.00
RESIDENTIAL RESALE REPOR	37210	20,000.00	22,000.00	22,000.00	22,000.00
GRADING/FILLING	37220	21,000.00	25,000.00	25,000.00	25,000.00
MISCELLANEOUS PLANNING	37230	33,000.00	29,000.00	80,000.00	80,000.00
PLAN CHECK	37240	210,000.00	192,000.00	220,000.00	220,000.00
NEIGHBORHOOD COMP. REVIE	37250	50,000.00	50,000.00	50,000.00	50,000.00
SITE PLAN REVIEW	37260	17,000.00	14,000.00	15,000.00	15,000.00
GEOTECHNICAL	37270	53,000.00	39,000.00	45,000.00	45,000.00
COMMUNITY DEVELOPMENT		1,034,000.00	993,000.00	994,000.00	994,000.00
INTEREST	34100	46,000.00	53,000.00	70,000	70,000
UNREALIZED INV. GAIN/LOS	34105	-	-	-	-
INTEREST/GAIN(LOSS)		46,000.00	53,000.00	70,000.00	70,000.00
MOTOR VEHICLE	35100	26,000.00	6,000.00	-	-
GOLF COURSE	34300	825,000.00	945,000.00	1,000,000	1,020,000
TENNIS CLUB	34400	36,000.00	38,000.00	38,000	38,000
BEACH & ATHLETIC CLUB	34500	136,000.00	140,000.00	163,600	168,600
MISCELLANEOUS RENT	34700	49,000.00	57,000.00	57,000	57,000
BALLFIELD LEASE	34750	4,000.00	4,000.00	4,500	4,500
RENT		1,050,000.00	1,184,000.00	1,263,100.00	1,288,100.00
ANIMAL LICENSES	32100	9,000.00	10,000.00	5,500	5,500
FILMING PERMIT	32500	28,000.00	25,000.00	25,000	25,000
LICENSE & PERMITS		37,000.00	35,000.00	30,500.00	30,500.00
MISCELLANEOUS LICENSE	32600	-	-	-	-
VEHICLE CODE FINES	33100	60,000.00	55,000.00	50,000	50,000
MISCELLANEOUS COURT FINE	33200	5,000.00	6,000.00	-	-
COURT FINES PARKING	33400	144,000.00	140,000.00	100,000	100,000
SAFETY FINES		209,000.00	201,000.00	150,000.00	150,000.00
MISCELLANEOUS REVENUE	38010	269,000.00	269,000.00	24,420	20,949
EMERG. BACKPACK SALES	38011	1,000.00	1,000.00	1,000	1,000
VEHICLE IMPOUND FEES	36146	19,000.00	14,000.00	15,000	15,000
STATE MANDATED REIMB.	35630	9,000.00	7,000.00	1,500	1,500
OTHER FEES		298,000.00	291,000.00	41,920.00	38,449.00
POST REIMBURSEMENT	35600	11,000.00	14,000.00	14,000	14,000
POLICE SERVICES	36100	13,000.00	9,000.00	4,500	4,500
BOOKING FEES	36105	-	4,000.00	4,000	4,000
POLICE TRUSTY	36110	-	2,000.00	-	-
FALSE ALARM	36120	2,000.00	3,000.00	3,000	3,000
COPY SALES, CERTIFICATIO	36130	3,000.00	2,000.00	2,000	2,000

CITY OF PALOS VERDES ESTATES FY 2016-17 ESTIMATED REVENUES

DESCRIPTION	ACCOUNT	2015	2016	2017	2018
		BUDGET	BUDGET	PROPOSED	PROPOSED
RETURNED CHECK FEES	36135	-	-	-	-
STREET/PARKS SERVICES	36150	3,000.00	3,000.00	3,000	3,000
MAILING MATRIX	36155	15,000.00	13,000.00	15,000	15,000
SPECIAL EVENTS	36160	2,000.00	2,000.00	1,500	1,500
HEALTH INSURANCE REIMB	36170	13,000.00	10,000.00	10,000	10,000
PVECARES	38050	-	-	-	-
SERVICE FEES		62,000.00	62,000.00	57,000.00	57,000.00
Total General Fund Revenues		11,708,000.00	12,508,000.00	12,968,041.53	13,341,339.49
INTEREST	34100	700.00	1,000.00	1,000	1,000
GAS TAX (2103)	35500	148,000.00	148,000.00	32,875	32,875
GAS TAX (2105)	35510	68,000.00	68,000.00	85,753	85,753
GAS TAX (2106)	35520	58,000.00	58,000.00	46,657	46,657
GAS TAX (2107)	35530	84,000.00	84,000.00	191,907	191,907
GAS TAX (2107.5)	35540	3,000.00	3,000.00	3,000	3,000
Gov's Prop Addl Funds	35540	-	-	-	-
GAS TAX		361,700.00	362,000.00	361,192.00	361,192.00
INTEREST	34100	500.00	500.00	500.00	500.00
DRUG INTERVENTION		500.00	500.00	500.00	500.00
INTEREST	34100	500.00	500.00	500.00	500.00
COPS Funds	35350	100,000.00	100,000.00	100,000.00	100,000.00
POLICE GRANTS (SLESF)		100,500.00	100,500.00	100,500.00	100,500.00
MTA Fed Rd Exchange	35640	-	-	237,507.00	-
Pedestrian Bikeway	35650	14,000.00	14,000.00	9,000.00	9,000.00
CalRecycle Ruberized Pavement Grant	35660	-	-	-	-
Recycle AB939	35660	27,000.00	27,000.00	29,000.00	29,000.00
Recycle Container	35661	7,000.00	7,000.00	5,000.00	5,000.00
SCAQMD AB2766	35820	24,000.00	24,000.00	51,060.00	16,000.00
Parkland Paseo La Cresta	35855	40,000.00	40,000.00	40,000.00	40,000.00
SPECIAL PROJECTS		112,000.00	112,000.00	371,567.00	99,000.00
Corrections	35620	6,000.00	6,000.00	6,000.00	6,000.00
CORRECTIONS		6,000.00	6,000.00	6,000.00	6,000.00
ASSESSMENT	31910	4,448,230.00	4,524,034.00	4,688,992.00	4,782,771.84
INTEREST	34100	1,000.00	500.00	-	-
FIRE UTILITIES	35750	9,000.00	9,000.00	9,000.00	9,000.00
FIRE PARCEL TAX		4,458,230.00	4,533,534.00	4,697,992.00	4,791,771.84
PROP A SALES TAX	31200	204,000.00	208,100.00	251,565.00	256,596.30
INTEREST	34100	3,000.00	2,500.00	3,500.00	3,500.00
PROP A		207,000.00	210,600.00	255,065.00	260,096.30
INTEREST	34100	1,000.00	600.00	1,000.00	1,000.00
MEASURE R	31205	127,000.00	129,500.00	157,812.48	160,968.72
MEASURE R		128,000.00	130,100.00	158,812.48	161,968.72
PROP C SALES TAX	31210	170,000.00	173,400.00	209,892.02	214,089.86
INTEREST	34100	1,000.00	800.00	1,000.00	1,000.00
PROP C		171,000.00	174,200.00	210,892.02	215,089.86
INTEREST	34100	-	-	-	-
STABLE CONCESSION FEE	34710	31,000.00	31,600.00	35,000.00	35,000.00
STABLES		31,000.00	31,600.00	35,000.00	35,000.00
34100	34100	14,000.00	14,000.00	15,000.00	15,000.00

CITY OF PALOS VERDES ESTATES FY 2016-17 ESTIMATED REVENUES

DESCRIPTION	ACCOUNT	2015	2016	2017	2018
		BUDGET	BUDGET	PROPOSED	PROPOSED
38010	38010	426,000.00	415,400.00	360,575.00	330,791.00
38020	38020	6,000.00	6,000.00	6,000.00	6,000.00
EQUIPMENT REPLACEMENT		446,000.00	435,400.00	381,575.00	351,791.00
INTEREST	34100	30,000.00	30,000.00	30,000.00	30,000.00
UNREALIZED GAIN	34105	-	-		
SEWER USER FEE	36700	-	-		
SEWER		30,000.00	30,000.00	30,000.00	30,000.00
CHARGES FOR SERVICES	36700			780,418.00	819,315.00
INSURANCE		-	-	780,418.00	819,315.00
Total Non General Fund Revenues		6,051,930.00	6,126,434.00	7,389,513.50	7,232,224.73
Total Revenues		17,759,930.00	18,634,434.00	20,357,555.03	20,573,564.22

- 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 fiscal year 2016-17 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2016-17	5.37

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2016-17 appropriation limit.

2016-17:

Per Capita Cost of Living Change = 5.37 percent
 Population Change = 0.90 percent

Per Capita Cost of Living converted to a ratio: $\frac{5.37 + 100}{100} = 1.0537$

Population converted to a ratio: $\frac{0.90 + 100}{100} = 1.0090$

Calculation of factor for FY 2016-17: $1.0537 \times 1.0090 = 1.0632$

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2015 to January 1, 2016 and Total Population, January 1, 2016

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	2015-2016	1-1-15	1-1-16	1-1-2016
La Canada Flintridge	0.45	20,464	20,556	20,556
La Habra Heights	0.61	5,426	5,459	5,459
Lakewood	0.36	78,187	78,471	78,471
La Mirada	0.38	49,452	49,639	49,639
Lancaster	0.43	151,695	152,349	157,094
La Puente	0.37	40,373	40,521	40,521
La Verne	0.52	33,027	33,200	33,200
Lawndale	0.39	33,365	33,496	33,496
Lomita	0.29	20,232	20,290	20,290
Long Beach	0.66	481,719	484,879	484,958
Los Angeles	1.27	3,977,541	4,028,043	4,030,904
Lynwood	0.20	72,358	72,505	72,505
Malibu	0.50	12,643	12,706	12,706
Manhattan Beach	0.36	35,172	35,297	35,297
Maywood	0.44	28,094	28,219	28,219
Monrovia	0.74	37,254	37,531	37,531
Montebello	0.48	63,620	63,924	63,924
Monterey Park	0.34	61,137	61,346	61,346
Norwalk	0.27	104,278	104,562	105,292
Palmdale	0.60	159,112	160,072	160,072
Palos Verdes Estates	0.42	13,655	13,712	13,712
Paramount	0.46	56,143	56,400	56,400
Pasadena	0.89	139,781	141,023	141,023
Pico Rivera	0.39	64,020	64,272	64,272
Pomona	0.58	154,712	155,604	155,604
Rancho Palos Verdes	0.46	42,825	43,024	43,041
Redondo Beach	0.57	69,101	69,494	69,494
Rolling Hills	0.52	1,933	1,943	1,943
Rolling Hills Estates	0.27	8,006	8,028	8,028
Rosemead	0.44	54,987	55,231	55,231
San Dimas	0.32	34,035	34,144	34,144
San Fernando	0.53	24,404	24,533	24,533
San Gabriel	0.51	40,219	40,424	40,424
San Marino	0.34	13,520	13,566	13,566
Santa Clarita	1.72	215,890	219,611	219,611
Santa Fe Springs	3.29	17,827	18,414	18,459
Santa Monica	0.59	93,093	93,640	93,640
Sierra Madre	0.34	10,976	11,013	11,013
Signal Hill	0.42	11,624	11,673	11,673
South El Monte	1.01	20,605	20,814	20,814

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

Fiscal Year 2016-17

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2015 to January 1, 2016 and Total Population, January 1, 2016

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2015-2016	1-1-15	1-1-16	1-1-2016
South Gate	1.43	98,176	99,578	99,578
South Pasadena	0.38	25,929	26,028	26,028
Temple City	0.89	36,210	36,534	36,534
Torrance	0.41	146,570	147,175	147,175
Vernon	72.13	122	210	210
Walnut	0.52	29,996	30,152	30,152
West Covina	0.74	107,081	107,873	107,873
West Hollywood	0.38	35,788	35,923	35,923
Westlake Village	0.40	8,351	8,384	8,384
Whittier	0.47	87,924	88,341	88,341
Unincorporated	0.28	1,048,161	1,051,078	1,051,989
County Total	0.85	10,145,677	10,231,861	10,241,335

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

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF PALOS VERDES ESTATES)

I, Vickie Kroneberger, City Clerk for the City of Palos Verdes Estates, California, do hereby certify that the foregoing Resolution **R16-19** was duly and regularly approved and adopted by the City Council of the City of Palos Verdes Estates at its regular meeting of the City Council on the 28th day of June, 2016, by the following vote:

AYES: COUNCILMEMBERS: King, Vandever, Goodhart, Rea, Peterson

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

RECUSED: COUNCILMEMBER: None



Vickie Kroneberger, City Clerk