



Office of the City Manager

07

CONSENT CALENDAR

May 26, 2020

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Henry Oyekanmi, Director, Finance Department

Subject: Notice of Appropriations Limit for Fiscal Year 2021

RECOMMENDATION

Adopt a Resolution providing notice that: 1) Council will adopt an appropriations limit for Fiscal Year 2021 at its meeting of June 30, 2020; and 2) the amount of the limit and the background material used in its calculation will be available for public review in the City Clerk's Office on or before June 15, 2020.

FISCAL IMPACTS OF RECOMMENDATION

On June 30, 2020, the Council will set the Fiscal Year 2021 appropriations limit. The amount of appropriations subject to the limit is the budgeted proceeds of taxes (e.g., all taxes levied; transfers from an enterprise fund to the extent those transfers exceed the cost of providing the services; discretionary state subventions; interest earned from the investment of proceeds of taxes, etc.), and the total of these budgeted revenues cannot exceed the total appropriations limit. The City's actual appropriations in each fiscal year have been significantly below the limit, as they will be for Fiscal Year 2021. Thus, there are no present fiscal implications of establishing the limit.

CURRENT SITUATION AND ITS EFFECTS

Senate Bill 1352 requires that 1) the governing body of each local jurisdiction shall, by a legislative action, establish its appropriations limit at a regularly scheduled or special meeting and that documentation used in the determination of the appropriations limit shall be made available to the public fifteen days before that meeting. Government Code Section 7910 requires that the City adopt its appropriations limit prior to the beginning of each fiscal year.

This Resolution gives public notice of Council's intent to adopt an appropriations limit for Fiscal Year 2020 at its meeting of June 30, 2020, and that the documents used in calculating the limit will be available for public review on or before June 15, 2020. Proposition 4, approved by the electorate of the State of California via a special election held on November 6, 1979, added Article XIII B to the constitution of the state. It requires local governments to adopt yearly appropriation limits according to specified formulas, and allows for specified, yearly adjustments of the limit. Proposition 111, approved by the voters June 5, 1990, and changed the Proposition 4 adjustment formulas. Senate Bill 152, Government Code Sections 7900, et. seq, enacted by the Legislature of the State of

California, provided for the implementation of Article XIII B defining various terms used in this article and prescribing procedures to be used in implementing specific provisions of the Article.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

BACKGROUND

The Finance Department of the City of Berkeley compiles the data and makes calculations incident to the determination of the XIII B appropriations limit. The amount of the Fiscal Year 2021 appropriations limit and the documentation incident to the determination thereof will be available for review by the public in the Office of the City Clerk on or before June 15, 2020, at least fifteen days prior to the Council's scheduled adoption of the appropriation limit, as required by law.

RATIONALE FOR RECOMMENDATION

This is a state law.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Henry Oyekanmi, Director, Finance Department, 981-7326

Attachments:

1: Resolution

RESOLUTION NO. ##,### N.S.

PROVIDING NOTICE OF SCHEDULED ADOPTION OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021 PURSUANT TO ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA

WHEREAS, on November 6, 1979, the citizens of the State of California approved Proposition 4, which added Article XIII B to the Constitution of the State of California to place various limitations on the fiscal powers of State and local government; and

WHEREAS, Senate Bill 1352, Government Code Section 7900, et. seq. enacted by the Legislature of the State of California, provides for the implementation of Article XIII by defining various terms in this article; and

WHEREAS, the governing body of each jurisdiction is required to establish its appropriations limit at a regularly scheduled meeting or noticed special meeting; and

WHEREAS, 15 days prior to such meeting, the documentation used in the determination of the appropriations limit shall be made available to the public.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley does hereby give notice that it will, at its meeting of June 30, 2020, adopt a Resolution which establishes the appropriations limit for the 2021 Fiscal Year pursuant to Article XIII B of the Constitution of the State of California.

BE IT FURTHER RESOLVED that the documentation used in the determination of the appropriation limit for Fiscal Year 2021 shall be made available for public review in the Office of the City Clerk of the City of Berkeley, 2180 Milvia Street, Berkeley, California, on or before June 15, 2020.

