



MEMORANDUM

Agenda Item: 10
Meeting Date: June 26, 2012

TO: MAYOR AND CITY COUNCIL

FROM: JUDY SMITH, CITY MANAGER ⁵

SUBJECT: ADOPTION OF THE FY 2012-2013 BUDGET: RESOLUTION R12-15; ESTABLISHING THE FY 2012-13 APPROPRIATIONS LIMIT, AND R12-16 ADOPTING THE ANNUAL BUDGET AND FIXING THE LIMITATION OF EXPENDITURES

The Issue

Shall the City Council adopt the required resolutions to approve the City's Fiscal Year 2012-13 budget?

Appropriations Limit FY 2012-13

Article XIII B of the State Constitution requires the adoption of an annual appropriations limit related to certain tax proceeds. Resolution R12-15 is attached for this purpose.

The City's annual appropriations limit, also known as the "Gann" limit, may be adjusted by certain factors that the City Council, at its option, selects. The factors used to calculate the City's FY 12-13 limit are:

California per capita personal income +3.77% as reported by the State Department of Finance, and

Population increase for Los Angeles County +0.38%, as reported by the State.

The City's FY 11-12 appropriations limit was \$17,385,544. Applying the factors above, the FY 2012-13 appropriations limit is \$18,109,534 of which, the City's actual appropriations subject to the limitation (tax proceeds) totals \$12,459,000 or 68.8% of what is allowed per the limit.

Budget Process

The City Council has held publicly noticed meetings on February 20, May 24 and June 12 at which time there was an opportunity for public comment by residents or other interested parties on the proposed budget. Minor adjustments have been made to the preliminary budget released May 11th, based on the results of certain maintenance contracts and costs for the L.A. County Fire services contract. The net effect of these changes on the operating budget totals \$475. The City's consolidated budget (operating and capital) for FY 2012-13 is \$17,557,475. The operating

budget totals \$14,420,475. The capital budget, including sewer and non-sewer projects, totals \$3,137,000 and includes the annual street maintenance programs (\$1.28 million) and construction of the Rocky Point sewer pump station (\$1.2 million).

Alternatives Available to the City Council

1. Approve the resolutions.
2. Approve additional changes to the budget and adopt the resolutions.
3. Defer adopting the budget.

Recommendation

It is recommended that the City Council adopt Resolution R12-15 establishing the FY 2012-13 Appropriations Limit and R12-16 adopting the Annual Budget for FY 2012-13.

Attachment A: Resolution R12-15

Attachment B: Resolution R12-16

RESOLUTION R12-15

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PALOS VERDES ESTATES, CALIFORNIA
ESTABLISHING THE FISCAL YEAR 2012-2013 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 2012-13 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 2012-13 Fiscal Year Appropriations Limit:

California per capita income, +3.77% (plus three point seven seven percent).

Population Adjustment for the County of Los Angeles, +0.38%
(plus zero point three eight 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 2012-13 Fiscal Year Appropriations Limit and based on the foregoing figures 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 2012-13 Fiscal Year shall be \$18,109,534.

Section 2. The City Clerk shall certify to the passage and adoption of Resolution R12-15 and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED on this 26th day of June, 2012.

George F. Bird, Jr., Mayor

ATTEST:

APPROVED AS TO FORM:

Judy Smith, City Clerk

Christi Hogin, City Attorney

GANN LIMIT CALCULATION 2012/13

	PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	TOTAL
TAXES			
Property	5,805,500		5,805,500
Sales(Prop A,C,R+Sales)	620,650		620,650
Business License	200,000		200,000
Utility Users	0		0
Fire Parcel	4,150,800		4,150,800
Other (Transfer Tax)	125,000		125,000
FROM STATE			
Motor Vehicle(35100/35105)	1,099,750		1,099,750
Trailer Coach	0		0
Off Highway	0		0
Gasoline (Fd 02)		372,800	372,800
Homeowners Relief (35210)	49,000		49,000
POST,Strong Motion PSAF	130,000		130,000
OTHER GOVERNMENT - COPS	150,000		150,000
LOCALLY RAISED			
Sewer User fee (Fund 62)		1,043,000	1,043,000
Licenses/Permits/FeesCharges		105,065	105,065
Franchise Fees		470,000	470,000
Development Fees		1,025,000	1,025,000
Concessions, Rents		991,000	991,000
Fines, Forfeitures		180,000	180,000
OTHER		98,000	98,000
INTEREST	128,300	59,500	187,800
FUNDS NOT INCLUDED (Enterprise Fd 04,06,07,30)		100,000	100,000
TOTAL REVENUE	\$12,459,000	\$4,444,365	\$16,903,365
EXCLUDED APPROPRIATIONS			
Federal Mandates, Orders			
Qualified Capital Outlays	0		
Qualified Debt Service			
NET APPROPRIATIONS			
SUBJECT TO LIMIT	\$12,459,000		

**FY 2012-13 CALCULATION
OF GANN LIMIT**

	<u>LIMIT</u>	<u>FACTORS</u>
2008-09 Limit	\$16,934,925	
Per Capita Income		4.29%
Population Growth - LA County		0.86%
2009-10 Limit	\$17,193,280	
Per Capita Income		0.62%
Population Growth - LA County		0.90%
2010-11 Limit	\$16,895,650	
Per Capita Income		-2.54%
Population Growth - LA County		0.83%
2011-12 Limit	\$17,385,544	
Per Capita Income		2.51%
Population Growth - LA County		0.38%
2012-13 Limit	\$18,109,534	
Per Capita Income		3.77%
Population Growth - LA County		0.38%
Percent to Limit	68.80%	

RESOLUTION R12-16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALOS VERDES
ESTATES, CALIFORNIA, ADOPTING THE ANNUAL BUDGET
FOR FISCAL YEAR 2012-2013 AND FIXING THE LIMITATION OF
EXPENDITURES FOR THE SEVERAL PURPOSES,
FUNCTIONS, FUNDS AND ACTIVITIES**

THE CITY COUNCIL OF THE CITY OF PALOS VERDES ESTATES, CALIFORNIA DOES
RESOLVE AS FOLLOWS:

Section 1. The proposed budget of expenditures duly submitted and considered, is hereby approved, adopted and fixed as the annual budget of the City of Palos Verdes Estates for the fiscal year commencing July 1, 2012 and ending June 30, 2013 and in the amount, and for the purposes, functions, funds and activities set forth in Exhibits A and B, copies of which shall be permanently attached to this resolution.

Section 2. The fund appropriations herein set forth shall constitute the maximum expenditures authorized for those funds. The City Manager is hereby authorized to make budgetary revisions within and between budget categories of each department's appropriations if, in her opinion, such a revision is necessary and proper; and will promptly notify the City Council of such revision.

Section 3. The City Manager may, at her discretion, transfer an amount not to exceed \$10,000 per item from the contingency account to any other account or department, and will promptly notify the City Council of such transfer.

Section 4. The City Manager does hereby submit the number and classifications of employees in the respective functions, departments, and/or activities for the fiscal year 2012-2013 budget as set forth in Exhibit C.

Section 5. The City Clerk shall certify to the passage and adoption of Resolution R12-16 and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED on this 26th day of June, 2012.

George F. Bird, Jr., Mayor

ATTEST:

APPROVED AS TO FORM:

Judy Smith, City Clerk

Christi Hogin, City Attorney

EXHIBIT A

ESTIMATED FUND BALANCES
YEAR ENDING JUNE 30, 2013

<u>FUND</u>	<u>ESTIMATED BALANCE 7/1/2012</u>	<u>ASSIGNED FUND BAL.</u>	<u>PROJECTED REVENUES</u>	<u>DESIGNATED & TRANSFERS</u>	<u>PROJECTED EXPENDITURES</u>	<u>ASSIGNED FUND BAL.</u>	<u>ESTIMATED BALANCE 6-30-2013</u>
1 GENERAL	1,135,038	0	10,544,315	30,000	9,751,825	0	1,957,528
2 GAS TAX	91,825		372,800		295,160		169,465
3 DRUG INTERVENTION	67,118		400		0		67,518
4 CAL. LAW ENFORCE TECH	618		0		0		618
5 SLESF (COPS)	98,524		100,100		69,900		128,724
6 SPECIAL PROJECTS	646,595		80,000	-30,000	20,620		675,975
7 CORRECTIONS TRAINING	4,779		3,000		3,000		4,779
22 FIRE/PARAMEDIC PARCEL TAX	427,097		4,159,800		4,145,215		441,682
26 TRANSIT TAX - PROP A	385,888		191,000		105,310		471,578
27 TRANSIT TAX - MEASURE R	233,359		124,650	-200,000	0		158,009
28 TRANSIT TAX - PROP C	154,060		158,300		180,550		131,810
30 CAPITAL IMPROVEMENT	9,453,165		50,000	200,000	1,687,000		8,016,165
50 STABLE	132,668		20,000		0		152,668
60 EQUIPMENT REPLACEMENT	2,536,567		4,000		-176,275		2,716,842
62 SEWER FUND	5,460,952		1,093,000		1,450,000		5,103,952
65 INSURANCE	687,590		2,000		25,170		664,420
TOTALS	\$21,515,843		\$16,903,365	\$0	\$17,557,475		\$20,861,733

EXHIBIT B

**EXPENDITURES BY FUND
YEAR ENDING JUNE 30, 2013**

DEPARTMENT	FUND	General	Gas Tax	SLESF	Sp. Proj.	Correct.	Fire Dist.	Prop A	Prop C	Cap. Impr.	Equip.	Sewers	Insur.	
		1	2	5	6	7	22	26	28	30	60	62	65	
														TOTAL
City Manager		375,460												375,460
Finance		319,715												319,715
City Clerk		203,825												203,825
City Treasurer		34,280												34,280
City Attorney		128,060												128,060
City Properties		202,110												202,110
Non-Department		165,790						5,310						171,100
Police		5,872,715		69,900		3,000	4,145,215							5,945,615
Fire Department		0												4,145,215
Building Inspect.		582,140												582,140
Planning		385,170												385,170
Public Works Ad.		227,850			10,000									237,850
Streets		170,030	295,160		1,000									466,190
Transit		0						100,000	180,550					280,550
Parklands		1,084,680			9,620									1,094,300
Insurance		0											25,170	25,170
Equipment Replc.		0									-176,275			-176,275
Sewers		0										1,450,000		1,450,000
Capital Improvement		0								1,687,000				1,687,000
	TOTAL	9,751,825	295,160	69,900	20,620	3,000	4,145,215	105,310	180,550	1,687,000	-176,275	1,450,000	25,170	17,557,475

EXHIBIT C**City of Palos Verdes Estates
Proposed Positions/Associated Salary Range and Savings**

Classification	No. FTE Authorized	<u>Range</u>
Administrative Analyst/Code Enforcement	1	5,272-6,588
Assistant to the City Manager	1	6,765-8,636
City Manager*	1	14,554
Exec. Assistant/Deputy City Clerk	1	5,043-6,760
Exec. Assistant/Custod Recds (PD)	1	4,951-6,188
Financial Services Manager	1	5,976-7,476
Police Chief	1	11,537-13,796
Police Captain	2	8,733-10,917
Financial Services Technician	2	3,443-4,616
Maintenance Foreman	1	4,880-6,546
Maintenance Worker	4	3,148-4,222
Equipment Mechanic	0.5	4,036-4,910
Permit Technician	1.5	3,443-4,616
Office Specialist	0.5	3,280-4,186
Receptionist	0.56	2,578-3,135
Senior Receptionist	0.56	2,905-3,534
Community Relations Officer	1	3,460-4,820
Lead Services Officer	1	3,670-5,114
Police Officer	13	4,871-6,406
Senior Police Officer	3	5,115-6,728
Sergeant	6	5,664-7,811
Service Officer	9	3,334-4,651
Traffic Control Officer	1	1,974-2,400
Police Intern	1	\$8.50/hr
Data Entry Clerk	0.5	\$10.00/hr
City Treasurer	0.12	\$300/month
Total Authorized Positions	55.24	

* Includes housing allowance of \$2,083 per month
for eligible management staff (City Manager)