

RESOLUTION NO. 7501

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,
APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT
FOR THE FISCAL YEAR 2012-13**

WHEREAS, a duly noticed public hearing concerning this matter was held as required by law on June 26, 2012; and

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

WHEREAS, Article XIII B provides that the appropriations limit for fiscal year 2012-13 shall be calculated by adjusting the appropriations limit for the prior fiscal year for changes in the inflation and population, except as otherwise provided for in Article XIII B and implementing state statutes; and

WHEREAS, the information necessary for making such adjustments is attached as Attachment A, which is incorporated herein and by reference made a part hereof; and

WHEREAS, the City of South Gate has complied with the provisions of Article XIII B in determining the appropriations limit for fiscal year 2012-13;

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City selects the California per capita personal income as the inflation factor and the County population growth as the population factor.

[Remainder of page left blank intentionally]

SECTION 2. An appropriations limit in the total amount of \$47,359,541 is hereby adopted for fiscal year 2012-13, with an amount subject to the limit of \$25,540,411.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.


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

CITY OF SOUTH GATE:



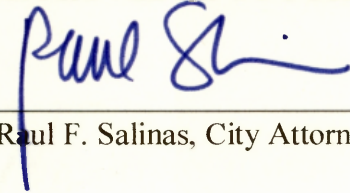
W.H. (Bill) De Witt, Mayor

ATTEST:



Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:



Raul F. Salinas, City Attorney



May 2012

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, 2012, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2012-2013. 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 2012-2013 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county and incorporated areas' summed population percentage change. 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 appropriations 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. 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, 2012.**

Please Note: Prior year's city population estimates may be revised.

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

ANA J. MATOSANTOS

Director

By:

MICHAEL COHEN

Chief Deputy Director

Enclosures

May 2012

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 2012-2013 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2012-2013	3.77

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2012-2013 appropriation limit.

2012-2013:

Per Capita Cost of Living Change = 3.77 percent
 Population Change = 0.68 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.77 + 100}{100} = 1.0377$

Population converted to a ratio: $\frac{0.68 + 100}{100} = 1.0068$

Calculation of factor for FY 2012-2013: $1.0377 \times 1.0068 = 1.0448$