



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ SARDA ☒ Regular ☐ Special

Meeting Date: July 11, 2023

Title: Adoption of Resolution Number **2023-43** establishing the appropriations subject to limit for fiscal year 2023-2024

Background: The adoption of this resolution is a requirement of Article XIII B of the Constitution of the State of California, Section 7902 (a). Also known as the Gann Appropriations Limit, it was approved on November 6, 1979, by California voters. Under the Gann Limit, a maximum amount is established for tax-funded government services. That amount is to be adjusted each year depending on changes in population, inflation, and the transfer of financial responsibility for various government activities from one level of government to another. Any significant amount of state tax revenue received above that Gann Limit may lead to future tax rebates or tax cuts. The total annual budget appropriations subject to limitations shall not exceed the appropriations limit.

The appropriations limit for the City of Needles is: \$12,755,466.
The current budget appropriation is \$3,555,000.

Fiscal Impact: For fiscal year 2023-2024 the City of Needles is limited to \$12,755,466 in tax revenue appropriations.

Recommended Action: **Adoption of Resolution Number 2023-43 establishing the appropriations subject to limit for Fiscal Year 2024**

Submitted By: Barbara DiLeo, Finance Dept.

City Management Review: Rick **Date:** 7/6

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 5

RESOLUTION NO. 2023-43
A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF NEEDLES, CALIFORNIA, ESTABLISHING THE
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023 - 2024
FOR THE CITY OF NEEDLES IN ACCORDANCE WITH
THE PROVISIONS OF DIVISION 9 OF TITLE I
OF THE CALIFORNIA GOVERNMENT CODE

WHEREAS, Article XIII B of the Constitution of the State of California as proposed by the Initiative Measure approved by the people at the special statewide election held on November 6, 1979, and amended in June 1990 by the People of the State of California (Proposition III), provides that the total annual appropriations subject to limitations of each local government shall not exceed the appropriations limit of such entity for the prior year, adjusted for changes in the cost of living and population, except as otherwise specifically provided for in said Article; and

WHEREAS, the State Legislature added Division 9 (commencing with Section 7900) to Title I of the Government Code of the State of California to implement Article XIII B of the California Constitution; and

WHEREAS, Section 7910 of the Government Code provides that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following fiscal year pursuant to Article XIII B at a regularly scheduled meeting or a noticed special meeting; and

WHEREAS, Proposition III was approved by the voters of the State of California, and requires a recorded vote of the City Council regarding the annual adjustment factors which have been selected each year; and

WHEREAS, at the time of adoption of this Resolution, data necessary to calculate the increase in nonresidential assessed valuation was not available from the County Assessor's office; and

WHEREAS, Section 7902 (a) of the Government Code sets forth the method for determining the appropriations limit for each local jurisdiction for the fiscal year 2023 - 2024; and

WHEREAS, the City Council of the City of Needles wishes to establish the appropriations limit for the fiscal year 2023 – 2024 for the City of Needles;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Needles, California, as follows:

Section 1: That it is hereby found and determined that the documentation used in the determination of the appropriations limit for the City of Needles for the fiscal year 2023 – 2024 was available to the public in the Finance Department of said City at least fifteen days prior to this date.

Section 2: That the growth in California Per Capita Income and City Population were selected for the 2023 – 2024 fiscal year.

Section 3: That there may be a need to amend the inflation factor selected and adjust the Appropriations Limit once the nonresidential assessed valuation data becomes available from the County Assessor's Office.

Section 4: That the appropriations limit for the City of Needles as established in accordance with section 7902 (a) of the California Government Code is: \$12,755,466.

PASSED, APPROVED, AND ADOPTED at an adjourned regular meeting of the City Council of the City of Needles, California, held on the 11th day of July 2023.

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

(SEAL)

ATTEST:

City Clerk

APPROVED AS TO FORM:

Attorney

City of Needles				
Appropriations Limit Computation				
2023 - 2024				
Population percentage change			-0.77%	(see attached source)
Per capita cost of living change			4.44%	(see attached source)
Population Change			-0.35%	
Per Capita Cost of Living Change				
Converted to a Ratio			4.44	1001.0444
Population change converted to a ratio			-0.35	1000.997
Calculation of Growth Factor				
1.0444	0.9965		1.0407	
2022 - 2023	Limit	=	\$	12,256,096
2023 - 2024	Appropriation limit			
mult last yr's	by this yr's			
limit:	growth factor:			
\$ 12,256,096	1.0407	=	\$	12,755,466

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2022 to January 1, 2023 and Total Population, January 1, 2023

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	2022-2023	1-1-22	1-1-23	1-1-2023
San Bernardino				
Adelanto	0.65	36,420	36,656	36,656
Apple Valley	-0.37	75,277	74,996	74,996
Barstow	-1.96	24,768	24,283	24,918
Big Bear Lake	-0.43	4,935	4,914	4,914
Chino	0.69	88,564	89,171	93,137
Chino Hills	-0.70	77,601	77,058	77,058
Colton	-0.67	53,513	53,154	53,154
Fontana	0.58	212,616	213,851	213,851
Grand Terrace	-0.73	12,908	12,814	12,814
Hesperia	0.19	99,855	100,041	100,041
Highland	-0.53	56,283	55,984	55,984
Loma Linda	-0.03	25,198	25,191	25,228
Montclair	-0.51	37,688	37,494	37,494
Needles	-0.77 ✓	4,793	4,756	4,756
Ontario	1.14	178,682	180,717	180,717
Rancho Cucamonga	-0.31	174,090	173,545	173,545
Redlands	-0.40	72,259	71,972	71,972
Rialto	-0.41	103,406	102,985	102,985
San Bernardino	1.25	219,218	221,949	223,230
Twentynine Palms	-0.94	15,687	15,539	25,929
Upland	-0.50	78,771	78,376	78,376
Victorville	0.90	132,189	133,384	137,193
Yucaipa	-0.46	54,242	53,991	53,991
Yucca Valley	-0.35	21,712	21,635	21,635
Unincorporated	-0.45	290,306	289,011	297,482
County Total	0.12	2,150,981	2,153,467	2,182,056

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

CITY OF NEEDLES			
CALCULATION OF PROCEEDS FROM TAXES			
Budgeted Revenues			
2023 - 2024			
		Proceeds From Taxes	
Property Taxes		\$1,500,000	
Documentary Transfer Tax		\$13,000	
Sales & Use Taxes		\$770,000	
1/2 Cent Public Safety Tax		\$90,000	
Transient Lodging Tax		\$1,100,000	
Business Licenses		\$77,000	
Vehicle License Collection		\$5,000	
Total Tax Revenue		\$3,555,000	
Appropriations Subject to Limit		\$3,555,000	
Limit for:	2023 - 2024	\$12,755,466	
Over (Under) Limit		(\$9,200,466)	