

**Resolution No. 2024-XXX N.C.S.
of the City of Petaluma, California**

**ADOPTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2024-2025
AND MAKING THE ANNUAL ELECTION FOR ADJUSTMENT FACTORS**

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

WHEREAS, the California State Legislature adopted Chapters 1205 and 1342 of the 1980 Statutes which implemented Article XIII-B; and

WHEREAS, the people of California on June 5, 1990 amended Article XIII-B effective on July 1, 1990; and

WHEREAS, the provisions of the amendments have been interpreted by a coalition of statewide organizations, and the organizations have issued through the League of California Cities revised guidelines to calculate the appropriations limit; and

WHEREAS, section 7910 of the Government Code requires cities to adopt a resolution setting the annual appropriations limit at a regularly scheduled meeting or a noticed special meeting; and

WHEREAS, adopting the appropriations limit for the fiscal year and making the annual election for adjustment factors is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, as adopting the appropriations limit does not meet CEQA's definition of a "project," because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, it is a fiscal activity which does not involve commitment to any specific project, and because the action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Petaluma that:

1. The above recitals are declared to be true and correct and are incorporated into this resolution as findings of the City Council.
2. Adopting the appropriations limit for the fiscal year and making the annual election for adjustment factors is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, as adopting the appropriations limit does not meet CEQA's definition of a "project," because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, it is a fiscal activity which does not involve commitment to any specific project, and because the action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment
3. The Fiscal Year 2024-2025 Appropriations Limit shall be \$199,638,010.

4. The Fiscal Year 2024-2025 Appropriations subject to the limit is \$69,738,854.
5. The annual election for Adjustment Factors shall be the growth in City Population and the increase in the Per-Capita Personal Income for the State of California, as provided by the California State Department of Finance.
6. The City of Petaluma has complied with the provisions of Article XIII-B in calculation of the appropriations limit for Fiscal Year 2024-2025.

Under the power and authority conferred upon this Council by the Charter of said City.

REFERENCE:

I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the 17th day of June 2024, by the following vote:

Approved as to
form:

City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

City Clerk

Mayor

**APPROPRIATIONS LIMITS CALCULATION
FY2024-2025 ADOPTED BUDGET**

Exhibit A

APPROPRIATIONS LIMIT

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit - June 30, 2024	\$ 192,702,129	Prior Year
B. Adjustment Factors		
1. Growth in City of Petaluma population	0.9998	State Finance
2. Growth in California Per Capita Income	1.0362	State Finance
Total Adjustment %	1.0360	(B1 * B2)
C. Annual Adjustment \$	<u>6,935,881</u>	(B*A)
D. Other Adjustments		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fees (-)	-	
Assumed Responsibility (+)	-	
SubTotal	-	
E. Total Adjustments	<u>6,935,881</u>	(C+D)
F. This Year's Limit - June 30, 2025	<u>\$ 199,638,010</u>	(A+E)

CITY OF PETALUMA, CA
APPROPRIATIONS LIMIT ANALYSIS
FISCAL YEAR 2024-2025

APPROPRIATIONS LIMIT ANALYSIS

Last Year's Appropriations Limit \$ 192,702,129

Adjustment Factors

Change in Per Capita Personal Income	1.0362
City Population Increase January 2023 to January 2024	0.9998
Total Adjustment Factor	1.0360

This Year's Appropriations Limit	\$ 199,638,010
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Proceeds of Taxes	69,738,854
Exclusion	<hr/>

This Year's Appropriations Subject to Limit	<u>69,738,854</u>
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This Year's Appropriations Under Limit	\$ 129,899,156
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CITY OF PETALUMA, CA
APPROPRIATIONS LIMIT ANALYSIS
FISCAL YEAR 2024-2025

Revenue Summary

	Proceeds of Taxes	Non-Proceeds of Taxes	Exemptions	Total
TAXES	58,456,997	0	0	58,456,997
STATE	9,985,762	4,463,000	0	14,448,762
OTHER GOVERNMENTS	0	5,159,801	0	5,159,801
LOCALLY RAISED	0	15,374,740	0	15,374,740
USER FEES	0	13,170,813	0	13,170,813
OTHER MISCELLANEOUS AND INTERFUND TRANSFERS	0	108,700	20,745,454	20,854,154
INTEREST INCOME	1,296,095	724,849	0	2,020,944
Total	69,738,854	39,001,903	20,745,454	129,486,211



Gavin Newsom • Governor

1021 O Street, Suite 3110 • Sacramento, CA 95814 • www.dof.ca.gov

April 30, 2024

Dear Fiscal Officer:

Price Factor and Population Information**Appropriations Limit**

California Revenue and Taxation Code section 2227 requires the Department of 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, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. 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. [California Revenue and Taxation Code section 2228](#) provides additional information regarding the appropriations limit. [Article XIII B, section 9\(C\) of the California Constitution](#) exempts certain special districts from the appropriations limit calculation mandate. 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 requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California 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, 2024.** Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

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

/s Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer

Attachment

- 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 2024-25 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio:	$\frac{3.62 + 100}{100} = 1.0362$
Population converted to a ratio:	$\frac{0.17 + 100}{100} = 1.0017$
Calculation of factor for FY 2024-25:	$1.0362 \times 1.0017 = 1.0379$

Fiscal Year 2024-25

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	23-24	1-1-23	1-1-24	1-1-24
Sonoma				
Cloverdale	-1.11	8,808	8,710	8,710
Cotati	-1.06	7,381	7,303	7,303
Healdsburg	-0.32	11,020	10,985	10,985
Petaluma	-0.02	58,457	58,445	58,445
Rohnert Park	-0.04	43,838	43,821	43,821
Santa Rosa	-0.07	175,013	174,890	174,890
Sebastopol	-0.96	7,366	7,295	7,295
Sonoma	-0.98	10,636	10,532	10,532
Windsor	-0.91	25,628	25,394	25,394
Unincorporated	-0.40	130,333	129,812	130,777
County Total	-0.27	478,480	477,187	478,152