

City of San Bernardino FY 2011-2012 Appropriations Limit

Article XIII B of the California Constitution (enacted with the passage of *Proposition 4* in 1979 and modified with the passage of *Proposition III* in 1990) restricts the appropriations growth rate for cities and other local jurisdictions. The growth rate is tied to changes in the population and the change in *California Per Capita Personal Income*. In May 2011 the State Department of Finance notified each city of the population changes and per capita personal income factor to be used in determining appropriation limits. Effective January 1, 2011, the change in the *California Per Capita Personal Income* is 2.51% and the change in the City of San Bernardino's population is .59%. Attached is the City's calculation for the permitted appropriations growth rate based on the above information from the State.

In accordance with state law, the FY 1986-87 appropriation limit is to be used as the base year in calculating annual appropriation limits thereafter. The City of San Bernardino's FY 2011-2012 Appropriation Limit is 3.6955 times the base year limit of \$72,956,219 which equals \$269,612,016.

Total appropriations for FY 2011-2012, subject to the limitation (see attached) equal \$90,102,500 which is \$179,509,516 below the City's FY 2011-2012 Appropriations limit of \$269,612,016.

**CITY OF SAN BERNARDINO
2011-2012
APPROPRIATION LIMITATION COMPUTATION**

2011-2012 PERMITTED GROWTH RATE CALCULATION

CPI PERCENT CHANGE <i>(as of May 2011 per State of CA Department of Finance)</i>				2.51	
POPULATION PERCENT CHANGE <i>(for San Bernardino as of May 2011 per State of CA Department of Finance)</i>				0.59	
CPI CHANGE CONVERTED TO A RATIO	(2.51+ 100) /100	=		1.0251	
POPULATION CHANGE CONVERTED TO A RATIO	(.59 + 100) /100	=		1.0059	
CALCULATION FACTOR <i>(Change in CPI x change in population)</i>	1.0251	X	1.0059	=	1.0311
<u>2010-2011</u>	X	<u>CALCULATION FACTOR</u>	=	<u>2011-2012</u>	<u>PERMITTED GROWTH RATE</u>
3.4529		1.0311			3.5605

2011-2012 APPROPRIATION LIMIT CALCULATION

<u>BASE YEAR (1986/87)</u>					<u>FY 2011-2012</u>
72,956,219	X	<u>PERMITTED GROWTH RATE</u>	=	3.5605	<u>APPROPRIATION LIMIT</u>
					259,757,060

FY 2011-2012 APPROPRIATION LIMIT	259,757,060
TOTAL FY 2011-2012 APPROPRIATIONS SUBJECT TO LIMITATIONS <i>(see attached schedule of exclusions)</i>	(90,102,500)
(OVER)/UNDER APPROPRIATION LIMIT	169,654,560

RESOLUTION NO 2011-212

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RESOLUTION OF THE MAYOR AND COMMON COUNCIL APPROVING AND ADOPTING THE CITY OF SAN BERNARDINO'S FINAL BUDGET DOCUMENT FOR FISCAL YEAR 2011-2012 AND PROCLAIMING THE CONTINUATION OF A FISCAL EMERGENCY AND ESTABLISHING THE CITY'S APPROPRIATION LIMIT AS REQUIRED BY ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION.

WHEREAS, for the last few years, the nation and California have confronted the most severe economic downturn since the Great Depression; and

WHEREAS, in response to this dire fiscal situation, the Mayor and Common Council have addressed \$44 million projected deficit for FY 2009/10 through FY 2011-12 and;

WHEREAS, as the recession deepened throughout the spring, the revenues eroded, and the budget reserves for Fiscal Year 2011/12 are only projected to be \$1.3 million; and

WHEREAS, Sacramento politicians have already taken tens of millions of dollars from the City of San Bernardino, are threatening to take more, and these cuts present a significant fiscal challenge; and

WHEREAS, On January 20, 2011, the Governor of the State of California declared a continual state of fiscal emergency in California and identified the nature of the fiscal emergency to be the projected budget imbalance through Fiscal Year 2011/12 caused by the decline in revenues and increase in expenditures in Fiscal Year 2010/11 that will create a carryover deficit affecting the cash reserves and the budget for Fiscal Year 2011-12; and

RESOLUTION OF THE MAYOR AND COMMON COUNCIL APPROVING AND ADOPTING THE CITY OF SAN BERNARDINO'S FINAL BUDGET DOCUMENT FOR FISCAL YEAR 2011-2012 AND PROCLAIMING THE CONTINUATION OF A FISCAL EMERGENCY AND ESTABLISHING THE CITY'S APPROPRIATION LIMIT AS REQUIRED BY ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION.

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I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Mayor and Common Council of the City of San Bernardino at a Jt. Adj. Regular meeting thereof, held on the 29th day of June, 2011, by the following vote to wit:

<u>COUNCIL MEMBERS</u>	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
MARQUEZ	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
VACANT	<u> </u>	<u> </u>	<u> </u>	<u> </u>
BRINKER	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
SHORETT	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
KELLEY	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
JOHNSON	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
MCCAMMACK	<u> </u>	<u>X</u>	<u> </u>	<u> </u>

Rachel L. Clark
CITY CLERK

The foregoing resolution is hereby approved this 30th day of June, 2011.

Patrick J. Morris
Patrick J. Morris, Mayor
City of San Bernardino

Approved as to Form :

JAMES F. PENMAN
City Attorney

By: I decline to sign because this budget is not accurately balanced. It was passed with full knowledge by the mayor and Council majority that certain misinformation was offered to prevent attempt to fix the budget @ balanced; specifically: misinforming