Attachment A

***NOT YET APPROVED***

RESOLUTION NO. ______


WHEREAS, under Article XIIIIB of the Constitution of the State of California, the City of Palo Alto (City) may not appropriate any proceeds of taxes in excess of its appropriations limit (Limit); and

WHEREAS, since fiscal year 1990-91, the City is permitted to annually adjust its Limit in accordance with inflation and population adjustment factors; and

WHEREAS, pursuant to Government Code Section 37200, the calculation of the Limit and the total appropriations subject to the limit were set forth in the annual budget of the City for fiscal year 2008-09, which will be adopted by ordinance of the Council on June 9, 2008; and

WHEREAS, pursuant to Government Code sections 7901 and 7910, the final calculation of the Limit has been determined, and the adjustment factors on which the calculation is based are a 4.29% percent change in California per capita income and a 1.72% percent change in the population growth for the County of Santa Clara; and

WHEREAS, the documentation used in the determination of the Limit has been made available to the general public for fifteen (15) days prior to the date of adoption of this resolution; and

WHEREAS, according to the final calculation, the City’s appropriations subject to limitation are approximately $34.48 million less than the Limit.

NOW, THEREFORE, the Council of the City of Palo Alto does RESOLVE as follows:

SECTION 1. The Council of the City of Palo Alto hereby finds that, for fiscal year 2008-09, the final calculation of the Appropriations Limit of the City of Palo Alto has been determined in accordance with the adjustment factors referred to above, the documentation used in the determination of the calculation has been made available to the general public for the period of fifteen days as required by law, and the City’s appropriations subject to
limitation are under the Limit by approximately $34.48 million.

SECTION 2. The Council hereby adopts the final calculation of the Appropriations Limit of the City for fiscal year 2008-09, a copy of which is attached hereto as Exhibit A.

SECTION 3. The Council finds that the adoption of this resolution does not constitute a project under the California Environmental Quality Act, and, therefore, no environmental assessment is necessary.

INTRODUCED AND PASSED:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

ATTEST: 

City Clerk

APPROVED: 

Mayor

APPROVED AS TO FORM:

City Manager

Senior Assistant City Attorney

Director, Administrative Services
# Exhibit A

## Appropriations Limitation

### Compliance Calculation

**For 2008-09 Adopted Budget**

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Combined Funds</th>
<th>General Fund</th>
<th>Capital Projects</th>
<th>Debt Service</th>
<th>Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budgeted Appropriations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008-09 Adopted Budget ($millions)</td>
<td>142.55</td>
<td>116.59</td>
<td>16.10</td>
<td>1.22</td>
<td>8.65</td>
</tr>
<tr>
<td><strong>Less: Debt Service Transactions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>1.22</td>
<td></td>
<td></td>
<td>1.22</td>
<td></td>
</tr>
<tr>
<td>Non-Proceeds of Taxes</td>
<td>16.10</td>
<td></td>
<td></td>
<td>16.10</td>
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<tr>
<td><strong>Net Proposed Appropriations Subject to Limit</strong></td>
<td>78.69</td>
<td>74.41</td>
<td></td>
<td></td>
<td>4.28</td>
</tr>
</tbody>
</table>

### 2008-09 Appropriations Limit

113.17

**Under Limit By**

34.48

### Computation of Appropriation Limit:

- **2007-08 Appropriations Limit:** $106,683,316
- **2008-09 Santa Clara County Population Change:** 1.72%
- **2008-09 Per Capita Income Change:** 4.29%

\[(1.0172) \times (1.0429) \times 106,683,316 = 113,173,703\]

The City of Palo Alto remains well within its appropriations limit in 2008-09. Future year limit trends can be made based on the average change in regional population and income growth. The appropriations subject to limitation includes proceeds of taxes from the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Improvement Funds. The following is a summary of estimated limits and estimated appropriations subject to the limit.

### Historical Appropriations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations Subject to the Limit</td>
<td>64.13</td>
<td>65.87</td>
<td>70.45</td>
<td>73.30</td>
<td>78.69</td>
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<tr>
<td>Appropriations Limit</td>
<td>89.27</td>
<td>95.68</td>
<td>100.64</td>
<td>106.68</td>
<td>113.17</td>
</tr>
<tr>
<td>Under Limit By</td>
<td>25.14</td>
<td>29.81</td>
<td>30.19</td>
<td>33.38</td>
<td>34.48</td>
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</tbody>
</table>

### Projected Appropriations

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Appropriations Subject to Limit</td>
<td>84.99</td>
<td>91.79</td>
<td>99.13</td>
<td>107.06</td>
<td>115.62</td>
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<td>Estimated Appropriations Limit</td>
<td>120.36</td>
<td>128.00</td>
<td>136.13</td>
<td>144.78</td>
<td>153.97</td>
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<tr>
<td>Under Limit By</td>
<td>35.37</td>
<td>36.22</td>
<td>37.00</td>
<td>37.72</td>
<td>38.35</td>
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