City Council Meeting
06-22-26
Item 1.B.18.

Council Agenda Report

To: Mayor Silverstein and the Honorable Members of the City Council

Prepared by: Renée Neermann, Financial Controller

Reviewed by: Christopher Smith, Assistant City Manager

Approved by: Joseph D. Irvin, City Manager

Date prepared: June 9, 2026 Meeting date: June 22, 2026

Subject: Adoption of Resolution 26-43 Amending the Fiscal Year 2025-26 Appropriations Limit Established Pursuant to Article XIII B of the California Constitution

---

RECOMMENDED ACTION: Adopt Resolution No. 26-43 rescinding Resolution 25-38 and restating the Fiscal Year 2025-26 Appropriations Limit due to an administrative calculation error identified in the previously adopted calculation.

FISCAL IMPACT: There is no fiscal impact associated with the recommended action. The proposed amendment corrects the calculation of the City's constitutional appropriations limit and does not authorize additional expenditures or modify the adopted budget.

STRATEGIC PLAN IMPLEMENTATION: N/A.

DISCUSSION: Subsequent to the adoption of the Fiscal Year 2025-26 Appropriations Limit, staff identified an administrative formula error within the calculation worksheet used to determine the City's appropriations limit pursuant to Article XIII B of the California Constitution. The error was mathematical in nature and did not reflect a policy decision of the City Council.

Staff have reviewed and corrected the calculation and recommend adoption of the attached resolution to amend and restate the appropriations limit for Fiscal Year 2025-26. This action ensures the City's records accurately reflect the constitutional calculation requirements and maintains compliance with applicable State law.

Staff performed a complete review of the calculation and corrected the identified formula error. The revised calculation results in the following:

Description	Amount
Previously Adopted Appropriations Limit	$35,718,532
Corrected Appropriations Limit	$37,030,049
Difference	$1,311,517

The correction is administrative in nature and does not reflect any change in City policy, budget priorities, revenue assumptions, or expenditure authority. Staff has reviewed the City's appropriations subject to limitation and determined that the City's appropriations subject to limitation remain below the corrected appropriations limit. Therefore, the City remains in compliance with Article XIII B of the California Constitution.

ATTACHMENTS: Resolution No. 26-43 amending the Appropriations Limit for Fiscal Year 2025-26

RESOLUTION NO. 26-43

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU RECSINDING RESOLUTION NO. 25-38, WHICH ESTABLISHED THE FISCAL YEAR 2025-26 APPROPRIATIONS LIMIT, AND ADOPTING A REVISED APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26 TO CORRECT AN ADMINISTRATIVE CALCULATION ERROR

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Recitals.

A. Article XIIIB of the State Constitution requires the calculation of an annual appropriations limit for state and local government.

B. The required computations to determine the appropriations limit for Fiscal Year 2025-26 were performed and are attached as Exhibits A and B. The appropriations limit is $37,030,049.

C. In calculating the appropriations limit for Fiscal Year 2025-26, the City has used the California per capita personal income growth factor of 6.44% and the population growth factor for the County of Los Angeles of 0.30% as provided by the State Department of Finance.

SECTION 2. The City Council hereby establishes the appropriations limit of $37,030,049 for Fiscal Year 2025-26.

SECTION 3. Resolution No. 25-38 is hereby rescinded.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 22rd day of June 2026.

_____
BRUCE SILVERSTEIN, Mayor

ATTEST:

_____
KELSEY PETTIJOHN, City Clerk(seal)

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED
BY THE CITY ATTORNEY'S OFFICE

_____
TREVOR RUSIN, Interim City Attorney

Exhibit A

Resolution 26-xx
Exhibit A

City of Malibu
Calculation of Appropriations Limit
Fiscal Year 2025-26

PRIOR YEAR ADJUSTMENTS

Year Ended June 30,	Factor	Amount
1991*	1.04220421	-
1992	1.04140000	6,733,751
1993	0.99360000	6,690,655
1994**	1.05185280	8,994,353
1995	1.00206450	9,012,922
1996	1.05453040	9,504,400
1997	1.04837472	9,964,173
1998	1.06041177	10,566,126
1999	1.05764325	11,175,192
2000	1.05993420	11,844,968
2001	1.08330066	12,831,662
2002	1.09976400	14,111,800
2003	1.00655235	14,204,265
2004	1.04509665	14,844,830
2005	1.05252648	15,624,577
2006	1.06502068	16,640,498
2007	1.04770888	17,434,398
2008	1.05171824	18,336,074
2009	1.05186894	19,287,147
2010	1.01525580	19,581,388
2011	0.98268918	19,242,418
2012	1.02899538	19,800,359
2013	1.04164326	20,624,911
2014	1.05845328	21,830,505
2015	1.00548206	21,950,181
2016	1.04671324	22,975,545
2017	1.06265645	24,415,111
2018	1.04281033	25,460,330
2019	1.04198717	26,529,337
2020	1.03839615	27,547,961
2021	1.03615897	28,544,067
2022	1.05085047	29,995,546
2023	1.07023005	32,102,135
2024	1.04220676	33,457,062
2025	1.03671810	34,685,542

CALCULATION OF FACTOR FOR FISCAL YEAR 2025-26

Per Capita Change in Cost of Living	6.44%
Population Change	0.30
Per Capita Change converted to a ratio	1.0644
Population Change converted to a ratio	1.0030
Calculation of factor (1.0644 x 1.0030)	1.06759320

FISCAL YEAR 2025-26 ESTABLISHED LIMIT **$37,030,049**

Population adjustment figures per California Department of Finance Price Factor and Population information.

Inflation adjustment is based on the California Department of Finance figures used specifically to determine changes in the appropriation limit.

* The City's base year is the first year of full operations. The period ended June 30, 1991 was not a full fiscal year.

** The Base Limit for June 30, 1994 was increased to $8,550,962 pursuant to results of a voter approved increase.

Exhibit B

Resolution 26-XX
Exhibit B

City of Malibu
Calculation of Proceeds of Taxes Fiscal Year 2025-26

Revenue Sources	Proceeds of Taxes (Subject to Limitation)	Non-Proceeds of Taxes (Not Subject to Limitation)
Discretionary:		
Property Taxes	$ 19,380,000	$ -
Documentary Transfer Tax	800,000	-
Utility Users Tax	3,000,000	-
Transient Occupancy Tax	6,700,000	-
City Franchise Fees	-	800,000
Sales and Use Tax	8,800,000	-
Parking Tax	500,000	-
Alarm Permit Fees	-	30,000
Film Permit Fees	-	300,000
Parking Citations	-	2,000,000
Motor Vehicle In-Lieu Fees	15,000	-
Vehicle Impound Fees	-	75,000
Interest Earnings	-	3,500,000
City Hall Use Fees	-	20,000
Adopt-A-Storm Drain Fee	-	-
All Other Revenue	-	25,000
Total Discretionary Taxes	39,195,000	6,750,000
Non-Discretionary:		
Building Permits	-	1,215,000
Coastal Development Permits	-	-
Building Plan Check Fee	-	1,270,000
Geo Soils Engineering Fee	-	1,000,000
Environmental Health Review Fee	-	400,000
Code Enforcement Investigation Fee	-	80,000
OWTS Fees	-	-
Planning Review Fee	-	1,200,000
Public Works Project Review Fee	-	375,000
WQMP Fee	-	35,000
False Alarm Service Charge	-	2,000
Recreation Service Fees	-	507,500
Legacy Park	-	1,686,916
Civic Center Wastewater Treatment Facility	-	2,405,000
American Rescue Plan	-	-
FEMA/OES Reimbursements	-	3,434,136
Insurance Reimbursement	-	2,000,000
LA County EWMP Reimbursement	-	-
All Other Fees	-	2,665,750
Total Use and Service Fees	-	18,276,302

Restricted Revenues:		
State Gas Tax	311,347	-
Community Development Block Grant	-	148,436
Slide Assessment District Maintenance	-	565,269
Parkland Development Fees	-	25,000
Art in Public Places	-	2,000
Solidwaste Management Surcharge	-	209,925
Traffic Safety Fines and Forfeitures	-	243,000
Proposition A and C Traffic	559,628	-
Grants	-	8,808,396
Measure R	184,917	-
Measure M	220,706	-
Measure W	426,000	-
RMRA (SB1)	317,678	-
Air Quality Management District	-	23,000
Law Enforcement Grants	-	175,000
Total Restricted Revenue	2,020,276	10,200,026
Total - All Revenue Sources	**$ 41,215,276**	**$ 35,226,328**

Total Appropriations Subject to Limit		
Estimated Tax Proceeds for FY 2025-26	41,215,276	
Exclusions (see below)	(14,078,536)	
Appropriations Subject to Limitation	**$ 27,136,740**	
Established Limit FY 2025-26	$ 37,030,049	
(Over)/Under Limit	9,893,309	

Excluded Appropriations:

Certain costs are not subject to the Appropriations Limit including but not limited to debt service, qualified capital outlay, and the costs of complying with a federal mandate.

The following are excluded from the Appropriations Subject to Limitation:

Federal Mandates		
Federal Clean Water Act	$	1,827,457
Qualified Capital Outlay		
City Hall Leashold Improvements	$	626,000
Malibu Bluffs Park Improvements		425,000
Capital Improvements Projects		7,825,861
Disaster Capital Improvements Projects		74,517
Qualified Debt Service		
City Hall Land Acquisition	$	1,488,550
Trancas Field Acquisition		593,525
Land Acquisition (Heathercliff, etc.)		1,217,626
Total Exclusions	**$**	**14,078,536**