A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, SELECTING METHOD TO DETERMINE GANN APPROPRIATION LIMIT, RELATING TO THE FISCAL YEAR 2012-2013 CITY BUDGET

WHEREAS, In November 1979, Proposition 4 (the Gann Initiative) was approved, which added Article XIIIIB to the State Constitution, placing limits on the amount of revenue that all government entities may spend; and

WHEREAS, the purpose of Proposition 4 was to limit the growth in the appropriations of state and local governments to changes in the cost of living and population in order to control spending levels (the “Gann Limit”); and

WHEREAS, Proposition 4 requires the City to adopt an annual appropriations limit in conjunction with the adoption of the City’s annual budget; and

WHEREAS, the Gann Limit is calculated by applying the growth rates in population and consumer prices to the previous fiscal year’s limit amount; and

WHEREAS, staff has prepared two alternative methods, shown in Attachment A, for calculating the Gann Limit, each of which complies with Proposition 4, as amended.

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

1. In conjunction with the adoption of the FY 2012-2013 annual budget, the Council adopts Per Capita Personal Income and City population, shown as Method A in Attachment A, as the factors for the purpose of determining the City’s FY 2012-2013 Gann Limit.
CLERK'S CERTIFICATION

STATE OF CALIFORNIA
COUNTY OF FRESNO
CITY OF FRESNO

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the 28th day of June, 2012.

AYES: Borgeas, Brand, Quintero, Westerlund, Xiong, Olivier
NOES: Baines
ABSENT: None
ABSTAIN: None

Mayor Approval: ___________________________ July 3, 2012
Mayor Approval/No Return: ______________ N/A, 2012
Mayor Veto: ___________________________ N/A, 2012
Council Override Vote: ___________________________ N/A, 2012

YVONNE SPENCE, CMC
City Clerk

BY: "★★★★
Deputy

APPROVED AS TO FORM:
CITY ATTORNEYS OFFICE

BY: ___________________________ 6/15/12
David P. Hale, Chief Assistant City Attorney
## COMPUTATION OF SPENDING LIMIT
### SELECTING METHOD A or B FOR 2013

### GANN CALCULATION
**Fiscal Year 2013**
**Method A (Recommended Method)**

Using:
- 1) Percent change in Per Capita Personal Income
- 2) Percent change in City Population

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$434,695,426</td>
</tr>
<tr>
<td>Per Capita Income Change Ratio</td>
<td>1.0377</td>
</tr>
<tr>
<td>City Population Growth Ratio</td>
<td>1.0150</td>
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<td>FY 2010-2011 Factor</td>
<td>1.0532655</td>
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<tr>
<td>Appropriations Limit Fiscal Year</td>
<td>$457,849,695</td>
</tr>
<tr>
<td>Net Annual Adjustment in Dollars</td>
<td>$23,154,269</td>
</tr>
</tbody>
</table>

Source: May 2012, State of California, Department of Finance letter

### GANN CALCULATION
**Fiscal Year 2013**
**Method B (Alternative Calculation)**

Using:
- 1) Percent change in Per Capita Personal Income
- 2) Percent change in County Population

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Per Capita Income Change Ratio</td>
<td>1.0377</td>
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<td>County Population Growth Ratio</td>
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<td>FY 2010-2011 Factor</td>
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<tr>
<td>Net Annual Adjustment in Dollars</td>
<td>$23,154,269</td>
</tr>
</tbody>
</table>

Source: May 2012, State of California, Department of Finance letter

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**K:\\Users\\PedroR\\GANN Limits\\FY 13\\GANN limit calculation 2013.xlsx**
June 29, 2012

TO: MAYOR ASHLEY SWARENGIN
FROM: YVONNE SPENCE, CMC
City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 6/28/12, Council adopted the attached Resolution No. 2012-127 entitled Adopt the fiscal year 2012-2013 GANN appropriation limit resolution Item No. 2:00 PM 5, by the following vote:

Ayes: Borgeas, Brand, Quintero, Westerlund, Xiong, Olivier
Noes: Bainess
Absent: None
Abstain: None

Please indicate either your formal approval or veto by completing the following sections and executing and dating your action. Please file the completed memo with the Clerk's office on or before July 9, 2012. In computing the ten day period required by Charter, the first day has been excluded and the tenth day has been included unless the 10th day is a Saturday, Sunday, or holiday, in which case it has also been excluded. Failure to file this memo with the Clerk's office within the required time limit shall constitute approval of the ordinance, resolution or action, and it shall take effect without the Mayor's signed approval.

Thank you.

________________________________________________________________________

APPROVED/NO RETURN: X

VETOED for the following reasons: (Written objections are required by Charter; attach additional sheets if necessary.)

________________________________________________________________________

Ashley Swearengin, Mayor
Date: 7/3/12

COUNCIL OVERRIDE ACTION:

Ayes: 
Noes: 
Absent: 
Abstain: 

Date: __________________________