



RESOLUTION NO. 2012-127

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 XIII B 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.

Adopted 6-28-12
Approved 7-3-12
Effective 7-3-12



CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
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: *Yvonne Spence*
Deputy

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

BY: *David P. Hale* 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

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

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

Per Capital Personal Income Change Over Prior Year	3.77%
County Population Growth	1.16%
City Population Growth	1.50%

GANN CALCULATION

Fiscal Year 2013

Method B (Alternative Calculation)

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

Beginning Balance	<u>\$ 434,695,426</u>
Per Capita Income Change Ratio	1.0377
County Population Growth Ratio	<u>1.0116</u>
FY 2010-2011 Factor	<u>1.04973732</u>
Appropriations Limit Fiscal Year 2011	<u>\$ 456,316,012</u>
Net Annual Adjustment in Dollars	23,154,269

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

Per Capital Personal Income Change Over Prior Year	3.77%
County Population Growth	1.16%
City Population Growth	1.50%



June 29, 2012



RECEIVED

Council Adoption: 6/28/2012
Mayor Approval:
Mayor Veto:
Override Request:

TO: MAYOR ASHLEY SWEARENGIN

2012 JUL -5 AM 9:06
CITY CLERK, FRESNO CA

FROM: YVONNE SPENCE, CMC
City Clerk

JS

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 : Baines
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
Ashley Swearengin, Mayor

Date: 7/3/12

COUNCIL OVERRIDE ACTION:

Date: _____

Ayes :
Noes :
Absent :
Abstain :