WHEREAS, In November 1979, Proposition 4 (the Gann Initiative) was approved, which added Article XIIIB 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 per capita income 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 per capita income 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 2017-2018 annual budget, the Council adopts Per Capita Personal Income and County population, shown as Method B in Attachment A, as the factors for the purpose of determining the City’s FY 2017-2018 Gann Limit.
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 22nd day of June, 2017.

AYES : Baines, Brandau, Bredefeld, Caprioglio, Chavez, Soria, Olivier
NOES : None
ABSENT : None
ABSTAIN : None

YVONNE SPENCE, CMC
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

BY: RAJ SINGH BADESHA
Deputy City Attorney

2 of 2
### COMPUTATION OF SPENDING LIMIT
SELECTING METHOD A or B FOR 2018

#### Method A
**GANN CALCULATION**
Fiscal Year 2018

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$547,073,195</td>
</tr>
<tr>
<td>Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>Adjusted Beginning Balance</td>
<td>$547,073,195</td>
</tr>
</tbody>
</table>

**Per Capita Income Change Ratio** 1.0369

**City Population Growth Ratio** 1.0097

**FY 2017-2018 Factor** 1.04695793

**Appropriations Limit Fiscal Year 2018** $572,762,620

**Net Annual Adjustment in Dollars** 25,689,425

Source: May 2017, State of California, Department of Finance letter

**Per Capital Personal Income Change Over Prior Year** 3.69%

**County Population Growth** 1.11%

**City Population Growth** 0.97%

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#### Method B
**GANN CALCULATION**
Fiscal Year 2018

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

<table>
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<td>$547,073,195</td>
</tr>
</tbody>
</table>

**Per Capita Income Change Ratio** 1.0369

**County Population Growth Ratio** 1.0111

**FY 2017-2018 Factor** 1.04840959

**Appropriations Limit Fiscal Year 2018** $573,556,784

**Net Annual Adjustment in Dollars** 26,483,589

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