RESOLUTION NO. 2018-160

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, SELECTING METHOD TO DETERMINE GANN APPROPRIATION LIMIT, RELATING TO THE FISCAL YEAR 2018-2019 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 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 2018-2019 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 2018-2019 Gann Limit.

Date Adopted: 06/28/2018
Date Approved: 07/02/2018
Effective Date: 07/02/2018
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, 2018.

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

Mayor Approval: ______________________ July 2nd, 2018
Mayor Approval/No Return: _______________ N/A, 2018
Mayor Veto: ________________________ N/A, 2018
Council Override Vote: _______________ N/A, 2018

YVONNE SPENCE, MMC
City Clerk

BY: [Signature]

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

BY: [Signature] 7.13.18
RAJ SINGH BADESHA
Deputy City Attorney
## COMPUTATION OF SPENDING LIMIT
### METHOD A or B FOR 2019

### GANN CALCULATION
**Fiscal Year 2019**
**Method A**

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Calculation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$573,556,784</td>
<td></td>
</tr>
<tr>
<td>Adjustment</td>
<td></td>
<td>0</td>
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<tr>
<td><strong>Beginning Balance</strong></td>
<td>$573,556,784</td>
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<table>
<thead>
<tr>
<th>Description</th>
<th>Calculation</th>
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<tbody>
<tr>
<td>Per Capita Income Change Ratio</td>
<td>1.0367</td>
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<tr>
<td>City Population Growth Ratio</td>
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<td>FY 2018-2019 Factor</td>
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<tr>
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<td><strong>Net Annual Adjustment in Dollars</strong></td>
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### GANN CALCULATION
**Fiscal Year 2019**
**Method B**

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

<table>
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<th>Description</th>
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<tbody>
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<td><strong>Beginning Balance</strong></td>
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<td>Adjustment</td>
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<td><strong>Beginning Balance</strong></td>
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<tr>
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<td>FY 2018-2019 Factor</td>
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<tbody>
<tr>
<td><strong>Net Annual Adjustment in Dollars</strong></td>
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**Source:** May 2018, State of California, Department of Finance letter

- Per Capital Personal Income Change Over Prior Year: 3.67%
- County Population Growth: 1.24%
- City Population Growth: 0.87%
June 29, 2018

TO: MAYOR LEE BRAND

FROM: YVONNE SPENCE, MMC
City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 6/28/18, Council adopted the attached Resolution No. 2018-160 entitled, FY2019 Gann Appropriation Limit Resolution. Item No.5, File ID18-0825, by the following vote:

Ayes : Baines, Caprioglio, Chavez, Olivier and Soria
Noes : Brandau, Bredefeld
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, 2018. 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: _____

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


__________________________
Lee Brand, Mayor

COUNCIL OVERRIDE ACTION:

Ayes:
Noes:
Absent:
Abstain:

Date: 7/2/18