RESOLUTION NO. 2019-136

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, SELECTING METHOD TO DETERMINE GANN APPROPRIATION LIMIT, RELATING TO THE FISCAL YEAR 2019-2020 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 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 2019-2020 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 2019-2020 Gann Limit.

Date Adopted: 6/27/2019
Date Approved: 7/08/2019
Effective Date: 7/08/2019

Resolution No. 2019-136
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 27th day of June, 2019.

AYES : Arias, Chavez, Esparza, Soria, Caprioglio
NOES : Bredefeld
ABSENT : None
ABSTAIN : None

Mayor Approval: ____________________________ July 8th, 2019
Mayor Approval/No Return: __________________ N/A, 2019
Mayor Veto: ________________________________ N/A, 2019
Council Override Vote: ________________________ N/A, 2019

YVONNE SPENCE, MMC
City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE
BY: RAJ SINGH BADESHA
Deputy City Attorney
## COMPUTATION OF SPENDING LIMIT
### METHOD A or B FOR 2020

### GANN CALCULATION
**Fiscal Year 2020**  
**Method A**

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$ 601,979,436</td>
</tr>
<tr>
<td><strong>Adjustment</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$ 601,979,436</td>
</tr>
<tr>
<td><strong>Per Capita Income Change Ratio</strong></td>
<td>1.0385</td>
</tr>
<tr>
<td><strong>City Population Growth Ratio</strong></td>
<td>1.0096</td>
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<tr>
<td><strong>FY 2019-2020 Factor</strong></td>
<td>1.0484696</td>
</tr>
<tr>
<td><strong>Appropriations Limit Fiscal Year 2020</strong></td>
<td>$ 631,157,139</td>
</tr>
</tbody>
</table>

**Net Annual Adjustment in Dollars**: 29,177,702

### GANN CALCULATION
**Fiscal Year 2020**  
**Method B**

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

<p>| | |</p>
<table>
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<tr>
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<tr>
<td><strong>Per Capita Income Change Ratio</strong></td>
<td>1.0385</td>
</tr>
<tr>
<td><strong>County Population Growth Ratio</strong></td>
<td>1.0106</td>
</tr>
<tr>
<td><strong>FY 2019-2020 Factor</strong></td>
<td>1.0495081</td>
</tr>
<tr>
<td><strong>Appropriations Limit Fiscal Year 2020</strong></td>
<td>$ 631,782,295</td>
</tr>
</tbody>
</table>

**Net Annual Adjustment in Dollars**: 29,802,858

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Source: May 2019, State of California, Department of Finance letter

- Per Capita Personal Income Change: 3.85%
- Over Prior Year
- County Population Growth: 1.06%
- City Population Growth: 0.96%
June 28, 2019

TO: MAYOR LEE BRAND

FROM YVONNE SPENCE, MMC
City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the City Council meeting of 6/27/19, Council adopted the attached Resolution No. 2019-136, entitled **FY 2020 GANN Appropriation Limit Resolution.** Item No. 9 A.M. (E), File ID19-1928, by the following vote:

Ayes : Arias, Caprioglio, Chavez, Esparza, and Soria
Noes : Bredefeld
Absent : None
Recused : 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 8, 2019. 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

**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:  

Date: ________________