RESOLUTION NO. 2020-161

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, SELECTING METHOD TO DETERMINE GANN APPROPRIATION LIMIT, RELATING TO THE FISCAL YEAR 2020-2021 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 2020-2021 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 2020-2021 Gann Limit.

Date Adopted: 06/30/2020
Date Approved: 07/01/2020
Effective Date: 07/01/2020

Resolution No. 2020-161
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 30th day of June 2020.

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

Mayor Approval: _________________ July 1st, 2020
Mayor Approval/No Return: ___________ N/A, 2020
Mayor Veto: _________________ N/A, 2020
Council Override Vote: _________________ N/A, 2020

YVONNE SPENCE, MMC CRM
City Clerk

BY: ____________________________ Date
    Yvonne Spence

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

BY: ____________________________ Date
    Raj Singh Bachesha
    Senior Deputy City Attorney
COMPUTATION OF SPENDING LIMIT
METHOD A or B FOR 2021

GANN CALCULATION
Fiscal Year 2021
Method A

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>$631,782,295</td>
</tr>
<tr>
<td>Adjustment</td>
<td>0</td>
</tr>
<tr>
<td><strong>Beginning Balance</strong></td>
<td><strong>$631,782,295</strong></td>
</tr>
<tr>
<td>Per Capita Income Change Ratio</td>
<td>1.0373</td>
</tr>
<tr>
<td>City Population Growth Ratio</td>
<td>1.0069</td>
</tr>
<tr>
<td>FY 2020-2021 Factor</td>
<td>1.04445737</td>
</tr>
<tr>
<td>Appropriations Limit Fiscal Year 2021</td>
<td>$659,869,674</td>
</tr>
<tr>
<td><strong>Net Annual Adjustment in Dollars</strong></td>
<td><strong>28,087,379</strong></td>
</tr>
</tbody>
</table>

Source: May 2020, State of California, Department of Finance letter
Per Capital Personal Income Change Over Prior Year 3.73%
County Population Growth 0.81%
City Population Growth 0.69%

GANN CALCULATION
Fiscal Year 2021
Method B

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

<table>
<thead>
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<td>Adjustment</td>
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<td><strong>$631,782,295</strong></td>
</tr>
<tr>
<td>Per Capita Income Change Ratio</td>
<td>1.0373</td>
</tr>
<tr>
<td>County Population Growth Ratio</td>
<td>1.0081</td>
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<tr>
<td>FY 2020-2021 Factor</td>
<td>1.04570213</td>
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<tr>
<td>Appropriations Limit Fiscal Year 2021</td>
<td>$660,656,091</td>
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<tr>
<td><strong>Net Annual Adjustment in Dollars</strong></td>
<td><strong>28,873,797</strong></td>
</tr>
</tbody>
</table>

K:\USERS\DOCS\FY\FY21 Enabling Docs\FY 2021 GANN\GANN limit calculation 2021.xlsx
July 1, 2020

TO: MAYOR LEE BRAND
FROM YVONNE SPENCE, MMC, CRM
City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the City Council meeting of June 30, 2020, Council adopted the attached Resolution No. 2020-161, entitled FY 2021 GANN Appropriation Limit Resolution. Item 9:00 A.M. - F, File ID 20-00827, by the following vote:

Ayes: Arias, Bredefeld, Caprioglio, Chavez, Esparza, Karbassi, Soria
Noes: None
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 10, 2020. 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.

X APPROVED / NO RETURN: ____________

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

__________________________

DocuSigned by:

Lee Brand

Date: 7/1/2020

Lee Brand, Mayor

COUNCIL OVERRIDE ACTION:

Ayes:
Noes:
Absent:
Abstain:

__________________________

Date: ______________________