



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



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### 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 28<sup>th</sup> day of June, 2018.

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

Mayor Approval: \_\_\_\_\_, July 2<sup>nd</sup>, 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: *Yvonne Spence*  
Deputy

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

<b>Beginning Balance</b>	\$ 573,556,784
<b>Adjustment</b>	0
<b>Beginning Balance</b>	\$ 573,556,784

<b>Per Capita Income Change Ratio</b>	1.0367
<b>City Population Growth Ratio</b>	1.0087
<b>FY 2018-2019 Factor</b>	1.04571929
<b>Appropriations Limit Fiscal Year 2019</b>	\$ 599,779,393

**Net Annual Adjustment in Dollars** 26,222,609

Source: May 2018, State of California, Department of Finance letter

<b>Per Capital Personal Income Change Over Prior Year</b>	<b>3.67%</b>
<b>County Population Growth</b>	<b>1.24%</b>
<b>City Population Growth</b>	<b>0.87%</b>



## GANN CALCULATION

Fiscal Year 2019

Method B

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

<b>Beginning Balance</b>	\$ 573,556,784
<b>Adjustment</b>	0
<b>Beginning Balance</b>	\$ 573,556,784

<b>Per Capita Income Change Ratio</b>	1.0367
<b>County Population Growth Ratio</b>	1.0124
<b>FY 2018-2019 Factor</b>	1.04955508
<b>Appropriations Limit Fiscal Year 2019</b>	\$ 601,979,436

**Net Annual Adjustment in Dollars** 28,422,652



June 29, 2018

TO: MAYOR LEE BRAND

FROM: YVONNE SPENCE, MMC  
City Clerk

Council Adoption: 6/28/18  
Mayor Approval:  
Mayor Veto:  
Override Request:



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 10<sup>th</sup> 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.

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**APPROVED/NO RETURN:** \_\_\_\_\_

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

\_\_\_\_\_  
Lee Brand, Mayor

Date: 7-2-18

**COUNCIL OVERRIDE ACTION:**

Date: \_\_\_\_\_

Ayes	:
Noes	:
Absent	:
Abstain	: