



Legislation Details (With Text)

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Title: CONSIDER RESOLUTION NO. 17-082 APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017/18 (CITY COUNCIL)
Sponsors:
Indexes:
Code sections:
Attachments: 1. GANN Resolution 1718

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, June 20, 2017

Consent

SUBJECT:

CONSIDER RESOLUTION NO. 17-082 APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017/18 (CITY COUNCIL)

I. SUMMARY

Each year the City is required by Article XIII B of the California Constitution, known as the Gann Limit that sets the maximum amount of appropriations that can be made from tax receipts. Taxes exceeding this limit must be returned to residents or may be spent with the approval of a majority vote. The City's Annual Appropriations Limit for Fiscal Year 2017/18 is \$212,862,269.

II. RECOMMENDATION

WAIVE further reading and ADOPT Resolution No. 17-082, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2017/18."

III. ALTERNATIVES

None, California law requires that cities adopt an annual appropriations limit.

IV. BACKGROUND

Pursuant to Article XIII B of the California Constitution (“Gann Limit”), the City is required to compute an Annual Appropriations Limit. The appropriations limit, originally imposed by Proposition 4, creates a restriction on the amount of revenue that can be appropriated in any fiscal year.

Annually, the Finance Department computes the appropriations limit which is based on changes to the City or County population and changes to the Per Capita Income (PCI), or total assessed valuation of non-residential new construction. These calculations are shown in Exhibit No. 1 as Attachment 1.

Staff calculated the Appropriations Limit using the following factors provided by the State Department of Finance.

1. Percentage change in population in the County of Los Angeles, and
2. Percentage change in Per Capita Income (PCI).

White Nelson Diehl Evans LLP, the City’s auditor has reviewed and approved the annual appropriations limit for FY 2016/17 as part of their Agreed Upon Procedures. The calculation will be submitted to the auditor for an opinion and will become part of the FY 2017/18 audit process.

The FY 2017/18 Annual Appropriations Limit is \$212,862,269. The City’s estimated revenue for FY 2017/18 is well below the Annual Appropriations Limit.

The Annual Appropriations Limit is available to the public at the City Clerk’s office and has been posted on the City’s website. Staff is requesting that Council adopt Resolution No. 17-082 (Exhibit No. 1) adopting the Annual Appropriations Limit.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Resolution No. 17-082 (pg. 3 - 5)

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