



CITY OF CARSON

Legislation Text

File #: 2019-633, Version: 1

Report to Mayor and City Council

Tuesday, July 02, 2019

Consent

SUBJECT:

CONSIDER RESOLUTION NO. 19-130 APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019/20 (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 2019/20 is \$230,333,201.

II. RECOMMENDATION

WAIVE further reading and ADOPT Resolution No. 19-130, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2019/20."

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 2018/19 as part of their Agreed Upon Procedures. The calculation for the FY 2019/20 appropriations limit will be submitted to the auditor for an opinion and will become part of the FY 2018/19 audit process.

The FY 2019/20 Annual Appropriations Limit is \$230,333,201. The City's estimated revenue for FY 2019/20 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. 19-130 (Exhibit No. 1) adopting the Annual Appropriations Limit.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Resolution No. 19-130 (pg. 3 - 5)

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