

**RESOLUTION NO. 7871**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE  
APPROVING AND ADOPTING THE ANNUAL GANN APPROPRIATIONS LIMIT  
FOR FISCAL YEAR 2019/20**

**WHEREAS**, the voters of the State of California on November 6, 1979, added Article XIII B to the Constitution of the State of California placing various limitations on the appropriations of the state and local governments; and

**WHEREAS**, Article XIII B provides that the appropriations limit for Fiscal Year 2019/20 shall be calculated by adjusting the appropriations limit for the prior fiscal year for changes in inflation and population, except as otherwise provided for in Article XIII B and implementing state statutes; and

**WHEREAS**, the information necessary for making such adjustments is attached as Attachment A, which is incorporated herein and by reference made a part hereof; and

**WHEREAS**, the City of South Gate has complied with the provisions of Article XIII B in determining the appropriations limit for Fiscal Year 2019/20;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City selects the percentage increase in the County of Los Angeles population growth as the population factor and the percentage increase in Non-Residential Assessed Valuation due to New Construction as the inflation factor.

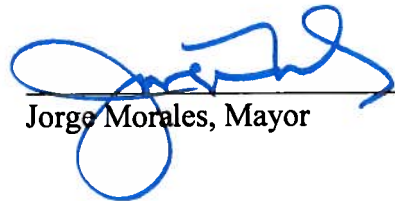
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**SECTION 2.** An appropriations limit in the total amount of \$72,169,313 is hereby adopted for Fiscal Year 2019/20, with appropriations subject to the limit of \$41,471,477, leaving the City with an appropriations balance under the limit of \$30,697,836.


**SECTION 3.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED, and ADOPTED** this 11<sup>th</sup> day of June, 2019.


CITY OF SOUTH GATE:

  
\_\_\_\_\_  
Jorge Morales, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raul F. Salinas, City Attorney

## GANN APPROPRIATIONS LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Appropriations Limit, was adopted by California voters in 1980 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can appropriate and spend each year.

The limit is different for each agency and changes each year. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in FY 1978/79 in each agency, modified for changes in inflation and population in each subsequent year. Inflationary adjustments are, by law, based on increases in the California per capita personal income (PCPI) or the increase in non-residential assessed valuation due to new construction (NRAV-NC). Population adjustments are based on city population growth or county population growth.

For FY 2019/20, the City of South Gate's estimated tax proceeds to be received, as well as tax proceeds appropriated by the City Council will, as in prior years, continue to be under the legal limit. The appropriations limit for FY 2019/20 is \$72,169,313. This is the maximum amount of tax proceeds the City will be able to appropriate and spend in the coming fiscal year. The City's estimated proceeds of taxes is \$41,471,477 resulting in appropriations being under the limit by \$30,697,836.

### Trends:

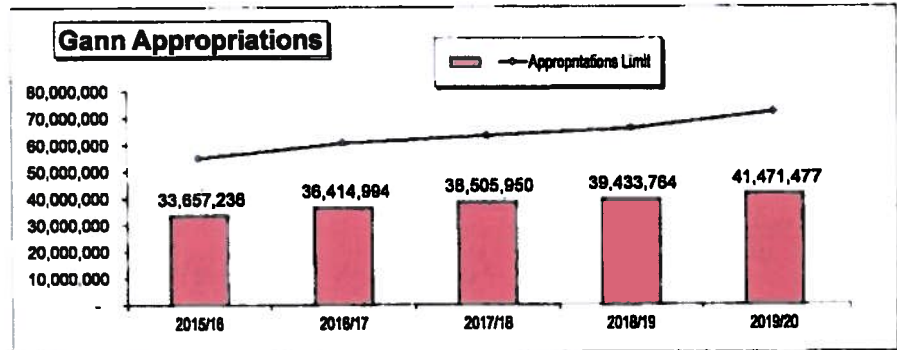
**Appropriations Limit**

**Appropriations (Over) Under Limit**

2015/16	2016/17	2017/18	2018/19	2019/20
55,090,568	60,672,727	63,270,146	65,926,681	72,169,313
33,657,236	36,414,994	38,505,950	39,433,764	41,471,477
21,433,332	24,257,733	24,764,196	26,492,917	30,697,836

**Appropriations Limit**

**Appropriations Subject to Limit**



### Appropriations Limit Worksheet 2019/20

A. Last Year's Limit (Audited)

**\$ 65,926,681**

B. Adjustment Factors

1 Population - % change - L.A. County

0.9999 State Department of Finance

2 Inflation - % change - net change in non-residential new const.

1.0948 State Department of Finance

C. Total Adjustment (B1 x B2)

1.0947

D. This Year's Limit (A x C)

**\$ 72,169,313**


**RESOLUTION CERTIFICATION PAGE**

**STATE OF CALIFORNIA            )**  
**COUNTY OF LOS ANGELES    )     SS**  
**CITY OF SOUTH GATE         )**

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Resolution No. 7871 was adopted by the City Council at their Regular Meeting held on June 11, 2019, by the following vote:

- Ayes:            Council Members:    Bernal, Davila, Diaz Morales, and Rios
- Noes:           Council Members:    None
- Absent:         Council Members:    None
- Abstain:        Council Members:    None

Witness my hand and the seal of said City on June 12, 2019.

  
\_\_\_\_\_  
Carmen Avalos, City Clerk  
City of South Gate, California