



City of Biggs

Agenda Item Staff Report For the Council Meeting: July 11, 2017

TO: Honorable Mayor and Members of the City Council
FROM: City Administrator
SUBJECT: Gann Appropriation Limit for Fiscal Year 2017-2018

Consider approval of a resolution adopting the Gann Appropriation limit for Fiscal year 2017-2018.

Recommendation:

Move Approval of: **RESOLUTION NO. 2017-13**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS
ADOPTING THE "GANN" APPROPRIATION LIMIT FOR FISCAL YEAR 2017-2018**

Mark Sorensen, City Administrator

**RESOLUTION NO. 2017-13
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS
ADOPTING THE "GANN" APPROPRIATION LIMIT FOR FISCAL YEAR 2017-2018**

WHEREAS, in November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and,

WHEREAS, the provisions of that Article establish maximum appropriation limitations, commonly called "Gann Limits", for public agencies, including school districts; and,

WHEREAS, the District must establish a revised Gann Limit for the 2017-2018 fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law;

NOW, THEREFORE, BE IT RESOLVED that the City Council does provide public notice that the attached calculations and documentation of the Gann Limits for the 2017-2018 fiscal year is made in accord with applicable constitutional and statutory law;

AND BE IT FURTHER RESOLVED that the City Council for the City of Biggs does hereby declare that the adjusted appropriations Gann Limit for Prop 4 limit to be \$2,901,585.21 for the 2017-2018 fiscal year and that the adjusted Prop 4 appropriations for the 2017-2018 fiscal year are \$623,375.00, see attached calculations, and this does not exceed the limitations imposed by Proposition 4 Appropriations.

I HEREBY CERTIFY that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Biggs, held on the 11th day of July, 2017 by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAINED: COUNCILMEMBER _____

ATTEST:

APPROVED:

Roben Dewsnup
CITY CLERK

Angela Thompson
MAYOR

ROY R. SEILER

CERTIFIED PUBLIC ACCOUNTANT

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Willows, CA 95988

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City of Biggs,
Biggs, California

Management is responsible for the accompanying Appropriations Limitations Worksheets for the City of Biggs, for the 2017-2018 fiscal year. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial information nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on this financial information.

I am not independent with respect to the City of Biggs

June 20, 2017
Roy R. Seiler, CPA

**Appropriations Limit
City of Biggs
Fiscal Year 2017-2018**

Article XIII B Appropriations Limit (Gann Appropriation Limit)

Background and calculations

Article XIII B of the California State Constitution, more commonly known as the Gann or "Prop 4" Appropriation Limit, was adopted by California voters in 1980. The Gann Limit places limits on the amount of Tax proceeds that government agencies can receive and appropriate each year.

The Appropriation limit is based on actual appropriations during the 1978-79 fiscal year, and is adjusted each year using the growth in population and inflation. The City's limit is adopted each year via resolution by the City Council.

In 1990, Proposition 111 made changes to the manner in which the Appropriations Limit is calculated by allowing government agencies choice of annual growth factors. Proposition 111 also provides for the exclusion from the limit capital expenditures for fixed assets of \$100,000 or more in value that have an expected life of ten years or more.

See Accompanying Compilation Report

Appropriations Limit
City of Biggs
Computation Worksheet
Fiscal Year 2017-2018

	Amount	Source
A. Last Year's Limit	\$ 2,789,401.08	Fiscal Year 2016-2017, Revised 6-20-17
B. Adjustment Factors		
1. Population Growth%	0.32%	*Information provided by California Dept. of Finance
2. Personal Income Growth %	3.69%	*Information provided by California Dept. of Finance
Population converted to a ratio	$(.32+100)/100 = 1.0032$	
Per Capita converted to a ratio	$(.369+100)/100 = 1.0369$	
Calculation Factor	$1.0032 \times 1.0369 = 1.040218$	
Total Adjustment %	4.0218%	
C. Annual Adjustment \$	\$ 112,184.13	
D. Other Adjustments:		
Lost Responsibility (-)	\$ -	
Transfer to private (-)	\$ -	
Transfer to fees (-)	\$ -	
Assumed Responsibility (+)	\$ -	
Sub-total	\$ -	
E. Total Adjustments	\$ 112,184.13	
F. This Year's Limit	\$ 2,901,585.21	Fiscal Year 2017-2018
Appropriations FY 2017-2018	\$ 14,157,181.00	
Less Adjustments to GANN Limit :		
Transfers from prior year revenues	\$ 385,625.00	
Non Local Tax and Project funding	\$ 9,352,600.00	
Non Tax Utility Appropriations	\$ 3,734,900.00	
Securred tax, Utility District	\$ 18,000.00	
Franchise Fees	\$ 14,000.00	
License/Permits	\$ 1,300.00	
Electric Meter Charges (In Gen Fund)	\$ 25,500.00	
Non General Fund Interest	\$ 1,731.00	
Fines/Forfeitures	\$ 150.00	
Adjustments to GANN Limit (Non-Tax)	\$ 13,533,806.00	
Subject Appropriation for GANN	\$ 623,375.00	
FY 2016-2017 GANN Limit	\$ 2,901,585.21	
Appropriations Remaining or (over limit) of Prop 4 GANN Appropriation	\$ 2,278,210.21	
Percentage Remaining or (over limit) of Prop 4 GANN Appropriation	79%	

See Accompanying Compilation Report

Appropriations Limit
City of Biggs
Fiscal Year 2017-2018

Resolution Summary:

Prior Year Appropriation Limitation	\$	2,789,401.08
1. Population Growth%		0.32%
2. Personal Income Growth %		3.69%
Annual Adjustment	\$	112,184.13
Current Year Appropriation Limitation	\$	2,901,585.21
Subject Appropriation for GANN	\$	623,375.00
Appropriations Remaining or (over limit) of Prop 4 GANN Appropriation	\$	2,278,210.21
Percentage Remaining or (over limit) of Prop 4 GANN Appropriation		79%

See Accompanying Compilation Report