

RESOLUTION NO. 2018-15
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS
ADOPTING THE "GANN" APPROPRIATION LIMIT FOR FISCAL YEAR 2018-2019

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 2018-2019 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 2018-2019 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 \$3,008,653.70 for the 2018-2019 fiscal year and that the adjusted Prop 4 appropriations for the 2018-2019 fiscal year are \$757,820.00, 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 10th day of July 2018 by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAINED: COUNCILMEMBER _____

ATTEST:

APPROVED:

Roben Benish
CITY CLERK

Angela M. Thompson
MAYOR

ROY R. SEILER

CERTIFIED PUBLIC ACCOUNTANT

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Willows, CA 95988

Phone: 530-934-8841
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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 2018-2019 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 18, 2018
Roy R. Seiler, CPA

**Appropriations Limit
City of Biggs
Fiscal Year 2018-2019**

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 2018-2019**

	Amount	Source
A. Last Year's Limit	\$ 2,901,585.21	Fiscal Year 2017-2018
B. Adjustment Factors		
1. Population Growth%	0.00%	*Information provided by California Dept. of Finance
2. Personal Income Growth %	3.67%	*Information provided by California Dept. of Finance
Population converted to a ratio	(.00+100)/100 =1.0000	
Per Capita converted to a ratio	(.367+100)/100 =1.0367	
Calculation Factor	1.0000x1.0369=1.0369	
Total Adjustment %	3.6900%	
C. Annual Adjustment \$	\$ 107,068.49	
D. Other Adjustments:		
Lost Responsibility (-)	\$ -	
Transfer to private (-)	\$ -	
Transfer to fees (-)	\$ -	
Assumed Responsibility (+)	\$ -	
Sub-total	\$ -	
E. Total Adjustments	\$ 107,068.49	
F. This Year's Limit	\$ 3,008,653.70	Fiscal Year 2018-2019
Appropriations FY 2018-2019	\$ 14,317,876.00	
Less Adjustments to GANN Limit :		
Transfers from prior year revenues	\$ 368,075.00	
Non Local Tax and Project funding	\$ 9,482,860.00	
Non Tax Utility Appropriations	\$ 3,649,971.00	
Secured 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	\$ 200.00	
Fines/Forfeitures	\$ 150.00	
Adjustments to GANN Limit (Non-Tax)	\$ 13,560,056.00	
Subject Appropriation for GANN	\$ 757,820.00	
FY 2018-2019 GANN Limit	\$ 3,008,653.70	
Appropriations Remaining or (over limit) of Prop 4 GANN Appropriation	\$ 2,250,833.70	
Percentage Remaining or (over limit) of Prop 4 GANN Appropriation	75%	

See Accompanying Compilation Report

**Appropriations Limit
City of Biggs
Fiscal Year 2018-2019**

Resolution Summary:

Prior Year Appropriation Limitation	\$	2,901,585.21
1. Population Growth%		0.00%
2. Personal Income Growth %		3.69%
Annual Adjustment	\$	107,068.49
Current Year Appropriation Limitation	\$	3,008,653.70
Subject Appropriation for GANN	\$	757,820.00
Appropriations Remaining or (over limit) of Prop 4 GANN Appropriation	\$	2,250,833.70
Percentage Remaining or (over limit) of Prop 4 GANN Appropriation		75%

See Accompanying Compilation Report



May 2018

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2018, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2018-19. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2018-19 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2018.**

Please Note: The prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2018-19 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2018-19	3.67

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2018-19 appropriation limit.

2018-19:

Per Capita Cost of Living Change = 3.67 percent
 Population Change = 0.78 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.67 + 100}{100} = 1.0367$

Population converted to a ratio: $\frac{0.78 + 100}{100} = 1.0078$

Calculation of factor for FY 2018-19: $1.0367 \times 1.0078 = 1.0448$

Fiscal Year 2018-19

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2017 to January 1, 2018 and Total Population, January 1, 2018

County City	<u>Percent Change</u>	<u>Population Minus Exclusions</u>		<u>Total Population</u>
	2017-2018	1-1-17	1-1-18	1-1-2018
Butte				
Biggs	0.00	1,913	1,913	1,913
Chico	1.04	91,398	92,348	92,348
Gridley	0.10	6,930	6,937	6,937
Oroville	0.76	18,008	18,144	18,144
Paradise	1.31	26,228	26,572	26,572
Unincorporated	-0.27	81,926	81,707	81,707
County Total	0.54	226,403	227,621	227,621

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.