

**RESOLUTION NO. 2020-27-CC**

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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, APPROVING AND ADOPTING THE  
ANNUAL GANN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020/21**

**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;

**WHEREAS**, Article XIII B provides that the appropriations limit for Fiscal Year 2020/21 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;

**WHEREAS**, the information necessary for making such adjustments is attached hereto as Exhibit "A", and is made a part to this Resolution;

**WHEREAS**, the City of South Gate ("City") has complied with the provisions of Article XIII B in determining the appropriations limit for Fiscal Year 2020/21.

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

**SECTION 1.** The City Council hereby selects the percent increase in Non-Residential Assessed Valuation due to New Construction (NRAV-NC) as the inflation factor and the percent increase in the City's population growth as the population factor.

[Remainder of page left blank intentionally]

**SECTION 2.** The City Council hereby approves and adopts an appropriations limit in the total amount of \$81,145,742 for Fiscal Year 2020/21, with an amount subject to the limit of \$38,744,118.


**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 23<sup>rd</sup> day of June, 2020.

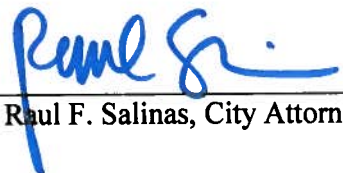
**CITY OF SOUTH GATE:**

By:   
Maria Davila, Mayor

**ATTEST:**

By:   
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:   
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.

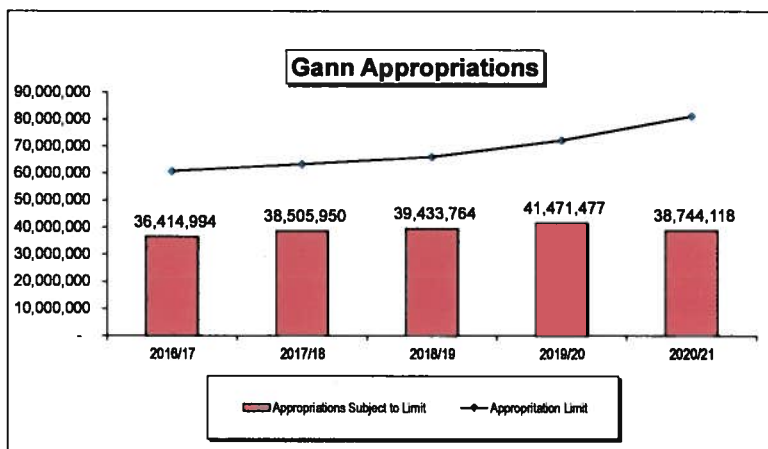
The limit is different for each agency and changes each year. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in FY 1978/79 in each agency, modified for changes in inflation and population in each subsequent year. Inflationary adjustments are, by law, based on 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 2020/21, 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 2020/21 is \$81,145,742. 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 \$38,744,118 resulting in appropriations being under the limit by \$42,401,624.

#### Historical Information

**Appropriation Limit**  
**Appropriations Subject to Limit**  
**Appropriations (Over) Under Limit**

2016/17	2017/18	2018/19	2019/20	2020/21
60,672,727	63,270,146	65,926,681	72,169,313	81,145,742
36,414,994	38,505,950	39,433,764	41,471,477	38,744,118
24,257,733	24,764,196	26,492,917	30,697,836	42,401,624



#### Appropriations Limit Worksheet 2020/21

A. Last Year's Limit (Audited)	\$ 72,169,313	
B. Adjustment Factors		
1 Population - % change - City of South Gate	1.0023	State Department of Finance
2 Inflation - % change - net change in non-residential new construction	1.1218	County of Los Angeles
C. Total Adjustment (B1 x B2)	1.12438014	
D. This Year's Limit (A x C)	\$ 81,145,742	

**CITY OF SOUTH GATE  
APPROPRIATIONS LIMIT CALCULATION  
FY 2020/21**

**Step 1: Determine % change in population. (Use the higher %)**

<u>Population Change</u>	<u>City</u>	<u>County</u>
Population 1/1/19	96,777	10,253,716
Population 1/1/20	97,003	10,172,951
Increase/(Decrease)	226	(80,765)
<b>% of Change</b>	<b>0.23%</b>	<b>-0.79%</b>

**Step 2: Determine Inflation Adjustment Factor. (Use the higher factor)**

Net change in California Per Capita Income (PCI)	3.73%
Net change in non-residential new construction	12.18%

**Step 3: Calculate Growth Factor**

	<u>% change</u>	<u>Ratio</u>
Use the higher of Step 1 & Step 2		
Step 1: Change in Population - City	0.23%	1.0023
Step 2: Net change in non-residential new constr	12.18%	1.1218
<b>Growth Factor for FY 2020/21</b>		<b>1.12438014</b>

**Step 4: Calculate the Appropriation Limit**

Appropriations Limit for prior fiscal year 2019-20	\$ 72,169,313
X Growth Factor for FY 2020/21 (from step 3)	1.12438014
<b>Appropriations Limit for 2020/21</b>	<b>\$ 81,145,742</b>

**Appropriations Subject to Limit:**

Proceeds of Taxes	38,744,118	
Minus Exclusions	-	
<b>Appropriations Subject to Limit</b>	<b>38,744,118</b>	
<b>Appropriations (Over) Under Limit</b>		<b>\$ 42,401,624</b>

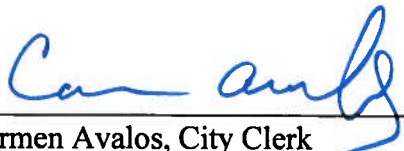
**RESOLUTION CERTIFICATION PAGE**

**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. 2020-27-CC was adopted by the City Council at their Regular Meeting held on June 23, 2020, by the following vote:

Ayes:            Council Members:    Davila, Avalos, Diaz, Rios and Hurtado  
Noes:            Council Members:    None  
Absent:          Council Members:    None  
Abstain:         Council Members:    None

Witness my hand and the seal of said City on June 30, 2020.

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