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.

[Remainder of page left blank intentionally]
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 11th 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 that 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:

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<th>Appropriations Limit</th>
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<tr>
<td>2019/20</td>
<td>41,471,477</td>
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</table>

### 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
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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