

RESOLUTION NO. 7712

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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE
APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT
FOR THE FISCAL YEAR 2016-17**

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 2016-17 shall be calculated by adjusting the appropriations limit for the prior fiscal year for changes in the 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 2016-17;

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

SECTION 1. The City selects the percent increase in Non-Residential Assessed Value due to New Construction (NRAV-NC) within the City as the inflation factor and the percent increase in City of South Gate population growth as the population factor.

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SECTION 2. An appropriations limit in the total amount of \$60,672,727 is hereby adopted for Fiscal Year 2016-17, with an amount subject to the limit of \$36,414,994.

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

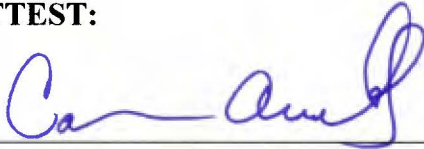
PASSED, APPROVED, and ADOPTED this 14th day of June, 2016.

CITY OF SOUTH GATE:



W. H. (Bill) De Witt, 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 income 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.

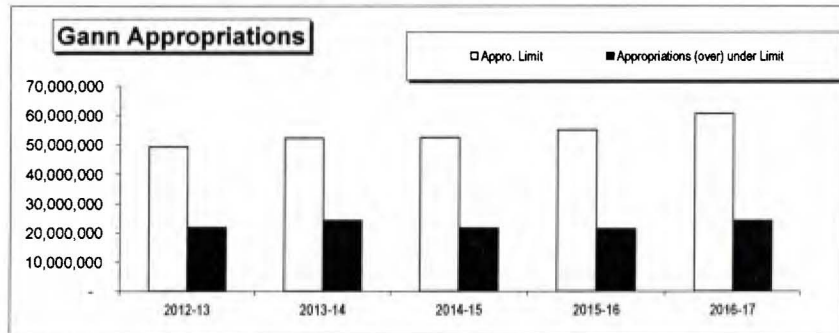
For FY 2016-17, the City of South Gate's estimated tax proceeds to be received, as well as tax proceeds appropriated by the City Council will, as in prior years, continue to be under the legal limit. The appropriations limit for FY 2016-17 is \$60,672,727. This is the maximum amount of tax proceeds the City will be able to appropriate and spend in the coming fiscal year. The City's estimated proceeds of taxes is \$36,414,994 resulting in appropriations being under the limit by \$24,257,733.

Trends

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

	2012-13	2013-14	2014-15	2015-16	2016-17
Appropriation Limit	49,331,747	52,267,207	52,631,959	55,090,568	60,672,727
Appropriations Subject to Limit	27,334,448	27,858,561	30,916,929	33,657,236	36,414,994
Appropriations (Over) Under Limit	21,997,299	24,408,646	21,715,030	21,433,332	24,257,733

Appropriation Limit
Appropriations Subject to Limit



Appropriations Limit Worksheet 2016-17

A. Last Year's Limit (Audited)	55,090,568	
B. Adjustment Factors		
1 Population % - City of South Gate	1.0143	State Department of Finance
2 Inflation % - NRAV-NC	1.0858	State Department of Finance
C. Total Adjustment (B1 x B2)	1.1013	
D. Other Adjustments:	0	
Sub-Total	0	
E. This Year's Limit	\$ 60,672,727	A x C

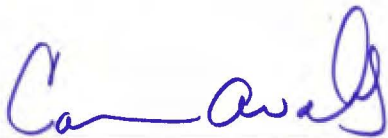
RESOLUTION CERTIFICATION PAGE

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. 7712 was adopted by the City Council at their Regular Meeting held on June 14, 2016, by the following vote:

Ayes: Council Members: De Witt, Davila, Bernal, Hurtado and Morales
Noes: Council Members: None
Absent: Council Members: None
Abstain: Council Members: None

Witness my hand and the seal of said City on June 16, 2016.



Carmen Avalos, City Clerk
City of South Gate, California