



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: October 20, 2009

SUBJECT: Annual Gann Limit Calculation

Report in Brief

Each year, the City must adopt an appropriation limit in conformance with Proposition 4, otherwise known as the GANN Limit. Proposition 4 and the subsequent Proposition 111, set forth the regulations for the calculations of the limit. This calculated amount limits the amount of tax revenue an entity may collect in any fiscal year. The propositions also discuss the mitigation required if an entity exceeds the limit in any fiscal year.

Staff recommends that City Council adopts Resolution No. _____ approving the City of Woodland's fiscal year 2009/2010 Appropriations Limit.

Background

Annually, the City may select either the population change in the City of Woodland or the County of Yolo as one of the factors in the limit calculation. As it is beneficial to select the higher of the two numbers, the City has selected the City of Woodland's population change.

Discussion

Using the prior year GANN limit of \$49,468,055.65, the 2010 Limit is calculated by applying the 1.33% population change in the City of Woodland and the 0.62% increase in per capita personal income. Please see calculation worksheet attached to the Resolution. The resulting appropriation limit of \$50,457,416.76 is over \$20 million dollars higher than our expected tax revenue for fiscal 2009/2010. Therefore, Woodland should remain substantially below the Appropriations Limit in the foreseeable future.

Fiscal Impact

There is no fiscal impact associated with the City Council's adoption of the proposed resolution.

Public Contact

Posting of the City Council agenda.

Recommendation for Action

Staff recommends that City Council adopts Resolution No. _____ approving the City of Woodland's fiscal year 2009/2010 Appropriations Limit.

Prepared By: Rex J. Greenbaum
Senior Accountant

Reviewed By: Amber D'Amato
Finance Officer

Mark G. Deven
City Manager

Attachments: GANN Appropriations Limit Calculation

RESOLUTION NO. _____

A RESOLUTION TO SET THE APPROPRIATION LIMIT FOR
THE CITY OF WOODLAND, IN ACCORDANCE WITH ARTICLE
XIII-B OF THE STATE CONSTITUTION FOR FISCAL YEAR 2009/10

The City Council of the City of Woodland hereby finds and resolves as follows:

WHEREAS, the voters of the State of California added Article XIII-B to the Constitution limiting the state and local governments' ability to appropriate the proceeds of taxes; and,

WHEREAS, California legislation (SB 1352) has implemented the provisions of Article XIII-B, effective January 1, 1981; and modified these provisions with the passage of Proposition 111 in June 1990; and,

WHEREAS, the City of Woodland has calculated its appropriation limitation in accordance with Government Code Section 7910; and,

WHEREAS, the City Council of the City of Woodland selected the City of Woodland's population factor and State of California's inflation factor for calculating the appropriations limit.

NOW THEREFORE, the City Council of the City of Woodland, California, does hereby resolve to set the Appropriation Limit for the City of Woodland for fiscal year 2009/10 at \$50,457,416.76.

PASSED AND ADOPTED this 20th day of October 2009, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTIONS:	COUNCIL MEMBERS:

MAYOR

ATTEST:

Sue Vannucci, CITY CLERK

GANN Appropriation Limit Calculation for Fiscal Year ending 6/30/2010

Fiscal Year 08/09 Appropriation Limit \$ 49,468,055.65

Input Areas

Factors:

Per Capita Personal Income		
(a) % change	0.620%	
Annual % Change In population	1.330%	(The higher % increase should be used - Woodland's population increase or Yolo County's population increase)

Factors converted to Ratios:

Per Capita Ratio	1.0062
Population Converted To Ratio	1.0133

Calculation of the City of Woodland's Factor

$$1.0062 \quad \times \quad 1.0133 \quad \underline{\underline{1.02}}$$

Fiscal Year 09/10 Appropriation Limit

$$\$ 49,468,055.65 \quad \times \quad 1.02 \quad \underline{\underline{\$ 50,457,416.76}}$$

(a) Information provided by the State Department of Finance. Annual price and population informtaion