

RESOLUTION NO. 2018-37

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF HUNTINGTON BEACH ESTABLISHING THE
GANN APPROPRIATION LIMIT FOR FISCAL YEAR 2018/19

WHEREAS, Article 13B of the California Constitution imposes upon state agencies and local governments the obligation to limit each fiscal year's appropriation of the proceeds from taxes to the amount of such appropriations in fiscal year 1978/1979, adjusted for changes as prescribed under the law.

NOW, THEREFORE, the City Council of the City of Huntington Beach does hereby resolve as follows:

In compliance with provisions of Article 13B of the California Constitution and the formula set out therein, there is hereby established an appropriation limit of \$921,344,622 for the fiscal year 2018/19.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2018.

Mayor

REVIEWED AND APPROVED:

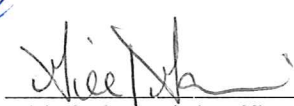
APPROVED AS TO FORM:

City Manager



City Attorney

INITIATED AND APPROVED:



Chief Financial Officer

Exhibit A – Gann Limit Calculation

EXHIBIT A

GANN LIMIT CALCULATION FISCAL YEAR 2018-2019

Under Proposition 111, there are two options available for each of the major adjustment factors. The values of these factors for the purpose of calculating the Fiscal Year 2018-2019 adjustment are as follows:

Price Factor:

- | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------|-------|
| (A) | Percent growth in State per Capita Personal Income:
(Source: Dept of Finance, California - Attachment 1) | 3.67% |
| (B) | Percent change in Assessed Valuation due to new non-residential construct
(Source: Orange County Assessor Prop 111 Report - Attachment 2) | 1.97% |

Population Factor:

- | | | |
|-----|----------------------------------------------------------------------------------------------|-------|
| (C) | Percent growth in County Population:
(Source: Dept of Finance, California - Attachment 1) | 0.69% |
| (D) | Percent growth in City Population:
(Source: Dept of Finance, California - Attachment 1) | 0.33% |

Annual Adjustment Factor:

Based on the actual data, the four alternative adjustment factors are as follows:

(A x C)	1.0367	x	1.0069	=	1.0438532
(A x D)	1.0367	x	1.0033	=	1.0401211
(B x C)	1.0197	x	1.0069	=	1.0267359
(B x D)	1.0197	x	1.0033	=	1.023065

Calculation of the Fiscal Year 2018-2019 Limit

FY 17/18 Limit	\$882,638,091	From PY GANN
Recommended Adjustment Factor (Largest Allowable Increase)	1.04385323	
FY 18/19 Limit	<u>\$921,344,622</u>	