

ADOPTION OF A RESOLUTION
SETTING THE FISCAL YEAR 2016-17
APPROPRIATIONS LIMIT
June 28, 2016
Page 2

RECOMMENDATION

It is recommended that the City Council:

- Adopt the Appropriations Limit Resolution setting the appropriations limit for Fiscal Year 2016-17 at \$136,655,217.

KINGSLEY OKEREKE
Assistant City Manager/Finance Director

Attachments: Resolution
EXHIBIT "A"

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
ADOPTING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-17
IMPLEMENTING ARTICLE XIII B OF THE STATE CONSTITUTION PURSUANT
TO SECTION 7900 ET SEQ. OF THE GOVERNMENT CODE

WHEREAS, the people of California on November 6, 1979 added Article XIII B to the State Constitution placing various limitations on the appropriations of state and local governments;

WHEREAS, the State Legislature adopted Chapters 1205 and 1342 of the 1980 statutes which implemented Article XIII B;

WHEREAS, Section 7902 of the Government Code provides the process which to calculate the appropriations limit for Fiscal Year 2016-17 and subsequent years pursuant to Article XIII B;

WHEREAS, Section 7910 of the Government Code requires cities to adopt a Resolution setting the annual appropriation limitation at a regularly scheduled meeting or a noticed special meeting;

NOW, THEREFORE, BE IT RESOLVED that the appropriations limit for Fiscal Year 2016-17 pursuant to Section 7902 of the Government Code shall be \$136,655,217.

City of Garden Grove
Gann Limit (Budget)
FY 2016-2017
EXHIBIT "A"

**IMPLEMENTATION OF ARTICLE XIII B (GANN LIMITATION)
DETERMINATION OF BASE YEAR (FY 78-79) AND THIRTY-EIGHTH
YEAR (BUDGET FY 16-17) APPROPRIATIONS SUBJECT TO LIMIT
(000's)**

REVENUES	BASE YEAR		YEAR THIRTY-EIGHT	
	FY 78-79 REVENUE	FY 78-79 CLASSIFIED AS NON-PROCEEDS OF TAXES	FY 16-17 REVENUE	FY 16-17 CLASSIFIED AS NON-PROCEEDS OF TAXES
Taxes	8,148.0	337.3	71,504.0	8,886.0
Licenses & Permits	1,160.2	1,160.2	5,549.0	5,549.0
Fines, Forfeits, Penalties	285.2	285.3	2,833.5	2,833.5
Use of Property	851.5	661.9	954.3	847.6
Charges for Services	5,074.0	5,074.0	33,608.2	33,608.2
Subvented from Others	4,572.2	1,284.3	21,575.0	6,394.0
Grants from Others	11,750.0	11,750.0	7,819.7	7,819.7
Other Revenue	120.8	113.1	4,318.0	4,318.0
Total Revenues	31,961.9	20,666.1	148,161.7	70,256.0
Unreserved Fund Bal.	4,544.0	2,649.1	0	0
Total Revenues Under Article XIII B	36,505.9	23,315.2	148,161.7	70,256.0

APPROPRIATIONS	BASE YEAR FY 78-79	YEAR THIRTY-EIGHT FY 16-17
Fire Protection	3,565.9	23,075.9
Police Protection	5,819.7	52,789.7
Traffic Safety	1,678.3	4,090.1
Public Right-of-Way	4,081.8	25,654.9
Water Supply	3,931.2	34,869.0
Drainage	714.0	1,420.0
Community Buildings	803.2	5,431.6
Community Services	2,658.8	4,526.2
Economic Development	N/A	1,165.2
Parks & Greenbelts	1,014.6	2,099.7
Community Neigh. & Development	1,756.5	10,144.6
Municipal Support Services	6,017.0	9,456.8
Capital Project Reappropriation	8,426.4	Included
Added Appropriations During Year	1,946.1	in above
City Contributions to Succ. Agency & Oth. City Act.	0	1,566.6
Grant Contributions to Sewer/Refuse & Oth. City Act.	0	48.5
Water Contributions to Oth. City Act.	0	1.3
Total Appropriations	42,413.5	176,340.1
Less Funds from Reserves	0	0
Net Appropriations	42,413.5	176,340.1

City of Garden Grove
Gann Limit (Budget)
FY 2016-2017
SUMMARY OF FY 2016-2017 APPROPRIATIONS LIMIT
AS PER ARTICLE XIII B
(000's)

FY 78-79 Base Year Appropriations Subject to Limitation		\$18,379.0
Plus Allowed Growth of	643.54%	<u>118,276.2</u>
FY 16-17 Appropriations Limit		\$136,655.2
FY 16-17 Appropriations Subject to Limit		<u>81,849.8</u>
Appropriations (Over) or Under Limit		<u>\$ 54,805.4</u>

Calculation:

Year	Begin Factor	PCI	Pop.Chng	=	End Factor
79-80	1.00000	1.1017	1.0075	=	1.10996
80-81	1.10996	1.1211	1.0180	=	1.26677
81-82	1.26678	1.0912	1.0251	=	1.41701
82-83	1.41700	1.0679	1.0049	=	1.52063
83-84	1.52063	1.0235	1.0118	=	1.57473
84-85	1.57473	1.0474	1.0102	=	1.66620
85-86	1.66620	1.0374	1.0062	=	1.73923
86-87	1.73923	1.0230	1.0150	=	1.80592
87-88	1.80592	1.0347	1.0199	=	1.90577
88-89	1.90577	1.0466	1.0198	=	2.03407
89-90	2.03407	1.0519	1.0185	=	2.17922
90-91	2.17922	1.0421	1.0201	=	2.31661
91-92	2.31661	1.0414	1.0230	=	2.46801
92-93	2.46801	0.9936	1.0247	=	2.51278
93-94	2.51278	1.0272	1.0215	=	2.63662
94-95	2.63662	1.0071	1.0164	=	2.69889
95-96	2.69889	1.0472	1.0172	=	2.87489
96-97	2.87489	1.0467	1.0105	=	3.04074
97-98	3.04074	1.0467	1.0107	=	3.21680
98-99	3.21680	1.0415	1.0169	=	3.40692
99-00	3.40692	1.0453	1.0177	=	3.62429
00-01	3.62429	1.0491	1.0156	=	3.86156
01-02	3.86156	1.0782	1.0202	=	4.24764
02-03	4.24764	0.9873	1.0206	=	4.28009
03-04	4.28009	1.0231	1.0165	=	4.45121
04-05	4.45121	1.0328	1.0142	=	4.66249
05-06	4.66249	1.0526	1.0113	=	4.96319
06-07	4.96319	1.0396	1.0083	=	5.20256
07-08	5.20256	1.0442	1.0084	=	5.47815
08-09	5.47815	1.0429	1.0102	=	5.77144
09-10	5.77144	1.0062	1.0102	=	5.86646
10-11	5.86646	0.9746	1.0101	=	5.77520
11-12	5.77520	1.0251	1.0070	=	5.96160
12-13	5.96160	1.0377	1.0089	=	6.24141

City of Garden Grove
Gann Limit (Budget)
FY 2016-2017
SUMMARY OF FY 2016-2017 APPROPRIATIONS LIMIT
AS PER ARTICLE XIII B
(000'0)

Calculation:

Year	Begin Factor	PCI	Pop.Chng	End Factor
13-14	6.24141	1.0512	1.0078	= 6.61215
14-15	6.61215	0.9977	1.0093	= 6.65829
15-16	6.65829	1.0382	1.0108	= 6.98729
16-17	6.98729	1.0537	1.0099	= 7.43540

**City of Garden Grove
Gann Limit (Budget)
FY 2016-2017**

**SUMMARY OF FY 2016-2017 APPROPRIATIONS LIMIT
AS PER ARTICLE XIII B**

From State Department of Finance:

For 79-80 US CPI Change of 10.17% and City Population Growth of .75%
For 80-81 CA PCI Change of 12.11% and City Population Growth of 1.80%
For 81-82 CA PCI Change of 9.12% and City Population Growth of 2.51%
For 82-83 CA PCI Change of 6.79% and City Population Growth of .49%
For 83-84 CA PCI Change of 2.35% and City Population Growth of 1.18%
For 84-85 US CPI Change of 4.74% and City Population Growth of 1.02%
For 85-86 US CPI Change of 3.74% and City Population Growth of .62%
For 86-87 US CPI Change of 2.30% and City Population Growth of 1.50%
For 87-88 CA PCI Change of 3.47% and County Population Growth of 1.99%
For 88-89 CA PCI Change of 4.66% and County Population Growth of 1.98%
For 89-90 CA PCI Change of 5.19% and County Population Growth of 1.85%
For 90-91 CA PCI Change of 4.21% and County Population Growth of 2.01%
For 91-92 CA PCI Change of 4.14% and County Population Growth of 2.30%
For 92-93 CA PCI Change of (.64%) and County Population Growth of 2.47%
For 93-94 CA PCI Change of 2.72% and County Population Growth of 2.15%
For 94-95 CA PCI Change of .71% and County Population Growth of 1.64%
For 95-96 CA PCI Change of 4.72% and County Population Growth of 1.72%
For 96-97 CA PCI Change of 4.67% and County Population Growth of 1.05%
For 97-98 CA PCI Change of 4.67% and County Population Growth of 1.07%
For 98-99 CA PCI Change of 4.15% and County Population Growth of 1.69%
For 99-00 CA PCI Change of 4.53% and County Population Growth of 1.77%
For 00-01 CA PCI Change of 4.91% and County Population Growth of 1.56%
For 01-02 CA PCI Change of 7.82% and County Population Growth of 2.02%
For 02-03 CA PCI Change of (1.27%) and County Population Growth of 2.06%
For 03-04 CA PCI Change of 2.31% and County Population Growth of 1.65%
For 04-05 CA PCI Change of 3.28% and County Population Growth of 1.42%
For 05-06 CA PCI Change of 5.26% and County Population Growth of 1.13%
For 06-07 CA PCI Change of 3.96% and County Population Growth of 0.83%
For 07-08 CA PCI Change of 4.42% and County Population Growth of 0.84%
For 08-09 CA PCI Change of 4.29% and County Population Growth of 1.02%
For 09-10 CA PCI Change of .62% and County Population Growth of 1.02%
For 10-11 CA PCI Change of (2.54%) and County Population Growth of 1.01%
For 11-12 CA PCI Change of 2.51% and County Population Growth of 0.70%
For 12-13 CA PCI Change of 3.77% and County Population Growth of 0.89%
For 13-14 CA PCI Change of 5.12% and County Population Growth of 0.78%
For 14-15 CA PCI Change of (0.23%) and County Population Growth of 0.93%
For 15-16 CA PCI Change of 3.82% and County Population Growth of 1.08%
For 16-17 CA PCI Change of 5.37% and County Population Growth of 0.99%

City of Garden Grove
Gann Limit (Budget)
FY 2016-2017

(000's)

ADJUSTMENTS TO REVENUES OR APPROPRIATIONS	BASE YEAR FY 78-79	YEAR THIRTY-EIGHT FY 16-17
Debt Appropriations		
Municipal Service Center	\$ 36.6	0
Retirement (unfunded liability)	\$ 682.7	\$ 196,362.8
Total Debt Appropriations	\$ 719.3	\$ 196,362.8

User Fees and Charges

Self-Supporting Expenditures Meet or Exceed
Revenues from User Fees and Charges

LIMITATION CALCULATION	BASE YEAR FY 78-79	YEAR THIRTY-EIGHT FY 16-17
Net Appropriations	\$ 42,413.5	\$ 176,340.1
Less Approp. of Other Grant Fund Balances	0	(323.0)
Less Approp. of Water Fund Balances	0	(9,382.0)
Less Non-Proceed of Taxes Revenue	\$ (23,315.2)	(70,256.0)
Less Debt not Subject to Appropriations Limit (City's required and actual contribution to retirement)	<u>\$ (719.3)</u>	<u>(14,529.3)</u>
Appropriations Subject to Limit	\$ 18,379.0	\$ 81,849.8

City of Garden Grove
Gann Limit (Budget)
FY 2016-2017

ANALYSIS OF BUDGET REVENUES FOR GANN LIMIT

<u>Taxes</u>	<u>Budgeted Revenues</u>	<u>Non-Proceeds of Taxes</u>	<u>Proceeds of Taxes</u>
Property (Less Subventions)	14,236,000	0	14,236,000
Paramedic (Less Subventions)	8,886,000	8,886,000	0
Property Transfer	480,000	0	480,000
Transient Occupancy	23,502,000	0	23,502,000
Business Operations	2,400,000	0	2,400,000
Sales	22,000,000	0	22,000,000
Total Taxes	71,504,000	8,886,000	62,618,000
 <u>Licenses and Permits</u>			
Development Fees	2,196,000	2,196,000	0
Police Towing Fees	79,327	79,327	0
Business License Fees	214,472	214,472	0
Franchise Payments	2,400,000	2,400,000	0
Park Fees	100,000	100,000	0
Drainage Fees	75,000	75,000	0
Other Licenses and Permits	379	379	0
Hazardous Materials Fees	0	0	0
Art in Public Places	40,000	40,000	0
Alarm Fees	89,155	89,155	0
Fire Fees	104,735	104,735	0
City Guarantee Risk	0	0	0
Traffic Mitigation Fees	50,000	50,000	0
Development Impact Fees	200,000	200,000	0
Total Licenses and Permits	5,549,068	5,549,068	0
 <u>Fines, Forfeits, Penalties</u>			
Traffic Fines	1,500,000	1,500,000	0
City Court Fines	3,470	3,470	0
Traffic Offender/Impound	80,000	80,000	0
Parking Citations	1,010,000	1,010,000	0
Forfeits and Seizures	40,000	40,000	0
Other Fines and Penalties	200,000	200,000	0
Total Fines, Forfeits, Penalties	2,833,470	2,833,470	0
 <u>Uses of Property</u>			
Interest on Investment	203,000	96,263	106,737
Rentals	251,011	251,011	0
Other Uses of Property	50,295	50,295	0
Golf Course	450,000	450,000	0
Main Library	0	0	0
Total Uses of Property	954,306	847,569	106,737

City of Garden Grove
Gann Limit (Budget)
FY 2016-2017
ANALYSIS OF BUDGET REVENUES FOR GANN LIMIT

	<u>Budgeted Revenues</u>	<u>Non-Proceeds of Taxes</u>	<u>Proceeds of Taxes</u>
<u>Charges for Services:</u>			
Water Utility	26,800,000	26,800,000	0
Other Charges for Service	47,209	47,209	0
Deferred Municipal Support	3,728,129	3,728,129	0
Water Street Damages	2,050,000	2,050,000	0
Grant Overhead	49,930	49,930	0
Self-Supporting Rec. Fees	776,000	776,000	0
Public Safety Service Charges	156,963	156,963	0
MHP Fees	0	0	0
Total Charges for Services	33,608,231	33,608,231	0
<u>Subventions from Others:</u>			
Motor Vehicle Tax in Lieu	15,100,000	0	15,100,000
H.O. Subvention	81,000	0	81,000
H.O. Subvention - Paramedic	94,000	94,000	0
Measure M	2,500,000	2,500,000	0
Gas Tax	3,000,000	3,000,000	0
Other State Subventions	800,000	800,000	0
Total Subventions From Others	21,575,000	6,394,000	15,181,000
<u>Grants From Others:</u>			
County / State Grants	2,719,555	2,719,555	0
Federal Grants	5,100,133	5,100,133	0
Total Grants From Others	7,819,688	7,819,688	0
<u>Other Revenue</u>			
Sale of Land, Material, Equipment	2,513,833	2,513,833	0
Other Revenue	369,361	369,361	0
Post Reimbursements	0	0	0
State Mandate Reimbursements	241,517	241,517	0
Agency Reimbursements	0	0	0
Abandoned Vehicles	0	0	0
General Reimbursements	1,193,275	1,193,275	0
Total Other Revenue	4,317,986	4,317,986	0

City of Garden Grove
Gann Limit (Budget)
FY 2016-2017
ANALYSIS OF BUDGET REVENUES FOR GANN LIMIT

	<u>Budgeted Revenues</u>	<u>Non-Proceeds of Taxes</u>	<u>Proceeds of Taxes</u>
<u>Excluded:</u>			
Cable	90,000		
Mobile Home Parks	0		
Special Assessments	5,439,024		
Agency for Community Development	20,208,553		
Housing	32,178,895		
Inter-Department--Worker's Compensation	5,095,862		
Inter-Department--Communications-Phone Reimb.	655,609		
Inter-Department--Insurance-Risk Mgmt.	1,653,668		
Inter-Department--Information Systems	2,432,024		
Inter-Department--Vehicle Fund	8,275,669		
Inter-Department--Employee Benefits	900,000		
Inter-Department--Warehouse	284,762		
Sewer	9,500,000		
Refuse	2,299,000		
Other Income (Loans)	0		
C.O.P. 2002	0		
	<hr/>		
Total Exclusions	89,013,066		
<u>Allocation Base:</u>			
Taxes	71,504,000	8,886,000	62,618,000
Licenses and Permits	5,549,068	5,549,068	0
Fines, Forfeits & Penalties	2,833,470	2,833,470	0
Uses of Property (Less Interest)	751,306	751,306	0
Charges for Services	33,608,231	33,608,231	0
Subventions from Others	21,575,000	6,394,000	15,181,000
Grants from Others	7,819,688	7,819,688	0
Other Revenue	4,317,986	4,317,986	0
	<hr/>	<hr/>	<hr/>
Total Revenues	147,958,749	70,159,749	77,799,000
Percent to Total	100%	47.42%	52.58%
Interest Allocation	203,000	96,263	106,737
GRAND TOTAL	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>