



CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER



DATE: September 27, 2022

TO: Mayor and Council Members

FROM: Finance Department

SUBJECT: GANN Appropriations Limit For Fiscal Year 2022-2023

RECOMMENDATION:

It is recommended that the Mayor and Council Members adopt the attached resolution establishing the City's tax-supported appropriations limitation for Fiscal Year 2022-2023, as required by the "Gann Amendment" to the California Constitution.

BACKGROUND:

Article XIII B of the California Constitution, as originally implemented in 1980, specified that tax-supported appropriations of government entities may increase annually by a growth factor based on the percent change in local population and the percent change in the United States consumer price index or California per capita income. In June of 1990, voters approved Proposition 111, which added language to Article XIII B that modifies the annual growth factors described above to better reflect inflation and population growth. The present growth factors are as follows:

Inflation Factor - Either the annual percent change in California per capita income or the percent change in the local property tax assessment roll from the preceding year, due to the addition of local non-residential construction.

Population Factor - Either the annual percent change in the population of the City of Inglewood or the annual percent change in the population of Los Angeles County.

In addition, the language of Proposition 111 mandates that the choice of population and inflation options be approved by a recorded vote of the City Council.

DISCUSSION:

In order to calculate the Gann Limit for Fiscal Year 2022-2023, staff has obtained the percent change in the County of Los Angeles population (-0.71 percent), and California per capita income change (7.55), from the State Department of Finance. The growth factors used in the calculation of the Gann Appropriations Limit for the upcoming fiscal year are the percent change in California per capita income as the inflation factor and the percent change in the population of the County of Los Angeles as the population factor. As required by law, the documentation used in the determination of the appropriations limit was available for public review fifteen days prior to this meeting.

DR-2.

The Gann spending limit places a cap on the amount of Local Government spending that may be financed from proceeds of taxes. The limit is adjusted annually by a combined growth factor, which takes into account both inflation and population growth as described above. For Fiscal Year 2022-2023, the City's Gann limit is \$138,754,500. This amount is \$52,572,633 above the amount of the city's plans to spend in Fiscal Year 2022-23 that is financed from proceeds of taxes, or \$86,181,868.

FINANCIAL / FUNDING ISSUES AND SOURCES:

None.

DESCRIPTION OF ATTACHMENTS:

Attachment No. 1 - Resolution

Attachment No. 2 - Calculation of GANN Spending Limit

PREPARED BY:

Keaonna Stovall-Buckhanon, Budget Manager

COUNCIL PRESENTER:

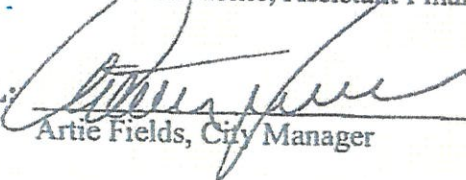
Keaonna Stovall-Buckhanon, Budget Manager

APPROVAL VERIFICATION SHEET

DEPARTMENT HEAD APPROVAL:


Sharon Koike, Assistant Finance Director

CITY MANAGER APPROVAL:


Artie Fields, City Manager

ATTACHMENT NO. 1

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RESOLUTION NO: ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INGLEWOOD
ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2022-23

WHEREAS, the City Council is required by Government Code 7910 to establish its appropriations limit by resolution and approve the appropriate inflation and population factors used in the calculation of the limit; and

WHEREAS, documentation used in the determination of the appropriations limit has been available to the public in the City Clerk's Office for fifteen days prior to the meeting;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD DOES RESOLVE AS FOLLOWS:

SECTION 1. The City of Inglewood's appropriations limit for the fiscal year 2022-23 shall be \$138,754,500.

SECTION 2. The growth factors used in the calculation of the 2022-23 limit shall be the percent change in California per capita income and the percent change in population for the County of Los Angeles.

SECTION 3. The City Clerk shall certify to the adoption of this resolution, and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2022.

MAYOR, JAMES BUTTS

ATTEST:

CITY CLERK
(SEAL)

ATTACHMENT NO. 2

**CITY OF INGLEWOOD
CALCULATION OF GANN SPENDING LIMIT
FISCAL YEAR 2022-23**

	BUDGET 2022-23
TOTAL APPROPRIATIONS LESS QUALIFIED CAPITAL OUTLAY (GENERAL AND SPECIAL REVENUE FUNDS)	\$280,618,686
LESS: EXEMPT REVENUES (FINES, GRANTS, OTHER RESTRICTED REVENUES) USER FEES NOT IN EXCESS OF COSTS REIMBURSEMENTS AND PRIVATE DONATIONS	(<u>\$194,436,818</u>)
TOTAL APPROPRIATIONS FINANCED FROM PROCEEDS OF TAXES	\$86,181,868

2022-23 GROWTH FACTOR COMPUTATION

PER CAPITA INCOME FACTOR		1.0755	
POPULATION FACTOR	X	<u>0.9929</u>	
2022-23 GROWTH FACTOR		1.0679	

2022-23 GANN LIMIT COMPUTATION

2021-22 APPROPRIATIONS LIMIT		\$129,932,110	
2022-23 GROWTH FACTOR	X	<u>1.0679</u>	
2022-23 APPROPRIATIONS LIMIT		\$138,754,500	

2022-23 APPROPRIATIONS LIMIT	\$138,754,500
GANN SPENDING LIMIT SURPLUS	<u>\$52,572,633</u>

EXPLANATION OF GANN SPENDING LIMIT:

THE GANN SPENDING LIMIT PLACES A CAP ON THE AMOUNT OF LOCAL GOVERNMENT SPENDING THAT MAY BE FINANCED FROM PROCEEDS OF TAXES. THE LIMIT IS ADJUSTED ANNUALLY BY A COMBINED GROWTH FACTOR, WHICH TAKES INTO ACCOUNT BOTH INFLATION AND POPULATION GROWTH. FOR FISCAL YEAR 2022-23, THE CITY'S GANN LIMIT IS \$138,754,500. THIS AMOUNT IS \$52,572,633 ABOVE THE AMOUNT THE CITY PLANS TO SPEND IN FISCAL YEAR 2022-23. THAT IS FINANCED FROM PROCEEDS OF TAXES, OR \$86,181,868.

138 754 500

52 572 633

86 181 868