

# City of Los Alamitos

## ***Agenda Report Consent Calendar***

***June 19, 2009  
Item No: 4A***

**To:** Mayor Troy Edgar & Members of the City Council

**Via:** Jeffrey L. Stewart, City Manager

**From:** Nita McKay, Assistant City Manager

**Subject:** Adoption of the City of Los Alamitos Fiscal Year 2009-10 Annual Appropriations Limit

***Summary:*** Article XIII B of the California Constitution specifies the amount of allowable revenue the City of Los Alamitos can appropriate from the proceeds of taxes.

***Recommendation:*** Adopt Resolution No. 2009-06 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2009-10."

### ***Background***

Article XIII B of the California Constitution, more commonly known as the Annual Appropriation Limitation or "GANN Limit", specifies the amount of allowable revenue the City of Los Alamitos can appropriate from the proceeds of taxes.

### ***Discussion***

The appropriations limitation imposed by Proposition 4 (Article XIII B of the California Constitution) creates a restriction on the amount of revenue that can be appropriated in any fiscal year. The limit is based on actual appropriations from the 1978-79 fiscal year and is increased each year by the percentage growth in population and inflation.

In 1990, Proposition 111 and SB 88 (Chapter 60/90) were passed modifying the Proposition 4 annual adjustment factors. Each city may now annually elect to use either the growth in California Per Capita Income or the growth in the non-residential assessed valuation due to new construction within the City and the percentage growth in either the City's or the County's population.

Staff has calculated the Fiscal Year 2009-10 Appropriations Limit utilizing the percentage growth in the California Per Capita Income and the change in the County of Orange's population. The fiscal year 2009-10 Appropriations Limit is calculated to be \$14,621,644. The projected proceeds from taxes for Fiscal Year 2009-10 are \$8,721,020, which is \$5,900,624 or 40.36% below the appropriations limitation.

***Fiscal Impact***

Not applicable.

Submitted By:

Approved By:

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Nita McKay  
Assistant City Manager

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Jeffrey L. Stewart  
City Manager

*Attachment:* 1) *Resolution No. 2009-06*