

Adoption of Fiscal Year 2010-11
Appropriations Limit
June 22, 2010
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RECOMMENDATION

It is recommended that the City Council adopt the Appropriations Limit Resolution setting the appropriations limit for Fiscal Year 2010-11 at \$106,142,400.



KINGSLEY OKEREKE
Finance Director

Attachments: Resolution
EXHIBIT "A"

Approved for Agenda Listing



Matthew Fertal
City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
ADOPTING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2010-11
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 2010-11 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; and

NOW, THEREFORE, BE IT RESOLVED that the appropriations limit for Fiscal Year 2010-11 pursuant to Section 7902 of the Government Code shall be \$106,142,400.

City of Garden Grove
Gann Limit (Budget)
FY 2010-2011

EXHIBIT "A"
IMPLEMENTATION OF ARTICLE XIII B (GANN LIMITATION)
DETERMINATION OF BASE YEAR (FY 78-79) AND THIRTY-SECOND
YEAR (BUDGET FY 10-11) APPROPRIATIONS SUBJECT TO LIMIT
(000's)

REVENUES	BASE YEAR		YEAR THIRTY-TWO	
	FY 78-79 REVENUE	FY 78-79 CLASSIFIED AS NON-PROCEEDS OF TAXES	FY 10-11 REVENUE	FY 10-11 CLASSIFIED AS NON-PROCEEDS OF TAXES
Taxes	8,148.0	337.3	45,590.0	5,659.0
Licenses & Permits	1,160.2	1,160.2	4,576.3	4,576.3
Fines, Forfeits, Penalties	285.2	285.3	2,700.0	2,700.0
Use of Property	851.5	661.9	1,818.0	1,382.8
Charges for Services	5,074.0	5,074.0	43,431.0	43,431.0
Subvented from Others	4,572.2	1,284.3	18,991.5	6,337.5
Grants from Others	11,750.0	11,750.0	13,230.0	13,230.0
Other Revenue	120.8	113.1	4,285.6	4,285.6
Total Revenues	31,961.9	20,666.1	134,622.4	81,602.2
Unreserved Fund Balance	4,544.0	2,649.1	0	0
Total Revenues Under Article XIII B	<u>36,505.9</u>	<u>23,315.2</u>	<u>134,622.4</u>	<u>81,602.2</u>

APPROPRIATIONS	BASE YEAR	YEAR THIRTY-TWO
	FY 78-79	FY 10-11
Fire Protection	3,565.9	18,828.0
Police Protection	5,819.7	42,670.6
Traffic Safety	1,678.3	3,165.1
Public Right-of-Way	4,081.8	23,237.2
Water Supply	3,931.2	35,654.5
Drainage	714.0	5,363.6
Community Buildings	803.2	5,086.6
Community Services	2,658.8	4,129.4
Parks & Greenbelts	1,014.6	2,138.8
Community Neigh. & Development	1,756.5	7,305.4
Municipal Support Services	6,017.0	6,690.5
Capital Project Reappropriation	8,426.4	Included
Added Appropriations During Year	1,946.1	in above
City Contributions to Agency and Cable, Grant in Sewer/Refuse	0	356.7
Total Appropriations	<u>42,413.5</u>	<u>154,626.4</u>
Less Funds from Reserves	<u>0</u>	<u>0</u>
Net Appropriations	<u>42,413.5</u>	<u>154,626.4</u>

City of Garden Grove
Gann Limit (Budget)
FY 2010-2011

**SUMMARY OF FY 2010-2011 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	477.52%	<u>87,763.4</u>
FY 10-11 Appropriations Limit		\$106,142.4
FY 10-11 Appropriations Subject to Limit		<u>0.0</u>
Appropriations (Over) or Under Limit		<u>\$ 106,142.4</u>

Calculation:

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

**City of Garden Grove
Gann Limit (Budget)
FY 2010-2011**

**SUMMARY OF FY 2010-2011 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%

City of Garden Grove
Gann Limit (Budget)
FY 2010-2011

(000's)

ADJUSTMENTS TO REVENUES OR APPROPRIATIONS	BASE YEAR FY 78-79	YEAR THIRTY-TWO FY 10-11
Debt Appropriations		
Municipal Service Center	\$ 36.6	0
Retirement (unfunded liability)	\$ 682.7	\$ 61,844.9
Total Debt Appropriations	\$ 719.3	\$ 61,844.9

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-TWO FY 10-11
Net Appropriations	\$ 42,413.5	\$ 154,626.4
Less Approp. of Other Grant Fund Balances	0	(344.4)
Less Approp. of Water Fund Balances	0	(2,452.9)
Less Non-Proc. of Taxes Revenue	\$ (23,315.2)	(81,602.2)
Less City Infrastructure Depreciation (Not Funded)	0	(12,595.0)
Less Debt not Subject to Appropriation Limit	\$ (719.3)	(61,844.9)
Appropriations Subject to Limit	\$ 18,379.0	\$ (4,213.0)

City of Garden Grove
Gann Limit (Budget)
FY 2010-2011
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)	11,141,000	0	11,141,000
Paramedic (Less Subventions)	5,659,000	5,659,000	0
Property Transfer	350,000	0	350,000
Transient Occupancy	11,240,000	0	11,240,000
Business Operations	2,100,000	0	2,100,000
Sales	15,100,000	0	15,100,000
Total Taxes	45,590,000	5,659,000	39,931,000
 <u>Licenses and Permits</u>			
Development Fees	1,000,000	1,000,000	0
Police Towing Fees	87,200	87,200	0
Business License Fees	197,000	197,000	0
Franchise Payments	2,228,075	2,228,075	0
Park Fees	50,000	50,000	0
Drainage Fees	75,000	75,000	0
Other Licenses and Permits	0	0	0
Hazardous Materials Fees	146,000	146,000	0
Art in Public Places	50,000	50,000	0
Alarm Fees	57,000	57,000	0
Fire Fees	166,000	166,000	0
City Guarantee Risk	70,000	70,000	0
Traffic Mitigation Fees	250,000	250,000	0
Development Impact Fees	200,000	200,000	0
Total Licenses and Permits	4,576,275	4,576,275	0
 <u>Fines, Forfeits, Penalties</u>			
Traffic Fines	1,600,000	1,600,000	0
City Court Fines	20,000	20,000	0
Traffic Offender/Impound	50,000	50,000	0
Parking Citations	1,010,000	1,010,000	0
Forfeits and Seizures	20,000	20,000	0
Other Fines and Penalties	0	0	0
Total Fines, Forfeits, Penalties	2,700,000	2,700,000	0
 <u>Uses of Property</u>			
Interest on Investment	1,105,000	669,851	435,149
Rentals	163,000	163,000	0
Other Uses of Property	0	0	0
Golf Course	550,000	550,000	0
Main Library	0	0	0
Total Uses of Property	1,818,000	1,382,851	435,149

**City of Garden Grove
Gann Limit (Budget)
FY 2010-2011**

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	34,497,100	34,497,100	0
Other Charges for Service	28,000	28,000	0
Deferred Municipal Support	4,847,500	4,847,500	0
Water Street Damages	3,200,000	3,200,000	0
Grant Overhead	53,157	53,157	0
Self-Supporting Rec. Fees	670,000	670,000	0
Public Safety Service Charges	135,200	135,200	0
MHP Fees	0	0	0
Total Charges for Services	43,430,957	43,430,957	0
<u>Subventions from Others:</u>			
Motor Vehicle in Lieu	12,600,000	0	12,600,000
H.O. Subvention	54,000	0	54,000
H.O. Subvention - Paramedic	41,000	41,000	0
Measure M	1,529,080	1,529,080	0
Gas Tax	2,800,000	2,800,000	0
Other State Subventions	1,967,453	1,967,453	0
Total Subventions From Others	18,991,533	6,337,533	12,654,000
<u>Grants From Others:</u>			
State Grants	1,972,768	1,972,768	0
Federal Grants	11,257,219	11,257,219	0
Total Grants From Others	13,229,987	13,229,987	0
<u>Other Revenue</u>			
Sale of Land, Material, Equipment	2,395,000	2,395,000	0
Other Revenue	435,600	435,600	0
Post Reimbursements	85,000	85,000	0
State Mandate Reimbursements	84,000	84,000	0
Agency Reimbursements	240,000	240,000	0
Abandoned Vehicles	49,000	49,000	0
General Reimbursements	997,000	997,000	0
Total Other Revenue	4,285,600	4,285,600	0

**City of Garden Grove
Gann Limit (Budget)
FY 2010-2011**

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	76,925		
Mobile Home Parks	2,939,007		
Special Assessments	2,053,821		
Agency for Community Development	30,835,000		
Housing	26,692,671		
Inter-Department--Worker's Compensation	5,525,909		
Inter-Department--Communications-Phone Reim	598,155		
Inter-Department--Insurance-Risk Mgmt.	1,941,637		
Inter-Department--Information Systems	1,899,071		
Inter-Department--Vehicle Fund	6,581,226		
Inter-Department--Warehouse	248,409		
Sewer	9,973,000		
Refuse	1,822,813		
Other Income (Loans)	0		
C.O.P. 2002	0		
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Total Exclusions	91,187,644		
<u>Allocation Base:</u>			
Taxes	45,590,000	5,659,000	39,931,000
Licenses and Permits	4,576,275	4,576,275	0
Fines, Forfeits & Penalties	2,700,000	2,700,000	0
Uses of Property (Less Interest)	713,000	713,000	0
Charges for Services	43,430,957	43,430,957	0
Subventions from Others	18,991,533	6,337,533	12,654,000
Grants from Others	13,229,987	13,229,987	0
Other Revenue	4,285,600	4,285,600	0
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Total Revenues	133,517,352	80,932,352	52,585,000
Percent to Total	100%	60.62%	39.38%
Interest Allocation	1,105,000	669,851	435,149
GRAND TOTAL	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	134,622,352	81,602,203	53,020,149