



## Staff Report

**TO:** City Council  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** December 6, 2022  
**SUBJECT:** Approval of Correct Gann Limit for FY2021-22

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**Description** Approve corrected resolution for the FY2021-22 Gann Limit.

### **Background and Analysis:**

In November 1979, Proposition 4 (Gann Initiative) was adopted by the State of California. Proposition 4 created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of government. Proposition 4 was modified by Proposition 111 in June 1990. Proposition 111 provided new adjustment formulas for the calculation of the annual appropriations limit.

The appropriations limit is based on actual appropriations during the 1978-79 fiscal year and is increased each year using the growth of population and inflation. Not all revenues are restricted by the appropriations limit, only those that are referred to as "proceeds of taxes."

The limit is calculated by taking the prior year's limit and applying growth factors as appropriate. The growth factors are determined by 1) the change in population in either the City or the County, and 2) the change in per capita income or non-residential new construction.

It was discovered that the original resolution of the FY2021-22 Gann appropriation limit had an incorrect amount of \$103,059,285 and it should have been \$102,172,797.

### **Fiscal Impact:**

There is no fiscal impact. The estimated cost to prepare this report is \$55.

### **Recommended Action:**

Waive the full reading and adopt by title only a "Resolution of the City Council of the City of Beaumont, approving the Appropriation Limit for the 2021-22 Fiscal Year."

**Attachments:**

- A. Appropriation Limit Calculation for the Fiscal Year ending June 30, 2022
- B. Resolution of the City Council approving the FY2021-22 Appropriation Limit