

Lompoc City Council Agenda Item



City Council Meeting Date: June 17, 2008

To: Gary P. Keefe, City Administrator

From: John Walk, Management Services Director

Subject: **Adoption of the 2008-2009 Gann Appropriation Limitation**

RECOMMENDATION

Staff recommends that Council adopt the [attached Resolution No. 5480\(08\)](#) setting the fiscal year 2008-2009 appropriation limit at \$30,639,425.

BACKGROUND

On November 6, 1979, the voters of California passed Proposition 4 (Gann Initiative) requiring annual appropriation limits for all local government beginning with fiscal year 1980-81. The formula for calculating the limits was based on the 1978-79 "base year" revenues.

In order to deal with an increasing number of problems associated with the restrictions of Proposition 4, the voters approved Proposition 111 in June 1990. Proposition 111 provided for new adjustment formulas. These new adjustments allowed the City the following choices:

The increase in California Per Capita Income or in Non-residential assessed valuation due to new construction, whichever is higher.

City population growth or County population growth, whichever is higher.

The appropriation limit for the City of Lompoc is computed to be \$30,639,425 for the fiscal year 2008-2009. The City's appropriations subject to limitation are \$15,770,471 or \$14,868,954 below the appropriation limit for fiscal year 2008-2009. The attached resolution contains the supporting documentation for the calculation of the fiscal year 2008-2009 appropriation limit.

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

John Walk
Management Services Director / Treasurer

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Gary P. Keefe
City Administrator