

**Lompoc City Council Agenda Item**



**City Council Meeting Date:** June 21, 2005

**To:** Gary P. Keefe, City Administrator

**From:** John Walk, Management Services Director

**Subject: Adoption of the 2005-2006 Gann Appropriation Limitation**

**RECOMMENDATION**

Staff recommends that Council adopt the attached Resolution No. 5264(05) setting the fiscal year 2005-2006 appropriation limit at \$26,432,815.

**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 \$26,432,815 for the fiscal year 2005-2006. The City's appropriations subject to limitation are \$14,122,972 or \$12,309,843 below the appropriation limit for fiscal year 2005-2006. The attached resolution contains the supporting documentation for the calculation of the fiscal year 2005-2006 appropriation limit.

John Walk  
Management Services Director

APPROVED FOR SUBMITTAL TO CITY COUNCIL

Gary P. Keefe  
City Administrator