

CITY OF NAPA CITY COUNCIL
AGENDA REPORT

CONSENT CALENDAR
AGENDA ITEM 5.C.
Date: August 18, 2015

To: Honorable Mayor and Members of City Council

From: Roberta Raper, Finance Director

Prepared by: Deanna Andrews, Finance Manager

Subject: Gann Appropriation Limits for Fiscal Year 2015-16

ISSUE STATEMENT:

Adopt a resolution establishing the Gann appropriations limit for Fiscal Year 2015-16.

DISCUSSION:

The City Council approves all City appropriations (authorizations to incur financial obligations) as a part of the process of approving and updating the budget. California Constitution Article XIII B requires cities to establish an annual limit of maximum allowable appropriations (the "Gann Limit") based on a formula that begins with the appropriation limit of the previous year, and considers adjustments to either City or County population, and increases in either new non-residential construction or California per capita income. The details of the formula are summarized in this report, and calculated as a part of the attached resolution.

Both the California per capita personal income price factor and the population percentage change factors are provided by the State Department of Finance to local jurisdictions each year. Reports that present changes in new, non-residential assessments are provided by the County of Napa. These numbers provide the basis for the factor to be used in the City's calculation of the Gann Limit. The City of Napa uses the ratios that allow the maximum allowable appropriations subject to limitations.

The table in Attachment 2 presents the ratios used and illustrate that the City's 2015-16 Adjusted Appropriations subject to the Limit of \$61,016,000 is well under the appropriations limit of \$455,447,106.

FINANCIAL IMPACTS:

Approval of the appropriation limits will have no financial impact on the Fiscal Year 2015-16 operations of the City.

CEQA:

The Finance Director has determined that the recommended action described in this report is not subject to CEQA, pursuant to CEQA guidelines section 15060(c).

DOCUMENTS ATTACHED:

1. Attachment 1: Resolution establishing the GANN Appropriations Limit for Fiscal Year 2015-16 (with Exhibit A).
2. Attachment 2: Fiscal Year 2016 Tax Appropriations Limit.

NOTIFICATION:

None.

RECOMMENDED ACTION:

Staff recommends that the City Council move, second and approve each of the actions set forth below, in the form of the following motion. Move to:

Adopt a resolution establishing the Gann appropriations limit for Fiscal Year 2015-16.