



Administrative Report

H.14., File # 22-4211

Meeting Date: 6/21/2022

To: MAYOR AND CITY COUNCIL

From: JENNIFER PAUL, FINANCE DIRECTOR

TITLE

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2206-040, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2022-2023

EXECUTIVE SUMMARY

As required by the California Constitution, the City has computed an annual appropriations limit (for expenditures funded by tax receipts) for the coming fiscal year. The City's appropriations limit for Fiscal Year 2022-2023 has been determined to be \$160,431,320, which is well above the City's current annual tax collection amount and related spending.

BACKGROUND

Article XIII B of the California Constitution (Gann Limit) requires that the City compute an annual appropriations limit. This limit sets the maximum amount of appropriations that can be made from tax receipts. Taxes exceeding this limit must be returned to the residents or may be spent with the approval of a majority vote. The City exceeded the limit in 1983 and voter approval to expend was received. The estimated annual tax receipts for Fiscal Year 2022-2023 are approximately \$74.4 million and well below the limit of \$160.4 million.

The annual adjustment for the limit is also provided by Article XIII B and is to be based on the change in the California per capita personal income combined with the greater of the change in population in the jurisdiction or the jurisdiction's county. For the purposes of calculating the City's appropriations limit for Fiscal Year 2022-2023, staff has used the County's population factor as it exceeds the City's population growth factor for the past year. Using these two factors, the coming year's limit is \$160,431,320.

The attached Exhibit A provides the calculation information for Fiscal Year 2022-2023.

COORDINATION

The City Attorney's Office has approved the Resolution as to form.

FISCAL IMPACT

The costs to calculate and prepare the appropriations limit document are included in the Department's adopted 2021-2022 annual budget and are part of the annual work program. Failure to adopt an appropriations limit will result in the State withholding gas taxes. Estimated gas tax

revenues for Fiscal Year 2022-2023 are approximately \$3.4 million.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Resolution to Approve Appropriations Limit
- Exhibit "A" FY 2022-2023 Appropriations Limit Calculation