

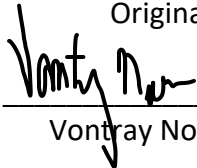


AGENDA ITEM NO.

CITY OF HAWTHORNE CITY COUNCIL AGENDA BILL

For the meeting of June 8, 2021
Originating Department: Finance

Interim City Manager:


Vontay Norris

Dir. of Finance:


Felice Lopez

SUBJECT:

Appropriations Limit calculation for Fiscal Year 2021-2022.

RECOMMENDED MOTION:

Staff recommends that the City Council adopt Resolution No. 8283 establishing the City's appropriations limit computed for the coming fiscal year, as required by the California Constitution. The City's appropriations limit for Fiscal Year 2021-2022 has been computed at \$84,709,401.

DISCUSSION:

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 estimated annual tax receipts for Fiscal Year 2021-2022 were approximately \$57 million and well below the limit of \$84.7 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 the Fiscal Year 2021-2022 staff has used the City's population factor as it exceeds the County's population growth factor for the past year. Using these two factors, the coming year's limit is \$84,709,401.

The attached Exhibit A provides the calculation information for Fiscal Year 2021-2022.

FISCAL IMPACT:

Failure to adopt an appropriations limit will result in the State withholding gas taxes. Estimated gas tax revenues for Fiscal Year 2021-2022 are approximately \$3.45 million.

NOTICING PROCEDURES:

72 hours posted notice pursuant to the Ralph M. Brown Act.

ATTACHMENT(S):

1. Resolution No. 8283 to Approve FY 2021-2022 Appropriations Limit
2. Exhibit A – FY 2021-2022 Appropriations Limit Calculation