



AGENDA REPORT

Department: Administrative Services - Finance
Prepared by: Paul Valadez, Budget Manager
Meeting Date: Tuesday, June 20, 2023
Approved by: Armando Vergara, Acting City Manager

SUBJECT:

Annual Appropriations Limit for Fiscal Year 2024

RECOMMENDATION:

Adopt the Resolution Entitled, "Resolution of the City Council of the City of National City, California, Approving and Adopting the Annual Appropriations Limit of \$80,226,080 for Fiscal Year 2024"

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

Article XIII-B of the California Constitution provides that appropriations made by State and local governments are subject to limitations that must be determined annually by applying factors comprised of the change in the cost of living and the change in population to the prior year's appropriations limit. The annual appropriations limit, also known as the "Gann Limit," sets a cap on the amount of local government spending that may be financed from tax proceeds. The State Department of Finance provides the cost of living and population adjustment factors to be used in the calculation. Exhibit A shows the calculation resulting in an appropriation limit of \$80,226,080 for fiscal year 2024 for the City's budget.

FINANCIAL STATEMENT:

The City's budget for fiscal year 2024, if adopted as proposed, includes appropriations subject to the limit of \$65.9 million, which is \$14.3 million below the limit.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Balanced Budget and Economic Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review. CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Appropriations Limit Calculation
Exhibit B - Resolution