



**CITY OF HAWAIIAN GARDENS
CITY COUNCIL
STAFF REPORT**

Agenda Item #{{section.number}}7

DATE: July 11, 2023
TO: Honorable Mayor and Members of the City Council
FROM: Ernesto Marquez, City Manager
BY: Linda Hollinsworth, Finance Director

RECOMMENDATION:

RECOMMENDATION TO APPROVE RESOLUTION NO. 028-2023 FIXING THE APPROPRIATIONS LIMITATION IN THE CITY OF HAWAIIAN GARDENS FOR THE FISCAL YEAR 2023-2024

SUMMARY

Article XIII B (Proposition 4) of the California Constitution, as amended by Proposition 111, requires that local jurisdictions establish appropriation limits each fiscal year. This limits the amount of revenue that can be appropriated in any fiscal year to the Proceeds of Taxes. Proceeds of taxes include: all taxes levied by or for an agency; any revenues from license fees, general use charges and user fees to the extent that the proceeds exceed the cost of providing the service covered by the fee; and discretionary State subventions. An increase over the prior year's limitation is allowed in three instances:

1. Percentage change in California fourth quarter per capita personal income or the increase in the non-residential assessed valuation due to new construction.
2. Percentage change in the population of the jurisdiction or the county in which the jurisdiction is located, whichever is greater.
3. Corrections for previous computation errors.

The City has chosen the following factors for calculating the FY 2023-2024 appropriations limit:

- The population for Los Angeles County and the City of Hawaiian Gardens both had negative population growth with -.75 and -.94 respectively. The City used the change for the County as reported by the State Department of Finance.

- The price factor provided by the State Department of Finance is the per capita income of 4.44%.

The attached calculation schedules show that using these factors results in an increase to the appropriations limit of \$849,529 for FY 2023-2024. The appropriations limit for this fiscal year is increased to \$24,081,648. The appropriations (revenues) subject to the limit total \$5,174,153 per the proposed budget, resulting in the appropriations limit exceeding the amount subject to the limit by \$18,907,495.

FISCAL IMPACT

None

SUGGESTED ACTION

Approve Recommendation.

ATTACHMENTS

- A. Resolution 028-2023
- B. Calculation Worksheets