

Council Meeting
June 5, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: Approval of Fiscal Year 2007-08 Appropriations Limit and Selection of the Annual Adjustment Factors for the Same Fiscal Year.

RECOMMENDATION

The Finance Director recommends adoption of the attached **RESOLUTION** approving the City's appropriations limit for fiscal year 2007-08 in the amount of \$803,464,679; and selection of the 2007-08 percentage change in Non-Residential Assessed Valuations as the cost of living factor, together with the increase in the City's population, as the annual adjustment factors for the same fiscal year.

BACKGROUND

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The Proposition created Article XIII B of the State Constitution, placing limits on the amount of revenue which can be spent by all entities of government. The limit applies only to revenues considered as proceeds of taxes. Proposition 4 became effective for the 1980-81 fiscal year, but the formula for calculating the limits was based on the 1978-79 "base year" revenues.

In order to deal with an increasing number of complaints about the restrictions of Proposition 4, and to increase the accountability of local government in adopting their limits, the voters approved, in June 1990, Proposition 111, which amended Proposition 4 and its implementing legislation.

ANALYSIS

Under Proposition 111, each City has the option to choose not only its own population growth factor but also the population growth factor within its county.

Moreover, the cost of living factor may either be the change in the California per capita personal income or the percentage change in the jurisdiction's assessed valuation, which is attributable to non-residential new construction. Both of these selections require a recorded vote of the City's governing body.

Analysis of available data indicated that selection of the percentage change of Non-Residential Assessed Valuations, together with the increase in the population of the City of Torrance, would give the most beneficial result for the City. Using these growth factors, the appropriations limit for fiscal year 2007-08 would be \$803,464,679. This calculated limit is 611%, or \$671,973,867, more than the projected appropriations subject to limitations of \$131,490,812, as shown on Worksheet #4.

The legislation requires that 15 days prior to adoption of the resolution, the documentation used in the determination of the appropriations limit should be made available to the public. The data supporting the attached resolution has been on file in the City Clerk's office since May 21, 2007 and a public notice was posted in the Daily Breeze on May 26, 2007.

Respectfully submitted,

Eric E. Tsao
Finance Director

By _____

Helen Eng
Administrative Analyst

CONCUR:



Eric E. Tsao
Finance Director



LeRoy J. Jackson
City Manager

Attachments:

- A. Resolution
- B. Letter from the State Department of Finance dated May 2007
- C. Worksheets 1-7b for Fiscal Year 2007-08
- D. Copy of Daily Breeze advertisement

RESOLUTION NO. 2007 -

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE
APPROVING THE 2007-08 APPROPRIATIONS LIMIT AND SELECTION OF
THE ANNUAL ADJUSTMENT FACTORS FOR THE SAME FISCAL YEAR**

WHEREAS, the voters of the State of California on November 6, 1979, added Article XIII B to the State Constitution, placing various limitations on the appropriations of the State and local governments; and

WHEREAS, in June 1990, the voters of the State of California approved Proposition 111, permitting entities of government to select alternative growth factors by a recorded vote of its governing body; and

WHEREAS, the City of Torrance has complied with all the provisions of Article XIII B, as amended by Proposition 111, in determining the appropriations limit for fiscal year 2007-08; and
WHEREAS, all calculations for fiscal year 2007-08 were necessary to arrive at an accurate limit; and

WHEREAS, all calculations necessary to arrive at the appropriations limit are attached as Worksheets 1 through 7B for fiscal year 2007-08;

NOW, THEREFORE, the City Council of the City of Torrance does hereby resolve that:

- (1) It selects the following growth factors for fiscal year 2007-08:

Population Factor	Inflation Factor
(City)	(Increase in Non-Residential Assessed Valuations)
0.85%	8.01%

- (2) It accepts the appropriations limit for fiscal year 2007-08 in the amount of \$803,464,679.

Introduced, approved, and adopted this 5th day of June, 2007.

Mayor of the City of Torrance

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III, CITY ATTORNEY

By _____

May 2007

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit

The California Revenue and Taxation Code, Section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2007, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2007-08. Enclosure I provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2007-08 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county and incorporated areas population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations, as noted.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code, Section 2228 for further information regarding the appropriation limit. You can access the Code from the following website: "<http://www.leginfo.ca.gov/calaw.html>" check: "Revenue and Taxation Code" and enter 2228 for the search term to learn more about the various population change factors available to special districts to calculate their appropriations limit. Article XIII B, Section 9, of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Consult the following website: "http://www.leginfo.ca.gov/const/article_13B" for additional information. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No State agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. Revenue and Taxation Code Section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2007.**

Please Note: City population estimates are controlled to independently calculated county population estimates. Due to county estimates revisions; prior year's city population estimates may have also been revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL C. GENEST

Director

By:

VINCENT P. BROWN

Chief Deputy Director

Enclosure

May 2007

Enclosure I

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. The cost-of-living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the 2007-2008 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2007-2008	4.42

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2007-2008 appropriation limit.

2007-2008:

Per Capita Cost of Living Change = 4.42 percent
 Population Change = 1.20 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.42 + 100}{100} = 1.0442$

Population converted to a ratio: $\frac{1.20 + 100}{100} = 1.0120$

Calculation of factor for FY 2007-2008:

$$1.0442 \times 1.0120 = 1.0567$$

Fiscal Year 2007-2008

Enclosure II
Annual Percent Change in Population Minus Exclusions (*)
January 1, 2006 to January 1, 2007 and Total Population, January 1, 2007

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	2006-2007	1-1-06	1-1-07	1-1-2007
Los Angeles				
Agoura Hills	0.34	23,262	23,340	23,340
Alhambra	0.05	89,442	89,488	89,488
Arcadia	0.60	56,217	56,556	56,556
Artesia	0.40	17,519	17,589	17,589
Avalon	0.86	3,491	3,521	3,521
Azusa	0.57	48,362	48,640	48,640
Baldwin Park	0.07	81,092	81,146	81,146
Bell	0.28	38,873	38,982	38,982
Bellflower	0.06	77,141	77,189	77,189
Bell Gardens	1.42	46,106	46,760	46,760
Beverly Hills	0.62	35,861	36,084	36,084
Bradbury	-0.64	944	938	938
Burbank	0.84	107,018	107,921	107,921
Calabasas	1.01	23,416	23,652	23,652
Carson	0.07	98,110	98,178	98,178
Cerritos	0.07	54,906	54,943	54,943
Claremont	1.11	36,732	37,141	37,141
Commerce	0.27	13,458	13,494	13,494
Compton	0.38	99,078	99,451	99,451
Covina	0.56	49,442	49,720	49,720
Cudahy	0.70	25,689	25,870	25,870
Culver City	0.17	40,723	40,792	40,792
Diamond Bar	0.68	59,800	60,207	60,207
Downey	0.33	113,210	113,587	113,587
Duarte	0.40	23,030	23,121	23,121
El Monte	0.61	125,513	126,282	126,282
El Segundo	0.53	16,986	17,076	17,076
Gardena	0.57	61,593	61,947	61,947
Glendale	0.28	206,578	207,157	207,157
Glendora	0.55	52,267	52,557	52,557
Hawaiian Gardens	0.32	15,871	15,922	15,922
Hawthorne	0.57	88,574	89,080	89,080
Hermosa Beach	0.07	19,460	19,474	19,474
Hidden Hills	0.10	2,038	2,040	2,040
Huntington Park	0.34	64,693	64,912	64,912
Industry	0.12	803	804	804
Inglewood	0.80	118,264	119,212	119,212
Irwindale	6.16	1,559	1,655	1,655
La Canada Flintridge	0.06	21,340	21,353	21,353

(*) Exclusions include residents on federal military installations and group quarters' residents in state mental institutions, and state and federal correctional institutions.

Fiscal Year 2007-2008

Enclosure II
Annual Percent Change in Population Minus Exclusions (*)
January 1, 2006 to January 1, 2007 and Total Population, January 1, 2007

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	2006-2007	1-1-06	1-1-07	1-1-2007
La Habra Heights	0.46	6,117	6,145	6,145
Lakewood	0.29	83,397	83,641	83,641
La Mirada	0.83	49,855	50,267	50,267
Lancaster	3.93	134,191	139,459	143,818
La Puente	0.27	43,221	43,338	43,338
La Verne	0.29	33,353	33,449	33,449
Lawndale	0.55	33,387	33,572	33,572
Lomita	0.17	21,091	21,127	21,127
Long Beach	0.43	490,798	492,912	492,912
Los Angeles	0.95	3,976,518	4,014,151	4,018,080
Lynwood	0.05	73,137	73,171	73,171
Malibu	0.50	13,680	13,748	13,748
Manhattan Beach	0.06	36,551	36,573	36,573
Maywood	1.26	29,583	29,957	29,957
Monrovia	0.64	39,058	39,309	39,309
Montebello	0.27	65,508	65,686	65,686
Monterey Park	0.06	64,471	64,508	64,508
Norwalk	0.27	108,925	109,217	110,040
Palmdale	3.02	141,199	145,468	145,468
Palos Verdes Estates	0.18	14,060	14,085	14,085
Paramount	0.36	57,881	58,087	58,087
Pasadena	0.64	146,327	147,262	147,262
Pico Rivera	0.01	67,068	67,074	67,074
Pomona	0.07	161,509	161,627	162,140
Rancho Palos Verdes	0.11	43,045	43,092	43,092
Redondo Beach	0.44	67,201	67,495	67,495
Rolling Hills	0.20	1,968	1,972	1,972
Rolling Hills Estates	-0.04	8,102	8,099	8,099
Rosemead	0.36	57,220	57,427	57,427
San Dimas	0.27	36,911	37,011	37,011
San Fernando	0.31	25,068	25,145	25,145
San Gabriel	0.75	42,374	42,691	42,691
San Marino	0.07	13,498	13,507	13,507
Santa Clarita	5.68	167,631	177,158	177,158
Santa Fe Springs	0.25	17,804	17,849	17,849
Santa Monica	0.29	90,865	91,124	91,124
Sierra Madre	0.13	11,025	11,039	11,039
Signal Hill	1.12	11,105	11,229	11,229
South El Monte	0.56	22,340	22,464	22,464
South Gate	0.45	101,779	102,233	102,233
South Pasadena	0.45	25,708	25,824	25,824

(*) Exclusions include residents on federal military installations and group quarters' residents in state mental institutions, and state and federal correctional institutions.

Fiscal Year 2007-2008

Enclosure II
 Annual Percent Change in Population Minus Exclusions (*)
 January 1, 2006 to January 1, 2007 and Total Population, January 1, 2007

County City	<u>Percent Change</u>	<u>-- Population Minus Exclusions --</u>		<u>Total Population</u>
	2006-2007	1-1-06	1-1-07	1-1-2007
Temple City	0.52	35,517	35,702	35,702
Torrance	0.85	147,299	148,558	148,558
Vernon	0.00	95	95	95
Walnut	0.34	32,189	32,297	32,297
West Covina	0.31	112,608	112,953	112,953
West Hollywood	0.16	37,594	37,653	37,653
Westlake Village	0.24	8,872	8,893	8,893
Whittier	0.27	86,955	87,190	87,190
Unincorporated	-0.22	1,092,394	1,090,007	1,092,001
County Total	0.72	10,246,513	10,320,321	10,331,939

(*) Exclusions include residents on federal military installations and group quarters' residents in state mental institutions, and state and federal correctional institutions.

**CITY OF TORRANCE
APPROPRIATIONS LIMIT
USERS' FEES VERSUS COSTS**

**WORKSHEET #1
BUDGET BASIS
FISCAL YEAR 2007-08**

	PUBLIC SAFETY	PUBLIC WORKS	COMMUNITY ENRICHMENT	GENERAL GOVERNMENT	INDIRECT CHGS-ENT	TOTAL
A. COSTS REASONABLY BORNE	24,611,703	5,829,137	6,853,447	9,514,127	\$3,928,799	50,737,213
B. FEES:						
INDIRECT CHARGES-ENT.					3,928,799	3,928,799
CONSTRUCTION RELATED FEES	1,299,812	319,220	0	1,500		1,620,532
ENGINEERING FEES		117,731				117,731
POLICE DEPT SERVICES	789,768					789,768
FIRE INSPECTION FEES	1,087,633					1,087,633
OTHER CHARGES	0	122,035	266,523	21,200		409,758
LIBRARY FINES AND FEES			181,000			181,000
FEE REVENUE	3,177,213	558,986	447,523	22,700	3,928,799	8,135,221
C. AMOUNT FEE EXCEEDS COST (ie, amount of tax proceeds)	0	0	0	0	0	0
D. AMOUNT OF FEE REVENUE LESS THAN COSTS	\$3,177,213	\$558,986	\$447,523	\$22,700	\$3,928,799	\$8,135,221

Public Safety		
Police	12,777,505	
Fire	9,986,250	
Bldg & Safety	1,847,948	
		24,611,703
Public Works		
Community Development	3,525,165	
Public Works	2,303,972	
Street	-	
		5,829,137
Community Enrichment		
	6,853,447	
Library	6,853,447	
General Government		
City Clerk	566,655	
City Manager	2,018,204	
City Council	581,564	
City Treasurer	114,870	
City Atty	1,405,251	
Human Resources	1,517,823	
Finance	3,309,760	
		9,514,127

CITY OF TORRANCE
CALCULATION OF PROCEEDS OF TAXES

WORKSHEET #2
BUDGET BASIS
FISCAL YEAR 2007-08

Funds included:---- GENERAL FUND			
REVENUES	PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	TOTAL
TAXES			
Property Tax	\$45,978,000		\$45,978,000
Sales & Use Tax	35,621,516		\$35,621,516
Utility Users' Tax	35,664,980		\$35,664,980
Business License Tax	7,582,000		\$7,582,000
Construction Tax	773,000		\$773,000
Transient Occupancy Tax	7,445,870		\$7,445,870
Real Property Transfer Tax	600,000		\$600,000
Oil Severance Tax	30,000		\$30,000
Aircraft Assessment Tax	100,000		\$100,000
Total Taxes	\$ 133,795,366	0	\$ 133,795,366
LICENSES AND PERMITS			
Animal Fees		110,417	110,417
Construction Permits		1,941,925	1,941,925
Other License Fees/Permits		7,700	7,700
Licenses and Permits		2,060,042	2,060,042
REVENUE FROM OTHER AGENCIES			
State Motor Vehicle License	759,625		759,625
Trailer Coach In Lieu			0
State Gasoline Tax		840,000	840,000
State Homeowners' Property Tax Relief	250,000		250,000
State Cigarette Tax			0
Other State Revenue	0	0	0
Other County Grants		0	0
Revenue from Other Agencies	1,009,625	840,000	1,849,625
FINES AND FORFEITURES			
General Court Fines		810,000	810,000
Traffic Fines		470,000	470,000
Fines and Forfeitures		1,280,000	1,280,000
USE OF MONEY AND PROPERTY (EXCLUDING INVESTMENT EARNINGS)			
Rents and Royalties		875,742	875,742
Franchise Payments		4,616,255	4,616,255
PERS Interest Amortization		0	0
Extraordinary Income			0
Use of Money and Property		\$5,491,997	\$5,491,997
USER FEES (From Worksheet#1)	\$0	\$8,135,221	\$8,135,221
OTHER MISCELLANEOUS			
Contribution from Other Funds (from Worksheet #2A)	950,000	1,600,000	2,550,000
Other Revenue		515,300	515,300
Operating Transfer In		9,722,055	9,722,055
Other Miscellaneous	950,000	11,837,355	12,787,355
SUB-TOTAL (For Worksheet #3)	135,754,991	29,644,615	165,399,606
Interest Earnings (from Worksheet #3)	1,631,846	454,154	2,086,000
TOTAL REVENUE (Use for Worksheet #4)	\$137,386,837	\$30,098,769	\$167,485,606
RESERVE WITHDRAWALS		\$600,000	\$600,000

**CITY OF TORRANCE
CALCULATION OF PROCEEDS OF TAXES
CONTRIBUTIONS FROM OTHER FUNDS**

**WORKSHEET #2A
BUDGET BASIS
FISCAL YEAR 2007-08**

	PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	TOTAL
CONTRIBUTIONS FROM OTHER FUND AIRPORT FUND:			
PROPERTY TAX IN-LIEU TRANSFER	\$250,000	\$0	\$250,000
LEASED LAND RENTAL TRANSFER	0	1,600,000	1,600,000
SUB-TOTAL	250,000	1,600,000	1,850,000
WATER FUND			
WATER IN-LIEU TAX	700,000	0	700,000
TOTAL (COPY ONTO WORKSHEET #2)	\$950,000	\$1,600,000	\$2,550,000

CITY OF TORRANCE
INTEREST EARNINGS PRODUCED BY TAXES

WORKSHEET #3
BUDGET BASIS
FISCAL YEAR 2007-08

	AMOUNT	SOURCE
A. NON-INTEREST TAX PROCEEDS	\$135,754,991	(WORKSHEET #2)
B. MINUS EXCLUSIONS	<u>5,896,025</u>	(WORKSHEET #7)
C. NET INVESTED TAXES	129,858,966	(A-B)
D. TOTAL NON-INTEREST REVENUES PLUS RESERVE WITHDRAWALS	165,999,606	(WORKSHEET #2)
E. TAX PROCEEDS AS PERCENT OF BUDGET	78.2285%	(C/D)
F. INTEREST EARNINGS	2,086,000	07-08 PROPOSED BUDGET
G. AMOUNT OF INTEREST EARNED FROM TAXES	<u>1,631,846</u>	(E*F)
H. AMOUNT OF INTEREST EARNED FROM NON-TAXES	<u>\$454,154</u>	(F-G)

CITY OF TORRANCE
 APPROPRIATIONS SUBJECT TO LIMITATION

WORKSHEET #4
 BUDGET BASIS
 FISCAL YEAR 2007-08

	AMOUNT	SOURCE
A. PROCEEDS OF TAXES	\$137,386,837	(WORKSHEET #2)
B. EXCLUSIONS	<u>5,896,025</u>	(WORKSHEET #7)
C. APPROPRIATIONS SUBJECT TO LIMITATION	\$131,490,812	(A-B)
D. CURRENT YEAR'S LIMIT	803,464,679	(WORKSHEET #6)
E. OVER/(UNDER) LIMIT	<u>(\$671,973,867)</u>	(C-D)

**CITY OF TORRANCE OR COUNTY OF LOS ANGELES
POPULATION INCREASES**

**WORKSHEET #5
BUDGET BASIS
FISCAL YEAR 2007-08**

TO COMPUTE LIMIT TO:	CITY POPULATION	PERCENT	COUNTY POPULATION	PERCENT
2006-07				
01/01/04	146,263	1.36%	10,096,795	1.38%
01/01/05	146,532	0.78%	10,226,506	1.18%
01/01/06	147,108	0.39%	10,245,572	0.78%
01/01/07	148,558 (1)	0.85%	10,331,939 (1)	0.72%

(1) BASED FROM THE DEPARTMENT OF FINANCE PRICE AND POPULATION DATA FOR LOCAL JURISDICTIONS DATED MAY 2007

**CITY OF TORRANCE
INFLATION FACTOR
CHANGE IN PER CAPITA PERSONAL INCOME AND CHANGE IN NON-RESIDENTIAL ASSESSED VALUATION**

**WORKSHEET # 5A
BUDGET BASIS
FISCAL YEAR 2007-08**

<u>TO COMPUTE LIMIT TO:</u>	CHANGE IN CALIF. PER CAPITA PERSONAL INCOME (1)	CHANGE IN NON RESIDENTIAL ASSESSED VALUATION (2)
2005-2006	5.26%	-27.08%
2006-2007	3.96%	0.11%
2007-2008	4.42%	8.01%

(1) BASED FROM THE DEPARTMENT OF FINANCE PRICE AND POPULATION
DATA FOR LOCAL JURISDICTIONS DATED MAY 2007

(2) SOURCED FROM LA COUNTY ASSESSORS OFFICE LETTER DATED APRIL 25, 2007



May 2007

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit

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MICHAEL C. GENEST
Director
By:

VINCENT P. BROWN
Chief Deputy Director

Enclosure

May 2007

Enclosure I

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. The cost-of-living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the 2007-2008 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
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 Population Change = 1.20 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.42 + 100}{100} = 1.0442$

Population converted to a ratio: $\frac{1.20 + 100}{100} = 1.0120$

Calculation of factor for FY 2007-2008:

$$1.0442 \times 1.0120 = 1.0567$$

Fiscal Year 2007-2008

Enclosure II
Annual Percent Change in Population Minus Exclusions (*)
January 1, 2006 to January 1, 2007 and Total Population, January 1, 2007

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Artesia	0.40	17,519	17,589	17,589
Avalon	0.86	3,491	3,521	3,521
Azusa	0.57	48,362	48,640	48,640
Baldwin Park	0.07	81,092	81,146	81,146
Bell	0.28	38,873	38,982	38,982
Bellflower	0.06	77,141	77,189	77,189
Bell Gardens	1.42	46,106	46,760	46,760
Beverly Hills	0.62	35,861	36,084	36,084
Bradbury	-0.64	944	938	938
Burbank	0.84	107,018	107,921	107,921
Calabasas	1.01	23,416	23,652	23,652
Carson	0.07	98,110	98,178	98,178
Cerritos	0.07	54,906	54,943	54,943
Claremont	1.11	36,732	37,141	37,141
Commerce	0.27	13,458	13,494	13,494
Compton	0.38	99,078	99,451	99,451
Covina	0.56	49,442	49,720	49,720
Cudahy	0.70	25,689	25,870	25,870
Culver City	0.17	40,723	40,792	40,792
Diamond Bar	0.68	59,800	60,207	60,207
Downey	0.33	113,210	113,587	113,587
Duarte	0.40	23,030	23,121	23,121
El Monte	0.61	125,513	126,282	126,282
El Segundo	0.53	16,986	17,076	17,076
Gardena	0.57	61,593	61,947	61,947
Glendale	0.28	206,578	207,157	207,157
Glendora	0.55	52,267	52,557	52,557
Hawaiian Gardens	0.32	15,871	15,922	15,922
Hawthorne	0.57	88,574	89,080	89,080
Hermosa Beach	0.07	19,460	19,474	19,474
Hidden Hills	0.10	2,038	2,040	2,040
Huntington Park	0.34	64,693	64,912	64,912
Industry	0.12	803	804	804
Inglewood	0.80	118,264	119,212	119,212
Irwindale	6.16	1,559	1,655	1,655
La Canada Flintridge	0.06	21,340	21,353	21,353

(*) Exclusions include residents on federal military installations and group quarters' residents in state mental institutions, and state and federal correctional institutions.

Fiscal Year 2007-2008

Enclosure II
Annual Percent Change in Population Minus Exclusions (*)
January 1, 2006 to January 1, 2007 and Total Population, January 1, 2007

County City	Percent Change	-- Population Minus Exclusions --		Total Population
	2006-2007	1-1-06	1-1-07	1-1-2007
La Habra Heights	0.46	6,117	6,145	6,145
Lakewood	0.29	83,397	83,641	83,641
La Mirada	0.83	49,855	50,267	50,267
Lancaster	3.93	134,191	139,459	143,818
La Puente	0.27	43,221	43,338	43,338
La Verne	0.29	33,353	33,449	33,449
Lawndale	0.55	33,387	33,572	33,572
Lomita	0.17	21,091	21,127	21,127
Long Beach	0.43	490,798	492,912	492,912
Los Angeles	0.95	3,976,518	4,014,151	4,018,080
Lynwood	0.05	73,137	73,171	73,171
Malibu	0.50	13,680	13,748	13,748
Manhattan Beach	0.06	36,551	36,573	36,573
Maywood	1.26	29,583	29,957	29,957
Monrovia	0.64	39,058	39,309	39,309
Montebello	0.27	65,508	65,686	65,686
Monterey Park	0.06	64,471	64,508	64,508
Norwalk	0.27	108,925	109,217	110,040
Palmdale	3.02	141,199	145,468	145,468
Palos Verdes Estates	0.18	14,060	14,085	14,085
Paramount	0.36	57,881	58,087	58,087
Pasadena	0.64	146,327	147,262	147,262
Pico Rivera	0.01	67,068	67,074	67,074
Pomona	0.07	161,509	161,627	162,140
Rancho Palos Verdes	0.11	43,045	43,092	43,092
Redondo Beach	0.44	67,201	67,495	67,495
Rolling Hills	0.20	1,968	1,972	1,972
Rolling Hills Estates	-0.04	8,102	8,099	8,099
Rosemead	0.36	57,220	57,427	57,427
San Dimas	0.27	36,911	37,011	37,011
San Fernando	0.31	25,068	25,145	25,145
San Gabriel	0.75	42,374	42,691	42,691
San Marino	0.07	13,498	13,507	13,507
Santa Clarita	5.68	167,631	177,158	177,158
Santa Fe Springs	0.25	17,804	17,849	17,849
Santa Monica	0.29	90,865	91,124	91,124
Sierra Madre	0.13	11,025	11,039	11,039
Signal Hill	1.12	11,105	11,229	11,229
South El Monte	0.56	22,340	22,464	22,464
South Gate	0.45	101,779	102,233	102,233
South Pasadena	0.45	25,708	25,824	25,824

(*) Exclusions include residents on federal military installations and group quarters' residents in state mental institutions, and state and federal correctional institutions.

Fiscal Year 2007-2008

Enclosure II
 Annual Percent Change in Population Minus Exclusions (*)
 January 1, 2006 to January 1, 2007 and Total Population, January 1, 2007

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	2006-2007	1-1-06	1-1-07	1-1-2007
Temple City	0.52	35,517	35,702	35,702
Torrance	0.85	147,299	148,558	148,558
Vernon	0.00	95	95	95
Walnut	0.34	32,189	32,297	32,297
West Covina	0.31	112,608	112,953	112,953
West Hollywood	0.16	37,594	37,653	37,653
Westlake Village	0.24	8,872	8,893	8,893
Whittier	0.27	86,955	87,190	87,190
Unincorporated	-0.22	1,092,394	1,090,007	1,092,001
County Total	0.72	10,246,513	10,320,321	10,331,939

(*) Exclusions include residents on federal military installations and group quarters' residents in state mental institutions, and state and federal correctional institutions.



RICK AUERBACH
ASSESSOR

COUNTY OF LOS ANGELES
OFFICE OF THE ASSESSOR
500 W. TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2770
<http://assessor.co.la.ca.us/>

April 25, 2007

Helen Eng
Administrative Analyst
City of Torrance
3031 Torrance Boulevard
Torrance, California 90503

Dear Ms. Eng:

Your agency, the City of Torrance, in order to effect an adjustment of its Gann Limit, has requested that the Assessor's Office supply the percentage change in total assessed valuation for the city over that of the preceding year, due to nonresidential new construction.

For the City of Torrance, the 2006-2007 net change in nonresidential new construction, applicable to the 2007-2008 budget, is 8.01%.

If we can be of further service, please call Ventura Cuenca at (213) 974-9221.

Very truly yours,

A handwritten signature in cursive script that reads "Dan Kinoshita".

Dan Kinoshita

Senior Information Systems Analyst
Research and Development

DK:mf

COUNTY OF LOS ANGELES - OFFICE OF THE ASSESSOR

Proposition 111 Analysis

Non-Residential New Construction (SE City Report) Current - 6/26/06	New Construction	Lesser Maintenance	Other Construction	Total New Construction
Commercial - Authorizations		\$15,167,117		\$15,167,117
Industrial Current	\$2,216,000	\$2,339,126		\$4,555,126
Other Authorizations	(\$242,476)			(\$242,476)
Current	\$2,389,280	\$148,740	\$230,000	\$2,768,020
Total New Construction	\$4,362,804	\$17,654,983	\$230,000	\$22,247,787
Add Fixtures (SV16 Report) Current - 6/26/06			\$1,601,653,770	
Less Fixtures (SV16 Report) Prior - 6/25/05			\$1,485,923,951	
Net Fixtures Adjustment				\$115,729,819
Net Increase in New Non-Res Construction from Prior Year				\$137,977,606
City Total (SV 16 Report)	Secured RE & PP Exemptions	Unsecured PP Exemption	Net Assessed Values	Total Assessed Values
Current Year - 6/26/06	\$296,204,795	\$30,057,400	\$20,705,039,985	\$21,031,302,180
Prior Year - 6/25/05	\$270,092,523	\$29,038,372	\$19,009,921,880	\$19,309,052,775
Net Increase in Local Assessment Roll From Prior Year				\$1,722,249,405
Percentage Increase Allowable = New Non-Res Growth / Total Roll Growth X 100			=	8.01%
Percentage Increase Allowable (without Fixtures)				1.29%

YEAR	2006-2007	AGENCY	City of Torrance	AGENCY NO.	272.00
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CITY OF
TORRANCE

FINANCE DEPARTMENT

Eric E. Tsao
Finance Director

April 19, 2007

Principal Appraiser, Research and Development
Office of the Assessor
County of Los Angeles
Hall of Administration, Room 346C
500 W. Temple Street
Los Angeles, CA 90012-2770

**SUBJECT: GROWTH DATA IN THE NON-RESIDENTIAL ASSESSED VALUATION
DUE TO NEW CONSTRUCTION WITHIN THE CITY OF TORRANCE**

Dear Sir:

Our calculation of the appropriations limit for fiscal year 2007-08 would require data on percentage change in total assessed valuation for the City of Torrance of the preceding year due to non-residential new construction. We would appreciate it if you would forward this information to the City as soon as the data is available.

Please mail this information to us Attn to: Helen Eng

Thank you.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Helen Eng', with a long horizontal flourish extending to the right.

Helen Eng
Administrative Analyst

**CITY OF TORRANCE
CURRENT YEAR'S APPROPRIATIONS LIMIT**

**WORKSHEET #6
BUDGET BASIS
FISCAL YEAR 2007-08**

	AMOUNT	SOURCE
A. LAST YEAR'S LIMIT	<u>\$737,610,212</u>	
B. ADJUSTMENT FACTORS		
1. Population % change	0.85%	(Worksheet #5)
2. Percent change in non-residential assessed valuation	8.01%	(Worksheet #5A)
Total Adjustment (In Ratios)	1.0893	= F/A
Total Adjustment (In %)	8.9281%	= C/A
C. ANNUAL ADJUSTMENTS\$	65,854,467	(B*A)
D. OTHER ADJUSTMENTS:		
Lost Responsibility(-)	0	
Transfer to private (-)	0	
Transfer to fees (-)	0	
Assumed Responsibility (+)	0	
Sub-total, Annual Adjustment	0	
E. TOTAL ADJUSTMENTS	<u>65,854,467</u>	(C+D)
F. THIS YEAR'S LIMIT To Worksheet #4	<u>\$803,464,679</u>	(A+E)

**G. COMPARISON OF GANN LIMIT TO EXPENDITURES/APPROPRIATIONS
SUBJECT TO LIMIT, FY'S 2003-04 TO 2007-08**

	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
GANN LIMIT	574,006,354	666,249,175	706,757,125	737,610,212	803,464,679
Expenditures/ Appropriation Subject to Limit	<u>107,856,773</u>	<u>111,684,684</u>	<u>119,456,631</u>	<u>124,305,043</u>	<u>131,490,812</u>
Amount Over (Under) Limit	<u>466,149,581</u>	<u>554,564,491</u>	<u>587,300,494</u>	<u>613,305,169</u>	<u>671,973,867</u>

**CITY OF TORRANCE
EXCLUDED APPROPRIATIONS**

**WORKSHEET #7
BUDGET BASIS
FISCAL YEAR 2007-08**

CATEGORY	AMOUNT	
FEDERAL MANDATES		
INCREASE IN FICA TAXES	\$2,619,969	(From WS #7a)
FLSA ADJUSTMENT 2006-07	391,136	(From WS #7a)
 SUB-TOTAL	 3,011,105	
 QUALIFIED DEBT SERVICE		
1998 COP FIRE/POLICE FACILITY	535,043	
2004A COP TORRANCE PUBLIC FINANCING	1,092,414	
2004B COP TORRANCE PUBLIC FINANCING	1,232,963	
Administrative Fees	24,500	
 SUB-TOTAL	 2,884,920	
 PAYBACK TO PARKS & RECREATION	 0	
PAYBACK TO DRAINAGE IMPRVEMENT FD	0	
PAYBACK TO SEWER REVOLVING FD	0	
 SUB-TOTAL	 0	
 TOTAL EXCLUDABLE (Copy to Worksheet #3 & #4)	 \$5,896,025	

CITY OF TORRANCE
EXCLUDED APPROPRIATIONS - FEDERAL MANDATES

WORKSHEET # 7A
BUDGET BASIS
FISCAL YEAR 2007-08

1) INCREASE IN FICA TAXES

2007-08 FICA	\$3,477,800 (1)	
1978-79 EXPENDITURES FOR FICA	764,508 (3)	
DOLLAR INCREASE IN FICA TAXES		\$2,713,292
DEDUCT: INCREASE IN FICA TAXES DUE TO INCREASE IN PERSONNEL		
2006-07 NUMBER OF EMPLOYEES (From Worksheet #7b)	1,755	
1978-79 NUMBER OF EMPLOYEES	1,564 (3)	
	191	
1978-79 FICA EXPENSE	764,508	
DIVIDED BY:		
1978-79 NUMBER OF EMPLOYEES	1,564	
AVERAGE 1978-79 FICA TAX PER EMPLOYEE PER YEAR	488.8159	
MULTIPLY BY INCREASE IN NUMBER OF EMPLOYEES	191	
INCREASE IN FICA TAXES DUE TO INCREASE IN PERSONNEL	93,323	(93,323)
NET INCREASE IN FICA TAXES (To Worksheet #7)		\$2,619,969

2) FLSA - 2006-07

CITYWIDE BUDGETED FLSA FOR FISCAL YEAR 2006-07 (To Worksheet #7)		\$391,136 (2)
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(1) FROM 2007-2008 PROPOSED BUDGET DATED MAY 8, 2007 NET OF WAGE RESERVES OF \$5,925,700)

(2) FROM 2007-2008 PAYROLL BASE BUDGET (COMPENSATION DETAIL REPORT), p. 261

(3) 1978-79 DATA ARE CONSTANT

CITY OF TORRANCE
EXCLUDED APPROPRIATION
FEDERAL MANDATES (INCREASE IN FICA TAXES)
NUMBER OF EMPLOYEES

WORKSHEET #7B
BUDGET BASIS
FISCAL YEAR 2007-08

	# OF EMPLOYEES (EXCL. WIN)	WIN EMPLOY. PROGRAM	TOTAL NUMBER OF EMPLOYEES
JUNE 2006	1,724	35	1,759
JULY 2006	1,752	33	1,785
AUGUST 2006	1,778	34	1,812
SEPTEMBER 2006	1,736	58	1,794
OCTOBER 2006	1,732	34	1,766
NOVEMBER 2006	1,726	31	1,757
DECEMBER 2006	1,725	30	1,755
JANUARY 2007	1,578	29	1,607
FEBRUARY 2007	1,749	34	1,783
MARCH 2007	1,736	33	1,769
APRIL 2007	1,705	31	1,736
MAY 2007	1,705	31	1,736
Total	20,646	413	21,059
Divided by 12 Months	12	12	12
Average per Month	1,721 (1)	34	1,755 (2)

(1) MONTHLY EMPLOYEE COUNT SHEET (FROM PAYROLL)

(2) USE IN WORKSHEET#7A (INCREASE IN FICA TAXES)

NOTICE OF INTENTION TO ADOPT THE
ANNUAL APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2007-08
PURSUANT TO THE REQUIREMENTS OF
ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION
AS MODIFIED BY PROPOSITION 111

Notice is hereby given that on June 5, 2007, the City Council of the City of Torrance, meeting in regular session in the Council Chambers at 3031 Torrance Boulevard, will adopt the annual appropriations limit for fiscal year 2007-08 as provided in Article XIII B of the California Constitution, as modified by Proposition 111. The documentation used in making the determination of the said appropriations limit is on file for public review at the Office of the City Clerk at 3031 Torrance Boulevard, Torrance, California.

Eric E. Tsao
Finance Director

Pub: May 26