

Council Meeting
June 16, 2009

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

Members of the City Council:

SUBJECT: Finance - Approval of Fiscal Year 2009-10 Appropriations Limit and Selection of the Annual Adjustment Factors for the Same Fiscal Year.

RECOMMENDATION

Recommendation of the Finance Director that the City Council adopt the attached Resolution approving the City's appropriations limit for fiscal year 2009-10 in the amount of **\$995,323,267**; and selection of the 2009-10 **percentage change in Non-Residential Assessed Valuations** as the cost of living factor, together with **the increase in the County'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.

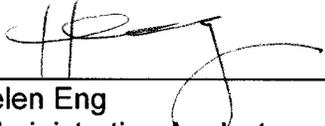
Moreover, the cost of living factor may either be the change in the California per capita personal income or the percentage change in the jurisdiction's assessed valuation, which is attributable to non-residential new construction. Both of these selections require a recorded vote of the City's governing 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 County of Los Angeles**, would give the most beneficial result for the City. Using these growth factors, the appropriations limit for fiscal year 2009-10 would be **\$995,323,267**. This calculated limit is **742%**, or **\$861,150,987**, more than the projected appropriations subject to limitations of **\$134,172,280**, 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 **June 1, 2009** and a public notice was posted in the Daily Breeze on **June 1, 2009**.

Respectfully submitted,

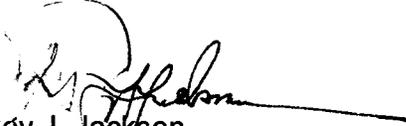
Eric E. Tsao
Finance Director

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 2009.
- C. Worksheets 1-7b for Fiscal Year 2009-10
- D. Copy of Daily Breeze Advertisement

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TORRANCE APPROVING THE 2009-10 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 2008-09; and

WHEREAS, all calculations for fiscal year 2009-10 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 2009-10;

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

- (1) It selects the following growth factors for fiscal year 2009-10:

Population Factor	Inflation Factor
<u>(County)</u>	<u>(Increase in Non-Residential Assessed Valuations)</u>
0.90%	10.33%

- (2) It accepts the appropriations limit for fiscal year 2009-10 in the amount of \$995,323,267.

Introduced, approved, and adopted this 16th day of June, 2009.

Mayor of the City of Torrance

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III, CITY ATTORNEY

By _____



ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 2009

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, 2009, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2009-2010. 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 2009-2010 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county and incorporated areas summed population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations.

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 box: "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(C), 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, 2009.**

Please Note: Prior year's city population estimates may be revised.

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

MICHAEL C. GENEST
Director
By:

ANA J. MATOSANTOS
Chief Deputy Director

Enclosure

May 2009

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 2009-2010 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2009-2010	0.62

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2009-2010 appropriation limit.

2009-2010:

Per Capita Cost of Living Change = 0.62 percent

Population Change = 1.11 percent

Per Capita Cost of Living converted to a ratio: $\frac{0.62 + 100}{100} = 1.0062$

Population converted to a ratio: $\frac{1.11 + 100}{100} = 1.0111$

Calculation of factor for FY 2009-2010:

$$1.0062 \times 1.0111 = 1.0174$$

Enclosure II
Annual Percent Change in Population Minus Exclusions
January 1, 2008 to January 1, 2009 and Total Population, January 1, 2009

County City	Percent Change 2008-2009	--- Population Minus Exclusions ---		Total Population
		1-1-08	1-1-09	1-1-2009
Los Angeles				
Agoura Hills	0.58	23,203	23,337	23,337
Alhambra	0.47	88,754	89,171	89,171
Arcadia	0.67	56,169	56,547	56,547
Artesia	0.55	17,455	17,551	17,551
Avalon	0.80	3,512	3,540	3,540
Azusa	0.94	48,475	48,932	48,932
Baldwin Park	0.40	81,122	81,445	81,445
Bell	0.56	38,543	38,759	38,759
Bellflower	0.63	76,713	77,194	77,194
Bell Gardens	0.62	46,499	46,786	46,786
Beverly Hills	0.88	35,774	36,090	36,090
Bradbury	1.17	942	953	953
Burbank	0.62	107,412	108,082	108,082
Calabasas	0.61	23,590	23,735	23,735
Carson	0.35	97,818	98,159	98,159
Cerritos	0.38	54,649	54,855	54,855
Claremont	1.95	37,057	37,780	37,780
Commerce	0.67	13,460	13,550	13,550
Compton	0.77	98,674	99,431	99,431
Covina	0.55	49,271	49,541	49,541
Cudahy	0.59	25,728	25,880	25,880
Culver City	0.48	40,464	40,657	40,657
Diamond Bar	0.65	60,015	60,407	60,407
Downey	0.65	112,735	113,469	113,469
Duarte	1.16	22,826	23,090	23,090
El Monte	0.78	125,336	126,308	126,308
El Segundo	0.57	16,903	16,999	16,999
Gardena	0.62	61,430	61,810	61,810
Glendale	0.64	205,980	207,303	207,303
Glendora	0.78	52,067	52,474	52,474
Hawaiian Gardens	0.47	15,810	15,885	15,885
Hawthorne	0.54	89,498	89,979	89,979
Hermosa Beach	0.33	19,426	19,491	19,491
Hidden Hills	0.50	2,003	2,013	2,013
Huntington Park	0.38	64,374	64,617	64,617
Industry	0.38	794	797	797
Inglewood	0.56	118,201	118,868	118,868
Irwindale	0.76	1,714	1,727	1,727
La Canada Flintridge	0.30	21,155	21,218	21,218

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

Enclosure II
Annual Percent Change in Population Minus Exclusions
January 1, 2008 to January 1, 2009 and Total Population, January 1, 2009

County City	Percent Change 2008-2009	--- Population Minus Exclusions ---		Total Population
		1-1-08	1-1-09	1-1-2009
La Habra Heights	0.75	6,105	6,151	6,151
Lakewood	0.61	83,005	83,508	83,508
La Mirada	0.24	49,818	49,939	49,939
Lancaster	1.19	138,488	140,136	145,074
La Puente	0.60	43,009	43,269	43,269
La Verne	0.36	33,858	33,981	33,981
Lawndale	0.74	33,346	33,593	33,593
Lomita	0.25	20,936	20,989	20,989
Long Beach	0.58	489,800	492,625	492,682
Los Angeles	1.09	4,017,760	4,061,730	4,065,585
Lynwood	0.60	72,740	73,174	73,174
Malibu	0.65	13,624	13,712	13,712
Manhattan Beach	1.11	36,315	36,718	36,718
Maywood	0.62	29,800	29,984	29,984
Monrovia	1.09	39,103	39,531	39,531
Montebello	0.58	65,291	65,667	65,667
Monterey Park	1.09	64,176	64,874	64,874
Norwalk	0.48	108,250	108,768	109,567
Palmdale	3.51	146,209	151,346	151,346
Palos Verdes Estates	0.57	13,967	14,046	14,046
Paramount	0.41	57,638	57,874	57,874
Pasadena	1.96	147,293	150,185	150,185
Pico Rivera	0.39	66,640	66,899	66,899
Pomona	0.47	162,201	162,961	163,408
Rancho Palos Verdes	0.19	42,720	42,800	42,800
Redondo Beach	0.82	67,099	67,646	67,646
Rolling Hills	0.66	1,956	1,969	1,969
Rolling Hills Estates	0.14	8,138	8,149	8,149
Rosemead	0.87	57,095	57,594	57,594
San Dimas	0.57	36,669	36,878	36,878
San Fernando	0.83	25,083	25,292	25,292
San Gabriel	0.72	42,521	42,829	42,829
San Marino	0.11	13,378	13,393	13,393
Santa Clarita	0.64	176,030	177,150	177,150
Santa Fe Springs	0.54	17,689	17,784	17,784
Santa Monica	1.72	90,926	92,494	92,494
Sierra Madre	0.29	11,051	11,083	11,083
Signal Hill	0.82	11,337	11,430	11,430
South El Monte	1.58	22,264	22,615	22,615
South Gate	0.53	102,225	102,770	102,770
South Pasadena	0.73	25,644	25,832	25,832

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

Enclosure II
Annual Percent Change in Population Minus Exclusions
January 1, 2008 to January 1, 2009 and Total Population, January 1, 2009

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2008-2009	1-1-08	1-1-09	1-1-2009
Temple City	0.75	35,480	35,747	35,747
Torrance	0.67	148,115	149,111	149,111
Vernon	0.00	95	95	95
Walnut	1.16	32,112	32,486	32,486
West Covina	0.56	112,022	112,648	112,648
West Hollywood	0.62	37,348	37,580	37,580
Westlake Village	0.50	8,814	8,858	8,858
Whittier	0.39	86,452	86,788	86,788
Unincorporated	0.79	1,082,750	1,091,340	1,091,978
County Total	0.90	10,289,936	10,382,451	10,393,185

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



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/>

CITY OF TORRANCE
08 APR 13 11:39
FINANCE DEPT.

April 8, 2009

Ms. Helen Eng
Administrative Analyst
City of Torrance
3031 Torrance Blvd
Torrance, CA 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 2008-2009 net change in nonresidential new construction, applicable to the 2009-2010 budget, is 10.33%.

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

Very truly yours,

Dan Kinoshita
Senior Information Systems Analyst
Research and Development

ATTACHMENT C

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

**WORKSHEET #1
BUDGET BASIS
FISCAL YEAR 2009-10**

	PUBLIC SAFETY	PUBLIC WORKS	COMMUNITY ENRICHMENT	GENERAL GOVERNMENT	INDIRECT CHGS-ENT	TOTAL
A. COSTS REASONABLY BORNE	28,623,686	5,194,744	7,624,439	9,359,610	\$5,009,328	55,811,807
B. FEES:						
INDIRECT CHARGES-ENT.					5,009,328	5,009,328
CONSTRUCTION RELATED FEES	1,418,296	328,188		1,500		1,747,984
ENGINEERING FEES		121,293				121,293
POLICE DEPT SERVICES	739,364					739,364
FIRE INSPECTION FEES	1,062,442					1,062,442
OTHER CHARGES		136,000	266,523	21,200		423,723
LIBRARY FINES AND FEES			181,000			181,000
FEE REVENUE	3,220,102	585,481	447,523	22,700	5,009,328	9,285,134
C. AMOUNT FEE EXCEEDS COST (ie, amount of tax proceeds)	0	0	0	0	0	0
D. AMOUNT OF FEE REVENUE LESS THAN COSTS	\$3,220,102	\$585,481	\$447,523	\$22,700	\$5,009,328	\$9,285,134
E. USE THE RESULTS TO COMPLETE WORKSHEET #2						

Public Safety	
Police	14,798,287
Fire	11,265,416
Bldg & Safety	2,559,983
	28,623,686
Public Works	
Community Development	2,531,134
Public Works	2,663,610
Street	-
	5,194,744
Community Enrichment	
Library	7,624,439
	7,624,439
General Government	
City Clerk	690,067
City Manager	2,261,093
City Council	640,382
City Treasurer	124,997
City Atty	1,547,501
Human Resources	1,660,717
Finance	2,434,853
	9,359,610

**CITY OF TORRANCE
CALCULATION OF PROCEEDS OF TAXES**

**WORKSHEET #2
BUDGET BASIS
FISCAL YEAR 2009-10**

Funds included:---- GENERAL FUND

REVENUES	PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	TOTAL	
TAXES				reference
Property Tax	\$50,197,075		\$50,197,075	1
Sales & Use Tax	31,381,817		\$31,381,817	2
Utility Users' Tax	36,542,018		\$36,542,018	3
Business License Tax	8,241,960		\$8,241,960	4
Construction Tax	825,130		\$825,130	5
Transient Occupancy Tax	8,329,408		\$8,329,408	6
Real Property Transfer Tax	450,000		\$450,000	7
Oil Severance Tax	10,000		\$10,000	8
Aircraft Assessment Tax	200,000		\$200,000	9
Total Taxes	\$ 136,177,408	0	\$ 136,177,408	page 1
LICENSES AND PERMITS				
Animal Fees		1,700	1,700	9a
Construction Permits		2,142,393	2,142,393	10
Other License Fees/Permits		186,417	186,417	11
Licenses and Permits		2,330,510	2,330,510	page 1
REVENUE FROM OTHER AGENCIES				
State Motor Vehicle License	367,221		367,221	12
Trailer Coach In Lieu			0	
State Gasoline Tax		840,000	840,000	13
State Homeowners' Property Tax Relief	250,000		250,000	14
State Cigarette Tax			0	
Other State Revenue	0	0	0	15
Other County Grants		0	0	16
Revenue from Other Agencies	617,221	840,000	1,457,221	page 1&2
FINES AND FORFEITURES				
General Court Fines		1,378,321	1,378,321	17
Traffic Fines		587,726	587,726	18
Fines and Forfeitures		1,966,047	1,966,047	page 2
USE OF MONEY AND PROPERTY (EXCLUDING INVESTMENT EARNINGS)				
Rents and Royalties		927,369	927,369	19
Franchise Payments		6,402,751	6,402,751	20
PERS Interest Amortization		0	0	
Extraordinary Income			0	
Use of Money and Property		\$7,330,120	\$7,330,120	page 2
USER FEES (From Worksheet#1)	\$0	\$9,285,134	\$9,285,134	
OTHER MISCELLANEOUS				
Contribution from Other Funds (from Worksheet #2A)	950,000	1,600,000	2,550,000	22 page 3
Other Revenue		515,300	515,300	23 page 3
Operating Transfer In		10,029,833	10,029,833	24 page 3
Other Miscellaneous	950,000	12,145,133	13,095,133	
SUB-TOTAL (For Worksheet #3)	137,744,629	33,896,944	171,641,573	
Interest Earnings (from Worksheet #3)	2,872,619	895,741	3,768,360	
TOTAL REVENUE (Use for Worksheet #4)	\$140,617,248	\$34,792,685	\$175,409,933	= total revenues (p. 3) + indirect cost reimb.
RESERVE WITHDRAWALS		\$600,000	\$600,000	25 (op.budget summary sheet)

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

**WORKSHEET #2A
BUDGET BASIS
FISCAL YEAR 2009-10**

	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

GANN10 - 2A

CITY OF TORRANCE
INTEREST EARNINGS PRODUCED BY TAXES

WORKSHEET #3
BUDGET BASIS
FISCAL YEAR 2009-10

	AMOUNT	SOURCE
A. NON-INTEREST TAX PROCEEDS	\$137,744,629	(WORKSHEET #2)
B. MINUS EXCLUSIONS	<u>6,444,968</u>	(WORKSHEET #7)
C. NET INVESTED TAXES	131,299,661	(A-B)
D. TOTAL NON-INTEREST REVENUES PLUS RESERVE WITHDRAWALS	172,241,573	(WORKSHEET #2)
E. TAX PROCEEDS AS PERCENT OF BUDGET	76.2299%	(C/D)
F. INTEREST EARNINGS	3,768,360	2009-10 RECOMMENDED BUDGET
G. AMOUNT OF INTEREST EARNED FROM TAXES	<u>2,872,619</u>	(E*F)
H. AMOUNT OF INTEREST EARNED FROM NON-TAXES	<u>\$895,741</u>	(F-G)
I. TAKE THE RESULT OF STEPS #G AND #H COPY ON TO WORKSHEET #2		

CITY OF TORRANCE
 APPROPRIATIONS SUBJECT TO LIMITATION

WORKSHEET #4
 BUDGET BASIS
 FISCAL YEAR 2009-10

	AMOUNT	SOURCE
A. PROCEEDS OF TAXES	\$140,617,248	(WORKSHEET #2)
B. EXCLUSIONS	<u>6,444,968</u>	(WORKSHEET #7)
C. APPROPRIATIONS SUBJECT TO LIMITATION	\$134,172,280	(A-B)
D. CURRENT YEAR'S LIMIT	995,323,267	(WORKSHEET #6)
E. OVER/(UNDER) LIMIT	<u>(\$861,150,987)</u>	(C-D)

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

**WORKSHEET #5
BUDGET BASIS
FISCAL YEAR 2009-10**

TO COMPUTE LIMIT TO:	CITY POPULATION	PERCENT	COUNTY POPULATION	PERCENT
2009-10				
01/01/06	147,108	0.39%	10,245,572	0.78%
01/01/07	148,558	0.85%	10,331,939	0.72%
01/01/08	148,965	0.84%	10,363,850	0.86%
01/01/09	149,111 (1)	0.67%	10,393,185 (1)	0.90%

(1) BASED FROM THE DEPARTMENT OF FINANCE PRICE AND POPULATION DATA FOR
LOCAL JURISDICTIONS DATED MAY 2009

GANN10 - 5

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

**WORKSHEET # 5A
BUDGET BASIS
FISCAL YEAR 2009-10**

<u>TO COMPUTE LIMIT TO:</u>	CHANGE IN CALIF. PER CAPITA PERSONAL INCOME (1)	CHANGE IN NON RESIDENTIAL ASSESSED VALUATION (2)
2007-2008	4.42%	8.01%
2008-2009	4.29%	7.64%
2009-2010	0.62%	10.33%

(1) BASED FROM THE DEPARTMENT OF FINANCE PRICE AND POPULATION DATA FOR LOCAL JURISDICTIONS DATED MAY 2009

(2) SOURCED FROM LA COUNTY ASSESSORS OFFICE LETTER DATED APRIL 8, 2009.

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

**WORKSHEET #6
BUDGET BASIS
FISCAL YEAR 2009-10**

	AMOUNT	SOURCE
A. LAST YEAR'S LIMIT	<u>\$894,086,159</u>	
B. ADJUSTMENT FACTORS		
1. Population % change	0.90%	(Worksheet #5)
2. Percent change in non-residential assessed valuation	10.33%	(Worksheet #5A)
Total Adjustment (In Ratios)	1.1132	= (B1+1)* (B2+1) OR = F/A
Total Adjustment (In %)	11.3230%	= C/A
C. ANNUAL ADJUSTMENT\$	101,237,108	(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>101,237,108</u>	(C+D)
F. THIS YEAR'S LIMIT	<u>\$995,323,267</u>	(A+E)
To Worksheet #4		

**G. COMPARISON OF GANN LIMIT TO EXPENDITURES/APPROPRIATIONS
SUBJECT TO LIMIT, FY'S 2004-05 TO 2008-09**

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
GANN LIMIT	706,757,125	737,610,212	803,464,679	894,086,159	995,323,267
Expenditures/ Appropriation Subject to Limit	<u>119,456,631</u>	<u>124,305,043</u>	<u>131,490,812</u>	<u>136,145,525</u>	<u>134,172,280</u>
Amount Over (Under) Limit	<u>587,300,494</u>	<u>613,305,169</u>	<u>671,973,867</u>	<u>757,940,634</u>	<u>861,150,987</u>

**CITY OF TORRANCE
EXCLUDED APPROPRIATIONS**

**WORKSHEET #7
BUDGET BASIS
FISCAL YEAR 2009-10**

CATEGORY	AMOUNT	
FEDERAL MANDATES		
INCREASE IN FICA TAXES	\$3,122,721	(From WS #7a)
FLSA ADJUSTMENT 2009-10	435,935	(From WS #7a)
SUB-TOTAL	3,558,656	
QUALIFIED DEBT SERVICE		
1998 COP FIRE/POLICE FACILITY	538,050	
2004A COP TORRANCE PUBLIC FINANCING	1,090,799	
2004B COP TORRANCE PUBLIC FINANCING	1,232,963	
Administrative Fees	24,500	
SUB-TOTAL	2,886,312	
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)	\$6,444,968	

CITY OF TORRANCE
EXCLUDED APPROPRIATIONS - FEDERAL MANDATES

WORKSHEET # 7A
BUDGET BASIS
FISCAL YEAR 2009-10

1) INCREASE IN FICA TAXES

2009-10 FICA	\$3,981,000 (1)	
1978-79 EXPENDITURES FOR FICA	<u>764,508 (3)</u>	
DOLLAR INCREASE IN FICA TAXES		\$3,216,492
DEDUCT: INCREASE IN FICA TAXES DUE TO INCREASE IN PERSONNEL		
2008-09 NUMBER OF EMPLOYEES	1,756	
(From Worksheet #7b)		
1978-79 NUMBER OF EMPLOYEES	<u>1,564 (3)</u>	
	192	
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	192	
INCREASE IN FICA TAXES DUE TO INCREASE IN PERSONNEL	93,771	(93,771)
NET INCREASE IN FICA TAXES (To Worksheet #7)		\$3,122,721

2) FLSA - 2009-10

CITYWIDE BUDGETED FLSA FOR FISCAL YEAR 2009-10 (To Worksheet #7)	\$435,935 (2)
---	---------------

(1) FROM 2009-2010 PROPOSED BUDGET "ACCOUNT 3530 - SOCIAL SECURITY CITY PAID".

(2) FROM 2009-2010 PAYROLL BASE BUDGET (COMPENSATION DETAIL REPORT) DATED 4/2/09, p. 254

(3) 1978-79 DATA ARE CONSTANT

GANN10 - 7A

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

WORKSHEET #7B
BUDGET BASIS
FISCAL YEAR 2009-10

	TOTAL NUMBER OF EMPLOYEES
JUNE 2008	1,757
JULY 2008	1,792
AUGUST 2008	1,827
SEPTEMBER 2008	1,732
OCTOBER 2008	1,771
NOVEMBER 2008	1,773
DECEMBER 2008	1,736
JANUARY 2009	1,610
FEBRUARY 2009	1,760
MARCH 2009	1,776
APRIL 2009	1,762
MAY 2009	1,774
Total	21,070
Divided by 12 Months	12
Average per Month	1,756 (1), (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 2009-10
PURSUANT TO THE
REQUIREMENTS OF ARTICLE XIII B
OF THE CALIFORNIA
CONSTITUTION, AS MODIFIED BY
PROPOSITION 111**

Notice is hereby given that on June 16, 2009, 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 2009-10 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.

Sue Herbers
City Clerk

Published: June 1, 2009

Copy of Daily Breeze advertisement:

<p style="text-align: center;">DB 6-3</p> <p style="text-align: center;">NOTICE OF INTENTION TO ADOPT THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2009-10 PURSUANT TO THE REQUIREMENTS OF ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION, AS MODIFIED BY PROPOSITION 111</p> <p>Notice is hereby given that on June 16, 2009, 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 2009-10 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.</p> <p style="text-align: center;">Sue Herbers City Clerk</p> <p>Pub: June 01, 2009</p>
--