

These few proposed new and changed fees are listed in Section I along with reasons for each change. All other fees are listed in the following sections. No inflationary adjustment has been included in proposed fees based on the change in Consumer Price Index from the prior year.

FY 2016-17 Gann Appropriation Limit

An amendment to the California Constitution intended to limit growth in local government spending requires establishment of a maximum limit for expenditures from general taxes. The law requires that the limit be recalculated and approved annually by the City Council at the beginning of each fiscal year. Generally known as the Gann Limit, it is indexed to specified growth factors approved by the Legislature and applied to revenue appropriations. The total FY 2016-17 revenue appropriations that are subject to the limit has been calculated at \$179,383,067. The City's annual appropriation limit has been calculated in the amount of \$310,619,313 for FY 2016-17 pursuant to the requirements of the California Government Code. The revenues subject to the limit are budgeted to be \$179,383,067 in FY 2016-17 and are well within the State Constitutional appropriations limit.

Continuation of FY 2015-16 Appropriations

Pursuant to Section 1908 of the City Charter, budget appropriations lapse at the end of each fiscal year if not expended or encumbered. With this requirement in place, some Council priority projects can lose funding at year end unless the Council takes action to continue the appropriation into the next fiscal year. A review of City Council approved FY 2015-16 funding for one-time expenses has resulted in the following list of appropriations that are recommended for continuation in FY 2016-17:

Description	Department	Fund	Estimated Amount
Air Support Planning	Police Department	General Fund	\$50,000
Leadership Academy	Human Resources	General Fund	\$85,000
Vehicle Purchases	Municipal Utilities	Wastewater Fund	\$270,000
Housing Projects	Economic Development	Low/Moderate Housing Fund	\$3.2 million
Community Organization Funds	Non-Departmental	General Fund	\$240,000
Economic Development Incentives	Economic Development	General Fund	\$1.2 million
Marketing Communication Plan	Non-Departmental	General Fund	\$100,000
Mobile City Hall	Non-Departmental	General Fund	\$100,000
Homeless Services	Non-Departmental	General Fund	\$7,000
Radios and Dispatch Center Technology	Fire	General Fund	\$567,000

It is also recommended in the budget resolution that \$5.8 million of General Fund available balance at June 30, 2016 be used for Police facility expansions, the related Public Works Department relocation and Police parking lot improvements to accommodate the additional officers and support staff hired as part of the Marshall Plan. These projects are an appropriate use of the funds set aside in prior years for bankruptcy and recovery efforts.