



June 18, 2018

TO: LOCSO Board of Directors

FROM: Adrienne Geidel, District Bookkeeper

SUBJECT: Agenda Item 11E– 7/5/2018 Board Meeting
Adopt Resolution Establishing Appropriations Limit for
Fiscal Year 2018/2019

President
Vicki L. Milledge

Vice President
Marshall E. Ochylski

Directors
Charles L. Cesena
Louis G. Tornatzky
Christine M. Womack

General Manager
Renee Osborne

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
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DESCRIPTION

Article 13B of the California Constitution limits the total appropriation funded by proceeds of taxes to amounts adjusted each year by the change in cost of living and the change in population. There are a number of exceptions allowed. One exception is appropriation for debt service.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution 2018-21 establishing the District's appropriation limit of \$9,181,293 for Fiscal Year 2018/2019.

DISCUSSION

Each year as part of the budget process, the District determines its appropriation limit in accordance with Article 13B of the California Constitution. This is also more commonly known as the Gann Initiative on Spending Limits. The limit is computed using demographics data provided by the State Department of Finance on cost of living or per capita income change for the State and population change in the applicable area. In the District's case the population in the unincorporated area is used. The appropriation limit of the District for fiscal year 2018/2019 increased by 4% or \$355,914 over the prior year.

The historical trend of the District's appropriation limits since the inception of the District is shown on Exhibit A to the resolution.

Attachments

RESOLUTION 2018-21

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
ADOPTING THE FISCAL YEAR 2018/2019 LOCS D "GANN" APPROPRIATIONS LIMIT**

WHEREAS, in November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and,

WHEREAS, the provisions of that Article establish maximum appropriation limitations, commonly called "Gann Limits," for public agencies, including special districts; and,

WHEREAS, the District must establish a revised Appropriations Limit for the 2018/2019 fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law;

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby declare that the appropriations in the Budget for the 2018/2019 do not exceed the calculated Appropriations Limit of \$9,181,293 as contained in Exhibit A attached hereto;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, AND DETERMINE:

- 1. That the appropriation limit for Fiscal Year 2018/2019 for the District is \$9,181,293;**
- 2. That total qualifying appropriations in the Final Budget when adopted will not be in excess of the appropriation limit as hereby adopted.**

On the motion of Director _____, seconded by Director _____,
and on the following roll call vote, to wit:

Ayes: _____
Nays: _____
Absent: _____
Conflicts: _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 5th day of July 2018.

Vicki L. Milledge, President
LOCS D Board of Directors

ATTEST:

APPROVED AS TO FORM:

Renee Osborne
General Manager and Secretary to the Board

Roy A. Hanley
District Legal Counsel

EXHIBIT A

LOCSD "GANN" ANNUAL APPROPRIATIONS LIMIT HISTORICAL ANNUAL DATA

(Article XIII B of the California Constitution prohibits California Governmental entities from appropriating more "proceeds of taxation" than the limit established by the California State Department of Finance)

	LIMIT	FACTOR
FY98-99 BASE Amount	\$4,259,330	
FY99-00	\$4,526,390	1.0627
FY00-01	\$4,830,563	1.0672
FY01-02	\$5,302,509	1.0977
FY02-03	\$5,331,143	1.0054
FY03-04	\$5,546,521	1.0404
FY04-05	\$5,815,527	1.0485
FY05-06	\$6,213,309	1.0684
FY06-07	\$6,530,188	1.0522
FY07-08	\$6,900,450	1.0567
FY08-09	\$6,995,676	1.0138
FY09-10	\$7,140,486	1.0207
FY10-11	\$7,079,792	0.9915
FY11-12	\$7,317,673	1.0336
FY12-13	\$7,658,677	1.0466
FY13-14	\$8,083,733	1.0555
FY14-15	\$8,124,960	1.0051
FY15-16	\$8,510,896	1.0475
FY16-17	\$8,461,533	0.9942
FY17-18	\$8,825,379	1.0430
FY18-19	\$9,181,293	1.0403