

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Auditor-Controller *JFK*

BOARD AGENDA # *B-1

Urgent

Routine

AGENDA DATE December 11, 2012

CEO Concur with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of Total Appropriations/Budgetary Limit for Annual Appropriations of Tax Revenues for Fiscal Year 2012-2013 in Accordance with the Provisions of Proposition 4 and 111

STAFF RECOMMENDATIONS:

Approve a General Operating Limit of \$303,259,830 Using the Population and Inflation Methodology per Attachment "A".

FISCAL IMPACT:

There is no fiscal impact associated with this agenda item. The appropriations subject to the limit are based on revenue classified as "Proceeds of Tax" per Attachment "B". The 2012-2013 revenues classified as "Proceeds of Tax" totaled \$124,993,254. Stanislaus County's appropriations limitation of \$303,259,830 exceeds revenues classified as "Proceeds of Tax" by \$178,266,576 for Fiscal Year 2012-2013. The calculation for the appropriations limitation includes applicable Lighting Districts governed by the Board of Supervisors.

BOARD ACTION AS FOLLOWS:

No. 2012-593

On motion of Supervisor Withdraw, Seconded by Supervisor Chiesa

and approved by the following vote,

Ayes: Supervisors: Chiesa, Withdraw, Monteith, De Martini and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of Total Appropriations/Budgetary Limit for Annual Appropriations of Tax Revenues for Fiscal Year 2012-2013 in Accordance with the Provisions of Proposition 4 and 111
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DISCUSSION:

Proposition 4 was passed by the voters on November 6, 1979. This legislation restricts government spending by establishing limits on the annual appropriations of tax revenues of local governmental entities. On June 5, 1990, Proposition 111 was passed, which modifies the manner in which the Proposition 4 appropriations limit is calculated. As a result of Proposition 111, the base year of the calculation has been changed from 1978-1979 Fiscal Year to the 1986-1987 Fiscal Year and allows the county to use more advantageous population and cost of living factors.

The appropriations subject to the limit are based on revenues classified as "Proceeds of Tax." The 2012-2013 revenues classified as "Proceeds of Tax" totaled \$124,993,254. Revenues from the Federal Government are exempt from the appropriations limit. Guidelines for calculating the appropriations limitation are promulgated by the state Controller's Office. The documentation used in computing the 2012-2013 appropriations limit is available in the Auditor-Controller's Office for public inspection.

POLICY ISSUES:

Government Code Section 7910 requires the Board of Supervisors to adopt by resolution the County's appropriations limit for the ensuing fiscal year at a regularly scheduled meeting.

Adoption of this resolution will support the Board of Supervisors' priority of Efficient Delivery of Public Services.

STAFFING IMPACT:

There are no staffing impacts associated with this agenda item.

CONTACT PERSON:

Natalie Elliott, Accountant III.

Telephone: 525-6548

**COUNTY OF STANISLAUS
APPROPRIATIONS LIMIT WORKSHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Fiscal Year 2011-12 Appropriations Limitation \$ 290,166,092

Adjustment pursuant to Article XIII B, Section 3(a): Transfer of financial responsibility to provide services as a result of jurisdictional change (annexation) to other governmental entities:

Transfers in (transfers out)

County General Fund	(11,853)
County Fire Service Fund	<u>(924)</u>

Subtotal \$ 290,153,315

Add: Adjustment pursuant to Article XIII B, Section 1: Appropriations made by local governments may increase annually by a factor comprised of the change in population and change in the U.S. Consumer Price index of California per capita income, whichever is less.

	Price Factor	Population Change		Ratio of Change
Percentage change over prior year	3.77	0.72		
Converted to a ratio:	$3.77+100/100$	$0.72+100/100$		
Calculation Factor for FY 2012-2013	1.0377	x	1.0072	= 1.045171
				x <u>1.045171</u>

Fiscal Year 2012-13 Appropriations Limitation \$ 303,259,830

Adjusted Estimated Tax Revenue fiscal year 2012-13 (Attachment B) \$ 124,993,254

2012-13 Appropriations Limitation in excess of Estimated Tax Revenue \$ 178,266,576

Note 1:

Appropriations limit adjusted per Article XIII B, amended by Proposition 111 changed the price and population factors that may be used. The 2012-2013 appropriations limit for each local jurisdiction shall be the 1986-87 appropriations limit adjusted from that year forward by the new growth factors stated in the proposition. Per Department of Finance Notice dated May, 2012.

Proceeds of Tax Summary
FY 2012-2013

2012 -2013 FINAL ADOPTED BUDGET as of Sept 11, 2012

	Final Adopted Budget	Tax Revenue	NonTax Revenue
General Fund	227,072,421	114,685,205	112,387,216
Special Revenue	559,282,868	9,655,194	549,627,674
Capital Projects	1,532,000	-	1,532,000
Total Revenue	787,887,289	124,340,399	663,546,890
	<u>787,887,289</u>	<u>124,340,399</u>	<u>663,546,890</u>
17000 less Interest Pooled - fund 10	(3,122,917)	0	(3,122,917)
17000 less Interest Pooled - fund 11	(929,302)	0	(929,302)
17000 less Interest Pooled - fund 12	(63,000)	0	(63,000)
Total Interest	(4,115,219)	0	(4,115,219)
	<u>783,772,070</u>	<u>124,340,399</u>	<u>659,431,671</u>
Total Revenue less Interest			
<u>783,772,070</u>			
<u>124,340,399</u>			
<u>659,431,671</u>			
Re-allocation Interest based on Tax vs NonTax			
Percentage of Total Revenue - less interest	100.00%	15.86%	84.14%
£ Allocation of Interest	4,115,219	652,855	3,462,364
Total Revenue less Interest	783,772,070	124,340,399	659,431,671
	<u>787,887,289</u>	<u>124,993,254</u>	<u>662,894,035</u>
Adjusted estimated Revenue	787,887,289	124,993,254	662,894,035

£ Interest computed on total budget percentage ratio excluding interest
Use percentage to distribute interest between proceeds and
non-proceeds