

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

DEPT: Auditor-Controller JK

BOARD AGENDA # \*B-1

Urgent

Routine

AGENDA DATE October 27, 2015

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of Total Appropriations/Budgetary Limit for Annual Appropriations of Tax Revenue for Fiscal Year 2015-2016 in Accordance with the Provisions of Proposition 4 and 111

STAFF RECOMMENDATIONS:

Approve a General Operating Limit of \$337,597,700 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 Fiscal Year 2015-2016 revenue classified as "Proceeds of Tax" total \$154,157,018. Stanislaus County's appropriations limitation of \$337,597,700 exceeds revenue classified as "Proceeds of Tax" by \$183,440,682 for Fiscal Year 2015-2016. The calculation for the appropriations limitation includes applicable Lighting Districts governed by the Board of Supervisors.

BOARD ACTION AS FOLLOWS:

No. 2015-493

On motion of Supervisor Chiesa, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:

Christine Ferraro  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

**DISCUSSION:**

Proposition 4 was passed by California voters on November 6, 1979. This legislation restricts government spending by establishing limits on the annual appropriations of tax revenue 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 the 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 revenue classified as "Proceeds of Tax." The Fiscal Year 2015-2016 revenue classified as "Proceeds of Tax" total \$154,157,018. Revenue from the Federal Government is 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 Fiscal Year 2015-2016 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:**

Mike Firpo

Manager IV

Telephone: 525-7599

**COUNTY OF STANISLAUS  
APPROPRIATIONS LIMIT WORKSHEET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Fiscal Year 2014-2015 Appropriations Limitation per BOS Agenda Item No. 2014-628      \$ 322,702,175

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:

*Less tax proceeds shift from County to Cities*

County General Fund	(42,895)
County Fire Service Fund	(57)
Subtotal adjusted Appropriations Limitation	\$ 322,659,223

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 and County specific Population Change data provided by the CA Department of Finance (see Note 1 below)*

	Price Factor	Population Change	Ratio of Change
Percentage change over prior year	3.82	0.78	
Converted to a ratio:	(3.82+100)/100	(0.78+100)/100	
Calculation Factor for FY 2015-2016	1.0382	x	1.0078 = 1.046298
			1.046298

***Multiply adjusted Appropriations Limitation Subtotal by the Calculation Factor***

**Fiscal Year 2015-2016 Appropriations Limitation**      \$ 337,597,700

Less: Adjusted Estimated "Proceeds of Tax" Revenue Fiscal Year 2015-16 (Attach B)      154,157,018

FY 2015-2016 Appropriations Limitation in excess of Estimated Tax Revenue      \$ 183,440,682

Note 1:

Appropriations limit adjusted per Article XIII B, amended by Proposition 111 to change the price and population factors that may be used. The FY 2015-2016 appropriations limit for each local jurisdiction shall be the FY 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, 2015.

[http://www.dof.ca.gov/budgeting/documents/Price\\_Population\\_2015.pdf](http://www.dof.ca.gov/budgeting/documents/Price_Population_2015.pdf)

**"Proceeds of Tax" Calculation Summary  
Fiscal Year 2015-2016**

**Fiscal Year 2015-2016 ADOPTED FINAL BUDGET as of September 15, 2015**

	<u>Adopted Final Budget</u>	<u>Tax Revenue</u>	<u>NonTax Revenue</u>
General Fund	\$ 259,657,626	\$ 141,246,454	\$ 118,411,172
Special Revenue	633,810,125	12,434,091	621,376,034
Capital Projects	1,006,000	-	1,006,000
<b>Total Revenue</b>	<b>894,473,751</b>	<b>153,680,545</b>	<b>740,793,206</b>
Less General Fund Interest	(2,230,415)	-	(2,230,415)
Less Special Revenue Interest	(488,250)	-	(488,250)
Less Capital Projects Interest	(46,000)	-	(46,000)
<b>Total Revenue from Interest</b>	<b>(2,764,665)</b>	<b>-</b>	<b>(2,764,665)</b>
<b>Total Revenue less Interest</b>	<b>891,709,086</b>	<b>153,680,545</b>	<b>738,028,541</b>
<u>Re-allocation of Interest based on Tax vs NonTax</u>			
Percentage of Total Revenue - less interest	100.00%	17.23%	82.77%
* Allocation of Interest	2,764,665	476,473	2,288,192
Total Revenue less Interest	891,709,086	153,680,545	738,028,541
<b>Adjusted Estimated Revenue</b>	<b>\$ 894,473,751</b>	<b>\$ 154,157,018</b>	<b>\$ 740,316,733</b>

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