

Fire Protection District for FY2018/19. The cost associated with preparing the agenda item is nominal and absorbed by the department's FY2017/18 Adopted Budget.

DISCUSSION:

The appropriations limit, imposed by Propositions 4 and 111 (also known as the "Gann Limit"), restricts the amount of tax revenue which can be appropriated in any fiscal year. As provided in Attachment A, B and C, the calculated appropriations limits for FY2018/19 are as follows: Countywide Appropriations Limit \$663,148,916; Consolidated County Service Area \$254,338; East Vallejo Fire Protection District \$1,124,746. The appropriations limit is based on actual appropriations during FY1978/79, and is increased each year for the growth of population and inflation factors.

The inflation rate is defined as the "change in the cost of living." There are two options for this rate. The County has the option to use either the growth of the California per capita personal income or the growth of the non-residential assessed valuation due to new construction within the County. Under Article XIII B, the BOS must select by recorded vote, which change in the cost of living adjustment the County will use.

These limits were calculated using the growth of the California per capita personal income, as the information to calculate the new non-residential construction factor is not available until after July 1, 2017. However, the BOS reserves the right to select the higher of the two factors in determining which method to use in the calculation, and not be bound by the per capita personal income factor. The BOS may delegate authority to the ACO to implement the most advantageous method for the County, once the local assessment roll data becomes available.

During any fiscal year, the County and applicable special districts, with certain exceptions, may not appropriate any "proceeds of taxes" (as defined by law) they receive in excess of their appropriations limit. Based on the FY2018/19 Recommended Budget, the estimated proceeds of taxes subject to the appropriations limit are as follows: Countywide \$188,515,133; Consolidated County Service Area \$129,152; East Vallejo Fire Protection District \$574,940.

Therefore, the County, the Consolidated County Service Area and the East Vallejo Fire Protection District are not expected to exceed their appropriations limits for FY2018/19.

ALTERNATIVES:

The BOS has no other alternative but to adopt the appropriations limits since this is a constitutional law of the State of California.

OTHER AGENCY INVOLVEMENT:

County Counsel approved the attached resolution. The County Administrator's Office concurs with the recommendation.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION