



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 21, 2023
TO: Board of Directors
RE: Establish the Appropriations Limit of the Kensington Fire Protection District for FY2023-2024
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

Staff recommends that the Board adopt Resolution 2023-05 establishing the appropriations limit of the Kensington Fire Protection District for FY2023-2024.

Background

Article XIII B of the California State Constitution was approved by California voters in November 1979, and modified by Proposition 111 in 1990. This article, more commonly known as the Gann Limit, places limits on the amount of tax proceeds that government agencies can receive and spend each year. Each year the Board of Directors must adopt, by resolution, an appropriations limit.

The appropriations limit is different for each agency, and the limit changes each year. The limit is based on the actual appropriations that were authorized to be spent in fiscal year 1978-79 for each agency and is modified for changes in inflation and population in each subsequent year. Not all revenues are restricted by the Gann Limit, only those that are defined as "proceeds of taxes."

For Fiscal Year 2023-2024, the District's appropriation limit is as follows:

Fiscal Year 2022-2023 Limit	\$ 5,507,566
Per Capita Personal Income Ratio	1.0444
Population % Change Ratio	0.9964
Fiscal Year 2023-2024 Limit	<u>\$ 5,731,394</u>

Fiscal Impact

Property tax revenues are estimated to be \$5.3M with total revenues of \$5.8M for Fiscal Year 2023-2024 while the budgeted expenditures total \$4.9M which is well within the appropriations limit of \$5.7M.

Attachments: Resolution 2023-05 Establishing the Appropriations Limit of the Kensington Fire Protection District for FY2023-2024



RESOLUTION 2023-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON FIRE PROTECTION DISTRICT ESTABLISHING THE APPROPRIATIONS LIMIT OF THE KENSINGTON FIRE PROTECTION DISTRICT FOR FISCAL YEAR 2023-2024

WHEREAS, Article XIII B of the California Constitution establishes a limitation on spending by local government agencies, including special districts not otherwise exempted, of funds from proceeds of taxes; and

WHEREAS, each local government agency, including non-exempted special districts, must establish its appropriations limit annually by recorded vote of the governing body; and

WHEREAS, the appropriations limit for Fiscal Year 2022-2023 was established at \$5,507,566 by the Board of Directors of the Kensington Fire Protection District; and

WHEREAS, the applicable factors used to calculate the appropriations limit for Fiscal Year 2023-2024 are (1) the increase in the California per capita personal income of 4.44% as provided by the State Department of Finance; and (2) the applicable change in population from January 2022 to January 2023 of -0.36% (as shown below); and

Fiscal Year 2022-2023 Limit	\$ 5,507,566
Per Capita Personal Income Ratio	1.0444
Population % Change Ratio	0.9964
Fiscal Year 2023-2024 Limit	<u>\$ 5,731,394</u>

WHEREAS, the information used in the determination of the calculation of the appropriations limit has been available for public inspection for at least 15 days;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Kensington Fire Protection District establishes the appropriations limit for Fiscal Year 2023-2024 as \$5,731,394.

The foregoing resolution was duly adopted at a regular meeting of the Kensington Fire Protection District on the 21st day of June 2023 by the following vote of the Board.

AYES:

NOES:

ABSENT:

ABSTAIN:

Julie Stein, President

Larry Nagel, Secretary

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2023, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2023-24. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2023-24 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2023.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

JOE SPEPHENSHAW
Director
By:

Erika Li
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2023-24 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2023-24	4.44

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2023-24 appropriation limit.

2023-24:

Per Capita Cost of Living Change = 4.44 percent
 Population Change = -0.35 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.44 + 100}{100} = 1.0444$

Population converted to a ratio: $\frac{-0.35 + 100}{100} = 0.9965$

Calculation of factor for FY 2023-24: $1.0444 \times 0.9965 = 1.0407$

Fiscal Year 2023-24

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2022 to January 1, 2023 and Total Population, January 1, 2023

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2022-2023	1-1-22	1-1-23	1-1-2023
Contra Costa				
Antioch	0.94	114,362	115,442	115,442
Brentwood	0.46	64,219	64,513	64,513
Clayton	-1.08	10,782	10,666	10,666
Concord	-0.84	123,102	122,074	122,074
Danville	-0.79	43,166	42,823	42,823
El Cerrito	-0.88	25,710	25,484	25,484
Hercules	1.36	25,944	26,297	26,297
Lafayette	-0.46	25,119	25,004	25,004
Martinez	-0.67	36,790	36,543	36,543
Moraga	-0.95	17,055	16,893	16,893
Oakley	1.67	44,257	44,995	44,995
Orinda	-0.52	19,326	19,225	19,225
Pinole	-1.07	18,442	18,244	18,244
Pittsburg	0.16	74,688	74,809	74,809
Pleasant Hill	-0.89	33,697	33,397	33,397
Richmond	-0.88	114,521	113,518	113,518
San Pablo	-1.02	31,625	31,301	31,301
San Ramon	-0.86	83,587	82,870	82,870
Walnut Creek	-0.51	69,603	69,245	69,245
Unincorporated	-0.85	175,719	174,226	174,310
County Total	-0.36	1,151,714	1,147,569	1,147,653

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.