



MEETING DATE: November 5, 2015
TO: Board of Directors
FROM: Sally Lyon, Director of Finance and Administration
SUBJECT: Appropriations Limit

RECOMMENDATION: Pass Resolution 2015-07 which states that the percentage change in California per capita personal income from the preceding year is the “change in the cost of living factor” which the Board elects to use to calculate the fiscal 2015-2016 Appropriations Limit, the Appropriation Limit for fiscal 2015-2016, and the fact that TTAD’s budgeted appropriations of proceeds of taxes do not exceed the appropriations limit.

DISCUSSION: The District is required by Senate Bill 1352 to establish an Appropriations Limit for each fiscal year. It must be established by resolution, at a regularly scheduled and noticed meeting.

The Appropriations Limit is calculated based the prior year’s Appropriations Limit adjusted for the change in population and the change in the cost of living.

The State Constitution states in Article XIII B, Section 8 that the:

“Change in the cost of living” for an entity of local government, other than a school district or a community college district, shall be either (A) the percentage change in California per capita personal income from the preceding year, or (B) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction. **Each entity of local government shall select its change in the cost of living pursuant to this paragraph annually by a recorded vote of the entity's governing body.”**

The TTAD Appropriations Limit has been calculated by the Director of Finance and Administration based on population growth and assessed valuation information provided by Placer and Nevada Counties. The cost of living factor (also called the price factor) used in the calculation is the percentage change over prior year in per capita personal income as provided by the California Department of Finance. This is consistent with the prior year calculation. As this is the factor that is provided by the state, and we are well within the appropriations limit calculated by this method, we have not pursued the alternative cost of living factor mentioned in the Constitution. James Marta & Company has reviewed the calculation and has found no exceptions. Their report is attached.

FISCAL IMPACT: As the District is within the appropriations limit, there is no fiscal impact.

PUBLIC COMMUNICATIONS: As stated above, the Appropriations Limit must be established by resolution, at a regularly scheduled and noticed meeting. This is an annual housekeeping item. No additional communications are foreseen.

ATTACHMENTS: Draft of Resolution 2015-07
Report from James Marta & Company including the Appropriations Limit Calculation