



MEETING DATE: October 29, 2014  
TO: Board of Directors  
FROM: Sally Lyon, Director of Finance and Administration  
SUBJECT: Appropriations Limit

---

**RECOMMENDATION:** Pass Resolution 2014-10 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 2014-2015 Appropriations Limit, the Appropriation Limit for fiscal 2014-2015, 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 2014-10  
Report from James Marta & Company including the Appropriations Limit Calculation

RESOLUTION NUMBER 2014-10  
OF THE TRUCKEE TAHOE AIRPORT DISTRICT

TO ESTABLISH APPROPRIATIONS LIMIT FOR FISCAL YEAR 2014-2015

- WHEREAS, the people of the State of California elected to approve Article XIII B of the California Constitution which sets annual appropriations limits for governmental agencies; and
- WHEREAS, the California Legislature has enacted Senate Bill 1352 which implements Article XIII B of the Constitution and sets forth procedures for calculating appropriations limits; and
- WHEREAS, the Truckee Tahoe Airport District (hereinafter referred to as "District") is required by Senate Bill 1352 to establish the appropriations limit for Fiscal Year 2014-2015 by resolution at a regularly scheduled and noticed meeting; and
- WHEREAS, the California Constitution states in Article XIII B, Section 8 that each entity of local government has a choice between two cost of living factors to use in the calculation of the appropriations limit, and the local governmental agencies shall select its change in the cost of living factor annually by a recorded vote of the entity's governing body.
- WHEREAS, the Appropriations Limit may be adjusted without further notice as necessary.

NOW, THEREFORE, BE IT RESOLVED:

1. The District shall use the per capita personal income factor provided by the California State Department of Finance as the cost of living factor in the calculation of the appropriations limit for the 2014-2015 fiscal year.
2. The Appropriations Limit for the District's Fiscal Year 2014-2015, which is based upon a per capita personal income factor and county-wide population factors for both Nevada and Placer Counties, is \$6,273,184.
3. The Fiscal Year 2014-2015 budgeted appropriations of proceeds of taxes does not exceed the appropriations limit.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Truckee Tahoe Airport District at a regular meeting thereof, held on October 29, 2014 by the following vote:

AYES:	President John B. Jones Director James W. Morrison Director Mary Hetherington Director J. Thomas Van Berkem Director Lisa Wallace
NOES:	none
ABSTENTIONS:	none

TRUCKEE TAHOE AIRPORT DISTRICT

---

John B. Jones, President of the Board

CERTIFICATION

I, Kevin Smith, Secretary of the Board of Directors of the TRUCKEE TAHOE AIRPORT DISTRICT, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2014-10 adopted at the regular meeting of the Board of Directors of the TRUCKEE TAHOE AIRPORT DISTRICT this 29<sup>th</sup> day of October, 2014.

IN WITNESS WHEREOF, I have hereto set my hand and impressed the official seal of the TRUCKEE TAHOE AIRPORT DISTRICT this 29<sup>th</sup> day of October, 2014.

---

Kevin Smith, Secretary of the Board



James Marta & Company LLP  
Certified Public Accountants

## **TRUCKEE TAHOE AIRPORT DISTRICT**

### **Special Purpose Agreed-Upon Procedures Report**

### **Appropriations Limit Calculation Fiscal Year 2014-2015**

#### **SUBMITTED BY:**

James Marta & Company LLP  
Certified Public Accountants

Contact Person: David Becker, CPA

701 Howe Ave, Suite E3  
Sacramento, California 95825  
(916) 993-9494

#### **CONTACT:**

**DAVID BECKER, CPA**

**701 HOWE AVENUE  
SUITE E3  
SACRAMENTO, CA  
95825**

**(916) 993-9494**



**James Marta & Company LLP**  
**Certified Public Accountants**

*Accounting Auditing Tax and Consulting*

---

Board of Directors  
Truckee Tahoe Airport District  
Truckee, California

We have performed the procedures enumerated below, which were agreed to by the governing board of Truckee Tahoe Airport District (District) solely to assist the District in evaluating the annual calculation of the appropriations limit for fiscal year 2014-2015 in order to meet the requirements of Section 1.5 of Article XIII B of the California Constitution. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Truckee Tahoe Airport District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Procedures and Results**

1. We agreed the prior year appropriations limit of \$6,226,485 used in the accompanying worksheets to the fiscal year 2013-2014 appropriations limit calculation.

Results: No exceptions were noted as a result of our procedures.

2. We recalculated the population percentage change factor of 1.0098 used in the accompanying worksheets based on the weighted average percentage change of assessed values for Placer and Nevada County.

Results: No exceptions were noted as a result of our procedures.

3. We recalculated the growth factor of 1.0075 used in the accompanying worksheets.

Results: No exceptions were noted as a result of our procedures.

4. We recalculated the current year appropriations limit of \$6,273,184 in the accompanying worksheets.

Results: No exceptions were noted as a result of our procedures.

5. We agreed the 2014-2015 budgeted proceeds of taxes of \$4,585,000 used in the accompanying worksheets to the District's 2014-2015 budget.

Results: No exceptions were noted as a result of our procedures.

6. We recalculated the interest income attributable to tax proceeds of \$27,420 used in the accompanying worksheets.

Results: No exceptions were noted as a result of our procedures.

7. We recalculated the excess of appropriations limit over budgeted appropriations of taxes of \$1,660,764 in the accompanying worksheets.

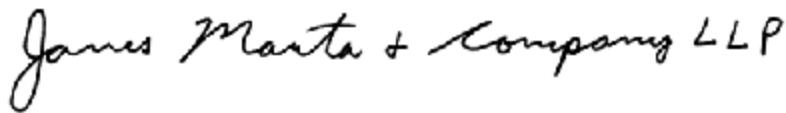
Results: No exceptions were noted as a result of our procedures.

8. We agreed the population percentage change and assessed valuations to documentation from Placer and Nevada County.

Results: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Truckee Tahoe Airport District and is not intended to be and should not be used by anyone other than the specified party.



James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
October 17, 2014

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**APPROPRIATION LIMIT CALCULATION WORKSHEET**  
**FISCAL YEAR 2014-2015**

<i>Input Area</i>			
Placer County Population Change	County Total		1.47%
Placer County Assessed Valuation	Gross Valuation	10,814,057,297	
Nevada County Population Change	County Total		0.05%
Nevada County Assessed Valuation	Gross Valuation	5,654,723,365	
Per Capita Cost of Living factor as a ratio			0.9977
Interest Revenues per budget			55,000
Tax Revenues per budget			4,585,000
Grants per budget			1,923,300
Total budgeted revenue			11,175,082
Budgeted debt service			-
Qualified capital outlay			
Prior year appropriations limit			6,226,485

<i>Weighted Average Percentage Change Calculation</i>			
	Population Percentage Change	Assessed Value	% Change X Assessed Value
Local Agency			
Placer County	1.47%	10,814,057,297	158,966,642
Nevada County	0.05%	5,654,723,365	2,827,362
Total District		16,468,780,662	161,794,004
Weighted Average Percentage Change		0.0098	
Expressed as a Factor		1.0098	

<i>Interest Income Calculation</i>			
Interest income per budget	55,000		
Tax revenue per budget		4,585,000	
Total budgeted revenue			11,175,082
Less: Revenue which will not earn interest:			
Grant revenues per budget			(1,923,300)
Interest income per budget			(55,000)
Total interest earning budgeted revenue		9,196,782	
Multiplier-Tax proceeds to interest	<u>49.8544%</u>		
Interest income attributable to tax proceeds	<u>27,420</u>		

**TRUCKEE TAHOE AIRPORT DISTRICT**  
**ARTICLE XIIB APPROPRIATIONS LIMITATIONS WORKSHEET**  
**FISCAL YEAR 2014-2015**

<i>Calculation of Appropriations Limit for Current Year</i>			
Prior year appropriations limit		\$	6,226,485
Price percentage change factor	0.9977		
Population percentage change factor	1.0098		
Growth factor	<u>1.0075</u>		1.0075
Current year appropriations limit			<u><u>6,273,184</u></u>

<i>Comparison of Current Year Appropriations Limit to Current Year Budgeted Appropriations of Proceeds of Taxes</i>			
Current year appropriations limit		\$	6,273,184
Proceeds of taxes per budget	4,585,000		
Interest income attributable to tax proceeds	27,420		
Less: Qualified Capital Outlay	<u>-</u>		
Total budgeted appropriations of proceeds of taxes			<u>4,612,420</u>
Excess of appropriations limit over (under) budgeted appropriations of taxes		\$	<u><u>1,660,764</u></u>