AGENDA ITEM: Conduct public hearing on setting Appropriation Limits for the 2019-2020 Fiscal Year for the County Service Areas 2, 3 and 5A (Sierra Brooks Water).

SUPPORTIVE DOCUMENTS ATTACHED: [ ] Memo [ ] Resolution [ ] Agreement [ ] Other

BACKGROUND INFORMATION:

FUNDING SOURCE:
GENERAL FUND IMPACT: No General Fund Impact
OTHER FUND:
AMOUNT: $ N/A

ARE ADDITIONAL PERSONNEL REQUIRED? [ ] Yes, -- -- [ ] No

IS THIS ITEM ALLOCATED IN THE BUDGET? [ ] Yes [ ] No

IS A BUDGET TRANSFER REQUIRED? [ ] Yes [ ] No

SPACE BELOW FOR CLERK’S USE

BOARD ACTION:
[ ] Approved
[ ] Approved as amended
[ ] Adopted
[ ] Adopted as amended
[ ] Denied
[ ] Other
[ ] No Action Taken

Set public hearing
For: __________________________
[ ] Direction to: __________________________
[ ] Referred to: __________________________
[ ] Continued to: __________________________
[ ] Authorization given to: __________________________

Resolution 2019- ____________
Agreement 2019- ____________
Ordinance ____________
Vote:
Ayes:
Noes:
Abstain:
Absent:
[ ] By Consensus

COMMENTS:

________________________________________

CLERK TO THE BOARD

________________________________________

DATE
### County Service Area 2: Fund 702

<table>
<thead>
<tr>
<th></th>
<th>2018-19</th>
<th>Factor</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations Limit</td>
<td>$302,420</td>
<td>1.036423</td>
<td>$313,435</td>
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#### Tax Revenue Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>4001 Current Secured Prop Tax</td>
<td>24,530</td>
<td>25,426</td>
</tr>
<tr>
<td>4002 Current Unsecured Prop Tax</td>
<td>628</td>
<td>800</td>
</tr>
<tr>
<td>4004 Prior Unsecured Prop Tax</td>
<td>130</td>
<td>0</td>
</tr>
<tr>
<td>4005 Supplemental Roll Prop Tax</td>
<td>129</td>
<td>50</td>
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<tr>
<td>4007 Timber Yield Taxes</td>
<td>3,463</td>
<td>1,700</td>
</tr>
<tr>
<td>4242 Homeowners Property Tax Relief</td>
<td>210</td>
<td>200</td>
</tr>
</tbody>
</table>

**Total Tax Revenue**

$29,091  
$28,176

### County Service Area 3: Fund 703

<table>
<thead>
<tr>
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<th>2018-19</th>
<th>Factor</th>
<th>2019-20</th>
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<tbody>
<tr>
<td>Appropriations Limit</td>
<td>$74,505</td>
<td>1.036423</td>
<td>$77,219</td>
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#### Tax Revenue Sources

<table>
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<tr>
<th>Source</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>4001 Current Secured Prop Tax</td>
<td>14,017</td>
<td>14,594</td>
</tr>
<tr>
<td>4002 Current Unsecured Prop Tax</td>
<td>421</td>
<td>525</td>
</tr>
<tr>
<td>4004 Prior Unsecured Prop Tax</td>
<td>91</td>
<td>0</td>
</tr>
<tr>
<td>4005 Supplemental Roll Prop Tax</td>
<td>87</td>
<td>0</td>
</tr>
<tr>
<td>4007 Timber Yield Taxes</td>
<td>2,145</td>
<td>1,324</td>
</tr>
<tr>
<td>4242 Homeowners Property Tax Relief</td>
<td>141</td>
<td>166</td>
</tr>
</tbody>
</table>

**Total Tax Revenue**

$16,903  
$16,609

### County Service Area 5A: Fund 706

<table>
<thead>
<tr>
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<th>2018-19</th>
<th>Factor</th>
<th>2019-20</th>
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<tr>
<td>Appropriations Limit</td>
<td>$793,798</td>
<td>1.036423</td>
<td>$822,711</td>
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#### Tax Revenue Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>4001 Current Secured Prop Tax</td>
<td>100,924</td>
<td>67,287</td>
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<tr>
<td>4002 Current Unsecured Prop Tax</td>
<td>3,098</td>
<td>2,710</td>
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<tr>
<td>4004 Prior Unsecured Prop Tax</td>
<td>753</td>
<td>0</td>
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<tr>
<td>4005 Supplemental Roll Prop Tax</td>
<td>636</td>
<td>0</td>
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<tr>
<td>4007 Timber Yield Taxes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4242 Homeowners Property Tax Relief</td>
<td>1,038</td>
<td>966</td>
</tr>
</tbody>
</table>

**Total Tax Revenue**

$106,449  
$70,963

**Resolution CSA 2019-***

**Note:** See County-wide calculation on previous page for development of factors
May 2019

Dear Fiscal Officer:

**Subject: Price Factor and Population Information**

**Appropriations Limit**
California Revenue and Taxation Code section 2227 requires the Department of 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, 2019, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2019-20. 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 2019-20 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](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, 2019.**

**Please Note:** The prior year’s city population estimates may be revised.

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

KEELY BOSLER
Director
By:

Vivek Viswanathan
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 2019-20 appropriation limit is:

<table>
<thead>
<tr>
<th>Fiscal Year (FY)</th>
<th>Percentage change over prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-20</td>
<td>3.85</td>
</tr>
</tbody>
</table>

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2019-20 appropriation limit.

**2019-20:**

Per Capita Cost of Living Change = 3.85 percent  
Population Change = 0.47 percent

Per Capita Cost of Living converted to a ratio: \[ \frac{3.85 + 100}{100} = 1.0385 \]

Population converted to a ratio: \[ \frac{0.47 + 100}{100} = 1.0047 \]

Calculation of factor for FY 2019-20: \[ 1.0385 \times 1.0047 = 1.0434 \]
Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sierra</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyalton</td>
<td>-0.27</td>
<td>746</td>
<td>744</td>
<td>744</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>-0.20</td>
<td>2,474</td>
<td>2,469</td>
<td>2,469</td>
</tr>
<tr>
<td>County Total</td>
<td>-0.22</td>
<td>3,220</td>
<td>3,213</td>
<td>3,213</td>
</tr>
</tbody>
</table>

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