



**Lakeside Fire Protection
District**

12216 Lakeside Ave.
Lakeside, CA 92040
bus.(619)390-2350
fax (619)-443-1568

RESOLUTION NO. 19-019

**RESOLUTION OF THE GOVERNING BOARD OF THE LAKESIDE FIRE
PROTECTION DISTRICT ESTABLISHING THE LIMIT FOR APPROPRIATIONS OF
PROCEEDS OF TAX SUBJECT TO LIMITATION FOR FISCAL YEAR 2019/2020**

WHEREAS, in November 1979, the California electorate did adopt Proposition 4, which added Article XIII B of the California Constitution; and

WHEREAS, the provisions of the Article require the District to establish a maximum spending limitation; and

WHEREAS, according to the information provided from the State of California Department of Finance the population growth for the unincorporated areas increased 0.14% and the capital personal income increased by 3.85%; and

WHEREAS, the District's fiscal year 2018-2019 Appropriations Limit was \$15,400,241; and

WHEREAS, the District's Proceeds of Taxes included in the fiscal year 2019-2020 Preliminary Budget that are subject to the appropriations limit are estimated to be \$12,188,388; and

WHEREAS, the fiscal year 2019/2020 Appropriations Limit has been calculated as follows:

| Fiscal Year 2020 Appropriation Limit | | |
|---|-----------|-------------------|
| Fiscal Year 2019 Appropriations Limit | \$ | 15,400,241 |
| Increased by an inflation factor composed of the increase in population and per capita income change | X | 1.03995 |
| FISCAL YEAR 2020 APPROPRIATIONS LIMIT | \$ | 16,015,540 |

NOW, THEREFORE, BE IT RESOLVED that the calculated maximum "GANN" limit applicable to the 2019-2020 appropriations of proceeds of tax, based upon the population and cost of living per capita income increase, provided by the State of California Department of Finance for the Lakeside Fire Protection District is \$16,015,540.

***PASSED AND ADOPTED** by the Board of Directors of the Lakeside Fire Protection District, County of San Diego, State of California, on the 11th day of June, 2019 by the following vote:*

AYES: Baker, Bingham, Robeson, Robles, Liebig

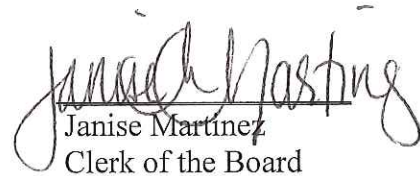
NOES:

ABSTAIN:

ABSENT:



Bob Robeson
Board President



Janise Martinez
Clerk of the Board



SUBJECT: RESOLUTION 19-019 - GANN LIMIT – FY-2019/2020

SUMMARY OF THE MATTER:

Background

Article XIII B of the California Constitution, approved by the voters in 1979, imposed the concept of spending limits on local governments. This Constitutional provision and related implementing legislation specifies that annual increases in appropriations financed from “proceeds of Taxes” are limited to a base year (currently set at 1986-87) amount increased annually by an inflation factor comprised of the change in population of the unincorporated areas combined with the change in the California per capita personal income. By definition, “Proceeds of Taxes” includes such revenues as property taxes and special taxes. Revenues from other sources like fees/charges and grants are considered “Non-Proceeds of Taxes” and are not subject to the annual spending limit.

Discussion

The State of California Department of Finance is charged with providing the data necessary for local jurisdictions to establish their appropriations limit. According to the information provided, for purposes of FY2019-2020 calculation, the population for the unincorporated areas increased 0.14%. California per capita personal income (Price Factor) increased by 3.85%. These figures were used in the formula to compute the limit.

The fiscal year 2019-2020 Appropriations Limit has been calculated below:

| Fiscal Year 2020 Appropriation Limit | | |
|---|-----------|-------------------|
| Fiscal Year 2019 Appropriations Limit | \$ | 15,400,241 |
| Increased by an inflation factor composed of the increase in population and per capita income change | X | 1.03995 |
| FISCAL YEAR 2020 APPROPRIATIONS LIMIT | \$ | 16,015,540 |

The “Proceeds of Taxes” as included in the fiscal year 2019-2020 preliminary budget that are subject to the appropriations limit are estimated to be \$12.2 million. Therefore, the District has what is referred to as an appropriation “gap” of \$3,827,152 (\$16,015,549 - \$12,188,388). Simply stated, the District

could collect and spend up to \$3,827,152 more in taxes during the fiscal year 2020 without exceeding the Constitutional limit.

| | | |
|--|----|------------|
| Fiscal Year 2020 Appropriations Limit as calculated | \$ | 16,015,540 |
| Fiscal Year 2020 estimated proceeds from Tax revenue | \$ | 12,188,388 |
| Amount under the limit (Appropriation gap) | \$ | 3,827,152 |

RECOMMENDATION: It is recommended that the District Board:

Adopt resolution #19-019 establishing the limit as \$16,015,540 for appropriations of proceeds of tax subject to limitation for fiscal year 2019-2020.

Appropriations Requested: N/A

Fund: N/A

Submitted by: _____
Madeline Smith, Finance Officer

Coordinated with: _____

Attachments

- Resolution #19-019
- State of California Price & Population Letter