

RESOLUTION NO. 20-021

**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 2020/2021**

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.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lakeside Fire Protection District a public agency in the County of San Diego, California does hereby, establish that the calculated maximum "GANN" limit applicable to the 2020/2021 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 \$16,710,936.

2019/2020 Appropriation Limitation = \$16,015,540

Adjustments:

Per Capita Personal Income change = 1.0373
Population Change (Unincorporated) = 1.0059
Combined Factor = 1.04342

2020/2021 Appropriation Limitation = \$16,710,936

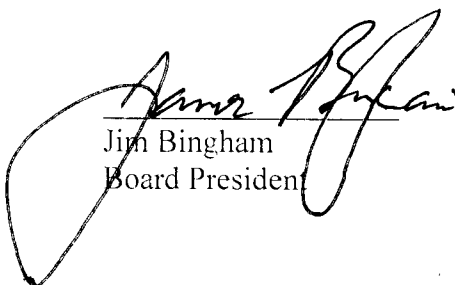
***PASSED AND ADOPTED** by the Board of Directors of the Lakeside Fire Protection District, County of San Diego, State of California, on the 9th day of June 2020 by the following vote:*

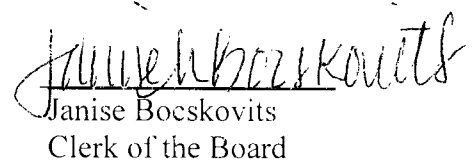
AYES: Baker, Bingham, Liebig, Robeson

NOES:

ABSTAIN: Robles

ABSENT:


Jim Bingham
Board President


Janise Boeskovits
Clerk of the Board



Lakeside Fire Protection District

Meeting Date: June 9, 2020

Item No: 5.B

Agenda Item Title: RESOLUTION 20-021 LIMIT FOR APPROPRIATIONS OF PROCEEDS OF TAX
SUBJECT TO LIMITATION FOR FISCAL YEAR 2020-2021 (GANN LIMIT)

Recommended Action:

Adopt resolution 20-021 Establishing the limit as \$16,710,936 for appropriations of proceeds of tax subject to limitation for Fiscal Year 2020-2021 (GANN LIMIT).

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 FY2020-2021 calculation, the population for the unincorporated areas increased 0.59%. California per capita personal income (Price Factor) increased by 3.73%. These figures were used in the formula to compute the limit. The calculated maximum "GANN" limit applicable to the FY2020-2021 appropriations of proceeds of tax for the Lakeside Fire Protection District is \$16,710,936. See "Attachment A" for detailed calculation.

The "Proceeds of Taxes" as included in the fiscal year 2020-2021 preliminary budget that are subject to the appropriations limit are estimated to be \$11.5 million. Therefore, the District has what is referred to as an appropriation "gap" of \$5.2 million (\$16.7 mil - \$11.5 mil). Simply stated, the District could collect and spend up to \$5.2 million more in taxes during FY2020-2021 without exceeding the Constitutional limit. See "Attachment A" for detailed calculation.

Strategic Goals:

Not Applicable

Current Fiscal Impact:

Not Applicable

Future/Ongoing Fiscal Impact:

Not Applicable

Contact Information:

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[Attachment A - GANN Limit Calculation](#)

[Resolution 20-021 - GANN Limit](#)

ATTACHMENT A

LAKESIDE FIRE PROTECTION DISTRICT APPROPRIATIONS LIMIT DATA (GANN LIMIT) FISCAL YEAR 2020 - 2021

2019-2020 APPROPRIATIONS LIMIT		\$ 16,015,540
2019-2020 Price factor:	<u>1.0373</u>	
2019-2020 Unincorporated population factor:	<u>1.0059</u>	
Adjustment Factor (1.0373 X 1.0059)	<u>1.04342</u>	
2020-2021 APPROPRIATIONS LIMIT		\$ 16,710,936
2020-2021 ESTIMATED TAX PROCEEDS SUBJECT TO APPROPRIATIONS LIMIT		
Property Taxes	\$ 11,504,461	
Other Taxes	917,000	
Other Discretionary State grants	20,000	
TOTAL TAX PROCEEDS SUBJECT TO LIMITATION		\$ 12,441,461
2020-2021 EXPENDITURES EXEMPT FROM LIMIT		
Transfer out to Capital Reserve for capital purchases	924,389	
TOTAL EXPENDITURES EXEMPT FROM LIMIT		\$ 924,389
2020-2021 APPROPRIATIONS SUBJECT TO THE LIMIT		\$ 11,517,072
2020-2021 EXPENDITURES UNDER/(OVER) THE LIMIT		\$ 5,193,864