

Livermore Area Recreation and Park District

Staff Report

TO: Chair Boswell and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Business Services Manager
Julie Dreher, Finance Officer

DATE: June 14, 2023

SUBJECT: Resolution establishing the Fiscal Year 2023–24 Annual Appropriations Limit

RECOMMENDATION: That the Board of Directors approve Resolution No. 2787, establishing the FY23-24 Annual Appropriations Limit at \$28,093,333.

BACKGROUND: On November 6, 1979, California voters approved Proposition 4, commonly known as the Gann Spending Limitation Initiative, establishing Article XIII B of the California Constitution. This proposition mandates an appropriations (spending) limit on the amount of tax proceeds that State and most local government jurisdictions may appropriate within a fiscal year. Charges for services, fees, grants, loans, donations, and other non-tax proceeds are excluded. The Appropriations Limit for any year is the Appropriations Limit from the previous fiscal year adjusted for: a) cost of living factor (price) for the State of California (the annual change in per capita personal income is used), and b) population growth for the County of Alameda. Both factors are provided by State Department of Finance. A Notice of a Board of Directors meeting to review and approve the new Appropriations Limit is required to be posted publicly at least 15 days prior to Board meeting. Said notice was published in the Valley Times newspaper on May 30, 2023, in anticipation of staff's presentation to the Board on June 14, 2023.

Attached are the Annual Appropriations Limit Calculation worksheet (Attachment A) and the Department of Finance Price and Population Information (Attachment B) used to calculate the limit. Our auditor, James Marta & Company, reviewed the annual adjustment factors stating our Appropriations Limit was calculated correctly (Attachment C).

The FY23-24 Appropriations Limit is \$28,093,333. This is an increase of \$1,067,294 over FY22-23 Appropriations Limit of \$27,026,039. The approved, Final FY23-24 budget includes \$15,489,000 in tax proceeds, which is \$12,604,333 less than the appropriation limit.

Attachments:

- A - Appropriations Limit Calculation Worksheet
- B - Department of Finance Price and Population Information
- C - Audit Report on FY 2023-2024 Appropriations Limit

ATTACHMENT A – Appropriations Limit Calculation Worksheet

Livermore Area Recreation and Park District

Fiscal Year 2023-2024 Appropriations Limit Calculator

	Year	1/1/2022	1/1/2023	% Change
Total County Population		1,641,554	1,633,886	-0.47%

	FY22-23		FY23-24
Per Capita Income (CA)	1.0755		1.0444
Population (County)	0.9938		0.9953
Ratio of Change	1.0688		1.0395
FY22-23 Appropriation Limit	\$27,026,039	x	1.0395
New Appropriation Limit			\$28,093,333 FY23-24 Limit
			\$1,067,294 Annual Increase

source of Per Capita Income (CA) and Population (Alameda County) growth: Dept of Finance, State of CA



Gavin Newsom ■ Governor

1021 O Street, Suite 3110 ■ Sacramento CA 95814 ■ www.dof.ca.gov

May 2023

Dear Fiscal Officer:

Subject: Price Factor and Population Information**Appropriations Limit**

California Revenue and Taxation Code section 2227 requires the Department of Finance (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, 2023, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2023-24. 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 2023-24 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>.

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, 2023.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

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

JOE SPEPHENSHAW
Director
By:

Erika Li
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 2023-24 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2023-24	4.44

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2023-24 appropriation limit.

2023-24:

Per Capita Cost of Living Change = 4.44 percent
Population Change = -0.35 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.44 + 100}{100} = 1.0444$

Population converted to a ratio: $\frac{-0.35 + 100}{100} = 0.9965$

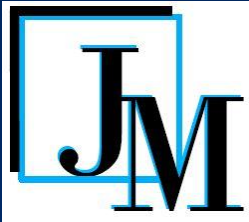
Calculation of factor for FY 2023-24: $1.0444 \times 0.9965 = 1.0407$

Fiscal Year 2023-24

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2022 to January 1, 2023 and Total Population, January 1, 2023

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2022-2023	1-1-22	1-1-23	1-1-2023
Alameda				
Alameda	-0.20	76,030	75,880	77,287
Albany	-0.57	21,524	21,401	21,401
Berkeley	0.30	123,188	123,562	123,562
Dublin	-0.38	71,148	70,879	71,750
Emeryville	1.06	12,478	12,610	12,610
Fremont	0.15	229,122	229,467	229,467
Hayward	-0.18	160,081	159,800	159,800
Livermore	-1.25	85,870	84,793	84,793
Newark	0.66	47,150	47,459	47,459
Oakland	-0.53	421,806	419,556	419,556
Piedmont	-1.10	10,913	10,793	10,793
Pleasanton	-1.37	77,524	76,459	76,459
San Leandro	-0.66	88,075	87,497	87,497
Union City	-1.40	67,702	66,754	66,754
Unincorporated	-1.32	148,943	146,976	147,006
County Total	-0.47	1,641,554	1,633,886	1,636,194

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



James Marta & Company LLP
Certified Public Accountants

ATTACHMENT C
Audit Report on FY 2023-2024 Appropriations Limit

**LIVERMORE AREA RECREATION
AND PARK DISTRICT**

Special Purpose Report

**Appropriations Limit Calculation
Fiscal Year 2023-24**

SUBMITTED BY:

James Marta & Company LLP
Certified Public Accountants

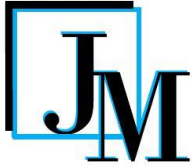
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CONTACT:

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

Report on Appropriations Limit Calculation

Board of Directors
Livermore Area Recreation and Park District
Livermore, California

We have performed the procedures enumerated below solely to assist the Livermore Area Recreation and Park District in the calculation of the appropriations limit for the Fiscal Year 2023-24 in order to meet the requirements of Section 1.5 of Article XIII B of the California Constitution. This engagement was conducted at the request of management of the Livermore Area Recreation and Park 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 \$27,026,039 used in the accompanying worksheets to the Fiscal Year 2022-23 appropriations limit calculation.
2. We recalculated the population percentage change factor of 0.0047 used in the accompanying worksheets based on the Annual Percent Change in Population Minus Exclusions for Alameda County.
3. We recalculated the growth factor of 1.0444 used in the accompanying worksheets.
4. We recalculated the Fiscal Year 2023-24 appropriations limit of \$28,093,333 in the accompanying worksheets.

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 Livermore Area Recreation and Park District and is not intended to be and should not be used by anyone other than the specified party.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
June 7, 2023

Livermore Area Recreation and Park District

Fiscal Year 2023/24 Appropriations Limit Calculator

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**THE BOARD OF DIRECTORS
OF THE
LIVERMORE AREA RECREATION AND PARK DISTRICT**

RESOLUTION NO. 2787

**A RESOLUTION ESTABLISHING
THE FISCAL YEAR 2023-24 APPROPRIATIONS LIMIT**

BE IT RESOLVED, that the Board of Directors, as the governing body of the Livermore Area Recreation and Park District, hereby establishes the FY 2023-24 Annual Appropriations Limit at \$28,093,333.

ON MOTION of Director _____, seconded by Director _____, the foregoing resolution was passed and adopted this 14th day of June, 2023 by the following roll call vote:

AYES: *Directors*
NOES:
ABSTENTIONS:
ABSENT:

Approved this 14th day of June, 2023,

James Boswell
Chair, Board of Directors

ATTEST:

Mathew L. Fuzie
General Manager and
ex-officio Clerk to the Board of Directors