



## **MEMORANDUM REPORT**

**MEETING DATE:** October 19, 2021

**TO:** Board of Commissioners of the Los Altos Hills County Fire District

**FROM:** Cori Vargas, Financial Consultant

**SUBJECT:** FY2021/2022 Appropriation Limits Summary

**RECOMMENDATION:** Approve Resolution 21-11 to establish the FY2021/2022 appropriations limit for the Los Altos Hills County Fire District (LAHCFD).

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### **Background**

In November of 1979, California voters approved Proposition 4, an initiative that added Article XIII B to the California Constitution. This constitutional amendment, also known as the "Gann Limit Initiative," placed limits on the proceeds of taxes that may be appropriated for spending in any given fiscal year, and requires state and local governments to return any funds to taxpayers in excess of the amount appropriated for a given fiscal year. Division 9 of Title 1, Sections 7901-7914 of the Government Code, added laws to establish the process for calculating state and local government appropriations limits and appropriations subject to limitation under Article XIII B of the California Constitution. Section 8(e)(2) of Article XIII B requires each local government entity to annually select its methodology and formally adopt its appropriations limit for a given fiscal year by a recorded vote of the governing body.

### **Discussion/Analysis:**

The Controller-Treasurer Department of the County of Santa Clara has computed the appropriations limits for FY2021/2022, determined the total adjustment factor by multiplying the population factor by the inflation factor, and prepared the applicable documentation as intended by Article XIII B of the California Constitution. The FY2021/2022 appropriations limit for the District has been established as \$25,397,281. In accordance with Sections 3 and 11 of Article XIII B of the California Constitution, the established appropriations limit may be adjusted at a later date in the event that unanticipated revenues are received and appropriated. The District's estimated expenditures for the fiscal year of \$13,007,808 (per the adopted FY2021-2022 Budget) are significantly below the established limit. The Commissioners are also asked to establish a period of 45 days from the date of the Resolution for any judicial action or proceeding to attack, review, set aside, void, or annul the FY2021-2022 appropriations limit in accordance with Government Code Section 7910.

### **Proposed Action by Commission:**

Approve Resolution 21-11 establishing the appropriations limit for the FY2021/2022 at \$25,397,281, and establish a period of 45 days for contesting these limits.