



SUMMARY REPORT

MEETING DATE: October 20, 2020

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

FROM: Cori Vargas, Financial Consultant

SUBJECT: FY2020/2021 Appropriation Limits Summary

RECOMMENDATION: Approve Resolution 20-32 to establish the FY2020/2021 appropriations limit for the Los Altos Hills County Fire District (LAHCFD).

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 7900-7914 of the Government Code, 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 entity’s governing body.

Discussion/Analysis:

The Controller-Treasurer Department of the County of Santa Clara has computed the appropriations limits for the FY2020/2021, 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 FY2020/2021 appropriations limit for the District has been established as \$24,354,206. 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 if unanticipated revenues are received and appropriated, or for other reasons in those Sections. The District’s estimated expenditures for the fiscal year of \$13,681,513 (per the adopted FY2020-2021 Budget) are significantly below the established limit. The Commissioners are 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 FY2020-2021 appropriations limit in accordance with Government Code Section 7910.

Proposed Action by Commission:

Approve Resolution 20-32 establishing the appropriations limit for the FY2020/2021 at \$24,354,206, and establish a period of 45 days for contesting these limits.