

BOARD OF DIRECTORS MEETING

June 25, 2020

ITEM 7

ESTABLISHMENT OF THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020-21

SUMMARY OF RECOMMENDATION:

Discuss and Consider Adopting Resolution 2020-10 of the Board of Directors of the Kensington Police Protection and Community Services District Affirming the Establishment of the Appropriations Limit for Fiscal Year 2020-21.

BACKGROUND

In November 1979, California voters approved a ballot proposition (Proposition 4), adding Article XIII B to the California Constitution, which limits the level of most appropriations from tax sources that the state and most local government entities are permitted to make in any given year.

Each year, a local government must adjust its Appropriations Limit for two factors: 1) the change in the cost of living; and 2) the change in population. The change in the cost of living may be calculated by using the percentage change in California per capita personal income from the preceding year; or (B) the percentage change in the local assessment roll from the preceding year due to the addition of nonresidential new construction. For single-county special districts, the percentage change in population is either the population within the county in which the district is located or the change in population within the district.

For KPPCSD, the prior year Appropriations Limit is adjusted by the percentage change in California per capita personal income and the change in population for Contra Costa County. The formula for adjusting the Limit is:

$$\text{Prior year Appropriations Limit} \times \text{Cost of Living Factor} \times \text{Population Factor}$$

A summary of the KPPCSD Appropriations Limit for FY 2020-21 is as follows:

FY 2019-20 Appropriations Limit	<u>4,575,241</u>
Annual Adjustments (prior year multipliers)	
Change in Population	1.0026
Change in California Per Capita Personal Income	<u>1.0373</u>
FY 2020-21 Appropriations Limit	<u><u>4,758,237</u></u>

A detailed calculation of the KPPCSD Appropriations Limit for FY 2020-21 is attached to this agenda report.

RECOMMENDATION

Adopt Resolution 2020-10 of the Board of Directors of the Kensington Police Protection and Community Services District Affirming the Establishment of the Appropriations Limit for Fiscal Year 2020-21.

FISCAL IMPACT:

There is no fiscal impact to adoption of the appropriations limit.

ATTACHMENTS

1. Resolution 2020-10
2. Appropriations Limit Calculation

SUBMITTED BY:

Bill Lindsay
Interim General Manager