



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 19, 2024
TO: Board of Directors
RE: Establish the Appropriations Limit of the Kensington Fire Protection District for FY 2024-2025
SUBMITTED BY: Mary A. Morris-Mayorga, Consultant

Recommended Action

Staff recommends that the Board adopt Resolution 2024-02 establishing the appropriations limit of the Kensington Fire Protection District for FY 2024-2025.

Background

Article XIII B of the California State Constitution was approved by California voters in November 1979, and modified by Proposition 111 in 1990. This article, more commonly known as the Gann Limit, places limits on the amount of tax proceeds that government agencies can receive and spend each year. Each year the Board of Directors must adopt, by resolution, an appropriations limit.

The appropriations limit is different for each agency, and the limit changes each year. The limit is based on the actual appropriations that were authorized to be spent in fiscal year 1978-79 for each agency and is modified for changes in inflation and population in each subsequent year. Not all revenues are restricted by the Gann Limit, only those that are defined as "proceeds of taxes."

For Fiscal Year 2024-2025, the District's appropriation limit is as follows:

Fiscal Year 2023-2024 Limit	\$ 5,731,394
Per Capita Personal Income Ratio	1.0362
Population % Change Ratio	1.0015
Fiscal Year 2024-2025 Limit	<u>\$ 5,947,779</u>

Fiscal Impact

Property tax revenues are estimated to be \$5.694M with total revenues of \$6.215M for Fiscal Year 2024-2025 while the budgeted expenditures total \$5.415M which is well within the appropriations limit.

Attachments: Resolution 2024-02 Establishing the Appropriations Limit of the Kensington Fire Protection District for FY 2024-2025



RESOLUTION 2024-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON FIRE PROTECTION DISTRICT ESTABLISHING THE APPROPRIATIONS LIMIT OF THE KENSINGTON FIRE PROTECTION DISTRICT FOR FISCAL YEAR 2024-2025

WHEREAS, Article XIII B of the California Constitution establishes a limitation on spending by local government agencies, including special districts not otherwise exempted, of funds from proceeds of taxes; and

WHEREAS, each local government agency, including non-exempted special districts, must establish its appropriations limit annually by recorded vote of the governing body; and

WHEREAS, the appropriations limit for Fiscal Year 2023-2024 was established at \$5,731,394 by the Board of Directors of the Kensington Fire Protection District; and

WHEREAS, the applicable factors used to calculate the appropriations limit for Fiscal Year 2024-2025 are (1) the increase in the California per capita personal income of 3.62% as provided by the State Department of Finance; and (2) the applicable change in population from January 2023 to January 2024 of .15% (as shown below); and

Fiscal Year 2023-2024 Limit	\$ 5,731,394
Per Capita Personal Income Ratio	1.0362
Population % Change Ratio	1.0015
Fiscal Year 2024-2025 Limit	<u>\$ 5,947,779</u>

WHEREAS, the information used in the determination of the calculation of the appropriations limit has been available for public inspection for at least 15 days;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Kensington Fire Protection District establishes the appropriations limit for Fiscal Year 2024-2025 as \$5,947,779.

The foregoing resolution was duly adopted at a regular meeting of the Kensington Fire Protection District on the 19th day of June 2024 by the following vote of the Board.

AYES:
NOES:
ABSENT:
ABSTAIN:

Daniel Levine, President

Rick Artis, Secretary

April 30, 2024

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of 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, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 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. 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, 2024.** 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.

/s Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer

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 2024-25 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: $1.0362 \times 1.0017 = 1.0379$

Fiscal Year 2024-25

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	23-24	1-1-23	1-1-24	1-1-24
Contra Costa				
Antioch	0.30	115,282	115,632	115,632
Brentwood	0.49	64,496	64,811	64,811
Clayton	-0.04	10,687	10,683	10,683
Concord	-0.12	121,663	121,513	121,513
Danville	-0.40	42,736	42,567	42,567
El Cerrito	1.15	25,409	25,700	25,700
Hercules	-0.53	26,202	26,063	26,063
Lafayette	-0.06	24,823	24,808	24,808
Martinez	0.04	36,425	36,439	36,439
Moraga	-0.44	16,858	16,784	16,784
Oakley	1.80	44,929	45,736	45,736
Orinda	-0.21	19,231	19,191	19,191
Pinole	-0.47	18,278	18,192	18,192
Pittsburg	0.47	74,736	75,085	75,085
Pleasant Hill	-0.28	33,447	33,352	33,352
Richmond	-0.34	113,122	112,735	112,735
San Pablo	-0.24	31,163	31,088	31,088
San Ramon	-0.28	82,754	82,525	82,525
Walnut Creek	0.61	69,010	69,433	69,433
Unincorporated	0.15	174,023	174,289	174,289
County Total	0.12	1,145,274	1,146,626	1,146,626

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