

AGENDA ITEM NO.

C1

COUNTY OF HUMBOLDT

For the meeting of: October 17, 2017

Date: September 20, 2017
 To: Board of Supervisors
 From: Auditor-Controller *MM*
 Subject: FY 2017-18 Appropriation Limit

RECOMMENDATION(S): That the Board of Supervisors approve the attached resolution and schedules setting forth the FY 2017-18 appropriation limits in accordance with Article XIII B of the California Constitution and California Government Code, Title 1, Division 9.

DISCUSSION: Each year the governing body of the County shall, by resolution, establish its appropriation limit and make other necessary determinations pursuant to Article XIII B of the California Constitution and California Government Code, Title 1, Division 9. Government Code Section 7910 requires that the documentation used in establishing the appropriation limit be available for public inspection fifteen days prior to the adoption of the resolution by the Board of Supervisors. The Clerk of the Board published notice on or before September 25, 2017, that this documentation is available for inspection at the Office of the County Auditor-Controller. The summary worksheets calculating the FY 2017-18 appropriation limit are attached and titled "Attachment A". As the documentation supports the recommended appropriation limit and has been available for the requisite public inspection period and adequate public notice of the location for inspection has been given, the Board of Supervisors may adopt the resolution attached hereto as Attachment B.

FINANCIAL IMPACT: None. The County's projected tax revenue for 2017-18 is substantially below its calculated appropriation limit.

OTHER AGENCY INVOLVEMENT: None.

Prepared by: Joseph Mellett, Auditor-Controller CAO Approval

Joseph Mellett

REVIEW: Auditor _____ County Counsel *Sm* Personnel _____ Risk Manager _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor *Wilson*
 Seconded by Supervisor *Sundberg*
 And unanimously carried by those members present,
 The Board hereby adopts the recommended action
 contained in this report.

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Dated: *10/17/17*
 Kathy Hayes, Clerk of the Board

Meeting of: _____

By: *[Signature]*

ALTERNATIVES TO STAFF RECOMMENDATIONS: The Board could schedule this matter for some other time.

ATTACHMENTS: Resolution and worksheets supporting the calculation of the appropriation limit for 2017-18.

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
Certified copy of portion of proceedings, Meeting of October 17, 2017

RESOLUTION NO. 17-87

RESOLUTION OF THE BOARD OF SUPERVISORS ESTABLISHING THE FISCAL YEAR 2017-18 APPROPRIATION LIMIT UNDER ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION, AND ESTABLISHING THE PERIOD FOR CONTESTING SUCH LIMITS FOR THE COUNTY AND BOARD OF SUPERVISORS GOVERNED SPECIAL DISTRICTS

WHEREAS, Article XIII B of the California Constitution provides that the state and each local government shall be subject to an annual appropriation limit as defined in that Article; and

WHEREAS, Article XIII B Section 8 (e) (2) requires the Governing Body to select the Change in Cost of Living methodology each year by recorded vote; and

WHEREAS, the percentage change in the Local Assessment roll from the preceding year due to the addition of non-residential new construction provides the greatest result rather than using the change in the California Per Capita Income; and

WHEREAS, the Auditor-Controller of the County of Humboldt has computed the appropriations limit for the fiscal year 2017-18; and

WHEREAS, the Auditor-Controller of the County of Humboldt has prepared the applicable Statements showing the calculation and they were made available for public review during reasonable hours and after reasonable notice in the Auditor-Controller's Office for the fifteen days prior to the October 17, 2017, Board meeting; and

WHEREAS, the Clerk of the Board published notice on or before September 25, 2017, of the location of the place where the applicable statements were available for public inspection.

NOW, THEREFORE, BE IT RESOLVED, that the County of Humboldt selects the percentage change in non-residential new construction and the percentage change in the population of the State of California methodology for use in calculating its appropriation limit for fiscal year 2017-18; and

BE IT FURTHER RESOLVED, that the appropriations limit for the County of Humboldt for the fiscal year 2017-18 as shown on Attachment A is hereby established as \$184,947,494 and that such appropriations limit may be adjusted at a later date in accordance with Sections 3 and 11 of Article XIII B of the California Constitution; and

BE IT FURTHER RESOLVED, that the appropriations limit for the County for the fiscal year 2017-18 may be adjusted at a later date in the event that revenues which are unanticipated, and classified as proceeds of taxes in accordance with Section 8 (c) of Article XIII B of the California Constitution, are received and appropriated; and

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting of October 17, 2017

BE IT FURTHER RESOLVED, that any judicial action or proceeding to attach, review, set aside, void or annul the appropriations limits established by this resolution shall be commenced within 45 days from the date of this resolution in accordance with Division 9 of Title 1 of the Government Code.

PASSED AND ADOPTED by the Board of Supervisors of the County of Humboldt, State of California, this 17th day of October, 2017, by the following vote:

Dated: October 17, 2017



Virginia Bass, Chair
Humboldt County Board of Supervisors

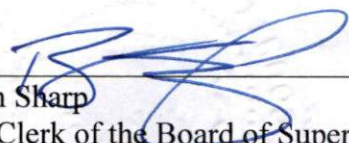
Adopted on motion by Supervisor Wilson, seconded by Supervisor Sundberg, and the following vote:

AYES: Supervisors Bohn, Fennell, Bass, Wilson, Sundberg
NAYS: Supervisors --
ABSENT: Supervisors --
ABSTAIN: Supervisors --

STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



By Ryan Sharp
Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California

Attachment A:

Gann Limit for FY 2017-18

Price factor:	4.5712	
Population factor:	0.8500	
Per Capita converted to a ratio:		1.0457
Population converted to a ratio:		1.0085
Calculation of factor for FY 2017-18:		1.0546
Appropriation limit for FY 2016-17:		<u>\$175,372,014</u>
Appropriation limit for FY 2017-18:		<u><u>\$184,947,494</u></u>

COUNTY OF HUMBOLDT
Calculation to Determine Appropriation Limit in Accordance
with Article XIII B of the California Constitution for Fiscal Year 2017-18

2016-17 Appropriation Limit	\$175,372,014
2017-18 Factor (see below)	1.0546

2017-18 Appropriation Limit	\$184,947,494

Determination of Annual Factor:

Year	Personal Income Factor (1)	x	Population Factor (2)	=	Appropriation Limit Factor
2017-18	1.045712	x	1.0085	=	1.0546

Determination of Population Factor:

Year	Total County	Total Cities	Total Contiguous Counties	Statewide	Highest Factor
2017-18	1.000138	1.000119	1.000104	1.0085	1.0085

(1) Current year factor based on change in assessed valuation of nonresidential new construction.

(2) See following chart of alternative population factors.

County of Humboldt
Gann Limit: Interest Allocation
2017-18 Budgeted Revenues

	<u>Amount</u>	<u>Percentage</u>
Proceeds of taxes	\$75,279,134	0.212089503
Non-proceeds	279,661,271	0.787910497
Subtotal	<u>354,940,405</u>	
Interest	385,220	
Total proceeds from all sources	<u>355,325,625</u>	
<u>Interest Allocation</u>	<u>Proceeds of Taxes</u>	<u>Non-Proceeds</u>
\$385,220 * 0.212089503	81,701	
\$385,220 * 0.787910497		303,519
Add Total Above	<u>75,279,134</u>	<u>279,661,271</u>
	<u>\$75,360,835</u>	<u>\$279,964,790</u>
Appropriation limit - FY 2017-18	\$184,947,494	
Proceeds (amount subject to limit)	75,360,835	
Non-Proceeds	<u>279,964,790</u>	
Total	<u>\$355,325,625</u>	

COUNTY OF HUMBOLDT
 COMPARISON OF APPROPRIATIONS WITH REVENUE ESTIMATE
 PER GANN LEGISLATION
 (BUDGET) 2017-18

<u>CATEGORY</u>	<u>DESCRIPTION</u>	<u>APPROPRIATION</u>	<u>REVENUE ESTIMATE</u>	<u>DIFFERENCE</u>
N-8	GENERAL	26,940,242	10,203,005	(16,737,237)
N-9	PLANT ACQUISITION	25,827,208	23,864,299	(1,962,909)
N-10	CRIMINAL JUSTICE	67,399,891	32,700,858	(34,699,033)
N-12	BUILDING & PLANNING	12,687,226	3,148,041	(9,539,185)
N-13	OTHER PROTECTION	4,628,210	2,859,062	(1,769,148)
N-14	ROADS & FACILITIES	26,241,518	19,592,062	(6,649,456)
N-15	OTHER PUBLIC WAYS & FACILITIES	4,604,887	2,730,419	(1,874,468)
N-16	HEALTH	26,324,654	32,667,543	6,342,889
N-17	MEDICAL CARE SERVICES	40,814,478	31,130,839	(9,683,639)
N-18	SANITATION	746,164	250,000	(496,164)
N-19	PUBLIC ASSISTANCE	118,393,236	117,495,443	(897,793)
N-20	EDUCATION	4,098,751	1,173,795	(2,924,956)
N-21	RECREATION & CULTURAL SERVICE	849,089	473,800	(375,289)
N-22	DEBT SERVICE	1,919,278	-	(1,919,278)
N-23	APPROPRIATION FOR RESERVES	1,500,000	-	(1,500,000)
N-25	OTHER	-	1,372,105	1,372,105
		362,974,832	279,661,271	