

Livermore Area Recreation and Park District

Staff Report

TO: Chair Furst and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Julie Dreher, Finance Officer

DATE: May 29, 2024

SUBJECT: Resolution establishing the Fiscal Year 2024–25 Annual Appropriations Limit

RECOMMENDATION: That the Board of Directors approve Resolution No. _____, establishing the FY24-25 Annual Appropriations Limit at \$28,953,116.

BACKGROUND: On November 6, 1979, California voters approved Proposition 4, commonly known as the Gann Spending Limitation Initiative, establishing Article XIIIB of the California Constitution. This proposition mandates an appropriations (spending) limit on the amount of tax proceeds that State and most local government jurisdictions may appropriate within a fiscal year. Charges for services, fees, grants, loans, donations, and other non-tax proceeds are excluded. The Appropriations Limit for any year is the Appropriations Limit from the previous fiscal year adjusted for: a) cost of living factor (price) for the State of California (the annual change in per capita personal income is used), and b) population growth for the County of Alameda. Both factors are provided by the State Department of Finance. A Notice of a Board of Directors meeting to review and approve the new Appropriations Limit is required to be posted publicly at least 15 days prior to the Board meeting. Said notice was published in the Valley Times newspaper on May 14, 2024, in anticipation of staff's presentation to the Board on May 29, 2024.

Attached are the Annual Appropriations Limit Calculation worksheet (Attachment A) and the Department of Finance Price and Population Information (Attachment B) used to calculate the limit. Our auditor, James Marta & Company, reviewed the annual adjustment factors stating our Appropriations Limit was calculated correctly (Attachment C).

The FY24-25 Appropriations Limit is \$28,953,116. This is an increase of \$859,783 over the FY23-24 Appropriations Limit of \$28,093,333. The Final FY24-25 budget includes \$16,100,040 in tax proceeds, which is \$12,853,076 less than the appropriations limit.

Attachments:

1. Appropriations Limit Calculation Worksheet
2. Department of Finance Price and Population Information
3. Audit Report on FY 2024-2025 Appropriations Limit

Appropriations Limit Calculation Worksheet

Livermore Area Recreation and Park District

Fiscal Year 2024-2025 Appropriations Limit Calculator

	Year	1/1/2023	1/1/2024	% Change
Total County Population		1,648,369	1,639,409	-0.54%

	FY23-24		FY24-25
Per Capita Income (CA)	1.0444		1.0362
Population (County)	0.9953		0.9946
Ratio of Change	1.0395		1.0306
FY23-24 Appropriation Limit	\$28,093,333	x	1.0306
New Appropriation Limit			\$28,953,116 FY24-25 Limit
			\$859,783 Annual Increase

source of Per Capita Income (CA) and Population (Alameda County) growth: Dept of Finance, State of CA

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: $\frac{0.17 + 100}{100} = 1.0017$

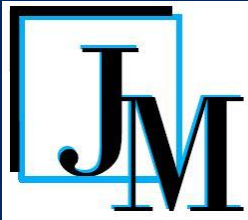
Calculation of factor for FY 2024-25: $1.0362 \times 1.0017 = 1.0379$

Fiscal Year 2024-25

**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
Alameda				
Alameda	1.21	76,309	77,234	78,071
Albany	-0.14	20,354	20,325	20,325
Berkeley	0.12	125,181	125,327	125,327
Dublin	-0.03	71,600	71,575	72,917
Emeryville	4.95	12,686	13,314	13,314
Fremont	-0.63	230,713	229,250	229,250
Hayward	-0.58	160,699	159,770	159,770
Livermore	-0.48	85,235	84,828	84,828
Newark	-2.36	47,762	46,635	46,635
Oakland	-0.52	427,085	424,873	425,093
Piedmont	-0.88	10,878	10,782	10,782
Pleasanton	-1.17	76,861	75,960	75,960
San Leandro	-1.01	87,984	87,098	87,098
Union City	-1.26	67,279	66,432	66,432
Unincorporated	-1.18	147,743	146,006	146,067
County Total	-0.54	1,648,369	1,639,409	1,641,869

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



James Marta & Company LLP
Certified Public Accountants

LIVERMORE AREA RECREATION AND PARK DISTRICT

Special Purpose Report

Appropriations Limit Calculation Fiscal Year 2024-25

SUBMITTED BY:

James Marta & Company LLP
Certified Public Accountants

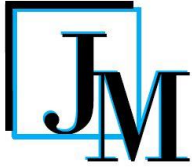
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CONTACT:

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(916) 999-9624



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

Report on Appropriations Limit Calculation

Board of Directors
Livermore Area Recreation and Park District
Livermore, California

We have performed the procedures enumerated below solely to assist the Livermore Area Recreation and Park District in the calculation of the appropriations limit for the Fiscal Year 2024-25 in order to meet the requirements of Section 1.5 of Article XIII B of the California Constitution. This engagement was conducted at the request of management of the Livermore Area Recreation and Park District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Results

1. We agreed the prior year appropriations limit of \$28,093,333 used in the accompanying worksheets to the Fiscal Year 2023-24 appropriations limit calculation.
2. We recalculated the population percentage change factor of 0.0054 used in the accompanying worksheets based on the Annual Percent Change in Population Minus Exclusions for Alameda County.
3. We recalculated the growth factor of 1.0362 used in the accompanying worksheets.
4. We recalculated the Fiscal Year 2024-25 appropriations limit of \$28,953,116 in the accompanying worksheets.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Livermore Area Recreation and Park District and is not intended to be and should not be used by anyone other than the specified party.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
May 20, 2024

Livermore Area Recreation and Park District

Fiscal Year 2024-2025 Appropriations Limit Calculator

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New Appropriation Limit			\$28,953,116 FY24-25 Limit

\$859,783 Annual Increase

**THE BOARD OF DIRECTORS
OF THE
LIVERMORE AREA RECREATION AND PARK DISTRICT**

RESOLUTION NO. _____

**A RESOLUTION ESTABLISHING
THE FISCAL YEAR 2024-25 APPROPRIATIONS LIMIT**

BE IT RESOLVED, that the Board of Directors, as the governing body of the Livermore Area Recreation and Park District, hereby establishes the FY 2024-25 Annual Appropriations Limit at \$28,953,116.

ON MOTION of Director _____, seconded by Director _____, the foregoing resolution was passed and adopted this 29th day of May, 2024, by the following roll call vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Approved this 29th day of May, 2024,

David Furst
Chair, Board of Directors

ATTEST:

Mathew Fuzie
General Manager and ex-officio Clerk
to the Board of Directors