



August 26, 2016

**TO:** LOCSO Board of Directors

**FROM:** Ever Ventura, District Accountant

**SUBJECT: Agenda Item 11F – 9/15/2016 Board Meeting  
Adopt Resolution Establishing Appropriations Limit for  
Fiscal Year 2016/2017**

**President**  
Marshall E. Ochylski

**Vice President**  
Jon-Erik G. Storm

**Directors**  
Charles L. Cesena  
Louis G. Tornatzky  
R. Michael Wright

**Interim General Manager**  
Peter J. Kampa

**District Accountant**  
Warmerdam CPA Group

**Unit Chief**  
Scott M. Jalbert

**Battalion Chief**  
Tom McEwen

**Mailing Address:**  
P.O. Box 6064  
Los Osos, CA 93412

**Offices:**  
2122 9<sup>th</sup> Street, Suite 102  
Los Osos, CA 93402

**Phone:** 805/528-9370  
**FAX:** 805/528-9377

[www.lososocsd.org](http://www.lososocsd.org)

**DESCRIPTION**

Article 13B of the California Constitution limits the total appropriation funded by proceeds of taxes to amounts adjusted each year by the change in cost of living and the change in population. There are a number of exceptions allowed. One exception is appropriation for debt service.

**STAFF RECOMMENDATION**

Staff recommends that the Board adopt a Resolution establishing the District's appropriation limit for fiscal year 2016/2017.

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

***Motion: I move that the Board adopt Resolution 2016-33 establishing the District's appropriation limit of \$8,461,533 for Fiscal Year 2016/2017.***

**DISCUSSION**

Each year as part of the budget process, the District determines its appropriation limit in accordance with Article 13B of the California Constitution. This is also more commonly known as the Gann Initiative on Spending Limits. The limit is computed using demographics data provided by the State Department of Finance on cost of living or per capita income change for the State and population change in the applicable area. In the District's case the population in the unincorporated area is used. The appropriation limit of the District for fiscal year 2016/2017 decreased by 0.58% or \$49,363 over the prior year.

The historical trend of the District's appropriation limits since the inception of the District is shown on Exhibit A to the resolution.

Attachments

**RESOLUTION 2016-33**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT  
ADOPTING THE FISCAL YEAR 2016/2017 LOCSD "GANN" APPROPRIATIONS LIMIT**

**WHEREAS**, in November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and,

**WHEREAS**, the provisions of that Article establish maximum appropriation limitations, commonly called "Gann Limits," for public agencies, including special districts; and,

**WHEREAS**, the District must establish a revised Appropriations Limit for the 2016-2017 fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law;

**NOW, THEREFORE, BE IT RESOLVED** that this Board does provide public notice that the attached calculations and documentation of the Gann limits for the 2016-17 fiscal year are made in accordance with applicable constitutional and statutory law and were made available to the public fifteen days in advance of this meeting;

**AND BE IT FURTHER RESOLVED** that this Board does hereby declare that the appropriations in the Budget for the 2016-17 do not exceed the calculated Appropriations Limit of \$8,461,533 as contained in Exhibits A and B attached hereto;

**AND BE IT FURTHER RESOLVED** that the General Manager provide copies of this resolution along with the appropriate attachments to interested citizens of this District.

**THE FOREGOING RESOLUTION** was introduced at a regular meeting of the Los Osos Community Services District held on September 15, 2016 and was adopted by the following vote:

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_  
and on the following roll call vote, to wit:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

The foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District this 15<sup>th</sup> day of September, 2016.

\_\_\_\_\_  
Marshall E. Ochylski  
President, Board of Directors  
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Peter J. Kampa  
Interim General Manager and Secretary to the Board

\_\_\_\_\_  
Roy A. Hanley  
District Legal Counsel

LOS OSOS COMMUNITY SERVICES DISTRICT  
HISTORICAL ANNUAL APPROPRIATION LIMITS

	LIMIT	FACTOR
FY98-99 BASE AMOUNT	\$4,259,330	
FY99-00	\$4,526,390	1.0627
FY00-01	\$4,830,563	1.0672
FY01-02	\$5,302,509	1.0977
FY02-03	\$5,331,143	1.0054
FY03-04	\$5,546,521	1.0404
FY04-05	\$5,815,527	1.0485
FY05-06	\$6,213,309	1.0684
FY06-07	\$6,530,188	1.0522
FY07-08	\$6,900,450	1.0567
FY08-09	\$6,995,676	1.0138
FY09-10	\$7,140,487	1.0207
FY10-11	\$7,079,792	0.9915
FY11-12	\$7,317,673	1.0336
FY12-13	\$7,658,677	1.0466
FY13-14	\$8,083,733	1.0555
FY14-15	\$8,124,960	1.0051
FY15-16	\$8,510,896	1.0475
FY16-17	\$8,461,533	0.9942

2016/17 Proceeds of Taxes Budgeted

ATTACHMENT B

	Tax as Budgeted	Exempted Debt Service Assmnt	Taxes Subject to Limit
Property Taxes:			
Fire	1,918,717		1,918,717
Bayridge	8,404		8,404
Water	223,760		223,760
Special Fire Tax	553,881		553,881
Drainage	21,759		21,759
Drainage Assessments	95,456		95,456
Wastewater Assessments	1,192,398	(1,192,398)	-
<b>Appropriation Subject to Limit</b>	<b>4,014,375</b>	<b>(1,192,398)</b>	<b>2,821,977</b>

2016-17 Appropriation Limit per EXHIBIT A

8,461,533

Available Limits

5,639,556

2015/16 Proceeds of Taxes Budgeted

	Tax as Budgeted Adjusted	Exempted Debt Service Assmnt	Taxes Subject to Limit
Property Taxes:			
Fire	1,760,766		1,760,766
Bayridge	7,812		7,812
Water	203,793		203,793
Special Fire Tax	532,329		532,329
Drainage Assessments	95,456		95,456
Wastewater Assessments	1,148,322	(1,148,322)	-
<b>Appropriation Subject to Limit</b>	<b>3,748,478</b>	<b>(1,148,322)</b>	<b>2,600,156</b>

2015-16 Appropriation Limit per EXHIBIT A

8,510,896

Available Limits

5,910,740