



A Tradition of Stewardship
A Commitment to Service

AUDITOR-CONTROLLER INTER-OFFICE MEMO

Date: September 12, 2017
To: Board of Supervisors
From: Tracy A. Schulze
Auditor-Controller 
Subject: **2017-2018 Appropriation Limit for the County of Napa**

Each year, Article XIII B of the California Constitution requires the County to establish an appropriation limit. On June 5, 1990 the voters of California passed Proposition 111 that amended Article XIII B of the State's Constitution relating to the calculation of a jurisdiction's appropriation limit.

One of the changes to Article XIII B requires the Board of Supervisors to select one of two methodologies to determine the cost-of-living factor used in calculating the appropriation limit. The Board may select one of the following:

- The percentage change in California per capita personal income from the preceding year;
or
- The percentage change in the local assessment roll from the preceding year due to the addition of local non-residential new construction as compared to the total change in assessed valuation.

The Auditor-Controller's Office calculates the appropriation limit using both factors and recommends to the Board the factor that is most beneficial to the County. The percentage change in the local assessment roll for non-residential new construction is 9.89% versus a 3.69% change in the California per capita personal income. Therefore, I am recommending the County's appropriation limit be calculated using the local assessment roll for non-residential new construction factor.

Recommended Board Action

Adopt the attached resolution establishing the appropriation limit for the County of Napa using the cost of living factor indicated above. The appropriation limit and revenue subject to the limit are as follows:

	<u>Appropriations Limit</u>	<u>Revenues Subject to Limit</u>
County of Napa	\$1,524,242,995	\$ 131,643,867

Calculation Detail

2016-2017 Appropriation Limit	\$ 1,374,611,312
X Cumulative Growth Factor	<u>1.10885381</u>
2017-2018 Appropriation Limit	<u>\$ 1,524,242,995</u>

Cost of Living Factor:

Local Non-Residential New Construction Factor (9.89%)	1.09892469
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Population Change:

County of Napa (0.903531%)	<u>1.00903531</u>
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Cumulative Growth Factor:

Calculation: 1.0989×1.00903531	1.10885381
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