



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 10/7/2014

Agenda Placement: 6L

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Tracy Schulze - Auditor-Controller
Auditor - Controller
REPORT BY: Robert Minahen, Assistant Auditor-Controller - 707.253.4579
SUBJECT: 2014-2015 Appropriation Limit

RECOMMENDATION

Auditor-Controller requests the following:

1. Adoption of a resolution establishing the fiscal year 2014-2015 appropriation limit and estimated revenue subject to the limit for the County of Napa as required by Article XIII B of the California Constitution; and
2. Acceptance of the agreed-upon procedures report issued by Gallina LLP verifying the accuracy of the County's 2013-2014 appropriation limit calculation.

EXECUTIVE SUMMARY

Article XIII B of the California Constitution requires the County to establish an appropriation limit on an annual basis. The attached resolution establishes the appropriation limit and the estimated revenue subject to that limit, using the non-residential new construction growth factor for the calculation.

Section 1.5 of Article XI B requires the annual calculation of the appropriation limit to be reviewed as part of the government's annual audit. The attached agreed-upon procedures report issued by Gallina LLP states that no exceptions were noted in the County's calculation of the fiscal year 2013-2014 appropriation limit.

FISCAL IMPACT

Is there a Fiscal Impact? Yes
Is it currently budgeted? Yes

Where is it budgeted?	The estimated appropriation limit is considered when preparing the recommended budget.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	The appropriation limit is required to be approved each fiscal year.
Consequences if not approved:	Failing to establish an appropriation limit each fiscal year would put the County in violation of the State Constitution.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The appropriation limit is the amount the County could spend that is funded by certain taxes and State subventions, while the revenue subject to the limit is the amount of revenue from those sources the County anticipates actually receiving in the fiscal year. The included correspondence provides information on how the recommended appropriation limit was calculated in accordance with Article XIII B of the California Constitution.

The Auditor-Controller is requesting approval of a resolution establishing the appropriation limit for fiscal year 2014-2015 at \$1,228,205,372 with estimated revenue subject to the limit of \$112,675,427, using the non-residential new construction growth rate as the cost-of-living factor in performing the calculation.

In addition, Section 1.5 of Article XIII B requires the calculation of the County's annual appropriation limit be reviewed as part of the annual audit. The attached agreed-upon procedures report issued by Gallina LLP documents the procedures performed on the County's fiscal year 2013-2014 appropriation limit calculation and documents no exceptions were noted.

SUPPORTING DOCUMENTS

- A . 2014-2015 Appropriation Limit Letter
- B . 2014-2015 Appropriation Limit Resolution
- C . 2013-2014 Gallina AUP Report

CEO Recommendation: Approve

Reviewed By: Helene Franchi