



City of Barstow
Appropriations Limit Calculations
Fiscal Year 2017/18

Posted by: 07-18-2017
Posted on: Rippenard

BACKGROUND

Under California Law, the City of Barstow annually calculates its Appropriation Limit, a "ceiling" on the amount of monies that can be spent from local government tax proceeds. This calculation has its origin in Proposition 4, commonly known as the Gann Limit.

The adoption of Proposition 4 in 1979 and later amended by Proposition 111 in 1990 established the requirement and procedure for establishing an Appropriations Limit for local agencies. In brief, the amount of revenue that the City is annually authorized to appropriate is limited by factors relating to changes in population and the economy. The population factor selected may either be the rate of change in population for the City or for the County. The economic factor selected may either be the change in California's per capita personal income or the change in non-residential assessed property valuation. In other words, the formula works as follows:

$$\frac{(\% \text{ change in population (City or County)} + 100)}{100} \text{ TIMES (multiplied by)} \\ \text{EITHER} \\ \frac{(\% \text{ change in California per capita income} + 100)}{100} \\ \text{OR} \\ \frac{(\% \text{ change in non-residential assessed valuation} + 100)}{100}$$

The value determined by the formula set forth above is then applied to the previous year's Limit to yield the new Appropriations Limit for the fiscal year.

CITY OF BARSTOW'S CALCULATION

For fiscal year 2017-18, the percentage increase in County population growth was used since it was greater than the City's (1.16% vs. 0.52 %.) With respect to the economy criterion, the percentage change in California's per capita personal income was used since it was greater than the change in non-residential assessed property valuation (3.69% vs. 1.96%.) The Appropriations Limit for Fiscal Year 2017-18 maybe set at \$33,236,278 (1.0369 x 1.0116 x Fiscal Year 2016-17 Appropriations Limit of \$31,685,947.) The calculation of Fiscal Year 2017-18 Proceeds of Taxes subject to the appropriations limit is \$16,379,123. Therefore, the City of Barstow is under its Appropriations Limit by \$16,875,155.

For complete calculation, please see attached worksheets.

CITY OF BARSTOW
APPROPRIATIONS LIMIT CALCULATION
FISCAL YEAR 2017/18

FY 2016-17 Appropriations Limit	\$ 31,685,947
Change in County Population* = 1.16% OR	1.16%
Change in City Population * = 0.52%	
Change in Non-Residential Assessed Valuation** =1.96% OR	3.69%
Change in Per Capita Income* = 3.69%	
Cumulative Compound Change Factor (1.0369 X 1.0116)	<u>1.0489</u>
FY 2017-18 Appropriations Limit	<u><u>\$ 33,236,278</u></u>

SUMMARY

FY 2017-18 Total Proceeds of All Funds Subject to Limit	\$ 27,069,755
Less: Non -Tax Proceeds	<u>10,690,632</u>
FY 2016-17 Net Proceeds of Taxes Subject to the Limit***	16,379,123
Less: FY 2017-18 Appropriation Limit	<u>\$ (33,236,278)</u>
Budget Appropriation Over (Under) the Limit	<u>\$ (16,857,155)</u>

*Number provided from Department of Finance.

**Number provided from HDL.

***The appropriations subject to limitation includes proceeds of taxes from General Fund, and Special Revenue Funds.
For the City of Barstow, the taxes proceeds include: Property Taxes, Sales Taxes, TOT and Business Licenses.

**CITY OF BARSTOW
APPROPRIATIONS LIMIT CALCULATION**

Each city may choose:

- The % change in California Per Capita Personal Income
- or: The % change in local assessment roll due to the addition of local nonresidential new construction

and:

- or: The population growth of the city
- or: The population growth of the county

Date:	Growth in nonresidential assessed valuation due to new construction*		Growth in California Personal Income**		Population growth of City**		Population growth of County**		Appropriation Limit
	Ratio to use	OR	Ratio to use	OR	Ratio to use	AND	Ratio to use	OR	
16-17	5.1100	1.051100	5.37	1.053700	0.73	1.007300	0.93	1.009300	29,794,043
17-18	1.9600	1.019600	3.69	1.036900	0.52	1.005200	1.16	1.011600	31,685,947
									33,236,278

*Report from HDL.

** Report from Department of Finance.

**CITY OF BARSTOW
CALCULATION OF PROCEEDS OF TAXES
FISCAL YEAR 2017-18**

		PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	TOTAL
TAXES				
401	PROPERTY TAXES	4,439,288		4,439,288
406	SALES TAX	8,140,000		8,140,000
410	TRANSIENT LODGING TAX	3,500,500		3,500,500
411	FRANCHISE FEES		1,105,700	1,105,700
412	BUSINESS LICENSE	220,000		220,000
	SUBTOTAL TAXES	16,299,788	1,105,700	17,405,488
REVENUE FROM OTHER AGENCIES				
519	MOTOR VEHICLE IN-LIEU TAX	10,000		10,000
525	POLICE FEES & REIMBURSEMENTS		159,000	159,000
	RDA LOAN		574,000	574,000
	INTER-GOVERNMENTAL REIMBURSEMENT		197,000	197,000
	MEASURE I 2010/2040		1,720,000	1,720,000
	GAS TAX		715,000	715,000
	MOJAVE DESERT AQMD		16,000	16,000
	CDBG		441,750	441,750
	ASSET SEIZURE		1,000	1,000
	COPS		100,000	100,000
	COUNTY FLOOD CONTROL		3,403,562	3,403,562
	LOCAL TRANSPORTATION FUND (LTF)		294,940	294,940
	GENERAL FUND II		20,000	20,000
	SUBTOTAL OTHER AGENCIES	10,000	7,642,252	7,652,252
BUILDING AND PERMIT FEES			536,700	536,700
FINES & PENALTIES				
510/511	FINES & FORFEITURES		185,650	185,650
CHARGES FOR SERVICE				
630	PARKS & PROGRAM SPONSORSHIPS		344,400	344,400
415	DEV FEES FUND		200,000	200,000
	SUBTOTAL CHARGES FOR CURRENT SERVICE		544,400	544,400
OTHER MISC.				
515	RENT		143,675	143,675
804	MISCELLANEOUS REIMBURSEMENTS		181,000	181,000
819	COST ALLOCATION & CHARGES FOR SERVICES		296,000	296,000
	INTEREST	34,668	22,627	57,295
900	DISPOSAL OF PROPERTY		10,000	10,000
	SUBTOTAL OTHER MISCELLANEOUS	34,668	653,302	687,970
SUBTOTAL ALL REVENUES		16,344,456	10,668,004	27,012,460
TOTAL ALL REVENUES		16,379,123	10,690,632	27,069,755