

INTER OFFICE MEMO

To: Board of Directors

Date: July 7, 2015

From: Kathy Casenave, Director of Finance

Reviewed by:

SUBJECT: Adoption of Gann Appropriations Spending Limitation for FY 2016

Summary of Issues:

Pursuant to California Constitution Article XIII (B) (Proposition 4), public entities are required to conform to budgetary guidelines set forth in the Gann Initiative. The purpose of Article XIII (B) is to constrain fiscal growth in government by limiting the proceeds of taxes that may be appropriated each year. Each year's limit may be adjusted for increase in cost of living (*California per capita income*) and population. For special districts, if the district is located entirely within one county, the *county's population* change factor is to be used. That is the case with CCCTA. The limit may also be changed in the event of a transfer of fiscal responsibility.

The California Revenue and Taxation code, section 2227, mandates that the Department of Finance transmit an estimate of the percentage change in population to local governments and also the change in the cost of living, or price factor.

The formula for calculating the appropriations spending limit is:

1. Population percentage change x price increase/decrease factor=ratio of change
2. Ratio of change x 2014-15 spending limit = 2015-16 spending limit.

Based on the above formula, the spending limit for CCCTA is:

1. Population percentage change x price increase/decrease factor=ratio of change
 $1.0128 \times 1.0382 = 1.0515$
2. Ratio of change x 2014-2015 spending limit =2015-2016 spending limit:
 $1.0515 \times \$60,949,339 = \$64,088,230$

Based on the above calculations, **the Gann appropriations spending limit for FY 2015-2016 is \$64,088,230** (Exhibit A). The actual CCCTA non-federal appropriations budget for FY 2015-2016 is \$36,552,638, which is \$27,535,592 below the spending limitation.

Recommendation:

By State law, the CCCTA Board of Directors must adopt an appropriations limitation.

The staff requests that the Board of Directors approve the Gann appropriations spending limitation of \$64,088,230 for FY 2015-16.

COMPUTATION OF GANN APPROPRIATIONS SPENDING LIMIT for FY 2016

Contra Costa County change in population		1.28
Converted to a ratio	1.0128	
Percentage change in per capita personal income		3.82
Converted to a ratio	1.0382	

Source: California Department of Finance

Ratio of change:

$$1.0128 \quad \times \quad 1.0382 \quad = \quad 1.0515$$

FY 2015 spending limit	\$60,949,339
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FY 2016 spending limit	\$64,088,230
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FY 2016 operating budget	\$36,741,165
Less expenses paid by federal monies	<u>-\$1,492,527</u>
	\$35,248,638

FY 2016 capital budget	\$ 1,304,000
Less expenses paid by federal monies	<u>-0</u>
	\$ 1,304,000

Operating and capital appropriation	\$36,552,638
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Underlimit	<u><u>\$27,535,592</u></u>
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RESOLUTION NO. 2016-002

**BOARD OF DIRECTORS
CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATE OF CALIFORNIA**

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ADOPTS A CCCTA APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015-16

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 *et seq.*, for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions; and

WHEREAS, Government Code Section 7910 requires the CCCTA to adopt an appropriations limit for each fiscal year; and

WHEREAS, Government Code Section 7910 requires that, fifteen (15) days prior to adoption of the CCCTA appropriations limit, documentation used in determination of the limit shall be available to the public; and

WHEREAS, CCCTA staff has prepared the appropriations limit documentation (attached hereto and marked Exhibit A) which has been made available to the public for review more than fifteen (15) days prior to the date this resolution was scheduled for consideration by the Board;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the CCCTA Board of Directors that pursuant to Article XIII B of the California State Constitution and SB 1352 (1980 Stats.), the appropriations limit for the Central Contra Costa Transit Authority shall be \$64,088,230, which shall be applicable to fiscal year 2015-16 as set forth in the attached appropriations limit documentation.

Regularly passed and adopted this 16th day of July, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

A.G. Dessayer, Chair, Board of Directors

ATTEST:

Lathina Hill, Clerk to the Board