
**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: BOARD OF DIRECTORS
FROM: MICHAEL FLOOD – GENERAL MANAGER
SUBJECT: PROPOSITION 4 – RESOLUTION TO ADOPT THE 2024 / 2025
ESTABLISHMENT OF APPROPRIATIONS LIMIT OF \$18,081,487
DATE: 05/22/2024

RECOMMENDATION:

It is recommended that the Board of Directors adopt the Resolution for the 2024 / 2025 Establishment of Appropriations limit of \$18,081,487.

BACKGROUND AND OVERVIEW:

Article XIII B of the California Constitution as enacted by Proposition 4, the Gann Initiative of 1979, mandates a limit on the amount of proceeds from taxes that government agencies within California can receive and spend each fiscal year. The intent of this law is to limit government spending by putting a cap on the total tax proceeds that can be appropriated each year. State legislation requires government agencies to annually adopt a spending limit for each fiscal year. This limit can be re-established by a recorded vote of the Board throughout the fiscal year if deemed necessary. The calculation factors can only be revised annually. Any challenge to the declared amount must be brought within 45 days of its adoption.

The original legislation, Article XIII B was further modified by Proposition 111 and SB 88 as approved by California voters in June of 1990. Proposition 111 allows government agencies more flexibility in selecting certain inflation and population factors to calculate the Gann limit. The limit varies for each agency and can change each year. When a District's proceeds of taxes (less statutory exclusions) exceed the legal limit, excess tax revenue must be returned to the State or citizens via a process of refunds, rebates, or other means that may be determined at that time.

Each year the District must authorize both inflation and population factors to calculate its spending limitation amount. The inflation factors for FY 2024-2025 are the California per capita cost of living ratio of 1.0362 and the population factor using the County of Ventura population and growth percentage change converted to a ratio is 0.9977.

As a result, the District's Proposition 4 spending limit is \$18,081,487. Total revenue subject to the spending limit is \$7,425,826. The District will be \$10,655,661 below its spending limit.

BUDGET IMPACT:

There is no fiscal impact as a result of this action.

ATTACHMENTS:

Resolution

Department of Finance Price and Population Information

Appropriation Limit Calculation

CASITAS MUNICIPAL WATER DISTRICT

A RESOLUTION ESTABLISHING THE APPROPRIATIONS LIMIT
FOR THE CASITAS MUNICIPAL WATER DISTRICT FOR THE
FISCAL YEAR ENDING JUNE 30, 2025

RESOLUTION NO.

WHEREAS, Section 7910 of the Government Code requires each local jurisdiction to establish its appropriations limit by resolution for the following fiscal year pursuant to Article XIII B of the California constitution at a regularly scheduled meeting or noticed special meeting; and

WHEREAS, 15 days prior to such meeting, documentation used in the determination of the appropriations limit has been made available to the public; and

WHEREAS, the determination of the appropriations limit is a legislative act;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Casitas Municipal Water District hereby establishes the appropriations limit of \$18,081,487 for Casitas Municipal Water District for the fiscal year ending June 30, 2025, pursuant to Article XIII B of the California Constitution.

ADOPTED this 22nd day of May, 2024

Richard Hajas, President
Casitas Municipal Water District

ATTEST:

Mary Bergen, Secretary
Casitas Municipal Water District

April 30, 2024

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. [California Revenue and Taxation Code section 2228](#) provides additional information regarding the appropriations limit. [Article XIII B, section 9\(C\) of the California Constitution](#) exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2024.** Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2024-25 appropriation limit is:

Per Capita Personal Income

| Fiscal Year (FY) | Percentage change over prior year |
|------------------|-----------------------------------|
| 2024-25 | 3.62 |

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: $1.0362 \times 1.0017 = 1.0379$

Fiscal Year 2024-25

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

| County City | <u>Percent Change</u> | <u>--- Population Minus Exclusions ---</u> | | <u>Total Population</u> |
|------------------------|------------------------------|---|---------------|------------------------------------|
| | 23-24 | 1-1-23 | 1-1-24 | 1-1-24 |
| Ventura | | | | |
| Camarillo | -0.35 | 69,256 | 69,014 | 69,014 |
| Fillmore | 0.57 | 16,965 | 17,061 | 17,061 |
| Moorpark | -0.49 | 35,286 | 35,114 | 35,114 |
| Ojai | -0.05 | 7,537 | 7,533 | 7,533 |
| Oxnard | -0.10 | 197,737 | 197,536 | 197,536 |
| Port Hueneme | -0.69 | 19,168 | 19,036 | 20,916 |
| San Buenaventura | -0.20 | 107,723 | 107,512 | 107,569 |
| Santa Paula | -0.14 | 31,400 | 31,355 | 31,355 |
| Simi Valley | -0.11 | 124,165 | 124,029 | 124,029 |
| Thousand Oaks | -0.38 | 123,111 | 122,643 | 122,643 |
| Unincorporated | -0.44 | 89,813 | 89,421 | 91,093 |
| County Total | -0.23 | 822,161 | 820,254 | 823,863 |

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Casitas Municipal Water District
Appropriation Limit

Appropriation Limit:

| | | |
|--|------------|-----|
| FY2023-24 Adopted Appropriations Limit | 17,490,032 | [a] |
|--|------------|-----|

Growth/ Change Factor:

| | | |
|--------------------------------------|--------|-----|
| California Per Capita Income Change* | 1.0362 | |
| Change in Population-County* | 0.9977 | |
| Total Annual Adjustment Factor | 1.0338 | [b] |

| | | |
|----------------------------------|------------|-------------|
| FY 2024-2025 Appropriation Limit | 18,081,487 | [a]*[b]=[c] |
|----------------------------------|------------|-------------|

B. Appropriations Subject to Limit:

| | | |
|--|-----------|--|
| FY 2024-2025 Revenues (All Funds Subject to Limit) | 7,425,826 | |
| Less: Appropriations Reserves | - | |
| Less: Non-Tax | - | |
| Total Appropriations Subject to Limit | 7,425,826 | |

| | | |
|-------------------------------------|------------|--|
| C. Amount Under/ (Over) Limit (A-B) | 10,655,661 | |
|-------------------------------------|------------|--|

* Change in population and per capita income change is provided by the State of California Department of Finance.