




A Tradition of Stewardship
A Commitment to Service

AUDITOR-CONTROLLER INTER-OFFICE MEMO

Date: September 24, 2024
To: Board of Supervisors
From: Tracy A. Schulze 
Auditor-Controller
Subject: **2024-2025 Appropriation Limit for the County of Napa**

Article XIII B of the California Constitution requires the County to establish an annual 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.

Each year we calculate the appropriation limit using both factors and recommend to the Board the factor that is most beneficial to the County. When multiplied by the population change from the preceding year, the California per capita personal income growth factor is 1.04 versus the non-residential new construction growth factor of 1.06. Therefore, I am recommending the County's appropriations limit be calculated using the percentage change in the local assessment roll from the preceding year due to the addition of local non-residential new construction.

Cumulative Growth Factor Calculation Detail

California Per Capita Personal Income Calculation				
California per capita personal income change	=	3.62%	+ 1 =	1.03620000
Population Change within Napa County Incorporated				
Population January 1, 2024	=	111,570	=	1.00473686
Population January 1, 2023	=	111,044	=	
Personal Income Growth Factor: 1.0362 multiplied by 1.00473686 =				1.04110834

Non-residential New Construction Calculation				
Non-Residential New Construction	=	\$ 136,263,607	+ 1 =	1.05627223
Assessed Value Growth	=	\$ 2,421,507,026	=	
Population Change within Napa County Incorporated				
Population January 1, 2024	=	111,570	=	1.00473686
Population January 1, 2023	=	111,044	=	
New Construction Growth Factor: 1.05627223 multiplied by 1.00473686 =				1.06127565

<u>Appropriation Limit Calculation Detail</u>	
2023 - 2024 Appropriation Limit	\$ 2,945,598,329
Multiplied by the Greater Growth Factor	1.06127565
2024 - 2025 Appropriation Limit	<u>\$ 3,126,091,782</u>

Recommended Board Action

Adopt the attached resolution establishing the appropriation limit for the County of Napa using the percentage change in the local assessment roll from the preceding year due to the addition of local non-residential new construction. 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	\$3,126,091,782	\$245,417,830