



A Tradition of Stewardship
A Commitment to Service

AUDITOR-CONTROLLER INTER-OFFICE MEMO

Date: September 28, 2021

To: Board of Directors

From: Tracy A. Schulze
Auditor-Controller

A handwritten signature in blue ink, appearing to be "T. Schulze", is written over the printed name of Tracy A. Schulze.

Subject: **2021-2022 Appropriations Limit for Napa Berryessa Resort Improvement District**

Article XIII B of the California Constitution requires the District 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 District. When multiplied by the population change from the preceding year, the California per capita personal income growth factor is 1.06 versus the non-residential new construction growth factor of 1.00. Therefore, I am recommending the District's appropriations limits be calculated using change in the California per capita personal income from the preceding year.

Cumulative Growth Factor Calculation Detail

California Per Capita Personal Income Calculation

$$\text{California per capita personal income change} = 5.73\% + 1 = 1.05730000$$

Population Change within Napa County Incorporated

$$\frac{\text{Population January 1, 2021}}{\text{Population January 1, 2020}} = \frac{113,568}{113,323} = 1.00216196$$

$$\text{Personal Income Growth Factor: } 1.0573 \text{ multiplied by } 1.00216196 = \mathbf{1.05958584}$$

Non-residential New Construction Calculation

$$\frac{\text{Non-Residential New Construction}}{\text{Assessed Value Growth}} = \frac{\$ -}{\$ (23,823,185)} + 1 = 1.00000000$$

Population Change within Napa County Incorporated

$$\frac{\text{Population January 1, 2021}}{\text{Population January 1, 2020}} = \frac{113,568}{113,323} = 1.00216196$$

$$\text{New Construction Growth Factor: } 1. \text{ multiplied by } 1.00216196 = \mathbf{1.00216196}$$

Appropriation Limit Calculation Detail

2020 - 2021 Appropriation Limit	\$ 346,818
Multiplied by the Greater Growth Factor	1.05958584
2021 - 2022 Appropriation Limit	<u>\$ 367,484</u>

Recommended Board Action

Adopt the attached resolution establishing the appropriations limit for Napa Berryessa Resort Improvement District using the cost of living factor indicated above. The appropriations limit and revenues subject to the limit are as follows:

	<u>Appropriations Limit</u>	<u>Revenues Subject to Limit</u>
Napa Berryessa Resort Improvement District	\$367,484	\$38,535