

CITY COUNCIL OF THE CITY OF OXNARD
RESOLUTION NO. _____
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
ESTABLISHING AN APPROPRIATION LIMIT FOR THE FISCAL YEAR 2020-2021

WHEREAS, Government Code section 7900 provides for the implementation of Article XIII B of the California Constitution; and

WHEREAS, Government Code sections 7901 through 7914 provide that each year the City Council shall, by resolution, establish its proceeds of taxes appropriation limit at a regularly scheduled meeting; and

WHEREAS, all documentation used in the determination of the proceeds of taxes appropriation limit has been and will continue to be available to the public from the Chief Financial Officer of the City of Oxnard as required by law; and

WHEREAS, the proceeds of taxes appropriation limit for the fiscal year 2020-2021 is calculated by adjusting the prior fiscal year, 2019-2020; and

WHEREAS, the adjustment factors are:

1. change in the population of the County = -0.38%
2. change in the population of the City = 0.06%
3. change in the per capita income in California = 3.73%; and

WHEREAS, the formula provides that the City can use the greater of either factors 1 or 2, plus factor 3; and

WHEREAS, the City's fiscal year 2020-2021 appropriation limit for proceeds of taxes is determined to be \$374,806,802 using factors 2 and 3.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD resolves as follows: The proceeds of taxes appropriation limit for the fiscal year 2020-2021 is established as \$374,806,802 and the "proceeds of taxes" revenue subject to this limitation is \$133,634,875, an amount well below the established limit. Documentation used in the determination of the proceeds of taxes appropriation limit is available to the public at the City of Oxnard Finance Department, 300 West Third Street, Oxnard, CA 93030.

Resolution No.

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PASSED AND ADOPTED on this 30th day of June, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Tim Flynn, Mayor

ATTEST:

Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney



May 2020

Dear Fiscal Officer:

Subject: 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, 2020, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2020-21. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2020-21 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. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

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, 2020.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data. Given the stay-at-home orders due to COVID-19, growth in the coming years may be substantially lower than recent trends.

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

/s/ Keely Martin Bosler

KEELY MARTIN BOSLER
Director

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 2020-21 appropriation limit is:

Per Capita Personal Income

| Fiscal Year (FY) | Percentage change over prior year |
|---------------------|--------------------------------------|
| 2020-21 | 3.73 |

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2020-21 appropriation limit.

2020-21:

Per Capita Cost of Living Change = 3.73 percent
 Population Change = 0.22 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.73 + 100}{100} = 1.0373$

Population converted to a ratio: $\frac{0.22 + 100}{100} = 1.0022$

Calculation of factor for FY 2020-21: $1.0373 \times 1.0022 = 1.0396$

Fiscal Year 2020-21

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2019 to January 1, 2020 and Total Population, January 1, 2019

| County City | <u>Percent Change</u> | <u>--- Population Minus Exclusions ---</u> | | <u>Total Population</u> |
|------------------------|------------------------------|---|---------------|------------------------------------|
| | 2019-2020 | 1-1-19 | 1-1-20 | 1-1-2020 |
| Ventura | | | | |
| Camarillo | 0.34 | 70,024 | 70,261 | 70,261 |
| Fillmore | -0.73 | 15,680 | 15,566 | 15,566 |
| Moorpark | -1.01 | 36,649 | 36,278 | 36,278 |
| Ojai | -0.45 | 7,591 | 7,557 | 7,557 |
| Oxnard | 0.06 | 206,221 | 206,352 | 206,352 |
| Port Hueneme | 0.67 | 20,785 | 20,925 | 23,607 |
| San Buenaventura | -0.70 | 106,963 | 106,217 | 106,276 |
| Santa Paula | -0.60 | 30,573 | 30,389 | 30,389 |
| Simi Valley | -0.44 | 125,664 | 125,115 | 125,115 |
| Thousand Oaks | -0.88 | 127,610 | 126,484 | 126,484 |
| Unincorporated | -0.66 | 93,226 | 92,611 | 95,001 |
| County Total | -0.38 | 840,986 | 837,755 | 842,886 |

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

PROP 4 APPROPRIATIONS LIMIT

| | Proceeds of Taxes | Non-Proceeds of Taxes | Total |
|---|----------------------|------------------------------------|-------------|
| Revenue | 147,012,536 | 26,922,331 | 173,934,866 |
| Minus Exclusions | 16,675,310 | | |
| Net Invested Taxes | 130,337,226 | | |
| Total Non-Interest | 173,934,866 | | |
| Tax Proceeds % of Total | 84.52% | | |
| Interest Earnings | 3,901,546 | | |
| Interest Earned from Taxes | 3,297,649 | | |
| Interest Earned from Non-Taxes | 603,897 | | |
| | | | |
| Proceeds of Taxes | 147,012,536 | | |
| Interest Earned from Taxes | 3,297,649 | | |
| Total Proceeds of Taxes | 150,310,185 | | |
| Minus Exclusions | 16,675,310 | Retirement Tax | |
| Appropriations Subject to Limitation | 133,634,875 | | |
| | | | |
| FY 19-20 Prop 4 Appropriations Limit | 361,112,555 | | |
| Oxnard Population % Change | 0.06% | | |
| Change in CA Per Capita Personal Income | 3.73% | | |
| | | (1+Pop%)*(1+CA Per Capita Personal | |
| Compound Factor | 3.79% | Income)) | |
| Annual Adjustment | 13,694,248 | | |
| Lost responsibility (-) | - | | |
| Transfer to Private (-) | - | | |
| Transfer to Fees (-) | - | | |
| Assumed Responsibility (+) | - | | |
| Total Adjustments | 13,694,248 | | |
| FY 20-21 Prop 4 Appropriations Limit | 374,806,802 | | |
| | | | |
| Percent of Appropriation Limit Used | 35.7% | | |