

**South Placer Fire Protection District  
2016-17 Gann Limit Compliance Evaluation and  
2017-18 Gann Limit**

**2016-17 Gann Limit Compliance Evaluation**

The District's 2016-17 Gann Limit was calculated to be \$9,076,514. Based on 2016-17 Budget figures, it was expected that the District's appropriations subject to limitation would not exceed this figure. At the end of the 2016-17 fiscal year, after all property tax receipts and expenditures were documented, a compliance calculation demonstrated that the District's appropriations subject to limitation were in fact below the Gann Limit, as demonstrated in the following table.

<b>Appropriations Subject to Limitation</b>	
	<b>2016-17 Actuals</b>
Unadjusted Appropriations Subject to the Limit	
Property Tax	\$6,852,518
Special Tax	\$689,414
<b>Total Unadjusted Appropriations Subject to the Limit</b>	<b>\$7,541,932</b>
Adjustments for Appropriations Not Subject to the Limit	
Court Ordered Mandates - FLSA Overtime	\$0
Federal Mandates - Worker's Compensation	\$354,401
Qualified Capital Outlay	\$193,094
Qualified Debt Service	\$0
<b>Total Adjustments for Appropriations Not Subject to the Limit</b>	<b>\$547,495</b>
<b>Adjusted Appropriations Subject to the Limit</b>	<b>\$6,994,437</b>
<b>Gann Limit</b>	<b>\$9,076,514</b>
<b>Appropriations Under/(Over) the Limit</b>	<b>\$2,082,077</b>

As shown in the table, the District's appropriations were \$2,082,077 under the Limit. Since the District has demonstrated its compliance with the 2016-17 Gann Limit, no further action is required.

**2017-18 Gann Limit and Estimated Compliance**

For 2017-18, the District must calculate its new Gann Limit, based on both Cost of Living and Population Factors. Additionally, as part of the Budget adoption process, the District should estimate whether it will be in compliance with its 2017-18 Gann Limit by evaluating appropriations subject to limitation.

**Gann Limit Calculation**

The Gann Limit is calculated by first using the prior year’s Limit as a base, then applying a Cost of Living Factor and a Population Factor. The Cost of Living Factor is equal to the **greater of** the percent change in non-residential new construction or the percent change in California per capita personal income. For 2017-18, the Placer County Assessor’s Office has calculated that the District’s percent change in non-residential new construction is 0.01%. The California Department of Finance calculated the percent change in California per capita personal income to be 3.69%. Therefore, the Cost of Living Factor to be applied to the District’s 2017-18 Gann Limit is 3.69%.

The Population Factor is equal to the **greater of** the percent change in county population or the percent change in unincorporated County population, or the percent change in the District’s population. According to data provided by the California Department of Finance, the percent change in Placer County population was 1.76% and the percent change in unincorporated Placer County population was 0.57%. In order to determine the percentage change in the District’s population, a special population estimate must be specifically requested to the Department of Finance at the District’s expense. Due to the fact that there was minimal residential new construction in the District’s boundaries, this was not completed this year. Therefore, the Population factor to be applied to the District’s 2017-18 Gann Limit is 1.76%.

The District recently merged with the Loomis Fire Protection District. As such, to calculate the 2017-18 Gann Limit, the 2016-17 Limit for both South Placer and Loomis Fire Protection Districts was combined prior to applying the cost of living and population factors. For 2016-17, the Loomis Fire Protection District Gann Limit was calculated to be \$271,877. Combined with the South Placer Fire Protection District figure, the 2016-17 combined Limit was \$9,348,391. As shown in the following table, the District’s 2017-18 Gann Limit is calculated to be \$9,863,949.

<b>Gann Limit Calculation</b>			
<b>2016-17 Combined Gann Limit</b>	<b>Price Factor</b>	<b>Population Factor</b>	<b>2017-18 Gann Limit</b>
\$9,348,391	1.0369	1.0176	\$9,863,949

**Estimated Appropriations Subject to Limitation**

Based on the District’s 2017-18 budget, the District is estimating tax receipts of \$8,486,935 from general property taxes, the District’s Special Tax and the Loomis Parcel Tax. These tax receipts can be adjusted for appropriations that are not subject to limitation from sources such as: FLSA Overtime, Federal Mandates (Worker’s Compensation), Qualified Capital Outlay and Debt Service. Based on 2017-18 budget estimates, the District will have approximately \$622,166 of appropriations that are not subject to limitation. Therefore, the District’s total appropriations subject to the Gann Limit total \$7,864,769, which is \$1,999,180 below the calculated 2017-18 Gann Limit, as shown in the following table. ***Therefore, we can reasonably estimate that the District will be in compliance with its Gann Limit for 2017-18.***

<b>Appropriations Subject to Limitation</b>	
	<b>2017-18 Estimated</b>
Unadjusted Appropriations Subject to the Limit	
Property Tax	\$7,358,990
Special Tax	\$1,127,945
<b>Total Unadjusted Appropriations Subject to the Limit</b>	<b>\$8,486,935</b>
Adjustments for Appropriations Not Subject to the Limit	
Court Ordered Mandates - FLSA Overtime	\$0
Federal Mandates - Worker's Compensation	\$419,466
Qualified Capital Outlay	\$202,700
Qualified Debt Service	\$0
<b>Total Adjustments for Appropriations Not Subject to the Limit</b>	<b>\$622,166</b>
<b>Adjusted Appropriations Subject to the Limit</b>	<b>\$7,864,769</b>
Gann Limit	\$9,863,949
<b>Appropriations Under/(Over) the Limit</b>	<b>\$1,999,180</b>

### **Summary**

In summary, the District has met its Gann Limit requirements for 2016-17 and is estimated to again meet its limitations for 2017-18.

### Over the Last 5 Years the District has Been Under the Gann Limit

