

## **REGULAR BOARD MEETING AGENDA**

June 16, 2015 2:00 PM

Saddle Creek Lodge, Members Lounge  
1001 Saddle Creek Drive, Copperopolis,  
CA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. CHANGES TO ORDER OF AGENDA

5. **PUBLIC COMMENT** (Each speaker is limited to two (2) minutes)

Members of the public appreciated for taking the time to attend this meeting and provide comments on matters of District business. Any member of the public may address the Board relating to any matter within the Board's jurisdiction. This need not be related to any item on the agenda; however, the Board cannot act on an item unless it was noticed on the agenda.

### **CONSENT CALENDAR**

Consent Calendar items are considered routine and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the Board, Staff or a member of the Public requests specific items be set aside for separate discussion.

- a. Review of monthly financial report and approval of bills and claims for the month of May 2015.
- b. Approval of the minutes of the Regular Board Meeting of May 19, 2015.

### **OLD BUSINESS**

- a. Report on the status and projections for water supply to support Saddle Creek CSD, Castle & Cooke and Golf Course operations and permit compliance.

### **NEW BUSINESS**

- a. PUBLIC HEARING – Adoption of a Resolution approving the appropriations limit for the 2015 calendar budget year pursuant to Article XIIIb of the California Constitution.
- b. Adoption of a Resolution establishing the 2015/2016 fiscal year Special Tax rate for collection by the Calaveras County Auditor/Controller.
- c. Presentation of draft 2014 audit report.

### **STAFF REPORTS**

Brief reports will be provided by District staff to inform the Board and public on the status of general operational and administrative matters. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future meeting agenda.

- a. Site Manager
- b. General Manager

## **10 DIRECTOR'S REPORTS**

Brief reports will be provided by District Board members to inform on matters of general interest. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future meeting agenda.

**11 CLOSED SESSION** Pursuant to California Government Code Section 54956.9 (d)(4)  
*Conference with Legal Counsel, Anticipated Litigation (one case)*

## **12 ADJOURNMENT**

Agenda Materials: May be viewed on the bulletin boards outside the Saddle Creek Pro Shop, on the Sports Club Bulletin Board and at the CSD Website on the Saturday proceeding each meeting date. Materials will also be available at the meeting.

Americans with Disabilities Act Compliance: If you require special assistance to participate in Board Meetings, please contact the CSD Clerk at (209) 785-0100. Advance notification will enable the District to make reasonable arrangements to insure accessibility.



*Saddle Creek Community Services District*

# ***Treasurer's Report***

*May 31, 2015*

**Saddle Creek Comm Srvs District**  
**Statement of Cash Flows**  
 for the 5 Months ending May 31, 2015

	Umpqua Bank Checking	Calaveras Co Fund 2188	Umpqua Bank CD #7405	Umpqua Bank CD #46165	Umpqua Bank CD #46207	Umpqua Bank CD #46249	Umpqua Bank CD #46124	YTD Total
<b>A N A C S</b>								
<b>Net income</b>	<b>11 22 0</b>	<b>5</b>	<b>22 5</b>	<b>1 0</b>	<b>1</b>	<b>15 02</b>	<b>15 01</b>	<b>2</b>
Adjustments to reconcile Net Income to Net Cash provided by Operations:								
IN03 JE 5.6 Interest Income			22.03					22.03
2000 Accounts Payable	29,878.57							29,878.57
2040 CSDA Bank of the West MC	1,415.03							1,415.03
2060 CSD Visa - MLB	-5,247.38							-5,247.38
2100 Payroll Liabilities	-1,030.57							-1,030.57
2110 Wage Garnishments Payable	0.00							0.00
2150 Accrued Payroll	451.69							451.69
2201 Sales Tax Adjustment	29.04							29.04
Board of Equilization Payable	15.36							15.36
<b>Net cash provided by operating activities</b>	<b>1 5</b>	<b>5</b>		<b>1 0</b>	<b>1</b>	<b>15 02</b>	<b>15 01</b>	<b>2 11</b>
Net cash increase for period	(88,716.35)	85,739.84	44.78	18.80	18.79	15.02	15.01	(2,864.11)
<b>Cash at the beginning of period</b>	<b>205 5</b>	<b>11 1 51</b>	<b>25 5</b>	<b>25 11 0</b>	<b>25 11 0</b>	<b>25 0 5</b>	<b>25 0 5</b>	<b>25 5</b>
<b>Cash at end of period</b>	<b>2 0</b>	<b>22 2 1</b>	<b>25 5</b>	<b>25 1</b>	<b>25 1 5</b>	<b>25 101</b>	<b>25 101</b>	<b>0 1 2</b>

Prepared by: Dolores Baker  
 2-Jun-15

Saddle Creek Community Services District

**BALANCE SHEET**

As of May 31, 2015

**ASSETS**

**Current Assets**

Bank Accounts	
1000 Umpqua Bank Checking	288,307.76
1020 Cash - Fund 2188	226,241.67
1080 Umpqua Bank CD Accounts	
1081 CD #7405	25,833.35
1082 CD #46165	25,137.86
1083 CD #46207	25,137.85
1084 CD #46249	25,101.47
1085 CD #46124	25,101.46

**Total 1080 Umpqua Bank CD Accounts** **\$ 126,311.99**

**Total Bank Accounts** **\$ 640,861.42**

**Total Current Assets** **\$ 640,861.42**

**Fixed Assets**

**1500 Capital Assets**

1501 Equipment	267,138.76
1503 Roads	2,360,462.00
1504 Easements	10,344,000.00
1505 Buildings	79,000.00

**Total 1500 Capital Assets** **\$ 13,050,600.76**

**1600 Accumulated Depreciation**

1601 Equipment	-184,679.03
1603 Roads	-616,865.62
1605 Buildings	-16,590.00

**Total 1600 Accumulated Depreciation** **-\$ 818,134.65**

**Total Fixed Assets** **\$ 12,232,466.11**

**TOTAL ASSETS** **\$ 12,873,327.53**

**LIABILITIES AND EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

2000 Accounts Payable	39,321.50
-----------------------	-----------

**Total Accounts Payable** **\$ 39,321.50**

**Credit Cards**

2040 CSDA Bank of the West MC	1,415.03
-------------------------------	----------

**Total Credit Cards** **\$ 1,415.03**

**Other Current Liabilities**

2100 Payroll Liabilities	-157.26
2150 Accrued Payroll	10,229.02
2201 Sales Tax Adjustment	29.04

**Board of Equalization Payable** 40.48

**Total Other Current Liabilities** **\$ 10,141.28**

**Total Current Liabilities** **\$ 50,877.81**

**Total Liabilities** **\$ 50,877.81**

**Equity**

**3800 Developer Capital Contributions** 12,198,795.62

**3900 Retained Earnings** 652,051.98

**Net Income** -28,397.88

**Total Equity** **\$ 12,822,449.72**

**TOTAL LIABILITIES AND EQUITY** **\$ 12,873,327.53**

Monday June 1, 2015  
Prepared by Dolores Baker

SADDLE CREEK COMMUNITY SERVICES DISTRICT  
**BUDGET AND PROFIT & LOSS REPORT**  
 May 2015

	Current Year - 2015				Prior Year - 2014			
	Approved BUDGET	CURRENT MONTH	YEAR TO DATE	% of Budget	Adjusted BUDGET	CURRENT MONTH	YEAR TO DATE	% of Budget
<b>EXPENSES</b>								
<b>Operating Expenses</b>								
OE01 Audit Expense	\$ 7,500	\$ -	\$ -	0%	\$ 7,500	\$ -	\$ -	0%
OE02 Accounting & Bookkeeping	\$ 500	\$ 31	\$ 62	12%	\$ 6,000	\$ 350	\$ 3,488	58%
OE03 On-line Back-up/Notary Fees/Bonds	\$ 351	\$ -	\$ 326	93%	\$ 1,000	\$ 25	\$ 351	35%
OE04 Legal Expenses	\$ 1,500	\$ -	\$ -	0%	\$ 1,500	\$ 500	\$ 500	33%
OE05 Management Fees	\$ 57,000	\$ 4,750	\$ 23,750	42%	\$ -	\$ -	\$ -	
OE06 Insurance (Property Loss/Liability)	\$ 8,000	\$ 7,457	\$ 8,001	100%	\$ 8,000	\$ 6,317	\$ 6,359	79%
OE07 Miscellaneous/Contingency	\$ 2,000	\$ -	\$ 196	10%	\$ 5,000	\$ -	\$ -	0%
OE08 Professional Development (Travel/Training)	\$ 6,000	\$ 237	\$ 3,564	59%	\$ 5,000	\$ 522	\$ 4,505	90%
OE09 Dues, Certifications & Subscriptions	\$ 4,000	\$ -	\$ 2,676	67%	\$ 4,000	\$ 621	\$ 1,382	35%
OE10 Uniform Expenses	\$ 2,200	\$ -	\$ 720	33%	\$ 1,600	\$ -	\$ 1,862	116%
OE11 Electric Power/Water/Sewer	\$ 6,000	\$ 544	\$ 1,778	30%	\$ 5,000	\$ 507	\$ 1,981	40%
OE12 Telephone/Pager Service	\$ 5,000	\$ 485	\$ 1,796	36%	\$ 5,000	\$ 354	\$ 1,753	35%
OE13 Internet Service	\$ 1,200	\$ 90	\$ 450	38%	\$ 1,200	\$ 75	\$ 375	31%
OE14 Office Supplies/Postage	\$ 5,000	\$ 866	\$ 2,336	47%	\$ 4,500	\$ -	\$ 2,790	62%
OE15 Office Equipment Repair/Replacement	\$ 3,000	\$ 2,890	\$ 3,368	112%	\$ 2,300	\$ -	\$ 1,943	84%
OE16 Gate Maintenance & Opener Purchase	\$ 4,000	\$ (210)	\$ 840	21%	\$ 4,000	\$ -	\$ 125	3%
OE17 Street & Main Gate Lighting Maint/Repair	\$ 13,500	\$ 427	\$ 5,227	39%	\$ 13,500	\$ -	\$ 5,516	41%
OE18 Landscape Supplies & Repairs	\$ 21,000	\$ 1,665	\$ 18,072	86%	\$ 21,000	\$ 30	\$ 18,077	86%
OE19 Landscape Equipment Repair/Replacement	\$ 10,000	\$ (93)	\$ 11,284	113%	\$ 16,500	\$ 2,324	\$ 15,783	96%
OE21 Landscape Equipment Gas & Oil	\$ 7,000	\$ -	\$ 2,289	33%	\$ 7,000	\$ 135	\$ 1,150	16%
OE22- Mosquito Control Products	\$ 14,513	\$ 2,910	\$ 5,031	35%	\$ 13,500	\$ 1,466	\$ 4,454	33%
OE22- Mosquito Abatement Monitoring & Testing	\$ 3,000	\$ 153	\$ 1,306	44%	\$ 3,000	\$ 295	\$ 1,105	37%
OE22- Mosquito Abatement Vehicles Gas & Oil	\$ 13,000	\$ 930	\$ 3,733	29%	\$ 13,000	\$ 1,275	\$ 6,595	51%
OE22- Mosquito Abatement Equipment Maintenance	\$ 5,890	\$ 134	\$ 2,756	47%	\$ 5,000	\$ 2,976	\$ 2,976	60%
OE26 County Fees/LAFCO	\$ 6,000	\$ 2,861	\$ 2,952	49%	\$ 6,500	\$ 2,805	\$ 2,805	43%
OE30 Reimbursable Maint/Repair Expense (2)	\$ 10,000	\$ 654	\$ 9,386	94%	\$ -	\$ 1,118	\$ 3,157	-3157%
OE31 Records Management Services	\$ 2,400	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
<b>Total Operational Expenses:</b>	<b>\$ 219,554</b>	<b>\$ 26,781</b>	<b>\$ 111,899</b>	<b>51%</b>	<b>\$ 160,600</b>	<b>\$ 21,695</b>	<b>\$ 89,032</b>	<b>55%</b>
<b>Personnel Expenses</b>								
PE01 Worker Compensation Insurance	\$ 14,241	\$ 16,143	\$ 18,724	131%	\$ 16,000	\$ 2,580	\$ 5,144	32%
PE02 Health Insurance	\$ 60,000	\$ 5,747	\$ 21,348	36%	\$ 58,780	\$ 3,845	\$ 19,996	34%
PE03 Payroll Taxes	\$ 23,972	\$ 1,706	\$ 9,615	40%	\$ 28,000	\$ 1,573	\$ 9,494	34%
PE04 Processing Fees	\$ 1,400	\$ 117	\$ 639	46%	\$ 1,400	\$ 115	\$ 583	42%
PE05 Directors Stipend	\$ 6,000	\$ -	\$ -	0%	\$ 6,000	\$ -	\$ -	0%
PE06 Employee Wages	\$ 264,558	\$ 20,683	\$ 105,462	40%	\$ 310,000	\$ 17,935	\$ 103,375	33%
<b>Total Personnel Expenses:</b>	<b>\$ 370,171</b>	<b>\$ 44,396</b>	<b>\$ 155,788</b>	<b>42%</b>	<b>\$ 420,180</b>	<b>\$ 26,048</b>	<b>\$ 138,592</b>	<b>33%</b>

SADDLE CREEK COMMUNITY SERVICES DISTRICT  
**BUDGET AND PROFIT & LOSS REPORT**  
 May 2015

	Current Year - 2015				Prior Year - 2014			
	Approved BUDGET	CURRENT MONTH	YEAR TO DATE	% of Budget	Adjusted BUDGET	CURRENT MONTH	YEAR TO DATE	% of Budget
<b>Capital Outlay</b>								
CO04 2015 Chevrolet Silverado (2014)					\$ 30,799			
CO04 (2) Workman MDX Cart (2014)					\$ 22,768			
CO04 Workman HD w/Bed (2014)	\$ -				\$ 17,499		\$ -	
<b>Total Capital Outlay:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 71,066</b>	<b>\$ -</b>	<b>\$ -</b>	
 <b>TOTAL EXPENSES</b>	 <b>\$ 589,725</b>	 <b>\$ 71,177</b>	 <b>\$ 267,687</b>	 <b>45%</b>	 <b>\$ 651,846</b>	 <b>\$ 47,743</b>	 <b>\$ 227,624</b>	 <b>35%</b>

<b>INCOME</b>
---------------

**Assessment Income**

Payment No. 1:	\$ 228,910	\$ 228,910	\$ 224,421	\$ 224,421
Payment No. 2:				
Payment No. 3:				
<b>Total Assessment Income</b>	<b>\$ 572,275</b>	<b>\$ 228,910</b>	<b>\$ 228,910</b>	<b>\$ 561,053</b>

(2) Reimbursement Income/Receivable

SDRMA Gate Repairs		\$ 6,723		
SDRMA Gate repairs		\$ 1,472		
G. Hebard - Personal portion Lodging/Meals		\$ 248		
SDRMA - Loss Prevention Allocation	\$ 1,000	\$ 1,000		
Castle & Cooke Tractor/Equipment Repairs	\$ 357	\$ 357	\$ 1,118	\$ 3,156
<b>Total Reimbursement Income</b>	<b>\$ 10,000</b>	<b>\$ 1,357</b>	<b>\$ 9,799</b>	<b>\$ -</b>

**Miscellaneous Income**

Castle & Cooke Weed Abatement	\$ -	\$ -		
Lot Owners Weed Abatement	\$ -	\$ -		
IN03 Lot Owners Gate Openers/Cards			205	\$ 9
IN05 Umpqua Bank CD Interest			90	\$ 44
IN06 Calaveras County Interest Received			284	\$ 154
Various Other Miscellaneous				\$ 1
<b>Total Miscellaneous Income</b>	<b>\$ 8,000</b>	<b>\$ -</b>	<b>\$ 580</b>	<b>\$ 53</b>
<b>TOTAL INCOME</b>	<b>\$ 590,275</b>	<b>\$ 230,267</b>	<b>\$ 239,289</b>	<b>\$ 561,053</b>

<b>Net Income</b>	<b>\$ 550</b>	<b>\$ 159,090</b>	<b>\$ (28,398)</b>	<b>\$ (90,793)</b>	<b>\$ 177,850</b>	<b>\$ 432</b>
-------------------	---------------	-------------------	--------------------	--------------------	-------------------	---------------

**Saddle Creek Comm Srvs District**  
**Check Detail**  
**May 2015**

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Memo/Description</b>	<b>Amount</b>
05/01/2015	1776	Kampa Community Solutions, LLC		\$ (4,750.00)
05/05/2015	1775	California State Disbursement Unit		(118.50)
05/05/2015	DD	DOLORES C BAKER	Pay Period: 04/16/2015-04/30/2015	(402.55)
05/05/2015	DD	Mark A. Dunlop	Pay Period: 04/16/2015-04/30/2015	(1,017.59)
05/05/2015	DD	Gregory Hebard	Pay Period: 04/16/2015-04/30/2015	(2,192.47)
05/05/2015	DD	HERNAN M HERNANDEZ	Pay Period: 04/16/2015-04/30/2015	(1,017.58)
05/05/2015	DD	Ralph M. McGeorge	Pay Period: 04/16/2015-04/30/2015	(1,494.27)
05/05/2015	DD	MICHELE L MENZIES	Pay Period: 04/16/2015-04/30/2015	(104.34)
05/05/2015	DD	BRADLEY D NICKELL	Pay Period: 04/16/2015-04/30/2015	(767.62)
05/05/2015	DD	CODY L PONDER	Pay Period: 04/16/2015-04/30/2015	(972.13)
05/05/2015	DD	PHYLLIS J RICHARDS	Pay Period: 04/16/2015-04/30/2015	(56.52)
05/08/2015		IRS	05/05/2015	(2,932.87)
05/08/2015		CA EDD	05/05/2015	(440.16)
05/18/2015	1778	Arro-Gunn Spray Systems		(400.00)
05/18/2015	1779	CSDA Bank of the West		(622.72)
05/18/2015	1780	SC Fuels	03-0003577	(1,783.07)
05/18/2015	1781	SDRMA-Health Ins.		(5,747.70)
05/18/2015	1782	DOLORES BAKER		(172.66)
05/18/2015	1783	Shelby Masonry		(427.00)
05/18/2015	1784	MLB Visa	4707-1237-4370-0021	(709.73)
05/20/2015	DD	DOLORES C BAKER	Pay Period: 05/01/2015-05/15/2015	(564.74)
05/20/2015	DD	Mark A. Dunlop	Pay Period: 05/01/2015-05/15/2015	(996.53)
05/20/2015	DD	Gregory Hebard	Pay Period: 05/01/2015-05/15/2015	(2,192.47)



**Saddle Creek Comm Srvs District**  
**Check Detail**  
**May 2015**

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Memo/Description</b>	<b>Amount</b>
05/20/2015	DD	HERNAN M HERNANDEZ	Pay Period: 05/01/2015-05/15/2015	(1,017.58)
05/20/2015	DD	Ralph M. McGeorge	Pay Period: 05/01/2015-05/15/2015	(1,494.27)
05/20/2015	DD	MICHELE L MENZIES	Pay Period: 05/01/2015-05/15/2015	(115.64)
05/20/2015	DD	BRADLEY D NICKELL	Pay Period: 05/01/2015-05/15/2015	(1,077.48)
05/20/2015	DD	CODY L PONDER	Pay Period: 05/01/2015-05/15/2015	(972.14)
05/20/2015	1785	California State Disbursement Unit		(118.50)
05/28/2015	CA	EDD	05/22/2015	(457.51)
05/28/2015		IRS USA TAXPMT		(3,066.71)
05/29/2015		PG&E - 7193		(258.15)
				<b>\$ (38,461.20)</b>

Prepared by: D. Baker

Monday, Jun 01, 2015 04:07:17 PM PDT GMT-7

Draft  
SADDLE CREEK COMMUNITY SERVICES DISTRICT  
MINUTES FOR THE MEETING OF THE BOARD OF DIRECTORS  
May 19, 2015

**CA D**

The Saddle Creek Community Services District (CSD) Board of Directors held their monthly meeting on Tuesday May 19, 2015. President Robinson called the meeting to order at 2:00 PM in the Members Lounge and led Directors and staff in the Pledge of Allegiance.

**CA** Roll call indicated the following directors were present:

President:	Charlie Robinson
Vice President:	Sue Russ
Director:	Lawrence Hoffman
Director:	Kent Lazarus
Director:	Kenneth Albertson

Staff: The following staff members were present:  
General Manager/ Peter Kampa  
Treasurer:  
Site Manager: Greg Hebard  
Clerk: Michele Menzies

Public:

**D A ANC**

**C AN S D A NDA**

None suggested.

**C C MM N** None

**C NS N CA NDA** Consent Calendar items are considered routine and will be acted upon by one motion.

- a. Review of monthly financial report and approval of bills and claims for the month of April 2015.
- b. Approval of the minutes of the Regular Board Meeting of April 21, 2015.

M/ by Director Hoffman and S/ by Director Russ to move approval of expenditures incurred by the district during the month of May, and approval of the minutes for the month of May.  
M/ passed unanimously.

**D SS N SS**

- a. GM Kampa reviewed the Calaveras County Water District's new mandatory water conservation regulations, report from the District's Ad-hoc Committee on Median Turf Elimination and consideration of actions to produce adequate water use reduction.

**Ad hoc Committee report** The Committee met before the Board meeting and informed the Board that CSD has cut off water to median turf and it is going to die. There are rose bushes that they are trying to keep alive so they will be watering ever few weeks. The trees will be watered by adjusting existing sprinklers to get water on the tree, but not in the road.

Greg will be putting up signs apologizing for the brown areas and explaining it is due to the current water regulations.

**Recommendation**

GM Kampa has no specific recommended action at this time other than he will seek funding to complete irrigation renovations.

**N S N SS**

- a. Consideration of a Memorandum of Agreement with the Tuolumne County Resource Conservation District and/or Calaveras County Water District for water conservation program assistance such as customer outreach, education, scheduling workshops, coordinating residential water use evaluation services and facilitating community meetings.

**Background**

Saddle Creek community members will undoubtedly be struggling with the requirements to reduce water consumption by 35% and with very little effort on the part of the CSD, it may be possible for us to help facilitate some solutions delivered locally to our residents. GM Kampa assisted in preparation of the water conservation grant scope of work over one year ago, and has had preliminary discussions with both CCWD and the Tuolumne County Resource Conservation District (TCRCD) regarding a formal role for the CSD in delivering local water conservation solutions; and both entities were appreciative of the offer and opportunity to work together during this terrible drought.

The purpose of this agenda item is to discuss the level at which the District is interested in becoming involved in the water conservation effort, and seek direction in the development of memorandum of agreement which will more clearly detail our role.

**Recommendation**

Discussed the District’s role in local water conservation activities. It was the consensus of the Board that with our staffing and funding constraints, that CSD will be willing to help with the outreach program in our community and possibly to assist in facilitating workshops, but being more involved than that would be difficult. Kampa reported that no agreement or MOU is needed for that level of effort.

**S A S**

Site Manager Hebard advised the following:

1. The repair list for the street lights has been prepared and repairs ordered.
2. Construction gate is repaired and working.
3. Front gate has a new receiver and gate clicker.

**D C S S**

President Robinson – None

V/President Russ – None

Secretary Albertson – None

Director Hoffman – HOA is in the process of revising the parking rules and regulations. They are considering allowing Saddle Creek residents to park in their driveway. They may also request CSD to change the rules and not allow parking on the streets.

Director Lazarus – None

**C S D S S S N** Pursuant to California Government Code Section 54956.9 (d)(4) *Conference with Legal Counsel, Anticipated Litigation (one case). Session started at 2:50PM.*

**M C S S D S S S N** – President Robinson returned the meeting to open session at 3:50 PM and reported that the General Manager was directed, as part of our due diligence and in accordance with available administrative processes to continue to work on resolution of issues by directly engaging all parties and writing letters to convey their responsibilities and options. This issue will remain on closed session for the June 2015 meeting.

**AD NM N** – Having no further business, President Lazarus adjourned the meeting at 3:51 PM. CSD’s next board meeting date is June 16, 2015.

---

Peter Kampa, General Manager

**C S D S SS N** Pursuant to California Government Code Section 54956.9  
(d)(4)  
*Conference with Legal Counsel, Anticipated Litigation (one case)*

APPROVED BY:

---

Charlie Robinson, Board President

---

Sue Russ, V/President

SEAL

# Saddle Creek Community Services District

## Regular Meeting of June 16, 2015

### AGENDA SUPPORTING DATA

#### 8. NEW BUSINESS

a. Adoption of a Resolution approving the appropriations limit for the 2015 calendar budget year pursuant to Article XIIIb of the California Constitution

#### **Background:**

Proposition 4, which was co-sponsored by Proposition 13 author Paul Gann and commonly known as the Gann Initiative, was passed by California voters in 1979. It established Article XIII B of the State Constitution and set limits on the growth of most appropriations from tax sources made by the state and affected local governmental entities. Most local governments and districts are subject to the limit. Starting in the 1980-81 fiscal year, Article XIII B limited the annual growth of applicable appropriation levels to calculated percentages, above the previous year's level, based upon regional population growth and the rate of inflation as measured by the lower of the percentage change in the Consumer Price Index, CPI, or California's per capita personal income.

Types of revenue subject to the Article XIII B limit included tax revenues, interest earnings on invested tax revenues, and proceeds from regulatory and service licenses, fees and charges that exceed costs to cover administration and services provided. Appropriations for debt service and compliance with court orders and federal mandates were exempt from the limit. Voters within a jurisdiction were allowed to authorize an increase in the limit; however any increase approved could only be in effect for a maximum of four years. After four years, voters could approve another increase, otherwise the limit would return to the level it would have been without the first increase. The article further specified that tax revenues in excess of the limits were to be returned to taxpayers in the form of lower tax rates or reduced fee schedules.

In 1988 Proposition 98 allowed excess appropriations to be transferred to K-14 schools, up to 4 percent of the schools minimum funding base. Proposition 99, also passed in 1988, increased taxes on cigarette and tobacco products and made these tax revenues exempt from the Article XIII B limit.

More comprehensive changes were implemented in 1990 with the approval of Proposition 111. One of the most significant changes under 111 was to extend the appropriations limit restriction to a two-year period. Excess revenues received in one year could be carried over to the following year, preventing a rebate if the revenues fell below the limit in the second year. The effect was to create a two year average, allowing the State and local entities more flexibility in managing appropriations and expenditures. In addition, Proposition 111 covered a gap in previous legislation that left the State and local governments open to spending limits that could prevent adequate funding of multi-year capital outlays and sufficient response to emergencies such as natural disasters. Subsequently costs associated with recovery from natural disasters and for qualified capital outlays were exempt from the Article VIII B limits.

The net effect of the three propositions was to soften the appropriations limit, adding new exemptions, allowing for a two-year average against the limit and increasing the funding available to schools. However, the State and each affected local governmental entity, must plan and budget against the Gann limit as it remains a binding constraint on governmental appropriations.

#### **Discussion**

## Calculation of 2014-2015 Appropriations Limit:

State law (Sections 7902(b) and 7910 of the Government Code) requires each local government agency to determine during each fiscal year the appropriations limit pursuant to Article XIII-B of the California Constitution applicable during the following fiscal year. The limit must be adopted at a regularly scheduled meeting and the documentation used in determining the limit must be made available for fifteen days prior to such meeting.

Set out below is the methodology proposed to be used to calculate the fiscal year 2014-2015 Appropriations Limit for the District. The limit as set forth below will be considered and adopted at the meeting of the Board of Directors on March 17, 2015

1.	Appropriations Limit for Fiscal Year 2013-2014:	\$1,186,620
2.	**Population Change: January 1, 2010-January 1, 2011	-0.71%
3.	***Per Capita Change: (Personal Income)	-.023%
4.	Fiscal Year 2011-2012 Calculation of factor: (.9929 X .9977)	0.9906%
5.	Fiscal Year 2011-2012 Appropriations Limit \$1,186,620 x 0.9906 = \$1,175,466	\$1,175,466

\*\* The population factor represents an average of the change in the population within the City of Angels Camp and within the unincorporated areas of Calaveras County.

$$\text{Population converted to a ratio: } \frac{-0.79 + 100}{100} = .9929$$

$$\text{*** Per Capita converted to a ratio: } \frac{-0.23 + 100}{100} = .9977$$

### **Fiscal Impact**

The FY 2014-15 operating budget has been prepared in compliance with the Appropriations Limit.

### **Recommendation:**

1. That the Board of Directors accepts the report as submitted.
2. That the Board of Directors approves the Resolution adopting the FY 2014-2015 annual Appropriations Limit.

### **Attachments:**

1. Resolution Adopting FY 2014-2015 Fiscal Year Appropriations Limit Pursuant to Article XIII-B

Respectfully submitted,

PETER KAMPA  
District General Manager



May 2014

Dear Fiscal Officer:

**Subject: Price and Population Information**

**Appropriations Limit**

The California Revenue and Taxation Code, section 2227, mandates the Department of Finance (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, 2014, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2014-15. 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 2014-15 appropriations limit. Attachment B provides city and unincorporated county population percentage change. Attachment C provides 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. Consult the Revenue and Taxation Code section 2228 for further information regarding the appropriations limit. Article XIII B, section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code 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 issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No state agency reviews the local appropriations limits.

**Population Certification**

The population certification program applies only to cities and counties. 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, 2014.**

**Please Note:** Prior year's city population estimates may be revised.

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

MICHAEL COHEN  
Director  
By:

KEELY M. BOSLER  
Chief Deputy 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 2014-15 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2014-15	-0.23 ✓

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2014-15 appropriation limit.

**2014-15:**

Per Capita Cost of Living Change = -0.23 percent  
Population Change = 0.95 percent

Per Capita Cost of Living converted to a ratio:  $\frac{-0.23 + 100}{100} = 0.9977$

Population converted to a ratio:  $\frac{0.95 + 100}{100} = 1.0095$

Calculation of factor for FY 2014-15:  $0.9977 \times 1.0095 = 1.0072$

**Attachment C**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2013 to January 1, 2014**

County	<u>Percent Change</u> 2013-14	<u>Population</u> 1-1-13	<u>Minus</u> Exclusions	<u>1-1-14</u>
<b>Alameda</b>				
Incorporated	1.55	1,403,057		1,424,751
County Total	1.50	1,546,928		1,570,128
<b>Alpine</b>				
Incorporated	0.00	0		0
County Total	0.09	1,078		1,079
<b>Amador</b>				
Incorporated	-1.12	12,179		12,042
County Total	-1.24	33,653		33,236
<b>Butte</b>				
Incorporated	0.72	137,907		138,901
County Total	0.54	221,127		222,316
<b>Calaveras</b>				
Incorporated	-0.80	3,756		3,726
County Total	-0.71 ✓	44,864		44,544
<b>Colusa</b>				
Incorporated	2.32	11,273		11,534
County Total	0.11	21,636		21,660
<b>Contra Costa</b>				
Incorporated	0.93	912,062		920,589
County Total	0.98	1,075,974		1,086,553
<b>Del Norte</b>				
Incorporated	0.56	4,257		4,281
County Total	0.45	25,262		25,376
<b>El Dorado</b>				
Incorporated	0.14	31,890		31,936
County Total	0.21	181,886		182,275
<b>Fresno</b>				
Incorporated	1.25	780,318		790,084
County Total	1.16	947,737		958,759

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

Saddle Creek CSD  
**Gann Limit**  
 6/30/1996-6/30/15

	County Total	County Total	Uninc.	Uninc.	Uninc.	Uninc.	Uninc.	Uninc.	Uninc.
		Uninc.							
Date: 10/24/2014								kfr	kfr
Preparer: NMD/KFR					-2.54%	2.51%	3.77%	5.12%	-0.23%
					-0.15%	0.23%	-0.49%	-0.64%	-0.71%
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Per Capita Change	1.0396	1.0442	1.0429	1.0062	0.9746	1.0251	1.0377	1.0512	0.9977
Population Change	1.0138	1.0089	1.0062	1.0023	0.9985	1.0023	0.9951	0.9936	0.9929
Calc for Growth Rate	1.0539	1.0535	1.0494	1.0085	0.9731	1.0275	1.0326	1.0445	0.9906
Prior Year Limit	936,411	986,927	1,039,721	1,091,048	1,100,338	1,070,781	1,100,182	1,136,065	1,186,620
Calculation Factor	1.0539	1.0535	1.0494	1.0085	0.9731	1.0275	1.0326	1.0445	0.9906
Current Year Limit	986,927	1,039,721	1,091,048	1,100,338	1,070,781	1,100,182	1,136,065	1,186,620	1,175,466

**RESOLUTION #15-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SADDLE CREEK  
COMMUNITY SERVICES DISTRICT ADOPTING CALENDAR YEAR 2015  
APPROPRIATIONS LIMIT PURSUANT TO ARTICLE XIII-B**

WHEREAS, in November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and,

WHEREAS, the provisions of that Article establish maximum appropriation limitations, commonly called "Gann Limits," for public agencies, including school districts; and,

WHEREAS, the District must establish a revised Gann limit for the 2015 calendar year in accordance with the provisions of Article XIII-B and applicable statutory law;

NOW, THEREFORE, BE IT RESOLVED that this Board does provide public notice that the attached calculations and documentation of the Gann limits for the 2015 fiscal year are made in accord with applicable constitutional and statutory law;

AND BE IT FURTHER RESOLVED that this Board does hereby declare that the appropriations in the Budget for the 2015 do not exceed the limitations imposed by Proposition 4;

AND BE IT FURTHER RESOLVED that the General Manager provide copies of this resolution along with the appropriate attachments to interested citizens of this district.

THE FOREGOING RESOLUTION was introduced at a regular meeting of the Saddle Creek Community Services District held on June 16, 2015 and was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

---

Charlie Robinson, President  
Board of Directors

---

Michele Menzies, Board Secretary

# Saddle Creek Community Services District

## Regular Meeting of June 16, 2015

### AGENDA SUPPORTING DATA

- 8 b.** Adoption of a Resolution establishing the 2015/2016 fiscal year Special Tax rate for collection by the Calaveras County Auditor/Controller.

#### **Background**

Each year, the District's primary funding source, a special tax levied on all parcels in the District is placed on the Calaveras County Tax Rolls for collection with the ad valorem property taxes. This funding, once received by the County, is then paid to the District in (typically) two lump sum payments. When the Special Tax was drafted and approved by the Board and District voters in 2001, there were provisions for the tax to increase automatically each year by the CPI, unless the Board took action to not increase the tax for the year, or to implement a lower rate of increase.

In history, the District has increased the Special Tax each year approximately 2%. 560 parcels are assessed and staff recommends a 2% increase from the current \$1021.92 to \$1042.36. The 2015 budget was developed based on the estimated 2% increase.

#### **Recommended Motion**

I move to approve Resolution 2015-\_\_\_, establishing the 2015/2016 fiscal year Special Tax rate for collection by the Calaveras County Auditor/Controller.

**RESOLUTION #15-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SADDLE CREEK  
COMMUNITY SERVICES DISTRICT ADOPTING THE SPECIAL TAX RATE TO BE  
CHARGED FOR THE 2015/16 FISCAL YEAR**

WHEREAS, The District levies a Special Tax on all parcels of land in Saddle Creek as approved by the voters in 2001; and,

WHEREAS, the Special Tax roll is provided to the Calaveras County Tax Collector to be applied to and collected with the Ad Valorem Property taxes levied by the County; and,

WHEREAS, when approved, the Special Tax was approved by the voters to increase by the increase in Consumer Price Index to cover the increased cost of providing services;

NOW, THEREFORE, BE IT RESOLVED that this Board of Directors of the Saddle Creek Community Services District does hereby authorize a 2% increase in the Special Tax levy from the 2014/15 Fiscal Year to the 2015/16 Fiscal Year.

AND BE IT FURTHER RESOLVED that this Board does hereby declare that said increase in the Special Tax rate is authorized by the vote of the people in Saddle Creek;

AND BE IT FURTHER RESOLVED that the General Manager is directed to prepare the Special Tax rolls for the 2015/16 Fiscal Year to include the 2% increase and file such rolls with the County Tax Collector.

THE FOREGOING RESOLUTION was introduced at a regular meeting of the Saddle Creek Community Services District held on June 16, 2015 and was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

---

Charlie Robinson, President  
Board of Directors

---

Michele Menzies, Board Secretary