

RESOLUTION 2026-###

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING THE ANNUAL APPROPRIATIONS (GANN) LIMIT FOR FISCAL YEAR 2026-27

WHEREAS, Article XIII B of the California Constitution enacted with the passage of Proposition 4 in 1979, with modifications under Proposition 111, passed by the voters of California in June 1990, and implemented by California Government Code Sections 7900 et seq., specifies appropriations of governmental entities may increase by an amount not to exceed the change in population and the change in either the California per capita income or the change in non-residential assessed valuation due to new construction within the City;

WHEREAS, the Appropriation Limit is based on actual appropriations during the 1978-79 Fiscal Year, as increased each year using specified population and inflationary growth factors. The original legislation implementing the provisions of Article XIII B became effective January 1, 1981;

WHEREAS, Section 7910 of the California Government Code requires a governing body to annually adopt by resolution an Appropriations (Gann) Limit for the upcoming fiscal year, and provides that the determinations made pursuant to that section are legislative acts;

WHEREAS, documentation used in the determination of the FY 2026-27 appropriations limit has been available to the public for at least fifteen (15) days before the City Council's determination in this matter, as required by Government Code Section 7910(a);

WHEREAS, according to the State of California Department of Finance, the change in the cost of living or per capita personal income during 2026-27 was 4.95%, the change in the City of San Pablo population was a decrease of 0.62%, and the change in the Contra Costa County population was a decrease of 0.31%. According to property tax records, the change in nonresidential new construction in San Pablo was an increase of 0.55%. These specified factors are used to calculate the appropriations limit of \$70,601,394 as reflected in Exhibit A for the FY 2026-27. The calculation of the appropriation limit applies only to expenditures funded by "proceeds of taxes" as defined by the California Constitution, which includes revenues such as property taxes, sales taxes, utility user taxes, state subventions (e.g. motor vehicle in-lieu), mandated costs reimbursements, etc. Certain types of revenues such as user fees or regulatory fees are also excluded from the Appropriation Limit, as are other specific expenditure types, including some debt service costs, qualified capital outlay, contractual payments including revenues received under section 7.1 of the Municipal Services Agreement with the Lytton Band of Pomo Indians, and certain types of leases;

WHEREAS, the City's total FY 2026-27 proposed budgeted revenues subject to the appropriations limit are \$19,578,166, which is well below the calculated limit of

\$70,601,394, such that the City will not be impacted by the Gann Limit in the next fiscal year nor in the foreseeable future as evidenced by a five-year trend analysis; and

WHEREAS, the Proposed FY 2026-27 Gann Appropriations Limit Report was reviewed by the Budget, Fiscal & Legislative Standing Committee on June 10, 2026, and is presented for adoption at a duly noticed meeting of the City Council held in compliance with the Ralph M. Brown Act, for approval and adoption before June 30, 2026.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo hereby elects to use the change in California per capita personal income of 4.95% and the Contra Costa County population change of -0.31% for calculating the appropriations limit, and establishes the limit for Fiscal Year 2026-27 in the amount of \$70,601,394;

BE IT FURTHER RESOLVED that, pursuant to Government Code Section 7910(b), any judicial action or proceeding to attack, review, set aside, void, or annul this determination shall be commenced within forty-five (45) days of the effective date of this Resolution; and

BE IT FURTHER RESOLVED that the foregoing recitations are true and correct and are included herein by reference as findings.

* * * * *

Adopted this 15th day of June, 2026, by the following votes:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

ATTEST:

APPROVED:

Dorothy Gantt, City Clerk

Elizabeth Pabon-Alvarado, Mayor