

RESOLUTION 2025-074

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO ESTABLISHING THE ANNUAL APPROPRIATIONS (GANN) LIMIT FOR FISCAL YEAR 2025-26

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 when the budget is adopted;

WHEREAS, documentation used in the determination of the FY 2025-26 appropriations limit has been available to the public for 15 days before City Council's determination in this matter, as required by Government Code Section 7910;

WHEREAS, according to the State of California Department of Finance, change in the cost of living or per capita personal income during 2025-26 was 6.44%, change in the City of San Pablo population increased by 0.20%, and there was no change in the Contra Costa County population. According to property tax records, the change in non-residential new construction in San Pablo was an increase of 8.32%. These specified factors are used to calculate the appropriations limit of \$68,692,874 as reflected in Exhibit A for the FY 2025-26. 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 2025-26 proposed budgeted revenues subject to the appropriations limit are \$18,203,122, which is well below the calculated limit of \$68,692,874, 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, due to budget operational deadlines and preparation of the Two-Year Biennial General Fund Operational & Capital Improvement Program Budget process during May 2024, the City Manager was not able to schedule a preview of the Proposed FY 2025-26 Gann Appropriations Limit Report with the Budget, Fiscal & Legislative Standing Committee; and therefore, the subject report has been prepared for full review by the City Council for subsequent approval and adoption before June 30, 2025.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo hereby elects to use the San Pablo percentage change in new non-residential construction factor of 8.32% and the City population change of 0.20% for calculating the appropriations and to establish said limit for Fiscal Year 2025-26 in the amount of \$68,692,874, while acknowledging the public challenge period of 60 days which ends on August 7, 2024; and

BE IT FURTHER RESOLVED that the foregoing recitations are true and correct and are included herein by reference as findings (Exhibit A for the annual calculations, and Exhibit B for the historical table).

* * * * *

ADOPTED this 2nd day of June 2025 by the following votes:

AYES:	COUNCILMEMBERS:	Pineda, Xavier, Pabon-Alvarado
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	Ponce, Cruz
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:

APPROVED:

/s/ Dorothy Gantt
Dorothy Gantt, City Clerk

/s/ Elizabeth Pabon-Alvarado
Elizabeth Pabon-Alvarado, Vice Mayor

Exhibit A

Appropriations Limit				
City	San Pablo		FY	2025-26
		Amount	Source	
a)	Prior Year Appropriations Limit	62,173,149	Prior year schedules	
b)	Adjustment Factors	percent	ratio	
1)	Population Change	2.00%	1.020	Price Factor and Population page 9
		Population in city or county?	City	
2)	Cost of Living	8.32%	1.083	Price Factor and Population page 2
		State CPI or % New non-residential?	% New non-residential	
3)	Combined adjustment factor		1.105	b1 * b2
c)	Appropriations Limit - Current Year		68,692,874	a * b3

Appropriations Subject to Limitation				
City	San Pablo		FY	2025-26
		Amount	Source	
a)	Proceeds of Taxes - Revenue Source			Adopted Budget
	Business License Tax	375,000		
	Interest Earnings	216,707		
	Other Revenue	-		
	Other Taxes	1,976,275		
	Property Tax	1,790,500		
	Property Tax in lieu of Motor Vehicle License Fee	3,754,665		
	Real Property Transfer Tax or Documentary Sales Tax	50,000		
		6,401,225		
	Transient Occupancy Tax	563,750		
	Utility User Tax	3,075,000		
b)	Appropriations Subject to Limitation	18,203,122		a) Sub-Total
c)	Appropriations Limit (current year)	68,692,874		
d)	Under (Over) Limit	50,489,752		c-b

Exhibit B

Historical Gann Appropriations Limit Table			
	Old Limit	Factor	New Limit
2016/2017 Appropriation Limit	\$37,361,705	1.066	\$39,808,951
2017/2018 Appropriation Limit	\$39,808,951	1.049	\$41,744,341
2018/2019 Appropriation Limit	\$41,744,341	1.046	\$43,657,190
2019/2020 Appropriation Limit	\$43,657,190	1.046	\$45,655,358
2020/2021 Appropriation Limit	\$45,655,358	1.040	\$47,481,435
2021/2022 Appropriation Limit	\$47,481,435	1.061	\$50,377,828
2022/2023 Appropriation Limit	\$50,377,828	1.071	\$53,959,210
2023/2024 Appropriation Limit	\$53,959,210	1.041	\$56,152,121
2024/2025 Appropriation Limit	\$56,152,121	1.107	\$62,173,149
2025/2026 Appropriation Limit	\$62,173,149	1.105	\$68,692,874