CITY COUNCIL AGENDA REPORT

CITY HALL

CITY OF SONORA 94 N. WASHINGTON STREET, SONORA, CA 95370 P: (209) 532-4541

SERVICE, INNOVATION, INTEGRITY, COLLABORATION, RESPECT, LEADERSHIP

DATE: June 15, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Chris Gorsky, City Administrator

SUBJECT: Adopt Resolution No. 06-15-2026-B Establishing the FY26/27 GANN Appropriations Limit for the City of Sonora

RECOMMENDATION:

Adopt Resolution No. 06-15-2026-B Establishing the FY2026/27 GANN Appropriations Limit for the City of Sonora.

BACKGROUND:

On November 6, 1979, California voters approved Proposition 4, commonly known as the Gann Spending Limitation Initiative, establishing Article XIIIB of the California State Constitution. This proposition, which became effective in FY 1980/81, mandated an appropriations (spending) limit on the amount of tax proceeds that the State and most local government jurisdictions may appropriate within a fiscal year.

Charges for services, fees, grants, loans, donations, and other non-tax proceeds are excluded. Exemptions are also made for voter-approved debt prior to January 1, 1979 and the cost of court-related or Federal government mandates.

The initiative was later modified by two propositions - Proposition 98 in 1988 and Proposition 111 in 1990. Proposition 98 established the return of tax revenues exceeding appropriation limit levels to the State or citizens through a process of refunds, rebates, or other means. Proposition 111 allowed more flexibility in the appropriation calculation factors.

DISCUSSION / ANALYSIS:

Attached for Council consideration is a resolution establishing an appropriations limit for FY 2026/27. The City may select either the percentage change in California per capita personal income or the percentage change in the local assessment role due to the addition of local non-resident new construction. This City has elected to use the change in California per capita income of 4.95%.

In addition, the City may elect to use either the Department of Finance's annual population percentage change for the City or for the entire County. This year the City's percentage increase of .51% will be used rather than the County's percentage decrease of (.27%). Local jurisdictions are allowed to choose whichever factors are most beneficial for them each year.

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The Calculation of the FY26/27 Gann Appropriations Limit is as follows:

FY 2026/27 Calculation

% Change in California per capita personal income		% Increase in City Population		Appropriation Factor		2025/26 Appropriations Limit		2026/27 Appropriations Limit
4.95%	X	0.51%	=	1.0549	X	$ 59,111,075	=	$ 62,356,273

FISCAL IMPACT:
The City's FY2026/27 appropriations funded by tax revenues are within the required GANN Limit.

ATTACHMENTS:

- Resolution No. 06-15-2026-B Establishing the FY2026/27 Appropriations Limit for the City of Sonora.
- California Department of Finance: Price Factor and Population Information

CORE COUNCIL PRIORITIES:

Fiscal Responsibility and Stability, Infrastructure and Engineering, Public Safety and Disaster Preparedness, Economic Development/Growth and General Plan, Homelessness Issues, Staffing - Salary, Benefits, Training, and Retention