Item: 10.

MOORPARK CITY COUNCIL
AGENDA REPORT

TO: **Honorable City Council**

FROM: **Gilbert Punsalan, Budget and Finance Manager**

DATE: **06/17/2026 Regular Meeting**

SUBJECT: **Consider Resolution Establishing the Appropriation Limitation for Fiscal Year 2026/27 for the City of Moorpark at $56,347,767**

BACKGROUND

The Gann Spending Limitation Initiative (Proposition 4) was approved by the voters of California on the November 1979 special ballot election. This Proposition created Article XIII B of the State Constitution, which sets forth the calculation of State and local jurisdictions' annual appropriations limit on monies that can be spent from tax revenues. Each year, the governing body of the local agency must establish the appropriations limit, by resolution, before the beginning of the following fiscal year. The goal of Proposition 4 was to keep State and local government spending capped at 1978-79 levels, adjusted for changes in population and inflation. Under Proposition 4, if a city ends the fiscal year having exceeded its appropriation limit (aka Gann limit), it must return the excess to taxpayers within two years.

Initially, the appropriations limit was adjusted annually by: (1) the population change of each local agency in the preceding year (the population factor) and (2) the lesser of the Consumer Price Index (CPI) or the change in California per capita income from the preceding year (inflation or growth factor). Proposition 111, adopted in June 1990, allowed for adjustments to this methodology. For the population factor, the entity can select the greater of population change within the City or County. For the growth or inflation factor, local agencies may select the greater of growth in California per capita income, or growth in the local assessment valuation due to non-residential new construction.

DISCUSSION

In May of 2026, the California State Department of Finance (DOF) notified the local jurisdictions of the population and price data for use in the appropriations limit calculation for Fiscal Year (FY) 2026/27. Based on said documentation from the DOF, the percentage change in population for the City of Moorpark is -1.19%, while the Ventura

County percentage change is -0.68%. The preceding year's percentage change in per capita personal income is 4.95%. Information regarding the change in local assessment valuation in non-residential new construction of 0.00% was provided by the City's property tax consultants, HDL Coren & Cone, whose original source is the Ventura County Tax Assessor.

The City elected to use the percentage change in population for the County of Ventura (-0.68%) and the percentage change in per capita personal income (4.95%) in adjusting the prior year's appropriations limit of $54,057,700. Accordingly, the City of Moorpark's Gann limitation for FY 2026/27 is $56,347,767. Per the Budget for Adoption, the budgeted appropriations subject to the limitation are $22,080,750. The City is $34,267,018, or 60.8%, under the limit. Therefore, the City's proposed appropriations for FY 2026/27 are significantly below the mandated limits. With such a sizable margin, the provisions related to the return of taxes will not apply to the City.

ENVIRONMENTAL DETERMINATION

This action is exempt from the California Environmental Quality Act (CEQA) as it does not constitute a project, as defined by Section 15378 of the State CEQA Guidelines. Therefore, no environmental review is required.

FISCAL IMPACT

There is no fiscal impact related to the establishment of the FY 2026/27 Gann appropriations limit.

COUNCIL GOAL COMPLIANCE

This action does not support a current strategic directive.

STAFF RECOMMENDATION (ROLL CALL VOTE REQUIRED)

Adopt Resolution No. 2026-____ establishing the FY 2026/27 appropriations limit at $56,347,767.

Attachment 1: Draft Resolution No. 2026-____
Attachment 2: Appropriation Limit Calculation

ATTACHMENT 1

RESOLUTION NO. 2026-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, ESTABLISHING THE CITY'S APPROPRIATION LIMITATION FOR FISCAL YEAR 2026/27

WHEREAS, Article XIII B of the Constitution of the State of California establishes and defines annual appropriations limits for state and local government entities; and

WHEREAS, Government Code Section 7910 requires that the governing body of each local government establishes its annual appropriations limitation by resolution at a public meeting; and

WHEREAS, the required computation to determine the City of Moorpark's appropriation limit for FY 2026/27 has been performed by the Finance Department in accordance with the California State Constitution and applicable sections of the Government Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The appropriations limitation for the City of Moorpark for Fiscal Year 2026/27 is hereby determined to be $56,347,767.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original Resolutions.

PASSED AND ADOPTED this 17th day of June 2026.

_____
Chris R. Enegren, Mayor

ATTEST:

_____
Ky Spangler, City Clerk

ATTACHMENT 2

CITY OF MOORPARK

Gann Appropriation Limit Calculation

Article XIII B of the California State Constitution, commonly referred to as the Gann Initiative or Gann Appropriations Limit, was adopted by California voters in 1979 and placed limits on the amount of proceeds of taxes that State and local agencies can appropriate and spend each fiscal year.

The limit is different for every agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978/79, modified for changes in inflation and population since that time. Inflationary adjustments are based on increases in the California per capita income or the increase in non-residential assessed valuation due to new construction. An adjustment is also made based on changes in Moorpark's population or the County's population.

At incorporation in FY 1983/84, the Local Agency Formation Commission (LAFCO) determined that the initial appropriation limit for the City of Moorpark was $900,000. The limit was annually adjusted as prescribed by law. However, by FY 1988/89, it became evident that the appropriation limit was set too low, and the City had more revenues that could fund certain levels of service and/or capital improvement projects. Increases in a City's Gann Limit may be achieved by a simple majority of the voters. Thus, on June 7, 1988, the voters approved Measure "C", which increased the City's appropriation limit for the four-year period beginning FY 1986/87 through FY 1989/90 by the amount of proceeds of taxes collected in excess of said limit for each year mentioned.

Subsequently in June 1993, the City reviewed the original incorporation study and found that the LAFCO's assumptions of revenues, which were the basis for setting the initial appropriation limit of $900,000, were erroneous. A public hearing was held to gather information and testimony regarding the correction of the initial limit. By Resolution No. 1993-953, the FY 1983/84 appropriation limit was corrected based on actual revenues of the City from $900,000 to $2,400,000. The City Council subsequently authorized the filing of a validation action with the Superior Court. On November 22, 1994 (Case No. CIV 147270) the Superior Court of the State of California for the County of Ventura set the City's appropriation limit at $2,400,000. The subsequent years' appropriation limits were adjusted accordingly.

For FY 2026/27, the estimated tax proceeds appropriated by the Moorpark City Council are significantly under the limit established by the Gann Initiative. The adjusted Appropriation Limit for FY 2026/27 is $56,347,767. This is the maximum amount of tax proceeds the City can appropriate and spend in FY 2026/27. The budgeted appropriation subject to the limit is projected at $22,080,750, leaving the City with a remaining appropriations capacity of $34,267,018.

Section 7910 of the State Government Code requires the governing body to annually adopt, by resolution, an Appropriations Limit for the upcoming fiscal year.

Shown below is the calculation of the Appropriations Limit for the FY 2026/27 Fiscal Year.

CALCULATION OF FY 2026-2027 LIMIT

Appropriations limit for FYE June 30, 2026:		$	54,057,700
Adjustment Factors: .			
Population Factor:	0.9932		
Growth/Inflation Factor:	1.0495		
Population Factor*Growth/Inflation Factor:			1.0423634
Appropriations limit for FYE June 30, 2027:		$	56,347,767

Shown on the following page is a table of the City's annual historical calculations under the Gann Appropriations Limit.

HISTORY OF LIMIT CALCULATION

	Population City/County		Price or Non-Residential New Construction			
Fiscal Year	Basis	Factor	Basis	Factor	Growth Factor	Appropriation Limit
1996-97	County	0.95	Per Capita Income	5.21	1.0621	$10,255,730
1997-98	City	2.58	Per Capita Income	4.67	1.0737	$11,011,629
1998-99	City	2.72	Per Capita Income	4.15	1.0698	$11,780,241
1999-00	City	0.64	Per Capita Income	4.56	1.0523	$12,392,814
2000-01	City	0.07	Per Capita Income	4.91	1.0498	$13,010,402
2001-02	City	1.37	Per Capita Income	7.82	1.0930	$14,219,997
2002-03	City	4.19	Per Capita Income	-1.27	1.0287	$14,627,654
2003-04	City	4.21	Non-residential new construction	9.23	1.1383	$16,650,451
2004-05	County	1.73	Per Capita Income	3.28	1.0507	$17,494,629
2005-06	City	2.66	Per Capita Income	5.26	1.0806	$18,904,696
2006-07	City	0.24	Per Capita Income	3.96	1.0421	$19,700,584
2007-08	City	1.05	Per Capita Income	4.42	1.0552	$20,788,056
2008-09	City	2.13	Non-residential new construction	4.51	1.0674	$22,189,171
2009-10	City	1.27	Non-residential new construction	16.59	1.1807	$26,198,908
2010-11	City	1.42	Per Capita Income	-2.54	0.9884	$25,896,031
2011-12	City	0.93	Per Capita Income	2.51	1.0346	$26,792,899
2012-13	County	0.61	Per Capita Income	3.77	1.0440	$27,972,590
2013-14	County	0.73	Per Capita Income	5.12	1.0589	$29,619,442
2014-15	County	0.79	Non-residential new construction	5.72	1.0656	$31,561,052
2015-16	City	1.62	Per Capita Income	3.82	1.0550	$33,297,504
2016-17	City	1.81	Per Capita Income	5.37	1.0728	$35,720,629
2017-18	City	0.82	Per Capita Income	3.69	1.0454	$37,342,438
2018-19	City	0.98	Per Capita Income	3.67	1.0469	$39,092,292
2019-20	City	0.52	Per Capita Income	3.85	1.0439	$40,808,451
2020-21	County	-0.38	Per Capita Income	3.73	1.0334	$42,169,750
2021-22	County	-0.70	Per Capita Income	5.73	1.0499	$44,273,974
2022-23	County	-0.64	Per Capita Income	7.55	1.0686	$47,311,912
2023-24	City	-0.65	Per Capita Income	4.44	1.0376	$49,091,380
2024-25	County	-0.23	Per Capita Income	3.62	1.0338	$50,751,490
2025-26	County	0.07	Per Capita Income	6.44	1.0651	$54,057,700
2026-27	County	-0.68	Per Capita Income	4.95	1.0424	$56,347,767