



Folsom City Council Staff Report

MEETING DATE:	6/23/2026
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11655 – A Resolution Electing the Population and Inflation Factors and Establishing the Fiscal Year 2026-27 Appropriations Limit
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

It is recommended that the City Council adopt Resolution No. 11655 – A Resolution Electing the Population and Inflation Factors and Establishing the Fiscal Year 2026-27 Appropriations Limit.

BACKGROUND / ISSUE

The Gann Spending Limitation Initiative (Article XIII B of the State Constitution) adopted as Proposition 4 in June 1979 (and subsequently modified by Proposition 111 in June 1990), requires the City to annually adopt a resolution setting an appropriations limit for the upcoming fiscal year. The Gann Spending Limitation was intended to provide citizen control of government spending and taxation.

The appropriations limit establishes the maximum amount of tax proceeds that may be appropriated each fiscal year. The appropriations limit is adjusted annually based on population and inflation factors provided by the California Department of Finance.

POLICY / RULE

California Government Code, Section 7910 (a) provides that “each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit and make other necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution at a regularly scheduled meeting or noticed special meeting....”

California Constitution, Article XIII B, Sec. 1 states: “The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article.

ANALYSIS

Information from the California Department of Finance regarding population and per capita personal income has now been received and the calculation for the Gann Spending Limitation is attached. Establishment of the Fiscal Year 2026-27 Appropriations Limit (“Gann Limit”) is necessary to comply with Article XIII B of the California Constitution.

The Gann Limit restricts the amount of revenue classified as proceeds of taxes that may be appropriated in any fiscal year by a government entity. Certain appropriations are excluded from the limitation, including transfers, capital outlay expenditures, and debt service payments.

The formula for calculating the appropriations limit is based upon Fiscal Year 1978-79 “base year” revenues.

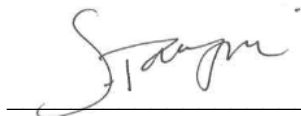
The appropriations limit is adjusted annually based upon the percentage change in California per capita personal income (4.95%) and the percentage change in population (2.47%). The California Department of Finance estimated the total population for the City of Folsom as of January 1, 2026, at 95,680 and, after deducting prison population, estimated the population at 90,825.

The maximum allowable appropriations subject to limitation for Fiscal Year 2026-27 is \$165,472,587. Based on the Fiscal Year 2026-27 Operating Budget and Capital Improvement Plan adopted by the City Council on June 9, 2026, and after applicable exclusions, appropriations subject to the limitation total \$95,751,312, which is \$69,721,275 below the allowable limit.

ATTACHMENTS

1. Resolution No. 11655 – A Resolution Electing the Population and Inflation Factors and Establishing the Fiscal Year 2026-27 Appropriations Limit
2. Gann Appropriations Limit for Fiscal Year 2026-27

Submitted,



Stacey Tamagni, Finance Director/CFO

Attachment 1

RESOLUTION NO. 11655

**A RESOLUTION ELECTING THE POPULATION AND INFLATION FACTORS AND
ESTABLISHING THE FISCAL YEAR 2026-27 APPROPRIATIONS LIMIT**

WHEREAS, Government Code Section 7910 requires the City Council to establish its appropriations limit by resolution and approve the inflation and population factors used in the calculation of the limit; and

WHEREAS, the California Department of Finance has provided the population and inflation factors applicable to the Fiscal Year 2026-27 appropriations limit calculation; and

WHEREAS, the Fiscal Year 2026-27 Operating Budget and Capital Improvement Plan includes appropriations subject to limitation that have been calculated using the City population growth factor of 2.47% and the California per capita personal income change factor of 4.95%, as determined by the State of California Department of Finance; and

WHEREAS, the documentation used in the determination of the appropriations limit has been available to the public in the City Clerk's Office for fifteen days prior to the meeting; and

WHEREAS, the City of Folsom's appropriations limit for the Fiscal Year 2026-27 is calculated to be \$165,472,587.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom hereby approves and establishes the Fiscal Year 2026-27 Gann Appropriations Limit in the amount of \$165,472,587.

PASSED AND ADOPTED this 23rd day of June 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSTAIN: Councilmember(s):
ABSENT: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

Gann Appropriations Limit for Fiscal Year 2026-27

RESOURCES

PROCEEDS OF TAXES

Property Taxes	\$ 49,194,001
Sales Taxes	28,272,696
Special Taxes	4,710,000
State Subventions	11,762,085
Franchise Taxes	408,400
Business Licenses	903,475

TOTAL PROCEEDS OF TAXES

\$ 95,250,657

Interest Income

500,655

TOTAL SUBJECT TO LIMITATIONS

\$ 95,751,312

NON-PROCEEDS OF TAXES

TOTAL NON-PROCEEDS OF ALL TAXES

186,179,475

TOTAL ALL RESOURCES

\$ 281,930,787

APPROPRIATIONS

SUBJECT TO LIMITATIONS:

\$ 27,912,652

20,685,257

23,967,595

62,156,303

27,886,639

23,571,029

-

186,179,475

\$ 281,930,787

General Fund not financed
with proceeds of taxes
Special Revenue Funds
Capital Project Funds
Enterprise Funds
Internal Service Funds
Trust Funds
Miscellaneous General Funds

Maximum allowable appropriation subject to limitations 2026-2027 fiscal year

\$165,472,587

Less: Total appropriation subject to limitation for 2026-2027 fiscal year

(95,751,312)

BALANCE UNDER ARTICLE XIIB LIMIT:

\$ 69,721,275