



Office of the City Manager

CONSENT CALENDAR

June 30, 2026

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Henry Oyekanmi, Director, Finance Department

Subject: Appropriations Limit for FY 2027

RECOMMENDATION

Adopt a Resolution establishing the appropriations limit at \$420,156,522 for FY 2027 pursuant to Article XIII B of the Constitution of the State of California based on the calculations for the appropriations limit.

FISCAL IMPACTS OF RECOMMENDATION

The amount of appropriations subject to the limit are budgeted proceeds of taxes (e.g., all taxes levied; transfers from an enterprise fund to the extent those transfers exceed the cost of providing the services; discretionary state subventions; interest earned from the investment of proceeds of taxes, etc.), and the total of these budgeted revenues cannot exceed the total appropriations limit. The City's actual appropriations in each fiscal year have been significantly below the limit, as they will be for FY 2027. Thus, there are no present financial implications for establishing the limit.

CURRENT SITUATION AND ITS EFFECTS

Each year in June, concurrent with the adoption of the budget, Council must approve an appropriations limit for the following fiscal year pursuant to the State constitution. This resolution adopts the appropriations limit for FY 2027 at \$420,156,522. The excess of the appropriations limit over appropriations is \$64,042,244 for FY 2027 based on the proposed budget appropriations for FY 2027.

The Finance Department has compiled the data and made calculations to determine the FY 2027 appropriations limit. The documentation of determination, upon adoption and promulgation of the attached draft resolution, has been available for review by the public in the Office of the City Clerk. Exhibits A and B attached hereto provide the required documentation. Exhibit A is a summary of the appropriations limit determination, the amount of appropriations subject to the limit, and the excess of the appropriations limit over appropriations. Exhibit B provides details of the appropriations limit calculations.

The Council action will set the FY 2027 appropriations subject to the limitations of Article XIII B of the Constitution of the State of California, which may not exceed the

amounts calculated by the City's Finance Department. These calculations were filed with the City Clerk at least 15 days prior to June 30, 2026.

BACKGROUND

In November 1989, the voters of the State of California approved Proposition 4, commonly known as the (Paul) Gann Initiative, and added Article XIIB of the State's Constitution. In June 1990, this Article was modified by the passing of Proposition 111. These propositions placed various limitations on the fiscal powers of state and local government.

Senate Bill 1352 requires that: 1) the governing body of each local jurisdiction shall establish by legislative action its appropriations limit at a regularly scheduled meeting or noticed special meeting; and 2) 15 days prior to such meeting, give notice that documentation used to determine the appropriations limit shall be made available to the public.

The Council action will set the FY 2027 appropriations subject to the limitations of Article XIIB of the Constitution of the State of California, which may not exceed the amounts calculated by the City's Finance Department. These calculations were filed with the City Clerk 15 days prior to June 30, 2026.

RATIONALE FOR RECOMMENDATION

This is a state law.

ALTERNATIVE ACTIONS CONSIDERED

None

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental effects or opportunities associated with the subject of this report.

CONTACT PERSON

Henry Oyekanmi, Director, Finance Department, 981-7301

Attachments:

1: Resolution

Exhibit A: GANN Appropriation Limit FY 2027

Exhibit B: Schedule to Calculate Appropriation Limitation FY 2027

RESOLUTION NO. ##,###-N.S.

ESTABLISHING AN APPROPRIATIONS LIMIT FOR FY 2027

WHEREAS, on November 6, 1979, the citizens of the State of California approved Proposition 4, which added Article XIII B to the Constitution of the State of California to place various limitations on the fiscal powers of State and local government; and

WHEREAS, on June 5, 1990, the citizens of the State of California approved Proposition 111 which provided new Proposition 111 adjustment formulas; and

WHEREAS, Senate Bill 1352, enacted by the Legislature of the State of California, provides for the implementation of Article XIII by defining various terms in this article; and

WHEREAS, pursuant to the requirements of Senate Bill 1352, the City Council, on June 9, 2026 adopted a Resolution which gave notice, as required by law, that the City Council would establish the City of Berkeley appropriations limit for FY 2027 by a Resolution of the City Council on June 30, 2026.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley, that the Council, pursuant to the requirements and criteria set forth in Senate Bill 1352, does hereby establish the appropriations limit at \$420,156,522 for FY 2027 for the City of Berkeley as documented in Exhibits A and B attached hereto and incorporated herein by reference as though fully set forth.

Exhibits:

A: GANN Appropriation Limit FY 2027

B: Schedule to Calculate Appropriation Limitation FY 2027

EXHIBIT A

**CITY OF BERKELEY
GANN APPROPRIATION LIMITATION FOR FY 2027
(Based on the FY 2027 Proposed Budget)**

FY 2026 Gann Appropriation Limit of \$305,645,198 (before Special Taxes Added), Adjusted for Growth Factor of 1.0484 (See Exhibit B)	\$	320,438,426
ADD BACK:		
Library Tax		29,463,772
Emergency Medical Services Special Tax		4,149,151
Park Maintenance, City Trees and Landscaping Special Tax		23,463,242
Emergency Services for Severely Disabled Tax		1,972,678
Fire Protection and Emergency Response and Preparedness		6,621,319
Firefighting, Emergency Medical Response and Wildfire		11,483,638
Library Relief		5,912,645
Measure FF Streets		16,651,651
TOTAL Gann Appropriation Limitation	\$	420,156,522 ⁽¹⁾
Appropriations Subject to Gann Limitation	\$	356,114,278 ⁽²⁾
EXCESS of Limitation Over Appropriation	\$	64,042,244

Notes:

(1) The appropriation limit is the calculated dollar amount, which restricts the ability to receive and appropriate proceeds of taxes.

(2) The amounts of appropriations subject to the limitation are budgeted proceeds of taxes (e.g., all taxes levied; transfers from an enterprise fund to the extent those funds exceed the cost of providing the services; discretionary state subventions; interest earned from the investment of proceeds of taxes, etc.) and the total of these budgeted revenue cannot exceed the total appropriation limitations.

The GANN Limit override to raise the spending limit for the special taxes are required to be renewed by voters every four years. The date the next GANN Limit override is to be submitted to voters is November, 2028

CITY OF BERKELEY
 SCHEDULE TO CALCULATE APPROPRIATION LIMITATION FOR FY 2027
 (Based on the FY 2027 Proposed Budget)

Total City Appropriations (Per Final Amended Budget for FY 1978/79)	\$ 72,457,778
Less: 1. Debt Service Appropriation	\$ 457,186
2. Inter-service Funds:	
Equipment Maintenance	1,436,890
Warehouse	554,883
3. Enterprise Funds:	
Off-Street Parking	414,609
Marina Operations & Maintenance	1,623,144
Sanitary Sewer Maintenance & Construction	1,260,012
Refuse Collection	3,635,197
4. Non-Proceeds of Taxes	33,147,004
Appropriation Subject to Limitation	42,528,925
Base Year 1978/79	\$ 29,928,853

Fiscal Year	Beginning Balances		Less: Transferred Cost		Add Back: Special Taxes										Subtotal Transferred Cost and Special Taxes	Appropriation Limit After Transferred Cost and Add Back of Special Taxes	
	Growth Factor	Appropriation Limit Before Transferred Cost and Add Back of Special Taxes	Landscaping	Street Lighting	Library Relief Tax	Emergency Medical Services Special Tax	Park Maintenance City Trees and Landscaping Special Tax	Emergency Paratransit Tax	Disaster Fire Protection Tax	Fire Protection & Emergency Response & Preparedness	Firefighting, Emergency Medical Response and Wildfire	Library Relief	Measure FF Streets				
Base Year		\$ 29,928,853														-	\$ 29,928,853
1980	1.097700	32,852,902														-	32,852,902
1981	1.121400	36,841,244														-	36,841,244
1982	1.083100	39,902,752	\$ (949,298)	\$ (522,600)											\$ (1,471,898)	38,430,854	
1983	1.070200	41,128,700														-	41,128,700
1984	1.029600	42,346,109														-	42,346,109
1985	1.047000	44,336,377														-	44,336,377
1986	1.045400	46,349,249														-	46,349,249
1987	1.025800	47,545,060														-	47,545,060
1988	1.047500	49,803,451														-	49,803,451
1989	1.054700	52,527,700														-	52,527,700
1990	1.050200	55,164,591			\$ 6,010,000										6,010,000	61,174,591	
1991	1.056300	58,270,356			6,600,000										6,600,000	64,870,356	
1992	1.056800	61,580,113			6,752,000										6,752,000	68,332,113	
1993	1.057900	65,145,601			6,850,000										6,850,000	71,995,601	
1994	1.043100	67,953,377			7,202,000										7,202,000	75,155,377	
1995	1.016900	69,101,789			7,202,000										7,202,000	76,303,789	
1996	1.030200	71,188,663			7,570,000										7,570,000	78,758,663	
1997	1.063200	75,687,786			7,570,000										7,570,000	83,257,786	
1998	1.060800	80,289,604			7,570,000	\$ 1,639,599	\$ 5,500,000								14,709,599	94,999,203	
1999	1.060400	85,139,096			7,927,500	1,651,547	5,790,163								15,369,210	100,508,306	
2000	1.059900	90,238,928			8,373,875	1,701,093	5,850,400								15,925,368	106,164,296	
2001	1.057500	95,427,666			8,936,938	1,812,014	6,025,912								16,774,864	112,202,530	
2002	1.097300	104,712,778			9,478,669	1,927,257	7,211,984	\$ 661,000							19,278,710	123,991,488	
2003	0.999740	104,685,553			9,997,653	1,974,876	7,435,281	689,369	\$ 1,000,000						21,097,179	125,782,732	
2004	1.031489	107,981,996			11,654,000	2,034,352	7,609,028	690,475	970,000						22,957,855	130,939,851	
2005	1.040236	112,326,760			11,603,755	2,000,000	7,594,920	702,727	950,639						22,852,041	135,178,801	
2006	1.060000	119,066,366			12,214,113	2,040,000	7,755,780	754,105	969,652						23,733,650	142,800,016	
2007	1.052907	125,365,810			12,580,535	2,120,827	7,975,189	771,244	969,652						24,417,447	149,783,257	
2008	1.055370	132,307,315			13,209,469	2,184,452	8,214,445	805,333	998,742						25,412,441	157,719,756	
2009	1.056666	139,804,642			13,520,414	2,274,380	8,502,545	839,882	969,652						26,106,873	165,911,515	
2010	1.018780	142,430,173			13,655,619	2,297,124	8,587,570	889,152	969,652	5,400,000					31,799,117	174,229,290	
2011	1.072060	152,693,690			13,904,789	2,332,903	8,754,869	894,401	969,652	3,600,000					30,456,614	183,150,304	
2012	1.0381	158,511,319			14,425,555	2,461,803	9,237,474	944,155	969,652	3,788,761					31,827,400	190,338,719	
2013	1.04787	166,099,254			15,028,438	2,484,633	9,309,080	967,511	985,734	3,879,323					32,654,719	198,753,973	
2014	1.063912	176,714,993			15,870,770	2,561,235	9,586,190	1,022,302	985,734	4,095,987					34,122,218	210,837,211	
2015	1.014200	178,694,201			16,345,912	2,640,032	9,865,971	1,052,122	985,734	4,186,198					35,075,969	213,770,170	
2016	1.051700	187,932,691			16,617,288	2,687,121	10,043,981	1,070,929	985,734	4,256,304					35,661,357	223,594,048	
2017	1.064900	200,129,523			17,893,335	2,778,750	12,150,387	1,152,175	985,734	4,583,053					39,543,434	239,672,957	
2018	1.047200	209,575,636			18,786,687	2,916,558	12,763,390	1,209,625	985,734	4,812,892					41,474,886	251,050,522	
2019	1.045400	219,090,370			19,746,463	3,047,265	13,411,968	1,270,257	985,734	5,058,273					43,519,960	262,610,330	
2020	1.046200	229,212,345			20,806,525	3,215,011	14,143,821	1,339,668	985,734	5,328,686					45,819,445	275,031,790	
2021	1.041100	238,632,972			20,342,539	3,183,676	14,369,024	1,361,402	985,734	5,405,100					45,647,475	284,280,447	
2022	1.053400	251,375,973			21,704,603	3,330,634	15,320,468	1,451,853	0	5,559,637	12,750,000				60,117,195	311,493,168	
2023	1.068800	268,670,640			23,837,768	3,562,620	16,791,663	1,590,735	0	5,777,036	8,604,000				60,163,822	328,834,462	
2024	1.039400	279,256,263			25,050,748	3,742,618	17,664,146	1,673,845	0	5,645,200	9,770,233				63,546,790	342,803,053	
2025	1.030600	287,801,505			25,905,893	3,874,480	18,297,945	1,733,706	0	5,821,950	10,102,578				65,736,552	353,538,057	
2026	1.062000	305,645,198			28,150,805	4,004,684	22,467,856	1,882,839	0	6,326,071	10,969,060	5,600,000	22,500,000		101,901,315	407,546,513	
2027	1.048400	320,438,426			29,463,772	4,149,151	23,463,242	1,972,678	0	6,621,319	11,483,638	5,912,645	16,651,651		99,718,096	420,156,522	

