

City of Piedmont
COUNCIL AGENDA REPORT

DATE: November 17, 2025

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Correction to the FY2025-26 Appropriations Limit

RECOMMENDATION

Adopt the attached resolution correcting the City's FY 2025–26 Appropriations Limit from \$34,809,985 to \$34,976,504 to reflect the accurate calculation in accordance with Article XIII B of the California Constitution.

BACKGROUND

Each year, the City Council establishes an appropriations limit - commonly referred to as the “Gann Limit” - as required by Article XIII B of the California Constitution and Government Code Section 7910. This constitutional provision restricts the amount of tax-generated revenue that cities may appropriate each fiscal year. The limit is based on FY 1978–79 appropriations and adjusted annually for population growth and per capita personal income (or other approved indices) in accordance with State law and Department of Finance guidelines.

On June 16, 2025, the City Council adopted the FY 2025–26 Budget via Resolution No. 28-2025, establishing the appropriations limit at \$34,809,985, following public notice of the availability of the documentation used in its determination, in accordance with Section 7910 of the Government Code and Article XIII B of the California Constitution, as amended by Proposition 111 and Senate Bill 88.

Following review of FY2024-25 by the City's independent auditors, a minor calculation error was identified in the application of the adjustment factors. The corrected limit is \$34,976,504, an increase of \$166,519 from the adopted figure. Detailed calculation is provided in Attachment B.

The City's FY 2025–26 appropriations subject to the limit total is \$33,319,800, which remains below both the originally adopted and corrected limits. Therefore, this correction does not affect compliance with Article XIII B or the adopted budget. The City remains fully compliant with all State requirements.

This action is administrative in nature and ensures the City's official record accurately reflects the correct limit calculation. Adoption of the corrected amount will provide a proper base for the FY 2026–27 Gann Limit determination.

FISCAL IMPACT

There is no fiscal impact resulting from this correction. The change affects only the reported limit figure and not actual appropriations or expenditures.

By: Kiran Bawa, Finance Director

Attachments:

- A. Draft Resolution Correcting the FY2025-26 Appropriations Limit
- B. FY 2025–26 Gann Limit Calculation Worksheet

Attachment A



CITY OF PIEDMONT

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PIEDMONT
CORRECTING THE FY 2025–26 APPROPRIATIONS LIMIT (GANN LIMIT)**

WHEREAS, Article XIII B of the California Constitution and Government Code Section 7910 requires the City Council to annually establish, by resolution, an appropriations limit for the City; and

WHEREAS, on June 16, 2025, the City Council adopted Resolution No. 28-2025 establishing the Fiscal Year 2025–26 appropriations limit at **\$34,809,985** using the population growth for the County of Alameda and the California Per Capita Personal Income growth factor; and

WHEREAS, during the course of the FY 2024–25 financial audit, the City’s independent auditors identified a clerical error in the calculation worksheet resulting in a \$166,519 understatement of the appropriations limit; and

WHEREAS, after correction, the City’s appropriations limit for FY 2025–26 is properly stated as **\$34,976,504**; and

WHEREAS, the City’s appropriations subject to the limit total is **\$33,319,800**, which is below both the previously adopted and corrected limits, and the City therefore remains in full compliance with Article XIII B requirements;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Piedmont hereby corrects the FY 2025–26 appropriations limit to \$34,976,504, and directs that this corrected figure be reflected in the City’s financial records and used as the base for future appropriations limit calculations.



Attachment A

I certify that the foregoing resolution was passed and adopted at a regular meeting of the Piedmont City Council on November 17, 2025, by the following vote:

Ayes:

Noes:

Absent/Abstain:

Attest: _____
Anna M. Brown, City Clerk

Attachment B

CITY OF PIEDMONT			SCHEDULE 1
Calculation of Appropriation Subject to Limit			
Proposed Budget			
Fiscal Year Ended June 30, 2026			
2025-26 Appropriation Limit			34,976,504
			schedule 2
Total Appropriation	2025-26		
Operation			
ADMINISTRATION & COMMUNICATIONS	5,503,531		
PUBLIC WORKS	4,953,391		
PLANNING & BUILDING	2,521,416		
RECREATION	4,278,028		
POLICE	9,217,073		
FIRE	9,016,538		
NON-DEPARTMENTAL	<u>6,043,380</u>	41,533,357	
Other & Capital Projects			
Athletic Facility Preservation	42,000		
COPS & Juvenile Officer Grant Fun	319,000		
Community Development Projects	11,200		
Equipment Replacement	1,692,697		
CIP and Facility Maintenance Fund	10,439,611		
Gas Tax	544,000		
Measure D	21,500		
Sewer Projects	6,889,355		
Aquatics Project and Bond	7,195,724		
Streets Projects	<u>3,175,000</u>	<u>30,330,087</u>	71,863,444
Less:			
Non-Proceeds of Taxes	18,308,281		
Appropriated Reserves	<u>20,235,363</u>		<u>38,543,644</u>
2025-26 Appropriations Subject to Limit			33,319,800
			schedule 3
2025-26 Amount below Appropriation Ceiling			1,656,704

Attachment B

SCHEDULE 2						
CITY OF PIEDMONT						
Computation of Appropriation Limitation						
Cumulative Growth Rate For 2025-26						
Information Provided by State Department of Finance						
2025-26						
Per Capita - State	$\frac{6.44 + 100}{100}$		=			1.0644
Population - County	$\frac{0.31 + 100}{100}$		=			1.0031
Calculation of factor for 2025-26		1.06440	x	1.0031		1.0677
2024-25 Appropriation Limit						
2024-25 Limit	32,425,416				\$	29,735,416
Muni Tax Voter Approved						2,690,000
						32,425,416
2025-26 Appropriation Limit						
2025-26 Limit	29,735,416	x	1.0677	=	\$	31,748,504
Muni Tax Voter Proposed						3,228,000
Total 2024-25 Appropriation Limit						34,976,504