

DATE SUBMITTED 6/12/2025  
 SUBMITTED BY ADMIN SERVICES DIRECTOR  
 DATE ACTION REQUIRED 6/18/2025

COUNCIL ACTION (X)  
 PUBLIC HEARING REQUIRED ( )  
 RESOLUTION (X)  
 ORDINANCE 1<sup>ST</sup> READING ( )  
 ORDINANCE 2<sup>ND</sup> READING ( )  
 CITY CLERK'S INITIALS ( )

## IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: **GANN SPENDING LIMIT FOR FISCAL YEAR 2025-2026**

I. CERTIFY THE CITY IS IN COMPLIANCE WITH THE GANN SPENDING LIMIT FOR FY 2025-2026 BY APPROVING RESOLUTION #2025-28.

DEPARTMENT INVOLVED: **FINANCE DEPARTMENT**

**BACKGROUND/SUMMARY:**

As required by Proposition 4 which was passed in 1979, now under Article XIIIB of the California Constitution, the City of Imperial (like all California Cities) has had to determine compliance with Proposition 4 by multiplying the "base" spending limit established for each City back in the year 1979 using the two factors provided by the California Department of Finance: (1) population change, and (2) inflation rate change, annually.

For FY 2025-2026, here is the calculation of the Gann Spending Limit, adding 100% to each factor to allow multiplication of the compounded percentages against last year's limit:

$$\$22,884,712 \times 1.02 \times 1.042 = \$24,322,787$$

The other test to the Gann Spending Limit is to calculate the appropriations "subject to" the spending limit. This is an odd calculation, but it basically calls for determining the "revenues" derived primarily from "tax" proceeds (generally in the General Fund), and uses this figure to establish the "appropriations" that are subject to the limit.

In Imperial, the appropriations in the budget subject to the limit total \$7,037,000, well below the \$24,322,787 spending limit calculated using the population and inflation % adjustments.

**FISCAL IMPACT:**

None.

ADMIN  
SERVICES SIGN  
INITIALS

*JMS*

**STAFF RECOMMENDATION:**

Staff recommends Council adopt Resolution #2025-28 establishing the Gann Spending Limit at \$24,322,787 for FY 2025-2026, and certifies that the City's appropriations subject to the limit is "below" the limit.

DEPT. INITIALS

*JMS*

**CITY MANAGER'S RECOMMENDATION:**

*approve*

CITY  
MANAGER'S  
INITIALS

*JHM*

**MOTION:**

**SECONDED:**

AYES:

NAYES:

ABSENT:

APPROVED ( )

DISAPPROVED ( )

REFERRED TO:

REJECTED ( )

DEFERRED ( )

**RESOLUTION NO. 2025-28**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF IMPERIAL, CALIFORNIA ADOPTING THE GANN  
SPENDING LIMIT FOR APPROPRIATIONS FOR THE  
FISCAL YEAR ENDING JUNE 30, 2026**

**BE IT AND IT IS HEREBY RESOLVED** by the City Council of the City of Imperial as follows:

**WHEREAS**, the Gann Initiative, hereby referred to as Article XIIB of the Constitution of the State of California was passed by the people; and

**WHEREAS**, Article XIIB mandated and appropriations limit on various units of government, including the City of Imperial; and

**WHEREAS**, that limit has been calculated by the Administrative Services Department of the City of Imperial using current guidelines by State Department of Finance; and

**WHEREAS**, the City Council of the City of Imperial desires to formally adopt the Gann Spending Limit to certify that the adopted FY 2026 budget complies with the Limit.

**NOW, THEREFORE**, the City Council of the City of Imperial, in accordance with Article XIIB of the Constitution of the State of California hereby adopts an appropriation limit for the City of Imperial for Fiscal Year 2025-2026 at **\$24,322,787**, an increase of **\$1,438,075** over the Fiscal Year 2024-2025 limit of **\$22,884,712**, using the California Department of Finance data, which reflects a **2.0%** population increase and a **4.2%** inflation increase for the new fiscal year.

The appropriations subject to the limit for FY 2025-2026 total **\$7,037,000**, which are well below the FY 2025-2026 appropriations limit of **\$24,322,787** as computed in **Attachment 1**.

**THE FOREGOING RESOLUTION** was passed and adopted by the City Council of the City of Imperial on the 18th day of June, 2025.

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JAMES TUCKER,  
Mayor

ATTEST:

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KRISTINA SHIELDS,  
City Clerk

I, Kristina Shields, City Clerk of the City of Imperial, California, hereby certify that the foregoing Resolution No. 2025-28 was duly adopted at a meeting of the Imperial City Council at its meeting held on the 18th day of June, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Imperial, California, on June 18, 2025.

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KRISTINA SHIELDS,  
City Clerk