



## Report to City Council

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**TO:** Mayor and City Council  
Mayor and City Council Acting in its Capacity as  
President and Members of the Board of Directors of  
the Moreno Valley Community Services District (CSD)

**FROM:** Dena Heald, Chief Financial Officer/City Treasurer

**AGENDA DATE:** June 17, 2025

**TITLE:** PUBLIC HEARING ESTABLISHING APPROPRIATIONS  
("GANN") LIMIT FOR FISCAL YEAR 2025/26  
(RESOLUTION NOS. 2025-XX AND CSD 2025-XX)  
(REPORT OF: FINANCIAL AND MANAGEMENT  
SERVICES) (NOT APPLICABLE)

**TITLE SUMMARY:** Public Hearing Establishing Appropriations ("Gann") Limit  
For Fiscal Year 2025/26 (Resolution No 2025-XX and CSD  
2025-XX)

**DISTRICT:** Not Applicable

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### Recommendation(s)

That the City Council and CSD:

1. Conduct a Public Hearing to receive public comments on the City of Moreno Valley General Fund appropriations limit for Fiscal Year 2025/26.
2. Adopt Resolution No. 2025-XX, a resolution of the City Council of the City of Moreno Valley, California, establishing the appropriations limit for Fiscal Year 2025/26.
3. Conduct a Public Hearing to receive public comments on the Moreno Valley Community Services District's appropriations limit for Fiscal Year 2025/26.

4. Adopt Resolution No. CSD 2025-XX, a resolution of the Moreno Valley Community Services District establishing the appropriations limit for Fiscal Year 2025/26. That the City Council and CSD:

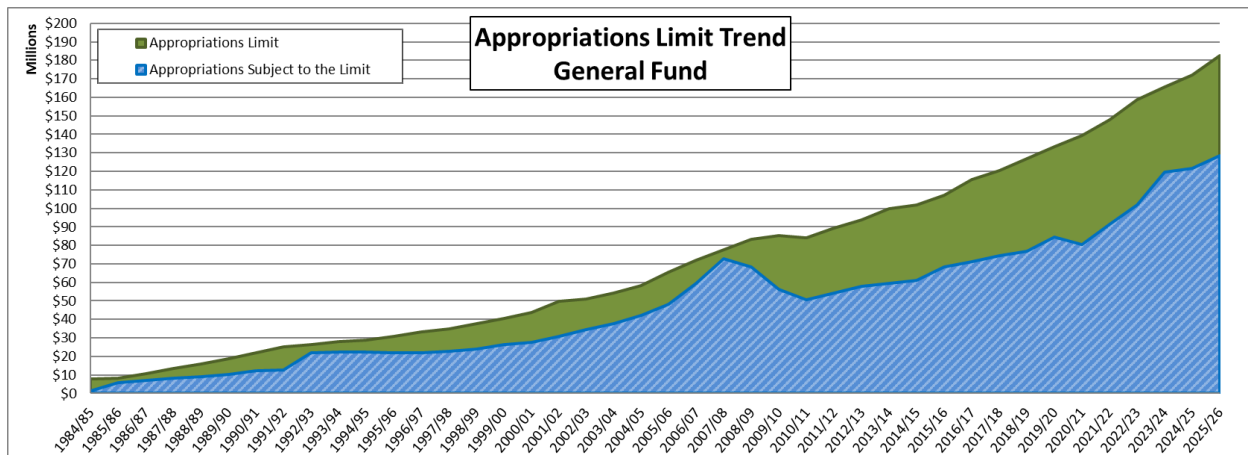
## **SUMMARY**

This report recommends that the City Council and the Community Services District Board of Directors conduct public hearings and adopt the resolutions to establish the Gann Appropriations Limits for both the General Fund and the Community Services District (District) for FY 2025/26. The Gann Appropriations Limit, the result of the passage of Proposition 4 in 1979, places limits on the amount of tax proceeds that can be appropriated each year. For FY 2025/26 the limit for the General Fund is \$182,569,173 and the limit for the District is \$29,419,771. With revenues subject to the limit totaling \$128,510,278 for the General Fund and \$14,588,332 for the District, there is still significant capacity to accommodate future revenue growth.

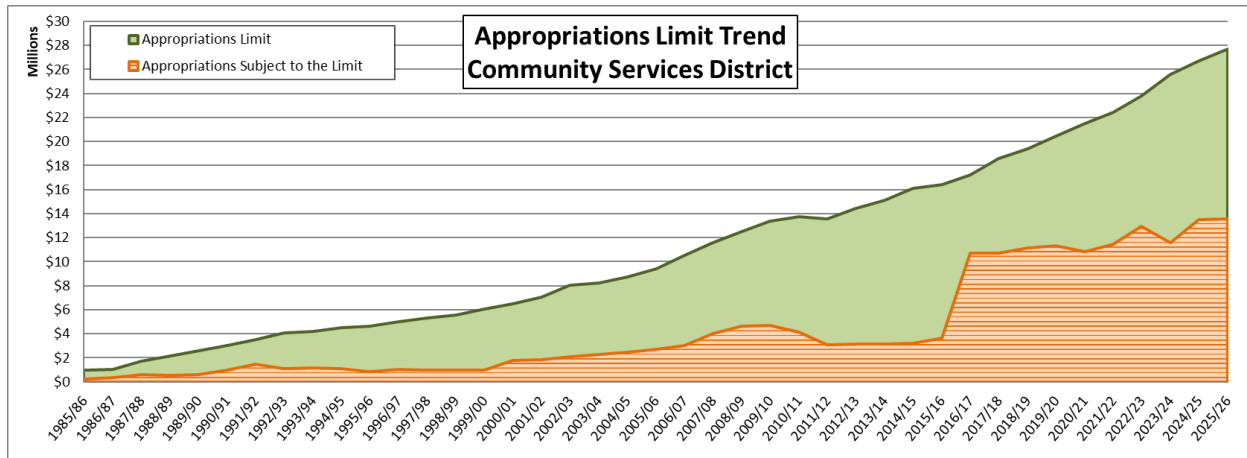
## **DISCUSSION**

Section 7910 of the State Government Code requires a governing body to annually adopt by resolution, an Appropriation (Gann) Limit for the upcoming fiscal year. For FY 2025/26 the appropriation limit for the General Fund is \$182,569,173 and the limit for the District is \$29,419,771. With revenues subject to the limit totaling \$128,510,278 for the General Fund and \$14,588,332 for the District there is still significant capacity to accommodate future revenue growth. The Gann calculation is reviewed by the City's external audit firm as part of the annual audit process.

In 2008, the available capacity between the appropriations limit and the appropriations subject to the limit for the City reached the lowest point at 6.34%. Over the next three years, appropriation levels were reduced as a result of the recession and declining revenues. Since then, as the local economy has improved, the remaining capacity has gradually increased to the current level of approximately 29.61% of the appropriations limit. Based on projections from the Long-Range Business Plan, we expect capacity levels to remain relatively high and we do not foresee any issues going forward that would result in the City reaching the appropriations limit.



The Community Services District continues to maintain sufficient capacity related to the appropriations limit. In 2015, based on a ruling by the City Attorney, revenues that had previously been accounted for as non-proceeds of tax were reclassified as tax related revenues. This restatement resulted in reducing their appropriation capacity from 77.67% to 38.02%. Their available capacity is currently approximately 50.41%. Based on the projections from the Long-Range Business Plan, we anticipate that the capacity rate will remain in this relative range and we do not foresee any issues with the appropriations limit going forward.



Adoption of the proposed resolutions will formalize the Gann Appropriations Limit for FY 2025/26.

## **ALTERNATIVES**

1. Conduct a Public Hearing to receive public comments on the City of Moreno Valley General Fund appropriations limit for Fiscal Year 2025/26.
2. Adopt Resolution No. 2025-\_\_\_\_, a resolution of the City Council of the City of Moreno Valley, California, establishing the appropriations limit for Fiscal Year 2025/26.
3. Conduct a Public Hearing to receive public comments on the Moreno Valley Community Services District's appropriations limit for Fiscal Year 2025/26.
4. Adopt Resolution No. CSD 2025-\_\_\_\_, a resolution of the Moreno Valley Community Services District establishing the appropriations limit for Fiscal Year 2025/26.
5. Do not conduct a Public Hearing to receive comments on the appropriations limit and do not adopt the proposed resolutions establishing the appropriations limit and provide staff with further direction.

***Staff recommends Alternatives 1 through 4 since these actions will adopt the Gann Appropriations Limit in accordance with State law.***

## **FISCAL IMPACT**

There is no fiscal impact. Both the General Fund and the District are safely within their legal appropriations limit for Fiscal Year 2025/26.

## **NOTIFICATION**

Notification regarding the adoption of the Gann Limit was published in the newspaper on June 3, 2025. The documents were also made available for public review on June 3, 2025.

## **PREPARATION OF STAFF REPORT**

Prepared By:  
Natalia Lopez  
Financial Resources Division Manager

Department Head Approval:  
Dena Heald  
Chief Financial Officer/City Treasurer

## **CITY COUNCIL GOALS**

## **CITY COUNCIL STRATEGIC PRIORITIES**

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

## Report Approval Details

Document Title:	STAFFREPORT_FMS_GANN LIMIT_FY2526.docx
Attachments:	- FY 2025-26 Appropriation Gann Limits Report.pdf
Final Approval Date:	Jun 10, 2025

This report and all of its attachments were approved and signed as outlined below:

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