

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF CITY OF MORGAN
HILL ADOPTING THE FISCAL YEAR 2025-2026
APPROPRIATIONS LIMIT**

WHEREAS, the City of Morgan Hill Fiscal Year 2024-25 and 2025-26 Operating Budget was adopted on June 19, 2024;

WHEREAS, in accordance with the State Revenue and Taxation Code Section 7910, the City of Morgan Hill's 2025-26 fiscal year General Fund appropriations limit is \$168,963,007 as shown on Schedule A;

WHEREAS, in accordance with the State Revenue and Taxation Code Section 7910, the appropriations for the 2025-26 fiscal year, as shown on Schedule B, which are subject to the appropriations limit as set forth in Article XIIIB of the California Constitution, do not exceed the limit as stated above;

WHEREAS, the annual adjustment factors that were selected to calculate the 2025-26 fiscal year limit were: 1) California Per Capita Personal Income adjustment factor of 1.0644; and 2) County Population Growth factor of 1.0006;

BE IT FURTHER RESOLVED that the City Council of the City of Morgan Hill does hereby approve and adopt the City of Morgan Hill Appropriations Limit and Appropriations Limit Adjustment Factors for Fiscal Year 2025-26.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 18th Day of June, 2025 by the following vote.

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

MICHELLE BIGELOW, CITY CLERK

MARK TURNER, MAYOR

• CERTIFICATION •

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____ adopted by the City Council at a Regular Meeting held on June 18, 2025.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL

DATE: _____

MICHELLE BIGELOW, City Clerk

SCHEDULE A

**CITY OF MORGAN HILL
SPENDING LIMIT CALCULATION
FISCAL YEAR 2025-26**

APPROPRIATIONS SUBJECT TO LIMIT

Fiscal Year 2025-26 General Fund Revenues	\$57,530,517
Less Non Proceeds of Tax	<u>18,973,031</u>
Total appropriations subject to limits	<u>\$38,557,486</u>

APPROPRIATIONS LIMIT

Fiscal year 2024-25 appropriations limit	\$158,644,955
--	---------------

Plus Change Factor:

A. Cost of living adjustment - CPI	1.0644
B. Population Adjustment	1.0006

Total Change Factor	1.0650
---------------------	--------

Increase in appropriations limit	<u>\$10,318,052</u>
----------------------------------	---------------------

FISCAL YEAR 2025-26 APPROPRIATIONS LIMIT	<u>\$168,963,007</u>
---	-----------------------------

Remaining appropriations capacity	\$130,405,521
-----------------------------------	---------------

Available capacity as a percent of appropriations limit	<u>77%</u>
---	------------

NOTES

- A. Cost of living adjustment is based on percentage change in California per capita income.
- B. Population adjustment is based on the greater of annual population change for the
City of Morgan Hill or Santa Clara County.

SCHEDULE B

**CITY OF MORGAN HILL
SPENDING LIMIT CALCULATION
FISCAL YEAR 2025-26**

REVENUE SOURCE	PROCEEDS OF TAX	NON PROCEEDS OF TAX	TOTALS
Property Tax	\$ 21,409,541		\$ 21,409,541
Sales Tax	11,511,087		11,511,087
Transient Occupancy Tax	2,658,340		2,658,340
Public Safety Sales Tax	478,182		478,182
Property Transfer Tax	642,000		642,000
Business License / Other Permits	282,750		282,750
Motor Vehicle in Lieu	63,654		63,654
Transfer from Fund 202 Street Fund Gax Tax	851,932		851,932
Use of Money and Property	660,000	1,835,567	2,495,567
Fines and Penalties		84,800	84,800
Other Revenue / Other Agencies		1,001,740	1,001,740
Police and Fire Fees		616,795	616,795
Franchise Revenue		3,354,166	3,354,166
Current Service Charges General Govt.		9,520,755	9,520,755
Transfers		2,559,208	2,559,208
Total	\$ 38,557,486	\$ 18,973,031	\$ 57,530,517
Percentage of Total	67%	33%	100.00%