



June 4, 2026

**TO:** LOCSD Board of Directors

**FROM:** Greg Kwolek, General Manager  
Ron Munds, Interim Asst. General Manager

**SUBJECT: Agenda Item 8E – 6/4/2026 Board Meeting**  
Adopt Resolution 2026-10 Establishing Appropriations Limit for  
Fiscal Year 2026/2027

**President**  
Matthew D. Fourcroy

**Vice President**  
Charles L. Cesena

**Directors**  
Tom Cross  
Richard Hubbard  
Christine M. Womack

**General Manager**  
Greg Kwolek

**District Accountant**  
Robert Stilts, CPA

**Unit Chief**  
John Owens

**Battalion Chief**  
Joshua Lorenzo

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### **DESCRIPTION**

Article 13B of the California Constitution limits the total appropriation funded by proceeds of taxes to amounts adjusted each year by the change in cost of living and the change in population. There are several exceptions allowed, one exception is appropriation for debt service.

### **STAFF RECOMMENDATION**

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends the Board adopt the following motion:

***Motion: I move that the Board adopt Resolution 2026-10 establishing the District's appropriation limit of \$13,256,812 for Fiscal Year 2026/2027.***

### **DISCUSSION**

Each year, as part of the budget process, the District determines its appropriation limit in accordance with Article 13B of the California Constitution. This is also more commonly known as the Gann Initiative on Spending Limits. The limit is computed using demographic data provided by the State Department of Finance on cost of living or per capita income change for the State and population change in the applicable area. In the District's case, the population in the unincorporated area is used. The appropriation limit of the District for fiscal year 2026/2027 increased by 4.79% to \$13,256,812 or \$606,286 over the prior year.

The historical trend of the District's appropriation limits since the inception of the District is shown on Exhibit A to the resolution.

### **Attachments**

Resolution 2026-10  
Exhibit A

**RESOLUTION 2026-10**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT  
ADOPTING THE FISCAL YEAR 2024/2025 LOCSD "GANN" APPROPRIATIONS LIMIT**

**WHEREAS**, in November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and,

**WHEREAS**, the provisions of that Article establish maximum appropriation limitations, commonly called "Gann Limits," for public agencies, including special districts; and,

**WHEREAS**, the District must establish a revised Appropriations Limit for the 2026/2027 fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law;

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, AND DETERMINE:**

1. That the appropriation limit for Fiscal Year 2026/2027 for the District is \$13,256,812.00;
2. That total qualifying appropriations in the Final Budget when adopted will not be in excess of the appropriation limit as hereby adopted.

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_,  
and on the following roll call vote, to wit:

Ayes: \_\_\_\_\_  
Noes: \_\_\_\_\_  
Abstain: \_\_\_\_\_  
Absent: \_\_\_\_\_

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 4<sup>th</sup> day of June 2026.

\_\_\_\_\_  
Matthew Fourcroy  
President, Board of Directors  
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory Kwolek  
General Manager and Secretary to the Board

\_\_\_\_\_  
Craig Steele  
District Legal Counsel

## EXHIBIT A

### LOCSD "GANN" ANNUAL APPROPRAITIONS LIMIT HISTORICAL ANNUAL DATA

(Article XIII B of the California Constitution prohibits California Governmental entities from appropriating more "proceeds of taxation" than the limit established by the California State Department of Finance )

	LIMIT	FACTOR
<b>FY98-99 BASE Amount</b>	<b>\$4,259,330</b>	
FY99-00	\$4,526,390	1.0627
FY00-01	\$4,830,563	1.0672
FY01-02	\$5,302,509	1.0977
FY02-03	\$5,331,143	1.0054
FY03-04	\$5,546,521	1.0404
FY04-05	\$5,815,527	1.0485
FY05-06	\$6,213,309	1.0684
FY06-07	\$6,530,188	1.0522
FY07-08	\$6,900,450	1.0567
FY08-09	\$6,995,676	1.0138
FY09-10	\$7,140,486	1.0207
FY10-11	\$7,079,792	0.9915
FY11-12	\$7,317,673	1.0336
FY12-13	\$7,658,677	1.0466
FY13-14	\$8,083,733	1.0555
FY14-15	\$8,124,960	1.0051
FY15-16	\$8,510,896	1.0475
FY16-17	\$8,461,533	0.9942
FY17-18	\$8,825,379	1.0430
FY18-19	\$9,181,293	1.0403
FY19-20	\$9,557,656	1.0410
FY20-21	\$9,872,517	1.0329
FY21-22	\$10,254,500	1.0387
FY22-23	\$11,059,595	1.0785
FY23-24	\$11,492,888	1.0392
FY24-25	\$11,899,403	1.0354
FY25-26	\$12,650,526	1.0631
FY26-27	\$13,256,812	1.0479