



## City of Grass Valley City Council Agenda Action Sheet

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**Title:** Corrected Appropriation Limit for Fiscal Year 2026-27

**CEQA:** Not a Project.

**Recommendation:** It is recommended that the City Council adopt Resolution No. 2026-32 establishing the corrected Appropriation Limit for the City of Grass Valley for Fiscal Year 2026-27 and superseding Resolution No. 2026-24 adopted on June 9, 2026.

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**Prepared by:** Jennifer Styczynski, Finance Director

**Council Meeting Date:** 06/23/2026

**Date Prepared:** 06/16/2026

**Agenda:** Consent

**Discussion:** Article XIII B of the California Constitution requires cities to annually establish and appropriations limit, commonly referred to as the “Gann Limit”. The appropriations limit restricts the amount of certain tax revenues that may be appropriated each fiscal year and is adjusted annually based on inflation and population growth factors, as authorized by Proposition 111.

At its June 9, 2026, meeting, the City Council adopted Resolution No. 2026-24 establishing the Fiscal Year 2026-27 Appropriations Limit. On June 10, 2026, subsequent to the preparation of the Council agenda packet and Council action, the City received the draft Fiscal Year 2024-25 Gann Limit report from the City’s auditors. During the review process, it was identified that a beginning appropriations limit amount has been carried forward incorrectly between Fiscal Year 2023-24 and Fiscal Year 2024-25.

Because the appropriations limit calculation is cumulative and each fiscal year’s calculation builds upon the prior year’s established limit, correcting the historical amount impacts the Fiscal Year 2026-27 appropriation limit previously adopted by the City Council.

The calculation is based on the City’s FY 1978-79 appropriations base and is adjusted annually using:

- A population growth factor, which may be based on either City or County population changes; and
- An inflation (price) factor, which may be based on either California per capita personal income growth or local non-residential assessed valuation growth.

For Fiscal Year 2026-27, the City has elected to use the following factors:

- Population Factor: Nevada County population growth rate of -0.47%
- Price Factor: Change in California per capita personal income of 4.95%, resulting in an adjustment factor of 1.0446

Based on the corrected beginning appropriations limit, the Fiscal Year 2026-27 appropriations limit has been recalculated to \$32,099,810.

Based on the FY 2026-27 adopted budget, the City's projected appropriations subject to the limit remain approximately \$6,978,064 below the allowable appropriations limit.

The proposed resolution supersedes Resolution No. 2026-XX adopted on June 9, 2026, to ensure the City's appropriations limit calculation accurately reflects historical data and maintains compliance with Article XIII B of the California Constitution.

**Council Goals/Objectives:** Establishing the corrected Fiscal Year 2026-27 Appropriations Limit supports the City's Strategic Plan goal of maintaining a High-Performance Government and delivering Quality Service to the community.

**Fiscal Impact:** There is no fiscal impact associated with adopting the corrected Fiscal Year 2026-27 Appropriations Limit.

**Attachments:** Corrected Appropriations Limit Calculation  
Resolution No. 2026-32