



City of Grass Valley City Council Agenda Action Sheet

Title: Appropriation Limit for Fiscal Year 2026-27

CEQA: Not a Project.

Recommendation: It is recommended that the City Council adopt Resolution No. 2026-24 establishing the Appropriation Limit for the City of Grass Valley for Fiscal Year 2026-27.

Prepared by: Jennifer Styczynski, Finance Director

Council Meeting Date: 06/09/2026

Date Prepared: 06/02/2026

Agenda: Consent

Discussion: Article XIII B of the California Constitution requires cities to annually establish an 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.

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

The combined adjustment factor applied to the FY 2025-26 appropriations limit results in a FY 2026-27 appropriations limit of \$32,190,958.

Based on the FY 2026-27 Proposed Budget, the City’s projected appropriations subject to the limit are approximately \$7,069,212 below the allowable appropriations limit.

Council Goals/Objectives: Establishing the FY 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 FY 2026-27 Appropriations Limit.

Attachments: Appropriations Limit Calculation
Resolution 2026-24