



**MEETING DATE: JUNE 15, 2026**

**TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: MASON PETERS, FINANCE SUPERVISOR**

**RE: ANNUAL APPROPRIATIONS LIMIT (GANN LIMIT) FOR FISCAL YEAR 2026-27**

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**RECOMMENDATION:**

Adopt the resolution establishing the Annual Appropriations Limit for the 2026-27 Fiscal Year.

**BACKGROUND:**

Article XIII B of the California Constitution, commonly known as the GANN Limit, was enacted to restrict the growth of government spending. It requires local jurisdictions to establish an annual appropriations limit based on the prior year's limit, adjusted for changes in the cost of living and population. This ensures that government spending remains aligned with economic growth.

**DISCUSSION:**

The City of Sutter Creek has calculated the Appropriations Limit for FY 2026-27 in accordance with the California Revenue and Taxation Code. The City Council has elected to utilize the change in per capita personal income as the cost-of-living factor for this calculation.

For FY 2026-27, the calculation is as follows:

- Price Factor (Per Capita Personal Income): 4.95% (Ratio: 1.0495)
- Population Factor (Amador County): -0.32% (Ratio: 0.9968)

The combined adjustment factor is 1.046142. Applying this factor to the prior year's limit of \$4,562,652 results in a total calculated appropriation limit of \$4,773,180 for Fiscal Year 2026-27.