



## CITY COUNCIL MEETING STAFF REPORT

Meeting Date: June 9, 2026

**SUBJECT:** Fiscal Year 2026-27 Operating Budget

**PREPARED BY:** Susan Mahoney, Finance Director

### RECOMMENDATION:

Staff recommends that the Wheatland City Council consider adoption of a resolution approving the annual budget, budget development policies, and appropriations limit for Fiscal Year (FY) 2026-27.

### DISCUSSION:

The Council met on May 26 to review and discuss the proposed FY 2026-27 annual operating budget and provide staff with direction and comments. Per Council's direction, the following adjustments were made to establish a balanced General Fund budget. A revised and complete budget document is attached.

Finance Department - reduced staffing	\$5,129
Police Department – reduced overtime allocation	10,000
Community Development Department – reduced engineering costs	20,000
Fire Department – reduced estimated contract cost	7,920
<b>TOTAL REDUCTIONS</b>	<b>\$43,049</b>

The City Council adopts an annual budget for City government operations no later than June 30 for the upcoming fiscal year that begins on July 1. The resolution adopting the budget also restates several key budget development policies and establishes the required annual appropriations limit (Gann Limit). The calculated appropriations limit is set at \$7,984,826, well above the City's FY 2026-27 appropriations subject to the limit which is \$2,531,000.

All the City's funds are balanced using annual revenues for operating expenses and fund balance for capital improvements.

#### Article XIII B: Gann Limit

The **appropriations limitation** imposed by Propositions 4 (1979) and later amended by Proposition 111 (1990) creates a restriction on the amount of government revenue which may be appropriated in any fiscal year. The Appropriations Limit is based on actual appropriations during the base year (FY 1986–87 or the first full year of operation) and increases each year using specified growth factors.

**FISCAL IMPACT:**

The proposed budget establishes appropriation limits for all City funds.

**ATTACHMENTS:**

- A. Resolution
- B. FY 2026-27 Operating Budget and Five-Year Capital Improvement Plan