



**MEETING DATE:** June 25, 2025

**AGENDA ITEM:** 5. GANN Limit, Investment Policy, Pay Schedules and CCR 570.5 resolution and Budget Adoption

**FROM:** Ryan Bonk, City Manager and Susan Scarlett, Finance Officer

**RE:** GANN Limit, Investment Policy, Pay Schedules and CCR 570.5 resolution and Budget Adoption

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### **BACKGROUND:**

The budget process for the 2025-2026 Fiscal year budget began in January with the calendar for the budget schedule. Staff began working on the budget and had public comment opportunities on April 9th and April 23rd. A draft budget was presented to the Council at a Budget Work Session on May 14<sup>th</sup> and again at a public hearing for the budget on June 11<sup>th</sup>.

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### **EXECUTIVE SUMMARY:**

Resolution No. 2617 A Resolution of the City Council of the City of Portola approving and adopting the annual appropriations limit for the fiscal year 2025-2026.

Resolution No. 2618 A Resolution of the City Council of the City of Portola acknowledging the review, receipt and filing of the Statement of Investment Policy.

Resolution No. 2619 A Resolution for the City Council of the City of Portola adopting the Pay Schedules and Job Classifications for the 2025-2026 Fiscal Year

Resolution No. 2620 A Resolution for the City Council of the City of Portola adopting the Operating Budget for the 2025-2026 Fiscal Year.

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### **RECOMMENDATION:**

Recommendation: It is requested that the Council consider each resolution individually. Staff recommends the Adoption of Resolutions 2617, 2618, 2619 and 2620.

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**FISCAL IMPACT:**

The General Fund is balanced with the use of \$269,877.62 of Fund Balance

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**ATTACHMENTS:**

- A. APPROPRIATIONS LIMIT 2025-2026
- B. RESOLUTION INVESTMENT POLICY 25-26
- C. CCR 570.5 RESOLUTION
- D. PAY SCHEDULE FOR CCR 570.5 COMPLIANCE 2025-2026 BUDGET
- E. BUDGET RESOLUTION 2025-2026

**RESOLUTION NO. 2617**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTOLA  
APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT  
FOR FISCAL YEAR 2025-2026**

**WHEREAS**, the voters of the State of California on November 6, 1979 added Article XIII B to the State Constitution placing various limitations on the appropriations of the state and local governments; and,

**WHEREAS**, Article XIII B provided that the appropriations limit for the fiscal year 2025/2026 is calculated by adjusting the base year of appropriations of the fiscal year 2024/2025 for changes in the cost of living and populations; and,

**WHEREAS**, the City of Portola has complied with all the provisions of Article XIII B in determining the appropriations limit for fiscal year 2025/2026.

**NOW THEREFORE, BE IT RESOLVED** that the appropriations subject to limitations in fiscal year 2025/2026 shall be \$2,763,948.94.

**PASSED, APPROVED AND ADOPTED** this 25th day of June 2025 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

\_\_\_\_\_  
MAYOR, JAMES MURPHY

\_\_\_\_\_  
Deputy City Clerk, Malachi Mansfield

I, Malachi Mansfield, Deputy City Clerk of the City of Portola, do hereby certify that the above and foregoing Resolution was duly passed and adopted by the City Council of the City of Portola at a regular meeting thereof held on June 25, 2025.

\_\_\_\_\_  
Deputy City Clerk, Malachi Mansfield

## RESOLUTION NO. 2618

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTOLA ACKNOWLEDGING THE REVIEW, RECEIPT AND FILING OF THE STATEMENT OF INVESTMENT POLICY

**WHEREAS**, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code sections 53600.6 and 53630.1); and

**WHEREAS**, the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

**WHEREAS**, the Finance Officer of the City of Portola shall annually prepare and submit a statement of investment policy, and any changes thereto, shall be considered by the legislative body at a public meeting; (CGC 53646(a)); and

**WHEREAS**, the Finance Officer of the City of Portola declares the Annual Statement of Investment Policy to be as follows:

#### **POLICY**

It shall be the policy of the City of Portola to invest funds in a manner that provides the highest investment return possible consistent with maximum security while meeting daily cash flow demands and conforming to all other statutes governing the investment of City funds.

#### **SCOPE**

This investment policy shall apply without exception to any and all financial assets and funds of the City of Portola. These funds are accounted for in the Comprehensive Annual Financial Report.

#### **PRUDENCE**

The standard of prudence to be used by investment officials shall be the “prudent investor” standard (CGC 53600.3):

*When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, a trustee shall act with care, skill, prudence and diligence under circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.*

Investment officers acting in accordance with the investment policy and exercising due diligence shall not be held personally responsible for an individual security’s credit risk or market price changes, provided that the reporting requirements of this policy are made in a timely manner and appropriate action is taken to control adverse developments.

#### **OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives of investment activities, in absolute priority order, shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might reasonably be anticipated.
3. Yield: The investment portfolio shall be designed with the objective of attaining the highest investment return consistent with safety and liquidity have been met.

#### **DELEGATION OF AUTHORITY**

Management responsibility for the investment program is hereby delegated to the Finance Officer. The Finance Officer is a trustee and fiduciary subject to the prudent investor standard.

#### **ETHICS AND CONFLICT OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

**AUTHORIZED INVESTMENTS:**

- 1. FDIC Insured Accounts:** Monies required for immediate cash flow needs shall be deposited in an interest-bearing FDIC insured checking account at a bank in Portola.
- 2. Local Agency Investment Fund (LAIF):** Monies not required for immediate cash flow needs shall be deposited in LAIF, a special fund in the California State Treasury.
- 3. U.S. Government Securities:** Restricted to use for contributions if any trust funds are needed.

Prohibited Investments. Under the provisions of CGC 53601.6, the City of Portola shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero-interest accrual if held to maturity.

**PUBLIC TRUST**

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measurement losses are inevitable, and must be considered within the context of the overall portfolio’s investment return, provided that adequate diversification has been implemented.

**DIVERSIFICATION**

The City of Portola will diversify its investments in keeping with the objectives enunciated in this Statement of Investment Policy.

**REPORTING**

The Finance Officer shall submit to the City Council a quarterly investment report that shall include copies of the latest statements from institutions in which funds are placed.

The report shall certify that all investment actions executed since the last report have been made in full compliance with the Investment Policy and that the City of Portola will meet all expenditure obligations that might be reasonably anticipated for the next six months.

**INVESTMENT POLICY ADOPTION**

The investment policy and modifications, if any, shall be adopted annually by resolution of the City Council at a public meeting.

**NOW, THEREFORE, THE PORTOLA CITY COUNCIL HEREBY RESOLVES** that the foregoing be received and filed as the Annual Statement of Investment Policy for the City of Portola.

**PASSED, APPROVED AND ADOPTED** this 25th day of June 2025 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
MAYOR, James Murphy

ATTEST:

\_\_\_\_\_  
DEPUTY CITY CLERK, Malachi Mansfield

I, Malachi Mansfield, Deputy City Clerk of the City of Portola, do hereby certify that the above and foregoing Resolution was duly passed and adopted by the City Council of the City of Portola at a regular meeting thereof held on June 25, 2025.

\_\_\_\_\_  
DEPUTY CITY CLERK, Malachi Mansfield

**RESOLUTION NO. 2619**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTOLA  
ADOPTING THE PAY SCHEDULES AND JOB CLASSIFICATIONS  
EFFECTIVE JUNE 28, 2025**

**WHEREAS**, the City Council shall establish by resolution, in accordance with CCR 570.5, a Pay schedule and Job Classifications plan; and,

**WHEREAS**, said Plan will include a descriptive title, salary ranges and the number of allocated positions; and,

**WHEREAS**, during the Fiscal Year 2025/2026 needs may arise to amend the Pay schedule and Job Classifications; and,

**WHEREAS**, the City Council will review said Schedules and Classifications each year as part of the budget process and adjust accordingly by adopting a new resolution; and

**WHEREAS**, the City Manager may hire new employees within the salary range and classifications in accordance with the schedule.

**NOW THEREFORE, BE IT HEREBY RESOLVED** that the City Council of the City of Portola does hereby adopt the Pay Schedules and Job Classifications.

**PASSED, APPROVED AND ADOPTED** this 25th day of June 2025 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
MAYOR, JAMES MURPHY

ATTEST:

\_\_\_\_\_  
Malachi Mansfield, Deputy City Clerk

I, Malachi Mansfield, Deputy City Clerk of the City of Portola, do hereby certify that the above and foregoing Resolution was duly passed and adopted by the City Council of the City of Portola at a regular meeting thereof held on June 25, 2025.

\_\_\_\_\_  
Malachi Mansfield, Deputy City Clerk

California Code of Regulations 570.5 - Publicly Available Pay Schedule

POSITION	HOURLY RATES							
	Step 1	Step 2	Step 3	Step 4	Step 5	L 1	L 2	L 3
City Manager (1)	71.42	0	0	0	0	74.99	78.74	82.68
Administrative Services Manager (Not currently filled)	38.77	0	0	0	0	40.71	42.74	44.88
Public Works & Building Services Manager (1)	55.96	0	0	0	0	58.76	61.70	64.78
Public Engagement Officer Part-time (1)	30.73	32.27	33.88	35.57	37.35	0.00	0.00	0.00
Water/Sewer Utility Technician (or Public Works Supervisor) (2)	32.51	34.14	35.84	37.63	39.52	41.49	43.57	45.74
Public Works Maintenance (1)	24.68	25.91	27.21	28.57	30.00	31.50	33.07	34.73
Accounting Technician (1)	30.06	31.56	33.14	34.80	36.54	38.37	40.28	42.30
Administrative Clerk (1)	25.36	26.63	27.96	29.36	30.83	32.37	33.98	35.68
Office Clerk (1)	21.64	22.72	23.86	25.05	26.30	27.62	29.00	30.45

Management does not have steps  
There are 5 Steps and are every two years  
Longevity is 5% at 15, 20 and 25 years Full-time employees with continuous service measured from date of hire

Effective June 28, 2025

**RESOLUTION NO. 2620**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTOLA  
APPROVING THE OPERATING BUDGET FOR FISCAL YEAR 2025/2026**

**WHEREAS**, the City Manager has proposed an Operating Budget for Fiscal Year 2025/2026 and presented it to the City Council. The budget balances revenues and expenditures in the General Fund by using fund balance; and,

**WHEREAS**, on June 25, 2025 the City Council of the City of Portola considered the Operating and Capital Improvement Budget for Fiscal Year 2025/2026; and,

**WHEREAS**, the City Council considered the budget at a duly scheduled public hearing and meeting and all persons were given the opportunity to be heard; and,

**WHEREAS**, the City Council has reviewed the proposed Operating Budget and the funds included therein for the period of July 1, 2025 through June 30, 2026 and does hereby find the documents to be sound plans for the financing of required municipal operations, services and capital improvements both ordered upon the City and desired by the City.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PORTOLA DOES  
HEREBY RESOLVE AS FOLLOWS:**

1. Any unused appropriations at the end of the Fiscal Year 2025/2026 will be shown as fund balance in each of the funds.
2. The City Manager is authorized to cause the acquisition and/or purchase of equipment, materials, supplies, personnel services, and other items provided for in said Fiscal Year Budget in accordance with the City's purchasing policy which has been previously reviewed and approved by the City Council.
3. The City Council of the City of Portola does hereby approve and adopt the Final Budget for Fiscal Year 2025/2026.

**PASSED, APPROVED AND ADOPTED** this 25th day of June 2025 by the following vote:

AYES:

NOES

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ABSTAIN:

ABSENT:

\_\_\_\_\_  
MAYOR, Jim Murphy

ATTEST:

\_\_\_\_\_  
DEPUTY CITY CLERK, Malachi Mansfield

I, Malachi Mansfield, Deputy City Clerk of the City of Portola, do hereby certify that the above and foregoing Resolution was duly passed and adopted by the City Council of the City of Portola at a regular meeting thereof held on June 25, 2025.

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DEPUTY CITY CLERK, Malachi Mansfield