



MEETING DATE: June 26, 2024

FROM: Susan Scarlett

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

EXECUTIVE SUMMARY:

The budget process for the 2024-2025 Fiscal year budget began in January with the calendar for the budget schedule. Staff began working on the budget and had public comment opportunities in March and April. A draft budget was presented to the Council at a Budget Work Session on May 8th and again at a public hearing for the budget on June 12th. Changes were made for the June 12th meeting and revenue changes have been made since that time and will be reviewed with the Council at the June 26th meeting.

This budget does not include any increases to rates in Water, Sewer or Solid Waste. The budget includes a 3.6% COLA for full-time employees as well as step increases.

In addition to the resolution adopting the Operating Budget there are resolutions for the Annual Investment Policy, the GANN Appropriations limit, CCR 570.5 resolution and pay scale.

RECOMMENDATION:

Recommendation: It is requested that the Council consider each resolution individually. Staff recommends the Adoption of the following Resolutions:

Resolution No. 2586 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. 2587 A Resolution for the City Council of the City of Portola adopting the Pay Schedules and Job Classifications for the 2024-2025 Fiscal Year

Resolution No. 2588 A Resolution of the City Council of the City of Portola approving and adopting the annual appropriations limit for the fiscal year 2024-2025.

Resolution No. 2589 A Resolution for the City Council of the City of Portola adopting the Operating Budget for the 2024-2025 Fiscal Year.

FISCAL IMPACT:

General Fund budget is currently showing a use of \$71,687.28 of Fund balance.

ATTACHMENTS:

- A. RESOLUTION INVESTMENT POLICY 24-25
- B. CCR 570.5 RESOLUTION
- C. PAY SCHEDULE FOR CCR 570.5 COMPLIANCE 24-25
- D. APPROPRIATIONS LIMIT 2024-2025
- E. BUDGET RESOLUTION 2024-2025

RESOLUTION NO. 2586

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 26th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

MAYOR, Pat Morton

ATTEST:

DEPUTY CITY CLERK, Jason Shaw

I, Jason Shaw, 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 26, 2024.

DEPUTY CITY CLERK, Jason Shaw

RESOLUTION NO. 2587

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTOLA
ADOPTING THE PAY SCHEDULES AND JOB CLASSIFICATIONS
EFFECTIVE JULY 1, 2024**

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 2024/2025 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 26th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

MAYOR, PAT MORTON

ATTEST:

Jason Shaw, Deputy City Clerk

I, Jason Shaw, 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 26, 2024.

Jason Shaw, Deputy City Clerk

POSITION	HOURLY RATES								
	Step 1	Step 2	Step 3	Step 4	Step 5	L 1	L 2	L 3	
City Manager (1)	64.02	0	0	0	0	67.22	70.58	74.11	
Administrative Services Manager (Not currently filled)	37.85	0	0	0	0	39.74	41.73	43.82	
Public Works & Building Services Manager (1)	52.03	0	0	0	0	54.63	57.36	60.23	
Community Engagement Officer Part-time (Not currently filled)	30.00					0.00	0.00	0.00	
Water/Sewer Utility Technician (or Public Works Supervisor) (2)	31.74	33.33	35	36.75	38.58	40.51	42.53	44.66	
Public Works Maintenance (1)	24.09	25.29	26.55	27.88	29.27	30.73	32.27	33.88	
Accounting Technician (1)	29.34	30.81	32.35	33.97	35.67	37.45	39.33	41.29	
Administrative Clerk (1)	24.76	26.00	27.30	28.67	30.10	31.61	33.19	34.84	
Office Clerk (1)	21.12	22.18	23.29	24.45	25.68	26.96	28.31	29.73	

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

RESOLUTION NO. 2588

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTOLA
APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2024-2025**

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 2024/2025 is calculated by adjusting the base year of appropriations of the fiscal year 2023/2024 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 2024/2025.

NOW THEREFORE, BE IT RESOLVED that the appropriations subject to limitations in fiscal year 2024/2025 shall be \$2,621,361.05.

PASSED, APPROVED AND ADOPTED this 26th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

MAYOR, PAT MORTON

ATTEST:

Deputy City Clerk, Jason Shaw

I, Jason Shaw, 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 26, 2024.

Deputy City Clerk, Jason Shaw

RESOLUTION NO. 2589

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTOLA
APPROVING THE OPERATING BUDGET FOR FISCAL YEAR 2024/2025**

WHEREAS, the City Manager has proposed an Operating Budget for Fiscal Year 2024/2025 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 26, 2024 the City Council of the City of Portola considered the Operating and Capital Improvement Budget for Fiscal Year 2024/2025; 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, 2024 through June 30, 2025 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 2024/2025 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 2024/2025.

PASSED, APPROVED AND ADOPTED this 26th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

MAYOR, Pat Morton

ATTEST:

DEPUTY CITY CLERK, Jason Shaw

I, Jason Shaw, 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 26, 2024.

DEPUTY CITY CLERK, Jason Shaw