



Members:
Mayor Tave
Mayor Pro Tem Murphy
Treasurer Swearingen

PINOLE FINANCE SUBCOMMITTEE MEETING AGENDA

February 18, 2026
5:00 PM

Attend in person - PINOLE CITY COUNCIL CHAMBERS - 2131 PEAR STREET
OR

Attend VIA ZOOM TELECONFERENCE - Details provided below

How to Submit Public Comments:

In Person:

Attend meeting at the Pinole City Council Chambers, fill out a yellow public comment card and submit it to the City Clerk.

Via Zoom:

Members of the public may submit a live remote public comment via Zoom video conferencing. Download the Zoom mobile app from the Apple Appstore or Google Play. If you are using a desktop computer, you can test your connection to Zoom by clicking [here](#). Zoom also allows you to join the meeting by phone.

From a PC, Mac, iPad, iPhone or Android:

<https://us02web.zoom.us/j/89335000272>

Webinar ID: 893 3500 0272

By phone: +1 (669) 900-6833 or +1 (253) 215-8782 or +1 (346) 248-7799

- Speakers will be asked to provide their name and city of residence, although providing this is not required for participation.
- Each speaker will be afforded up to 3 minutes to speak
- Speakers will be muted until their opportunity to provide public comment.

When the Mayor opens the comment period for the item you wish to speak on, please use the “raise hand” feature (or press *9 if connecting via telephone) which will alert staff that you have a comment to provide and press *6 to unmute. **To comment with your video enabled, please let the City Clerk know you would like to turn your camera on once you are called to speak.**

Written Comments:

All comments received **before 12:00 pm the day of the meeting** will be posted on the City’s website on the agenda page ([Agenda Page Link](#)) and provided to the Commissioners prior to the meeting. Written comments will not be read aloud during the meeting. **Email comments to comment@pinole.gov** Please indicate which item on the agenda you are commenting on in the subject line of your email.

OTHER WAYS TO WATCH THE MEETING

LIVE ON CHANNEL 26. They are retelecast the following Thursday at 6:00 p.m. The Community TV Channel 26 schedule is published on the city's website at www.pinoles.gov.

VIDEO-STREAMED LIVE ON THE CITY'S WEBSITE, www.pinoles.gov and remain archived on the site for five (5) years.

If none of these options are available to you, or you need assistance with public comment, please contact the Deputy City Clerk, Roxane Stone at (510) 724-8937 or rstone@pinoles.gov.

Americans With Disabilities Act: In compliance with the Americans With Disabilities Act of 1990, if you need special assistance to participate in a City Meeting or you need a copy of the agenda, or the agenda packet in an appropriate alternative format, please contact the City Clerk's Office at (510) 724-8928. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Ralph M. Brown Act. Gov. Code § 54950. In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly. The people of this State do not yield their sovereignty to the agencies, which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

1. CALL TO ORDER

2. PUBLIC COMMENT

3. CONSENT ITEMS

- A. Approve the minutes from the January 14, 2026, Finance Subcommittee Meeting

4. BUSINESS ITEMS

- A. FY 2026/27 Financial Policy Review

- B. FY 2026/27 Budget Planning

No action is requested. The Subcommittee is an advisory committee which makes recommendations to the City Council.

5. ADJOURNMENT

I hereby certify under the laws of the State of California that the foregoing Agenda was posted on the bulletin board at the main entrance of Pinole City Hall, 2131 Pear Street Pinole, CA, and on the City's website, not less than 72 hours prior to the meeting date set forth on this agenda.

Posted: Friday, February 13, 2026 at 1:40 PM

Roxane Stone, CMC
Deputy City Clerk

PINOLE FINANCE SUBCOMMITTEE
MEETING MINUTES
January 14, 2026

1. CALL TO ORDER

Mayor Pro Tem Murphy called the meeting to order at 3:06 p.m. The meeting took place in Pinole City Hall, Council Chambers, 2131 Pear Street, Pinole, California.

Board Members Present:

Mayor Anthony Tave*
Mayor Pro Tem Devin Murphy
Treasurer Roy Swearingen
*Attending Remotely

Staff Members Present:

Finance Director, Markisha Guillory
Deputy City Clerk, Roxane Stone

2. PUBLIC COMMENT

There were no comments from the public.

3. CONSENT ITEMS:

- A. Approve the minutes from the April 24, 2025 Finance Subcommittee Meeting.

ACTION: Motion by Treasurer Swearingen/Mayor Pro Tem Murphy to approve the Minutes of the April 24, 2025 meeting, as shown.

Vote:	Passed	3-0
	Ayes:	Tave, Murphy, Swearingen
	Noes:	None
	Abstain:	None
	Absent:	None

4. BUSINESS ITEMS

- A. Fiscal Year (FY) 2026/27 Budget Planning

Finance Director Markisha Guillory reported the City Council directed staff to plan a Finance Subcommittee meeting to be held earlier in the budget development process.

Finance Director Guillory recommended the Finance Subcommittee receive a report and provide direction that would be recommended to the full City Council for approval. Staff sought direction on expectations for the Finance Subcommittee meeting, budget priorities (if ready for this meeting) and the process for development of the Fiscal Year (FY) 2026/27 budget and Capital Improvement Plan (CIP).

Finance Director Guillory provided a PowerPoint presentation for the FY 2026/27 Budget Planning which included an overview of the budget development process in general; key dates and actions as they moved through the budget process starting in January through July 1, 2026, and highlighted the anticipated opportunities and challenges for the City Manager/Communications Department, Information Technology (IT) Department, Pinole Community Television (PCTV), and the Community Development, Community Services, Human Resources, Police and Public Works Departments.

Finance Director Guillory advised the next steps included the presentation of the proposed FY 2026/27 budget development process to the City Council and the implementation of the Finance Subcommittee direction regarding expectations for the Finance Subcommittee meetings throughout the budget development process, including preferred meeting frequency.

Please note: Mayor Tave experienced some technical difficulties with his remote attendance and his comments were not always clearly audible.

Mayor Tave asked about the typical frequency of Finance Subcommittee meetings, recognized the Finance Subcommittee had not met since April 2025, and recommended sufficient time be taken to clearly evaluate each component, particularly since the PowerPoint presentation had identified a number of areas of concern, and asked the Finance Director as to the appropriate number of meetings to be able to do that.

Finance Director Guillory explained in prior years the Finance Subcommittee had held two main meetings. One, to adopt the policies for the fiscal year and the other to present the Baseline and Preliminary Proposed Budgets. The City Council directed the meetings be held with more frequency to allow additional evaluation of the budget and to allow the ability to address some of the issues, which was why staff wanted to provide a preview earlier in the process to help guide that process moving forward. Staff was open to suggestions on the frequency of meetings but suggested meetings between January through April would allow the Finance Subcommittee an appropriate review period.

Mayor Tave asked whether each Department had provided presentations to the Finance Subcommittee in the past to allow members to ask questions about the issues facing each Department and to learn what they had planned in the next fiscal year.

Finance Director Guillory reported in the past each Department had made presentations to the City Council but not to the Finance Subcommittee, although that could be done in the budget planning process to allow Department presentations each month.

Mayor Tave hoped that could be done and he wanted to hear the perspective from the other members of the Finance Subcommittee.

Treasurer Swearingen explained some of the concerns he and the Finance Subcommittee had in the past had been reflected in the April 24, 2025 Finance Subcommittee meeting minutes. He understood the City had taken the first steps to eliminate consultants and hire someone to provide Information Technology (IT) work in-house, as an example, saving the City money. He would like to see the City Manager direct his/her efforts to evaluate all outside contracts to potentially put out to bid. He could not understand what was being provided in some of the costly contracts and suggested some of the contracts could be reduced or the work brought in-house by hiring a Public Works staff person or something like that to take care of the contracts and ensure they could do as much in-house work as possible. It was possible more Public Works staff was needed as opposed to hiring outside contractors for weed work, as an example.

Treasurer Swearingen noted that as discussed in the April 24, 2025 Finance Subcommittee meeting minutes, the Contra Costa County Fire Protection District (CCCFPD) costs were to be around five percent a year, but there had been an increase from \$450,000 to \$500,000 and the City would see a 10 percent increase to \$600,000 per year for fire services. The City should find out how much of that was actually needed since the City was doing all of the maintenance, but yet had a \$600,000 bill for fire personnel pay and benefits. He stated that was a significant amount and a good portion of the City's budget.

Treasurer Swearingen also suggested it was a good idea for the City to drop the Grant Writer who was costing the City \$4,000 a month and the City was not getting much. He was pleased to see that position had been eliminated. In the past, when the City wanted a grant written or there was knowledge of a grant, staff would get a grant writer to write the grant. Grants could be found by Department Heads. He recognized there was criteria to be met for certain grants and the City did not always qualify for some of the larger grant opportunities. He suggested the City should continue to look for grants but they must be done by the City Departments and PCTV. He knew some members of the public would agree with that suggestion.

PUBLIC COMMENTS OPENED

Rafael Menis found the PowerPoint presentation to be excellent, well written, laid out and legible and asked that it be uploaded to the agenda packet on the City website so that the public could view it without needing to watch the recording of the broadcast. He also understood more Finance Subcommittee meetings would be held on a more frequent schedule and asked that any future presentations be uploaded prior to the meeting so the public could have access and refer to it more easily.

Mr. Menis found there was a lot of great narrative descriptions of the various opportunities and challenges the Departments were facing, but there was not that much in the way of concrete numbers. He realized this was early in the process, but if ranges could be provided, as an example, that would be helpful. The costs for the General Plan and Specific Plan were identified, but things such as the net costs to the City overall for Public Works Department positions the Department would like to hire should be provided.

Mr. Menis noted the Police Department challenges slide of the PowerPoint presentation had mostly focused on capital and not operational costs. He assumed that was being discussed in Closed Session. In terms of the Public Works Department opportunities and challenges, he would like to know the costs for the improved asset management and what fiscal benefit the City could expect from taking certain actions such as the cost of setting up an emergency preparedness response protocol, cost for additional equipment and tools and technological upgrades along with the range of those costs. He asked that information be included in future presentations.

PUBLIC COMMENTS CLOSED

Treasurer Swearingen noted the challenges in the Public Works and other City Departments related to the need for an increase in staff, which he found related directly to available income and revenue that he recognized would be discussed further when the Finance Subcommittee was presented the budget report. He suggested the staff presentation was a good start and he would review it completely to come up with some other possible ideas to finding revenue to support some of the things the City really needed.

Treasurer Swearingen recognized the need to consider potential revenue sources such as raising sales taxes given more and more people were purchasing on-line or out of town where the sales taxes did not come back to the City of Pinole. He suggested that would happen more and more and the City really needed to take a long look and spend time on that issue. The City Council also needed to spend time to determine where the money would come from and look to the future for possible revenue sources within the type of commercial businesses that provided the larger sales tax revenue.

Mayor Pro Tem Murphy thanked Finance Director Guillory and staff for the introductory presentation. He supported the Finance Subcommittee meeting once a month, particularly given the current uncertainty in the nation. He asked for clarification since he understood the FY 2025/26 budget had encompassed funding for the City Council Retreat, and Finance Director Guillory advised she would have to verify whether or not that was the case.

Mayor Pro Tem Murphy recalled there was around \$10,000 in the budget for the City Council Retreat and suggested if those funds had been budgeted they be leveraged, which would mean an additional opportunity for the City Council to discuss its priorities and he would like to invite Treasurer Swearingen into those discussions.

In terms of the key dates, Mayor Pro Tem Murphy suggested the City Council Retreat could be considered in the March or April timeframe, pending the availability of the City Council and the Acting City Manager. He also wanted to circle back to the grant policy and commented on his understanding that within the last four years, the City had adopted a financial policy around grants. He asked for clarification.

Finance Director Guillory clarified in the five years she had been with the City of Pinole the City always had a Grants Management Policy.

Mayor Pro Tem Murphy asked for more information on the Grants Management Policy since he recalled the City had added a new financial policy related to grants within the last couple of years; however, the City as an agency may have been applying for grants before that time.

Finance Director Guillory stated she would confirm that information.

Mayor Pro Tem Murphy recalled the former City Manager had provided a list of grants the City had received over the last couple of years. He would like to know which of those grants matched which City Department and which of the grants the City had professional services provide assistance. He understood some of the grants, including some of the grants the City had recently received around traffic safety, were in partnership with the Grant Writer. It would be great to see how much success the City had experienced with the Grant Writer. He liked the fact the City had been digging deeper into finding money from the state and national agencies and wanted to understand what was matching what, and whether staff was internally seeking grants and/or whether staff was actively asking for professional help and getting those grants through professional partnerships.

Finance Director Guillory stated that information was available. She explained the contract with the consultant Townsend had expired on December 31, 2025, and the contract had not been renewed. The City had another firm on-call for time and materials to assist with the more complex Public Works grants.

Mayor Pro Tem Murphy understood the contract with Townsend had been termed out and also understood the consultant was the only firm the City had worked with, and Finance Director Guillory confirmed that had been the case over the past two years.

Mayor Pro Tem Murphy recognized since his election to the City Council in 2020, the national landscape for incentives and grants had drastically changed. He suggested there might be a more fitting consultant to work on grants at the national level.

Mayor Pro Tem Murphy also suggested the idea of having Department Heads attend the Finance Subcommittee meetings would be great, and noted that process had been done at City Council meetings, but given the volume of business during City Council meetings, it was challenging to ask all of the questions at that time. It would be great to integrate the Department Heads into the Finance Subcommittee meeting discussions.

Mayor Pro Tem Murphy referenced the opportunities shown for the Police Department and the mention of the National Opioid Settlement funds being used to purchase a detection K9 and vehicle. He asked about the costs for those items and the amount of funds available from the National Opioid Settlement.

Finance Director Guillory reported the overall funding over the last three years the City had received from the National Opioid Settlement was close to \$100,000. The funds were being tracked, there were stipulations to the use of the funds and they must be spent within a certain amount of time.

Commander Justin Rogers, Pinole Police Department (PPD) reported the City had \$89,000 and the funds carried specific usage criteria. The intent was for a detection K9 and vehicle, and the PPD also planned to provide educational materials to set up booths at different City events to provide outreach for Opioid abuse and to provide solutions. The cost for the detection K9 unit including training was around \$20,000. The vehicle that would have to be specifically prepared to accommodate the dog and other necessities would be somewhere between \$70,000 and \$80,000. Based on what he had seen provided in the past, the educational materials including a booth and a pop-up would be provided consistent with the California Office of Traffic Safety (OTS), Cannabis Grants and the Community Outreach Unit, at a cost between \$8,000 and \$10,000.

Treasurer Swearingen understood there was a two-year window in that expenditure.

Commander Roberts confirmed that was the case and the reason he was urging staff to move forward.

Treasurer Swearingen found the cost for the vehicle to be low if fully outfitted and asked if the estimate was for a fully outfitted vehicle.

Commander Roberts clarified the reason the cost was lower than a typical patrol vehicle was that some of the interior material would be different. The vehicle would be designed for a detection K9. The detection K9 would be able to go a scene and detect if there was an excess amount of Fentanyl in the area, as an example, which allowed emergency responders and others to be made aware. The detection K9 vehicle needed a cage in the back for the dog and the vehicle would not need all of the items a patrol vehicle typically required, with more detail able to be provided at a later date. A firm price on the vehicle was not available until a true build out had been done and approval provided.

Mayor Pro Tem Murphy recognized the National Opioid Settlement funds had stringent requirements and he understood they had to be used on public health. He clarified that staff was proposing the detection K9 and vehicle for the next fiscal year and it was not yet an approved item.

Finance Director Guillory confirmed that was the case and staff had also consulted with legal given the stringent rules for the use of the funds from the National Opioid Settlement.

Mayor Pro Tem Murphy asked that the Finance Director ensure the National Opioid Settlement funds were part of the budget conversation since the City Council in previous discussions about the settlement funds had multiple ideas how the funds could be used. He wanted the City Council to know about the staff recommendation.

Finance Director Guillory confirmed that could be done and regular updates could be provided as well. She commented the City was receiving funding almost weekly.

Mayor Pro Tem Murphy spoke to one of the challenges shown for the Public Works Department and the need for an emergency preparedness and response protocol. He asked whether that work was being integrated, whether the City was partnering on the work and commented on his understanding this topic would come back to the City Council since the new Emergency Operations Plan (EOP) had not yet been adopted.

Finance Director Guillory clarified the challenge was the role of the Public Works Department in a larger EOP.

Mayor Pro Tem Murphy understood there were many items in the EOP that were being revised that did include Public Works and there would be training once the new EOP was adopted. He thanked staff for getting the Finance Subcommittee on board early. He was excited with the passage of Measure I in 2024, and with that revenue coming to the City since sales taxes were the biggest increment for the City, and he sought other creative avenues as well. He looked forward to further conversations about the budget.

Finance Director Guillory responded to the public comment and clarified the PowerPoint presentation was pretty qualitative and the intent was to capture and brainstorm about some of the anticipated challenges and opportunities in each City Department. For the next version, staff would apply some costs and estimated revenues for the various items so that more context was provided as the City started to allocate funding through the budget process.

Mayor Pro Tem Murphy advised no action was requested. The Finance Subcommittee was an advisory committee that made recommendations to the City Council.

5. ADJOURNMENT

At 3:56 p.m.. Mayor Pro Tem Murphy adjourned the meeting.

Posted: January 9, 2026 at 10:15 a.m.

Roxane Stone, CMC
Deputy City Clerk



FINANCE SUBCOMMITTEE REPORT

4.A.

DATE: FEBRUARY 18, 2026
TO: MAYOR AND COUNCIL MEMBERS
FROM: Markisha Guillory, Finance Director, 510-724-9823, MGuillory@pinole.gov
SUBJECT: FY 2026/27 FINANCIAL POLICY REVIEW

RECOMMENDATION

City staff recommends that the Finance Subcommittee review the proposed Fiscal Year (FY) 2026/27 Financial Policies and recommend them for City Council approval or provide other direction to staff.

BACKGROUND

It is a best practice in public finance and recommendation of the National Advisory Council on State and Local Budgeting (NACSLB) and the Government Finance Officers Association (GFOA) that public agencies regularly review and update as appropriate their financial policies. Consistent with best practices, City staff review, and, if appropriate, propose updates to the City's financial policies as part of the annual budget process.

The financial policies are intended to set guidelines on how the City will manage its financial resources as well as to provide direction for financial decision-making.

City staff is presenting the proposed FY 2026/27 Financial and Investment Policies which do not include any changes from the prior fiscal year.

REVIEW AND ANALYSIS

Financial policies are central to a strategic, long-term approach to financial management. Adopting formal written financial policies include their ability to help government agencies:

- Institutionalize good financial management policies;
- Clarify strategic intent for financial management;
- Define boundaries;
- Support credit ratings;
- Promote long-term and strategic planning;
- Manage risks to financial condition; and
- Comply with established public management best practices.

Staff is presenting the proposed Financial and Investment Policies for the Finance Subcommittee's consideration. The policies align with municipal finance best practices and are consistent with standard financial policies recommended by the Government Finance Officers

Association (GFOA) and those implemented by other local government agencies. Staff is not recommending any changes to the existing policies. Note that the Reserve Policy and Pension Investment Policy were previously revised and approved by the City Council, and those updates have already been incorporated into the current policies. The following section provides a summary of each policy, and the full policies are included in Attachment A.

1. Structurally Balanced Budget

The City will aspire to create a proposed General Fund operating budget that is structurally balanced whereby current expenditures will be funded by current year revenue. If the proposed operating budget is structurally imbalanced, the City will develop a plan to create a proposed General Fund operating budget for the subsequent fiscal year that is structurally balanced.

2. Reserve Policy

The City will establish and maintain reserves to meet certain anticipated future obligations as well as to ensure that the City maintains adequate financial resources to continue to provide basic municipal services in the event of a significant unanticipated revenue decrease or expenditure increase. This account and the funds contained therein shall be referred to as the General Reserve. It shall be budgeted to contain an amount equivalent to 25% of the City's annual General Fund ongoing operating expenditures.

The revised Reserve Policy reduced the reserve level from 50% to 25% of the City's annual General Fund ongoing operating expenditures. It was adopted by the City Council on June 17, 2025.

3. Revenue Policy – One-Time (Non-Recurring) Resources

The City will strive to maintain a diversified and stable revenue base that is not overly dependent on any individual revenue type, land use, or major taxpayer. One-time resources (also referred to as “non-recurring”) should be used for one-time (non-recurring) expenditures, including but not limited to establishing and rebuilding reserves, early retirement of debt, capital expenditures, and reducing unfunded pension liabilities (California Employee Retirement System (CalPERS) and Other Post-Employment Benefits (OPEB)).

4. Revenue Policy – User Fees and Charges

The City of Pinole is empowered to recapture, through fees, up to the full cost of providing specific services. Regular and consistent review of all fees is necessary to ensure that the costs associated with delivery of individual services have been appropriately identified, and that the City is fully recovering those costs. It is the City's policy to set user fees at full cost recovery levels, except where a greater community benefit is demonstrated to the satisfaction of the City Council, or when it is not cost effective to do so. The City will recover costs of new facilities and infrastructure necessitated through development impact fees consistent with state law.

5. Expenditure and Budget Policy

The City will deliver service in the most efficient and cost-effective manner. This includes

utilizing the services of volunteers in areas where operationally and economically viable. The budget will state the objectives of the operating programs, and identify the resources being provided to accomplish the specified objectives.

6. Debt Policy

The City will limit the use of debt so as not to place a burden on the fiscal resources of the City and its taxpayers. Long-term borrowing will be limited to capital improvements or projects that cannot be financed from current revenues. When capital projects are financed, the City will amortize the debt within a period not to exceed the expected useful life of the project. The City will limit the total debt ratio (debt guaranteed by the General Fund) to 10% or as required by bond coverage ratios. The debt ratio is calculated by the relationship between the debt and the General Fund revenue.

7. Receivables Policy

The City will ensure the timely invoicing, monitoring, and collection of outstanding obligations owed to the City.

8. Grants Management Policy and Procedures

City departments actively pursue federal, state and other grant opportunities when deemed appropriate. Grant funding allows the City to leverage local public funds by extending and enhancing the services it offers to the community, and to introduce new initiatives.

9. Capital Assets Policy and Procedures

Purchased and donated assets meeting the City's capitalization definition and threshold will be classified and recorded in the City's financial records as capital assets. The value of the asset must meet the City's capitalization threshold of \$5,000 to be recorded as a capital asset.

10. Unclaimed Funds/Outstanding Checks Policy and Procedures

The City of Pinole will account for unclaimed funds in a manner which follows Government Code Sections 50050 through 50056. Funds that remain unclaimed for at least three (3) years will become the property of the City of Pinole after the procedures identified herein have been followed.

11. Investment Policy

The purpose of this Policy is to define the parameters within which funds are to be managed. In methods, procedures, and practices, the policy formalizes the framework for the City of Pinole's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds.

12. Pension and Other Post-Employment Benefits (OPEB) Investment Policy

The City of Pinole (the "City") has established the City of Pinole Employee Benefit Pension Plan (the "Plan"), a Section 115 Trust. The goal of the Plan's investment program is to provide a reasonable level of growth which will result in sufficient assets to offset a portion of the present and future obligations of retirement benefits provided by the California Public

Employees Retirement System (“CalPERS”) for those eligible employees who meet the specified age and service requirements.

The revised Pension and Other Post-Employment Benefits (OPEB) Investment Policy includes the newly established OPEB subaccount. It was adopted by the City Council on September 16, 2025.

FISCAL IMPACT

There is no fiscal impact.

ATTACHMENTS

- A. Proposed Financial and Investment Policies 2026



City of Pinole
Financial and Investment Policies
FY 2026/27

Financial Policies

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Structurally Balanced Budget

Policy

The City will aspire to create a proposed General Fund operating budget that is structurally balanced whereby current expenditures will be funded by current year revenue. If the proposed operating budget is structurally imbalanced, the City will develop a plan to create a proposed General Fund operating budget for the subsequent fiscal year that is structurally balanced.

Purpose

To ensure the sustainability of service and expenditure levels by requiring that ongoing General Fund operating expenditures be funded by ongoing revenues.

Definitions and Details

1. This policy applies to General Fund operating budgets.
2. Structural balance is defined as recurring (ongoing) revenues equaling or exceeding ongoing expenditures.
3. Under this policy, City staff will analyze whether the proposed General Fund operating budget is structurally balanced.
4. If City staff determines that the proposed budget is imbalanced, City staff will develop a plan to create a proposed General Fund operating budget for the following fiscal year that is structurally balanced, including possible revenue enhancements or expenditure decreases.
5. Internal service funds are intended to operate on a break-even basis.
6. To implement this policy, staff will identify General Fund operating revenue that is recurring and non-recurring. Recurring revenues are those that the City can reasonably expect to continue to receive on an annual basis over the next 5 to 10 years. Recurring revenues include, but may not be limited to, property taxes, sales and use taxes, utility user taxes, franchise taxes, business license taxes, transient occupancy taxes, other taxes, fines and forfeitures, interest on investments, use of money and property, motor vehicle in-lieu, city interfund transfers, licenses and permits, resources from other governmental agencies, charges to other City funds, and other reimbursements and charges for services. Non-recurring revenues are monies that the City cannot reasonably expect to continue to receive over the next 10 to 15 years. Non-recurring revenues include, but may not be limited to, fund balance, grant funds, financing proceeds, and sale of property and equipment. Revenue from recurring sources that is significantly above normal levels will be considered non-recurring revenues.
7. Staff will also identify General Fund operating expenditures that are recurring and non-recurring. A recurring expenditure is an ongoing cost that relates to an ongoing City service or activity. Examples of recurring expenditures are salaries, benefits, utilities, debt service, maintenance, normal capital outlays, and other mandated costs. Non-recurring expenditures are costs that are incurred for one-time activities,

or services that are scheduled to "sunset". Typical non-recurring expenditures include those for grant-funded activities, special initiatives, and one-time capital expenditures.

8. A structurally balanced General Fund operating budget is a best practice. It is, however, appropriate and consistent with best practice to adopt a structurally imbalanced budget for a given fiscal year under certain circumstances. For example, it is appropriate and consistent with best practice to use designated reserves as a non-recurring revenue to cover recurring expenditures during times of fiscal duress. If a budget is proposed with this characteristic, the Structurally Balanced Budget Policy provides appropriate direction, which is that staff should develop a plan to create a structurally balanced budget for the subsequent fiscal year.

Reserve Policy

Policy

The City will establish and maintain reserves to meet certain anticipated future obligations as well as to ensure that the City maintains adequate financial resources to continue to provide basic municipal services in the event of a significant unanticipated revenue decrease or expenditure increase.

Purpose

To ensure that the City maintains adequate financial resources to continue to provide basic municipal services in the event of a significant unanticipated revenue decrease or expenditure increase.

Definitions and Details

1. The City shall establish a separate account in the financial system to reserve funds intended to ensure that the City maintains adequate financial resources to continue to provide basic municipal services in the event of a significant unanticipated revenue decrease or expenditure increase. This account and the funds contained therein shall be referred to as the General Reserve. It shall be budgeted to contain an amount equivalent to 25% of the City's annual General Fund ongoing operating expenditures. Resources in the General Reserve account will be considered committed¹ for the purpose of financial reporting per the standards of Generally Accepted Accounting Principles (GAAP) set forth by the Governmental Accounting Standards Board (GASB) Statement No. 54.
2. The City shall establish other separate accounts in the financial system to reserve funds for other appropriate purposes, such as for replacement of vehicles and major equipment; maintenance and replacement of capital assets; and long-term liabilities.
3. Funds held in the General Reserve can only be appropriated by a majority vote of the Council to address exceptional circumstances specifically related to a significant revenue shortfall, unanticipated expenditure, or other budget stabilization issue.
4. If the General Reserve funds are appropriated and expended, the City Council will endeavor to replenish them to the full amount noted above as part of the adoption of the subsequent budget, if not sooner.
5. This Policy shall be reviewed by the City Council periodically to ensure its consistency with current law and the City's current needs.

¹ Per the Governmental Accounting Standards Board (GASB) Statement No. 54, "committed" includes amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that originally imposed the constraint..

Revenue Policy – One-Time (Non-Recurring) Resources

Policy

The City will strive to maintain a diversified and stable revenue base that is not overly dependent on any individual revenue type, land use, or major taxpayer. One-time resources (also referred to as “non-recurring”) should be used for one-time (non-recurring) expenditures, including but not limited to establishing and rebuilding reserves, early retirement of debt, capital expenditures, and reducing unfunded pension liabilities (California Employee Retirement System (CalPERS) and Other Post Employment Benefits (OPEB)).

Purpose

To ensure that the City appropriately uses one-time resources, including not using one-time resources on ongoing expenditures, which can contribute to a structurally imbalanced budget.

Definitions and Details

1. Non-recurring revenues are monies that the City cannot reasonably expect to continue to receive over the next 10 to 15 years. Non-recurring revenues include, but may not be limited to, fund balance, grant funds, financing proceeds, and sale of property and equipment. Revenue from recurring sources that is significantly above normal levels will be considered non-recurring revenues.

Revenue Policy – User Fees and Charges

Policy

The City of Pinole is empowered to recapture, through fees, up to the full cost of providing specific services. Regular and consistent review of all fees is necessary to ensure that the costs associated with delivery of individual services have been appropriately identified, and that the City is fully recovering those costs. It is the City's policy to set user fees at full cost recovery levels, except where a greater community benefit is demonstrated to the satisfaction of the City Council, or when it is not cost effective to do so. The City will recover costs of new facilities and infrastructure necessitated through development impact fees consistent with state law.

Purpose

To determine the full costs of providing specific services so that the City Council can make informed decisions as to the appropriate levels of fees for services that may be imposed to avoid providing unwanted subsidies. The City Council may decide against full cost recovery in cases where greater community benefit is demonstrated.

Definitions and Details

1. Every service supported by user fees or charges will be analyzed bi-annually, or as required by statute or directed by City Council to determine the net cost of providing the service.
2. Net cost will be determined by identifying all revenues generated or attributed to the service and subtracting all cost elements (direct and indirect expenses, capital outlays and other one-time expenses). The resulting figure will be the level of subsidy, which the City Council will use as a basis for determining user fee increases or decreases.
3. If it is determined that there is a net cost to providing the service, the City Council will raise user fees to achieve full cost recovery, unless it is decided that the subsidy should be maintained.
4. Additional information may be necessary to aid in the decision as to whether or not a service should be subsidized (community benefit, cost-effectiveness, etc.)

Expenditure and Budget Policy

Policy

The City will deliver service in the most efficient and cost-effective manner. This includes utilizing the services of volunteers in areas where operationally and economically viable. The budget will state the objectives of the operating programs, and identify the resources being provided to accomplish the specified objectives.

Purpose

To provide guidance to staff in developing spending plans that address the City's priorities and policy objectives while ensuring benefit to the City.

Definitions and Details

1. Department expenditures are limited to:
 - a. Budgeted expenditures approved by the City Council as appropriated by major category:
 - i. Salary and Benefits;
 - ii. Services and Supplies: Travel and Training, Office Expenses, Repairs and Maintenance, Materials, Professional Services, etc.; and Capital Outlay.
2. The operating budget will be prepared to fund current year expenditures with current year revenue. However, surplus fund balances may be used to increase reserves, fund Capital Improvement Projects, reduce unfunded pension liability (California Employee Retirement System (CalPERS) and Other Post Employment Benefits (OPEB)), or carried forward to fund future years' operating budgets when necessary to stabilize services and fund capital outlay.
3. Budget transfers require the approval of the City Manager or designee except those affecting personnel and capital projects which must be approved by the City Council.
4. Budget transfers required to hire additional permanent personnel require the City Council's approval.
5. The City will periodically update replacement and maintenance financing plans, and incorporate them into the Budget.
6. The City will monitor and review methods of operation to ensure that services continue to be delivered in the most cost-effective manner possible. This review process encompasses a wide range of productivity issues, including:
 - a. Analyzing systems and procedures to ensure efficient delivery of services.
 - b. Evaluating the ability of new technologies and related capital investments to improve productivity.
 - c. Developing the skills and abilities of all City employees.
 - d. Developing and implementing appropriate methods of recognizing and rewarding exceptional employee performance.
 - e. Evaluating the ability of the private sector to perform the same level of service at a lower cost.

Debt Policy

Policy

The City will limit the use of debt so as not to place a burden on the fiscal resources of the City and its taxpayers. Long-term borrowing will be limited to capital improvements or projects that cannot be financed from current revenues. When capital projects are financed, the City will amortize the debt within a period not to exceed the expected useful life of the project. The City will limit the total debt ratio (debt guaranteed by the General Fund) to 10% or as required by bond coverage ratios. The debt ratio is calculated by the relationship between the debt and the General Fund revenue.

Purpose

To maintain fiscal viability by not encumbering the General Fund with excessive debt payments or using debt to support operating expenses.

Definitions and Details

1. For purposes of computing the percentage of debt payments the proposed budget expenditures will be used.
2. The ratio of debt payments to operating expenditures will be presented in the annual budget.
3. The City will investigate the use of special assessment, revenue or other self-supporting bonds to limit the General Fund obligation for debt service payments.
4. The City will not use long-term debt for current operations.
5. The City will not use short-term borrowing to support routine operations, provided however, that it may be used to meet temporary cash flow needs.
6. The City will maintain strong communications with bond rating agencies about the City's financial condition and will follow a policy of full disclosure on financial reports and bond prospectus.
7. The City will strive to maintain or improve the City's bond rating.
8. The City will utilize inter-fund loans when possible to reduce the cost of financing capital improvements.
9. The City is required to enter into an agreement for inter-fund loans beyond the current fiscal year.

Receivables Policy

Policy

The City will ensure the timely invoicing, monitoring, and collection of outstanding obligations owed to the City.

Purpose

To maintain appropriate oversight of all receivables and maintain sound fiscal management and accounting practices related to all receivables.

Definitions and Details

1. For the purpose of this policy, receivables are defined to include outstanding obligations owed to the City for services or goods supplied.
2. All receivables shall be recorded in accordance with Generally Accepted Accounting Principles (GAAP).
3. Accounts receivable will be administered by the Finance Department.
4. Accounts receivable shall be established for services or goods provided in advance of a payment and should include terms for collection. Invoices should be prepared in a timely manner but not less than on a monthly basis. Invoices should include a description of the goods or services provided, payment terms and remittance address.
5. All accounts receivable should be recorded in a manner that allows for aging analysis. Reconciliation of accounts receivable may be performed on a monthly, quarterly or annual basis depending on the type of receivable.
6. Collection options should be evaluated and pursued to maximize collections. The use of collection agencies and programs such as the State Interagency Intercept Collection Program or the County Tax lien process may be used based on the type of receivable.
7. An allowance for doubtful accounts should be recorded after a bad debt expense is estimated. Write-off of bad debt should be performed on an annual basis to ensure that accounts receivable and allowance balances are not overstated.
8. The City will establish written procedures to document the accounts receivable process and bad debt write-off process for adequate internal controls and proper management oversight. These procedures should be reviewed annually as part of the year end audit process.

Grants Management Policy and Procedures

Policy

City departments actively pursue federal, state and other grant opportunities when deemed appropriate. Grant funding allows the City to leverage local public funds by extending and enhancing the services it offers to the community, and to introduce new initiatives.

Purpose

The purpose of this policy is to specify circumstances when grant funding is appropriate and to establish a standardized set of procedures for the fiscal administration, management, and monitoring of public and private grants. This policy is intended to ensure compliance with all applicable administrative, financial, reporting, and monitoring requirements established by the funding agency as well as all applicable administrative and fiscal directives and guidelines established by the City of Pinole. The policy and procedures established herein shall apply to all Federal, State, County and private grants administered by the City.

Definitions and Details

1. Staff Responsibilities

- a. City Department seeking and managing grant funding is responsible for:
 - i. Preparation of grant application materials;
 - ii. Providing sufficient data to allow City Management to evaluate the costs and benefits of the proposed grant;
 - iii. Obtaining appropriate approvals for submission of grant, if necessary;
 - iv. Obtaining City Council approval for acceptance of grant;
 - v. Understanding the operational and budgetary impact the grant has on the City;
 - vi. Accumulating the appropriate accounting detail and supporting documentation;
 - vii. Preparation of reports required by the grantor;
 - viii. Providing the Finance Department with the following:
 1. Grant Award Letter;
 2. Grant Contract;
 3. City Council minutes of action or Council Resolution approving the grant;
 4. An administrative manual (this includes program guidelines and accounting procedures). This will allow Finance to maintain grant files which are accurate and complete.

- ix. Providing Finance copies of all grant amendments, program reporting, reimbursement requests and other communications to all agents involved in the grant administration process for review prior to submission.
- a. The Finance Department (Finance Director) is responsible for:
 - i. Reviewing all financial reports to the grantor prior to submission to ensure its accuracy;
 - ii. Assisting departments with any problems or questions regarding the grant submission process;
 - iii. Scheduling audit of grant programs when requested by Grantee Agency. City staff will aid in the auditing process providing available source documents as requested by the auditing agency;
 - iv. Coordinating the accounting for all receipts and disbursements related to the grant. Finance Department will determine setup and maintain the most appropriate method (s) of accounting for the grant in the financial system.

2. Pre-Application

Prior to submitting an application for any grant award, the applicant department shall thoroughly review the grant requirements outlined in the solicitation to ensure that the department is aware of and has the capacity to meet all administrative, fiscal, programmatic, reporting and monitoring requirements.

3. Post-Award

- a. Set-Up

All new grants should be reviewed by the Finance Director to ensure that all grant details are accurate and grant budget is established in the financial system in accordance with any special conditions required by the funder.

- i. Acceptance of all grants must be approved by action of the City Council. Said approval shall include authorization to appropriate funding to revenue and expenditure accounts.
- ii. For grants that were not included in the annual adopted budget, the applicant department will submit a request to appropriate revenue and expenditures to the City Council for review and approval. Once the grant budget has been approved by the City Council, department staff should submit a request to the Finance Department to establish the approved budget in the financial system.
- iii. The term of grant-funded positions must be clearly identified and disclosed to the City Council prior to approval. If the expiration of a grant requires the application of General Fund revenue for continued funding, this stipulation must also be disclosed.

- iv. One-time or fluctuating grant sources should not be used for ongoing programs.
- v. The awarded department assumes the lead role in grant management in collaboration with the Finance Department.

b. Cash Handling

Grant funds are received from various funding agencies via checks and electronic wire/ACH transfers only and should be sent to the Finance Department. Hard copy checks are deposited weekly and promptly recorded in the City's financial system.

4. Grant Monitoring and Quarterly Reporting

a. Grant Award Monitoring

Award monitoring shall be the responsibility of the applicant department to ensure that grant funds are expended for eligible activities in accordance with the guidelines established by the funder, including, but not limited to:

The applicant department shall obtain all documentation necessary to fully and accurately support all grant expenditures, including expenditures incurred by sub- recipients. Examples of supporting documentation may include, but not be limited to:

- i. Employee timesheets
- ii. Personnel Activity Reports
- iii. Personnel Action Forms
- iv. Payroll reports
- v. Invoices and proof of payment
- vi. Purchase receipts
- vii. Workshop/Training itineraries
- viii. Travel documents

b. Quarterly Reporting

Finance Department staff should review grant expenditures and cash position as needed to ensure proper oversight and fiscal administration of the grant. Claims for reimbursement based grants should be sent to the funder timely to ensure prompt reimbursement. If grant reimbursements are not received within the timeframe prescribed by the funder - generally 60 to 90 days - the appropriate applicant department staff should follow up to check on the status of the reimbursement request.

Grants are required to be reconciled at least quarterly as part of the Finance

Department's grant reconciliation process. Grant reconciliation should include review of all of the following:

- i. Grant expenditure to revenue balance
- ii. Grant budget to actual balance
- iii. Status of reimbursement requests submitted to the funder for purpose of reversing revenue accruals
- iv. Grant advances and whether or not funds should be recognized
- v. Grant end dates, closeouts
- vi. Review grant information against the general ledger to ensure accuracy of information listed

5. Record Retention

The City is committed to ensuring that all necessary grant records and documents are adequately retained as required by federal, state, and private funding agencies. The below Record Retention Schedule is approved as the retention schedule for grant records and documents maintained by the applicant department. The schedule is applicable to all physical and electronic grant records maintained by the department as part of the administration and management of federal, state, and private grant funds.

Record Retention Schedule: Grant Records	
Record Type*	Retention Period
Original grant proposal Grant-specific policies and procedures Grant award letter Grant agreement and subsequent modifications, if applicable Grant budget and subsequent modifications, if applicable All pertinent funder correspondence, including emails, phone log notes, letters, site visit/monitoring/corrective action/audit reports, etc... All pertinent sub-recipient/sub-grantee correspondence including emails, phone	At least 5 years following official notification by the awarding agency that the grant has been fiscally and programmatically closed OR at least 5 years following the closure of its audit report covering the entire award period, whichever is later.

<p>log notes, letters, site visit/monitoring/corrective action/audit reports, etc...</p> <p>Fiscal and program/performance reports submitted to the funder including explanation of data collection/reporting methodology, if not evident</p> <p>Wire transfers and/or copies of reimbursement checks received</p> <p>Documentation of required matching funds</p> <p>All documentation relating to grantee compliance with the grant agreement</p> <p>All evidence of returned grant funds</p> <p>All supporting documentation necessary to fully and adequately justify grant expenditures including timesheets, payroll reports, Personnel Activity Reports, receipts, invoices, etc.</p> <p>Other documents deemed necessary and important by grant program/fiscal staff and/or documents required to be maintained by the funder</p>	
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* All grant documents and records should be organized and maintained in designated grant files or other systematic organizational structure.

Capital Assets Policy and Procedures

Policy

Purchased and donated assets meeting the City's capitalization definition and threshold will be classified and recorded in the City's financial records as capital assets. The value of the asset must meet the City's capitalization threshold of \$5,000 to be recorded as a capital asset.

Purpose

To define costs eligible and establish thresholds for capitalization in conformity with Governmental Accounting Standards Board Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and Statement No. 51 Accounting and Financial Reporting for Intangible Capital Assets.

Definitions and Details

1. Definition of a Capital Asset

A capital asset is any tangible or intangible asset purchased for use in the day-to-day operations of the City with a useful life greater than one year and has an acquisition cost of \$5,000 or more. Donations with an estimated appraised value of \$5,000 or more and have a useful life greater than one year is also considered a capital asset. Capital assets include items such as land, sewer lines, buildings, vehicles, equipment, and furniture.

2. Major Asset Classes

- a. (100) Land – includes land under infrastructure and preparation costs. Costs can include acquisition prices and cost of initially preparing land for its intended use (basic site improvements, removal, excavation, relocation, reconstruction). Usually has an indefinite useful life and is not depreciated.
- b. (200) Improvements other than buildings - permanent improvements (non-moveable), other than buildings that add value to land, but do not have an indefinite useful life. Examples include fences, retaining walls, parking lots, and landscaping.
- c. (300) Buildings - permanent structures. Costs can include purchase of new building or cost of an improvement to an existing building. An entire building can be classified as one asset or be reported as separate capital assets if discrete portions of the building have significantly different useful lives (e.g. roof separate from building).
- d. (400) Infrastructure - capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage

- systems, water and sewer systems, and lighting systems.
- e. (600) Furnishings and Equipment - moveable assets that includes all costs to place equipment into service (freight, installation, warranties, and sales tax). Each piece of equipment must meet the minimum capitalization threshold and is not recorded in bulk. Examples include vehicles, furnishings, machinery, servers, and appliances.
 - f. (700) Other Capital Assets – capital assets that do not fit into any of the major asset classes. This can include:
 - i. Intangibles – assets that are not physical in nature. Generally, this includes software and easements (can also include water rights, trademarks).
 - ii. Easements - intangibles with an indefinite useful life and are not depreciated.
 - iii. Software - both internally generated and off-the-shelf.
 - g. (900) Construction in Progress - construction projects in progress at the conclusion of the fiscal year. These costs are not depreciable until the project is completed and booked into the correct category of improvements, buildings, or infrastructure.

3. Capital Asset Useful Life

The capital asset useful life is the determining factor for the number of accounting periods over which the asset is to be depreciated. The City can determine the useful life of an asset by using historical information or by seeking guidance from other external resources to determine the proper useful life of the asset. Depreciation is recorded on a straight-line basis over the estimated useful life of the asset as follows:

Class	Useful Life
Bridges	75 years
Buildings	50 years
Equipment	5-10 years
Parks	70 years
Street drainage	100 years
Streets and roads	50 years
Vehicles	5-10 years
Wastewater infrastructure	50 years

4. Capital Asset Review

The City relies on a decentralized method to verify the accuracy of capital assets. Departments are responsible for evaluating the condition and functionality of existing capital assets assigned to their department to determine if the asset is still providing the most appropriate method to deliver services. Capital assets should be assessed on an annual basis.

5. Disposal of Capital Assets/Surplus Property

When an asset will no longer be used in operations, voluntarily or involuntarily, the asset shall be removed from the City's financial records and removed from service. Disposal of equipment, material, or inventory will be in accordance with the City's surplus property guidelines.

"Surplus Property" is used generically to describe any City property that is no longer needed or useable by the holding department. The City Council shall declare item(s) surplus prior to disposal.

6. Methods of Disposition

- a. The department head or designee in consultation with the Finance Director shall determine or approve one of the following methods of disposition that is most appropriate and in the best interests of the City.
- b. All surplus property is for sale "as is" and "where is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability or the property offered for sale. Appropriate methods of sale are as follows:
 - i. Public Auction - Surplus property may be sold at public auction. City staff may conduct public Auctions, or the City may contract with a professional auctioneer including professional auction services.
 - ii. Bids - Bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
 - iii. Selling for Scrap - Surplus property may be sold as scrap if the department head or designee in consultation with the Finance Director deems that the value of the raw material exceeds the value of the property as a whole.
 - iv. Negotiated Sale - Surplus property may be sold outright if the department head or designee in consultation with the Finance Director determines that only one known buyer is available or interested in acquiring the property.
 - v. No Value Item – Where the department head or designee in consultation with the Finance Director determines that specific supplies or equipment are surplus and of minimal value to the City due to spoilage, obsolescence or other cause, or where the Finance Director, serving as the Purchasing Officer, determines that the cost of disposal of such supplies or equipment would exceed the recovery value, the department head or designee in consultation with the Finance Director shall dispose of the same in such a manner as he or she deems appropriate and in the best interest of the City.
- c. Surplus property that remains unsold will be donated to a non-profit organization or transferred to an appropriate recycle center.
- d. Proceeds from the sale or trade-in of surplus property shall be submitted to Finance for returning to the appropriate fund.

Unclaimed Funds/Outstanding Checks Policy and Procedures

Policy

The City of Pinole will account for unclaimed funds in a manner which follows Government Code Sections 50050 through 50056. Funds that remain unclaimed for at least three (3) years will become the property of the City of Pinole after the procedures identified herein have been followed.

Purpose

The purpose of this policy is to establish guidelines for the proper disposition of unclaimed funds and outstanding checks in accordance with government statutes.

Definitions and Details

1. Definitions

- a. Unclaimed Funds - Consists of funds which are not the property of the City but remain in the City Treasury for three (3) or more years without a claim being filed by the legal owner(s). Unclaimed funds do not include individual items of less than \$15.00, any amounts in which the depositor's name is unknown, or restitution to victims.
- b. Warrant – Instrument issued to pay for goods and/or services rendered, issue refunds, etc. (i.e. a check).
- c. Stale Dated – A check that is older than six (6) months.
- d. Escheat – refers to state escheat laws that require agencies to transfer unclaimed property or funds to the state after three years and reasonable efforts locate the property owner.

2. Guidelines

The City of Pinole has established the policy to hold unclaimed payroll and accounts payable checks rather than escheating the unclaimed funds to the State of California.

This unclaimed funds policy applies to all outstanding payroll and accounts payable checks abandoned three years after the issue date.

3. Procedures: Items over \$15.00

- a. Quarterly during the bank reconciliation process, the outstanding warrant register will be reviewed for items six (6) months and older. For the warrants six months and older, a letter and unclaimed property claim form will be mailed to the address on record for the issued warrant. See Exhibit 1 and 2 for examples.
- b. Every June 30th and December 31st, (final evaluation dates) all remaining

outstanding warrants will be evaluated. Any warrants issued more than 12 months prior to evaluation date will receive a second letter and affidavit form. If no response is received within 30 days for the warrants 12 months or greater, the warrant will be identified as stale dated. Stale dated warrants shall be cancelled and voided in the system. A journal entry shall be prepared to record the total amount of stale dated checks in a hold account called "Aged Unclaimed Warrants".

- c. A list of stale date warrants containing the warrant number, issue date, amount, and payee shall be maintained by the Finance Department. If a cancelled warrant is presented, or the payee files a claim after cancellation, the warrant shall be reissued by debiting the "Aged Unclaimed Warrants" account, and the original warrant shall be removed from the stale dated list.
- d. Also, on June 30th and December 31st, the stale dated list shall be evaluated to determine which warrants are more than 3 years old from the date of issue. Warrants that are more than 3 years old will be handled as follows:
 - i. A notice must be published once a week for two consecutive weeks in a newspaper of general circulation in the City of Pinole stating the payee, the amount, the fund in which the money is held, and that it is proposed that the money will become the property of the City of Pinole on a specific date (not less than 45 nor more than 60 days after the first publication). See Exhibit 3 for example.
 - ii. Upon or prior to publication, a party of interest may file a claim (Exhibit 2) for the funds with the Finance Director. The claim must contain the claimant's name, address, amount, tax identification number, and grounds for claim prior to the date the funds become property of the City of Pinole. The Finance Director can require additional information to help substantiate the claim.
 - iii. On the day identified in the notice, the total dollar amount (on which no claims were filed) becomes the property of the City. A journal entry will be prepared to recognize the revenue. The money will be moved from "Aged Unclaimed Warrants" to the fund the warrant was originally issued from.

4. Procedures: Items under \$15.00 or items where the depositor is unknown

- a. Quarterly during the bank reconciliation process, the outstanding warrant register will be reviewed for items six (6) months and older. For the warrants six months and older, a letter and unclaimed property claim form will be mailed to the address on record for the issued warrant. See Exhibit 1 and 2 for examples.
- b. Every June 30th and December 31st, (final evaluation dates) all remaining outstanding warrants will be evaluated. Any warrants issued more than 12 months prior to evaluation date will receive a second letter and affidavit form. If no response is received within 30 days for the warrants 12 months or greater, it becomes the property of the City of Pinole. Stale dated warrants shall be cancelled and voided in the system. A journal entry will

be used to record the total amount of these warrants as revenue.

- c. Any individual check of less than fifteen (\$15) dollars, or any amount if the depositor's name is unknown, which remain unclaimed for a period of one (1) year may be transferred from the funds which the money was originally drawn from by the City Council to the General Fund without the necessity of publication of notice in a newspaper. (Gov. Code Section 50055)

City of Pinole INVESTMENT POLICY

I. Introduction

The purpose of this Policy is to define the parameters within which funds are to be managed. In methods, procedures, and practices, the policy formalizes the framework for the City of Pinole's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds.

II. Governing Authority

The investment program of the City of Pinole ("the City") shall be operated in conformance with federal, state, and other legal requirements. All funds will be invested in accordance with the City's Investment Policy, and California Government Code Sections 5360I, 5360I.1, 5360I.5, 5360I.6, 53635, 53646, 53635.5, and I648I.2.

III. Scope

It is intended that this policy cover all funds (except retirement funds) and investment activities under the direction of the City. The investment of bond proceeds will be in accordance with the provisions of relevant bond documents.

IV. Objectives

The primary objectives, in priority order, of the investment activities of the City shall be:

1. Safety
Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. Liquidity
The investment portfolio of the City will remain sufficiently liquid to enable the City to meet its cash flow requirements.

3. Return

The investment portfolio of the City shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

V. **Standards of Care**

1. Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse development.

The “prudent person” standard states that,

“Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

2. Ethics and Conflict of Interest

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

3. Delegation of Authority

The management responsibility for the investment program is hereby delegated to the City Treasurer or designee who shall monitor and review all investments for consistency with this investment policy. No person may engage in an investment transaction except as provided under the limits of this policy. The City Council may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow the policy and such other written instructions as are provided.

VI. Permitted Investment Instruments

1. U.S. Treasury and other government notes, bonds, bills, or obligations that carry the full faith and credit guarantee of the United States for the payment of principal and interest. Maturities shall not exceed five years in length. No more than fifty (50) percent of the City's investment portfolio may be invested in instruments defined under this section.
2. Federal Agency or U.S. government sponsored enterprises (GSE) bonds and note obligations, participations or other instruments. This includes but is not limited to obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes. Maturities shall not exceed five years in length, unless the funds to be invested are moneys generated from the proceeds of the sale of real estate assets restricted to a reserve account, and the investment security is "AA" rated by at least two of three nationally recognized rating agencies (Standard & Poor's, Moody's or Fitch) in which case maturities shall not exceed ten years in length. No more than 40 (forty) percent of the City's investment portfolio may be invested in instruments defined under this section.
3. Certificates of Deposit (CDs) which are Federal Deposit Insurance Company (FDIC) insured or fully collateralized time CD's in financial institutions in California. No more than 10 percent of the City's portfolio shall be invested in FDIC insured or fully collateralized time certificates of deposit. Maturities shall not exceed five years in length.
4. Negotiable FDIC insured Certificates of Deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank. Purchase of negotiable CD's may not exceed 30 percent of the City's investment portfolio. Maturities shall not exceed five years in length, and must have an IDC number greater than 165 (excellent rated).

5. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's Investors Services or by Standard & Poor's Corporation. Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40 percent of the City's investment portfolio. No more than 10 percent of the City's investment portfolio may be invested in the Banker's Acceptances of any one commercial bank.
6. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a Double-AA rating category "AA" or its equivalent or better by a nationally recognized rating service. Additionally, corporate notes shall be widely diversified across all market sectors. Purchase of medium-term corporate notes may not exceed fifteen (15) percent of the City's investment portfolio. No more than five (5) percent of the City's investment portfolio may be invested in a medium-term note of any one corporation. Maturities shall not exceed five years in length.
7. Commercial paper rated in the highest tier of "prime quality" as provided by Moody's Investors Service, Inc., or Standard & Poor's Corporation, provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an "A" or higher rating for its long-term debt, if any, as provided by Moody's or Standard & Poor's. Purchases of eligible commercial paper may not exceed 180 day's maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 15 percent of the City's investment portfolio. An additional 15 percent or a total of 30 percent of the City's investment portfolio may be invested only if the dollar weighted average of the entire amount does not exceed 31 days.
8. Repurchase Agreements used solely as short-term investments not to exceed 30 days. The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in VI.1 and 2, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the City's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 103 percent of the total dollar value of the money invested by the City for the term of the investment unless the term of the investment is overnight, in which case the total of all collateral for the Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 100 percent of the total dollar value of the

investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis. Market value must be calculated each time there is a substitution of collateral. The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

The City may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of \$1 billion and in the highest short-term rating category as provided by Moody's Investors Service, Inc. or Standard & Poor's Corporation. The City will have specific written agreements with each firm with which it enters into Repurchase Agreements. No more than 10 percent of the City's investment portfolio may be invested in Repurchase Agreements.

9. State of California's Local Agency Investment Fund (LAIF). Up to 100 percent of the City's portfolio may be invested in LAIF or up to the maximum permitted by California State Law. The LAIF portfolio should be reviewed periodically.
10. Securities and Exchange Commission (SEC) registered Money Market Mutual Funds as authorized by Government Code Sections 53601 and/or 53635. To be eligible for investment pursuant to this subdivision these companies shall either:
 - a. Attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services;
 - b. Have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations authorized by Government Code Section 53601;
 - c. Assets under management in excess of \$500,000,000;
 - d. The purchase price of the share of beneficial interest shall not include any commission charged by these companies; and,
 - e. Purchases shall not exceed 15 percent of the investment portfolio of the City.

Under no circumstances shall any funds of the City be invested in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. Nor

shall any of the City's funds be invested in any security that could result in zero interest accrual if held to maturity.

VII. Reporting Requirements

Quarterly investment reports shall be submitted by the City's Treasurer or designee to the City Council. The reports shall include, at a minimum, the following information for each individual investment:

- Type investment instrument;
- Institution/Issuer;
- Maturity date;
- Cost of security (par value) and dollar amount in all securities;
- Description of the funds and investments;
- Maturity distribution and of the portfolio;
- Current market value of all securities;
- Rate of return for the portfolio;
- A statement of compliance of the portfolio with the City's Investment Policy, and its ability to meet expenditure requirements for the next six months.

Pursuant to Government Code Section 53646 (e), the Treasurer may supply to the governing body, chief executive office and the external auditor a copy of the most recent statement received by the City on those investments in the State Local Agency Investment Fund in lieu of the above required statement.

VIII. Safekeeping and Custody

The assets of the City shall be secured through the third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. Collateralized securities such as repurchase agreements shall be purchased using the delivery vs. payment (DVP) procedure.

City of Pinole
PENSION AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)
INVESTMENT POLICY

I. Introduction

The City of Pinole (the “City”) has established the City of Pinole Employee Benefit Pension Plan (the “Plan”), a Section 115 Trust. The goal of the Plan’s investment program is to provide a reasonable level of growth which will result in sufficient assets to offset a portion of the present and future obligations of retirement benefits provided by the California Public Employees Retirement System (“CalPERS”) and Other Post-Employment Benefits (OPEB) provided by the City for those eligible employees who meet the specified age and service requirements.

II. Statement of Purpose

The purpose of this Pension and OPEB Investment Policy is to establish a comprehensive strategy for assets invested under the Plan, and outline prudent and acceptable parameters in which pension and OPEB funds are to be managed.

The primary objectives of this policy are to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan’s investment goals and objectives and management policies applicable to the investment portfolio;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account’s short and long-term needs that is consistent with the account’s investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

III. Roles and Responsibilities

Governing Authority

The pension and OPEB investment program of the City of Pinole (“the City”) shall be operated in conformance with federal, state, and other legal requirements. All funds will be invested in accordance with the City’s Pension and OPEB Investment Policy, and applicable California Government Code Sections.

Delegation of Authority

The management responsibility for the pension investment program is hereby delegated to the City Manager and/or designee as Plan Administrator who shall monitor and review all investments for consistency with this investment policy. No person may engage in an investment transaction except as provided under the limits of this policy. The City Council may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow the policy and such other written instructions as are provided.

Duties and Responsibilities (Refer to Appendix for who serves in these roles)

Plan Administrator

The Plan Administrator for the City of Pinole is responsible for:

- Confirming the accuracy of this Investment Guidelines Document, in writing.
- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.
- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.

Trustee

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

Investment Manager

The Investment Manager is responsible for:

- Assisting the Plan Administrator with the development and maintenance of this Investment Policy document.
- Meeting with the Plan Administrator to review portfolio structure, holdings, and performance.
- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this Policy.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Voting proxies, if applicable.
- Recommending changes to any of the above.

- Periodically reviewing the suitability of the investments, and being available at such other times within reason at your request.
- Preparing and presenting appropriate reports.
- Informing the Plan Administrator if changes occur in personnel that are responsible for portfolio management or research.

Standards of Care

Prudence

The standard of prudence to be used by investment officers shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse development.

The “prudent person” standard states that,

“Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

Ethics and Conflict of Interest

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

IV. Asset Allocation

The goal of the Plan’s investment program is to provide a reasonable level of growth, which will result in sufficient assets to pay a portion of the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan.
- The Plan’s assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a

strategic perspective of the capital markets.

Investment Time Horizon:	Intermediate-term
Anticipated Cash Flows:	Assets in the Plan will seek to mitigate the impact of future rate increases from CalPERS and healthcare costs. Typically, increases in rates come with a one-year advance warning; however the Plan Administrator may request disbursement of assets at any time.
Investment Objective:	The primary objective is to generate a reasonable level of growth over time. The assets in this Plan will eventually be used to fund Pension Plan and OPEB obligations.
Risk Tolerance:	<i>Moderate</i> – The account’s risk tolerance has been rated moderate, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

Strategic Asset Allocation

As of the date of this Pension and OPEB Investment Policy adoption, the asset allocation ranges for the City of Pinole Employee Benefit Pension and OPEB Plan is as follows:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	40%-60%	40%-60%
Target: 2%	Target: 48%	Target: 50%

Market conditions may cause the account’s asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with the Plan’s objectives.

V. Investment Guidelines

Security Guidelines

Equities

With the exception of limitations and constraints described above, the Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth).

Further, the Investment Manager may allocate assets among domestic and international developed and emerging market equity securities.

Total Equities	40%-60%
<i>Equity Style (Growth Assets)</i>	<i>Range</i>
Domestic Equity	15%-39%
International Equity (incl. Developed and Emerging Market Equity)	1%-25%
Other (REIT and Global Infrastructure)	0%-15%

Fixed Income

In the fixed income portion of the account, the Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	40%-60%
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*High Yield securities may be purchased, but they will be held using a diversified exchange traded fund, or mutual fund vehicle.

If individual fixed income securities are purchased for the Plan, the following guidelines will be adhered to in the management of the fixed income segment:

Eligible Investments

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities (MBS)
- Asset Backed Securities (ABS)
- Collateralized Mortgage Obligations (CMO)
- Commercial Mortgage-Backed Securities (CMBS)
- Corporate debt securities issued by U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates
- Eligible instruments issued pursuant to SEC Rule 144(a)
- Municipal Bonds
- Fixed Income mutual funds
- Eligible instruments issued pursuant to SEC Rule 144a (only if the Client is a documented Qualified Institutional Buyer ; QIB)

Quality

The individual securities portfolio will maintain a minimum weighted average

effective quality of A- at all times. At the time of purchase, individual securities shall have a minimum effective quality rating of BBB-.

For purposes of determining an effective rating, when three agencies rate a security (S&P, Moodys, Fitch) the middle rating will be used. When only two of the three agencies rate a security the lower of the two ratings will be used. When only one agency rates a security that rating will be used.

Duration

The Investment Manager will maintain the portfolio duration within +/- 25% of the Bloomberg US Aggregate Bond Index duration at all times for the individual securities portfolio of the bond segment.

Diversification

- No more than 5% of the portfolio assets may be invested in any individual issuer, with the exception of securities issued or guaranteed by the U.S. Government, its agencies, and Government Sponsored Enterprises. These restrictions do not apply to fixed funds or exchange-traded funds (ETFs).
- No more than 30% of the portfolio may be invested in securities issued under Rule 144A* without registration rights (no limit on Rule 144a* securities with registration rights).

* Note: Rule 144A is an administrative rule under the SEC allowing, under certain circumstances, for qualified institutional investors to trade certain securities with other institutional investors without registering the trade with the SEC. Specifically, the rule allows private companies, both domestic and international, to sell unregistered securities, also known as Rule 144 securities, to qualified institution buyers (QIBs) through a broker-dealer.

Performance Benchmarks

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

Total Portfolio Blended Benchmark

30.0%	Russell 3000 Index
15.0%	MSCI-ACWI Ex-US Index
2.5%	MSCI World Core Infrastructure Index
2.5%	MSCI US REIT Index
44.25%	Bloomberg US Aggregate Bond Index

- 3.75% ICE BofA High Yield Index
- 2.0% 90-Day Treasury Bill Index

Security Selection

The Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, the Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.

Investment Limitations

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions*
- Commodities Transactions Puts, calls, straddles, or other option strategies*
- Purchases of real estate, with the exception of REIT mutual funds or ETFs
- Derivatives, with exception of ETFs*

**Permissible in diversified mutual funds and exchange-traded funds*

VI. Reporting Requirements

Quarterly reports shall be submitted by the Investment Manager to the Plan Administrator of the City of Pinole. These reports will be submitted by the City's Treasurer or designee to the City Council.

APPENDIX

Plan Sponsor Account Information as of the date this pension investment policy is adopted:

Plan Sponsor:	City of Pinole
Plan Administrator:	City Manager and/or designee
Governance:	Pinole City Council
Plan Name (“Plan”)	City of Pinole Employee Benefits Pension Plan
Trustee:	US Bank
Type of Account	Pension and OPEB Plan
ERISA Status:	Not subject to ERISA
Investment Manager:	US Bank, as discretionary trustee, has delegated investment management responsibilities to PFM Asset Management (“Investment Manager”), an SEC-registered investment adviser
Investment Authority:	Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to PFM Asset Management, an SEC- registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account’s investment objectives, without prior approval or subsequent approval of any other party(ies).



FINANCE SUBCOMMITTEE REPORT

4.B.

DATE: FEBRUARY 18, 2026
TO: MAYOR AND COUNCIL MEMBERS
FROM: Markisha Guillory, Finance Director, 510-724-9823, MGuillory@pinole.gov
SUBJECT: FY 2026/27 BUDGET PLANNING

RECOMMENDATION

City staff recommend that the Finance Subcommittee receive a report on staff-identified anticipated opportunities and challenges for the FY 2026/27 budget and the preliminary General Fund long-term financial forecast for FY 2026/27 – FY 2045/46, and provide any direction.

BACKGROUND

As the City begins development of the FY 2026/27 budget, staff have identified some key financial considerations to support decision-making and long-term fiscal planning. This report provides an overview of anticipated opportunities and challenges across City departments, as well as a preliminary long-term financial forecast. Together, these components provide an early look at the factors impacting the upcoming budget development and inform strategic planning.

REVIEW AND ANALYSIS

ANTICIPATED OPPORTUNITIES AND CHALLENGES

In preparation for the FY 2026/27 budget development process, staff have identified anticipated opportunities and challenges (Attachment A). Presenting this information early in the process will support collaboration and help identify potential strategies to address these items through the annual budget. Staff originally presented this information to the Finance Subcommittee at its meeting on January 14, 2026. As a follow-up, staff have now included estimated revenues or savings and estimated costs for those items where such estimates are applicable; some items are not quantifiable. This information is detailed in Attachment A.

GENERAL FUND LONG-TERM FINANCIAL FORECAST

Staff is presenting the preliminary General Fund financial forecast (Attachment B) to provide an early indication of the General Fund's long-term fiscal path. It is important to note that the forecast is not a prediction; rather, it is a planning tool intended to highlight emerging challenges and opportunities so that the City can proactively address them through the budget development process and plan for future fiscal years. Although the forecast spans 20 years, the future years become increasingly speculative, so staff recommend focusing primarily on the next five years.

The forecast is based on currently known factors and will be updated as new information becomes available, such as revised sales and property tax projections and updated healthcare, workers' compensation, and general liability insurance rates. Key revenue and expenditure assumptions are outlined below.

One key item to note is that the balance of the pension and other post-employment benefits (OPEB) trust is forecasted to be fully exhausted in FY 2029/30 at which point the City is projected to face a \$3.3 million deficit. The deficit is projected to grow to \$5.6 million by FY 2030/31.

Overall, General Fund revenues are projected to increase 2.7% while expenditures are projected to increase 5% next fiscal year. At this stage, a shortfall of \$718,646 is projected for FY 2026/27. Department budgets have not yet been entered, so this figure represents an early estimate based on known factors.

Key Revenue Assumptions

- Sales Taxes – based on projections provided by the City's sales tax consultant, HdL.
- Property Taxes - based on projections provided by the City's property tax consultant, HdL.
- Utility Users' Taxes – based on historical trends and current utility rates.
- Franchise Taxes – based on historical trends.
- Other Taxes (Business License and Transient Occupancy Tax) - based on historical trends.
- Intergovernmental Taxes (Vehicle In-Lieu Fee) - based on projections provided by the City's property tax consultant, HdL.
- Grants – based on current awards.
- Permits and Fees – based on historical trends and anticipates updates from the new fee study currently in progress.
- Public Safety Charges – based on the current contract.
- Other Revenues (fines and forfeitures, interest and rental income, and other miscellaneous revenues) – based on historical trends.
- Transfers In – based on pension and OPEB costs.

Key Expenditure Assumptions

- Salaries & Wages – based on current staffing levels and assumes a 3% annual across-the-board salary increase.
- Benefits (PERS only) – based on the CalPERS valuation report and long-term planning tool.
- Benefits (All Other) – based on historical trends.
- Professional and Administrative Services – primarily based on contracts with the Contra Costa County Fire Protection District and County library and animal control services; all other professional services expenditures outside these contracts are based on historical trends and cost inflation.
- Other Operating Expenses (Utilities) – based on historical trends and cost inflation.

- Materials and Supplies – based on historical trends and cost inflation.
- Interdepartmental Charges – based on historical trends and cost inflation.
- Asset/Capital Outlay – based on historical trends and cost inflation.
- Debt Service – based on the long-term debt obligation schedule.
- Transfers Out – based on the operating subsidies provided for Community Services, Community Development, Pinole Community Television (PCTV), and the annual contribution to the Equipment Replacement Fund.

NEXT STEPS

Next steps include providing direction to staff on whether to schedule a Finance Subcommittee meeting in March and identifying the topics to be covered. Staff also recommend holding a budget workshop at which departments would present their proposed operational plans and budget. This was originally proposed to occur at a future Finance Subcommittee meeting, but staff now recommend engaging the full City Council.

FISCAL IMPACT

There is no fiscal impact.

ATTACHMENTS

- A. FY26-27 Anticipated Opportunities and Challenges
- B. Preliminary Long-Term Financial Forecast

City of Pinole
Staff-Identified Anticipated Opportunities and Challenges
FY 2026/27

Department	Opportunities	Estimated Revenue/Savings	Estimated Cost	Notes
City Manager/				
Communications				This was reduced by \$114,000 in FY 2025/26 and will remain reduced due to bringing services in house.
	Reduced ongoing professional services expenses due to transition of projects to internal staff.			
	Continuation of Media & Communications Fellowship Program which will help augment some communications work.			
	Increasing use of digital communications reduces office supplies and mass mailing expenses.	\$5,000		
	Challenges			
	Short-staffed; no dedicated administrative and strategic support available to assist the City Manager with research and policy analysis, project and program management, organizational and process improvement, or Council and community support; and provide general administrative support to all City departments.		\$156,107	
Information Technology	Opportunities			
	Hiring of IT Technician will help IT Department be more effective with expanded services and support, reducing ongoing professional services expenses.	\$127,000		
	Centralized IT administration and oversight help identify operational cost-saving opportunities such as internet, telecommunications and security.	\$29,900		
	Software evaluation underway to identify consolidation and cost-saving opportunities over the next five years.	\$16,000		
	Exploring grant opportunities in collaboration with other departments.	\$116,400		
	Challenges			
	Increasing expenses: software subscriptions and equipment.		\$20,745	
	Process improvement needed Citywide and require some software upgrades/		\$1,000	
	Firewall replacements are needed and are costly.		\$50,000	
	Fiber evaluation and replacement is long overdue and is costly.		\$60,000	
Pinole Community TV (PCTV)	Opportunities			
	Increasing engagement and viewership can attract sponsors.	\$1,500		
	Exploring public access legislative advocacy to expand cable definitions to include internet streaming and collect respective fees from corporations.			
	Continued new revenue identification by way of memberships, fundraising and grants.	\$550		
	Challenges			
	Decreasing cable franchise and Public, Educational, and Government (PEG) revenue.		\$28,000	
	Reduced outside contracts for services.			
	Slow rebuilding of PCTV brand recognition results in lack of sponsorship revenue.			
	Staff shortages paired with increased Citywide demand for AV support put strain on executing full PCTV Strategy and new content development.			
	Working through backlog of replacing outdated equipment.			

City of Pinole
Staff-Identified Anticipated Opportunities and Challenges
FY 2026/27

Department	Opportunities	Estimated		Notes
		Revenue/Savings	Estimated Cost	
Community Development	Opportunities			
	Expanded staffing capacity for rental programs. The anticipated addition of a Housing Inspector position provides dedicated capacity to manage and implement the City's rental inspection program, improving compliance, responsiveness, and long-term program sustainability.	\$282,535	\$282,535	Cost neutral
	Short-term staffing support through the Housing Fellow. Staffing capacity will be further enhanced through calendar year 2026 with continued Housing Fellow support, allowing the team to advance priority housing initiatives and policy work while alleviating workload pressures on existing staff.			No cost
	User fee study and potential new revenue sources. A citywide user fee study is underway, creating an opportunity to align fees with the true cost of service, improve cost recovery, and identify additional or adjusted revenue sources to support Community Development operations.	\$40,000		Opportunity to more fully recover planning fees
	In-house plan check capacity and revenue retention. Retaining a portion of plan check revenue by hiring an in-house plans examiner would allow the City to complete more complex reviews—such as tenant improvements and new residential structures—internally. A phased approach could include hiring a temporary or part-time examiner a few days per week, with the potential to evaluate conversion to a full-time position in the future based on workload and revenue performance.	\$101,667	\$40,000	Plan check revenue totals approx \$200k annually, which the City collects 35% of and pays 65% for plan check services. Figures assume assigning 1/3 the existing workload to a 16 hour/week part time examiner (\$50/hr)
	Challenges			
	Ongoing recruitment difficulties for Building Inspector positions. Recruitment for a Building Inspector I/II remains challenging and is expected to continue through calendar year 2026 due to regional competition, salary pressures, and a limited candidate pool.			Contract inspector rate is \$110/hr. Fully burdened labor rate for previous inspector was \$74.88/hr. Cost for contract for a year is \$235k, and in house is \$156,000 (without overhead)
	Implementation of new rental inspection software and policies. Launching new software and updated policies for the rental inspection program will require significant staff time for setup, training, outreach, and troubleshooting during the initial implementation period.			
	Limited succession and advancement pathways for Planning staff. Providing meaningful succession and growth opportunities for Planning staff is a challenge under the current classification structure, including the need to evaluate creation of a Planner I–III series to support retention, professional development, and internal advancement.			Permit fee increases to support closer to full cost recovery are modest (\$35k increase) while a series would exceed this revenue
	Multi-year funding needs for General Plan, Specific Plan, and Zoning Ordinance updates. The City will need to undertake a comprehensive update of the General Plan within the next three years, refresh or update the 16-year-old Specific Plan, and complete a comprehensive Zoning Ordinance update to ensure consistency and implementation. Collectively, these efforts are anticipated to be in the \$2–3 million range and will require a multi-year funding strategy. Staff will recommend annually setting aside funds to support these updates while balancing competing budget priorities.		\$2,000,000	
	Economic development priorities constrained by lack of dedicated staffing. The absence of dedicated economic development staffing limits the City's ability to implement the Economic Development Strategy, pursue business attraction and retention efforts, and proactively leverage economic development activities that support revenue growth and long-term fiscal sustainability.			Would like to explore a part-time limited term employee for this role (\$80k/annually)

City of Pinole
 Staff-Identified Anticipated Opportunities and Challenges
 FY 2026/27

Department	Opportunities	Estimated Revenue/Savings	Estimated Cost	Notes
Community Services	Opportunities			
	Cost-sharing and partnerships. Collaborations with local organizations, businesses, and other City departments helped reduce costs through shared resources, sponsorships, and joint programming.	\$170,000		Potential donations
	Program evaluation and adjustments. The department reviewed program performance and made strategic adjustments to fees, schedules, and offerings to improve cost recovery while maintaining accessibility for the community.	\$55,000		
	Increased community engagement. Strong participation in events and programs provided opportunities to explore sponsorships, advertising, and expanded fee-based offerings where appropriate.			
	Operational efficiencies. Process improvements, better scheduling, and cross-department coordination helped maximize staff time, reduce duplication of effort, and improve overall budget efficiency.			
	Challenges			
	Rising operational costs. Increased costs for utilities, supplies, insurance, and contracted services continue to place pressure on the department's operating budget. Event production, facility maintenance, and program materials all experienced cost increases that were not fully anticipated in prior budget cycles.			
	Deferred maintenance and capital needs. Aging facilities, parks, and equipment require ongoing maintenance and occasional unplanned repairs. Limited capital funding makes it challenging to address long-term infrastructure needs while maintaining current service levels.			
	Program cost recovery limitations. While many programs generate revenue, not all services fully recover costs. Community events, senior services, youth programs, and special events are intentionally subsidized, which can strain the budget during periods of increased expenses.			
Human Resources	Opportunities			
	Proposed Joint Supervisor Academy. Discussions with neighboring West Contra Costa County cities confirmed that this need is shared regionally, with many agencies facing similar challenges related to limited training budgets, staff capacity, and access to public-sector-specific supervisory training. To address this need in a cost-effective manner, the City of Pinole proposes partnering with neighboring agencies to offer a Joint Supervisor Academy in Fiscal Year 2026/27. This collaborative program would pool resources to deliver a comprehensive supervisory training curriculum tailored to public-sector supervisors, while promoting peer learning and regional consistency in supervisory practices. Pinole's estimated cost share is \$6,000-\$8,000, based on a total program cost of approximately \$30,000-\$40,000.	\$24,000 - \$32,000	\$30,000 - \$40,000	
	Challenges			
	Need for enhanced professional development for lead and front-line supervisory staff, which play a critical role in employee engagement, performance management, compliance, and organizational culture.			

City of Pinole
 Staff-Identified Anticipated Opportunities and Challenges
 FY 2026/27

Department	Opportunities	Estimated Revenue/Savings	Estimated Cost	Notes
Police Department	Opportunities			
	Awarded grants to support public safety programs:			
	Office of Traffic Safety (OTS) Grant - \$50,000	\$50,000		
	Cannabis Grant - \$99,482	\$99,482		
	Byrne Crisis Intervention Program (SCIP) Grant - \$187,253	\$187,253		
	Staff will continue seeking grant opportunities, including reapplying for the OTS and Cannabis Grants, and applying for the Terrorism Prevention Grant (TVTP), Homeland Security Grants: Urban Area Security Initiative (UASI) and State Homeland Security Grant Program (SHSGP), and possibly the COPS Anti-Methamphetamine Program (CAMP) grant.			
	Staff will allocate funds from the National Opioid Settlement funding to purchase a detection K9 and vehicle.			
	Challenges			
	Maintain police department fleet. Consider a leasing program for the full or partial fleet. Costs depend on the number of vehicles in the program and can reach \$280,000 in the fifth year of a 7-year program for the full fleet.		\$280,000	
	Need to replace the aging firearms platform. The quote is \$38,181 to trade in and replace 35 pistols.		\$38,181	
	Need to replace cameras on Fitzgerald and add cameras in the city, approximately \$93,000.		\$93,000	
	Future replacement of 45 portable radios (can likely push until FY 2027/28) for approximately \$315,000. Staff will seek grant opportunities.		\$315,000	

City of Pinole
 Staff-Identified Anticipated Opportunities and Challenges
 FY 2026/27

Department	Opportunities	Estimated Revenue/Savings	Estimated Cost	Notes
Public Works	Opportunities			
	Accessibility to free and low-cost training opportunities not only for enhancing technical knowledge, but also for enhancing skills (such as effective projects management), customer service, and team building.			
	Tapping into available smart city technologies and collaborating with neighboring cities and regional and state agencies (Contra Costa Transportation Authority (CCTA), County, Metropolitan Transportation Commission (MTC), Caltrans, Water Board, etc.).			
	Fostering partnerships with teams of public agencies, utility companies, community groups, and private businesses.	\$24,000		With regards to saving through coordination with utility companies, in collaboration with PG&E, we identified additional plan adjustments that will save the City about \$24,000 per year. Also, AT&T assisted in reaching an agreement on undergrounding their wiring on Pinole Valley Road adjacent to the High School within the next couple of months (an outstanding issue since 2018).
	Engaging with the community in an equitable and respectful manner, and with full transparency.			
	Extensive availability of information under the various areas of Public Works, and progress on the sustainability and resilience initiatives (e.g., green infrastructure, water quality, and renewable energy).			
	Challenges			
	The following positions will allow staff to perform work in-house and reduce the costs of retaining consultants (such as consultants currently assisting PW with the environmental requirements associated SB 1383, C3/stormwater reporting, etc.) and contractors (for small scale projects such as replacement of sidewalk sections and establishment of curb ramps that meet current standards that are currently contracted out), assist the City in meeting set regional, state and federal requirements, and avoid liabilities. The part-time maintenance aid (for collecting trash from parks and other debris) will free the more experienced maintenance workers to better address roads and facilities maintenance needs and will also eliminate the need for retaining outside contractor or community group (which previously cost the City about \$13,000 per the summer season, but they were not available this past summer):			
	Environmental Coordinator/Project Manager – full-time		\$120,000	This position would assist the City in avoiding potential penalties (thousands of dollars daily) associated with water quality requirements and stormwater system reporting, saving of contractual services to Kennedy and Associates, allow us to progress with a fleet transition plan and saving of energy/gas usage, and assist with the coordination with RecycleMore.

City of Pinole
Staff-Identified Anticipated Opportunities and Challenges
FY 2026/27

Department	Opportunities	Estimated Revenue/Savings	Estimated Cost	Notes
	Maintenance Worker (specializing in concrete and masonry work) – full-time		\$110,000	The position would be funded by savings in the Street Improvements Fund due to his/her main focus on minor sidewalk repairs and curb ramps replacement. The saving is also expected from reduced claims due to accessibility issues and sidewalk damage not only at intersections, but also in City owned parks and parking lots.
	Maintenance Aide (for trash and debris collection) – part-time	\$13,000 - \$15,000	\$30,000	The position would be funded through elimination of the \$13,000 - \$15,000 seasonal contract for debris removal and by dedicating the maintenance operations team for road and facility repairs and saving them the weekly hours for trash collection from parks, restrooms, etc.
	Limited staffing resources to better meet the community's needs, as well as challenges in filling engineering vacancies (namely the CIP Manager and Associate Engineer positions).			
	Aging infrastructure and funding limitations, especially in the areas of road rehabilitation, facilities upgrade, and for procurement of needed equipment.			
	Need for improved asset management (preferably using GIS layering), locating and organizing records and as-built plans, and better organizing the network-saved files.			
	Need for additional equipment, tools, and technological upgrades (e.g., additional software, fleet, work tools, etc.).			
	Need for emergency preparedness and response protocol (e.g., hierarchy of communications within the City, organized response units within the various departments to support the community, communications protocol with other agencies including emergency service providers, supply of emergency/battery operated phones to key team members, sufficient equipment for setting emergency routes, etc.).			

City of Pinole
Preliminary General Fund Long-Term Financial Forecast
FY 2026/27 - FY 2045/46
(Includes General Fund, Measure S 2006, Measure S 2014, and Measure I 2024)

	2026B	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
REVENUES & SOURCES											
PROPERTY TAXES	6,698,790	6,899,754	7,155,045	7,419,781	7,694,313	7,979,003	8,274,226	8,580,372	8,897,846	9,227,066	9,568,468
SALES AND USE TAXES	12,364,189	12,563,278	12,877,360	13,263,680	13,661,591	14,071,439	14,493,582	14,928,389	15,376,241	15,837,528	16,312,654
UTILITY USERS TAXES	2,345,000	2,532,600	2,659,230	2,792,192	2,931,801	3,078,391	3,232,311	3,393,926	3,563,623	3,741,804	3,928,894
FRANCHISE TAXES	850,000	901,000	910,010	919,110	928,301	937,584	946,960	956,430	965,994	975,654	985,410
OTHER TAXES - BUSINESS LICENSES AND TOT	876,172	902,457	929,531	957,417	986,139	1,015,723	1,046,195	1,077,581	1,109,908	1,143,206	1,177,502
INTERGOVERNMENTAL TAXES	2,513,149	2,612,475	2,708,027	2,807,114	2,909,867	3,016,422	3,126,919	3,241,505	3,360,331	3,483,553	3,611,335
GRANTS	145,047	98,230	98,230	98,230	98,230	98,230	98,230	98,230	98,230	98,230	98,230
PERMITS	301,700	310,751	320,074	329,676	339,566	349,753	360,246	371,053	382,185	393,650	405,460
FEES	132,309	112,136	112,136	112,136	112,136	112,136	112,136	112,136	112,136	112,136	112,136
PUBLIC SAFETY CHARGES	1,861,497	1,954,572	2,052,300	2,154,915	2,262,661	2,375,794	2,494,584	2,619,313	2,750,279	2,887,793	3,032,182
OTHER REVENUES	214,600	177,240	179,925	182,686	185,527	188,450	191,457	194,551	197,734	201,010	204,379
TRANSFERS IN	3,235,445	3,332,508	3,432,483	3,535,458	2,124,259	-	-	-	-	-	-
TOTAL REVENUES AND SOURCES	31,537,898	32,397,001	33,434,350	34,572,395	34,234,392	33,222,925	34,376,846	35,573,487	36,814,507	38,101,629	39,436,650
EXPENDITURES & USES, BY CATEGORY											
SALARIES AND WAGES	10,526,279	10,851,067	11,185,599	11,530,167	11,885,072	12,250,625	12,627,143	13,014,958	13,414,406	13,825,839	14,249,614
BENEFITS - PERS ONLY	4,437,115	4,842,565	5,009,239	5,380,984	5,504,144	5,512,822	5,639,173	5,657,755	5,638,039	5,604,409	5,511,350
BENEFITS - ALL OTHER	3,741,236	4,095,083	4,288,778	4,491,747	4,704,439	4,927,323	5,160,894	5,405,668	5,662,186	5,931,019	6,212,762
PROFESSIONAL AND ADMIN SERVICES	8,913,471	9,335,111	9,869,172	10,437,381	11,042,028	11,685,567	12,370,615	13,099,972	13,876,631	14,703,790	15,584,868
OTHER OPERATING EXPENSES (UTILITIES)	378,156	392,796	408,506	424,971	442,233	460,338	479,333	499,270	520,202	542,188	565,289
MATERIALS AND SUPPLIES	184,998	190,548	196,264	202,152	208,217	214,463	220,897	227,524	234,350	241,380	248,622
INTERDEPARTMENTAL CHARGES	(665,537)	(693,192)	(713,774)	(734,959)	(756,764)	(779,206)	(802,303)	(826,073)	(850,535)	(875,709)	(901,613)
ASSET/CAPITAL OUTLAY	191,440	172,474	173,448	174,452	175,485	176,550	177,646	178,776	179,939	181,137	182,371
DEBT SERVICE	653,545	675,000	700,000	720,000	793,000	793,000	793,000	793,000	793,000	887,500	887,500
TRANSFERS OUT	3,176,407	3,254,194	3,334,315	3,416,839	3,501,840	3,589,390	3,679,567	3,772,449	3,868,117	3,966,656	4,068,150
TOTAL EXPENDITURES AND USES	31,537,110	33,115,647	34,451,548	36,043,734	37,499,694	38,830,871	40,345,966	41,823,298	43,336,336	45,008,209	46,608,912
EXPENDITURES & USES, BY DEPARTMENT											
CITY COUNCIL	252,450	260,023	268,204	276,682	285,470	294,578	304,021	313,810	323,959	334,482	345,394
CITY MANAGER	535,563	554,348	572,837	593,937	613,201	631,973	652,564	672,777	693,322	714,466	735,788
CITY CLERK	733,895	763,342	788,569	819,969	845,484	868,713	895,865	920,966	945,895	971,332	996,097
CITY TREASURER	9,990	10,372	10,772	11,188	11,620	12,069	12,537	13,023	13,529	14,056	14,603
CITY ATTORNEY	305,965	297,187	306,103	315,286	324,744	334,487	344,521	354,857	365,503	376,468	387,762
FINANCE DEPARTMENT	989,744	1,035,084	1,066,964	1,112,193	1,142,870	1,167,276	1,199,731	1,226,383	1,251,540	1,276,733	1,299,192
HUMAN RESOURCES	955,908	993,881	1,026,045	1,068,509	1,100,281	1,127,604	1,161,261	1,190,839	1,219,587	1,248,667	1,276,003
GENERAL GOVERNMENT	5,128,503	5,476,812	5,665,753	5,856,033	6,105,911	6,289,660	6,480,566	6,678,924	6,885,045	7,193,751	7,416,382
POLICE DEPARTMENT	12,736,655	13,331,957	13,772,825	14,380,221	14,809,693	15,163,569	15,618,721	16,004,210	16,373,281	16,744,925	17,085,019
FIRE DEPARTMENT	6,742,965	7,167,459	7,645,670	8,156,652	8,702,677	9,286,175	9,909,747	10,576,176	11,288,437	12,049,714	12,863,413
PUBLIC WORKS	2,109,662	2,186,800	2,257,635	2,349,673	2,420,662	2,483,200	2,559,042	2,627,242	2,694,379	2,762,830	2,828,452
COMMUNITY DEVELOPMENT	588,142	603,439	622,179	641,960	661,806	682,033	703,170	724,746	746,934	769,812	793,304
RECREATION	447,667	434,944	447,992	461,432	475,275	489,533	504,219	519,346	534,926	550,974	567,503
TOTAL EXPENDITURES AND USES	31,537,110	33,115,647	34,451,548	36,043,734	37,499,694	38,830,871	40,345,966	41,823,298	43,336,336	45,008,209	46,608,912
NET FAVORABLE/(UNFAVORABLE)	788	(718,646)	(1,017,198)	(1,471,339)	(3,265,302)	(5,607,946)	(5,969,120)	(6,249,811)	(6,521,829)	(6,906,580)	(7,172,262)

City of Pinole
Preliminary General Fund Long-Term Financial Forecast
FY 2026/27 - FY 2045/46
(Includes General Fund, Measure S 2006, Measure S 2014, and Measure I 2024)

	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F	2046F
REVENUES & SOURCES										
PROPERTY TAXES	9,922,501	10,289,634	10,670,350	11,065,153	11,474,564	11,899,122	12,339,390	12,795,947	13,269,397	13,760,365
SALES AND USE TAXES	16,802,033	17,306,094	17,825,277	18,360,036	18,910,837	19,478,162	20,062,507	20,664,382	21,284,313	21,922,843
UTILITY USERS TAXES	4,125,339	4,331,605	4,548,186	4,775,595	5,014,375	5,265,094	5,528,348	5,804,766	6,095,004	6,399,754
FRANCHISE TAXES	995,265	1,005,217	1,015,269	1,025,422	1,035,676	1,046,033	1,056,493	1,067,058	1,077,729	1,088,506
OTHER TAXES - BUSINESS LICENSES AND TOT	1,212,827	1,249,212	1,286,688	1,325,289	1,365,047	1,405,999	1,448,179	1,491,624	1,536,373	1,582,464
INTERGOVERNMENTAL TAXES	3,743,844	3,881,256	4,023,753	4,171,522	4,324,758	4,483,664	4,648,450	4,819,332	4,996,538	5,180,300
GRANTS	98,230	98,230	98,230	98,230	98,230	98,230	98,230	98,230	98,230	98,230
PERMITS	417,623	430,152	443,057	456,348	470,039	484,140	498,664	513,624	529,033	544,904
FEES	112,136	112,136	112,136	112,136	112,136	112,136	112,136	112,136	112,136	112,136
PUBLIC SAFETY CHARGES	3,183,792	3,342,981	3,510,130	3,685,637	3,869,919	4,063,414	4,266,585	4,479,914	4,703,910	4,939,106
OTHER REVENUES	207,847	211,414	215,085	218,862	222,749	226,749	230,864	235,100	239,458	243,944
TRANSFERS IN	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES AND SOURCES	40,821,436	42,257,932	43,748,161	45,294,230	46,898,329	48,562,743	50,289,847	52,082,114	53,942,121	55,872,551
EXPENDITURES & USES, BY CATEGORY										
SALARIES AND WAGES	14,686,102	15,135,685	15,598,756	16,075,718	16,566,990	17,073,000	17,594,190	18,131,015	18,683,946	19,253,464
BENEFITS - PERS ONLY	4,792,987	4,169,866	4,044,061	3,925,521	3,813,980	3,709,181	3,610,884	3,518,860	3,432,890	3,352,768
BENEFITS - ALL OTHER	6,508,040	6,817,510	7,141,859	7,481,809	7,838,117	8,211,576	8,603,019	9,013,319	9,443,391	9,894,197
PROFESSIONAL AND ADMIN SERVICES	16,523,520	17,523,653	18,589,445	19,725,360	20,936,173	22,226,988	23,603,263	25,070,833	26,635,937	28,305,248
OTHER OPERATING EXPENSES (UTILITIES)	589,571	615,102	641,956	670,214	699,957	731,276	764,266	799,028	835,670	874,307
MATERIALS AND SUPPLIES	256,080	263,763	271,676	279,826	288,221	296,867	305,774	314,947	324,395	334,127
INTERDEPARTMENTAL CHARGES	(928,270)	(955,699)	(983,921)	(1,012,958)	(1,042,833)	(1,073,568)	(1,105,187)	(1,137,714)	(1,171,171)	(1,205,586)
ASSET/CAPITAL OUTLAY	183,643	184,952	186,300	187,689	189,120	190,594	192,112	193,675	195,285	196,944
DEBT SERVICE	-	-	-	-	-	-	-	-	-	-
TRANSFERS OUT	4,172,690	4,280,365	4,391,271	4,505,504	4,623,165	4,744,355	4,869,180	4,997,751	5,130,178	5,266,578
TOTAL EXPENDITURES AND USES	46,784,363	48,035,197	49,881,403	51,838,684	53,912,889	56,110,269	58,437,500	60,901,714	63,510,521	66,272,047
EXPENDITURES & USES, BY DEPARTMENT										
CITY COUNCIL	356,710	368,446	380,618	393,243	406,340	419,927	434,023	448,650	463,826	479,576
CITY MANAGER	751,744	769,460	792,926	817,350	842,761	869,191	896,676	925,251	954,952	985,819
CITY CLERK	1,005,153	1,017,724	1,044,555	1,072,631	1,101,984	1,132,647	1,164,656	1,198,047	1,232,861	1,269,139
CITY TREASURER	15,173	15,765	16,382	17,023	17,691	18,385	19,107	19,859	20,642	21,456
CITY ATTORNEY	399,394	411,376	423,718	436,429	449,522	463,008	476,898	491,205	505,941	521,119
FINANCE DEPARTMENT	1,284,112	1,275,887	1,299,304	1,324,232	1,350,692	1,378,707	1,408,305	1,439,513	1,472,362	1,506,885
HUMAN RESOURCES	1,275,414	1,280,319	1,309,382	1,339,939	1,372,016	1,405,643	1,440,853	1,477,679	1,516,157	1,556,326
GENERAL GOVERNMENT	6,760,289	7,000,840	7,250,920	7,510,931	7,781,291	8,062,439	8,354,832	8,658,948	8,975,286	9,304,369
POLICE DEPARTMENT	16,963,926	16,929,852	17,288,947	17,669,269	18,071,185	18,495,095	18,941,431	19,410,660	19,903,280	20,419,825
FIRE DEPARTMENT	13,733,178	14,662,905	15,656,766	16,719,221	17,855,043	19,069,336	20,367,562	21,755,566	23,239,598	24,826,347
PUBLIC WORKS	2,838,547	2,860,471	2,931,863	3,007,116	3,086,334	3,169,629	3,257,118	3,348,926	3,445,186	3,546,038
COMMUNITY DEVELOPMENT	816,194	840,088	865,896	892,571	920,140	948,633	978,081	1,008,514	1,039,966	1,072,471
RECREATION	584,528	602,064	620,126	638,730	657,892	677,629	697,957	718,896	740,463	762,677
TOTAL EXPENDITURES AND USES	46,784,363	48,035,197	49,881,403	51,838,684	53,912,889	56,110,269	58,437,500	60,901,714	63,510,521	66,272,047
NET FAVORABLE/(UNFAVORABLE)	(5,962,926)	(5,777,265)	(6,133,242)	(6,544,454)	(7,014,559)	(7,547,526)	(8,147,654)	(8,819,600)	(9,568,400)	(10,399,496)