



City of Highland

John P. Timmer, Member
District 4

Larry McCallon, Member
District 5

Finance/Personnel Subcommittee Meeting Agenda

December 9, 2025 at 5:15 PM
City Hall Upright Conference Room
27215 Base Line, Highland CA 92346

Staff

Carlos Zamano, City Manager
Lawrence Mainez, Community Development Director
Leticia Nava-Cruz, Director of Administrative Services/City Treasurer
Lissette Nock, Deputy City Clerk
Michelle Gomez, Assistant Director of Administrative Services
Octavio Duran Jr., Public Works Director/City Engineer

Mission Statement

Highland is dedicated to the betterment of the individual, the family, the neighborhood and the community. The City Council and the staff of Highland are dedicated to providing the quality of public facilities and services that its citizens are willing to fund and will do so as efficiently as possible.

In compliance with the Brown Act, any writings or documents provided to a majority of the legislative body regarding any item on this agenda, that are not exempt from disclosure under the California Public Records Act, will be made available for public inspection at City Hall, 27215 Base Line Highland, CA 92346, during normal business hours. Such documents will also be made available on the City's website at www.cityofhighland.org.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance, please contact the City Clerk's office at (909) 864-6861, ext. 226, at least 72 hours prior to the meeting for any requests for reasonable accommodations, including interpreters.

Levine Act: Pursuant to Government Code Section 84308, any party to a City proceeding must disclose on the record any campaign contributions made to a member of the City Council (or commission) in excess of \$500 in the past 12 months. This disclosure requirement includes contributions by the party's agent and aggregated contributions from persons or entities related to the party. Please make the disclosure as soon as possible, but no later than the beginning of the proceeding.

Call to Order

Roll Call

Public Comment

Limited to items on this agenda only. To address the Finance/Personnel Subcommittee, please complete a speaker form located at the entrance prior to the beginning of the meeting. For those wishing to make public comments by email, please submit your comments by 4:15 p.m. on December 9, 2025, to publiccomment@cityofhighland.org. Please identify the agenda item number in the subject line. Emailed comments will be distributed to the Subcommittee and retained as part of the public record; however, submissions will not be read out loud during the meeting.

Business Items

1. Minutes - November 12, 2025 Finance/Personnel Subcommittee Meeting

Approve the Minutes as submitted.

2. Mid-year Budget Adjustments for Fiscal Year 2025/2026

Review and consider the 2025/2026 Mid-year Budget Adjustments for Expenditures.

3. Review and Recommendation Regarding City Council Monthly Compensation Adjustment

Review both compensation scenarios and provide direction on whether to:

1. Recommend to the City Council an adjustment to \$1,500/month or an adjustment to \$1,600/month, the maximum allowed under Government Code Section 36516;

or

2. Provide an alternative direction.

Staff further recommends that the Subcommittee forward its preferred option to the full City Council for consideration of an Ordinance amendment.

Adjourn

Certification

I, Alondra Muñoz, City Clerk, or my designee, hereby certify that the foregoing agenda was posted on our website at www.cityofhighland.org and in the following designated areas: Highland Branch Library (7863 Central Avenue), Fire Station No. 1 (26974 Base Line), and City Hall (27215 Base Line) at least twenty-four (24) hours prior to the meeting per Government Code Section 54956.



Staff Report

to the Finance/Personnel Subcommittee

Agenda
Item
No.1.

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Alondra Muñoz, City Clerk
Prepared By: Lissette Nock, Deputy City Clerk
Subject: Minutes - November 12, 2025 Finance/Personnel Subcommittee Meeting

Recommendation:

Approve the Minutes as submitted.

Fiscal Impact:

None

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

The Finance/Personnel Subcommittee is required to maintain an official record of its proceedings. Minutes serve as the permanent record of actions taken by the Finance/Personnel Subcommittee and provide transparency to the public regarding the business conducted at each meeting. In accordance with standard practice, the draft minutes from the November 12, 2025 Finance/Personnel Subcommittee meeting have been prepared and are submitted for the Finance/Personnel Subcommittee's review and approval.

Attachments:

1. Minutes - November 12, 2025 Finance/Personnel Subcommittee Meeting

Call to Order

The Finance/Personnel Subcommittee special meeting was called to order at 4:30 p.m. in the Upright Conference Room, 27215 Base Line, Highland, California.

Roll Call

Present: McCallon, Timmer
Absent: None

Public Comment

None

Special Presentations

Brett Van Lant from Van Lant & Fankhanel, LLP gave a brief review of the Annual Comprehensive Financial Report for the 2024-2025 Fiscal Year.

Business Items

1. Minutes - October 22, 2025 Finance/Personnel Subcommittee Meeting
Approved the Minutes as submitted.
2. Developer In-Lieu Fee Annual Report for Fiscal Year 2024-2025
Reviewed and approved the item be brought forward to City Council to receive and file the Developer In-Lieu Fee Annual Report for Fiscal Year 2024-2025.
3. AB1600 Development Impact Fee Annual Report for Fiscal Year 2024-2025 per Government Code Section 66006
Reviewed and approved the item be brought forward to City Council to receive and file the AB1600 Development Impact Fee Annual Report for Fiscal Year 2024-2025.
4. The Annual Comprehensive Financial Report (ACFR), the Independent Auditor’s Report on Internal Controls, the Audit Conclusion Letter, and the Gann Limit (Appropriations Limit) Letter; All Reports are for Fiscal Year Ended June 30, 2025
Reviewed and approved the items be brought forward to City Council and recommended they receive and file the Annual Comprehensive Financial Report (ACFR), the Independent Auditor's Report on Internal Controls, the Audit Conclusion Letter, and the Gann Limit (Appropriations Limit) Letter. All reports are for Fiscal Year Ended June 30, 2025.

Adjourn

There being no further business, Member McCallon adjourned the meeting at 5:16 p.m.

Submitted By:

Approved By:

Lisette Nock, Deputy City Clerk

Subcommittee Member



Staff Report

to the Finance/Personnel Subcommittee

Agenda
Item
No.2.

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject: Mid-year Budget Adjustments for Fiscal Year 2025/2026

Recommendation:

Review and consider the 2025/2026 Mid-year Budget Adjustments for Expenditures.

Fiscal Impact:

The current City expenditure budget for FY 2025/2026 is \$58,292,450. The total proposed City expenditure budget is \$58,815,350 with an increase of \$522,900 (0.9%). See the attached spreadsheet for a detailed list of each budget adjustment.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Each year, the City conducts a mid-year review of the adopted budget to identify and incorporate necessary adjustments based on actual activity during the first half of the fiscal year. Because the budget is prepared several months in advance of the new fiscal cycle, certain assumptions inevitably change once operations are underway. Mid-year budget adjustments ensure that the City's financial plan remains accurate, transparent, and aligned with current conditions.

These adjustments reflect timing delays in project schedules or program implementation that shift expenditures between fiscal years and unanticipated costs that were not known or fully defined at the time the budget was adopted.

The mid-year update provides an opportunity to reconcile these changes and ensure continued compliance with financial policies and operational objectives. Below is a summary of the proposed adjustments by department or fund:

General Fund (Code Enforcement)

At the July 8, 2025 City Council meeting, the hiring of a contract Code Enforcement Officer was approved with an estimated cost of \$156,000 for fiscal year (FY) 2025–2026. This expense was not included in the originally adopted budget; therefore, a budget adjustment of \$156,000 is required.

Development Impact Fees (DIF)

Adjustments are needed for two previously budgeted projects:

YMCA HVAC Chiller: Originally budgeted in FY 2023–2024, with work completed in the first quarter of FY 2025–2026. This results in required adjustments of \$366,900.

Enterprise Processing Upgrade (Financial Management Software): This project was originally budgeted in the General Services Fund but has been reclassified to DIF category GF-03, as DIF funds cannot be used for the City Hall remodel we decided to move the processing upgrade to DIF to free up general fund expenditures for the City Hall remodel. The required budget adjustment is \$259,065.

General Services

The Enterprise Processing Upgrade project has been moved from the General Services Fund to DIF category GF-03. As a result, a negative adjustment of (\$259,065) is needed in the General Services Fund.

Attachments:

1. Mid-year Budget Adjustments FY 2025-2026

Attachment 1
Mid-year Budget Adjustments 2025/2026

City-Fiscal Year 2025/2026 Mid Year Budget Adjustments-Expenditures

General Fund

Expenditure	Fund	Department	Account	Proposed Increase	Current Budget	Proposed Budget
Contract Code Enforcement Officer approved at 7/8/2025 CC Meeting	001-General	4600-Code Enforcement	4538-Contract Services Code Enforcement	156,000	-	156,000

DIF

Expenditure	Fund	Department	Account	Proposed Increase	Current Budget	Proposed Budget
YMCA HVAC Chiller (Budgeted in 23/24 but work performed in 25/26)	007-Development Impact Fees	8330-Development Impact Fees	6030-Building	366,900	50,000	416,900
Enterprise Processing Upgrade (originally in General Services but should be GF-03 DIF)	007-Development Impact Fees	8330-Development Impact Fees	6070-Software	259,065	-	259,065

General Services

Expenditure	Fund	Department	Account	Proposed Increase	Current Budget	Proposed Budget
Enterprise Processing Upgrade (originally in General Services but should be GF-03 DIF)	042-General Services	9510-Building Services	6070-Software	(259,065)	259,065	-

Summary

Current City Expenditure Budget	58,292,450					
Previously Adjusted through the year BA	-					
Total Proposed Expenditure Increases	522,900					
Total Proposed City Expenditure Budget	58,815,350					
			Total Proposed Expenditure Increases	522,900		



Staff Report

to the Finance/Personnel Subcommittee

Agenda
Item
No.3.

Date: December 9, 2025
From: Carlos Zamano, City Manager
Reviewed By: Carlos Zamano, City Manager
Prepared By: Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject: Review and Recommendation Regarding City Council Monthly Compensation Adjustment

Recommendation:

Review both compensation scenarios and provide direction on whether to:

1. Recommend to the City Council an adjustment to \$1,500/month or an adjustment to \$1,600/month, the maximum allowed under Government Code Section 36516;

or

2. Provide an alternative direction.

Staff further recommends that the Subcommittee forward its preferred option to the full City Council for consideration of an Ordinance amendment.

Fiscal Impact:

Depending on which scenario is considered, the possible fiscal impact is Scenario 1: \$42,240.60 or Scenario 2: \$48,240.60 per year.

Public Notice:

The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

City Council compensation for general law cities is governed by Government Code Section 36516, which establishes maximum monthly salary levels based on population. Under this statute, the City of Highland (based on population) may compensate City Council Members up to \$1,600 per month.

The City Council has shown long-standing fiscal restraint in applying salary adjustments. Although State law allows increases of up to 5% per year, the Council has adopted such increases only three times since the passage of Ordinance No. 58. As a result, the Council's current monthly compensation of \$795.99 is significantly below both the Government Code maximum and the amount Council members would have received had the allowable annual

adjustments been taken each year.

Historical tracking compiled by staff over the years indicates that consistent 5% annual adjustments would have brought Council compensation to approximately \$1,500 per month, which closely aligns with the maximum permitted under State law.

A compensation update would strengthen the candidate pool by reducing financial barriers and attracting more diverse applicants. It also reflects the significant growth in Council responsibilities since the original pay structure was set. Updating compensation aligns the City with state standards for similarly sized communities, and the associated annual cost remains a modest, predictable impact on the General Fund.

This item is presented for review and direction from the Finance Subcommittee prior to potential consideration by the full City Council. Staff prepared two scenarios for the Subcommittee's review:

Scenario 1 – "Highland Spreadsheet" Estimate (\$1,500/month)

Reflects compensation if the City Council had implemented the annual 5% increases allowed under law.

Current Salary: \$795.99

Monthly increase: \$704.01

Annual increase per Council Member: \$8,448.12

Annual cost for 5 Council Members: \$42,240.60

Scenario 2 – Government Code Maximum (\$1,600/month)

Represents the maximum salary allowed under Government Code §36516 for a city of Highland's population size.

Current Salary: \$795.99

Monthly increase: \$804.01

Annual increase per Council Member: \$9,648.12

Annual cost for 5 Council Members: \$48,240.60

Attachments:

1. Government Code
2. Historical Council Compensation Spreadsheet

Attachment 1
Government Code

California Code, Government Code - GOV § 36516

Current as of January 01, 2023 | Updated by [Findlaw Staff](#)

(a)(1) A city council may enact an ordinance providing that each member of the city council shall receive a salary based on the population of the city as set forth in paragraph (2).

(2) The salaries approved by ordinance under paragraph (1) shall be as follows:

(A) In cities up to and including 35,000 in population, up to and including nine hundred fifty dollars (\$950) per month.

(B) In cities over 35,000 up to and including 50,000 in population, up to and including one thousand two hundred seventy-five dollars (\$1,275) per month.

(C) In cities over 50,000 up to and including 75,000 in population, up to and including one thousand six hundred dollars (\$1,600) per month.

(D) In cities over 75,000 up to and including 150,000 in population, up to and including one thousand nine hundred dollars (\$1,900) per month.

(E) In cities over 150,000 up to and including 250,000 in population, up to and including two thousand five hundred fifty dollars (\$2,550) per month.

(F) In cities over 250,000 population, up to and including three thousand two hundred dollars (\$3,200) per month.

(3) For the purposes of this subdivision, the population of a city shall be determined by the last preceding federal census, or a subsequent census, or estimate validated by the Department of Finance.

(4) The salary of council members may be increased beyond the amount provided in this subdivision by an ordinance or by an amendment to an ordinance, but the amount of the increase shall not exceed the greater of either of the following:

(A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted.

(B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent for each calendar year.

(5) No ordinance shall be enacted or amended to provide automatic future increases in salary.

(b) Notwithstanding subdivision (a), at any municipal election, the question of whether city council members shall receive a salary for services, and the amount of that salary, may be submitted to the electors. If a majority of the electors voting at the election favor it, all of the council members shall receive the salary specified in the election call. The salary of council members may be increased beyond the amount provided in this section or decreased below the amount in the same manner.

(c) Unless specifically authorized by another statute, a city council may not enact an ordinance providing for compensation to city council members in excess of that authorized by the procedures described in subdivisions (a) and (b). For the purposes of this section, compensation includes payment for service by a city council member on a commission, committee, board, authority, or similar body on which the city council member serves. If the other statute that authorizes the compensation does not specify the amount of compensation, the maximum amount shall be one hundred fifty dollars (\$150) per month for each commission, committee, board, authority, or similar body.

(d) Any amounts paid by a city for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section, provided that the same benefits are available and paid by the city for its employees.

(e) Any amounts paid by a city to reimburse a council member for actual and necessary expenses pursuant to [Section 36514.5](#) shall not be included for purposes of determining salary pursuant to this section.

(f) A city council member may waive any or all of the compensation permitted by this section.

(g)(1) For the purposes of this section, a city council shall consider the adoption of an ordinance to increase compensation in open session during at least two regular meetings of the city council.

(2) At the first meeting, the city council shall present the proposed ordinance, which shall include findings demonstrating the need for the increased compensation. The ordinance shall not be adopted at the first meeting.

(3) At least seven days after the first meeting, the city council shall hold a second meeting to consider whether to adopt the ordinance.

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Cite this article: FindLaw.com - California Code, Government Code - GOV § 36516 - *last updated January 01, 2023* | <https://codes.findlaw.com/ca/government-code/gov-sect-36516/>



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Attachment 2

Historical Council Compensation Spreadsheet

Calculation of Council monthly compensation
(increasing 5% per year from 11/1992)

Year	Monthly Salary		Ordinance
02/1989	300.00	Actual compensation was \$300 per month.	58
11/1990	300.00	Actual compensation was \$300 per month.	
11/1991	300.00	Actual compensation was \$300 per month.	
11/1992	300.00	Actual compensation was \$300 per month.	
11/1993	315.00	Actual compensation was \$300 per month.	
11/1994	330.75	Actual compensation was \$300 per month.	
11/1995	347.29	Actual compensation was \$300 per month.	
11/1996	364.65	Actual compensation was \$300 per month.	
11/1997	382.88	Actual compensation was \$300 per month.	
11/1998	402.03	Actual compensation was \$300 per month.	
11/1999	422.13	Actual compensation was \$300 per month.	
11/2000	443.24	Actual compensation was \$300 per month.	
11/2001	465.40	Actual compensation was \$300 per month.	
11/2002	488.67	Actual compensation was \$300 per month.	
11/2003	513.10	Actual compensation was \$300 per month.	
11/2004	538.76	Actual compensation was \$300 per month.	
11/2005	565.69	Actual compensation was \$300 per month.	
11/2006	593.98	Current rate as of 11/2006.	300
11/2007	623.68	Actual compensation is \$593.98 per month.	
11/2008	654.86	Current rate as of 11/2008.	325
11/2009	687.61	Actual compensation is \$654.86 per month.	
11/2010	721.99	Actual compensation is \$654.86 per month.	
11/2011	758.09	Actual compensation is \$654.86 per month.	
11/2012	795.99	Current rate as of 11/2012.	381
11/2013	835.79	Actual compensation is \$795.99 per month.	
11/2014	877.58	Actual compensation is \$795.99 per month.	
11/2015	921.46	Actual compensation is \$795.99 per month.	
11/2016	967.53	Actual compensation is \$795.99 per month.	
11/2017	1,015.91	Actual compensation is \$795.99 per month.	
11/2018	1,066.70	Actual compensation is \$795.99 per month.	
11/2019	1,120.04	Actual compensation is \$795.99 per month.	
11/2020	1,176.04	Actual compensation is \$795.99 per month.	
11/2021	1,234.84	Actual compensation is \$795.99 per month.	
11/2022	1,296.58	Actual compensation is \$795.99 per month.	
11/2023	1,361.41	Actual compensation is \$795.99 per month.	
11/2024	1,429.48	Actual compensation is \$795.99 per month.	
11/2025	1,500.96	Actual compensation is \$795.99 per month.	up to 5 % or amount equal to California CPI increase (Jan to Jan) to max of 10%.