

TOWN OF PORTOLA VALLEY

Proposed Town Charter

Town Council Meeting | April 22, 2026

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Town Council Priority and Work Items

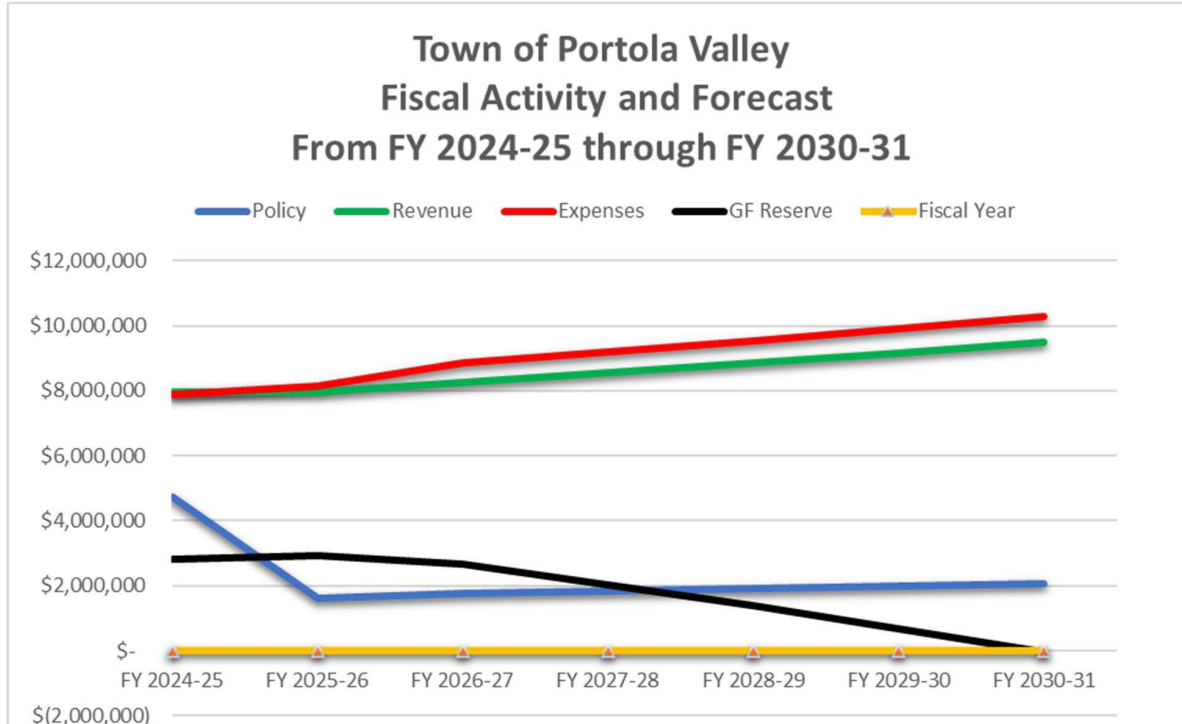
Council's Top Priority: Financial Responsibility and Long-Term Viability

Priority Tasks Completed and Underway:

- Educate the community on Town finances
- Complete the backlog of financial audits
- Implement financial consultant best practices recommendations
- Conduct a user fee study
- Develop and implement infrastructure to improve operational efficiency and effectiveness
- Evaluate options including additional locally controlled funding to address the Town's structural deficit



Town Budget Forecast



~\$700K/yr

Ongoing structural deficit



FY 2027-28

Reserves fall below 20% minimum



FY 2029-30

Reserves fully depleted

Community Feedback

The Portola Valley Conversation community survey (September 2025) identified three core resident priorities:



Disaster Preparedness

Residents want preparedness for wildfires, earthquakes, and flooding — including prevention measures, evacuation planning, and reliable emergency communications.



Protect Town Autonomy

Residents do not want zoning and planning decisions made by the County. Remaining incorporated preserves local decision-making authority.



Long-Term Fiscal Stability

Residents want to ensure that the Town can continue delivering services at current levels without depleting reserves or cutting essential programs.

60% of Portola Valley registered voters are highly interested in the Charter approach (September 2025 Survey)

General Law Town vs. Charter Town

GENERAL LAW TOWN (current)

- ⇒ Must follow all California state law, even on municipal affairs
- ⇒ Limited authority over municipal affairs
- ⇒ Shares Documentary Transfer Tax with County (55¢ per \$1,000)
- ⇒ Cannot adopt a Real Property Transfer Tax
- ⇒ State Legislature controls many local decisions

CHARTER TOWN (proposed)

- ✓ Local control over defined municipal affairs
- ✓ Authority to adopt a Real Property Transfer Tax (RPTT)
- ✓ Local RPTT revenue goes entirely to the Town
- ✓ Still subject to US & CA Constitution, and to State law on non-municipal matters
- ✓ Voters control Charter content and can amend it in the future

Charter Cities & Towns in California

~362

General Law
Cities/Towns

~121

Charter
Cities/Towns

~26%

Of California cities
have charters

Nearby Charter Cities that include a local tax component:

✓ Albany

✓ Berkeley

✓ Emeryville

✓ El Cerrito

✓ San Mateo

✓ Piedmont

Staff's Recommended Approach: A Simple, Focused Charter

Staff recommend a **brief, narrowly focused charter** that authorizes the proposed RPTT while otherwise keeping Portola Valley subject to general State law to keep the process simple, affordable and on schedule.

WHAT CHARTER WILL DO

- ✔ Convert Town from General Law to Charter status
- ✔ Authorize the Town to levy an RPTT
- ✔ Keep 100% of RPTT revenue locally controlled
- ✔ Preserve existing Town governance structure and Municipal Code
- ✔ Allow future Charter amendments if voters choose

WHAT CHARTER WILL NOT DO

- Change the Town's form of government
- Alter the Municipal Code or existing law
- Affect public contracting or prevailing wage rules
- Change local election procedures
- Limit future Council or voter options

Three Simplified Charter Models

Staff reviewed three sample charters that take a focused approach — authorizing the RPTT while otherwise deferring to State law. Each has a different approach to framing power over municipal affairs.

El Cerrito

Focused / RPTT-first

- ✓ Brief, single-purpose charter
- ✓ Explicitly authorizes RPTT and home rule
- ✓ Preserves existing city government structure
- ✓ Requires compliance with state laws on prevailing wages and collective bargaining
- ✓ Does not alter existing Municipal Code

St. Helena

Focused / RPTT-first

- ✓ Very brief and streamlined
- ✓ Different framing of power over municipal affairs
- ✓ Focuses narrowly on revenue authority
- ✓ Simpler language, easier public communication
- ✓ Fewer specified constraints than El Cerrito

Truckee

Focused / Town Charter

- ✓ Another simplified charter model
- ✓ Example of a Town (not City) Charter
- ✓ Maintains deference to State general law with the exception of a few limited areas such as public works contracting

See Attachment 2 for full text of sample charters. Council direction on which model to follow is requested tonight.

Path to the November 3, 2026 Ballot



Filing Deadline: August 7, 2026 — Last day to submit ballot measures to the County Registrar of Voters

If voters approve: Charter and RPTT take effect January 1, 2027. Both require a 50%+1 majority vote.

Recommendation & Council Direction Needed



Staff recommends the Town Council **receive this information and provide direction on a potential Town Charter** to be included in a ballot measure for the November 3, 2026 election. The ballot measure would include a Town Charter and a proposed Real Property Transfer Tax. Details of the RPTT will be determined at a later meeting.

Council Direction Requested:

- 1 Confirm support for pursuing a Town Charter as a pathway to adopt an RPTT
- 2 Provide direction on the type and content of the proposed Charter (*simple/focused vs. more expansive*)
- 3 Confirm the overall timeline leading to a November 3, 2026 ballot measure
- 4 Provide any additional direction to staff for preparation of the draft Charter



Questions for Council Discussion

Staff is seeking Council direction tonight to finalize the draft Charter for review at the May 13, 2026 meeting.

Q1

Which sample charter should Portola Valley replicate?

- El Cerrito — explicitly authorizes RPTT + home rule; clarifies that state law governing prevailing wage and labor protections applies
- St. Helena — similar RPTT focus with different framing of municipal affairs authority: everything other than tax subject to general law
- Truckee — third model for comparison; review for additional structural options
- A hybrid or modified approach drawing from multiple samples

Q2

What content should the Portola Valley Town Charter include?

- Should the charter be narrowly focused on authorizing the RPTT only (staff recommendation)?



Questions for staff