

**PINOLE CITY COUNCIL
MINUTES
FEBRUARY 7, 2015**

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE IN HONOR OF THE US MILITARY TROOPS

The Special Pinole City Council Workshop Meeting was held in the Pinole Community Room, 2131 Pear Street, Pinole, California. Mayor Murray called the Special Meeting of the City Council to order at 10:03 am. Council Member Green led the Pledge of Allegiance.

2. ROLL CALL, CITY CLERK'S REPORT & STATEMENT OF CONFLICT

A. COUNCIL MEMBERS

Mayor Peter Murray
Mayor Pro Tem Roy Swearingen
Council Member Phil Green
Council Member Debbie Long
Council Member Tim Banuelos

B. STAFF PRESENT

Belinda Espinosa, City Manager
Hector De La Rosa, Assistant City Manager
Benjamin T. Reyes, City Attorney
Richard Loomis, Finance Director
Dean Allison, Development Services Director
Neil Gang, Police Chief
Rob Piper, Fire Chief
Patricia Athenour, City Clerk

City Clerk Athenour announced the agenda was posted on February 4, 2015 at 2:30 P.M. and all legally required notice was provided. Following an inquiry to the Council, they reported there were no conflicts with the item on the agenda.

3. BUSINESS ITEM

A. Discussion Regarding Measure S 2014 Funding Prioritization
[Action: Discuss and Provide Direction to Staff (Espinosa)]

Belinda Espinosa, City Manager, opened the discussion of the first meeting regarding prioritizing the Measure S 2014 revenues, approved by the voters in November 2014. Collection will begin on April 1, 2015. Ms. Espinosa said following a staff presentation identifying projects, by department, and a proposal for considering a three-year funding plan, she requested input from Council and the public. The compilation is not intended to be inclusive or approved. Ms. Espinosa summarized the projects and programs funded under Measure S 2006 today, including funding four police officers, one fire battalion chief, 1 p/t Fire admin

secretary, Police and Fire overtime, and lease payments on one fire truck. At the end of 2014/15, staff anticipates a one-time amount of \$1Million remaining after funding the programs identified above which are reoccurring expenditures annually.

Council Member Long noted that a portion of the reserve funds have been utilized for these expenditures and if continued to be funded in this manner, the reserves will be depleted in two fiscal years.

Hector De La Rosa, Assistant City Manager, addressed 5-year sustainability projection slide. He explained the five year projection if \$45,000 is expended from the reserves annually, under the current status with no COLA or raises, by FY 2018/19, spending will be in excess of the Measure S revenues and the City will be into deficit funding in the reserves.

Council Member Green questioned the deficit in Measure S 2006 and spending more than was taken in, instead of funding the balance from the General Fund. Mr. Loomis explained at the time we could not take it from the General Fund or impact fees, and the only fund with excess was Measure S. Currently there are twenty-four police officers and sixteen firefighters (including administration); some funded from the General Fund and some from Measure S, and it will be depleted over time. Loomis said that a decision must be made on the Fire Service Model and then fund accordingly.

Other anticipated obligations, not included in the projections discussed above are the PERB Settlement amount unknown; and a second apparatus costing approximately \$77,000, which will be a future decision brought before Council.

Staff presented and reviewed the spreadsheet containing proposed expenditures from Measure S 2014. Ms. Espinosa said staff was not looking for any decisions now, and advised the Council if projects were missed, they could be added for discussion and ultimate prioritization. The spreadsheet contained a cost for each project and shows deficit spending so the City will be unable to fund every program requested by the public. Even with the economic turnaround, Ms. Espinosa stated there is not enough money and staff resources to do all the public works projects.

Council Member Long performed a quick calculation stating there should be allocation of \$1.4Million in each of the next three years.

Assistant City Manager De La Rosa asked if the Council wanted to start adding in the costs not calculated, such as the PERB, as Council Member Green suggested and the number would be even lower.

Staff also recommended establishment of a vehicle replacement fund to plan for future purchases.

Mayor Murray advised the need to define which projects are the highest priorities.

City Manager Espinosa highlighted the policy decisions contained on page 6 of the materials.

- Should we make a Contribution to the Pinole Library Branch Operating Hours?
- Do we Consider Re-opening Fire Station 74 in the Future and what does that look like?
- Do we Run One Station and if so, what model do we use? A 3/2 Model for Paramedic Service? Attrition Down to 14 Firefighters?

Mr. De La Rosa advised Council of another expenditure that would be a policy decision. Staff predicts that the State will likely not allow Pinole to retain the parking lots identified for governmental use on the Long Range Property Management Plan. If we wish to retain the lots, we must purchase them, and they are not budgeted.

City Manager Espinosa closed the presentation, encouraging dialogue today which would continue at future Council meetings, and move this along ahead of the upcoming budget process, in order to include the Measure S 2014 into the FY 2015/16 budget.

Staff presented an additional slide with more project requests, which was not included on the handout materials. The projects included:

- Curb painting along San Pablo Avenue and citywide
- Crosswalk repainting and restriping
- Pinole creek maintenance
- Replacement of old traffic signs.

Council questions followed.

Mayor Murray said that he thought Pinole's pre-recession reserves were up to five million and then was spent down. He stressed the need to find a cure today so future Councils will not have that dilemma.

Mayor Pro Tem Swearingen and Council Member Long had no questions at this time.

Council Member Banuelos said that he wanted to be sure that the promises made to the voters would be kept. The previous Measures S 2006 was for Public Safety and Public Works and asked if similar projects were intended for this Measure S as well.

City Manager Espinosa said Measure S was a general tax, and while we provided the majority of the funds to Public Safety in 2006, it was on the heels of the homicides and safety was very much a focus and a priority.

Discussion followed on that issue. Council Member Long said in 2014, the Council listed their collective priorities for Measure S. Council Member Banuelos said it seemed public safety was the emphasis. Mayor Pro Tem Swearingen said he believed that the voters may have approved it because public safety is their main concern, and the reason they supported it. Mayor Murray noted that all the brochures identified many programs and emphasized it was a general tax and included many needs in addition to public safety, and in his opinion it was not limited or focused on public safety.

City Attorney Reyes concurred with the Mayor and read an excerpt from the City Attorney's Impartial Analysis. He emphasized it was not and could not be earmarked for one expenditure.

Mayor Murray said building reserves was paramount to him, and nothing would preclude from an annual donation as the first priority, and then allocate to public safety, public works and other programs/projects.

Mr. Loomis responded that the current reserve balance is \$3.2 Million. In order to achieve a six-month reserve, for Pinole that would be \$5.5 million. At the end of this fiscal year, we will be approximately 65% funded towards that goal.

Council Member Green said he is not sure a six-month reserve is the correct amount.

Mr. Loomis said the City's prior reserves were depleted beginning in 2004 to fund the second fire engine company, which was an ongoing cost.

Discussion ensued regarding reserve accounts. Council Member Green suggested two reserve accounts; one for emergencies, only to be used in dire conditions, and the second, a floating account for unallocated funds. In the budgeting process he suggested also establishing an economic development fund.

Murray agreed that was the direction he was considering also, in a separate reserve from the emergency reserve.

Discussion followed regarding multiple reserves. City Manager Espinosa asked for feedback from the council members. Mr. Loomis Richard maintaining ninety days of cash keeps from borrowing to meet cash flow needs. .

Murray said the League recommended six months of reserves. He recommended a reserve account and then a second one for deferred maintenance. Mayor Pro Tem Swearingen said the Council needs to discuss cutting projects in order to keep from a deficit, to keep that level of reserves. Council Member Long said there will be \$1.4 Million each year and take reserves off the top first and the remaining is the amount left for projects going forward.

City Manager Espinosa reminded the Council of the PERB settlement obligation. Mr. De La Rosa said there was money in Measure S reserves now and also said if the City operates with one fire station, only twelve firefighters are needed and that can be accomplished through attrition.

Council Member Long asked staff to define the fire training officer position more broadly and describe the scope of services that the position would bring to the department and community. She was looking at developing it in such a way that would save money in the current budget to offset the cost of the new position.

Chief Piper said the position, generally a 40 hour, Monday – Friday assignment, could be used for a number of different tasks; mandated training, getting the weed abatement program back in process, fire prevention program, and a back up to the battalion chief, in lieu of paying Rodeo-Hercules.

Council Member Long sought clarity on the proposed Public Works project manager position; was it a part time position on an "as-need basis." Mayor Pro Tem Swearingen said to hire an assistant for the public works director.

City Manager Espinosa responded that she proposed a part-time project manager, budgeted at \$40,000, which could be increased if the Council deemed it was necessary to provide more hours. Mayor Pro Tem Swearingen said this position could be budgeted for three years.

The topic changed when Council Member Long raised a discussion regarding building reserves at the department level to offset the loss of grants which has occurred recently. To that, Mayor Pro Tem Swearingen commented that they should entertain hiring a part-time grant writer, and part of the salary could be offset with the receipt of the additional grant funding. Mayor Murray said there was no continuity to the grants lasting; we hire personnel through a grant, and when it

is gone, the City has to absorb that cost into the budget, if it is to continue. He said this topic (grant /grant writer) should be part of the budget discussions.

Mayor Murray opened the floor to take testimony from the audience:

Charlene O'Rourke, Pinole delegate to the CCC Library Commission, addressed Council to advocate for the library and ask for consideration in the budget. She said the newer libraries in the County were built with grants received from 501C-3 non-profits and the cities. She said that libraries are as important as swim centers and skate parks, and are as much a part of democracy as the Council and necessary to this community. Ms. O'Rourke also noted that the sidewalks are especially dangerous along Pinole Valley Road and that also should be given consideration.

Sandy Glanz, Pinole citizen, sought clarification on the Senior Center roof replacement as she thought it was metal and repairable. She also addressed the swim center fundraising and said the fundraising group was told by the City that they no longer need to raise money, and it sounded now that it needs to be reinstated.

Staff responded that was not the case regarding cessation of the fundraising, rather it was reported by some of the members that they could no longer fundraise at the level they had been doing.

Council Member Long said that Ms. Kaski addressed the Council stating that she was no longer able to chair the fundraising and if no one stepped up, asked the City should fund the subsidy. The City Council agreed that the City would fund it for one year. Council Member Green said the committee was disbanding and it was understood that funding would not be necessary any longer based on the savings from the solar.

Ms. Glanz said she would like to get a fundraising picked up again. City Manager Espinosa said that that could be relooked at again.

Ms. Glanz continued. She said she had gotten accustomed to not having a 4th of July fireworks display and was supportive not to add it back in, considering the cost, the environment and the pollution. She also said if other citizens were aware that the City really did not have extra funds, she was certain many would give up their special requests. She said her primary reason for attending the meeting was to request funds to build the skate park in its entirety with the novice and advanced section. She said Public Works Director Allison was requesting \$50,000 for the Skate Park and even with that additional funding it would not reach the amount that was first designated from the WW Funds.

Mary Horton, Pinole citizen, agreed with a three to five year plan for prioritizing projects and sticking to the plan. She had a criticism for separate reserve funds, stating that the City had previously budgeted in that manner, and it provided an illusion that there was continuous money. She recommended establishing a reserve amount, and staying with it; not parceling it into separate funds. She also made the following suggestions:

1. A professional fundraiser for senior center, swim center, neighborhood watch programs
2. Investigate other cities that have outsourced recreation services and provided the name of one company - Recreation Resource Management.
3. Consider switching phone providers
4. Fund Pinole Cable TV

Will Horton, Pinole citizen, explained that he had a pulse on the community needs based on the work he had done as a member of the political action committee supporting Measure S 2014. He recommended establishing identifying and categorizing funding and projects in the following matter:

1. Urgent needs (example: senior center repair)
2. Permanent funding
3. Community services.

He recommended budgeting for the reserve account.

Jeff Rubin, Pinole citizen, said he was pleased to hear the Council's conservative approach to spending. He described his personal philosophy regarding "pay yourself first (reserves) and spend the remainder. He urged Council to prepare for the next recession, as it will happen. He also read the Argument in Favor of Measure S from the voter guide and said that the City needs to deliver what was stated. In his opinion, the public did not think all the revenue would go to Public Safety and Public Works, but perhaps the bulk of it. As a Community Service Commissioner, he advocated for funding at the level of \$2,500 annually for a budget for Community Service Day and planning other community activities. Mr. Rubin also stated that a website is an outstanding resource, and criticized the City's, stating that something must be done to improve it. He also asked if citizens can request items to be placed on the agenda.

Mayor Murray responded that a citizen could contact a council member to ask that an item be forwarded for consideration.

Council Member Long said the IT issue she had raised previously and agreed it was needed to be addressed, suggesting bringing the matter up as part of the General Fund budget.

Mr. Rubin said he had sources and recommendations for outsourcing IT, and could guarantee it would be less expensive than the City currently pays.

Council Member Banuelos commented this is one of the worst in the Bay Area.

Discussion continued with Mayor Pro Tem Swearingen asking technical questions on how updates are accomplished. City Manager Espinosa redirected the discussion, said she understood their concerns and said the discussion was bordering on a personnel matter and discussion should be closed.

Council Member Green said in reference to Measure S being a general tax, he believes all of those areas and items of the list should be considered for some type of funding. He said the library has been requesting funding for twenty-five years. He suggested restructuring the General Fund to direct specific percentages to each department or function, and the amount fluctuates each year, dependent on revenue received.

Mayor Murray said that Mr. Horton said it well with identifying three categories and then identify projects/programs and timing. He said he would work with the City Manager to establish a path to follow.

Aron Roberts, Pinole citizen, thanked City staff for forward thinking, and he supported the City's action. He said he wished other citizens could see and understand the tradeoffs being discussed and engage more citizens into the process. Mr. Roberts supporting factoring in budget for the assessed judgments, referring to PERB complaint. After determining obligations

he said the amount remaining should be used for programming. It may be only \$880,000 not \$1.4 million. He supported a single reserve fund to be set aside automatically; statutorily, so future City councils cannot change it. He supported the cameras and lighting at the so it is safe and does not result in more police issues. He supported Mr. Rubin's suggestion for seed money for the Community Services Commission and also retaining a grant writer. He said Ms. Horton had interesting ideas about outsourcing recreation.

Patrick Conway, Pinole resident spoke in support of the Skate Park and to allocate what is needed to fund and build the novice and advanced areas, and also supported funding for the Pinole library.

Bob Kopp, Pinole citizen and volunteer for PCTV, asked if those employees were full time. Mr. Loomis responded that they are funded for a 36-hour week, to which Mr. Kopp said it would be forty hours. He supported funding a budget for the Community Services Commission and said the IT services need improvement and he would discuss his ideas with the city manager.

Mayor Murray took a moment to announce to the audience the openings on the Planning Commission and multiple openings on the Community Services Commission. Ms. Horton advised him to make the announcements at the Council meetings also. Council Member Green suggested the Council may need to consider sunsetting committees if we are unable to fill vacancies.

The conversation turned back to Measure S and reserve accounts.

Council Member Long commented that there is separate accounting for Measure S and that will include the Measure S reserve account, separate from the General Fund. The discussion today has raised the idea of establishing a capital replacement reserve. She also said she did not support establishing a specific dollar set aside for the PERB complaint; when we have to address, we will look at the entire budget. She said Measure S reserves should be identified separately, as promised to the voters. She suggested the following three reserve accounts:

1. General Fund reserve
2. Measure S reserves
3. Capital / Equipment Maintenance reserve

And the following method for allocating Measure S revenues:

Agree that we have \$1.4M for Measure S and fifty percent should go into the reserve. Allocate \$200,000 to be split between Police and Fire, and to address the community needs, allocate \$500,000 to Public Works to determine and recommend a 3-year plan to the City Council to budget the remainder money to be spent to upgrade our infrastructure and amenities.

She further stated support for supported hiring a Fire training officer from Measure S and the Police Department need to set aside funding for police replace vehicles and body cameras. The Pinole TV subsidy should be included in the General Fund budget.

Mayor Pro Tem Swearingen agreed with Council Member Long's proposal for Measure S allocations and the three reserve accounts above.

Mr. Loomis reminded the Council that the unanticipated tax revenues have been swept into the General Fund reserve account.

Mayor Murray also said he was supportive of Council member Long's proposal.

Council Member Green said the reserve amount was too high; fifty percent of \$1.4 million was excessive. He suggested setting aside twenty percent 20% for the next three years for Measure S reserve. A larger reserve takes away from the community needs.

Council Member Long said this should be discussed further at a Council meeting. It was merely a suggestion at this point.

Mayor Murray asked Mr. Loomis for his thoughts. Mr. Loomis responded that he would like to confer with the city manager and assistant city manager and staff and return with a recommendation based on the Council's understanding of support of this in concept. He recommended that he would provide a policy that sets targets. Setting a goal and a strategy provides more flexibility if revenue changes in the General Fund and the Measure S funds. He also mentioned that a smoothing fund may be worth considering. Mayor Murray said optimistically if unexpected one-time revenue comes in, it could then free up some of the Measure S revenue for more projects.

The record reflected the departure of Council Member Green at 12:26 PM.

Ms. Espinosa said she understood the concept and suggested another workshop, and said it could be filmed if it were the Councils request, but emphasized the importance of this workshop setting.

Mayor Pro Tem Swearingen said he has done the math and the money does not stretch as far as we want. He would like to see a list of everything raised today with costs with the items, as well as one-time projected costs. He supported adding the parking lots to the list to purchase, if necessary. He said to be sure to include the senior center roof replacement with costs. The Fire training officer and Public Works assistant both need to be budgeted. He supported a three year budget document for Measure S.

Council Member Banuelos thanked Mr. Rubin for reading the ballot measure language again and thanked Mr. Horton for his suggestion regarding the three expenditure categories. He was open to Council Member Long's proposal for further study. He expected more details on infrastructure needs, but stated that it was validated and wants to see a schedule for repairing and replacing infrastructure. The number one priority he is hearing is repairing the infrastructure; the basics.

City Manager Espinosa confirmed repair and maintenance of our infrastructure is the most important undertaking we can do to sustain in the future. She advised Council that she would be scheduling another workshop soon.

5. ADJOURNMENT

At 12:44 p.m., Mayor Murray adjourned the meeting to the Regular City Council Meeting of February 17, 2015.

Submitted by:

Patricia Athenour, MMC
City Clerk