

**PINOLE CITY COUNCIL /  
REDEVELOPMENT AGENCY  
SPECIAL MEETING MINUTES  
JUNE 10, 2009**

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

The Special Pinole City Council / Redevelopment Agency Meeting was held at the Pinole Council Chambers located at 2131 Pear Street, Pinole, California. Mayor Fujita called the meeting to order at 6:11 PM, and led the Pledge of Allegiance

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

**A. COUNCIL MEMBERS PRESENT**

Mary Horton, Council Member / Board Member  
Peter Murray, Council Member / Board Member  
Debbie Long, Mayor Pro Tem / Vice Chair  
Roy Swearingen, Council Member / Board Member  
Virginia Fujita, Mayor / Chair

Council Member Horton was temporarily absent during Roll Call, but immediately reentered the Council chamber.

**B. STAFF PRESENT**

Belinda Espinosa, City Manager / Executive Director  
Benjamin Reyes, City Attorney / Agency Counsel  
Richard Loomis, Finance Director  
Dean Allison, Public Works Director  
Paul Clancy, Police Chief  
Patricia Athenour, City Clerk

City Clerk Athenour announced that the agenda was posted on Friday, May 16, 2009 at 10:00 AM. All legally required notice was provided. She asked the Council and Redevelopment Board of Directors whether there were any conflicts with any items on the agenda. None were reported.

**3. RECOGNITIONS**

- A. Remembrance. Amber Swartz is still missing. Anyone with information is urged to contact the Pinole Police Department, (510) 724-8950.

**4. CITIZENS TO BE HEARD (Public Comments – Agency Board and City Council)**

No speakers addressed the Agency Board / City Council.

**5. FISCAL YEAR 2009-10 BUDGET WORKSHOP**  
**[Council Report No. 2009-88; Action: Provide Direction to Staff (Loomis)]**

**Richard Loomis**, Finance Director presented Council Report 2009-88 into the record. Provided an overview and reviewed the budget adjustments to reduce the General Fund Gap and reviewed additional potential State impacts, and requested direction from Council on Policy Issues.

Three year plan to place in recognition of the fact that we had a structural deficit to address and there were no reserves to bridge the gap between revenue and expenses. Because the global economy took a turn for the worse, it had a negative impact on local revenue, which required a number of corrective actions in FY 2008/09. The following reductions have been achieved:

Round 1 – April 2008	\$1,710,613	
Round 2 - March 2008	\$ 855,266	Revenue Enhancements - \$551,000 over 4 years
Round 3 - May 2009	\$ 99,350	
Total	\$3,973,324	(includes Round 4 recommended reductions -July 2009)

Fourteen staffing reductions were identified in Attachment E, which totaled \$935,000. Thirty-day notices were issued on June 1, to be effective July 1. Positions reduced in 2008 and 2009/10 totaled twenty-seven; equivalent to 23 full-time positions.

**Belinda Espinosa**, City Manager addressed the service impacts associated with the reductions.

Administration: Reduction in Information Systems staff would translate to longer waiting period for network assistance and will affect website updates. A reduction in accounting and clerical support, also means longer turn around time. Processing invoices may be changed to once per month.

Fire

1. Reassignment of Fire Prevention support, clerical support will be provided by Police clerical
2. Chief will be responsible to fill Battalion 7 position
3. Representation with regional planning organizations will diminish.

Police

1. With the reduction of the internal IS staff, computer assistance will revert back to the IS Systems Administrator and current deadlines will not be met; requires reprioritizing
2. Officers will have less availability for patrol and assume duties previously handled by Community Service Officers (i.e., transferring prisoners)

Public Works & CDD-Planning

1. Reduction to one technician will affect counter hours. Counter and phone will be shared between both departments. Counter will be closed on Friday and open M/T from 7:30-11:30 AM and open Wed/Th from 1:30-5:30 pm.
2. Parks and general maintenance will become reactive rather than proactive.
3. Traffic engineering services severely reduced. Need to reprioritize the CIP program due to insufficient resources and cash flow.
4. Rental inspection and code enforcement will be combined and transferred to Police Department as part of the Community Preservation and Safety Unit.

5. Rental inspection is not cost recoverable and staff will propose fee increase from \$145 to \$175.

Mr. Loomis summarized the General Fund Reductions (Slide 16); and said there was an unresolved General Fund deficit of \$288,001. Mr. Loomis suggested that the policy items, subject to Council approval, might help move toward closing the gap.

Ms. Espinosa noted that this shortage was in addition to being dependent on the Redevelopment Agency 2.5 Million loan.

Loomis summarized the Potential Financial Threats from the State which Impact the General Fund as follows:

- \$329,665 State loan from property tax
- \$365,000 proposal for State “take away” from gas tax funds for two years. Both likely to happen this summer, requires legislative action.

The reserve funds have been exhausted, and Loomis reported the difficulty to balance cash flow at specific times of the year, and noted that there could be delays with capital programs in order to use cash to finance daily operations, specifically through the summer, until the tax payments are received at which time the CIP funds would be replenished. He noted that was the reason City Manager Espinosa was recommending a reduction in force across all funds.

City Manager Espinosa explained that the State could also delay payments to the City.

Several outstanding issues/potential revenue remain outstanding at this time:

1. Post Office sale to the Agency
2. Extension of police dispatch services to city of Martinez
3. Closure of the Swim Center
4. Utility cost savings from the solar panel project

Next steps include a noticed Public Hearing on July 21, 2009 to consider adoption of FY 2009/10 City and Agency budget, consideration of additional revenue enhancements, and continue to work with labor unions for potential payroll savings, and the need to identify \$288,000 of additional revenue or expenditure reductions. The remainder of the discussion was devoted to public comment, receiving direction from council on policy issues, address questions on the proposed line item reductions list, and on the July 1 staffing reductions in Attachment E.

Council Member Murray directed a question to Mayor Pro Tem Long about a discussion with Assembly Member DeSaulnier regarding the possibility of the State “borrowing” from the Housing Fund rather than the General Fund.

Mayor Pro Tem Long said she spoke with Assembly Member DeSaulnier once and he thought the idea had merit. She had left subsequent messages but had not heard back, but she would contact his office again.

Mayor Fujita commented on the additional “state take-aways” and referenced Supervisor Uilkema’s report regarding “county take-aways” at the last Mayors Conference.

Mayor Fujita invited comment from the public.

**Kathy Magann**, Friends of Pinole Library member and Library Commissioner, informed Council that the Pinole Library hours were being cut drastically and asked when revenue turns around to remember the Library.

**Christine Low**, President of the Friends of Pinole Library, addressed Council regarding the major funding library cut back and said they will be unable to fund the current service hours. Library hours would be reduced from 42 to 24 hours each week. The Contra Costa Library has requested Council support and financial assistance for the maintenance of the library to return the service hours to 42 hours. Ms. Low listed the programs that would be cut.

**Charlene O'Rourke**, Friends of Pinole Library deferred to Elaine Sturtevant.

**Mary Wollenbecker**, Friends of the Pinole Library deferred to Elaine Sturtevant.

**Elaine Sturtevant**, Friends of the Pinole Library member, provided notable quotes regarding libraries from Ladybird Johnson, Groucho Marx, Laura Bush, and others.

**Jack Meehan**, Pinole citizen, complimented Ms. Espinosa and Mr. Loomis for an excellent analytical pursuit of the financial debacle. He said to keep in mind that the counties are subdivisions of the State and subject to governance by the State, and cities are separate and subject of the Constitution, and are called upon to assist in bad financial times. He questioned why, if cuts can be made now, why the expense when times were better. He referenced a request to a fire department member to consider taking a roll back.

**Geoff Torretta**, Pinole businessman, said he reviewed the budget and said the missing component was redevelopment, which he said robbed the general fund of 21% of the funds. He cited mismanagement and excess spending at City Hall, and referenced a \$5.5 million bond indebtedness.

**Cindy Trego**, Pinole citizen, said she was glad something was being done. She asked the Council to consider putting the rental inspection program on hold, stating that the Community Preservation & Safety Unit could address blight issues, and did not support increasing the rental inspection fee. She discussed SB 155, a bill co-sponsored by DeSaulnier to protect benefits for the union members, if cities file bankruptcies. She wrote him and asked his motivation for that and urged citizens to follow suite, and hoped Council would send the same message to DeSaulnier.

**Patty McGoldrick**, Pinole citizen, asked if City staff or a consultant handled graffiti removal. She also asked to see Rental Inspection reports to see what violations had been identified. She said she had noticed visible violations from the exterior on many residences. She noted she had reported a house with broken steps to the building department.

Staff responded that graffiti removal was a contract service.

**Richard Voisey**, Pinole resident, employee and Vice President of Local 1230, said every department in the City has been affected by these reductions and all are essential services. He went on record stating that loss of the battalion chief was an essential position and affected the safety of the citizens and the firefighters. He said Local 1230 had been working with the City to solve the deficit and would continue to do so.

Council discussion and questions followed.

Council Member Horton said that nine million in RDA funds does not translate to nine million in the General Fund. She commented on the Rental Inspection Program and asked how much it would save, if eliminated.

Staff responded that the GF subsidy was approximately \$42-\$45,000 per year.

City Manager Espinosa responded to a question from Council Member Horton stating in order to eliminate the program, Council action to repeal the Code would be required. If the program were moved under the Police Department, the Code Enforcement Officer would provide inspections.

Council Member Horton raised a suggestion to sell the Pinole Valley Park. Ms. Espinosa responded, stating that staff would research any deed restrictions requiring the site as a park, and would need to establish a value.

Council Member Horton asked the value of the Post Office site. Ms. Espinosa said staff was studying the issue and because it was a property negotiation, she did not release a number, but noted that the site was also collateral for the RDA loan.

Council Member Horton reported she has researched other cities about ways to raise revenue, and shared her findings:

1. Lease City property for cellular antennas can be placed on buildings
2. Billboards advertisements along I-80
3. Shop local programs
4. Commercials and movie shoots in Pinole, exercised under a permit fee
5. Improve the website
6. Assign a point person responsible for marketing the City with Redevelopment Agency funds.

Council Member Murray addressed the merits of the Rental Inspection Program. The goal was to maintain the rental housing stock. This program allowed inspectors to get inside a property and curb other issues. He assumed that a rate structure would have been approved with an inflationary factor and suggested it may need to be modified. Regarding selling the park, he said it was purchased with bond funds and he believed the City may have to repay the money, if sold. He supported the use of the Housing Fund, but noted that it took political will.

Council Member Swearingen said he was concerned with a heavy-hand approach, and commented on Richmond's Rental Inspection program, which included a voluntary self-inspection program and recommended that staff research their program.

Council Member Swearingen asked if the State "borrowed funds" through a loan, and the City maintained the money, which was also collateral, whether we could borrow from the Agency, using the funds as collateral. Mr. Loomis' response was yes.

Mayor Pro Tem Long provided the following comments:

1. May need to put the Rental Inspection Program on hold temporarily – more discussion required.
2. Consider looking at cuts in labor costs and consider management compensation rollbacks provided by Interim Manager Long.

3. Supported City Hall closure on Fridays to help provide time to pay invoices.
4. Asked whether the ECB "carryover allowance" was eliminated.
5. Suggested that the labor organizations meet and discuss collectively. She asked the City Attorney to comment.
6. Supported closing between Christmas and New Years for a unpaid furlough
7. Suggested ten percent cut backs across the board.
8. Acknowledged hearing that labor organizations may be receptive to 32 or 36-hour work-week (and maintain benefits)
9. Need to establish "Plan B" after July 1 and "Plan C" should State take away occurs and the City was unable to reach an agreement for concessions from all labor organizations.
10. Supported putting everything on the table, and was ready to discuss each item in Attachment D.
11. Recognized the importance of the SRO officers, but believed it to be an obligation of the School District and did not support City funding both officers.

City Manager Espinosa explained that the closure on Friday was the downstairs PW/Planning/Building counter only and affected permit issuance and answering the 9000-phone line. Ms. Espinosa also said that Dr. Harter committed to fund a SROs at Pinole Valley next year.

Mr. Loomis responded that any savings that would have been accumulated on June 30 was picked up in the reductions implemented in the second and third quarter. There was nothing to be carried over.

Mayor Fujita commented:

1. Agreed with funding the SRO program as long as the school district was doing their part, but not fund the entire amount;
2. Inquired why there were no Fire Department reductions on the Attachment D
3. Agreed with putting the rental inspection on hold.

Ms. Espinosa responded that Attachment D was a list prepared to begin closing the \$288,000 reduction; there were no further reductions in Fire that would not affect "boots on the ground."

Council concurred to review Attachment D, line by line.

### **Council Budget:**

Regarding health benefits for council members, the Council directed the City Attorney to review how the cost could be allocated over several funds to reduce the affect on the General Fund.

There was Council consensus to keep sufficient funding in the budget for council delegates to attend business meetings.

City Clerk Athenour said that funding for the Mayors Conference and East Bay Division were reflected in the 2009/10 Council budget.

### Rental Inspection Program

**Tyra Harrington**, Code Enforcement Officer, addressed Council regarding the Rental Inspection Program. She said it is set up for inspections on a three-year cycle, and she also said that the initial 60-day free inspections and the contract inspector in the beginning was a

reason that the program had not been self-supporting. Ms. Harrington spoke to the merits of the program, whereby the City was able to identify many violations that otherwise would not be found. A slight increase in fee would pay for the program, and she believed there was sufficient staff to continue the program. All multi-family housing stock have been inspected and staff was ready to begin on single family rental residences.

Council Member Murray supported getting total cost recovery and keeping the program. Mayor Fujita and Council Member Horton agreed, if there was full cost recovery.

Mr. Loomis said in order to cover the General Fund subsidy; inspection fees must be raised to \$175 and the number of annual must be increased to five hundred sixty five.

Mayor Pro Tem Long expressed concerns regarding staff's capacity to increase the number of inspections by twenty-five percent, especially with single-family inspections. She said she is not opposed to the program entirely, and questioned requiring business licenses for property owners.

Ms. Harrington discussed how the program would be conducted with renter self-checks, followed by a formal City inspection, and ultimately citations and fines on units failing to comply.

Mayor Pro Tem Long said if the program is maintained, she requested quarterly monitoring. Mr. Loomis recommended adding it to the Quarterly Budget Report.

## **Police Department Budget**

### School Resource Officer Program (SRO)

Council Member Swearingen asked if there was an option where the officers could be assigned to the school, but could also be put back on the street, as needed.

Chief Clancy explained the agreement with the District to each fund one officer. He said he would support establishing a small beat around the school that could also respond to calls at the school.

Council Member Swearingen supported that option. There was consensus to fund one SRO at Pinole Valley High.

It was noted that WCCUSD (Dr. Harter) had also proposed funding a SRO at Pinole Middle. If that occurs, the City would provide an existing officer, transferred from another beat or filled with overtime, to fill that position, but it would be funded by the District.

This item was deferred for continued dialogue at a future date.

### National Night Out BBQ

### Parent's Handbook

### Citizen and Youth Academy

Mayor Fujita and Mayor Pro Tem Long supported elimination of the three programs and recommended funding the Community Preservation and Safety Unit.

There was Council concurrence to cut all three, with exception to fund National Night Out with sponsorships, if possible.

Mayor Fujita commented that the cuts would not be forever, only until revenues were restored. Ms. Espinosa confirmed.

## **Public Works Budget**

### Graffiti Removal Program

Public Works Director proposes to fund with a FTE (adding back a frozen maintenance position) for the same \$80,000 cost. Ms. Espinosa said this would be brought back for Council consideration at a future date.

## **Recreation Budget**

### Cable TV Operation

The proposal was to fund the operation directly with franchise fees. The proposal was revenue neutral; no impact on the budget. More information would be provided if requested.

### Swim Center

The Council supported closure of the pool in Summer 2010.

Ms. Espinosa said as revenues begin increasing again, staff will return to Council for direction to reinstate programs.

Mayor Pro Tem Long discussed finding cuts wherever possible in order to save employee livelihoods. She specifically referenced the reduction of a Public Works Intern position costing \$6,000 annually and her desire to find a way to reinstate the position.

Council Member Swearingen said all reductions should be reviewed quarterly to determine funding availability.

Mayor Pro Tem Long directed a question to City Manager Espinosa asking if she had a plan should the City be unable to get collective concessions from the bargaining units.'

City Manager Espinosa said the plan would include another round of reduction in force. The concessions are critical and the City must focus on closing the \$288,000 GF shortfall and also the cash flow.

Council Member Horton provided the following comments:

1. Quarterly budget review
2. Investigate the sale of the post office to infuse the General Fund
3. Keep the Rental Inspection Program and make it cost recoverable
4. Slow the bill paying process down,
5. Reduce the number of Council and Planning Commission meetings
6. Direct the City Manager to work with all bargaining units and the management team
7. Consider leasing City owned sites for cellular antennas

A brief discussion followed on the proposal to sell the Post Office site to the Redevelopment Agency and put the funds in reserve account. Espinosa said the City Attorney was conducting research and more information would follow. In response to a question from Council Member Murray, staff said the annual rental on the site is \$80,000.

Mayor Fujita also noted that the Council should look at the consultant services further. Ms. Espinosa said that would be brought back with the CIP budget in August.

Mayor Pro Tem Long asked what projects were ready to move forward before August.

Public Works Director Allison said the Slurry Seal Project (Gas Tax Funding), Appian Way Rehabilitation Project, (RDA funded); Sewer Rehabilitation Program and the Pedestrian Safety Program at San Pablo and Fern (Federal Stimulus) are scheduled for Summer 2009

## **6. ADJOURNMENT**

At 9:11 p.m., Mayor Fujita adjourned the Special Meeting to the Regular meeting of June 16, 2009 and in memory of the fallen US Armed Services.

**Submitted by:**

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**Patricia Athenour, MMC**  
**City Clerk**

**APPROVED BY COUNCIL / AGENCY BOARD:**