

**JOINT PINOLE CITY COUNCIL &  
REDEVELOPMENT AGENCY  
MINUTES  
May 17, 2011**

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

The Regular Pinole City Council / Redevelopment Agency Board of Directors meeting was held in the Pinole Council Chambers, 2131 Pear Street, Pinole, California. Mayor Swearingen called the meeting to order at 5:30 PM and led the Pledge of Allegiance.

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

**A. COUNCIL PRESENT**

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

**B. STAFF PRESENT**

Belinda Espinosa, City Manager / Executive Director  
Michelle Fitzer, Assistant City Manager  
Benjamin T. Reyes, City Attorney  
Richard Loomis, Finance Director  
John Hardester, Police Chief  
Dean Allison, Public Works Director  
Patricia Athenour, City Clerk

City Clerk Patricia Athenour announced that the Agenda was posted on Friday, May 13 at 10:00 A.M. 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.

Athenour reported that Attachment B of Item 10A was provided on the dais and copies to the public. She also announced that the Council received correspondence on Item 10A from Stanley Grogan, which was entered into the record and summarized stating his support to keep Station 74 open.

She also said that EDHAC recruitment for expired terms would be posted this week. The filing period would close on June 6, 2011, and she would agendize selection of a Council Subcommittee on the June 7<sup>th</sup> agenda to conduct interviews, if it were the pleasure of Council.

She reminded Council that the August 2, 2011 Regular Council meeting was cancelled last year when the 2011 meeting schedule was approved, due to the conflict with National Night Out. There was a brief discussion among the Council regarding changing that cancelation to the second meeting in August, but no action was taken.

### **3. CONVENE TO A CLOSED SESSION – CITY COUNCIL AND AGENCY BOARD**

At 5:36 p.m., Mayor Swearingen adjourned the meeting to the Noticed Closed Session.

#### City Council

- A. CONFERENCED WITH LABOR NEGOTIATOR - Pursuant to GC §54597.6  
City Labor Negotiator: Bruce Heid, Chief Negotiator, Belinda Espinosa,  
City Manager & Michelle Fitzer, Asst City Manager  
Employee Organizations: Local 1, AFSCME, Fire Local 1230, PPEA,  
Unrepresented, & Management Group
- B. CONFERENCED WITH REAL PROPERTY NEGOTIATOR - GC §54956.8  
Property Location: 2401 San Pablo Avenue  
Agency Negotiator: Michelle Fitzer, Assistant City Manager  
Negotiating Parties: San Pablo Avenue Partners LLC  
Under Negotiation: Price and Terms
- C. CONFERENCED WITH REAL PROPERTY NEGOTIATOR - GC §54956.8  
Property Location: 850 San Pablo Avenue, Pinole Shores Business Park  
Agency Negotiator: Michelle Fitzer, Assistant City Manager  
Negotiating Parties: Panattoni Development Company  
Under Negotiation: Price and Terms
- D. CONFERENCED WITH REAL PROPERTY NEGOTIATOR - GC §54956.8  
Property Location: 2700–2830 Pinole Valley Rd., Pinole Valley Shopping Center  
Agency Negotiator: Michelle Fitzer, Assistant City Manager  
Negotiating Parties: TKG Pinole Valley LLC  
Under Negotiation: Price and Terms

### **4. RECONVENE IN OPEN SESSION TO ANNOUNCE RESULTS OF CLOSED SESSION**

### **3. CONVENE TO A CLOSED SESSION – CITY COUNCIL AND AGENCY BOARD**

At 7:23 p.m., Mayor Swearingen reconvened the meeting in Open Session and announced the following reportable actions: The Council reached labor agreements with the City Manager, City Clerk and Assistant City Manager which included approximately 16 percent reductions in their compensation in the next two years.

Council Member Long thanked the staff members and outlined the concessions, stating they would be contributing the entire employee PERS contribution, paying toward the medical at the 2010 rate, and had given back a portion of the administrative leave days in their contracts.

### **5. RECOGNITIONS / PRESENTATIONS**

- A. Proclamations
- B. Presentations

There were no proclamations or presentations.

## 6. CITIZENS TO BE HEARD (Public Comments)

The following citizens addressed the Agency Board / City Council:

**Topaz Bess and Megan Duckworth**, reminded the community of the upcoming Pinole's Got Talent Show on May 20, 2011.

**Marcia Kalapus**, Pinole Historical Society President, provided a PHS update. The May 19<sup>th</sup> annual meeting would be held in the Alex Clark Room, where the membership would conduct elections and host a special speaker, Jennifer Posedel, co-author of Images of America, Hercules.

**Jeff Rubin**, Pinole citizen, discussed a citizen admonishing the City about the closure of the station and he stated his opinion that citizens need to take self-responsibility for knowing what is occurring in the community. The meetings were reported in the newspapers and e-newspapers. He thanked the staff members for taking a lead in concessions and encouraged others to follow.

**Gary Johnson, II**, spoke in opposition of the closure of the fire station

**George Bamburg**, Security Storage, Pinole Valley Road, presented photos illustrating the debris in the creek during the recent rainstorms several weeks ago. He sought Council support to arrange for the creek to be restored to a functional state.

Mayor Swearingen referred his concerns to Mayor Pro Tem Murray to handle under Coastal Cleanup and encouraged Mr. Bamburg to become involved in the program.

**Ivette Ricco**, Chamber President, addressed the Council and the community to encourage shopping locally to support the City through sales tax revenues. She updated the Council on the Community Corner, beautification project and the 50<sup>th</sup> Anniversary Awards & Installation Dinner on June 2, 2011.

**Tom Cutino**, Pinole citizen, sought confirmation that sales tax revenues went to the General Fund and said citizens should realize that when they shop in Pinole, ten percent of the tax goes to the City. He suggested that the City and the Chamber coordinate to produce promotional literature, and also included promotional spots on Cable TV and banners.

Mayor Swearingen said that the Pinole Chamber does marketing projects and suggested Mr. Cutino speak with Ms. Ricco, and noted that a piece could also be placed on the TV scroll.

**Jack Meehan**, Pinole citizen, addressed Council and provided history of fire services in Pinole starting in 1963 when there was a volunteer department with one paid Chief. He discussed that with closing of Station 74, the main station would continue to cover the community as it had in the past.

**Nick Ronchetto**, Fire Local 1230, reported on: 1) the combined retirement dinner on May 5<sup>th</sup> for Chief Parrott, Captain Ramos, Linda Rosedahl, and members of the Rodeo Hercules District; 2) a series of three fire calls on Sunday, May 8<sup>th</sup>, one including a cardiac arrest, and luckily all the units in Battalion 7 were in the right place to respond successfully to all; and 3) the Pinole Fire staff at the Hercules City Council meeting to support Rodeo-Hercules Fire District's acceptance of a proclamation.

**Irma Ruport**, Pinole citizen, addressed Council to state opposition to the adoption of a resolution regarding extending the PERS retirement incentive at the May 9<sup>th</sup> Special meeting.

She disagreed with what she felt was preferential treatment for some employees, giving credits to employees who are considering retiring, and also stated that the Citizens to be Heard section should always be included on special meeting agendas.

**Allen Dorsey**, Pinole citizen, discussed Jeff Rubin's comments about the fire services, reporting on fire service calls specifically and discussed which calls were responded to by each of the stations. He stated that Mr. Rubin's statements were incorrect and that he also believed that the Fire department has agreed to pay their retirement and the City turned down the offer. He said he called this "fire bashing."

**Laura Miller**, Pinole citizen, also referring to the article by Jeff Rubin about fire service calls during the past ninety days. She discussed the compensation for firefighters, and the reduction of the number of firefighters during the past several years. She requested that the entire picture be presented.

**Cindy Trego**, Pinole citizen, responded to statements of the last two speakers, and discussed the negative banter, stating that the political vendettas that started with the recall several years back have not ceased. In an effort of transparency she said that Allen Dorsey was related to a Pinole firefighter. She said that citizens have a right to ask questions and know how their tax dollars were being spent, and that Fire Station 74 has never been sustainable. She urged the community to work together for solutions.

**Georgia Manassis**, Pinole Senior Center, reported on the fundraising efforts for their pledge commitment of \$75,000 for the senior center. As of today, they have raised \$59,000, and she discussed the fee increases, which will also go toward their goal. She said the senior center have generously contributed \$100,000 toward the senior center upkeep last year, and were happy to do their part.

**Nicole Pyeatt**, Pinole citizen, clarified recent comments at the last Council meeting. She said that she had conducted research on Pinole's population and shopping centers, and cited the data into the record. Ms. Pyeatt stated that two stations were a necessity to deal with potential emergencies, and asked that Station 74 remain open. She discussed the difficulty that citizens have to find out and attend meetings, and that she was trying to gather information and represent those citizens unable to attend Council meetings.

**Jeanne Dorsey**, Pinole citizen, spoke in response to Cindy Trego's comment that she had used profanity when speaking to Ms. Trego, and she said she had not, and stated her concern with being attacked. She was also a Pinole citizen and a taxpayer, with a right to speak.

**Norma Martinez Rubin**, Pinole citizen, commented in reference to the Contra Costa Times article and was surprised one would hold such credence, when she was impressed that it was published at all. She said anyone can submit articles and it is up to the citizens to believe what they read. One of the outcomes of the article was that there was this public discussion, which she believed was beneficial and was thankful that the information that staff might not be privy to was made public. She thanked the Council for bearing in mind the number of different perspectives from citizens and that is what their job to make the best decisions.

## 7. CONSENT CALENDAR

Council member Green asked for clarification on Item 7E, and whether it was just setting the public hearing.

**ACTION: Motion By Council Members Murray / Green, the City Council / Agency Board Approved the Consent Calendar.**

**Vote: Passed: 5-0.**

- A. Adopted Resolution 2011-27, Accepting PetsMart as a Tenant at the Pinole Vista Crossing Center, 1380 Fitzgerald Drive [**Council Report 2011-58; Action: Accept per Staff Recommendation (Fitzer)**]

### Joint Agency Board / City Council

- B. Approved the Minutes of the May 3 and May 9, 2011 Meetings
- C. Received the April 30 – May 13, 2011 Lists of Warrants and the May 13, 2011 Payroll in the Amount of \$381,281.22.
- D. Received the 3<sup>rd</sup> Quarter Treasurer's Reports for the City of Pinole and the Pinole Redevelopment Agency [**Agency/Council Report 2011-52jt; Action: Receive Report (Lee)**]

### City Council

- E. Adopted **Resolutions 2011-28, 2011-29 and 2011-30**, Approving A Notice of Intent to Set a Public Hearing on June 3, 2011 To Consider Confirming the Assessment And Ordering The Levy For Fiscal Year 2011/12 Related to the Pinole Valley Landscape & Lighting Assessment District 2008-01 [**Council Report No. 2011-53; Action: Adopt Resolution (Allison)**]
- F. Authorized the City Manager to Execute A Comment Letter Regarding the Environmental Documents / Initial Study for the I-80 corridor Mobility Project [**Council Report No. 2011-54; Action: Authorize Execution of the Letter (Allison)**]

## 8. PUBLIC HEARINGS

### CONTINUED PUBLIC HEARING from May 3, 2011

- A. Conduct a Public Hearing To Consider A Purchase And Sale Agreement Between The City of Pinole and 2401 San Pablo Partners, LLC (The "Buyer") Pertaining To The Disposition Of Property Located At 2401 San Pablo Avenue, (APN #:401-166-060-4) [**Agency / Council Report 2011-55jt; Action: Vacate Public Hearing (Drazba)**]

**Mary Drazba**, Economic Development Manager, presented the procedural request to vacate the Public Hearing. A Public Hearing was held when the property was transferred from the Agency to the City in February 2011, and public hearings are not required when a City property is sold. The item would be considered under New Business and public testimony will be taken regarding the sale.

Council Member Green felt a Public Hearing should be conducted for transparency.

Ms. Fitzer explained that while it does not require a Public Hearing, there would be an opportunity for public testimony and the action would be public. City Attorney Reyes also reiterated her statement was correct.

**ACTION: Motion By Council Members Long/Murray, the City Council / Agency Board Vacated the Public Hearing.**

Council Member Long explained that the item would appear on the agenda, it just would not require a legal notice in the newspaper.

**James Tillman**, Pinole citizen, addressed Council to disagree to the motion to vacate. He asked for a point of order to discuss his opinion.

Discussion followed, with Mayor Swearingen stating that the Public Hearing must be opened to take Mr. Tillman's statement.

Council Member Long withdrew the motion to vacate.

**ACTION: Motion By Council Members Green Banuelos, the City Council / Agency Board Opened the Public Hearing to Receive Testimony.**

**Vote: Passed 5-0.**

**Jim Tillman**, Pinole citizen, said that the City was jumping ahead of the possible redevelopment elimination, and taking assets from the Agency. He expressed concern that the City might have to repay the State. He questioned who was buying the property, its use, and how much money the Agency lost on the transfer. Tillman said it was a very nefarious action against the public and the taxpayers should know everything. He asked if the building would be used to its highest use and whether there was a development agreement limiting the uses that may be in conflict with Old Town. He said he did not know what occurs in Closed Session and said that Council announces the action when the ink has dried, and the public had a right to know.

Mayor Swearingen asked City Attorney Reyes to comment on why the item qualified for Closed Session discussion.

City Attorney Reyes responded Ben responded that the Brown Act allows exceptions to discuss items in a closed session including real property negotiation, which needs to be accomplished in the context of privileged debates so there is no competitive advantage to the negotiating party. He reiterated that no rules were broken and also addressed the earlier debate between the Chair and the speaker about the point of order, stating that Roberts Rules of Order may be referred to but the Council may decide by a majority vote any action not defined by those rules.

**Irma Ruport**, Pinole citizen, addressed her concern that items scheduled on the Consent Calendar are sometimes missed by citizens, and that she disagreed with vacating the public hearing. She said that the taxpayers own the City and cannot be excluded, and a closed session is not right. She reported on a prior Finance Subcommittee meeting she attended where the city manager discussed transferring the properties to the City. She asked what the money would be used for and urged the Council to retain the public hearing.

Council Member Long clarified that the sale of 2401 San Pablo has been previously discussed and continued. If the Council decides to move forward with a contract and terms, the sale would be discussed in open session, not under a Public Hearing, but under New Business and citizens

would be provided an opportunity to speak to the item. She agreed that this item was not suitable for the Consent Calendar, but that was not the intent. To Mr. Tillman she said that the property was zoned "mixed use" with an affordable housing component and it could not arbitrarily be changed.

Council stated this was a procedural change, and no transparency was being removed. Citizens would have the same opportunity to speak to the matter when a purchase agreement was received for consideration under New Business. It simply meant that a newspaper notice was not required to identify it as a Public Hearing, and it was placed under a different section on the agenda.

Mayor Swearingen said when the properties were transferred from Agency to City, it was done to save the properties from being swept by the state and it was done in a public hearing and testimony was solicited and received over the course of two or three meetings.

Mayor Pro Tem Murray said the state had provided guidelines, should redevelopment be taken away and the City would follow the rules provided and there was no concern for potential lawsuits.

**ACTION: Motion by Council Members Long/Banuelos, the Council vacated the Public hearing on 2401 San Pablo Avenue.**

**Vote: Passed: 5-0.**

## **9. OLD BUSINESS**

## **10. NEW BUSINESS**

### City Council & Redevelopment Agency

- A. FY 2011-12 Preliminary Budget Discussion [**Council Report No. 2011-56; Action: Receive Report & Provide Direction (Espinosa / Loomis)**]

**Belinda Espinosa**, City Manager, presented the FY 2011-12 preliminary budget discussion contained in Council Report 2011-56, also entering the power point exhibit materials into the record. She reported that the budget has already been cut 4 million dollars and referred to the document containing the names, position and dollar value of the reductions of forty-two people and eight vacant positions. She asked Council for policy direction this evening to draft the final budget documents. Espinosa explained that staff was presenting two budgets; one with no change to redevelopment funding, and one with reforms since that issue remains undecided at the state level. She presented the projected revenues and projected revenue reductions such as booking fees and school resource officer funding from WCCUSD, putting one police officer position at risk. Also at risk is the Utility Users Tax (UUT) in 2012, which constitutes \$2 to 2.5 million. She said she would be discussing with Council placement of the UUT measure, without the additional water component, on the ballot in November 2011. A historical perspective on general fund expenditures over the past six fiscal years, from \$14.5 down to %10.7 in FY 2011-12 was included in the presentation, followed by a summary of the fixed budget costs. Espinosa presented the new building block approach to budget development based on prioritizing functions. Each block was presented in detail. She noted that staff was requesting a one-year subsidy of \$65,465 for Recreation programs.

**Richard Loomis**, Finance Director, presented Budgets A & B (with and without redevelopment funds) in detail, referring to the stacked charts in the power point exhibit, pages 10-11, demonstrating a balanced budget for FY 2011/12. The total City staffing component under Option A contains one hundred employees, of which twenty would be enterprise fund activity employees, fifteen in Fire, twenty-six in Police operations, and fourteen in Police administration and support, 8.75 employees in core Administration; six in maintenance, 6 in administrative support functions and four in redevelopment. He discussed the specific allocations for each category.

Ms. Espinosa presented the Recreation Enterprise budget redesign, the Fire Department budget, and staffing impacts due to the potential elimination of redevelopment. The policy issues were outlined, as follows, for the Council to provide direction:

1. Fire Department – Staff at 15, or move toward 13 suppression staff
2. Fire Department - Constant staffing – 3 or 4 per shift
3. Police – Eliminate the Community Safety & Preservation Unit
4. Recreation –Should there be a subsidy of \$65,465
5. Recreation – Eliminate the Senior Center custodian
6. Recreation – Reduce hourly employee funding
7. Cable TV – Reduce services, eliminate 2 technicians, reduce Cable Coordinator to  $\frac{3}{4}$  time, and reduce hourly employee staffing
8. Administration – Eliminate IS Technician II
9. Utility Users Tax Ballot Measure – decision regarding placement on November 2011 election
10. Continue labor negotiations for concession
11. Move forward with preparation of the FY 2011/12 final budget documents

**Winnie Baird**, Pinole citizen, spoke in support of retaining Station 74 and discussed the five plus minute response time in the Valley, and not knowing how to place a dollar value on a life. If three firefighters on a shift is an issue, then it should be four, and the City should look into federal grants and special funds. She also addressed the Council reducing/eliminating their medical insurance benefits to save funds. She commended the employees that have taken the reduction. Baird said that fire safety comes first and recreation should be funded by the user fees.

**Jeff Rubin**, Pinole citizen, spoke in favor of retaining Pinole Community TV in its current capacity and spoke to the importance of the station as an information source from the Council to the community. He said he wanted to see everyone take a pay cut and keep good employees employed.

**Drew Kerr**, Pinole citizen, addressed Council regarding the closure of Fire Station 74. He said that Station 73 has a huge impact on the safety of the community and asked if the Council had heard from a lot of the citizens or the few in attendance this evening. He asked if there was anything that can be done at this point, and if more citizens spoke out, whether that would change the decision.

Mayor Swearingen responded, stating that they have been working on this issue for several years, but there are limited funds available. He said that Station 74 has never been sustainable, and relied on reserve funds, which have long been exhausted. The City borrowed money to keep it going and can no longer continue, especially in light of further state takeaways. There will be further discussion this evening and he referred Mr. Kerr to Ms. Pyeatt if he wished to become involved in retaining the station. Mayor Swearingen said that two council members

have volunteered to become involved with any committee formed to fund or support a measure to retain the fire station.

**Robert Kopp**, Pinole citizen, supported the health benefits received by the Council, opposed the downsizing of the Cable TV station, and questioned why these were the only cuts in Recreation. In support of the cable function, he spoke of a citizen whose son received an athletic scholarship, attributable to being seen on the Pinole station.

**Allen Dorsey**, Pinole citizen, identified himself as a public works employee in another city in another county. He said the budget was an issue in most cities, and said that he had issue with numerous reports citing a million dollar savings from closure of the fire station, which was inflated, and was \$310,000. He said he did not want any employees laid off, but do not want figures manipulated.

Mayor Swearingen corrected for the record that he earlier referenced closure of Station 73 and that it was actually Station 74 that was under consideration.

**Nick Ronchetto**, Local 1230, discussed the fire department calls for service, which have increased over the years, and explained the reason for four-person staffing on fire apparatus. He expressed disappointed by the article in the newspaper, which appeared that the fire department was at fault that the station was constructed. He said he understood the financial issues; that this was not a Fire department or a pension problem, and elaborated on CalPERS pensions. Ronchetto expressed concern that the Fire department was criticized by the citizens group, and disagreed that a person had a right to say anything they want, even if it was unsubstantiated, and referred to that as propaganda.

**Lisa Davis**, Local 1 business agent, shared their concern regarding any potential staffing elimination. She said not to move forward with savings on the backs of the employees.

**Ivette Ricco**, Chamber President, commented on the proposed budget blocks 5 and 6. She said she understood the Recreation block, but asked why the five part-time employees are provided benefits. Regarding the redevelopment block, she asked why there was no impact to the staff salary and benefits and under Option A, and under a reformed agency budget, what would the redevelopment staff continue to do to support salaries in excess of \$100,000 per year. In Option B, three positions would become part-time and she asked what the total cost savings would be.

City Manager Espinosa responded that part-time, permanent employees (20 hours or more per week) earn benefits on a prorated basis, but most part-time employees are temporary, non-benefitted. The outcome of redevelopment is still undetermined. Under the reformed plan, an affordable housing component would remain. If the redevelopment was eliminated, the City would still receive money for the successor agency and those funds would be used to conduct the remaining agency business, including closing the agency. She said Option B, did not retain agency employees in a part-time capacity, they would likely all be eliminated.

**Cindy Trego**, Pinole citizen, echoed the previous speakers regarding retaining the Cable TV component and asked for consideration or options to fund the TV coordinator position, as well as retention of the Community Preservation Unit. She suggested reconvening the Adhoc Safety Advisory Committee to help keeping neighborhood watch intact and to report on blight issues. She asked the Council and staff to speak with Mr. Chavarria regarding whether he was interested in working pro bono, receiving only mileage compensation to keep the programs intact, and use other volunteers under his leadership.

**Irma Ruport**, Pinole citizen, echoed the same sentiments regarding the retention of Mr. Chavarria's position. She volunteered to be a liaison to the Police department. Ms. Ruport challenged the labor groups and the management staff to consider concessions. She said that she thinks the UUT may pass if the staff takes more concessions. She said no one wants to close Station 74, however there is not enough funds to keep both stations open and it could be reopened in the future if the revenue increases. She said she did not support any loss of jobs for any public safety employees.

**Marcia Kalapus**, Pinole citizen, supported the \$65,000 Recreation subsidy and said Cable TV was one of the most important services in the City, asking the Council to consider retaining it and the Community Preservation Unit. With regard to fire services, she believed that Station 74 should be closed, and reopened only when there were sustainable funds. Kalapus said that the rhetoric should stop and everyone should work together.

**Vincent Wells**, Local 1230 President, said he supported Council receiving their benefits as promised when they took their positions, and also supported continuation of Cable TV. Wells commented and clarified prior statements regarding fire fighter pay, stating that they have not had a raise since 2007. He said they were not looking for raises, they recognize the economics, and have continued to come forward with concessions. The closure of Station 74 was a Council decision and was their job to determine the protection level for the community. He said he was looking out for firefighter safety, and discussed the importance of maintaining a four-person staffing level at Station 73, a federal OSHA law. Since there are discussions to reopen Station 74 when funds are available, he recommended keeping fifteen firefighters so the station can be staffed in the future. Regarding the parcel tax, it is Council's responsibility to take the leadership role. He said Local 1230 was continuing to work with the City and wanted to see Pinole get through these financial constraints.

Mayor Swearingen asked if Con Fire would be able to sustain their stations in the County.

Mr. Wells responded that Con Fire was planning a parcel tax in November. Five stations were scheduled to close on July 1 but the Safer grant will keep two open and they are looking to the tax to retain the others.

Council discussed the policy decisions and addressed their specific concerns and the programs they individually wished to retain:

Mayor Pro Tem Murray commented on the merits of the Community Safety and Preservation Unit, and retaining Mr. Chavarria's position to keep the volunteer groups functioning was vitally important. He said that the proposal regarding Cable TV would cause an ultimate closure of the program, and he supported retention of the program to provide opportunities for creative funding. Mayor Pro Tem Murray wished to dialogue on these two programs further, as well as the overtime issues in the Fire Department. He supported the Recreation subsidy this year, and if Redevelopment is reformed or eliminated, staff has handled it accurately.

City Manager Espinosa said right now this is a balanced budget, but if programs/staff are added back in, something must be eliminated to keep it in balance.

Mayor Pro Tem Murray said he could not provide that level of detail tonight.

Council member Green said that City Manager Espinosa had discussed a reserve fund; \$340,000. He asked if there were any other pockets of reserve.

Ms. Espinosa said there was not a General Fund reserve in this budget. There is a building maintenance reserve fund that could be transferred to start a reserve fund, and suggested a transfer of no more than \$200,000.

Council Member Green thought that student safety during school hours was the responsibility of the District, and was surprised that the City was funding school resource officers. The District should be obligated to pay the entire cost. He asked how declaring a fiscal emergency would affect the City.

Ms. Espinosa said there are two resource officers at Pinole Valley High and one at Pinole Middle; one at the high school is funded by the City and the District funds the other two. Ms. Espinosa said that declaring a fiscal emergency would allow the city to place a ballot measure for the UUT on the November 2011 ballot and would allow an economic hardship waiver on our grant fundings.

Mr. Reyes added that revenue measure must be consolidated with a general municipal election unless there was a declaration of fiscal emergency.

Council Member Green said he was not in favor of placing a tax measure on the ballot, and suggested elimination of the tax incrementally. He said the Finance Subcommittee meetings must be more open and he wished to participate. Regarding Cable TV, he said it was now unfair to make further cuts after making an agreement with the staff a few months ago. Cable TV is an essential program to provide transparency to the public.

City Manager Espinosa explained that the UUT would be an extension of the existing and would not include adding a tax on water usage. She also explained that Council Member Green could attend, but not participate in the Finance Subcommittee, which is an open and noticed public meeting. She said most recently all finance discussions had been done before the full Council. She said in order to save the Cable TV as the Council had been discussing, \$176,000 must be cut from another service. If the Council reduced fire constant staffing from 4 to 3, there would then be funding for the other programs.

Council Member Green asked for a complete list of all one hundred staffing positions with their salary and asked if the Council should pick what to eliminate. He did not support any cuts in Fire. He also discussed all employees taking a fifteen percent reduction. Green asked how the \$880,000 or one million dollar savings would be realized.

Finance Director Loomis said by a reduction in force of two positions would realize \$330,000 and to reach \$880,000 he referred to Slide 28 from salary savings, reduction in overtime, and salary savings from charging the SAFER grant for the battalion chief, and anticipated OT savings from a reduction in constant staffing. Those combined is over \$1Million.

**ACTION: Motion BY Council Members Long/Banuelos; the Council Extended the Meeting**

**Vote: Passed 5-0.**

City Manager Espinosa suggested continuing the discussion to May 23, 2011.

Council Member Green recommended a roundtable format to allow the Council and the public to weigh in on fair salaries for employees.

Mayor Swearingen reminded the Council that if anything that is added to the budget, something must be subtracted.

Ms. Espinosa cautioned and demonstrated to Council that they have very little discretion once you fund police, fire and core services. She said other funds have restrictions, such as building funds, gas tax, etc. All the major reductions have been made, and the largest block remaining is the \$310,000 in the Fire Department, and if cut, you can fund other items. The budget is reliant on weaning off redevelopment. She asked the Council how they wished to proceed.

Council Member Green said there were areas in Parks and Recreation where cuts can be made, and that some positions were more important than others and if all is out on the table, everyone would understand the cost of each position. He said that high salaries were the problem. He said that he did not want to cut the Police on the street, but would consider administrative personnel. He said he was bothered by not knowing if redevelopment would be eliminated or reformed. Council Member Green also said he supported retaining the Swim Center program.

Ms. Espinosa said that she could not arbitrarily lower salaries; when a position becomes vacant it could be done, and even then it must be bargained.

Council Member Banuelos asked if the Swim Center is in a position of partially self-supporting, due to the Seals fundraising. He also asked staff to define an Enterprise Fund, and whether there was a way to find funding for the Cable TV to allow them to become self-supporting.

Ms. Espinosa explained that an enterprise fund works like a business, and there is no revenue from the General Fund; rates have a direct impact on the cost of running the business. She provided examples for further explanation. Regarding Cable TV, she said that all the cities, except Richmond, pay for broadcasting the school board meetings, and now Dr. Harter agreed to pick up the difference due to the importance of the programming.

Mayor Swearingen commented that we should start with zero for all the other filming, and that the cost should be distributed more evenly.

Recreation Director Wooldridge informed the Council that they were working on a contract with Moraga. Hercules has recently provided written notice that they would no longer pay for school board meeting, but there was no way to block televising from Hercules area.

Discussion ensued regarding Cable TV options. Mayor Pro Tem Murray suggested advertising that the City films special events to generate more income. Mayor Swearingen said the Cable staff would need assistance with marketing/advertising. The discussion included the possibility of the redevelopment reform and when it might occur.

Council Member Banuelos asked how soon Recreation programs would be self-supporting. He said he was OK with the Option A plan. He commended the management employees for raising the bar with their concessions.

Ms. Wooldridge said she was unsure, as it requires fee increases and fundraising.

Council Member Long asked the following questions and requested further information as follows:

1. Regarding Fire, under Option 1 with a five-person shift, there should be opportunity to float 2 persons, and she asked for more information on Rodeo-Hercules overtime.
2. In Attachment H, regarding the Recreation Director's allocation, she believed the entire benefit package was listed as \$107,000, and asked where the rest was allocated. She said there was insufficient information, and requested the revenues and expenditures,

and salary was allocated to the different funds/departments and the correlation to each program

Ms. Wooldridge responded the net of her position, \$55,000, was allocated to five funds.

3. Asked whether there were strings attached to the \$75,000 donation from the seniors, as the \$75,000 is anticipated in this draft budget and said she wished to see a letter from the seniors rescinding those requirements.
4. Regarding Cable TV, the way the program is packaged leaves no incentive for the TV coordinator to stay, with the reduction of the staff. Council has said that Cable TV is necessary and there must be a way to fund and deliver the services. She said she had identified Cable TV right behind public safety as a priority.
5. Regarding contracting out services, she did not support contracting out for a City Planner, but could consider possibly a reduction in hours. She complimented Mr. Rhodes for his expertise and noted that she had seen him speaking at the County, protecting Pinole's interests and position. She said it was important to retain an employee that knows Pinole and works in the city's best interest.
6. Regarding Redevelopment, if the staffing positions are retained, she requested more information on the projects and how they fit with the current staffing level.
7. No support to fund a reserve by shifting from the building reserve.

In her closing comments, Council Member Long said she had insufficient information to make a decision, asked for more detail on the Recreation Department reductions. She recommended reviewing the expectations from the FY 2010-11 budgets to discuss why some were not met, and also should wean ourselves from borrowing.

Ms. Espinosa asked Council if there was consensus to address Council Member Long's requests. She said in order to achieve the Cable TV at full staffing would mean staffing cuts elsewhere.

Council Member Long then suggested taking a few hours from several Recreation positions to equalize out the Cable TV coordinator.

Council Member Green questioned Ms. Wooldridge salary showing a cost of only \$65,000 because the remainder is allocated from the program revenues. Both Council Members Long and Green did not support the way it is calculated in the document. Council Member Long said there should be an allocation to Public Works for the maintenance of the fields and parks.

Mr. Loomis explained the concept to develop a core services budget which was functional and met a community need. Because there was a need for a reduction in force, a plan was crafted that minimized involuntary reductions, predicated on keeping some level of redevelopment funding. A decision must be made regarding priorities. The Council defined the core level of service for Cable TV, and staff provided a plan to maintain that core level, the service contracts and a credible presence for a cable coordinator. There was no plan that the programming would continue as it had in the past. He used the same analogy with the reduction of the Crime Prevention Program; an outcome of staffing reductions. If positions are added back, others must go away. The labor concessions have already been built into the program. The City Manager's hands are tied, and the budget remains subject to change based on decisions from

other agencies with revenue impacts to Pinole. Staff had followed the priorities established by Council and while other options can be provided, he was unsure Council would prefer those.

Mayor Swearingen said this could not be settled at this meeting and directed staff to continue the discussion at a Special meeting on May 23, 2011. In summary, he noted that the only General Fund subsidies are the senior center and a portion of the Recreation Director's salary, and trading either of those would not retain the Cable TV program.

Council Member Long suggested that Cable TV staff could receive revenue/commissions for securing new contracts.

Mayor Swearingen directed staff to include the items that Council Members Long and Green requested, related to more information on Recreation, options for retaining Cable and the Community Preservation Unit, and continue the discussion to May 23, 2011 at 6 PM. He asked that staff use the web and TV scroll to announce the meeting.

## 11. REPORTS & COMMUNICATIONS

- A. Mayor / Chair Report
  - 1. Announcements
  
- B. Mayoral / Council Appointments
  - 1. Reappointment of Kathy Magann, as Pinole Alternate to the Contra Costa County Library Commission [**Council Report No. 2011-57; Action: Council Discretion (Athenour)**]

**ACTION: Motion by Council Members Murray / Long, the Council Reappointed Kathy Magann to a Two-year Term on the Contra Costa County Library Commission.**

**Vote: Passed: 5-0**

- C. City Council / Agency Board Committee Reports
- D. Council Requests For Future Agenda Items
- E. City Manager / Executive Director Report / Department Staff
- F. City Attorney Report

## 12. ADJOURNMENT

At 12:17 a.m., Mayor Swearingen adjourned the Regular Meeting to the Regular Redevelopment Agency/City Council Meeting of June 7, 2011 and in memory of the fallen US Armed Service members and Pinole citizens Amber Swartz, TJ Maroon, Robert Grushus and Vera Wold.

**Submitted by:**

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

**APPROVED BY AGENCY BOARD / CITY COUNCIL:**