

**PINOLE CITY COUNCIL & REDEVELOPMENT AGENCY  
SPECIAL MEETING  
MINUTES  
August 24, 2011**

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

The Special 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 4:00 PM and led the Pledge of Allegiance.

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

**A. COUNCIL PRESENT**

Phil Green, Council Member  
Debbie Long, Council Member  
Tim Banuelos, 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  
Stephanie Downs, Assistant City Attorney  
Richard Loomis, Finance Director  
Patricia Athenour, City Clerk

City Clerk Patricia Athenour announced that the Agenda was posted on August 18, 2011 at 4 PM. All legally required notice was provided. She asked the Council whether there were any conflicts with any items on the agenda. None were reported.

**3. CONVENE TO A CLOSED SESSION – CITY COUNCIL**

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

NO CLOSED SESSIONS WERE SCHEDULED

**5. CITIZENS TO BE HEARD (Public Comments)**

The following citizens addressed the City Council:

**Allen Dorsey**, addressed Council regarding the decision on Redevelopment. He read a prepared statement into the record. He asked how the City would pay for local vital services and the increased need for services based on the increase population since the 1980's, with the depleting revenues. Dorsey said that opting out of Redevelopment would bring more funds to the General Fund without raising taxes. He said that Council had the ability to do this without a ballot measure and without raising taxes, and encouraged opting out to do what he felt was best for the citizens. Dorsey asked the amount of money that would have been directed to the General Fund since 1972 that was since directed to the Agency.

## 6. NEW BUSINESS – REDEVELOPMENT AGENCY BOARD OF DIRECTORS

- A. Approval of Enforceable Obligation Payments Schedule – July through December 2011 [**Agency Report No. 2011-36 Action: Adopt Resolution Per Staff Recommendation (Loomis)**]

**Richard Loomis**, Finance Director presented Agency Report 2011-36 into the record. He said that the Court determined now that regardless of city's decisions to opt in or not, they must prepare and submit an Enforceable Obligations Schedule no later than August 28, 2011. The Agency cannot spend any funds unless they are on the Enforceable Obligations Schedule. All enforceable obligations are included on the attachment in the staff report and we can continue to honor those obligations provided Council adopt the payment schedule. Loomis said it would likely be a six month lockout with a final court decision expected in January 2012. Mr. Loomis entered a correction into the record, stating that Item 29 - Kids Creek Fest should be \$4,125. Staff was available for questions.

Council Member Green referred to Item 35- Payroll Cost Allocations for projects and asked what administrative staff members were included in that figure.

Finance Director Loomis explained that payroll cost allocations were started with the formation of the Agency in 1973; the employees are actually City employees and there is a charge to the Agency. He listed the administrative positions that are partially charged to the Agency, such as the City Manager, Assistant City Manager, Finance Director, City Clerk, and others.

Council Member Green referred to the information documents prepared by HdL and asked if the information was coming from the court or from HdL. He said that it appeared there was a lot of overlapping consultants.

Finance Director Loomis explained that HdL analyzes property tax projections and as a courtesy to their clients send informative press releases.

**Stephanie Downs**, Assistant City Attorney, confirmed the accuracy of the information and said it was also posted on the website.

**Belinda Espinosa**, City Manager explained that they are multiple consultants working on different segments, and provided examples.

Council Member Green asked to review the copy of the contracts Mr. Loomis was referencing.

After adoption Loomis said this resolution would be posted on the State Controllers web page.

Mayor Pro Tem Murray supported adopting the Enforceable Obligations Payment Schedule..

Council Member Baneulos said that he heard there was money left from the Chamber Expo and asked if it was taken into account on this list. Mr. Loomis said it was from the prior fiscal year.

Council Member Long questioned the deadline for the payments continuing in 2012. Mr. Loomis said the court provided a six-month cycle, so another list must be approved for the following six months, but a decision is anticipated in six months.

Council Members Long and Banuelos dialogued about the possible balance remaining in the Business Expo allocation, and Long asked if there a balance existed, could it be directed to

another use. Mr. Loomis was unsure if the contract was project specific. Council Member Long said it was.

Council Member Long noted that the Pinole Middle School soccer field project was omitted.

Mr. Loomis said it was a \$500,000 obligation under a cooperative agreement with the WCCUSD, although he was unsure whether it would be completed in the next six months, he would add it to the list.

Council Member Long clarified for the public that approval of this report and list, has no bearing on opting in or out of Redevelopment; it allows the continuance of making our payments and paying outstanding contractual agreements for this period of time. She commented that if she was adamant to opt out, she would not accomplish anything by voting in opposition.

Mr. Loomis confirmed that was correct.

Mayor Swearingen asked if the obligations were not paid, would the City be open for litigation. He asked staff to respond to the question raised earlier by a citizen, asking how much General Fund dollars have been directed to the Agency since 1972.

Ms. Espinosa said staff had have that information back to 1972, but had done a calculation for a finite period of time and opting in meant millions to the City of Pinole and opting out was a very small number. Mr. Loomis followed up, stating that was an advantage to opting in. He provided a quick calculation, stating there has been \$150,000,000 in tax increment over the last thirty years and the General Fund's contribution was approximately \$30 million.

Mayor Pro Tem Murray said it was significantly more in tax increment, and also noted the benefits from redevelopment was also the sales tax which is a general fund revenue. He said that the numbers have shown that RDA provides a bigger benefit over the years.

Discussions ensued regarding the sales tax generated for the General Fund through Agency's development of the Pinole Vista Shopping Center.

Referring to Item 18 – AT&T, Council Member Green asked when it would be paid off.

Finance Loomis said it a month to month annual payment of \$1,600 for a parking lot lease. The original agreement was for ten years and month to month thereafter.

**James Tillman**, Pinole citizen, commented that agencies are needed in this country and spoke to the merits of the Pinole Redevelopment Agency. He referred to the AT&T lease and cited a past issue regarding a remote system buried in the ground and said that the Agency should take the property, using eminent domain. He also said he did not understand the Agency paying TKG when they are our partners. Regarding the \$1,000,000 capital call on the Center, he said they should be paying their twenty percent share. He expressed interest in reviewing the contracts.

Mayor Swearingen asked Finance Director Loomis to make the contracts available to Mr. Tillman.

Ms. Fitzer said the Agency has a ground lease and TKG owns all the improvements except Burlington and Target. The Ground Lease addresses payment schedules, how improvements will be paid for and it states in the event there are capital needs in the Center and reserves are insufficient to pay for those, the Agency shall pay eighty percent and TKG shall pay twenty

percent. She said that TKG was advising the Agency how much the capital call would be for improvements to the Center.

Mr. Tillman asked if they had paid there twenty percent in the past. Ms Fitzer responded affirmatively.

Council Member Long said that she thought Mr. Tillman meant if they (TKG) owe us money elsewhere, we should capture it here. She then explained that the Agency was obligated to the eighty percent.

Council Member Green asked if we had to agreed to the \$1,000,000 capital improvement.

Ms. Espinosa said we have an opportunity to review and approve it, but we cannot unreasonably withhold.

**Irma Ruport**, Pinole citizen, addressed Council questioned why this was not considered earlier, that there was not sufficient notice for the public, and said that if the deadline was August 28, there was still time as it was only August 24.

Assistant City Attorney Downs responded that because the Agency had planned to “opt in”, this action was previously not required, and due to a Supreme Court change, the law was changed and agencies were advised of this new information on August 17<sup>th</sup>.

Ms. Ruport continued stating her concern with the procedures to inform tax payers. She said it was important to video tape the meeting. She objects to the procedures and if the contracts are going to be passed out, she requested a copy and wants them on the website.

**ACTION: Motion by Board Members Murray/Banuelos, the Agency Board of Directors Adopted Agency Resolution 19-2011, Approving the Enforceable Obligation Payments Schedule: July through December 2011.**

**Vote: Passed 4-0-1 (Green abstained).**

## **7. ADJOURNMENT**

At 4:50 p.m., Mayor Swearingen adjourned the Special meeting to the Regular Redevelopment Agency/City Council Meeting of September 6, 2011 and in memory of the fallen US Armed Service members and Pinole citizens Amber Swartz.

**Submitted by:**

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

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