



Members:
Mayor Tave
Mayor Pro Tem Murphy
Treasurer Swearingen

PINOLE FINANCE SUBCOMMITTEE MEETING AGENDA

January 14, 2026
3:00 PM

Attend in person - PINOLE CITY COUNCIL CHAMBERS - 2131 PEAR STREET
OR

Attend VIA ZOOM TELECONFERENCE - Details provided below

How to Submit Public Comments:

In Person:

Attend meeting at the Pinole City Council Chambers, fill out a yellow public comment card and submit it to the City Clerk.

Via Zoom:

Members of the public may submit a live remote public comment via Zoom video conferencing. Download the Zoom mobile app from the Apple Appstore or Google Play. If you are using a desktop computer, you can test your connection to Zoom by clicking [here](#). Zoom also allows you to join the meeting by phone.

From a PC, Mac, iPad, iPhone or Android:

<https://us02web.zoom.us/j/89335000272>

Webinar ID: 893 3500 0272

By phone: +1 (669) 900-6833 or +1 (253) 215-8782 or +1 (346) 248-7799

- Speakers will be asked to provide their name and city of residence, although providing this is not required for participation.
- Each speaker will be afforded up to 3 minutes to speak
- Speakers will be muted until their opportunity to provide public comment.

When the Mayor opens the comment period for the item you wish to speak on, please use the “raise hand” feature (or press *9 if connecting via telephone) which will alert staff that you have a comment to provide and press *6 to unmute. **To comment with your video enabled, please let the Deputy City Clerk know you would like to turn your camera on once you are called to speak.**

Written Comments:

All comments received **before 12:00 pm the day of the meeting** will be posted on the City’s website on the agenda page ([Agenda Page Link](#)) and provided to the Commissioners prior to the meeting. Written comments will not be read aloud during the meeting. **Email comments to comment@pinole.gov** Please indicate which item on the agenda you are commenting on in the subject line of your email.

OTHER WAYS TO WATCH THE MEETING

LIVE ON CHANNEL 26. They are retelecast the following Thursday at 6:00 p.m. The Community TV Channel 26 schedule is published on the city's website at www.pinoles.gov.

VIDEO-STREAMED LIVE ON THE CITY'S WEBSITE, www.pinoles.gov and remain archived on the site for five (5) years.

If none of these options are available to you, or you need assistance with public comment, please contact the Deputy City Clerk, Roxane Stone at (510) 724-8937 or rstone@pinoles.gov.

Americans With Disabilities Act: In compliance with the Americans With Disabilities Act of 1990, if you need special assistance to participate in a City Meeting or you need a copy of the agenda, or the agenda packet in an appropriate alternative format, please contact the City Clerk's Office at (510) 724-8928. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Ralph M. Brown Act. Gov. Code § 54950. In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly. The people of this State do not yield their sovereignty to the agencies, which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

1. CALL TO ORDER

2. PUBLIC COMMENT

3. CONSENT ITEMS

- A. Approve the minutes from the April 24, 2025 Finance Subcommittee Meeting

4. BUSINESS ITEMS

- A. Fiscal Year (FY) 2026/27 Budget Planning

No action is requested. The Subcommittee is an advisory committee which makes recommendations to the City Council.

5. ADJOURNMENT

I hereby certify under the laws of the State of California that the foregoing Agenda was posted on the bulletin board at the main entrance of Pinole City Hall, 2131 Pear Street Pinole, CA, and on the City's website, not less than 72 hours prior to the meeting date set forth on this agenda.

Posted: Friday, January 9, 2026 at 10:15 am.

Roxane Stone, CMC
Deputy City Clerk

PINOLE FINANCE SUBCOMMITTEE
MEETING MINUTES
April 24, 2025

A. CALL TO ORDER

Mayor Sasai called the meeting to order at 3:01 p.m. The meeting took place in the Pinole City Hall, Council Chambers, 2131 Pear Street, Pinole, California.

Board Members Present:

Mayor Cameron Sasai
Mayor Pro Tem Anthony Tave*
Treasurer Roy Swearingen
*Arrived at 3:42 p.m.

Staff Members Present:

City Manager, Kelcey Young
Finance Director, Markisha Guillory
Public Works Director, Heba El-Guindy
City Clerk, Heather Bell
Deputy City Clerk, Roxane Stone

B. PUBLIC COMMENT

There were no comments from the public.

C. CONSENT ITEMS:

- A. Approve minutes of the Finance Subcommittee Meeting on April 18, 2024.

ACTION: Motion by Treasurer Swearingen/Mayor Sasai to approve the Minutes of the April 18, 2024 meeting, as shown.

| | | |
|--------------|-----------------|--------------------------|
| Vote: | Passed | 2-0-1 |
| | Ayes: | Sasai, Swearingen |
| | Noes: | None |
| | Abstain: | None |
| | Absent: | Tave |

D. BUSINESS ITEMS

- A. Fiscal Year (FY) 2025/26 Financial and Investment Policies

Finance Director Markisha Guillory provided a PowerPoint presentation on the Fiscal Year (FY) 2025/26 Financial and Investment Policies, which included an overview of the background and purpose of the financial policies and highlighted the Structurally Balanced Budget, Reserve, Revenue – One-Time (Non-Recurring) Resources, Revenue Policy – User Fees and Charges, Expenditure and Budget, Debt, Receivables, Grants Management and Procedures, Capital Assets Procedures, Unclaimed Funds/Outstanding Checks Procedures, Investment and Pension Investment Policies.

Finance Director Guillory recommended the Finance Subcommittee review the proposed Policies and recommend them for City Council approval or provide other direction to staff. As to next steps, staff recommended no changes to the Policies, as presented, but would incorporate any recommendations from the Finance Subcommittee if any, and present the Policies to the City Council for approval.

Mayor Sasai clarified staff was recommending no changes to the Policies at this time. Speaking to the General Fund Reserve Policy, he commented the Policy had a recommendation for the City Council to replenish those funds in the next year's budget, which was the budget currently under review. When the City Council discussed the Long-Term Financial Plan (LTFP) in 2024, there had been a recommendation to reduce the General Fund Reserve percentage. He asked for the specific recommended percentage reduction.

Finance Director Guillory explained the average for neighboring agencies, some of which were the same size as the City of Pinole, was around 25 percent, which was the recommendation to the City Council in 2024. She had not seen a higher percentage in other jurisdictions. She had seen 25 percent for the most part for three months of expenditure coverage.

Mayor Sasai was not recommending any changes to the General Fund Reserve Policy at this time but he wanted that information to come back as a refresher for the full City Council.

Finance Director Guillory confirmed that information would be included in the budget presentation as an option to explore and information on comparisons to other jurisdictions could also be included.

PUBLIC COMMENTS OPENED

Rafael Menis, reiterated written comments he previously provided for consideration. He referenced Pages 47 and 48 of 189 of the agenda packet, and commented he found the Strategic Asset Allocation excessively skewed towards equities given the current volatility in the stock and bond markets. He asked that the City consider at the very least, reducing its policy level in equities and shift more towards fixed income or cash given that volatility and the shorter time horizon for the Section 115 Trust, in particular, was expected to expire in 2030 or 2031.

Irma Ruport, liked the presentation and asked that it be posted on the City website. She was informed by staff the PowerPoint presentation had been included in the agenda packet.

Ms. Ruport referenced the Pension and Investment Policy and wanted it brought to a level where people could understand it. She asked for clarification of the policy given the current market volatility and asked that the information provided be presented in a simple and understandable format. She also referenced the Capital Assets Policy and Procedures, and commented that she sent an e-mail regarding some of the language contained in Methods of Disposition since it gave a number of Department Heads, the Finance Director and the City Treasurer opportunities and did not allow the City Council and taxpayers enough information to be included. She suggested more research was needed for this section and possibly the City Attorney should be involved.

Mayor Sasai thanked those members of the public who provided their comments in writing to staff prior to the meeting.

PUBLIC COMMENTS CLOSED

Treasurer Swearingen stated the review of the Investment Policy would come up soon before the City Council voted on the full budget specifically given what was occurring on the national level. He thanked the public for raising that issue so the policy could be reviewed in-depth and answers could be provided to the public.

Mayor Sasai reiterated no action was being taken on this item.

B. Fiscal Year (FY) 2025/26 Draft Operating Baseline Budget

Finance Director Guillory provided a PowerPoint presentation on the Fiscal Year (FY) 2025/26 Draft Operating Baseline Budget, which included an overview of the budget development process, Structurally Balanced Budget Policy, Baseline Budget Components, Non-Recurring Budget Items, General Fund Baseline Budget highlights, breakdown of where General Fund monies originated and where they were expended along with highlights and a breakdown of the various categories of tax revenue. Those tax revenue categories included Property Tax, Sales Tax, Utility Users' Tax (UTT), Franchise Tax, Intergovernmental Tax, Transient Occupancy Tax (TOT), Business License Tax, Charges for Services, Permits, Fees, Other Revenues and Transfers In.

Finance Director Guillory also detailed the baseline budget expenses for the categories of Salaries and Wages, Benefits, Professional Services, Other Operating Expenses, Materials and Supplies, Interdepartmental Charges, Capital Outlay, Debt Service, Transfers Out, Recreation Fund, Building and Planning Fund, Pinole Community Television (PCTV) and the Sewer Enterprise Fund.

Finance Director Guillory advised the FY 2025/26 Draft General Fund Baseline Budget currently indicated a positive balance of approximately \$1.5 million; however, other operating funds (Recreation Fund, PCTV Fund, and Building and Planning Fund) indicated a total shortfall of approximately \$1.9 million. Staff was exploring options to offset some of the expenditures and reduce the need for additional General Fund support in these funds, including actively pursuing grants and sponsorships, as well as generating additional revenue.

Finance Director Guillory asked the Finance Subcommittee to receive the Draft Operating Baseline Budget and provide recommendations, if any. The City Council planned to hold a Special Meeting/Budget Workshop on May 13, 2025.

Treasurer Swearingen referenced the 115 Pension Trust and the fact the City seemed to dip into the Trust on a regular basis. He also commented that pension costs appeared to vary in the plus direction and appeared to go higher than anticipated every year. He understood the funds were to be replaced, but that had not been included in the budget. He asked where the replacement funds would come if any, since down the road the City would not have a sufficient amount and he was not confident the funds could be replaced.

Finance Director Guillory clarified no contributions to the 115 Pension Trust had been included in the budget. The City was still using the funding from when the fund had been set up.

Treasurer Swearingen understood funds in the 115 Pension Trust were anticipated to be reduced to a certain level, although the state was out of funds and would likely replace those funds by taking from cities through the increase of pension funds. The state had been out of funds for years and had been taking funds from cities for years and the only way to balance that at the state level was to enhance costs to cities for their pensions. He urged the City to be careful taking money from the 115 Pension Trust given the decrease in pension funds available.

Treasurer Swearingen also spoke to the 7 percent growth rate for Professional Services, which he found to be high and asked if that had always been the case.

Finance Director Guillory stated it would depend. With respect to the largest components, she explained that the contract the City had with the Contra Costa County Fire Protection District (CCCFPD) included a five percent escalator based on that contract; Animal Control Services had increased significantly and she was unsure there would be increases in Library Services at this time.

Treasurer Swearingen suggested the City was paying two times for the same Library Services.

Finance Director Guillory clarified as part of the latest long-term financial forecast, it had shown the City would fully exhaust the 115 Pension Trust by Fiscal Year 2029/2030, and the City needed to address that which she and he City Manager had discussed as part of the long-term strategic planning.

Mayor Sasai referenced Page 3 of the April 24, 2025 staff report and Table 1: Comparison of FY 2024/25 and FY 2025/26 General Fund Baseline Budget, and the net surplus as shown. He asked staff to provide more details on the net surplus.

Finance Director Guillory explained the net surplus was the amount of revenues over expenditures, with a portion of that due to funds from Measure I, which meant there was a surplus if just looking at the General Fund; although the General Fund supported other operating areas of the City and there was still a \$1.9 million shortfall in the other three operating funds as shown in the PowerPoint presentation. As a result, if adding those together there would essentially be a \$500,000 shortfall and those amounts would need to be backfilled to avoid going negative. As part of balancing the General Fund, those other funds would have to be balanced.

Mayor Sasai referenced the figures in the Recreation Fund and asked about the largest cost drivers, to which Finance Director Guillory advised the main costs were Personnel and Professional Services. There had been few changes in the Recreation Fund since Fiscal Year 2022/23 when the Department had been set up as its own Department. Much of the increase was reflective of natural growth, personnel costs, retirement and staff increases. Professional Services was not increasing by much, although at the same time revenues were not enough to keep up with the growth in expenditures.

Treasurer Swearingen understood there had been significant costs for the Recreation Fund this year due to repairs to the Pinole Swimming Pool but Finance Director Guillory stated those costs were not associated with this budget.

City Manager Kelcey Young clarified that about \$300,000 had been added as a potential project in the Capital Improvement Plan (CIP), which would be presented later in the meeting. For the Recreation Fund, while revenues were increasing, expenditures were increasing as well, which would continue to occur as services were provided. Capital improvements were in the CIP, not in the Recreation Fund.

Mayor Sasai referenced the significant change in grants for the Recreation Fund and asked how that had been calculated and projected for the upcoming year.

Finance Director Guillory explained that there had been a tobacco grant the Recreation Department received for several years but the City no longer qualified for the grant. She emphasized she, along with the City Manager and Community Services Department Director, were actively seeking grants and sponsorships as well as reviewing all fees.

In terms of Citywide grants that had not been broken out as a category, but if the direction was to provide that information, it could be pulled out but had been included in Other Revenues.

City Manager Young added there were ways to structure the budget with respect to grants, such as anticipated grants and putting those numbers in the budget.

City Manager Young chose not to do that for this budget since staff wanted to see where they were, with the idea being as additional grant revenue comes in that would be seen mid-year or in the future. Grants, donations and other sponsorships came in at various times and until they started to see a more consistent track record of how much grant revenue was coming in, staff was trying to be more conservative and cautious when reporting those numbers.

Mayor Sasai referenced the Building and Planning Fund and asked about the main cost drivers, and Finance Director Guillory advised it was Personnel and Professional Services, with staff augmentation for various planning and building services. A good portion of those expenditures were related to grants the Community Development Department received, which had been budgeted.

Mayor Pro Tem Tave commented the PowerPoint presentation included no recommendations for changes in policy. He asked if that was because they were heading into the next fiscal year with an expectation there would be more of a focus on the mid-year review. Given the structural deficit, he understood they would pull from the reserves to balance the fiscal year and move into the new fiscal year.

City Manager Young explained there were no staff recommendations yet since staff wanted to present the Draft Operating Baseline Budget to the Finance Subcommittee first to obtain any recommendations. Staff would provide recommendations to the City Council at its regular meeting on May 6, 2025.

Mayor Pro Tem Tave asked if they were looking at savings in aggregate throughout the year to mid-year.

City Manager Young commented that staff had already gone through and cut the majority of things that could be cut without cutting services to the community. There were additional potential recommendations and ways to move things and consideration of recommendations on different models of what could happen should the city lower its reserves and instead put those funds into the 115 Pension Trust to build it up with the idea it could still be pulled out for reserves. Those recommendations were to be presented to the City Council on May 6, after feedback from the Finance Subcommittee.

Mayor Pro Tem Tave asked about services the City paid to the County, such as Animal and Library Services and asked whether there had been any consideration of pulling those services in-house, and if so whether there would be a savings.

City Manager Young advised Information Technology (IT) would be brought in-house and there would be a savings there once they get past the transition. There were also plans to bring some Planning services in-house, and while costs may be about the same, the service level would increase. Animal Services would be challenging for the City to bring back in-house but that had been discussed and if the City Council wanted staff to pursue that direction it could be discussed.

Mayor Pro Tem Tave commented the Pinole-Hercules Joint Wastewater Subcommittee had discussed several options for savings, such as not having a person on-site to drive projects. He suggested the potential shortfall was achievable to resolve but he was uncertain how to get there. He asked how Measure I played into the shortfall and the timing when Measure I became the next step or another revenue stream was needed, and he wanted to know when they would realize gains from some of the small reductions.

City Manager Young suggested the City should be looking for additional revenue sources now and should review options. Some strategies had been reviewed by the City Council and staff and there were potential revenue options to review. She recognized the economy was currently in a challenging place and the City would most likely be able to tighten its belt and hold on for the next two years; but two years from now the City had to make a decision to increase revenue or consider an agency to take over other services.

Mayor Pro Tem Tave understood there were other ways to reduce annual costs and he asked if that would be presented in this round of the budget.

City Manager Young advised the intent was to balance the budget but there would be recommendations to include some increased revenue discussions in this budget and likely there would be similar discussions mid-year.

Mayor Pro Tem Tave commented on the discussions during the Council Retreat about public-private partnerships and other revenue options. He understood they were really discussing sequencing and understanding that sequencing over the long term. He wanted assurance the steps taken now would lead into that sequencing and what that would look like.

City Manager Young suggested the next year would help staff develop a larger plan, and ideally over the next six months staff would have 70 to 80 percent of a plan fleshed out that could be shared with the City Council. The upcoming CIP included a lot of projects, more than the City could actually accomplish, but she wanted to know the priorities of the Finance Subcommittee and the City Council so that staff could come back during a budget workshop and prior to the final approval of the budget with a finalized CIP that could be attainable both with staff capacity and also be financially sustainable. She hoped to have a more collaborative budget process than had occurred in the past to help staff continue to strategize as they moved forward.

Mayor Pro Tem Tave commented on the effort in the past to align the budget annually while maintaining a larger reserve. He found the budget had been pretty well balanced. He asked Treasurer Swearingen to comment based on his experience if there was anything that they should be looking for.

Treasurer Swearingen noted the City always had a reserve process and had a pretty good-sized reserve, but when the recession hit in 2008 it wiped the City out. The reserve had continuously been depleted until it was gone between 2003 and 2008. One of the goals in 2008 was to balance the budget but the City had been in a severe condition, operating on a shoestring, and when the City lost the Redevelopment Agency in 2011, that caused another crash since those funds had been another type of reserve. The City considered other options to get back on track including increased sales taxes and once the City got back on its feet, it started to put funds back into the reserves and had based it on what other cities had done. There was an effort to maintain a reserve amount comparable in percentage to the size of Pinole and surrounding cities. Maintaining the reserve was the balance between catastrophe and emergency and was the balance saving the City from bankruptcy, which was why the number was what it was.

Mayor Pro Tem Tave asked about the interest on the reserve and the 115 Pension Trust, and if moving a portion of the reserve to the 115 Pension Trust whether that would increase the interest and allow things to be moved in-house. He also asked what exposure the City would have if lowering the General Fund Reserve.

Treasurer Swearingen stated at the time a comparison survey had been done on surrounding cities in Contra Costa County and cities of similar size to Pinole related to the percentage of funds placed in the reserves, the City had based its percentage on population size, the needs of cities of similar size to Pinole and on what the reserves had been in the past before its decline over a five-year period. He emphasized that if continuing to dip into the reserves over the next few years and if there was another recession, the City would be unable to put funds back, which was why it was important to keep the reserves at the 50 percent level. He understood the City could transfer some of the 115 Pension Trust funds into the reserves if the City felt it could survive a 115 Pension Trust crash and if the state were to take money from cities. He pointed out the City could not stop the California Public Employees' Retirement System (CalPERS) from increasing its rates.

Treasurer Swearingen commented the City Council could consider the City Manager's recommendation and a couple of years down the road see if things had increased to the point where the City may feel safe and could borrow from the fund and still have enough to maintain, which was not something the City had to deal with this year.

Mayor Pro Tem Tave asked when the comparable surveys had been done and whether they were addressing a dollar amount or a percentage of the budget since currently the policy was 50 percent of the total General Fund and that number was significantly lower as compared to other cities.

Mayor Sasai reported the Finance Subcommittee had discussed agenda Item 4A prior to the Mayor Pro Tem's arrival, at which time the Finance Director reported the average was 25 percent for most cities of similar size to Pinole with staff to return with more information at a later date.

PUBLIC COMMENTS OPENED

Irma Ruport, thanked the Finance Subcommittee for the discussion and commented she had been present in Pinole when the recession occurred and it had been bad. She also commented that a former City Manager had prepared two budgets; one if the City was in trouble and one in case the City was status quo to ensure there was something to fall back on. She suggested the City was in trouble now and was heading into a recession, with grants not being used, asked to be returned to the federal government, and salaries and sales revenues declining. Tariffs were also affecting everything and there were empty shelves in stores. She asked that the City not wait until it was too late, and she disagreed with information being withheld and suggested it be provided to the public now. While the current report looks good now, she questioned what it would look like in the next few weeks or month. She asked that all figures be updated and be based on reality.

Ms. Ruport also asked that all contracts in the City be reviewed and the City get what it was contracted to get, the City Council review the Animal Services contract with the County, and urged all information be provided to the public and nothing be withheld on the budget to ensure everyone was on the same page.

Rafael Menis provided the following comments for Item 4B:

- Page 80 of 189 of the agenda packet, Table 3, Comparison of FY 2024/25 and FY 2025/26 Building and Planning Fund Budget; some values had been shifted around and had shown the fund would not recover the full cost of providing planning services and he asked if that was due to the City discounting some planning rates (as part of a Fee Study done a few years ago), due to projects falling through, or some other reason.
- Page 99 of 189 of the agenda packet, Franchise Tax, assumed the figures shown had not included any adjustments due to the new agreement with Republic Services since the agreement had not yet been approved.
- Page 110 of 189 of the agenda packet, Benefits, noted benefits including retirement and fringe benefits (medical, dental, workers compensation etc.) had increased by 10 percent whereas previously a 5 percent rate of increase had been predicted. Asked for more detail as to why the rate was increasing to that level and whether the City believed the rate would continue to increase at that level moving forward.

PUBLIC COMMENTS CLOSED

Mayor Pro Tem Tave asked about the City's current credit rating, and Finance Director Guillory explained there was no current rating and the only time it would be set was if the City goes out for debt financing. She would have to check to see what it was at the last issuance but recalled it was high.

Mayor Pro Tem Tave questioned the City's long-term investments for Pinole and what were they willing to look at in terms of long-term assets, such as roads and revenue coming in. He offered a scenario where if the City received \$300,000 a year, with steady increases, from now until whenever, he asked if debt financing made sense for the long-term assets, such as for building and maintenance needs. He asked whether that was being considered and had staff identified what the debt financing options could be. He was certain other Council members may consider that option for reducing the overall operating costs year after year.

City Manager Young suggested that could be something that could be reviewed over the next six months since looking at the current budget, the City had to use almost everything it had. She commended former City Councils and staff for setting aside certain amounts so that the City had some money to start doing larger projects. One of the other options was to consider the revenue coming in from Measure I, where that needed to go along with revenue from other contracts, but all of those numbers would not be fully validated until the time this budget had been set. When that occurred, looking at when debt financing made sense could be considered. While it may not make things cheaper in the short term, the City could use debt financing and leverage those payments over a longer term and do larger projects at once, which would be less expensive given economies of scale. She recognized prices would only continue to increase, which would be something the City Council should review once some of the numbers had been validated.

Mayor Pro Tem Tave looked forward to recommendations for the Reserve Policy, but he wanted to be careful as to what that percentage number looked like, which was one thing the City had to consider, how that money was being used and could it be used to leverage baseline costs. He also wanted the debt policy to coincide with the debt financing conversation, and how that would work out was something he wanted to see as part of the budget cycle discussions with the long-term plan incorporated into that.

Mayor Pro Tem Tave was also curious whether there were funds available in the CIP that could be incorporated into the debt financing to leverage things out further, balance the budget, accrue Measure I funds and then go into the next fiscal year stronger than this year. Further, he understood there were other vehicles available for bond financing, and understood there were different ways to structure a bond to directly benefit a community. He asked if that option had been explored and whether it would complicate efforts.

City Manager Young commented that the bond piece had been discussed and that could be brought back to the City Council for further exploration. If there could be debt financing which focused on the amount they already had that would be another way to ensure the City knew exactly how much everything would cost and not put additional costs onto the

community. Looking at additional bonds, there was the possibility to achieve more and it would be something for the City Council to consider related to the timing given the economy was currently rocky and bond futures were currently uncertain. While that option was worth exploring, it should be done strategically and thoughtfully.

Mayor Pro Tem Tave spoke to the Pension Investment Policy and commented if the City were to augment that policy (referencing a recent newspaper article about the CalPERS system and millions in investments lost), it needed an analysis to determine whether more money could be put into that policy to earn more interest to cover the payment for it, and whether or not that would be a safer bet. He hoped those scenarios could be built out by staff and brought back to the City Council for discussion.

Mayor Pro Tem Tave also referenced the Assets Policy and he was unsure the \$5,000 threshold helped or hurt the City and the planning that goes into it. He questioned whether the lease buy back for vehicles would really work, whether the City needed all of those vehicles and whether or not there was a cost benefit.

City Manager Young advised the \$5,000 threshold was the standard and was the safest level, although she personally preferred \$25,000 since it created the need for less staff time. She was uncertain they needed to go to that level.

Mayor Pro Tem Tave also referenced the Purchasing Policy and clarified with the City Manager that staff utilized comparatives and would continue to do that since it helped with the staff time.

Finance Director Guillory commented that if looking at the investment instruments the City had in the General Reserve versus the Pension Trust, it was very different. The Pension Trust was set for longer-term instruments and leveraged more interest income on those as opposed to the General Reserve where there were shorter-term instruments like Certificates of Deposit (CD), although both were liquid.

Since the amount in the Pension Trust was for a longer period of time, the City was able to invest those in longer-term instruments with a higher rate of interest income in Section 115. If bringing down the General Reserve and transferring some funds in the Section 115 Trust to expand the life of the trust, additional gains would be seen in the form of interest income increasing the amount of the funds in the Trust.

Mayor Pro Tem Tave asked that with the considerable amount of reserves in the Section 115 Trust, whether that gave the City more leverage in negotiating interest if the City were to consider debt financing, and City Manager Young explained since there was a reserve at such a high level the City would technically have to keep it at that high level making it more of a liability when considering debt financing.

Mayor Sasai looked forward to the Draft Operating Baseline Budget coming to the full City Council for discussion and review.

C. Fiscal Year (FY) 2025/26 Draft Five-Year Capital Improvement Plan

Public Works Director Heba El-Guindy provided a PowerPoint presentation on the FY 2025/26 to FY 2029/30 Draft Five-Year CIP. The FY 2025/26 to FY 2029/30 CIP included 50 capital projects and nine new annual projects/programs in the categories of facilities, parks, sewer, stormwater, streets and roads and infrastructure assessments. New projects, new annual projects/programs, the review and approval process and budget summary for the CIP were all highlighted. The Finance Subcommittee was asked to review the Draft Five-Year CIP and provide recommendations.

Mayor Pro Tem Tave understood the Five-Year CIP Plan reflected a \$60 million need. He asked whether the \$20.5 million in total funds shown for the Sewer Enterprise Fund for the Pinole-Hercules Wastewater Treatment Plant would be divided between Pinole and the City of Hercules, and asked how many people were involved in this project.

Public Works Director El-Guindy confirmed the amount would be split between the two agencies. She added that following input from a recent Pinole-Hercules Joint Wastewater Subcommittee meeting, there had been internal discussions about an engineer who would be fully funded by the Sewer Enterprise Fund fees and who would be fully dedicated to the sewer project.

City Manager Young explained that would be part of a recommendation to be presented to the City Council at its next meeting on May 6.

Mayor Pro Tem Tave referenced Page 127 of 189 of the agenda packet, City of Pinole, Capital Improvement Plan: FY 2025/26 through FY 2029/30 Funding Summary, Sources of Fund, Vehicle Impact Fees & Dept Finance, which had shown for FY 2026/27 funds in the amount of \$4 million. He asked staff for clarification.

City Manager Young clarified that would be anticipated if the City were to go out of debt financing and that would bring debt financing back in a larger amount and only occur in those years, if the City Council approved moving forward with debt financing. There would otherwise be \$1.3 million in that particular line item.

Mayor Pro Tem Tave understood debt financing would be explored as part of the previous agenda item discussion, and the City Manager clarified this was part of the exploration, and this had been brought forward to gauge the interest of the Finance Subcommittee.

Public Works Director El-Guindy added the debt financing option was assumed only for the Pavement Rehabilitation Project. When asked by the Mayor Pro Tem if that would bring the roads to a serviceable level and remove any liabilities, she clarified the assumption was slightly over \$15 million over a four-year period. The project would not revamp every single street, with the report and Pavement Condition Index (PCI) throughout the City having identified needs close to \$60 million.

It was clarified that \$15 million would take the City a long way in addition to work in-house in terms of repairs to potholes and the like.

City Manager Young added the term would be about 20 years or less depending on how much was taken out and for how much time and it would only tackle around 25 percent of the roads, although to the community it may feel closer to 50 percent.

Public Works Director El-Guindy also commented there were ways to improve conditions. She noted Type 3 Slurry followed by a Type 2 Slurry method had been used in another jurisdiction to extend the life of the pavement by at least five years. She stated there were ways to improve conditions that did not cost as much as shown in the report.

Whether there were other opportunities for other enhancements, City Manager Young suggested there were other opportunities with facilities in general and the Public Works Director had additional strategic ideas. She recommended focusing on a few key areas for this year given the limited staff resources, and until able to provide additional support Council priorities would have to be as strategic as possible.

Mayor Pro Tem Tave understood there were several references to the County in the standards and specifications, and asked whether there was a way to standardize some of the public right-of-way improvements when development occurred in Pinole.

Public Works Director El-Guindy explained that was why they liked to follow the Complete Streets Guidelines when applying for grants but if the City was not awarded the grant, staff would still tackle the standards to ensure consistency throughout the City. In terms of streetlight spacing, she noted it was also a matter of the street width and illumination analysis that goes with it, but having checked the County guidelines the City needed to update its standards

Mayor Pro Tem Tave wanted it clear for roads, as an example, that the dollars being spent would have a synergistic effect on the benefits provided. As to Project #RO2503, City Streetlights Upgrade, he understood there was sporadic areas in the City where streetlights needed to be upgraded and asked where the funds would come from.

Public Works Director El-Guindy explained that she had used the funding for local streets projects combined under pavement rehabilitation for all programs. She detailed the source of funding from the Arterial Streets Rehabilitation project for an annual budget of \$250,000 for the first two years and \$200,000 the following three years.

Mayor Pro Tem Tave commented it was difficult for the public to see the funds without seeing an equivalent to “x” number of lights, and asked whether it was possible to put that into perspective for the public.

Public Works Director El-Guindy clarified that unless identifying a specific area to start, it would be hard to provide that number.

Each streetlight cost around \$15,000, and it would depend on the photometric analysis, width of the road and how many would be placed along with the spacing between streetlights.

Public Works Director El-Guindy added that she was also unaware what was underground, whether conduits needed to be replaced and whether there were electricity sources nearby and it would involve actual estimates for specific areas and locations.

Mayor Pro Tem Tave understood that actual numbers would be unattainable but he suggested it was important. From a decision standpoint, he wanted to know if 100 lights were achievable and measurable to be able to be communicated to the community.

City Manager Young acknowledged this issue had been raised by the community extensively and was one staff wanted to tackle, but it would take a lot of work to find answers to the questions raised. Possibly staff could be tasked with having a smaller number of lights in order to develop a strategy this year with the idea of doing a larger amount next year so that staff could come back with that information for the community. She suggested a lot would be trial and error since a lot of this work had not happened for multiple years.

Mayor Pro Tem Tave was okay with the overarching plan and suggested from his standpoint he understood it, but communicating that overarching plan with someone who had limited time to speak and explain what the plan looked like and how it would be tracked was a challenge. In a normal environment, two to three people would do the work but they currently only had one and he wanted to know whether that was achievable.

Treasurer Swearingen stated he did not support Project #RO2503, City Streetlights Upgrade, because several years ago PG&E planned to install lights throughout the City, with the City to have fewer costs and realize energy savings. Due to the dimensions of those lights, lights would need to be added between the existing streetlights and the energy savings would be lost. The City reluctantly agreed to PG&E's plan and he opposed having to now use more energy to install more lights.

Mayor Pro Tem Tave understood PG&E had programs for energy efficiency and he acknowledged the lights installed by PG&E were brighter. He understood Marin Clean Energy (MCE) also had energy efficient programs.

Public Works Director El-Guindy confirmed PG&E used to have more programs but was now primarily focused on Light Emitting Diode (LED) replacement. The photometric analysis she referenced was referring to standards, not PG&E practice, and installation of lighting based on the assessment, with the spacing to be based on the type of lighting and luminaire and the assessment that would be associated with that type of lighting. She also clarified they would only be working on City lights. Most PG&E lights were installed on utility poles with inappropriate spacing and lights might have to be added in some areas.

Mayor Pro Tem Tave also asked about Americans with Disabilities Act (ADA) improvements on City streets and whether the funds would come from Fund 377 Arterial Streets Rehabilitation.

Public Works Director El-Guindy advised that ADA ramps would be funded from Fund 325, City Street Improvements, which had been a combined project with curbs, ramps and sidewalks; however, the ADA improvements would involve two different types of improvements and property owners had no responsibility for curb ramps, which was the reason for the split in the function. In addition, she clarified Project #RO1710, San Pablo Avenue Bridge Over BNSF Railroad, which was an ongoing project with a little over \$2 million remaining for completion of the environmental review phase. The California Environmental Quality Act (CEQA) process for the project was expected to be completed by the end of the fiscal year with the remainder of the funds for the design.

Mayor Pro Tem Tave commented that more staff may be needed to complete the Draft Five-Year CIP given the total need and the significant amount of upfront work needed prior to construction. He was curious what that would look like and asked if there was a need to supplement.

City Manager Young acknowledged it was unlikely the City would be able to do all of the CIP projects listed with the current staff level, which was one of the reasons to request the City Council consider prioritizing the CIP. The City's \$500,000 deficit did not include cost-of-living allowances, which would be discussed over the next few months and did not include any additional staffing that may be brought on.

Mayor Pro Tem Tave asked whether staff planned to prepare a Request for Proposal (RFP) to hire a consultant to pull the lighting plan together for Project #RO2503, City Streetlights Upgrade, as an example. This same issue had come up during a meeting of the Pinole-Hercules Joint Wastewater Subcommittee where the City had all of this money and need but no one to manage the project. He was concerned over the course of his time on the City Council that funds had been allocated to a project with the expectation of completion, although in reality limited projects were moving forward. If the intent was not to have new staff, he asked how the CIP projects could be accomplished. If scaling back, he questioned where to prioritize and if not, he asked if the strategy was to contract and subcontract the functions of the projects.

Public Works Director El-Guindy advised staff had discussed the possibility of having an additional engineer to be able to do more in-house but that option was not coming forward due to the financial condition of the City. Staff had the technical expertise to do the assessment and design for #RO2503, City Streetlights Upgrade in-house and contract out the actual construction; however, that would be dependent on what else staff needed to do and may have to contract out the design, as an example.

In response to Mayor Pro Tem Tave's request for a realistic number of how many streetlights could be replaced in-house, City Manager Young stated based on the level of staffing and based on the conversations at the Council Retreat and from the community, she needed feedback from the City Council and community members during the May 6 City Council meeting and upcoming budget workshop. If only able to tackle half of the CIP projects, which projects should be tackled this year and what should be pushed to the next year given the current staffing levels needed to be identified. Should the economy turn around and additional revenue sources be identified, the City could then start to bring on additional staff members and take on more projects.

Mayor Pro Tem Tave commented that anything related to roads and lighting was big for capital and resonated during the Council Retreat. He had discussions with the City Manager about that a lot and that was what he wanted to see happen. If there were opportunities that popped up, he wanted to know if there were buckets of funds that could be used. As an example, there had been a program for wayfinding signage in the City, which involved a report, with funding, to explore with work already done, and which reports informed the future. If scaling back on the projects, he asked if a number could be included to ensure they were still doing the homework for projects coming two to three years in the future. He was ready to be surgical with the CIP to determine what could be done but did not want to leave out reports that would inform the next decision, which all goes back to the strategy, cadence and timeline for the decisions that needed to be made.

Mayor Pro Tem Tave also wanted the time to route some of the projects through the Planning Commission to get feedback. He emphasized some of the projects would involve the new Measure I taxes and the public had been very clear on what it wanted, and he was prepared to pull the budget into what that vote was. When moving forward as a City Council, he wanted assurance to be able to have those discussions and execute a report on the various projects and feed into the following years.

City Manager Young suggested that was something that could be potentially added in, including the Council priorities, but noted that reports took staff time, which was another thing to consider.

Mayor Sasai commented the CIP usually included a list of CIP projects and unfunded projects and he asked for that information to be provided in the next iteration of the CIP, to which Public Works Director El-Guindy advised that was part of the package presented.

Mayor Sasai referenced Project #FA2302, Plum St. Parking Lot Improvements, and asked how much had been spent on the project so far.

Public Works Director El-Guindy advised no work had been done since the assessment had been done in 2024. The project could possibly be pushed depending on priorities with no work done since 2024. The assessment cost for the project was not identified and staff would have to provide that information at a later date.

Mayor Sasai referenced Project #FA1901, Senior Center Auxiliary Paring Lot, and asked if any funds had been spent on the project, to which Public Works Director El-Guindy stated the project had been re-scheduled into the future.

Mayor Sasai referenced Project #PA2402, Mural Preservation, and commented the project had shown a cost of \$100,000. He asked what that would cover, and Public Works Director El-Guindy explained the project had been on the CIP for some time and different options had been discussed. The way this project had been worded, it involved more than one mural and there could be a potential for community contributions.

City Manager Young added that mural preservation itself was technical in nature and the City may have to hire an outside contractor to come in if considering actual mural preservation, which was different from public art or bringing in additional murals.

Since he had to leave the meeting shortly, Treasurer Swearingen recommended that the City Council look at exactly what the Mayor Pro Tem had suggested and put as much money as possible into roads, streets and lights since it was critical for the community. He recommended holding off on some of the traffic-calming projects and using those funds on roads and streets and suggested there was no need to start changing the roads from four to two lanes since they don't have roads now and they need to be repaired prior to moving on to the next step. As to Project #PA2202, Skatepark Rehabilitation, he suggested the skatepark had been built a little too close to the creek, and it would be an ongoing project into the future given the limited underlayment to keep it there. He noted that project could be done now or later.

Treasurer Swearingen also commented in some instances the City was doing slurry treatment and overlay and he recommended total street repair, if possible, and while that had not been budgeted, Public Works Department staff was doing a wonderful job, had the equipment and could do a great job but they were not getting close to doing enough. He recommended a full pavement replacement in those areas that were really bad such as what had recently been done on Doidge Avenue.

Treasurer Swearingen noted most of the CIP projects were unfunded like the Senior Center Auxiliary Parking Lot, which had been funded, then unfunded and had been on the CIP list for years. This was an important project for the Senior Center to get done and was a project he recommended the City try to find some funding to complete. He found the CIP to be a good report, and if citizens had the opportunity to read it they would understand why streets were not being repaired. He otherwise thanked the Public Works Director for coming on board and preparing the CIP with limited time.

Treasurer Swearingen left the meeting at 5:42 p.m.

PUBLIC COMMENTS OPENED

Irma Ruport, referenced the April 18, 2024 Finance Subcommittee meeting minutes and reports provided by former Public Works Director Sanjay Mishra as to the number of projects that were upcoming including Project #RO1710, San Pablo Avenue Bridge Over BNSF Railroad, which involved funding from the Federal Highway Bridge Program.

Ms. Ruport understood once the preliminary design was complete the City would apply for funds for FY 2025/26. She commented the former Public Works Director also had a priority list for all of the CIP projects and suggested the new Public Works Director could do more homework. The former Public Works Director also prioritized what the City did and did not need.

Ms. Ruport agreed some of the CIP projects were items the community wanted but did not need. She agreed that potholes, streets and lights should be evaluated given there could be liability issues. She understood last month; the City had rented equipment for \$26,000 to help with the slurry seal and she questioned why the City could not budget for that equipment since slurry seal was needed each year and she suggested that be considered. She again recommended prioritizing the CIP items, agreed with the City Treasurer regarding some of the projects and urged the City not to waste money.

Ms. Ruport asked that the priority list be done the same way the former Public Works Director had prioritized items in 2024. She otherwise found the information to be helpful but suggested incomplete information was not acceptable to taxpayers. She also suggested rather than hiring new staff the City consider temporary hires or ensure those on staff could do the job.

Rafael Menis offered the following comments on the CIP:

- Page 127 of 189 of the agenda packet, City of Pinole, Capital Improvement Plan: FY 2025/26 through FY 2029/30 Funding Summary, Sources by Fund, Vehicle Impact Fees & Dept. Finance, asked that the reference to *Dept. Finance* be corrected to read *Debt Finance*, and the PowerPoint presentation with slides of the particular roadways and the associated debt financing, a substantial cost, had not been allocated.
- Page 173 of 189 of the agenda packet, IN2301 – Facilities & Real Estate Master Plan, did not include a priority score, history status or impact if delayed and given the fiscal challenges the City was likely to face, the impact of delay should be noted.
- Page 175 of 189 of the agenda packet, IN2103, Recycled Water Feasibility, understood the City already prepared a feasibility study for this item and the contractor found there would not be enough space in the Wastewater Treatment Plant to install the necessary infrastructure given the limitations of the site.

- Page 148 of 189 of the agenda packet, SS402-Pinon-2-Sewer Capacity, was only getting started in FY 2028/29, and asked if there would be any impact on the ongoing Pinon-1-Sewer Capacity project, and any impacts to the interlink between the two areas.

Mr. Menis also requested the Mayor ask staff for feedback on questions and comments from the public before moving on to Council questions and comments since during Item 4B public feedback was skipped over in favor of Council feedback.

Responding to the public comment, Public Works Director El-Guindy clarified the priorities the former Public Works Director established in prior years had been reviewed and taken into consideration, but he had been unable to implement everything due to limited resources whether financial or due to staffing levels; paving markers and signage were state requirements established in 2007, and the City was behind which could impact the City negatively; and for Project #IN2103, Recycled Water Feasibility, an assessment had been carried out in the past. Staff was also considering that the maintenance team be moved to the second Corporation Yard, which required upgrades and cleanup although that was not being proposed due to priorities but the space could be accommodated and Project #SS402-Pinon-2-Sewer Capacity had been set for FY 2028/29 because of priorities and funding with those projects having been discussed at the staff level.

City Manager Young spoke further to Project #22402-Pinon-Sewer Capacity, and Public Works Director El-Guindy added that this particular phase of the project was self-completed, and while the City would need to move on to the project it would not impact the current project, with the first phase to be completed by the end of this fiscal year which was why it had not been shown in this CIP.

PUBLIC COMMENTS CLOSED

Mayor Sasai was pleased with Project #FA2501, Zero Emission Vehicle and EV Charging Infrastructure, the funds received from the Metropolitan Transportation Commission (MTC) and the sheer number of EV chargers planned to be installed in the next five years. He agreed that roads, streets and lights should be the priorities as the community had expressed. He referenced Project #FA1901, Senior Center Auxiliary Parking Lot, and suggested the project was not a priority but he would like to continue conversations with the community about that parcel, which could be acceptable for a community garden.

Mayor Sasai again referenced Project #FA2302, Plum St. Parking Lot Improvements, and commented this project had been discussed last year, the Planning Commission had discussed this project and the fact the chain link fence did not align with the aesthetics of the area. He did not have a clear answer of the need for the property as a parking lot and asked for more details on the layout of the project as described.

Public Works Director El-Guindy explained that the Plum St. Parking Lot Improvements, would include as described: *To provide a secure parking area for Police vehicles in the Plum St. parking lot. The parking lot will remain open for the public. A portion of the parking lot, approximately 25 spaces will be secured with a chain-link fence with security gates for Police vehicles. The layout of the parking lot likely to be redesigned. In addition, bicycle parking will be provided to the public.*

Public Works Director El-Guindy stated the Pinole Police Department currently had vehicles parked on the street due to water issues, and in coordination with the East Bay Municipal Utility District (EBMUD), some vehicles had to be moved to the gated Corporation Yard. This project would provide secure parking for the Police Department fleet and included a redesign of the parking lot allowing for public parking and the installation of bicycle parking.

As to Project #FA1901, Senior Center Auxiliary Parking Lot, the reason the project had been moved to FY 2026/27 and 2027/28 was because it had not been a priority for the City and could potentially be considered for development.

Mayor Sasai also referenced Project #PA2402, Mural Preservation, and commented this was a visible project on San Pablo Avenue and with the cost at \$100,000 there needed to be more thought. He again supported the prioritization of roads, streets and lights and deferred maintenance.

Mayor Pro Tem Tave asked how much the City had now to spend on the CIP and was informed by Public Works Director El-Guindy there were various funding sources with the estimated revenue for FY 2025/26 at \$13,035,506.

Mayor Pro Tem Tave offered the following comments for his priorities on the CIP:

- Project #FA2501, Zero Emission Vehicle and EV Charging Infrastructure, was brilliant and huge for the City.
- Project #FA 2401, Tiny Tots Flooring and Painting, was something that was doable.
- Project #FA 1901 Senior Center Auxiliary Parking Lot, understood solar could be part of the project, with staff explaining the project continued to evolve and needed to be discussed at a larger level as to whether solar should continue to be included, with several options for the project to move forward
- Project #IN2101, Emergency Power for Critical Facilities, suggested the project could be looped into a Senior Center project and there was a separate line item for Project #FA1702, Citywide Roof Repairs and Replacement, and he was trying to figure out whether some projects could be looped together.

- Project #PA2402, Mural Preservation was a good project.
- Project #PA1901, Pinole Valley Park Soccer Field Rehabilitation was a good project.
- Every project that was sewer related should move forward as soon as possible.
- Agreed with the City Treasurer that Project #RO2506, Traffic Calming Program could be pushed into the next year but if there were opportunities for implementation when doing larger projects it should be considered.
- Supported repairs to City streetlights, road maintenance repairs and rehabilitation along with Project #RO1902, Pedestrian Improvements at Tennent Ave. near RXR.
- Project #IN2103, Recycled Water Feasibility, understood there was a report available and if this project looped into the Wastewater Treatment Plant, if they had the space, Fernandez Park could be used for irrigation upgrades and that could be discussed more.

Mayor Sasai thanked staff for preparing all of the information and for having the conversations. He looked forward to having the CIP presented to the full City Council. He also welcomed Public Works Director El-Guindy to her first Finance Subcommittee meeting.

5. ADJOURNMENT

At 6:00 p.m., Mayor Sasai adjourned the meeting.

Posted: April 21, 2025 at 1:30 p.m.

Heather Bell, CMC
City Clerk