



Members:  
Mayor Tave  
Mayor Pro Murphy  
Treasurer Swearingen

## PINOLE FINANCE SUBCOMMITTEE MEETING AGENDA

May 20, 2026  
5:00 PM

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

Attend VIA ZOOM TELECONFERENCE - Details provided below

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### 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 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](mailto: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 28 and CHANNEL 1070.** Meetings are broadcast again the following week on channel 1070 (previously channel 26). The Pinole Community TV program schedule is published on the City's website at [www.Pinole.gov/PCTV](http://www.Pinole.gov/PCTV)

**VIDEO-STREAMED LIVE ON THE CITY'S WEBSITE, [www.Pinole.gov/PCTV](http://www.Pinole.gov/PCTV).** Meeting videos remain archived on the site for five (5) years. Pinole Community TV can also be streamed live from Roku, Apple TV, or Amazon Fire.

**TEMPORARY NOTICE:** Some Comcast subscribers may also be able to see PCTV Government Media programming on Channel 30 while we work through an FCC must-carry requirement.

If none of these options are available to you, or you need assistance with public comment, please contact the City Clerk, Heather Bell-Spears at [\(510\) 724-8928](tel:5107248928) or [hbelle@pinole.gov](mailto:hbelle@pinole.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**
4. **BUSINESS ITEMS**

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

- A. Continued Review Of The Preliminary Proposed Fiscal Year (FY) 2026/27 Operating And Capital Budget

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, May 15, 2026, at 2:40PM**

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**Heather Bell-Spears, CMC**  
**City Clerk**



## FINANCE SUBCOMMITTEE REPORT

A.

**DATE:** MAY 20, 2026  
**TO:** MAYOR AND COUNCIL MEMBERS  
**FROM:** Markisha Guillory, Finance Director, 510-724-9823, MGuillory@pinole.gov  
**SUBJECT:** CONTINUED REVIEW OF THE PRELIMINARY PROPOSED FISCAL YEAR (FY) 2026/27 OPERATING AND CAPITAL BUDGET

### **RECOMMENDATION**

Staff recommends that the Finance Subcommittee continue its review of the Preliminary Proposed Fiscal Year (FY) 2026/27 Operating and Capital Budget, with a focus on the remaining structural deficit and options to close the gap, and provide recommendations for City Council consideration.

### **BACKGROUND**

The City operates on an annual budget cycle. Through the budget, the City Council approves revenue estimates and authorizes City staff to expend the City's limited financial resources. City staff are responsible for preparing a proposed budget for City Council's consideration, modification, and adoption.

On January 14, 2026, the Finance Subcommittee held a budget planning meeting during which the Subcommittee reviewed the FY 2026/27 budget development process and timeline.

On February 18, 2026, the Finance Subcommittee held its second budget planning meeting, during which it received a report on staff-identified anticipated opportunities and challenges for FY 2026/27, as well as a presentation on the preliminary General Fund long-term financial forecast. Following the discussion, the Subcommittee directed staff to plan a budget workshop that would include presentations from each City department.

On March 31, 2026, the City Council held a budget workshop where departments presented their operational plans and preliminary budgets for FY 2026/27. At that meeting, the Council directed staff to prepare three-, six-, and ten-percent budget reduction scenarios to address the projected budget deficits reflected in the long-term financial forecast.

On April 29, 2026, the Finance Subcommittee reviewed the preliminary General Fund baseline budget, long-term forecast, and Capital Improvement Plan (CIP) projects.

On May 5, 2026, the City Council received a comprehensive presentation of the Preliminary Proposed FY 2026/27 Operating and Capital Budget. The Council discussed various options for closing the budget gap and directed the Finance Subcommittee to continue the discussion

and develop recommendations. The Council also directed staff to update the budget reduction scenarios to include additional detail related to service impacts.

For this Finance Subcommittee meeting, staff recommends that the Subcommittee continue its review of the FY 2026/27 Preliminary Proposed Operating and Capital Budget, with a focus on the remaining structural deficit and options to close the gap, and provide recommendations for City Council consideration.

## **REVIEW AND ANALYSIS**

As presented to the City Council at its meeting on May 5, 2026, the FY 2026/27 General Fund baseline budget indicates that it is not structurally balanced with estimated ongoing revenues of \$32.5 million and estimated ongoing expenditures of \$33.3 million. This results in an estimated deficit of \$852,225, or 3% of the budget.

The deficit increases to \$4.4 million when excluding the \$3.4 million transfer from the Section 115 Trust. This funding source is now considered one-time revenue, as the trust is expected to be fully depleted by FY 2029/30 if the City continues withdrawals under the current formula.

Staff have developed the Preliminary Proposed Long-term Financial Forecast, incorporating the “Yellow Brick Road” model. The model outlines a pathway of potential measures to reduce projected deficits through the annual budget process. In addition, it treats the Section 115 Trust transfer as one-time revenue, highlighting the actual structural deficits.

No changes have been made to the revenue and expenditure assumptions or the budget projection since the May 5, 2026 Council meeting.

The table below compares the adopted FY 2025/26 baseline budget to the preliminary proposed FY 2026/27 baseline budget.

	FY 2025/26	FY 2026/27		
	Adopted Budget	Proposed Budget	\$ Change	% Change
<b>Revenues</b>				
Property Taxes	\$ 6,698,790	\$ 6,771,860	\$ 73,070	1%
Sales and Use Taxes	4,567,189	4,695,780	128,591	3%
Sales and Use Taxes - Measure S 2006	2,599,000	2,672,000	73,000	3%
Sales and Use Taxes - Measure S 2014	2,599,000	2,672,000	73,000	3%
Sales and Use Taxes - Measure I 2024	2,599,000	2,672,000	73,000	3%
Utility Users Taxes (UUT)	2,345,000	2,737,490	392,490	17%
Franchise Taxes	850,000	832,000	(18,000)	-2%
Transient Occupancy Tax (TOT)	400,000	350,000	(50,000)	-13%
Business License Tax	469,200	460,000	(9,200)	-2%
Intergovernmental Taxes	2,513,149	2,579,433	66,284	3%
Permits	301,700	328,000	26,300	9%
Fees	132,309	111,734	(20,575)	-16%
Charges for Services	1,861,497	1,926,047	64,550	3%
Other Revenues	366,619	238,480	(128,139)	-35%
Transfers In - Section 115 Trust	3,235,445	3,432,745	197,300	6%
<b>Total Revenues</b>	<b>31,537,898</b>	<b>32,479,569</b>	<b>941,672</b>	<b>3%</b>
<b>Expenditures</b>				
Salaries and Wages	10,526,279	11,024,586	498,307	5%
Benefits - PERS	4,437,115	4,866,595	429,480	10%
Benefits - Other Benefits	3,741,236	4,066,917	325,681	9%
Professional Services	2,051,914	2,154,632	102,718	5%
Fire Services Contract	6,115,941	6,579,529	463,588	8%
Fire-Related City Obligations	745,616	814,051	68,435	9%
Other Operating	378,156	381,506	3,350	1%
Materials and Supplies	184,998	223,200	38,202	21%
Interdepartmental Charges	(665,537)	(642,580)	22,957	-3%
Capital Outlay	191,440	189,440	(2,000)	-1%
Debt Service	653,545	678,546	25,001	4%
Transfers Out - Operating Subsidy	3,176,407	2,995,373	(181,034)	-6%
<b>Total Expenditures</b>	<b>31,537,110</b>	<b>33,331,794</b>	<b>1,794,684</b>	<b>6%</b>
<b>Net Surplus/(Deficit)</b>	<b>\$ 788</b>	<b>\$ (852,225)</b>		

A number of strategies have been discussed throughout this process for consideration in closing the budget gap, and they are summarized as follows:

- Budget reduction scenarios - Three, six, and ten percent reductions, equating to approximately \$1 million, \$2 million, and 3.3 million, respectively.
- Fire services model discussions – Ongoing discussions with Contra Costa County Fire Protection District (ConFire) regarding potential restructuring of the fire services model.
- Revenue enhancements – Evaluation of program revenues for potential revenue enhancements.

- Cost savings – Evaluation of operational savings and subsidies to other funds.

**FISCAL IMPACT**

There is no fiscal impact.

**ATTACHMENTS**

None