

**CITY COUNCIL MEETING
MINUTES
June 16, 2026**

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

The City Council Meeting was held in a hybrid format (in-person and via Zoom videoconference and broadcast) from the Pinole Council Chambers, 2131 Pear Street, Pinole, California. Mayor Tave called the Regular Meeting of the City Council to order at 5:30 p.m. and led the Pledge of Allegiance.

2. LAND ACKNOWLEDGEMENT

Before we begin, we would like to acknowledge the Ohlone people, who are the traditional custodians of this land. We pay our respects to the Ohlone elders, past, present and future, who call this place, Ohlone Land, the land that Pinole sits upon, their home. We are proud to continue their tradition of coming together and growing as a community. We thank the Ohlone community for their stewardship and support, and we look forward to strengthening our ties as we continue our relationship of mutual respect and understanding.

3. ROLL CALL, CITY CLERK'S REPORT & STATEMENT OF CONFLICT

An official who has a conflict must, prior to consideration of the decision; (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself/herself from discussing and voting on the matter; and (3) leave the room until after the decision has been made, Cal. Gov. Code § 87105.

A. COUNCILMEMBERS PRESENT

Anthony Tave, Mayor
Devin T. Murphy, Mayor Pro Tem
Maureen Toms, Council Member
Cameron Sasai, Council Member

COUNCILMEMBERS ABSENT

Norma Martinez-Rubin, Council Member

B. STAFF PRESENT

Garrett Evans, Interim City Manager
Heather Bell-Spears, City Clerk
Eric Casher, City Attorney
Melissa Klawuhn, Police Chief
Justin Rogers, Police Commander
Markisha Guillory, Finance Director
Stacy Shell, Human Resources Director
Lilly Whalen, Community Development Director

Roxane Stone, Deputy City Clerk

City Clerk Heather Bell-Spears announced the agenda had been posted on June 11, 2026 at 5:05 p.m. with all legally required written notices. Written comments had been received in advance of the meeting, distributed to the City Council and staff, posted to the City website and made available to the public to view in the Council Chambers. Revised attachments had been submitted by staff for Items 11B and 12A, also distributed to the City Council and staff, posted to the City website and made available to the public to view in the Council Chambers.

Following an inquiry, the Council reported there were no conflicts with any items on the agenda.

4. CONVENE TO A CLOSED SESSION:

A. CONFERENCE WITH LABOR NEGOTIATORS

Gov. Code §54957.6

Agency designated representatives: Interim City Manager Garrett Evans, City Attorney Eric Casher, Human Resources Director Stacy Shell, Finance Director Markisha Guillory and Gregory Ramirez, IEDA
Employee organization: AFSCME Local 1

B. PUBLIC EMPLOYEE APPOINTMENT

Gov. Code §54957

Title: City Manager

PUBLIC COMMENTS OPENED

Cathy McFarland read into the record written comments submitted and dated June 16, 2026, for Item 4B, as follows: *NO TO THE APPOINTMENT OF NAOMI KELLY FOR CITY MANAGER! The more research I did on this candidate the more infuriated I got. It is INCOMPREHENSIBLE how she became a "vetted" candidate to begin with and then our Mayor and Council members to even consider her and now want to appoint her as our City Manager. You stated it perfectly in our agenda packet "Approve and Authorize the Mayor to EXECUTE the Employment for Naomi Kelly to become City Manager. You used the right terminology – EXECUTE! This will carry out the final death sentence to what is left of Pinole since the three of you – Council members Murphy, Sasai and Mayor Tave have been making one poor decision after another destroying our city. The next one coming up is putting cannabis shop(s) in the city. In my research I found that Naomi Maria Kelly is also an attorney (#218628). She knows the law, supposed to uphold the law and apparently knows how to get around the law! The City also wants to pay her a ridiculous salary of \$305,000 annually which is \$70,000 more than our last City Manager. Also, after 6 months there is a clause showing a merit increase can be considered. It also has a severance package – lump sum equal to 6 months of base salary (\$152,500) and auto/cell allowance (\$665.00) plus city share of Health and Benefits premium. There should be no SEVERANCE PACKAGES for anyone! We can't afford it! The City needs to avoid at all costs the appearance of impropriety. Having someone with this close proximity to a major bribery, wire and bank fraud scandals creates a dangerous vulnerability in public confidence. Her contract reads: purposes of severance may include in 5d (i) Dishonesty, (iv) Any act involving moral turpitude.*

History has a tendency to repeat itself and when self-serving interests are involved it escalates. The city needs to prioritize public trust and integrity by conducting a new search that is entirely free from an association with corruption!

Richard Cossel reported the Contra Costa County Civil Grand Jury gave the City of Pinole an "F" rating for overspending and warned due to financial troubles they must cut costs. Residents were paying the highest tax rate in the County and the City of Pinole had the worst rating and worst roads. Now they were about to hire a City Manager at a \$305,000 base salary with benefits, totaling \$400,000 per year, much higher than nearby cities with larger populations. As examples, the City of Martinez paid its City Manager \$245,000, City of Hercules \$270,000, City of El Cerrito \$240,000 and the City of Albany \$255,000, whereas Pinole residents have a median income of \$73,000 and only one third have a pension or retirement plan.

Mr. Cossel stated City Manager candidate Naomi Kelly is the wife of Harlan Kelly and she served as the City of San Francisco Administrator from 2012 to 2021 and her husband served as the San Francisco Public Utilities Commission (PUC) General Manager from 2012 to 2020. Mayor Tave also worked in city government at the same time around 2009 to 2021 in the role of Assistant Engineer with San Francisco PUC ties as a Building Grounds Maintenance Superintendent and would have been familiar with and may have worked with both Naomi and Harlan Kelly.

In 2020, Harlan Kelly had been charged and later convicted of bank fraud, wire fraud and bribery. Ms. Kelly resigned from her position shortly thereafter and while she had not been charged, records show she was an active participant in the \$1.3 million mortgage fraud scheme, which included \$32,000 in credit card payoff, pay off a student loan at \$200,000 and it appears the family enjoyed an all-expenses paid family vacation to Hong Kong, China, Macau along with \$80,000 in home improvements. Mayor Tave almost certainly knew of this high-profile case, which had been a big Bay Area scandal.

Mr. Cossel asked whether the Mayor would abstain from voting to avoid any appearance of conflict, why Ms. Kelly had been chosen as the City Manager candidate given this background, whether a full background check had been conducted, did it include the role of mortgage fraud and had it been presented to the full City Council. He also asked whether the Mayor shared what he knew from his time of employment with the City of San Francisco and why only pre-approved questions had been allowed to be asked during the citizen interviews with the City Manager candidates. While he did not know Ms. Kelly personally and she may be capable and regretted what happened in San Francisco, given the City's serious financial problems, he asked whether the City really needed to pay the City Manager so much for such a small city.

William Horton hoped for a different City Manager at a lower salary. He asked whether that was possible, or whether the City Manager hiring had already been finalized.

Irma Ruport read into the record written comments which had been submitted by her husband David Ruport, and dated June 16, 2026, as follows: *This evening the city council and you will meet in "closed session" to consider the appointment of a new City Manager for our city. I have been closely following the selection process of our new City Manager from the beginning to its current state of affairs. I have carefully read all items published by our city, public comment and criticism from numerous Pinole citizens (which include June 2, 2026 public comments at City Council and subsequent postings on various public media sources such as "Next Door" and*

"FaceBook"), numerous newspaper articles about Naomi & Harlan Kelly from the San Francisco Examiner from the past 15-20 years, various court filings from United States District Court for the Northern District of California Venue: San Francisco v. Harlan Kelly, and Victor Makras and other assorted sources of information. Individually and collectively each of these items raise a multitude of questions that need to be answered before a final selection of a new City Manager. Based upon my analysis of these documents, it has become painfully apparent to me that the selection process for the current City Manager should immediately stop until the public receives responses to their questions. If some of the public's concerns are legitimate, the City of Pinole, City Council and staff should address them.

Ms. Rupert explained she was also part of the community panel for the City Manager selection and found each City Council member owed the citizens a restart and suggested the recruitment process for City Manager start over. She added each Council member she had campaigned for had promised and taken an oath at the beginning of their service that they would dedicate themselves and promise to do their best, think of residents first and not think of themselves individually or those outside of the City of Pinole. She pointed out the information about Ms. Kelly's background was readily available and that information should have come out much earlier. She questioned the community panel process, with members having realized Ms. Kelly was not a good candidate. She suggested it was not fair to residents to live with the consequences when three of the Council were up for re-election and may leave office but residents would be left with the decisions made.

Kelly Fergusson, a resident of Menlo Park, a Civil Engineer and Clean Energy Executive, with 16-years of public service, and who also served as the Policy Chair of the Bay Area Water Supply and Conservation Agency, stated she worked closely with the City and County of San Francisco and knew Naomi Kelly at that time by reputation as a highly skilled municipal administrator. Ms. Kelly was an extraordinarily qualified candidate for the City Manager post and a world class candidate. She suggested Ms. Kelly was the perfect fit for Pinole and she encouraged the City Council to move forward with her appointment.

Karan Slates stated she had been a resident of Pinole for over 70-years and had watched the City Council meetings for the last six months. She was disheartened by what she had seen. She did not need to hear someone from Menlo Park tell the citizens of Pinole how they should run their city. She suggested along with the other speakers that the appointment for City Manager should be deferred. She suggested Ms. Kelly did not deserve the position and the City Council needed to put a hold on a decision and say no.

Anthony Vossbrink echoed the comments of the previous speakers, with the exception of the speaker from outside Pinole, whose comments he had found to be scripted, possibly written by Naomi Kelly or a member of the City Council. He found it improper the City Council would consider Naomi Kelly as a final candidate for City Manager in such a short order of time, when normally it could take 30 to 45-days to get references and other checks and balances with regard to the candidates' background check, especially when they were paying a consultant to do the job. Before an appointment for City Manager was made, the recruiter/consultant should provide a presentation on the recruitment process, as requested during the June 2, 2026 City Council meeting.

Mr. Vossbrink also found the salary proposed for Ms. Kelly to be one of the highest in the area, if not in the country, while Ms. Kelly had not run a city before, and had a negative checkered past from the City of San Francisco, as documented for both her and her husband who was still being investigated. He sought a full investigation by the Director of Human Resources and the City Attorney, if not an investigation by Contra Costa County Supervisor John Gioia on this candidate, before a selection was finalized. He asked that a decision be put off for another 30 to 45-days and the City Council continue its search and keep the current Interim City Manager in the position.

Sheila Grist agreed with the comments made on this topic and asked the City Council to look for another permanent City Manager.

Stephen Tilton reported he spoke with former City Manager Kelcey Young at length and had asked why some Public Works Department employees were doing some tasks such as cleaning restrooms and emptying trash, and she had no reply but would look into it. Another former City Manager, Andrew Murray allowed a sofa to sit in front of Sue's Place for weeks and while asked about it and was told it would be cleaned up, that had not been done, and the City had not had a proactive City Manager for years.

Mr. Tilton reported he personally worked with Naomi Kelly, as a 27-year employee of the City and County of San Francisco. He was also a 21-year resident of Pinole. He was the Captain in charge of the Sheriff Control Unit at San Francisco General Hospital when Mayor Ed Lee passed away and when Naomi Kelly responded to the hospital, took charge and ensured continuity of government, notification to the media and Supervisors and dealt with everything that needed to be done. Ms. Kelly was dynamic and in his opinion Pinole did not deserve her. Ms. Kelly managed the 17th most populated city in the nation, had thousands of contacts, whereas Pinole had City Managers who had to be prodded to bring in new businesses. He also spoke with four Council members individually, and asked whether Ms. Kelly was supported.

Mr. Tilton took the opportunity to apologize to Council member Martinez-Rubin since he had held the actions of her husband against her, and had not spoken to her because of those actions, which he found was exactly what was happening to Ms. Kelly. Ms. Kelly had not been convicted of anything but had resigned her position in San Francisco willingly and everyone who worked with her in San Francisco knew and liked her. Ms. Kelly came from a city of 900,000 residents to the 19,000 residents in Pinole, and he suggested she would be dynamic for the City. He hoped to see the City of Pinole thrive and he encouraged the City Council to support Ms. Kelly's appointment as City Manager.

Rafael Menis suggested it would behoove everyone to be a bit more open-minded. While he did not know Naomi Kelly personally, and had not interacted with her, or been her employee or associated with her in any way, it was clear from her résumé and past experience, she was easily one of the more qualified City Manager candidates the City had seen in some time. Even given the extensive investigations by the Federal Bureau of Investigation (FBI) and various other government agencies that led to the conviction and sentencing of Ms. Kelly's husband, as noted previously for bribery and wire fraud and other scandals, Mr. Kelly was in prison and not the person the City was considering hiring. While the situation reflected on Ms. Kelly's judgement, she did not have criminal liability otherwise she would have been charged and likely convicted.

Mr. Menis also referenced Page 328 of 359 of the agenda packet, and noted Ms. Kelly even after resigning as City Administrator for the City of San Francisco, served on the Board of Trustees for the University of San Francisco as part of their Investment and Audit Committee. If the university was of the opinion Ms. Kelly was of poor moral character and not able to handle her position, Mr. Menis assumed she would no longer serve in that role, which was also a factor the City and public should consider.

Debbie Long commented on the past history, professionally and personally for Ms. Kelly. When the City Council appointed her as the City Manager, as she expected they would, she asked that the Council keep in mind her appointment was a direct reflection on the City Council's leadership skills, for which the Civil Grand Jury Report had issued the City an "F" rating. She noted many agencies automatically disqualified a candidate for having benefited directly from the crimes committed by a spouse and there was no doubt Ms. Kelly had benefitted directly, with a family trip to China, several home improvements and loans that paid off high balance credit cards and student loans. She asked the City Council to check with the bonding agency to see whether Ms. Kelly qualified since a spouse's criminal or financial history may prevent the security of standard insurance.

Ms. Long also commented on the integrity question, with the role of the City Manager one of public trust. Having a spouse convicted of financial fraud and bribery should raise red flags about her own judgement, ethics and potential vulnerability. Poor judgement and the perception of poor judgement was everything. Also, given Ms. Kelly's interactions with law enforcement with her husband's arrest and conviction, she asked whether Ms. Kelly could oversee the Pinole Police Department (PPD) without bias. Further, she commented on the revolving door law, as part of the California Fair Political Practices Commission (FPPC) regulations, where high level executives must face a cooling off period, in which they were prohibited in being paid to represent others before their former agencies, which was important since Ms. Kelly currently was the owner of NK Strategies.

On her résumé, Ms. Kelly listed a few of her contacts and in her interview she did a lot of name dropping. The timeframe for the cooling off period was not specified, but Ms. Long suspected it could be at least a year and she asked how many future City contracts this could affect. The recruiter had stated Ms. Kelly would have to divest herself entirely from NK Strategies to become the City Manager. She asked how a successful business could be closed down so quickly before the July 1, 2026 employment date took effect. She also asked if the business was so successful, why Ms. Kelly would want to close her business and want to be the City Manager of a small city when she had served as a City Administrator for the City of San Francisco. Pinole did not have the large big city issues that San Francisco had, and she suggested this could be a big step down for her career.

Lastly, Ms. Long referenced Mayor Tave's work history in the City of San Francisco, who had a professional relationship with the Kellys. She asked whether the Mayor asked Ms. Kelly to apply for the City Manager position or asked others, such as former Mayor Salimi, who also had a professional history with the City of San Francisco. She knew someone who worked for San Francisco who said they would not hire Ms. Kelly, and asked who she knew in the City to get this position, which was coming from a complete political outsider. She asked the City Council to not vote on Ms. Kelly's selection as City Manager.

Sarrah Patton, speaking to Item 4A, and representing AFSCME Local 512, stated public facing City employees provided critical services to the community daily and deserved compensation that kept pace with inflation. Without regular cost-of-living (COLA) increases, employees effectively experienced a reduction in wages, even if their salaries remained unchanged. Over time, this could negatively impact employee morale, retention and the City's ability to attract and retain qualified staff. The COLA was not intended to provide employees with additional purchasing power, rather help employees maintain the purchasing power they already had, as the cost of everyday and essential necessities continued to rise and had increased significantly in recent years, placing financial strain on working families. The Consumer Price Index (CPI) also increased 4.2 percent over the past 12 months and showed no signs of slowing. Investing in City employees through a fair COLA demonstrated that the City valued its workforce and recognized the important role employees played in delivering high quality public services.

When asked by the City Clerk, Ms. Patton commented she was representing AFSCME Local 512, but her comments could also apply to AFSCME Local 1. She further commented that maintaining competitive wages helped to ensure continuity of operations, preserved institutional knowledge and supported a stable workforce that benefitted the City and its residents. She suggested if the City Council could find an additional \$80,000 this year and a three percent COLA for the City Manager candidate, they must find a way to provide a COLA for City employees to help them mitigate rising inflation. That way should not be by requiring City employees to pay for a COLA themselves through furloughs.

PUBLIC COMMENT CLOSED

Mayor Tave reported the City Council would convene to Closed Session at this time with an estimated return between 7:00 and 7:30 p.m.

5. RECONVENE IN OPEN SESSION TO ANNOUNCE RESULTS OF CLOSED SESSION:

At 7:07 p.m., Mayor Tave reconvened the meeting into open session. There was no reportable action from the Closed Session.

6. CITIZENS TO BE HEARD (Public Comments)

Citizens may speak under any item not listed on the Agenda. The time limit is 3 minutes and is subject to modification by the Mayor. Individuals may not share or offer time to another speaker. Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future Council meeting.

Mark Zimmerman referenced Civil Grand Jury Report #2604, which was recently released about the City's financial condition. The City of Pinole had been given an "F" rating with the key findings being the City's annual operating deficits projected to grow significantly, eventually to \$5.6 million in coming years. The City carried approximately \$45 million in unfunded pension liabilities and \$35 million in unfunded retiree health care. The Civil Grand Jury encouraged the City to develop methods to engage residents regarding operations to address the ongoing fiscal challenges.

In order for the City to act on this recommendation, Mr. Zimmerman recommended the City Council direct staff to prepare for a Community Workshop to allow the City to present its financial plan to address this financial crisis, and where residents could provide feedback.

Mr. Zimmerman added that on June 17, 2026, the City would be hosting a four-hour meeting on how to implement Commercial Cannabis in Pinole. Regardless of the merits of cannabis, he stated the City had spent more time, effort and resources to engage the public on selling cannabis than it had on how to address the findings of the Civil Grand Jury Report. As requested at the June 2, 2026 City Council meeting by others, including those who spoke at this meeting, he asked the City Council to direct staff to prepare for a workshop to engage the residents as recommended by the Civil Grand Jury Report.

Jennifer Horn reported that as of today 64.12 percent of voters voted No on Measure D, and it was not a surprise Pinole voters never raised the governing structure or a lack of an Elected Mayor as a concern. She thanked the Pinole voters for their common sense, level headedness and ability to see clearly through the smoke and mirrors that was Measure D. Measure D had been a distraction from the very real and serious financial issues the City currently faced. The recent Civil Grand Jury Report found the City's overall fiscal health merited an "F" rating in large part because the City Council for years had not prioritized the reduction of expenditures to close yearly increasing deficits, and relied on one-time funds and reserve withdrawals to deal with a structural problem. The City had been spending more than it was bringing in, with the City facing risks to its long-term fiscal ability, and ability to maintain essential public services, with bankruptcy looming large. In the midst of the fiscal morass was Measure D, which required an expenditure of \$58,000 plus that the City did not have to address a concern the people did not raise.

Ms. Horn hoped this was a wake-up call for those Council members who voted to spend this money to start making the hard financial choices to keep the City solvent. A report from a consultant recommended significant expenditure cuts; but to date the City Council had adopted none. The City Council had the authority and autonomy to choose what cuts to make, but would not if the City were to be placed in a form of receivership by the state and if the court was appointed to take all action necessary for the City to continue to operate. Pinole had an untapped resource: its people, who were clear thinking and smart enough to reject Measure D and would clearly be clear thinking and smart enough to work with the City to help put the city to right. The Civil Grand Jury recommended the City Council consider developing methods to engage Pinole residents as to how to address the current budget crisis, and she asked that the City Council not just consider but to do it, there was no time to waste.

Debbie Long commented on the City's pending financial collapse, which continued to be under the microscope by the citizens of Pinole, the Civil Grand Jury and Sierra Lopez of the Bay Area News Group, with Pinole having long-term structural deficits, papered over with one-time monies in violation of the City's own financial policies. After borrowing from the reserves in Fiscal Year (FY) 2024/2025, the City Council was to have a plan for repayment in the next budget cycle of FY 2025/26; rather, the policy for the reserves was rewritten taking it down by 50 percent. Beginning in 2022, the City Council started to use the 115 Pension Trust to cover all new employees California Public Employees' Retirement System (CalPERS) contributions, when the trust was established only to cover the annual CalPERS increases so there would be no surprises to the annual budget. An actuarial had been procured to determine, based upon historical increases to CalPERS and interest earning on the principles, that this account should last until 2035.

Ms. Long suggested the City Council majority was more interested in hiring more Directors and inflating the General Fund budget, which increased ongoing CalPERS contributions, by the addition of higher salary positions. She understood the City of Richmond could not hire more employees until others left by attrition since that city could no longer sustain additional CalPERS financial contributions. The City Council also did not appear to want to address the Civil Grand Jury Report, including the recommendation to engage residents on options.

As to the cuts to the budget, Ms. Long asked whether residents would be engaged or kept in the dark. She was also surprised the City Council did not appear to be embarrassed, or willing to apologize for the "F" rating given to the City, along with the ranking of Pinole as 407th out of 410 California cities. The Civil Grand Jury Report also invoked the cities of Stockton and Vallejo's bankruptcies, as a cautionary outcome for Pinole. She suggested the City Council should count itself lucky it was comprised of elected positions since if members had been hired, they would have been fired with no letter of recommendation. She suggested the community should consider firing the City Council.

William Horton thanked Pinole voters who helped to defeat Measure D for a directly Elected Mayor. While there had been little reported in the newspaper, 64 percent voted no on Measure D as compared to the 35 percent yes votes, a decisive total. Now it was up to the City Council to take care of police, fire, parks and streets and not worry about extraneous ballot measures. He suggested the City Council would be well-served to move up agenda item 11A for consideration of the City Manager earlier on the agenda and not wait until possibly 11:00 p.m.

Bob Kopp, a long-time resident, commented this was the worst he had ever seen. He directed his comments to a member of the Council who had been absent for four meetings, who had been trying to get a different job with one of the people running for Governor and suggested this person should have been present working for the City and doing the job he was being paid for. He suggested this Council member should resign since he was not doing his job and rather using his position as a stepping stone to get into politics. He also opposed the plans to cut the budget for Pinole Community Television (PCTV). Many people were informed about City government through PCTV, which would be lost if cut.

Peter Murray also referenced the outcome of the election and the defeat of Measure D. He provided his historical perspective about Measure D, with the community having appeared before the City Council asking them not to place the measure on the ballot, although the City Council proceeded with placing the measure on the ballot, which he found to be a good litmus test whether or not it was worth going down that path. In that context, he questioned how the City Council could manage the City if it could not read the people asking it not to do something, but to do it anyway and for dubious reasons. This situation had allowed the community to organize, soundly beat Measure D, perhaps drive a new recall effort, possibly paralleling the recall from 2008, when the City did the same thing, resulting in the recall of three Council members who had done similarly as the current City Council, voting as a block and voting out two other Council members. If the City Council did not get it, maybe those members should resign, move and allow an opportunity to get people in who really reflected the community, were part of the community and not worried about where they were going to be in the near future. He added that residents had been telling the City Council there were problems with the City's finances for years and he referenced some contracts with outside agencies.

Irma Ruport thanked the City Council for placing Measure D on the ballot and stated it was time for the taxpayers to decide and everyone's voice needed to be counted. She otherwise commented as a long-time resident and someone with a Human Resources background and her husband a former retired attorney in Pinole, they knew a number of people. She emphasized Pinole had gone through a lot of City Managers but it was time to bring the responsibilities and duties to the table, and bring it out for discussion. In her opinion, the City Manager had too much authority, and thought he/she was a Chief Executive Officer (CEO). Over the years, she witnessed prior City Managers do what they wanted, place items on the Consent Calendar and voluminous agenda packets, with little time for review before a meeting. As an example, there had been a past agenda item and job opening for Communications Director in 2025 with a \$175,000 salary. The Assistant to the City Manager at that time who had a salary of \$122,000 got the job and her position was given to someone else in the City. There were six other City positions which totaled around \$819,000 for salaries alone, not including benefits on that same agenda.

Ms. Ruport emphasized the need to control the City Manager position. The City Council was elected to represent residents and there were two seasoned politicians on the current City Council. On another matter, she questioned why City Departments were being charged for PCTV, which had not been present for the recent Pride event. She did not like what she was seeing, asked that they stop throwing three Council members under the table, with two Council members having been on the Council for a longer period than the other three. She also acknowledged the City Council should have listened to the people about Measure D, but as a taxpayer, she had a right to vote.

Rafael Menis reported on the current rates of COVID-19, Influenza Type A and RSV in wastewater in the state, which were all at very low levels. Referencing the Civil Grand Jury Report, he read into the record some of the recommended findings from Findings 17 through 26 and Recommendations 1 through part of Recommendation 3.

Stephen Tilton referenced the ballot measure for Measure D and congratulated the people who had mobilized and put up signs. He commented the City of Pinole was not the same City as it was 19-years ago when he ran for office and he acknowledged he had been one of the Council members recalled years ago. In his neighborhood of Buena Vista, the neighborhood was not the same as it was 19-years ago and was now very diverse. He recognized the demographics of the City were changing, and he understood some people were saying no to everything.

Mr. Tilton also referenced the comments made by the City's Code Enforcement Officer earlier in the meeting related to COLAs, and who was the same person who chastised him on the phone about everything she did not do and why the PPD should be contacted and whose comments he found to be very condescending. He suggested the City should think outside of the box, where money could be spent, funds rolled over and speak with the unions. The Code Enforcement Officer had informed him she was not proactive but reactive and did not do dashboard enforcement, and he asked the City Council to think about that. Having spoken with the former City Manager about why the Public Works Department team was doing certain tasks, such as cleaning restrooms, and while he was unaware of any neighbor who used PCTV, he agreed with the comments raised by Ms. Long. He otherwise thanked the Interim City Manager for calling him back and listening to him.

Winnie Baird stated she had not spoken at City Council meetings for years, but had spoken to all members of the City Council when they originally ran for office. The current City Council had said terrible things about other members of the Council, but they did not run the City into the ground, as the current City Council had done. She also found Mayor Pro Tem Murphy responsible for much of this and stated if he were to run for office for any seat in the State of California, she would be a voice against him, loud and clear. She emphasized employees were depending on benefits, they had worked hard and tirelessly and were counting on the retirement funds, which the City had spent. She also recognized the City Council had already met behind closed doors, and made up their minds on the new City Manager, but who should not be put into the position. She was of the opinion the City Council had been irresponsible. She asked whether the City Council had a vested interest in a marijuana facility, since it wanted it so bad, when other areas had such facilities that could be patronized. While she supported marijuana for medical purposes, she found the City Council was not being fair, they were voted on by the people, but were doing what they wanted and not what the people wanted.

7. REPORTS & COMMUNICATIONS

A. Mayor Report

Mayor Tave congratulated the 2026 graduates of Pinole Valley High School (PVHS) whose graduation ceremony he attended.

1. Announcements: None

B. Mayoral & Council Appointments: None

C. City Council Committee Reports & Communications

Council member Toms reported she attended the League of California Cities Housing Policy Committee meeting, an online meeting where upcoming legislation was discussed, and the Contra Costa Mayors Conference, at which time she was appointed to the Association of Bay Area Governments (ABAG) Executive Committee to represent Contra Costa County starting on July 1, 2026.

Council member Sasai reported he attended the WestCAT Board of Directors meeting, with a public hearing on Assembly Bill (AB 2561) Local public employees: vacant positions, with WestCAT reporting zero vacancies for this year and with the Board also having approved the Proposed Operating and Capital Budget for Fiscal Year (FY) 2026/27. He too attended the PVHS graduation ceremony at Contra Costa College and congratulated all graduates, and was pleased to see a former City Hall Intern graduate, walk the stage and receive her diploma.

Mayor Pro Tem Murphy congratulated PVHS graduates and everyone who participated in the vote on June 2, 2026. He expressed his appreciation to City staff, particularly the City Clerk for facilitating local elections and he looked forward to the November elections. He also had the opportunity to attend the Fourth Annual Pride and Juneteenth celebrations, found it inspiring to see hundreds of residents and community members come together to celebrate equity, inclusion, diversity and freedom, with the strong turnout reflecting the vibrant spirit of the community.

Mayor Pro Tem Murphy thanked the Community Services Department staff for putting the event together and also recognized all of the community partners involved. He also reported SMP Global Ratings had issued Marin Clean Energy (MCE) a stable credit rating outlook, reinforcing confidence in the agency's financial strength and operational resilience, and he highlighted some of the key takeaways from the report.

Mayor Pro Tem Murphy also represented the Contra Costa Mayors on the East Bay Economic Development Alliance, and was a member of the Legislative Policy Committee, which had decided to support AB 1751, Missing Middle Townhome Ownership Act (2025-2026). He encouraged residents to learn more about AB 1751 and make their voices heard to their respective Assemblymembers and State Senators. He added that Togo's and Travis Credit Union recently opened as new businesses in Pinole and he was pleased to join the new community partners at their ribbon cutting ceremonies. He was pleased to see economic growth and development in the City of Pinole.

D. Council Requests for Future Agenda Items

Council member Toms asked that staff schedule meetings for a community open house or community meeting to discuss the City's responses to the Civil Grand Jury Report, with the City's responses due in August, to be agenized for a City Council meeting in July 2026.

Mayor Tave seconded the motion but understood said direction had already been provided at the June 2, 2026 City Council meeting.

Interim City Manager Garrett Evans clarified the item could be brought before the City Council in July for discussion and there was time to put it on the first City Council meeting in August, if necessary.

ACTION: Motion by Council member Toms/Mayor Tave to ask staff to schedule meetings for a community open house or community meeting to discuss the City's responses to the Civil Grand Jury Report, with the City's responses due in August, to be agenized for a City Council meeting in July 2026.

Vote:	Passed	4-0-1
	Ayes:	Tave, Murphy, Sasai, Toms
	Noes:	None
	Abstain:	None
	Absent:	Martinez-Rubin

ACTION: Motion by Council members Toms/Sasai for a proclamation to recognize Rose Marie Cutino, a long-time resident of Pinole who was turning 100-years old in July.

Vote:	Passed	4-0-1
	Ayes:	Tave, Murphy, Sasai, Toms
	Noes:	None
	Abstain:	None
	Absent:	Martinez-Rubin

ACTION: Motion by Council member Sasai/Mayor Tave for staff to bring back a resolution and Letter of Support for Assembly Bill (AB) 2047: Firearms: 3-dimensional printing blocking technology.

Vote: Passed 4-0-1
Ayes: Tave, Murphy, Sasai, Toms
Noes: None
Abstain: None
Absent: Martinez-Rubin

PUBLIC COMMENTS OPENED

Rafael Menis requested a proclamation to recognize June 16, 2027 as Neurodiversity Pride Day, as shown at neurodiversityprideday.com, a day to recognize the contributions of neurodivergent individuals to society as a future agenda item.

PUBLIC COMMENTS CLOSED

E. City Manager Report / Department Staff

Interim City Manager Evans highlighted Consent Calendar Items 9F and 9H, as shown on the meeting agenda. For Item 9H, the bids were in and under review and staff anticipated the approval of the most responsive bid would be on the July 7, 2026 agenda, with the hope and expectation that construction would follow soon thereafter. The second phase should go out to bid at the end of July. He thanked the City Council for its direction for the projects.

Interim City Manager Evans added the Cannabis Open House would be held on June 17, 2026, 3:00 to 7:00 p.m., at the Senior Center to review revenue opportunities within the community and he hoped the community would show up and provide feedback either in-person or in writing. He also reported that City Hall would be closed on June 19, 2026, in recognition of Juneteenth and the Pancake Breakfast and Car Show in Old Town would be held on June 28, 2026.

F. City Attorney Report: None

PUBLIC COMMENTS OPENED (Items 7A through 7F)

Deputy City Clerk Stone reported there were no comments from the public.

PUBLIC COMMENTS CLOSED

Mayor Pro Tem Murphy asked the Mayor to make an announcement to the community that this was a business meeting, with clapping and speaking out from the audience not permitted to ensure order and decorum in the Council Chambers.

Mayor Tave asked the City Attorney to clarify decorum.

City Attorney Eric Casher clarified pursuant to the City Council procedures, Decorum: *The City Council elected by the public must be free to discuss issues confronting the City in an orderly environment. Public members attending the City Council meeting shall observe the same rules of order and decorum applicable to the City Council. Any person making impertinent, derogatory, or slanderous remarks or who become boisterous while addressing the City Council or while attending the City Council meeting, may be removed from the room if the Presiding Officer so directs.*

Mayor Tave explained the City Council would work through the agenda in the hopes of getting out in an appropriate time. He asked everyone to observe the decorum rules to be able to get through the meeting in an orderly fashion.

8. RECOGNITIONS / PRESENTATIONS / COMMUNITY EVENTS

A. Proclamations

1. Juneteenth

The City Council read into the record a proclamation recognizing June 19, 2026 as Juneteenth.

2. Pride

The City Council read into the record a proclamation recognizing the month of June as LGBTQ+ Pride Month, with the proclamation accepted by Stephen Tilton.

PUBLIC COMMENTS OPENED

Deputy City Clerk Stone reported there were no comments from the public.

PUBLIC COMMENTS CLOSED

B. Presentations: None

9. CONSENT CALENDAR

All matters under the Consent Calendar are considered to be routine and noncontroversial. These items will be enacted by one motion and without discussion. If, however, any interested party or Council member(s) wishes to comment on an item, they may do so before action is taken on the Consent Calendar. Following comments, if a Council member wishes to discuss an item, it will be removed from the Consent Calendar and taken up in order after adoption of the Consent Calendar.

A. Approve the Minutes of the Regular City Council Meeting on June 2, 2026.

B. Receive the May 30, 2026 – June 12, 2026 List of Warrants in the Amount of \$1,419,155.52 and the June 5, 2026 Payroll in the Amount of \$578,159.12.

- C. Adopt a Resolution Authorizing the Execution of an Agreement with Contra Costa County for Coordinated Outreach, Referral, and Engagement (CORE) Homeless Outreach Services for FY 2026-27 fully funded by Housing Successor Funds. **Action: Adopt Resolution per Staff Recommendation (Lilly Whalen)**
- D. Adopt a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with NORESO for Development of a Permitting Compliance Program and Building Performance Standard Program, in the Amount of \$63,300. Fully Funded by the California Energy Commission Grant. **Action: Adopt Resolution per Staff Recommendation (Lilly Whalen, Kapil Amin)**
- E. Approval of Fiscal Year 2026/27 Capital Budget and Five-Year Capital Improvement Plan. **Action: Adopt Resolution per Staff Recommendation (Heba El-Guindy)**
- F. Approval of Fourth Amendment to the On-Call Services Agreement Between the City and Coastland Civil Engineering | DCCM to Add Inspection Services Associated with Road Rehabilitation Project (CIP Project #RO2301). **Action: Adopt Resolution per Staff Recommendation (Heba El-Guindy)**
- G. Placement of Liens for Delinquent Unpaid Waste Collection Charges Falling Delinquent Between September and December 2025, Considered at an Administrative Hearing on June 4, 2026. **Action: Adopt Resolution per Staff Recommendation (Roxane Stone)**
- H. Receive This Report Containing an Update on the Request for Bids for Implementation of Phase 1 of Fiscal Year 2026/27 Pavement Rehabilitation Project (CIP Project #RO2301). **Action: Receive Report (Heba El-Guindy)**

PUBLIC COMMENTS OPENED

Rafael Menis stated he provided written comments and received some responses, but asked why the City of Hercules had withdrawn from CORE. He noted with respect to Page 81 of 359 of the agenda packet, when looking at the example invoice, there were two expenses listed under the direct expenses subtotal for Heluna F&A and Admin Indirect Expenses of around 10 percent, and asked what was Heluna F&A and whether that level of indirect expense rate was for standard County overhead, amount for another Department, or the amount one would typically expect to see as an indirect expense level in a contract.

Interim City Manager Evans confirmed staff had received the email from Mr. Menis and staff would respond and post accordingly.

PUBLIC COMMENTS CLOSED

ACTION: Motion by Council member Toms/Mayor Pro Tem Murphy to approve Consent Calendar Items 9A through 9H, as shown.

Vote:	Passed	4-0-1
	Ayes:	Tave, Murphy, Sasai, Toms
	Noes:	None
	Abstain:	None
	Absent:	Martinez-Rubin

10. PUBLIC HEARINGS

- A. Conduct First Reading of Ordinance Approving Renewal of the City of Pinole's Military Equipment Policy. **Action: Conduct a public hearing, review and approve the 2025-2026 Pinole Police Department Annual Military Equipment Report, and Waive full Reading and Introduce by Title Only an Ordinance approving and re-adopting a Military Equipment Use Policy as Stated in Chapter 2.60 "Military Equipment Policy" of the Pinole City Municipal Code in Compliance with AB 481. (Justin Rogers, Melissa Klawuhn)**

Police Chief Melissa Klawuhn introduced Commander Justin Rogers who provided a PowerPoint presentation for the Pinole Police Department, California Assembly Bill 481, "Military Equipment Policy" Community Engagement Hearing, which included an overview of AB 481, Military Equipment, Funding, Acquisition and Use; PPD Policy 707, which detailed how military equipment was approved and acquired; PPD Policy 707 Equipment; Approval & Implementation Timeline; Annual Report – May 2025 – April 2026 and the findings to be made by the City Council to approve the item.

Responding to questions from the City Council Police Chief Klawuhn and Commander Rogers clarified the following:

- As to the use of Semiautomatic Rifles and Ammunition, officers carried this equipment while on duty on every shift. There was nothing in the PPD record where the equipment had been deployed other than during a training exercise. The PPD computer-aided design (CAD) system included an option for officers to click a military use button so it was tracked in the call log. The military equipment used was related to the use of drones, the Mine Resistant Ambush Protected Vehicle (MRAP), Emergency Response Vehicle (ERV) and the Driving under the Influence (DUI) trailer use. (Sasai)
- In the past, the PPD received requests to use the MRAP ERV, which had been declined and for this year, there had been no requests for the use of the equipment. (Toms)
- As noted in the PowerPoint presentation, there had been no formal complaints or concerns brought forward by the public as to the use of the military equipment. In the event a member of the public wished to file a formal complaint or concern with the PPD, there were many ways for the community to file a report. The City website included an online complaint form that could be completed and forwarded to the PPD, and did not require a paper form to be filed, although there were paper forms available at the PPD and complaints could be made verbally, over the phone or in-person with any form of communication accepted. Whether comments during City Council meetings were audited and conducive to a community complaint or violation, confirmed such comments would be recorded. (Mayor Pro Tem Murphy)

- Whether there was a way for the public to see on the City website or other means, whether a drone was being used for PPD purposes or being deployed, currently there was no method to track the drones in that way. The City's drone program did not have that automated process in place. In the event someone called into dispatch and requested information, information could be provided. The City was looking in the future to provide a system where drones were being deployed during calls for service and ways for the public to track their flight when associated with a call for transparency purposes, but that was not part of the current system. (Mayor Tave)

PUBLIC HEARING OPENED

Irma Ruport asked whether the military equipment was equipment that had been donated to the City in the past, to which Commander Rogers explained he was in charge of the program when the City received the equipment, which was requested, with the City having waited two years for the MRAP ERV, which came from the military and the Unmanned Remotely Piloted, Power Ground Vehicles, iRobot PackBot510 delivered from the military along with everything that came with it.

Ms. Ruport commented when the City first received the military equipment it had been parked on the grass in the park during community events. At that time, there had been a lot of complaints/comments on NextDoor regarding children within proximity of the equipment and the equipment was later removed from the grass area during events. She also understood there was to be some consideration of co-sharing the MRAP ERV given the costs to the City to maintain the equipment. She asked whether the equipment had been shared with other cities to share costs, otherwise there could be lost income to the City. She also asked about the total cost of the equipment since the PowerPoint presentation did not include total costs, and reiterated the need to consider partnering with other cities on the use of the equipment to save money.

PUBLIC HEARING CLOSED

Council member Sasai thanked staff for the presentation. Referencing the drone system, he suggested this was a great program. He had talked it through with the Police Chief and staff, and learned there were many benefits to the program including more safety for officers and the public, reducing the need for pursuits of vehicles and creating more efficiency. The City also had a great drone policy. He supported the drone system and its use, as outlined, although he continued to have concerns with the MRAP ERV, as he had expressed in the past. He was pleased to see the equipment had been deployed fewer times than in previous years. He also understood there had been a request from Congressman John Garamendi about the use of mobile barriers, to be used anytime the City closed the streets for an event, and unsure of the status, he hoped it would be approved so they would have those public safety funds for the City.

With the militarized equipment in general, Council member Sasai had seen the effects of the presence of the military equipment and with the federal administration deploying the National Guard locally in places like Alameda, local residents were often pushed to the margins, and out of sensitivity to that, as he had over the past four years, he would respectfully vote no on the item, but he recognized the important work of the PPD.

ACTION: Motion by Council member Toms/Mayor Pro Tem Murphy to approve the report and waive the full reading and introduce by Title Only an Ordinance approving and re-adopting a Military Equipment Use Policy as Stated in Chapter 2.60 “Military Equipment Policy” of the Pinole City Municipal Code in Compliance with AB 481.

Vote: Passed 3-1-1
Ayes: Tave, Murphy, Toms
Noes: Sasai
Abstain: None
Absent: Martinez-Rubin

- B. FY 2025/26 Utility User's Tax Review and FY 2026/27 Income Exemption Limits
Action: Conduct Public Hearing and Adopt Resolution per Staff Recommendation (Markisha Guillory)

Finance Director Markisha Guillory provided a PowerPoint presentation for the Utility User's Tax (UUT) Annual Review for Fiscal Year (FY) 2025/26, which included an overview of the background of the UUT; annual review; total UUT collections; gas and electricity UUT collections; Telecommunications UUT collections; update on UUT application to streaming services; UUT exemption guidelines and the recommended changes to income exemption thresholds.

City Attorney Casher added there were cities throughout the State and in the Bay Area that collected a UUT for online/Internet streaming services. Pinole did not have that ability under the current Pinole Municipal Code (PMC), but that could be considered if the City Council wanted more information for that potential consideration.

Finance Director Guillory recommended the City Council conduct a public hearing on the FY 2025/26 Annual Review of the Utility Users' Tax (UUT); and adopt a resolution modifying the Household Income eligibility thresholds for exemptions from the Utility Users' Tax for FY 2026/27.

Responding to questions from the City Council, Finance Director Guillory and City Attorney Casher, clarified the following:

- If the PMC was amended by ordinance, and voter approval required to impose a UUT on Internet-based streaming services, that would add the ability to tax for adding to the UUT the ability to collect from consumers a charge for the UUT for online streaming services. Traditional cable services had been collected, but the City did not collect for YouTube, as an example. The PMC would have to be updated and voter approval required since it would be a tax measure and a two-thirds voter approval would be required. (Mayor Pro Tem Murphy)

PUBLIC HEARING OPENED

Debbie Long understood the UUT was a nine percent revenue generator and PCTV used a lot of electricity, she assumed residents paid that tax on utility bills. She asked if that would be refunded back to the Department or offset for anything, and there could be other Departments, such as the Public Safety Building, which was also a high user.

Since PCTV would be charged or that Department charged for their utility, they were actually bringing in part of the revenue due to the UUT, and Ms. Long asked if that was credited back to the Department, and if not why, or should it.

PUBLIC HEARING CLOSED

Interim City Manager Evans commented staff had not done specific analyses but PCTV would be getting a credit with the \$480,000 subsidy.

ACTION: Motion by Council member Toms/Mayor Pro Tem Murphy to adopt a resolution modifying the Household Income Eligibility Thresholds for exemptions from the Utility Users' Tax for FY 2026/27.

Vote:	Passed	4-0-1
	Ayes:	Tave, Murphy, Sasai, Toms
	Noes:	None
	Abstain:	None
	Absent:	Martinez-Rubin

11. OLD BUSINESS

- A. Approve and Authorize the Mayor to Execute the Employment Agreement for Naomi Kelly to Become the City Manager. **Action: Adopt Resolution per Staff Recommendation (Stacy Shell)**

Human Resources Director Stacy Shell introduced Rachel Hall, Bob Hall & Associates, the executive search firm that conducted the recruitment for the recent City Manager recruitment and who provided a PowerPoint presentation on the City of Pinole, City Manager Recruitment Process, which included an overview of the following: step one – create a position profile; step two - outreach and recruiting; step-three – candidate assessment; step four – selection and presentation of top candidates, and step-five - background and reference checks.

Responding to questions from the City Council, Ms. Hall and Human Resources Director Shell clarified the following:

- As noted in the PowerPoint presentation, Bob Hall & Associates conducted a comprehensive background and reference check process, based on public records, Internet searches and readily available information but not until an offer letter was signed, was a background check allowed to be legally done. (Toms)

PUBLIC COMMENTS OPENED

Debbie Long restated for the record, the earlier comments she made as part of Item 4B.

Irma Ruport explained she had applied for a City job years ago and was given a lie detector test, background check and security clearance check. She questioned the consultant's vetting process and procedures. She suggested something went wrong since it took her minutes after the interview with the candidate to check out names that were given to the community panel.

Ms. Ruport also had a Human Resources background and it took her minutes to check the candidate's background. She commented that one of the panels involved staff interviews, and she understood they had been asked whether they unanimously supported the candidate, and when asked the same had not been afforded to the community panel but later permitted, and the community panel had not chosen Ms. Kelly as the primary candidate. She found the candidates had not been vetted properly and questioned why there were no red flags for Ms. Kelly when the information was readily available. She reiterated her concern with the procedure done by the Human Resources Department and the consultant, and suggested the City had hired recycled consultants. She asked that the process start over and that the City Council not accept Ms. Kelly as the City Manager.

Ms. Ruport reiterated her husband was a private attorney and had a business in Pinole. He had submitted correspondence and also asked that the process start over since the process had not been vetted properly. She urged the City Council to start the process over since this was not what residents wanted and in November when some Council members possibly leave the City Council, residents would have to live with the nightmare left over.

Rafael Menis highlighted some of the points in the June 16, 2026, staff report about the recruitment process, with the City, not the consultant, having conducted an extensive background check, as outlined. It appeared the staff report had indicated that a series of background checks had been done. He was uncertain whether the City was allowed to do polygraph tests given questions about reliability. He noted Pinole was facing significant challenges, both now and over the next several years leading to around 2030 or so, and the City would benefit greatly from having an experienced City Manager. Whether that was Ms. Kelly or someone else and regardless of who the City Council chose as the next City Manager, he hoped the City Council picked someone who stayed around for the term of their contract and that the City Council had assurance that whoever was selected was willing to remain for the full term of the contract given the turnover of recent City Managers, which caused harm to institutional continuity and knowledge.

Mr. Menis also had questions based on Ms. Kelly's résumé, specifically her work with the San Francisco Board of Trustees and he was also curious about some of the points listed under her work experience with NK Strategies LLC, and some of the tasks, as outlined, which he highlighted, and asked how to quantify success or failure in those approaches.

Mark Zimmerman suggested the Mayor recuse himself on the vote for Item 11A, since he had a prior working relationship with Ms. Kelly while working with the City of San Francisco and could not vote impartially, as defined. He suggested the Mayor should publicly disclose his prior working relationship with Ms. Kelly to ensure transparency and maintain the public trust. The Mayor previously worked with the proposed City Manager candidate as documented in the 2020 to 2029, City and County of San Francisco Capital Plan Report, and Ms. Kelly submitted the report as the San Francisco City Administrator, and in the acknowledgement section of the report, she specifically acknowledged Anthony Tave under the Department staff for the San Francisco Police Department (SFPD).

Mr. Zimmerman commented that the City Manager salary of \$305,000 was \$40,000 more than had been paid to the previous City Manager six months ago and more than the salaries of every other City Manager in Contra Costa County, as shown in the June 16, 2026 staff report, which paid on average 31 cents per person per year for their City Managers.

The City of Pinole's proposed \$305,000 salary meant every Pinole resident would be paying over \$16 per year, 52 times more than other cities and there was no benefit to paying more than other cities to achieve an "A" financial grade. Four out of the five cities that received a financial grade of A in the Civil Grand Jury Report paid less than \$305,000.

Cathy McFarland read into the record the same written comments she presented for Item 4B.

Richard Cossel was confused how a background check could be done, how an indictment could be missed, and how there could be a failure to read the indictment itself. He referenced United States v. Harlan Kelly and Victor Makras. While Naomi Kelly had not been criminally charged in the case, she had been explicitly named as a participant and beneficiary in the mortgage bank fraud, received indirect benefits in a separate bribery fraud scheme involving Walter Wong, which involved a \$1.3 million bank loan Ms. Kelly had signed, and was a direct participant in the Quicken Loan Refinance of the family home as co-owner of the residence, who had also signed the original 2012, \$715,000 straight note to Makras Investors, and who signed the back-dated straight note, dated May 2014, that falsely inflated the loan balance by \$200,000 to pay off her student loans.

Mr. Cossel added that Ms. Kelly had also signed false residential loan applications on October 2014, submitted to Quicken Loans that misrepresented the loan balance and concealed debts and credit card payment payoffs of approximately \$32,5000 on a JP Morgan Chase Card, a \$200,000 cash out request tied directly to the student loan, and a direct text from Harlan Kelly to Mr. Makras that explicitly requested the \$200,000 inflation to pay off the student loan. He was unsure how all of that was missed as part of the background check. There had been other debt relief, fraudulent equity gains as part of the refinance, later payment that was excessive which covered additional obligations linked to Ms. Kelly for \$17,000 for a Chase card service, and a vacation to Hong Kong, China and Macau for the entire Kelly Family, with evidence all documented that Ms. Kelly was directly involved. Additionally, she received a discount of \$89,000 for home improvements.

Peter Murray commented that during the prior City Council meeting, he had raised concern as a member of the community panel about those issues and had focused on the discussion of vetting. There was now more information that preliminary vetting had been done and a more thorough vetting process after the fact. As a member of the community panel involved in the interview of candidates, he had asked whether the City had all of the information for all candidates, and was told they were thoroughly vetted and he was unaware there was an issue. He suggested the City Council was digging itself into a hole he was uncertain it would get out of. He was able to readily obtain information about Ms. Kelly and since that time, all of the information had been piling up and getting deeper. He also commented there appeared to be connections between the Mayor and former Mayor Salimi to Ms. Kelly. He agreed this was likely a done deal but had hoped the City Council would come to reality. If the City Council could not read what was in front of it, it was more of the same as what happened with Measure D, as he had earlier commented at the start of the meeting.

Stephen Tilton thanked the PPD for the presentation earlier on the use of military equipment, which items were needed and he was pleased the City Council supported the item. He had served on the City Council in the past and was aware of the challenges. He asked the City Council to consider a legacy vote on this matter. He too repeated some of the comments he made as part of Item 4B.

Mr. Tilton sought a City Manager who was proactive. He reiterated he was a retired Chief Deputy Sheriff for San Francisco and he supported Ms. Kelly as the City Manager. He also reported he received a telephone call this date from Kevin O'Connell, a Chief Deputy, who described Ms. Kelly as a "change agent." While he agreed with some of the comments made by Mr. Murray and Ms. Long fiscally, he suggested they had a chance to put into place a City Manager for continuity, who could be here for many years and would get things done. He wanted to see something developed in the Safeway and Kmart lots, vacant properties developed and wanted a City Manager who had the backs of the employees and who was respected. He spoke with some City employees, some members of the PPD and members of the Contra Costa County Fire Protection District (CCCFPD), who supported Ms. Kelly. Ms. Kelly served as a manager of 40,000 employees over multiple departments. He reiterated when San Francisco Mayor Ed Lee passed away, Ms. Kelly had ensured the continuity of government. He had seen her in action and if the City was able to hire her, it would be a legacy vote for the City Council.

Emilio Cruz, explained he was present to provide moral support for Ms. Kelly but after hearing the public comments he wanted to step up and say something. As noted in the presentation, this was the decision of the City Council and while members of the public may have sat on committees and may want to make the decision, they were criticizing the City Council for what it did and then tell them what to do. No one had the courage to sit in the seats the Council was sitting in. He had served on the Board of Education of San Francisco and had heard a lot of testimony and no matter how emotional, good public policies were made on facts, not on emotion.

While accusations had been made, Mr. Cruz guaranteed if Ms. Kelly was guilty of those things, the federal government would have convicted her. There had been a long investigation and a long trial, and while Ms. Kelly's name may appear in the newspaper, nothing ever came to her as far as any guilt, whether in public office or in her private life. He congratulated the City of Pinole for being an extremely diverse community. He looked at the numbers and noted that Pinole was one-third White, one-third Latino, one-third Asian and ten percent African-American. He recognized that speakers were highly critical of the City Council and he applauded the City Council for sitting in their seats and having the bravery to take on the issues. He wished the City Council and the City of Pinole all the best.

Vincent Salimi stated as a former Mayor for the City of Pinole, he knew exactly what it took to make choices for the City's future. The most critical decision a City Council could make was choosing a City Manager. He had listened closely to the concerns, and suggested in a healthy democracy skepticism was welcomed and required; however, as a public servant and as a citizen, City Council members also had the responsibility to separate rumor from facts and guilt by association. He stated Ms. Kelly's husband had been held accountable for his actions and the federal government spent years turning the City of San Francisco inside out and had scrutinized every contract and meeting and found no evidence against Ms. Kelly, who was never charged or indicted. When the scandal hit, Ms. Kelly had stepped aside so City employees could work without a major circus, which was not an admission of guilt but a profound act of self-less leadership.

Mr. Salimi added that the City of Pinole was a City with lots of potential but faced a structural, financial and operational challenge and could not afford on-the-job training. Ms. Kelly served as a City Administrator overseeing 25 departments and a massive budget, had a law degree and knew how to navigate complex labor negotiations, streamlined Public Works and a City bureaucracy and knew how to deliver to residents.

Mr. Salimi suggested the City of Pinole was being handed an unprecedented opportunity to hire a world class executive, who had the highest level of municipal government experience and who was ready to bring that immense expertise to Pinole. He suggested the City Council had done its job, it had vetted Ms. Kelly and interviewed her and recognized her extraordinary capability. He asked fear not be allowed to dictate the future of Pinole, and judge Ms. Kelly on her merits, character and unmatched record of public service. He strongly urged the City Council to appoint Ms. Kelly as City Manager.

William Horton commented that for a City that was having a deficit problem, a salary of over \$300,000 was too much. He urged the City Council to start over, go back and reduce the salary to be comparable to the City of Hercules, which was in the \$250,000 range. He suggested there could be enough candidates to choose from with a lower salary.

Anthony Vossbrink asked for a breather until the Mayor could return to the dais.

Mayor Pro Tem Murphy stated this was the time for the speaker to provide his comments.

City Clerk Bell-Spears advised the Mayor was back in the Council Chambers.

Mr. Vossbrink asked why the gang of three had voted for Ms. Kelly to be appointed as the City Manager at a salary of \$305,000 a year, how the salary number had come up, and if Ms. Kelly was such a great catch why had she not been hired one to two years ago, when interviews were conducted for the former City Manager. If Ms. Kelly was successful in her consulting firm, he asked why she would want to work for the City of Pinole, was it for the salary or as a stepping stone to polish her résumé as part of next steps, as prior City Managers had done. He echoed the comments from other speakers and stated for the record he was half-Asian and he took offense to the speaker who brought up race stating that people should not be judged on their color, but on their character. While the City claimed Ms. Kelly had been vetted, he found she had questionable character, integrity and other things that should be on her résumé.

PUBLIC COMMENTS CLOSED

Council member Toms thanked people for coming out. She noted when the City Council had its interviews with the City Manager candidate they were aware of the newspaper articles, which were not necessarily fact, but indictments were challenges, someone had to be adjudicated and this case had been adjudicated, and Ms. Kelly was not party to, indicted or convicted. The City Council based its interviews and discussions on the facts, and while there were play-by-play articles that were written as the investigation went forward, she found it unfortunate for someone to go through that, when a woman especially worked so hard on her career and was judged by her partner. She stressed that Ms. Kelly had not been indicted or convicted, she had an excellent résumé with two very strong interviews with the City Council. While the community came to a different conclusion, the staff interviews were very strong in support of Ms. Kelly and the City Council had voted 5-0 to advance Ms. Kelly's employment. She had a lot of confidence in Ms. Kelly to move forward and to help the City address its significant issues. Should Ms. Kelly's contract be approved by the City Council, Ms. Kelly had a plan for the first 100-days to engage the public to work through the issues and she had a heavy, heavy load in front of her but was up for the challenge.

Council member Toms recognized Ms. Kelly would have significant challenges in terms of what the City of Pinole was facing and would have more challenges than in her previous employment; but she would like to see the community come together and move forward as a City and get behind the new City Manager. She emphasized the need to work together as a team with the City Council, City Manager, staff and citizens.

Council member Sasai was disappointed to hear people make a mockery of Dr. Martin Luther King during this and the prior City Council meeting. At this time, he read into the record, an excerpt from written correspondence received from California State Treasurer Fiona Ma, dated June 11, 2026, as follows: *Having worked with Naomi for many years, I have witnessed firsthand her ability to navigate complex challenges, build consensus among diverse stakeholders, and achieve meaningful results. She played a key role in supporting and implementing San Francisco's Local Business Enterprise Ordinance, helping local businesses participate more fully in public works projects while strengthening economic opportunity throughout the city. Beyond her impressive professional accomplishments, Naomi is a person of exceptional integrity and character. She leads with humility, treats everyone with respect, and consistently demonstrates sound judgment, accountability, and an unwavering commitment to public service.*

Council member Sasai explained he was a member of the City Council Subcommittee to negotiate the Employment Agreement for Ms. Kelly. After receiving input from the local unions into consideration, the current Employment Agreement for Ms. Kelly had stricken the section around the three percent COLA, and he thanked the candidate for being amendable. He too reported the City Council had voted 5-0 in Closed Session to hire Ms. Kelly.

Mayor Pro Tem Murphy thanked residents for making their voices heard and commented on the prize and value of public comment. He acknowledged making public comment was not necessarily making facts, and it was important as a community to acknowledge that part of diversity, equity and inclusion was recognizing being uncomfortable not knowing information and knowing perhaps they were using some of their bias in their commentary. He was disturbed about comments about things people were seeing and characterizing about a person they had not met. As reported, the City Council voted 5-0 to move Ms. Kelly's employment forward, due to the due diligence working with partners like Bob Hall & Associates and listening to residents throughout the entire process.

Mayor Pro Tem Murphy advised that Ms. Kelly was in the audience and had to listen to the comments, and reiterated that what was in the media was not always fact. He was disturbed, but at the same time inspired, in what Ms. Kelly had done and he spoke to her experience in her previous world and some of the work they had ahead. He encouraged audience members and those who may not have met Ms. Kelly to meet her.

Mayor Pro Tem Murphy also encouraged everyone to acknowledge this was a person who wanted to come to the City of Pinole and make Pinole better. Ms. Kelly had a world of fiscal management experience, economic experience and experience to repave roads. City staff supported her moving forward. This was a moment to consider what may be possible with someone with Ms. Kelly's résumé backing the work that needed to be done. He added that Ms. Kelly's résumé, as included in the staff report, was inspiring and incredible. He supported the Employment Agreement for Ms. Kelly.

Mayor Tave thanked everyone for their comments and noted there was not much more to say from what had already been said. Moving forward, he encouraged the community to engage with the new City Manager, have those discussions, and while they may be difficult, there were difficult things ahead. He supported Ms. Kelly as the next City Manager based on merit, credibility and her extensive experience. He suggested Ms. Kelly could carry the City through difficult times since she had done it over and over in other agencies.

ACTION: Motion by Mayor Pro Tem Murphy/Council member Sasai to Approve and Authorize the Mayor to Execute the Employment Agreement for Naomi Kelly to become the City Manager.

Vote:	Passed	4-0-1
	Ayes:	Tave, Murphy, Sasai, Toms
	Noes:	None
	Abstain:	None
	Absent:	Martinez-Rubin

**B. Revised Proposed Fiscal Year (FY) 2026/27 Operating and Capital Budget.
Action: Receive Report and Provide Direction (Markisha Guillory)**

Interim City Manager Evans thanked the City Council and the Finance Subcommittee for their leadership and guidance to see the item brought forward with a balanced budget, and management staff for hard and difficult recommendations to reach a more balanced budget than in years past, which had come down to, must haves, should haves and nice to have. Even after the recommended cuts, there were still looming challenges with ongoing CalPERS retirement and retiree medical costs, and finalizing conversations with the CCCFPD. Any program enhancements or cuts to be reduced now and in the future, would mean a larger Yellow Brick Road to address now and impact the potential response to the Civil Grand Jury Report.

Interim City Manager Evans provided a PowerPoint presentation for the Revised Proposed Fiscal Year 2026/27 Operating and Capital Budget, which included an overview of the major revenue and expenditure trends; process and timeline; March, May, June 2, 2026 and June 16, 2026 budget outlooks and revised Yellow Brick Road. He also highlighted the recommendations from the Civil Grand Jury Report Recommendations R1 through R6.

Interim City Manager Evans recommended the City Council receive the updated version of the revised proposed budget, provide direction on any changes, and direct staff to prepare the final proposed budget for adoption on June 23, 2026.

Responding to questions from the City Council, Interim City Manager Evans and Finance Director Guillory clarified the following:

- Revised Yellow Brick Road, clarified the Proceeds from Sale of Property was not related to any major property sales. Property sales were not integrated into the current budget forecast or the budget proposal before the City Council. (Mayor Pro Tem Murphy)
- City staff had been working with the CCCFPD Fire Chief and the County to identify, rather than by contract, a full annexation, which would reduce some of the exposure of

contractual costs that the County ran into their COLAs, and which would come out of the property tax revenue share the City would get, which was something the County had discussed and the Local Agency Formation Commission (LAFCO) would be open to having implemented by January 1, 2027, if the City could hit the timelines. (Mayor Pro Tem Murphy)

- The full budget document was not before the City Council at this time. It would be provided on June 23, 2026 for final approval. (Mayor Pro Tem Murphy)

PUBLIC COMMENTS OPENED

Rafael Menis thanked the Interim City Manager for addressing some of his questions, but he was unclear how the \$830,000 value in the Yellow Brick Model matched up with the \$701,000, and the various other bits fitting together. Referencing the modified attrition topic, he understood erring on the side of being conservative with that calculation, with the actual attrition value roughly double what was being credited in the budget, nowhere near enough to meet the gap in reinstating the frozen positions in future years, but something nonetheless.

As to the 115 Trust values, Mr. Menis noted originally the attempts to get down closer to zero, but it looked as if there were still withdrawals for this year, next year and following years, going off of the correction memo values. He asked how much of an impact that would have on the carried forward balance of the 115 Trust, whether the interest would be drawn down or whether it would impact the principle going at those levels. He also asked what other sorts of cuts would get to \$830,000, if not considering freezing positions. He further asked what sorts of things could get the City to the \$830,000 number or the \$701,000 number, over time.

Interim City Manager Evans explained with respect to the 115 Trust that was covered through interest only earnings. The real goal there and depending on working with the County, if the percentage of costs for the first year of the CCCFPD contract was carried forward in the negotiations with the County, there would be an additional \$600,000 in play, which ideally would then cover 100 percent of the Pinole retirees. If not, working with the Finance Director, the strong recommendation to the City Council was to ensure it was interest only and not touch the principal, and if it did, then they had to figure out something else, otherwise that principal was there for a real rainy day. In terms of filling the gap, with no other revenues coming in, it would be evaluating the staff prioritization and looking at work load, and when openings occurred those openings may not be filled at the time until there were revenues to justify it.

Kym Anderson, Business Agent, AFSCME Local 512, understood staff was asking the City Council to provide direction on the budget. In the seven years she had been representing AFSCME Local 512 and working with the City, she had seen the City add a number of management positions, which were not doing the boots on the ground work of providing City services that residents relied on. In some cases, managers were delegating their work to the staff doing the boots on the ground work. AFSCME Local 512 members could not afford to live in the City of Pinole. They were priced out when the City continued to approve the creation of management positions, and overpaid those managers in some cases, harming residents of the City by not prioritizing the positions providing those services residents needed. One public speaker this evening stated he did not watch PCTV and did not know anyone who did.

Ms. Anderson commented other public speakers stated they watched PCTV and their neighbors relied on it to know what was happening in the City. There had also been recent surveys on PCTV that showed the same thing. She also understood the new City Manager was amenable to striking the three percent COLA from her Employment Agreement and she was glad she was open to that change. She suggested the first challenge for the new City Manager would be to look at other ways management could cut their budgets and salaries, other than cuts from PCTV and from asking employees to pay for their own COLA through furloughs.

David Snell thanked the City Council and staff for making a difficult but new proposed budget for consideration. He asked the City Council to consider employees who were presently employed as opposed to the vacant positions, and while he understood that was difficult, City employees appreciated those who may be facing layoffs, possibly being preserved before some of the vacancies were filled. He also expressed his appreciation and looked forward to the opportunity to find solutions to some of the matters facing PCTV with the new City Manager.

PUBLIC COMMENTS CLOSED

Mayor Pro Tem Murphy was happy to move forward.

Mayor Tave also supported that action.

City Clerk Bell-Spears clarified the action asked of the City Council was to receive the report and provide direction.

Council member Toms asked if the item would come back on the Consent Calendar at the June 23, 2026 City Council meeting, and the Interim City Manager confirmed that was the intent.

Mayor Tave thanked staff and the Interim City Manager for the budget. He looked forward to the new fiscal year, and to further discussions on several of the issues presented. He found they were providing a balanced budget which was a good starting point.

12. NEW BUSINESS

- A. Approve a Purchase and Sale Agreement by and Between the City of Pinole and American Postal Infrastructure (APIF) for the Sale of Property Located at 2101 Pear Street (Post Office). **Action: Adopt Resolution per Staff Recommendation (Eric Casher, Lilly Whalen)**

Community Development Director Lilly Whalen provided a PowerPoint presentation for the Sale of 2101 Pear Street, which included an overview of the background of the property; site details; continuation of Post Office operations; Planning Commission and Environmental Review and fiscal impacts.

Community Development Director Whalen asked the City Council to adopt a resolution approving the purchase and sale agreement with APFI-California LLC and Authorize the City Manager to Execute the Agreement. She added the Lot Line Adjustment (LLA) would be recorded at closing to ensure the parking lot remained part of the City Hall property, regardless of whether the sale proceeded.

Responding to questions from the City Council, Interim City Manager Evans clarified the following:

- The annual lease revenue for the Post Office had been removed from the budget and staff confirmed it was possible to place the proceeds from the sale of the Post Office into the 115 Trust without negatively impacting the budget for next year. (Toms)

PUBLIC COMMENTS OPENED

Rafael Menis stated he had submitted comments in writing about this item prior to the meeting. He noted that Attachment C, Resolution 26-04, Post Office GP Consistency, the signed declaration for the Planning Commission Report, was incorrect, since he had voted in favor of the motion as shown in the March 23, 2026 Planning Commission meeting minutes, Page 5, Line 12, and asked that the document be corrected. He also asked about the potential of adding the proceeds from the sale to the 115 Trust, and asked if there was a difference between adding the money in or using the money and not withdrawing from the 115 Trust. He also asked whether there were any practical impacts or whether it would even out, one way or another.

Interim City Manager Evans would like to provide a more formal response in writing to the question.

PUBLIC COMMENTS CLOSED

Council member Sasai supported the item since the risk involved as time moved on could involve some repairs necessary that could be major for a 60-years old building that could take away from the City's ability to address issues that the community had voiced multiple times about roads and other deferred maintenance issues. He appreciated Council member Toms' idea about what one time revenue could go to, although that could not be decided tonight and he looked forward to a community discussion where those proceeds could go.

Council member Toms offered a motion, seconded by Mayor Tave to adopt a resolution approving the purchase and sale agreement by and between the City of Pinole and the American Postal Infrastructure (APIF) for the sale of the property located at 2101 Pear Street, and deposit the sales proceeds into the 115 Trust.

On the motion, Mayor Pro Tem Murphy noted that was a different motion from the staff recommendation.

Council member Toms clarified her motion was to modify the staff recommendation, as shown, and she had spoken briefly with the Interim City Manager about this.

Mayor Pro Tem Murphy asked that they come back to the City Council before a decision was made since the staff recommendation was simply to approve the purchase and sales agreement and authorize the City Manager to execute said agreement.

Council member Toms was trying to address issues brought up by the Civil Grand Jury Report in terms of the City's long-term sustainability. If the sales proceeds were deposited into the 115 Trust, that would show the City making progress in response to the Civil Grand Jury findings.

If the funds were withdrawn again, in the same or similar amount to cover FY 2026/27, it would still go through that process.

Mayor Pro Tem Murphy commented he was not saying he agreed or disagreed with the idea of moving the sales proceeds to the 115 Trust, but the City Council had not discussed it. One of the findings from the Civil Grand Jury Report was to include the community in the process of figuring it out. He insisted not moving on something that had not been discussed by the City Council yet and recommended it be brought back at a future date, whether the next City Council meeting or another date.

Council member Toms was trying to save staff time on doing another staff report, to direct funds into a place that they could direct them now, with a motion.

Mayor Pro Tem Murphy asked how community input could be integrated.

Council member Toms commented she had brought up the idea before the public hearing and there was only one public comment, but the meeting was still active. Again, she was trying to save staff time and address the Civil Grand Jury Report.

Council member Sasai supported the resolution as attached to the staff report. As related to where the revenue from the sale proceeds should go, he looked forward to a broader discussion about the use of one-time revenues from the sale of properties, and possibly standardizing the process across the board.

ACTION: Motion by Council member Toms/Mayor Tave to adopt a resolution approving the purchase and sale agreement by and Between the City of Pinole and the American Postal Infrastructure (APIF) for the sale of the property located at 2101 Pear Street, and deposit the sale proceeds into the 115 Trust.

Vote:	Failed	2-2-1
	Ayes:	Tave, Toms
	Noes:	Murphy, Sasai,
	Abstain:	None
	Absent:	Martinez-Rubin

ACTION: Motion by Mayor Pro Tem Murphy/Mayor Tave to adopt a resolution approving the purchase and sale agreement by and Between the City of Pinole and the American Postal Infrastructure (APIF) California LLC and Authorize the City Manager to Execute the Purchase and Sale Agreement.

Vote:	Passed	4-0-1
	Ayes:	Tave, Murphy, Sasai, Toms
	Noes:	None
	Abstain:	None
	Absent:	Martinez-Rubin

Mayor Pro Tem Murphy commented that given the questions from the member of the public, and the suggestion by the City Council to discuss the sale of the property, he asked about the next steps to discuss the proceeds from that sale.

Interim City Manager Evans stated ideally it could be a component addressing the Civil Grand Jury discussion, and probably also include in the discussion other properties, owned and controlled by the City of Pinole.

Mayor Pro Tem Murphy supported the idea but recommended also considering the findings and recommendations in the Civil Grand Jury Report, and reaching out to the community when making those decisions.

13. CITIZENS TO BE HEARD (Continued from Item 6) (Public Comments)

Only open to members of the public who did not speak under the first Citizens to be Heard, Agenda Item 6.

Citizens may speak under any item not listed on the Agenda. *The time limit is 3 minutes and is subject to modification by the Mayor. Individuals may not share or offer time to another speaker. Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future Council meeting.*

Deputy City Clerk Roxane Stone reported there were no comments from the public.

14. ADJOURN to the Special City Council Meeting of June 23, 2026 in Remembrance of Amber Swartz.

At 10:07 p.m., Mayor Tave adjourned to a Special City Council Meeting on June 23, 2026 in Remembrance of Amber Swartz.

Submitted by:



Heather Bell-Spears CMC

City Clerk

Approved by City Council: July 7, 2026

