**CITY COUNCIL MEETING**
**MINUTES**
**June 3, 2025**

## 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 Sasai called the Regular Meeting of the City Council to order at 5:01 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

Cameron Sasai, Mayor
Anthony Tave, Mayor Pro Tem
Norma Martinez-Rubin, Council Member
Devin Murphy, Council Member
Maureen Toms, Council Member

### B. STAFF PRESENT

Kelcey Young, City Manager
Heather Bell, City Clerk
Eric Casher, City Attorney
Markisha Guillory, Finance Director
Melissa Klawuhn, Police Chief
Jeremy Crone, Police Commander
Heba El-Guindy, Public Works Director
Andrea Dwyer, Community Services Director
Roxane Stone, Deputy City Clerk

City Clerk Heather Bell announced the agenda had been posted on May 29, 2025 at 4:00 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. Updates for the presentation files for Items 11A and 12A were also posted to the City website and available in the Council Chambers for public viewing.

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

## 4. CONVENE TO A CLOSED SESSION

***Citizens may address the Council regarding a Closed Session*** *item prior to the Council adjourning into the Closed Session, by first providing a speaker card to the City Clerk.*

**A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Gov. Code § 54957
Title: City Clerk

**B. CONFERENCE WITH LABOR NEGOTIATORS**
Gov. Code § 54957.6
Agency designated representative: City Attorney Eric Casher
Unrepresented Employee: City Clerk

**C. CONFERENCE WITH LABOR NEGOTIATORS**
Gov. Code § 54957.6
Agency designated representatives: City Manager Kelcey Young, City Attorney Eric Casher, Human Resources Director Stacy Shell and Gregory Ramirez, IEDA
Employee organizations: AFSCME Local 1, AFSCME Local 512 and the Pinole Police Employees Association (PPEA)

PUBLIC COMMENTS OPENED

City Clerk Bell reported there were no comments from the public.

PUBLIC COMMENTS CLOSED

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

At 6:39 p.m., Mayor Sasai reconvened the meeting into open session. He reported the City Council approved a four-year extension to the City Clerk's Employment Agreement and staff would prepare a contract amendment to be approved at the next City Council meeting.

## 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.*

Irma Ruport, reported at its March 4, 2025 meeting the City Council considered Item 12A, Mid-Year Budget Review. At that time, she asked for an explanation for the reclassification of the Assistant to the City Manager to Communications Director and had received none. On March 18, 2025, the City Council considered Consent Calendar Item 9D, the adoption of an Amended Master Salary Schedule. The staff report for the item included a reference to Personnel Rule 12, Compensation, employees are assigned job classifications with salary ranges adopted by the City Council. The resolution adopted by the City Council at its March 4, 2025 meeting included new job classification specifications for a Communications Director position at $175,000 and Information Technology (IT) Manager at $138,000. The Assistant to the City Manager had been earning $122,000 but had been promoted to Communications Director with a $53,000 raise.

Ms. Ruport commented that during the March 18 City Council meeting, she had opposed Item 9D, and although she had raised a number of questions she had received no answers at that time. She had later done some research, looked up the City of Pinole's Personnel Rules adopted May 19, 2009, and noted Personnel Rules 12.7 and 3.3 had been used in the adopted resolution. She pointed out the City Manager had been hired in August 2024, and she asked why the Assistant to the City Manager, a new position for the City with the above-mentioned salary, had been reclassified and promoted to a new position approved by the new City Manager. She asked whether all Personnel Rules and procedures had been followed to justify the increase in salary and job title, and commented she would be willing to file a grievance with the City Manager if any groups, organizations or persons felt violated. Having a Human Resources Degree, being retired from the government, and having been a Chief Steward in the union, she questioned the unfair action.

Rafael Menis, reported on the current state of transmission for COVID-19 in the community, which had decreased from the latest report from May 24, 2025 to 1.48 per 100,000. While the main site offering data on COVID-19 would sunset shortly, the data would be shifted to a new website with the Centers for Disease Control and Prevention (CDC). On another matter, he thanked everyone who participated in the recent march in Pinole protesting the Trump Administration's actions which continued to undermine the constitutional system of government. Another protest had been scheduled in the cities of Hercules and Pinole on June 14, 2025 at 11:00 a.m. starting in Hercules and shifting to 1:00 p.m. in Pinole at Target, and then marching over to the Appian/Fitzgerald overcrossing to honor the anniversary of the founding of the United States Army, a counterprotest against the Trump Administration's inappropriate military parade in honor of the President's birthday. He suggested there should be a protest to any attempt to use military tanks in this fashion. More information was available at mobilize.us/IHT2QJ or the mobilize.us website. He added the City would hold Pride/Juneteenth on June 8, 2025 from 12:00 to 3:00 p.m. at Fernandez Park and he encouraged everyone to attend.

## 7. REPORTS & COMMUNICATIONS

### A. Mayor Report

#### 1. Announcements

Mayor Sasai reported he and Council member Murphy met as the Memorial Subcommittee to discuss applications received and recommended the City rename the Corporation Yard after Robert Walker, a treasured long-time City employee.

The Memorial Subcommittee also recommended approval of signage in Mr. Walker's name at the facility and recommended moving forward with a memorial plaque for Mr. Walker in Pinole Valley. In consultation with the City Manager, those items would come before the City Council for consideration at its regular meeting on June 17, 2025. Mayor Sasai thanked all of the applicants and those who advocated for the memorial.

Mayor Sasai also reported the West Contra Costa Transportation Advisory Commission (WCCTC) approved a resolution urging state legislators to support public transit funding in the region and in the Bay Area in the face of budget difficulties. He would request a similar resolution be considered by the Pinole City Council as a future agenda item. He also invited everyone to the Pride/Juneteenth Event at Fernandez Park on June 9, 2025.

B. Mayoral & Council Appointments: None

C. City Council Committee Reports & Communications

Council member Toms reported she attended the funeral services for former Contra Costa County Supervisor, District 5, Federal Glover. She recognized Mr. Glover's volunteerism and work for the County, in particular for transportation. She announced the City was working on hosting a part of the Special Olympics Torch Run on June 25, 2025, traveling from the City of Hercules to Pinole and on to the City of San Pablo. Athletes and torch run officers would make the exchange around 8:45 a.m. at the corner of Tennent and San Pablo Avenues.

Council member Murphy reported he attended Fish Migration Day, an incredible event celebrating the local ecosystem and environmental stewardship and provided a speech on the work being done by the Contra Costa Flood Control District (CCFCD), Friends of Pinole Creek Watershed, East Bay Municipal Utility District (EBMUD), Contra Costa County and many other partners. He also participated in the West Contra Costa Unified School District (WCCUSD) System Change Collaborative as the City of Pinole's representative and reported that WCCUSD would consider its budget on June 4, 2025, and announce a new WCCUSD Superintendent. Planned campus closures this summer due to construction had also been discussed, and it was clarified Pinole campuses would not be impacted by the summer closures other than with an influx from families from other communities due to the summer closures. The collaborative also compiled feedback around its work over the last year with the Interim Superintendent and Contra Costa County Supervisor Gioia, who chaired the collaborative and whose goal for the next year was to shape the collaborative structure with a new Superintendent and consider ways to deal with some of the budget cutbacks being considered by the WCCUSD.

Council member Murphy added that residents had been provided information from the City and the Contra Costa County Fire Protection District (CCCFPD) on ways to ensure the City was fire wise and fire safe. He reported Copter 1, the contracted aerial firefighter helicopter, was now active for the 2025 Wildfire Season, supporting daylight missions across Contra Costa County throughout October, with a possible extension depending on the weather. He detailed the specifics for Copter 1, a program funded by PG&E and the CCCFPD. He thanked PG&E, CCCFPD and Contra Costa County staff for making this asset available to protect communities.

Council member Murphy continued to report on his attendance at a meeting of Marin Clean Energy (MCE), with a discussion of customer programs and a $250,000 Initiative to Support Non-Residential Municipal Storage Projects, with the goal for one in each county. He detailed the specifics of the initiative, with more information to be provided at an MCE Technical Committee meeting on June 6, 2025. More information was also available on the MCE website. He also represented the City of Pinole at the East Bay Economic Development Alliance/Economic Outlook and Membership meeting presented by Bank of America and hosted In the San Ramon Community Center, with a discussion on data on the East Bay Real Estate market, economic trends and information from the State Labor and Workforce Development Agency. Following that meeting, a Board of Directors meeting for the East Bay Economic Development Alliance was held with the agenda items identified including a presentation from the Federal Reserve Bank of San Francisco that examined the impacts from Artificial Intelligence (AI) on workers and Low and Moderate-Income households.

Council member Murphy further recognized Community Development Director Lilly Whalen for her continued work with the East Bay Economic Development Alliance Economic Development Director's Council, and whose involvement ensured the City of Pinole was at the table and part of the regional conversations.

Council member Martinez-Rubin reported she attended the funeral services for former Contra Costa County Supervisor Glover and emphasized the importance of representatives helping foster and develop projects that had enduring effects and positive consequences for all of the people they represented. In particular, she appreciated the work Mr. Glover had done to improve State Route 4. She also attended Fish Migration Day and emphasized the importance and value of the watershed Pinole shared into the County's jurisdiction and beyond Pinole Valley Road south. She also spoke about an initiative she had been involved in during 2019-2022, Thriving Earth Exchange, an international collection of scientists and science community interns who worked locally to try to create projects that had enduring effects and benefitted the environment. She had been part of the initiative as a Council Liaison during those years. The project later became a literal assessment in Pinole and informed the creation of a single-use plastics ordinance the City Council eventually adopted in 2024, which took effect in January 2025, to be enforced as of July 1, 2025. More information on single use plastic reduction was available on the City website. She thanked those who worked to reduce single use plastics in the community.

PUBLIC COMMENTS OPENED (Item 7A)

Rafael Menis, clarified pursuant to the City website, that the Pride/Juneteenth event would be held on Sunday, June 8, 2025, not June 9, 2025, as the Mayor had reported.

PUBLIC COMMENTS CLOSED

D. Council Requests for Future Agenda Items

**ACTION: Motion by Mayor Sasai/Council member Murphy to consider a resolution to support public transit funding and Senate Bill (SB) 63, which would authorize a multi-county transit ballot measure to support public transit.**

| | | |
|---|---|---|
| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Martinez-Rubin, Murphy, Toms** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

Mayor Sasai offered a motion, seconded by Council member Murphy to consider a resolution and Letter of Support for Assembly Bill (AB) 1388, which prohibited the use of Settlement Agreements in California.

Council member Martinez-Rubin asked for an explanation of what prohibiting the use of Settlement Agreements meant since it was broad, and she asked about the implications in Pinole.

Mayor Sasai explained that Settlement Agreements under AB 1388 had been defined as a practice that intentionally hides, destroys or conceals officer misconduct reports from other agencies.

**ACTION: Motion by Mayor Sasai/Council member Murphy to consider a resolution and Letter of Support for Assembly Bill (AB) 1388, which prohibits the use of Settlement Agreements in California.**

| | | |
|---|---|---|
| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Martinez-Rubin, Murphy, Toms** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

E. City Manager Report / Department Staff

City Manager Kelcey Young reported the summer camps and Pinole Swim Center would be open for summer programming starting June 16, 2025. She thanked City staff for all of their hard work over the past few months and the ability to present a balanced budget, which was rare at this time period. In particular, she thanked Finance Director Markisha Guillory.

F. City Attorney Report: None

## 8. RECOGNITIONS / PRESENTATIONS / COMMUNITY EVENTS

### A. Proclamations

1. Juneteenth

The City Council read into the record a proclamation recognizing June 19, 2025 as Juneteenth, with the proclamation to be presented to recipients at community events this month.

PUBLIC COMMENTS OPENED

There were no comments from the public.

PUBLIC COMMENTS CLOSED

2. Pride Month

The City Council read into the record a proclamation recognizing the month of June as Pride Month, with the proclamation to be presented to recipients at community events this month.

PUBLIC COMMENTS OPENED

There were no comments from the public.

PUBLIC COMMENTS CLOSED

3. Philippine Independence Day

The City Council read into the record a proclamation recognizing Philippine Independence Day with the proclamation to be presented to recipients at community events this month.

PUBLIC COMMENTS OPENED

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 May 20, 2025.

B. Receive the May 17, 2025 – May 30, 2025, List of Warrants in the Amount of $855,035.26 and the May 23, 2025 Payroll in the Amount of $528,173.52

C. Approve Amendment to a Consulting Services Agreement for Employee Benefits Broker of Record Services. **Action: Adopt Resolution per Staff Recommendation (Stacy Shell)**

D. FY 2024/25 Third Quarter Financial Report. **Action: Receive a Report (Markisha Guillory)**

E. FY 2024/25 Third Quarter Investment Report. **Action: Receive a Report (Markisha Guillory)**

F. Amended Reserve Policy. **Action: Adopt a Resolution per Staff Recommendation (Markisha Guillory)**

G. Receive Update on Capital Projects Progress, Inspection and Permits Issuance, and Maintenance Operations. **Action: Receive Update on Capital Projects Progress, Conducted Inspections and Issued Permits, and Performed Maintenance Operations (Heba El-Guindy)**

H. Approval of Agreement between the City of Pinole and West Valley Construction Company Inc., Roble Avenue Storm Drain Improvements Project (SW2001). **Action: Adopt Resolution per Staff Recommendation (Heba El-Guindy)**

PUBLIC COMMENTS OPENED

Rafael Menis stated he had provided comments in writing prior to the meeting, had received some responses from the Finance Director, but provided the following comments on the Consent Calendar:

- Item 9D, Page 66 of 764, of the agenda packet, Property Tax, information as shown for Q3 was substantially lower than prior years and asked why.

- All tables in Item 9D were flagged in his PDF as having been Artificial Intelligence (AI) generated content that may be incorrect. Asked if the City was using AI generation for its charts, and if so, what measures were being used to ensure accuracy.

- Item 9D, Page 69 of 764, of the agenda packet, Q3, Waste Franchise Tax was less than prior years. Asked if this was because of the timing of the agreement negotiation or other reason(s).

- Item 9D, Page 70 of 764, of the agenda packet, the Transit Occupancy Tax was dropping sharply this year and asked whether the City expected this trend to continue into the next fiscal year.

- Item 9D, Page 81 of 764, of the agenda packet, Supplement Law Enforcement Services Fund (Fund 206), had a revenue of 117 percent of the amended budget. Asked for clarification.

- Item 9D, Page 81 of 764 of the agenda packet, NPDES Storm Water Fund (Fund 207), had revenue of $147 or zero percent of the amended budget. Since there should have been payments in December and April, asked whether there had been an error or whether the City had not received the payments.

- Item 9F, noted staff had stated the recommendation was to set aside funds to begin prefunding Other Post-Employment Benefits (OPEBs), as noted on Page 102 of 764 of the agenda packet, and given the primary use of the transfer from the Section 115 Trust was to offset the City's pension costs, asked to what extent the Section 115 Trust would be sustainable if it also needed to cover the City's other OPEB costs as well as the pension costs.

Mayor Sasai asked staff to follow-up with the questions via email.

PUBLIC COMMENTS CLOSED

Council member Murphy asked that the City Council consider Item 9F after its conversation about the budget, otherwise he asked that the City Council continue the item to the next meeting.

City Attorney Eric Casher advised that Item 9F could be continued to the next City Council meeting if that was the preference of the City Council.

**ACTION: Motion by Council members Murphy/Toms to adopt Consent Calendar Items 9A, 9B, 9C, 9D, 9E, 9G and 9H, as shown.**

| | | |
|---|---|---|
| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Martinez-Rubin, Murphy, Toms** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

**ACTION: Motion by Council members Murphy/Toms to continue Consent Calendar Item 9F to the City Council meeting of June 17, 2025.**

| | | |
|---|---|---|
| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Martinez-Rubin, Murphy, Toms** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

## 10. PUBLIC HEARINGS

**A.** 1st Read AB481 Military Use Equipment. Action: **Action: Conduct Public Hearing and Introduce Ordinance on First Read (Jeremy Crone, Melissa Klawuhn)**

Pinole Police Department Commander Jeremy Crone provided a PowerPoint presentation for AB481, Military Use Equipment, which included the background of AB481 Military Equipment, Funding, Acquisition and Use and overview of Pinole Police Department Policy #707, which required the Pinole Police Department to provide guidelines for the approval, acquisition and reporting requirements of military equipment. He reported that the Pinole Police Department worked closely with Lexipol (Law Enforcement Risk Management Group), collaborated with the regional law enforcement agencies in Contra Costa County and worked closely with the City Attorney's Office to create Policy #707.

Pinole Police Department Policy #707, Military Equipment List per AB481; Approval and Implementation Timeline; Annual Report; Purchase and Maintenance; Training, Event and Incident Use; Community Complaints, Concerns or Violations; Projected Military Equipment Acquisition for FY 2025/26 and findings to be made by the City Council at its regular meeting on June 17, 2025 were all highlighted.

Responding to questions from the City Council, Chief of Police Melissa Klawuhn and Commander Crone clarified the following:

- Policy #707 was a policy by ordinance shown in Chapter 2.60 of the Pinole Municipal Code (PMC). (Martinez-Rubin)

- Clarified if any military equipment failed it would be destroyed. As an example, if a drone was no longer usable, it would be a failed piece of equipment and would be destroyed and how it would be disposed would depend on the equipment. Other examples, such as rifles could not be sold to anyone other than a law enforcement agency. Whether a rifle or shotgun, once it reached its end of service life, it would be destroyed, with the functional part of the firearm destroyed and with the equipment logged and accounted for. (Martinez-Rubin)

- Clarified in addition to these public hearings, the Police Department also publicized through its social media channels its drone capability. Law enforcement was reluctant to publicize that at the time of an incident, but it was noticed to the public at appropriate times when reporting out on an incident. (Mayor Pro Tem Tave)

- Clarified any concerns with unauthorized drone use could be forwarded to the Pinole Police Department on its non-emergency line (510) 724-1111. Concerns with unauthorized drone flights may also be reported to the Federal Aviation Administration (FAA). (Mayor Sasai and Mayor Pro Tem Tave)

- Acknowledged a request to add the City seal to the Annual Report to be submitted as part of AB481 requirements. (Murphy)

- Clarified Commander Crone was the Pinole Police Department Operations Commander, with the Commander in that role to be assigned as the AB481 Coordinator. Commander Crone would serve in that capacity or any Commander overseeing the Operations side. (Murphy)

- No formal complaints or concerns had been brought forward by the public with respect to the Pinole Police Department's use of military equipment. There were multiple ways for a citizen to lodge a formal complaint, either by contacting the Watch Commander/Seargeant over the phone, contacting the Police Department via the website, and filling out a form. The Police Department was also working on an automated option on the website. Anyone may also come to the Police Department in-person to fill out a complaint form. (Murphy)

- Clarified a recent incident in Tara Hills had not involved the Pinole Police Department's Mine Resistant Ambush Protected Vehicle (MRAP) Emergency Rescue Vehicle (ERV). (Toms)

- Clarified armored vehicles were not always an MRAP, with the only armored vehicle existing in West County being the Pinole Police Department MRAP. The Contra Costa County Office of the Sheriff did have two BearCats, which were armored vehicles on a 550 platform and which fell under the category of military equipment per the Government Code, but were not a true piece of military equipment. (Toms)

- Clarified there were a couple of Police agencies in East County that also had armored vehicles. Pinole's MRAP ERV could be loaned out for use by another agency in an emergency or in an incident that required it through a mutual aid request. (Toms)

PUBLIC HEARING OPENED

Rafael Menis commented that he provided written comments in advance of the meeting. He referenced Page 188 of 764 of the agenda packet, the public hearing notice, which stated: *Copies of the text of the proposed ordinance will be available for public review as part of the City Council agenda and meeting packet no later than May 13, 2025 at 5:00 PM.*; however, this agenda packet had been posted on May 29, 2025. He asked whether the date was a typographical error or had something been posted on May 13, 2025.

PUBLIC HEARING CLOSED

City Clerk Bell understood the public hearing had been moved and that could have been an oversight in that piece. The ordinance was available for this meeting on May 29, 2025, and made available on the City website. The ordinance was a draft and this item would come back to the City Council on June 17, 2025 for further review.

In response to Council member Martinez-Rubin as to whether a motion was necessary, City Attorney Casher identified the staff recommendation as shown on the June 3, 2025 staff report, as follows: *Staff recommends that the City Council conduct a public hearing, review and approve the 2024-2025 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 AB481.* This was the first read of the ordinance, with the second read to come back on June 17, 2025 for formal adoption of the ordinance.

City Clerk Bell confirmed in response to Council member Martinez-Rubin that a motion was needed.

Mayor Sasai advised his position on this item remained consistent over the past few years. He thanked the Pinole Police Department for its hard work, but he would be voting in opposition to the item.

**Motion by Council members Toms/Martinez-Rubin for the City Council to conduct a public hearing, review and approve the 2024/2025 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 AB481.**

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

**B.** Approval of Increase to Waste Collection Rates (Prop 218). **Action: Conduct Public Hearing and Adopt Resolution per Staff Recommendation (Kelcey Young)**

City Manager Young introduced Scott Hanin, Principal, R3 Consulting Group, Inc., to provide a presentation for Item 10B, which presentation would also cover Item 12A.

Council member Toms asked if the City Council could consider Item 12A after the completion of Item 10B, to be able to keep the discussion on both items.

City Attorney Casher clarified that Item 10B was a public hearing. As long as the public hearing was conducted for Item 10B, the City Council may move forward thereafter to Item 12A.

Scott Hanin, Principal, R3 Consulting Group, provided a PowerPoint presentation on the City of Pinole, New Republic Collection Services Agreement, dated June 3, 2025, which included an overview of his personal background; the background of the negotiations process; key terms of the agreement; Franchise Fee Study and Findings; breakdown of the Residential Collection Rates and how Pinole compared with neighboring jurisdictions. He recommended the City Council accept the findings from the City Fee Study and adopt resolutions authorizing approval of revised rates effective July 1, 2025, execution of a new franchise agreement and use of rate stabilization funds (side letter).

Responding to Council member Toms, Mr. Hanin clarified the Residential Collection Rates graph, as shown in the PowerPoint presentation, depicted an 11 to 12 percent increase.

PUBLIC HEARING OPENED

Helaine Starr Jow, a 27-year resident of Alamo Street, reported her street had never been paved but there had been some repairs. Many of her neighbors were unable to park their vehicles in front of their homes due to a deep furrow on the street. The repairs that had been made consisted of filling of holes with asphalt, although trucks running back and forth over the filled holes had disrupted the asphalt with chunks in the road impacting vehicles. She asked how the street could be listed for repairs since she was uncertain the City would get funds from Republic Services to do the work. She added that years ago, a sewer line had been replaced from her driveway out to the middle of the street and the approximate $12,000 cost had been a painful expense for someone living on Social Security. She added there had been postings on NextDoor that the increase in waste collection rates seemed to be more of a tax than a fee and she expressed concern this could be another new tax when residents just voted in November to approve a new sales tax to repair City roads.

Bob Kopp, commented that while he was not concerned with an increase in the waste collection rates, he was aware of the cost increase of diesel fuel and the effects of cost increases on his own personal business. He found this proposal to be a new tax and not a fee and suggested the City was slipping this in as a fee increase since it would not require a vote of the people. He asked how much of his fee per month would come back from Republic Services, how the process had been set up and whether the funds to be returned to the City from Republic Services would be used 100 percent to repair damage to City streets from Republic Services trucks.

Mark Zimmerman, stated he had reviewed some of the documents related to the garbage rate increases. He asked the City Council to amend the resolution of approval for the item, and reduce the $1.2 million Vehicle Impact Fee (VIF) by at least half so the rate increase would be approximately five percent for the typical customer, which would be consistent with the key terms and keeping the increase under the Consumer Price Index (CPI). The Bureau of Land Statistics had shown inflation at 2.3 percent and if this rate increase occurred on July 1, 2025, it would be at least five times the current CIP and even more so for seniors. He pointed out there had been a rate increase on January 1, 2025 related to the CPI, the proposed rate increase was 13 percent for the typical customer for a 35-gallon bin and 19 percent for seniors, almost entirely due to the VIF. Seniors were bearing the brunt of this increase at 19 percent and he asked why the increase was so much more for seniors than the typical customer. Also, there was no sunset on the VIF, which would be in perpetuity every year and should be recognized.

Mr. Zimmerman added that Pinole's Housing Affordability Goals would not be supported by such a large increase, and he asked the City Council to also consider increased housing costs and anything that could be done to lower those costs. He too commented on the fact the City just passed a new sales tax and suggested current garbage customers should not be responsible for paying for years of deferred road maintenance. A five percent rate increase would be more consistent moving forward and reducing it would be relative to what the typical customer and seniors deserved.

Jason Littlefield, explained the prior speaker covered much of what he was going to say. He expressed concern with the legal exposure and highlighted the residential rates for neighboring jurisdictions and the fact R3 Consulting had mentioned there was a legal landscape for such fees that remained unsettled. He pointed out the current litigious society and found there would be great exposure in the legality and money involved in this proposal. Prior to July 1, 2025, there would be no VIF, and he suggested a tax should be considered so that voters would have a voice in the proposed increase. While not necessarily opposed to the increase, he found the fee appeared to be a workaround to a budget shortfall. As an experienced General Contractor and knowledgeable about budgets, he found the City had gotten behind and recommended a fee workaround as opposed to a tax and noted that being redundant took the voice away from the voters. He was also concerned that prior to this proposal no VIF assessment had been done and suddenly there were now significant VIF funds.

Mr. Zimmerman emphasized that garbage trucks had been traveling City streets for some time and he asked why VIFs were suddenly happening. He also found the $1.7 million identified for the pavement impacts, as shown in the PowerPoint presentation, only involved garbage trucks. Around $800,000 had been projected for the City's annual road rehabilitation, which was not a projected budget number but an estimated average which meant that amount had a wide swing. As a pragmatist, that swing would not go lower but higher. He also commented on the $500,000 shortfall between R3 Consulting's recommendation and the City's $1.2 million figure placing everyone at a shortfall again.

Marcia Joswick, Pinole, had many objections to the proposed increase in fees for solid waste pickup including the fact that the proposed increase in monthly residential fees had been calculated at a higher percentage for seniors than others at 18.4 percent, with non-seniors at 11.7 percent. She asked why seniors were being charged a higher rate, suggested that was discriminatory, and noted that any rate increase should be the same across the board.

Ms. Joswick stated in January 2025, Republic Services raised its fees and those fees would increase again in July 2025 and every year thereafter. Residents already approved a one-half percent sales tax increase in November 2024, which was to go to street improvements. The City wanted to make Pinole affordable for seniors but this was not leading to greater affordability. She objected to the legal ramifications of this proposal as indicated in the consultants' report that the fee was entering into an unsettled legal landscape. She asked why the City was placing everyone at risk. She also objected to the situation where Republic Services would now have to reimburse the City for damage their trucks did to the City's roads. Republic Services was not reimbursing the City but acting as a collection agency for money paid by residents and would simply return residents' money to pay for damage caused by Republic Services vehicles. She also objected to the fact there had been no workshop to explain this proposal and allow residents a chance to get questions answered. She suggested the City Council and staff had largely ignored residents' questions with the only opportunity to ask questions and raise objections to this unfair and possibly illegal increase limited to a single agenda item on a very long agenda. Additionally, she found the proposed fee increase to be discriminatory against seniors with legal liability disguised as a fee when it was really a tax.

Janet Wilks, commented on the concerns among Pinole residents regarding the 19 percent waste collection rate increase for seniors as opposed to the around 13 percent increase for other ratepayers. There was also concern about the VIF being a tax versus a fee, with legal precedent being set up and down the state, most notably Zolly v. City of Oakland 2022. If the legality of the VIF was challenged, it could lead to additional expenses for the City in terms of a legal defense and that should be considered if passing a VIF. She suggested the City Council include some funding in the budget to fund a defense of this proposal and she asked the City Council to consider not approving the VIF and rather pursue a tax proposal. If that could not be done, she recommended a reduction that would result in a five or six percent waste collection increase. She asked that the City not lay the burden of the VIF on seniors. She also commented it had been a challenge to have a productive conversation with City Council and staff about this issue since the passage of Proposition 218. She emphasized residents had repeatedly requested a workshop on this issue and commented on the difficulty in expressing the long list of concerns with only three minutes to speak at meetings. She suggested the City could do a better job in communicating on this side of the conversation since residents were feeling stonewalled.

Rafael Menis, thanked Ms. Wilks for her written comments which introduced him to Zolly v. City of Oakland 2022, where he found commentary from legal firm Best, Best, & Krieger LLP (BBK), discussing the case. He read into the record portions of the discussion and portions of the California Constitution and possibly two exemptions from Article XIII of the California Constitution, which may apply to the city's franchise fees, specifically Article XIII C, subdivision (e) (4) or Article XIII, C, subdivision (1) (e) (1) and the City of Oakland's response to the issue.

Mr. Menis referenced Page 241 of 764 of the agenda packet and commented that the presentation stated the annual use charge for special and lasting use of the solid waste containers was listed as a separate item from the annualized cost of pavement repair maintenance rehabilitation resulting from the unique impacts of street pavement caused by Republic's collection vehicles during the course of providing service. He asked the City Attorney to opine whether those would be linked to Article XIII, C, subdivision (1) or Article XIII, C, subdivision (e) (4), or some other cause or whether it would be more beneficial to consider this as many speakers had noted, as a tax. He asked for more specificity.

As to the actual cost to the City of road repair, and as stated in many prior Council agenda items, Mr. Menis suggested the cost to the City of maintaining the roads was well above what the City regularly expended in any given year since the overall cost of dealing with it all at once was much, much greater, which was why there were a number of estimates related to the fee for the impact for the service.

Debbie Long, found it disturbing there had been no discussion with the public prior to proposing the increase especially given the higher increase to the senior population. She suggested the City had hidden a $1.2 million tax in the guise of a fee, with no mention of this in the Proposition 218 Notice. Rather, the staff report stated the City was converting the Solid Waste 214 Fund into a VIF. She understood legally the City could not rename a fee to side step calling it a tax. A fee must be justified and meet the definition, which the VIF did not. She found this was more accurately defined as a vehicle impact tax, as it was more directly related to services. The definition of a tax was a charge imposed with a primary purpose of raising revenue. The definition of a fee was the purpose of recouping costs incurred in providing the service, and fees that disproportionately burdened certain groups of people were illegal.

In this case, a VIF was only being charged for the use of the garbage truck, but Pinole had many other large trucks and businesses that impacted roads and the City was not charging any of them a VIF, only garbage trucks. Taxes that were not taxes violated the principle of transparency by denying the taxpayer of making meaningful choices about public priorities. To charge a fee for the roads used by Republic Services was not in direct relationship to the service Republic provided. As a previous Public Works Director stated in a meeting regarding the City's roads, the City's roads could be gravel and they would still serve the purpose, and therefore logically speaking garbage could still be picked up with roads in any condition and therefore the $1.2 million fee was taxation by definition. A tax needed the vote of the people. All states, including California but excluding Oregon, adhered to a meaningful taxpayer-protected definition of taxes, and had rules requiring that any ambiguity in tax statutes could be resolved in the taxpayer's favor.

Ms. Long suggested that calling road repairs, including the calculations used as renting space of the cans, was not even close to the definition of a fee, and this City Council was guilty of hiding a tax and calling it a fee, not to mention that the reports stated the $1.2 million "could" be used for road repairs, not "shall" be used for road repairs, with no mention in the resolution or the attachment of the $1.2 million. She suggested the City Council needed to tighten its belt, engage the community and be transparent instead of trying to approve a tax under the guise of a fee, and perhaps the City Attorney should look into the ambiguity of trying to pass a tax as a fee not to mention converting one fee that was totally unrelated to the new proposed tax.

Kathleen Tobin, representing the Willowbrook Homeowner's Association (HOA), a 106-unit residential development on San Pablo Avenue, commented on the incredibly poor service from Republic Services. She had not followed the details of the increase but strongly opposed any increase in fees. She reported the HOA Board of Directors had written letters repeatedly to the City of Pinole that were never passed on to Republic Services. The letters raised concerns about absent garbage pickups, the fact the HOA had to hire a pest management company and with the situation having escalated into a serious health and environmental hazard since the prolonged accumulation of waste attracted pests and created unsanitary conditions. As a result, the HOA was strongly opposed to any increase in fees by Republic Services.

Mary Horton, former Mayor for the City of Pinole, thanked former Mayor Long for her excellent presentation and having raised some of the points she had with the proposal. She had received no notice about the proposal on a subject that was potentially litigious and confusing to the public, particularly given the suggestion that the fees were higher for seniors. She suggested the City should consider holding a workshop, be transparent, and if there was a direct through line with garbage trucks causing all of the upheaval on the roads, Republic Services should pay the City a fee for using City roads rather than the other way around. She added that WestCat buses, school buses, FedEx, Amazon and U.S. Postal Service trucks also used City streets. She recognized why there had been litigation around this issue, she had been through it as a Mayor, it was not fun, particularly when speaking with constituents. She did not support the VIF and urged the City to tread lightly.

William Horton, commented he had voted for utility and sales taxes in Pinole from 1998 through 2024, and was concerned the proposed increase would come so soon after the passage of the increase in sales taxes in November 2024. He asked the City Council and staff to provide the public with details of every year of expenditures.

Noreen Buller, a senior, opposed the garbage increase since it did not adequately justify the reason for the proposed increase. There was no mention of changing the Solid Waste Fund into a VIF, much less stating that $1.7 million or $1.2 million would be added to garbage invoices, which would add roughly $50 to each billing cycle, in addition to the rate increases from Republic Services. She asked why this had not been discussed openly, noting that members of the public requested a workshop, which request had been ignored. It appeared as if the City was trying to pass a tax while calling it a fee and if vetting in a public forum, calling the tax a fee would be met with resistance. She found the biggest issue was this was a tax, not a fee, and a fee would be for providing the cost of services, with taxes imposed as a revenue generator.

Ms. Buller commented the $1.2 million in taxes would not provide a service, but a road tax, and taxpayers already paid for road repairs. She emphasized the biggest promise of the recently passed Measure I was that it would go towards road repairs. She asked when that work would start. She commented the lack of transparency and accountability was disturbing, and she hoped the City Council would listen to the comments, split its vote into two actions; one to vote on the rate increase and the other on the tax increase, and put in on the ballot for the people to decide.

Irma Ruport, agreed with the comments, noted she had been back and forth with the City Council every two weeks and decried the lack of communication. The City had two stations with PCTV, a Communications Director, and the public was clueless about what was going on. She suggested the City Council needed to get it together and ensure communication was out in the public as it should be. She agreed a workshop should be held, recognized there may not be enough staff, but the City Council needed to be transparent and inform the public. She wanted the City Council to do better, communicate and get on the ball.

Anthony Vossbrink, echoed the previous comments and suggested just hearing from a few people in the Council Chambers could be multiplied if there was a Town Hall or public workshop. He suggested the City Council should stand up to Republic Services, not make back room deals. He emphasized most seniors were on fixed incomes, living off of Social Security and little else, and the proposed increase would burden seniors who did not use a large trash bin. He suggested the discrimination against the seniors in the community should be investigated.

Mr. Vossbrink also asked what was occurring with recycling work at the City level, and asked about the status of recycling bins outside of the Senior Center, Pinole Library, tennis courts and Pinole Valley Park. He understood the City combined all bottles and cans into their trucks even though they were pre-separated, and were taken to the Corporation Yard for Richmond Sanitary Service to pick-up. He questioned whether recycled items were really being recycled, and asked for more transparency with the public. He requested that the senior rates be adjusted downwards and that the majority on the City Council keep this item open for further discussion.

PUBLIC HEARING CLOSED

City Attorney Casher clarified in response to the public comments the distinction between a tax and a fee. A tax was mandatory payment or charge collected by the City for the primary purpose of raising General Fund revenue. It was not tied to a specific service but a tax paid for City services more broadly. The sales tax, as an example, was a tax imposed with no specific service tied to it. A fee was a charge imposed for the primary purpose of covering the cost of providing a specific service directly to the rate payer. The solid waste fee being imposed and discussed, was not imposed on every resident in the City but imposed on a property owner who received collection services through the Solid Waste Franchise Agreement. The fee being imposed was for the service Franchise Agreement, the cost of the total service for the Franchise Agreement. The Nexus Fee Study that had been prepared was the analysis of the overall cost of the service, and for each of the rate payers was a portion based on the size of the trash bin, all calculated and referenced in the Nexus Fee Study.

The distinction under the California Constitution referenced the fee not exceeding the cost of the service, which was the purpose of the Nexus Fee Study that laid out the total cost of the service including the VIF, and the impact on roads of the Republic Services trucks driving over it, and that was the justification for why the fee was what it was.

City Attorney Casher added the Zolly v. City of Oakland case was a challenge to Franchise Fee Agreements more broadly and was not specific to VIFs. It was to address the issue of cities that were imposing a franchise fee without any Nexus Fee Study, and arbitrarily coming up with amounts not tied to the actual service without demonstrating that the fee for service did not exceed the actual cost of the service. That had been addressed by the Nexus Fee Study and pointing out the cost of impacts to the City's roads. The VIF proposed was lower than the actual impact provided for in the Nexus Fee Study.

Mr. Hanin acknowledged the concerns with the senior issue and commented that even the issue of a senior discount was potentially subject to the same fee issue the City Attorney discussed, with the presumption that if the non-senior rate was $50 as an example, and the senior rate was $45, using the same truck, driver and fuel, it could wind up that everyone who was not a senior would be subsidizing the senior rate. Because of that, many jurisdictions had eliminated special rates given the same pervasive fear that everyone was suing everyone over every fee. Since there was already a built-in rate where the senior rate was roughly $3, pursuant to Page 30 of the Franchise Agreement, it included specific language on senior discounts at the contractors' good will. In exchange for the good will of the City and the general public, the contractor would voluntarily agree to discount the rate it charged for solid waste services and the maximum rates should not be otherwise paid for or subsidized by any other service recipients.

While the rate increase was more for seniors, it was because that gap was $3, and through the negotiations there was a desire to maintain a lower rate and they got to $2 as part of the total package of Republic Services' rates, and were making up the senior discount. It was not a subsidy, which was the way of maintaining at least a $2 discount for seniors, being done as part of a negotiated settlement where Republic Services was giving the discount to the City as part of the total package of negotiations.

Council member Martinez-Rubin understood as part of the negotiation process the contract was offering something to seniors, but it was not apparent or obvious, and as a result the total monthly rate appeared to be great. She referenced Table 1, as shown on Page 233 of 764 of the staff report, which summarized the proposed July 1, 2025 rate components as compared to the figures in the PowerPoint presentation, which may be why it was difficult to understand the rates shown and the negotiation process. She also referenced the table of Residential Collection Rates, as part of the PowerPoint presentation, and clarified with Mr. Hanin how the rate increases in percentages had been calculated. Based on the information shown, she asked why the increases had been shown as they had.

Mr. Hanin again walked through the Residential Collection Rates, in particular the 35-gallon senior and regular 35-gallon rates as shown in the PowerPoint presentation, and commented the increase to the VIF for everyone, residential and commercial, had been two and half times higher, with a math issue happening because the $2 change had been negotiated. The senior calculation made the rate change higher, from a $3 difference to a $2 difference, which had increased the VIF proportionally. It really came down to the $3 spread between the two rates becoming a $2 spread and adding the VIF, resulting in the six percent or so difference.

Council member Martinez-Rubin again referenced the Residential Collection Rates, acknowledged seniors had been paying a little under $3, and it seemed they were making up for fees that had not been collected, but Mr. Hanin suggested focusing on the collection rate as shown in the table. He recognized it was difficult when speaking of 44 cents to percentages that seemed big, but the collection changes tried to keep, and to Republic Services' credit, the ability to use the solid waste fee that had been collected. There was a relatively small collection increase, with the fee spread evenly across the board for residential and commercial ratepayers, and it would be two and a half times what it was now. The two-and-a half-time increase was reflected in the overall cost increases. He clarified that with the ending of the franchise agreement; there was an opportunity to review the agreement including the fees.

Mayor Pro Tem Tave referenced the Draft Agreement, Line 1019, Section 6.02, which spoke to the senior discount and goodwill and noted the spirit of that element of the agreement was still there. He acknowledged comments from the public asking how the money would be accounted for, which was very important. He believed in return to source, if the fee was generated by something it would return back to that intent. He asked whether the City Manager, City Attorney and Finance Director could provide details on how that would be reported this time next year.

City Manager Young explained the VIF as part of this arrangement would have to be recorded as a separate line item in the budget and would be something that could be easily reported on annually through the audit and budget processes. The intent and understanding of how VIF could be used was to potentially support the City's public waste process, but primarily it would only go towards roads and not the General Fund.

Mayor Pro Tem Tave asked about the current CPI and what that meant in relation to the discussion around the five percent increase. He sought insight as to what that 18-month freeze would do for the City and how the CPI tied into that.

Mr. Hanin clarified the 18-months meant the City did not have to do this in six months, which was the normal schedule and did not have to adjust rates until January 2027. The water, sewer, trash over the past 20-years on average adjusted four and five percent and the CPI had run a little bit less. He offered an example of when inflation spiked a few years ago and where cities had faced significant increases, and although inflation during most of the current agreement was relatively flat, there were spikes at the end. As part of negotiations, since the indexes had been running three to four-and-a-half percent, a five percent cap had been included to protect the City from potentially significant inflation. Although Republic Services was entitled to attempt to recoup that in the next year or the following year, if the inflation came back down it protected the City from any spikes above five percent.

Council member Toms thanked the speakers who provided questions ahead of time and thanked the City Manager and staff for responding to those with their Frequently Asked Questions (FAQs) and responses. Speaking to the fee for the impacts from the service being provided, the estimate was $1.7 million, but had been reduced and was now proposed at 75 percent of that total.

Council member Toms acknowledged comments the City Council should consider splitting that in half again, and noted if that were done, they would be down to almost where the solid waste fee was currently or a bit higher. At this time, the VIF was for direct impacts associated with garbage trucks. She was aware the City could not and it was almost impossible to charge other delivery impact fees, but with respect to construction there were many times when a construction project was approved that the conditions of the roads before and after construction were noted and the contractor was required to make repairs applicable to damage, which directly addressed the impacts of the vehicles on the roads that created damage to them.

Council member Toms added that Measure I had not been a 100 percent fix-all for liability for road improvements and was never meant to cover the vast work that needed to be done; it was just one part of it. This proposal would not replace Measure I since there was a huge liability the City had in its road system.

Council member Murphy offered a motion, seconded by Mayor Pro Tem Tave, to adopt a resolution authorizing increases to the Solid Waste Collection Services Rates.

On the motion, Council member Martinez-Rubin commented she had reviewed her notes as to whether the comments made by members of the public had been addressed. They had discussed via the City Attorney, the explanation of a fee versus a tax, why now, an opportunity presented itself to analyze the costs associated with the services provided as well as impacts to the City because of the provision of these services, and the City's inability at this time to charge other large vehicles such as Amazon trucks. She noted that in a different state policy committee she sat on and there were no means currently to incur charges. She commented they also had to consider the weight and recurrence on certain City streets, the damage done by the greater weight of vehicles and the frequency of those vehicles on the street, which was different compared to how WestCat buses traveled on its routes.

Council member Martinez-Rubin commented the history of VIFs had been discussed, the City was in need of funds to cover its pavement program since the City was behind in addressing the maintenance and the necessary repairs and would continue to be. There had been a lot of deferred maintenance and now in 2025, the City was confronted with some of that deferred maintenance. Over the years, the roads had been needing more repairs and those repairs now had to be done and the means to do so had to be found. She also referred to the questions about "can" or "shall" be used and the interpreted ambiguity about the language of the VIF, and commented that because it was a fee it was meant for a specific use. Given the immediate need to repair City roads, there was an opportunity to levy this fee for road repair.

Council member Martinez-Rubin noted with respect to any correspondence received by the City from the Willowbrook residents and the HOA, that more research needed to be done to determine what happened with the letters the HOA had provided. Communication with Republic Services had occurred, most recently the negotiations of the contractual agreement. She was curious whether there were ever times when Republic Services had gone without providing services to particular areas of the City and hoped to have an answer to that later.

Mr. Hanin commented with respect to communications between the Willowbrook HOA and its residents that Republic Services should be present to respond, and Council member Martinez-Rubin asked that Republic Services respond to those concerns.

Council member Toms commented that her concerns were that the CPI was 2.3 percent and then utilities were estimated at 4 percent, and the increase would represent an 11 to 19 percent increase, which was a hard hit for people, particularly those with fixed incomes. Rather than a VIF, and cutting it in half from the net as described in the PowerPoint presentation, which was already a 75 percent reduction of the actual costs, the City could consider something in between for an easier number so the increase would not be so high. She asked whether there was interest in taking a look at those numbers and returning with something in between if that was the will of the City Council.

Council member Martinez-Rubin wanted more information to address that question by the next City Council meeting and bringing the item to a vote at that time.

Council member Toms clarified, for instance, that the City was looking at the estimated cost at $1.7 million, yet that had been reduced by 75 percent, which was what had been recommended at $1.2 million. If taking the base of $1.7 million and instead only take 50 percent of that total, there would be a total of $851,720. She was not ready to translate that onto the schedule of what the VIF could be since it needed some math, but suggested it was a way to allow the City to do something in between and would be a more conservative approach to the VIF based on actual estimated costs and bringing it down closer to the CPI.

Mayor Sasai asked whether that was something staff could calculate at this meeting, and City Manager Young explained that would take some time for staff to do and bring back and that would also change the VIF, which was something to consider as well.

Council member Martinez-Rubin commented they were speaking of a 15-year period, not only savings for a certain group of people, but the roads would continue to degrade and costs would increase. She was leaning more toward if they could have the funding to do the repairs now, either pay now or later, but someone would pay.

Mayor Pro Tem Tave referenced Table 2, 1/1/2026 Estimated Residential Rate Survey, How does Pinole compare? as part of the PowerPoint presentation, and commented that he and his colleagues had asked that question for the past four years. Based on the information, the cities of Pinole, Hercules and El Cerrito were about the same size and the cities of Pinole and Pleasant Hill had enjoyed low rates for a long time, although their peers were in the middle range. He recognized the work to keep the value and intent of the contract intact and still address the looming issues, and while $1.7 million would bring Pinole closer to the City of Concord range, Pinole was middle range for towns around it and the services provided, which had to be taken into consideration moving forward, particularly with services lacking.

Mayor Pro Tem Tave commented the City Council also had to take into consideration that roads did not degrade linearly, they must be rebuilt at extreme cost, and the strategy was to recoup some of those costs. The proposed fee would responsibly send that money back to the roads in partnership with Republic Services.

Mayor Pro Tem Tave added that street sweeping services were usually the ones picking up the gravel on the roads that was broken up, which meant there had to be more runs to clean the road. He found the VIF to be moderate. The spirit of the contract still held with what the City had in the past, and going to $1.2 million rather than $1.7 million kept them to a reasonable amount of increase. He asked about the total increase the City would absorb per month.

City Manager Young advised on average it would be around $5 per month.

Mayor Pro Tem Tave found that to be a fair rate. It would generate close to $1.2 million per household with a rate increase that would be fair, reasonable, and in the spirit and intent of the contracts and he wanted that to be a consideration as well.

Council member Martinez-Rubin asked the City Manager to again explain the average per month, and City Manager Young referenced the Residential Collection Rates table as part of the PowerPoint presentation, and based on the information shown, there would be around a $4.06 increase but a bit more increase for seniors, which was just under $5.

Mayor Pro Tem Tave noted that under Section 6.02 of the contract, Republic Services was required to reach out to the community and notify ratepayers about the $2 rate and whether it was built into the contract.

Mr. Hanin advised Republic Services would inform residents of the new rate, it had been posted on its website, and if the City Council adopted the new rates, they would be made public and shared with Republic Services customers. He again clarified the Residential Collection Rates table as part of the PowerPoint presentation.

Council member Murphy restated the motion to adopt a resolution authorizing increases to the Solid Waste Collection Services Rates.

City Attorney Casher advised for the record that as part of the Prop 218 public hearing process, the City had received 115 written protest/objections. As identified in the public hearing notice, it would require a majority of the property owners/customers of record, and having conducted the public hearing, the City Council was authorized to approve the rates as proposed, or make modifications.

**Motion by Council member Murphy/Mayor Pro Tem Tave to adopt a resolution authorizing the increases to the Solid Waste Collection Service Rates.**

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

The City Council moved forward to Item 12A at this time.

## 12. NEW BUSINESS

**A.** Adopt a Resolution Authorizing the City Manager to Execute the New Solid Waste Franchise Agreement with Richmond Sanitary Service, Inc. dba Republic Services and to Execute a Side Letter Agreement Regarding Use of City Rate Stabilization Funds to Offset Maximum Service Rates. **Action: Adopt Resolution per Staff Recommendation (Kelcey Young)**

City Manager Young clarified the prior presentation provided the overall entire package. This item would bring the Franchise Agreement forward but there could be a few minor modifications made, such as typos or word changes, otherwise the draft before the City Council was the draft staff recommended. A Side Letter was included with Solid Waste Funds to be used to supplement the rate so the community would not feel a significant rate increase, already reflected in the rates discussed, at $200,000 annually.

PUBLIC COMMENTS OPENED

Rafael Menis, spoke to the implementation of the rate increases and noted as indicated in written comments he provided to staff, and a carryover from Item 10B, for the annual automatic inflationary increases to be approved and implemented each January 1, 2027, thereafter, through and including January 1, 2029. He asked if that meant on each January 1 from 2027, 2028 and 2029. Also, Page 764 of 764 of the agenda packet included Exhibit 10, Acceptable Recyclable Materials, and he commented it appeared there were more items than in the past that were acceptable for recycling at Republic Services, some of which he read into the record, particularly pizza boxes, which he understood fell more in the green waste category, and polystyrene (Styrofoam), which he understood was not a recyclable item. He asked whether all lof the items listed in Exhibit 10 would now be recyclable under the agreement.

PUBLIC COMMENTS CLOSED

**Motion by Mayor Pro Tem Tave/Council member Murphy to adopt a resolution authorizing the City Manager to Execute the New Solid Waste Franchise Agreement with Richmond Sanitary Service, Inc. dba Republic Services and to Execute a Side Letter Agreement Regarding Use of City Rate Stabilization Funds to Offset Maximum Service Rates.**

| | | |
|---|---|---|
| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Martinez-Rubin, Murphy, Toms** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

The City Council returned to agenda Item 11, Old Business at this time.

## 11. OLD BUSINESS

**A.** FY 2025/26 Revised Proposed Operating and Capital Budget. **Action: Receive a Report (Markisha Guillory)**

Finance Director Markisha Guillory provided a PowerPoint presentation on the Fiscal Year (FY) 2025/26 Revised Proposed Operating and Capital Budget, which included information that had previously been presented to the City Council and Finance Subcommittee on multiple occasions during meetings held in February through May 2025.

The General Fund Revised Proposed Budget Highlights included the City's baseline budget, which was balanced as ongoing revenues equaled ongoing expenditures. The baseline budget revenues and expenditures were consistent with the prior forecast as there were no major changes to assumptions, with status quo staffing and service levels, new sales tax revenue expected to generate approximately $2.6 million, the General Reserve amended to 25 percent from 50 percent of total ongoing General Fund expenditures with proceeds being transferred to the OPEB Trust, and Staff Travel and Training Budget reductions did not include any potential salary adjustments that could result from labor agreements. In terms of the financial goals, they included the development of a fiscally sustainable budget annually and in future years, maintaining a positive net position whereby total assets exceeded total liabilities, maintaining a positive cash position by implementing balanced budgets with no deficit spending and addressing unfunded liabilities.

The Revised Proposed General Fund Budget; Baseline Revenues and Expenditures, Travel and Training Budget Reductions, General Fund One-Time Budget Items, Recreation, Building and Planning, PCTV and Sewer Enterprise Funds were all highlighted.

Other budget updates included:

Reserve Policy Amendment

- Reduced reserve level from 50 percent to 25 percent of total ongoing General Fund expenditures.

- Proceeds of $2.4 million would be transferred into the Section 115 Trust to set aside funds for OPEB (retiree medical).

- A portion would be transferred into the General Fund to offset OPEB costs.

- Estimated General Reserve Balance, 6/30/25: $10,252,000.

- 25 percent of Total Ongoing General Fund Expenditures (Amount to remain in General Reserve) $7,852,845.

- Amount Available to Transfer to Section 115 Trust $2,400,000.

The City Council also directed staff to include a new Associate Civil Engineer to be added to the Sewer Enterprise Fund and explore debt financing for major road projects ($15 to $20 million over a 15-year period, as directed) and return to a future City Council meeting with more information.

The Revised Proposed Budget also currently included an allocation of $4,250 per Council member for a total of $21,250 for City Council Travel and Training allocations. If any changes were made to increase the amount, that amount would have to be reduced elsewhere in the budget to ensure a balanced budget.

Finance Director Guillory advised the FY 2025/26 Revised Proposed General Fund Baseline Budget was balanced but very lean. Staff would continue to explore options to generate revenues, including grant opportunities, sponsorships and others as well as to capture expenditure savings. She recommended the City Council review the FY 2025/26 Revised Proposed Operating and Capital Budget and provide direction to staff for changes to incorporate into the next draft of the document, with the Final Proposed version for City Council adoption scheduled for June 17, 2025.

Responding to questions from the City Council, Finance Director Guillory, City Manager Young, and Community Services Director Andrea Dwyer clarified the following:

- No action was being asked of the City Council on the budget at this time, only feedback. If Consent Calendar Item 9F was not approved, more work would be required on the budget since there was a transfer in from the OPEB Trust to the General Fund. (Mayor Pro Tem Tave)

- The new Associate Engineer position had been included in the current budget. The job description and key responsibilities for the position could be provided at the June 17, 2025 meeting. (Murphy)

- With respect to the Holiday Tree Lighting event, the community desire for a tree similar in size, impact and to the standards of the 2023 tree, not the 2024 tree (which involved feedback from the community about the poor size of the tree), was noted. Staff reported the company providing the tree for 2025 had been asked to inform the City in advance via photographs of the tree prior to delivery to ensure the tree was full and that information could be shared with the public. Staff would seek donations for the cost of the tree with the tree to be similar in pricing and size as the 2023 tree. (Murphy)

- Clarified the 2023 tree had been donated to the City, and whether that could be tracked, would require further research. The 2024 tree which the City had purchased could be tracked through receipt of payment. (Murphy)

- This year's budget included integration of Measure I funding. Measure I funds were General Funds with the details in the budget document. A large portion of Measure I funds would go towards public safety, roads, park maintenance and a portion to recreation programs. The percentage of Measure I funds allocated to each Department could be provided at the June 17, 2025 City Council meeting and staff could include a summary in the staff report for the June 17 meeting, with details where to find the information in the budget document. A separate audit report would be required for Measure I funds at the end of each year, similar to Measure S funds, reconciled to the ballot language, and would be a part of the Annual Comprehensive Financial Report (ACFR) with a couple of small reports that also accompanied the ACFR. (Murphy)

- Clarified the Staff Travel and Training Budget Reductions and acknowledged a request for staff to detail the specific travel and training that would be impacted by the reductions for each City Department, with staff clarifying the reductions involved some professional conferences in various professional areas of expertise and some memberships to a number of professional associations. For the Police Department, the reductions would impact Officer Wellness Programs. (Mayor Sasai)

- Clarified the Public Works Department, Park Caretaker position had been vacant for at least three or four years. The position involved a reduced rent for a person to reside in the Caretaker's House to maintain the grounds around the area. The position would be funded by whoever occupied the house. There were no plans to fill the position at this time, with staff to come back at a later date with a recommendation for the usage of the property. Staff clarified the space for the position had been held in the budget since it would not cost the City anything. Should there be an opportunity to consider that in the future staff had not completely cut the position fully allowing staff to bring it back to the City Council at the mid-year budget review or when financial circumstances had changed. The position had been shown in the budget as a part-time position (not funded) and the City would only receive revenue if the property were occupied ($15,000 for the rent for the person occupying the caretaker's house). (Mayor Sasai)

- Clarified Special Events, specifically the Car Show, was privately hosted. The City Council budgeted $30,000 within the Community Services Department for Special Events. The collectors for the Car Show paid a park permit fee (through the Parks Department) and parade permit fee (through the Police Department), which fees were under $100. The event organizer pursued donations after the event. Direct revenue to the City was a donation to the organizer's choosing. The total costs for staffing and supplies for the event was closer to $70,000, as reflected in 2024 for the 2024 Car Show including staff from the Public Works and Police Departments, which higher number accounted for staff all-day costs for the event. Staffing costs only for the Car Show was $35,000, with the total of $70,000 for event supplies, staff time and overtime. The staffing cost only for the Fourth of July event was $16,000, with 3,000 having attended the event in 2024. (Mayor Sasai)

- Measure I funds would come in monthly with sales taxes but with a two-month lag. (Mayor Pro Tem Tave)

- There were a lot of unknowns with the current economy and over the next few months, staff would conduct more analyses and consider potential revenue sources and track costs more specifically than had been done before and bring that forward to the City Council as part of a larger discussion. Staff hoped there was the possibility the City may have better revenue and be more comfortable in the future, but due to the unknowns in the economy staff may have to make a lot of assumptions in different directions. Staff described the budget as being "balanced on a knife's edge" given potential expenses and a possible reduction in sales taxes due to tariffs. There was a good chance during the mid-year review, the City Council would have a better understanding of what the economy looked like. Staff was being conservative to account for those possibilities and could be even more conservative, but it was something that could be reassessed in another six months or so. (Mayor Pro Tem Tave)

- Acknowledged a request that impacts to City services due to the economy be metered to minimize impacts to existing programs, with the knowledge more information would be known in the next couple of months. (Mayor Pro Tem Tave)

- A Master Fee Schedule for the Recreation Department was due to be presented to the City Council soon since the Master Fee Schedule had not been updated for some time. Staff would provide a comparison to neighboring agencies to ensure services matched the quality and costs. (Mayor Pro Tem Tave)

- The methodology used to estimate staff costs per Community Event was highlighted and based on costs for part-time, full-time and Police Department staff including any overtime, and reflected the staff who were paid for work the day of the event. (Martinez-Rubin)

PUBLIC COMMENTS OPENED

Rafael Menis provided the following comments on the budget:

- For the Car Show, as to the direct economic impacts of the contributions from the hosts to whatever entities funds were contributed to and the indirect economic development impacts of having the event in Pinole, asked whether staff had any estimates of the indirect economic impact of the Car Show in the City of Pinole/surrounding businesses as part of its economic development model.

- For Measure I funds, noted there was a segment in the budget, Fund 107, Page 340 of 764 of the agenda packet, which listed the specific values that Measure I funds were planned to be spent on and highlighted that information as shown.

- As to where cuts were being made, felt uneasy around classifying cuts to the Police Department Health and Wellness Programs falling under Travel and Training which seemed a different thing categorically, similarly to non-mandatory spending.

- Given the City's budget constraints with Police salaries, suggested cutting Police Health and Wellness Programs could potentially have negative impacts on retention and should be considered as part of the broader policy impacts of funding.

- Noted if the various City Departments were making cuts to their Travel and Training Budgets, increasing funding to the City Council Travel and Training Budget looked bad just as a pure matter of optics.

Irma Ruport, reported she had received a lot of comments about the Christmas tree and suggested the downtown appeared too dark and perhaps lights could be hung in the downtown, which had been done in the past and looked decorative. In terms of the classifications and new job descriptions, as a former Human Resources person, she wanted the job descriptions detailed on the agenda when those jobs opened to allow a description of the requirements and education needed to fill the position As to the Car Show, she had submitted an email to the City Council which she understood the City Attorney had seen and she asked that her questions be answered as soon as possible. If there was any damage to City property during the Car Show given it was operated by a private entity, she suggested any damages should be assessed and paid for by the private entity rather than the burden being placed on taxpayers, and recommended the requirement for a deposit. She added PCTV had not participated in many community events, and if it was not being used fully funds for PCTV should be used elsewhere. As to the City Council Travel and Training Budget, she suggested the City Council should have travel and training, get out of the City and go to other places, to network and put Pinole on the map. She appreciated those Council members who had traveled outside the City and reported back meeting people that could impact the City of Pinole.

Anthony Vossbrink, asked that the numbers for the Car Show and Fourth of July events be revisited. He asked whether the Car Show was valued absent the estimated number of attendees over the Fourth of July drone show. He found there was a disconnect with the numbers reported for the event last year and in 2023, and his understanding the City underbudgeted the event by roughly $30,000 to $50,000. He also referenced the fact a couple of years ago the fireworks show had been canceled by the Fire Marshal. In 2024, the Fourth of July drone show had been budgeted between $30,000 and $50,000 but ballooned to $80,000. He asked for clarification as to how the costs for the Fourth of July Show for 2025 had been reduced so significantly as compared to what had been paid in 2024. He suggested the money was not well spent with regards to the type and quality of drones for the 2024 event and commented that another city in the country had a drone show that experienced technical problems, injuring a number of people, which could be a concern for Pinole. He also asked about the recommendation to reduce the General Reserve level from 50 to 25 percent whereas other cities had a 60 or 70 percent cash reserve.

PUBLIC COMMENTS CLOSED

Council member Toms thanked staff for the budget presentation. In terms of the City Council Travel and Training Budget, she suggested it was appropriate to go back to $4,250 per Council member, particularly since other City Departments made reductions to the Staff Travel and Training Budget, and it was only fair.

Council member Toms pointed out there were some alternatives to traveling, Council members did not necessarily need to visit representatives in Washington, D.C. since representatives were frequently available locally, which was the direction she wanted the City Council to take.

Council member Murphy clarified with Finance Director Guillory the shortfalls in the budget for the operation subsidies had been fully funded with the transfers-out from the General Fund into those funds, as shown in each of the operating funds in the PowerPoint presentation, and who detailed in depth how the budget had been balanced.

Council member Martinez-Rubin concurred with the comments about keeping the City Council Travel and Training Budget at $4,250 per Council member since it was non-critical, not mandated and with plenty of opportunities in the state and regionally with conferences provided by the League of California Cities and Institute for Local Government that were all accessible to Council members. She recommended keeping the budget as it was in FY 2023/24, which had served well until some Council members recognized opportunities to travel nationally. She agreed there were alternatives and networking could be done locally in the District Offices of Congressional representatives.

Council member Martinez-Rubin suggested Council members were knowledgeable. It was a privilege to serve and not receive any entitlement for travel and training, and Council members could be selective in the conferences attended. She added if Council members used the funds allotted for travel and training, they should ensure bringing back information after those events to allow the City Council and the public to learn about the benefits to the entire community.

As to the allotment of funds for Special Events, Council member Martinez-Rubin noted last year the City Council had supported the City being the lead agency/organization with respect to honoring veterans. The City did not have a Veterans Day event and there were models from other cities for such an event, which had been held in Pinole until 2023. Until that time, the Pinole Historical Society along with the City of Pinole had coordinated the event, which was well attended and documented in the archives that PCTV recorded. Given the connection with the Valor Village development, the City could include and integrate some of the veterans who resided in the facility for that particular activity. She asked that Special Events, under Community Services distribution of funds, itemize a Veterans Day event as part of a Special Event listing and the City Council consider at least $1,000 allotted for expenses associated with the event since costs would be limited other than a permit and staff time. There were resources already available with the County and the City could further enhance those relationships with the County.

Mayor Sasai thanked staff for being willing to return with more details on the impacts from the Staff Travel and Training Budget reductions. He understood there was no need to make adjustments to the Holiday Tree Lighting ceremony other than to ensure there was a better-quality tree for 2025. In terms of the Fourth of July event, he recognized it was the most expensive event the City hosted and as such he was not in favor of continuing the event, which had been budgeted at $50,000 in addition to $16,000 for staffing expenses. He did support including a Veterans Day event as a line item for the budget and found it great to connect with the veterans and hearing the stories from residents of Valor Village and City employees who were veterans. He recognized honoring veterans was something missing in the community at this point in time and such an event was not something that would require a large amount of money.

Mayor Sasai again recommended that the Fourth of July event be discontinued. He understood the City of Hercules hosted a fireworks show and the reason Pinole had switched from fireworks to a drone show in previous years had been due to environmental, wildfire and public safety concerns. People could be referred to the Hercules fireworks display and the City could share those resources in that way as a West County community. He suggested replacing the Fourth of July event with a Veterans Day event and possibly a member of Congress could be invited to participate.

Council member Toms clarified that if discontinuing the Fourth of July event that would be for 2026, not 2025, which event had already been set and that change would show up in the FY 2026/27 budget.

Mayor Sasai understood his recommendation to discontinue the Fourth of July show would be in the FY 2025/26 budget but the event would not be discontinued until 2026, with staff having already planned the 2025 event.

Council member Toms liked the idea of sharing regional fireworks shows and reported there would be an event in the City of Richmond on July 3, 2025. For the Fourth of July in 2026, the City could direct and advertise that event on Richmond's behalf. She also liked the idea of bringing back the Veteran's Day celebration.

Mayor Sasai also would like to see staff explore options for the host for the Car Show to see whether they could contribute or solicit in terms of sponsorships to make the event more affordable on the City's end and that be reflected in the budget, if possible.

City Manager Young commented since the City Council was almost at the end of the budget that would be challenging to be able to come up with an estimate, although if the City Council wanted to come up with a new amount of a budgeted amount, that was something staff could work around. It would probably require scaling back in certain areas.

Mayor Sasai understood the staffing for the Car Show was $35,000 more than the actual dollar amount reflected in the budget, with the City contributing significant funds for staffing for Police and Public Works. He wanted a line-item break down of what was included in the $35,000.

City Manager Young confirmed some of that data could be brought forward since staff was tracking the event more thoroughly than had been done in the past. After this year's event, staff would have a better grasp of the exact costs and economic impacts and would reach out to local businesses to determine for this event and others, whether businesses were impacted by community events and staff could bring back that data as well.

Council member Murphy asked what would happen if the Staff Travel and Training Budget items were reinstated, and Finance Director Guillory advised if that was done, staff would have to go back and find the funds elsewhere.

City Manager Young also did not have a recommendation on that issue, but there were areas they could look at. From the staff side, this was about the seventh version of staff working through the budget and taking out as much as possible. She explained there was little left to cut.

Finance Director Guillory further responded to Council member Murphy and commented if reinstating the Staff Travel and Training Budget, at the direction of the City Council, the $63,000 in funds that had been cut would require a reduction elsewhere, such as community events. She also clarified the recommendation to reduce the General Reserve from 50 to 25 percent. If the City Council were to consider giving $2.3 million to OPEB (rather than $2.4 million as staff initially recommended, which amount was not a requirement) and give staff back its Travel and Training Budget that option could be discussed among staff and the City Council.

Council member Murphy commented there had been recent staff turnover and staff would benefit from the training opportunities. He also referenced the 2022 Long-Term Financial Plan (LTFP) and the need to consider policy alternatives. With respect to the amendment to the General Reserve from 50 to 25 percent, he suggested it could all be placed in the Section 115 Trust, with the exception of the Staff and City Council Travel and Training Budgets.

City Manager Young explained while that could be an option it would put the City in a position of having a larger deficit in 2026. Staff had considered with the General Reserve having more or less the ability to have a balanced budget over the next three years and the more front loaded this year, the more challenging it would be over the next few years. Over the next few years, the City would still have to find significant revenue or make significant changes.

Council member Murphy recognized the uncertainty of the economy and the fact the budget would be looked at again in six months. Given that uncertainty, he wanted to see the City Council invest in staff and in the leadership of the City Council, with $100,000 used to cover the Staff and City Council Travel and Training Budgets, and rather than place proceeds of $2.4 million into the Section 115 Trust to set aside funds for OPEB, the City could consider $2.3 million. He asked whether that was an idea the City Council would consider.

City Manager Young advised staff would follow any direction the City Council wanted to go, but it would make it more challenging to balance the budget in 2026.

Council member Murphy commented he had been a member of the City Council since 2020. In 2022, the City Council adopted the LTFP which listed a number of policy alternatives including a Commercial Cannabis Tax and Permitting, and he suggested the City should lean into that.

Council member Murphy offered a motion, seconded by Mayor Sasai to direct staff to explore the feasibility of establishing a Commercial Cannabis Tax and/or Permitting Program in the City of Pinole, as per the 2022 Long-Term Financial Plan, including potential revenue projections, regulatory models, community impacts and legal considerations, and return to the City Council with a report and recommendations within 180-days.

Mayor Pro Tem Tave recognized that was an item the City Council had previously discussed. He asked if that item had been calculated into the current budget as a revenue source, and Finance Director Guillory stated it had not.

Mayor Pro Tem Tave was curious about the cost for the report and if that meant the City needed to pull $2.2 million into OPEB to fund that effort or whether it was something staff could work on. He asked about the timing and the level of effort that would take and whether it required adjustment to the current budget.

City Manager Young advised this had been something staff had been discussing on a higher level and depending on how the City moved forward, there would be an additional cost, primarily with the City Attorney's time, her time, the Finance Director and the Community Development Director who would have to work on the proposal. Depending on the recommendation whether to move forward with an ordinance versus a ballot, there would be additional costs, but that could be brought back in any report. She did not recommend changing the budget for this item.

Mayor Sasai asked if this would be something the City Attorney would take the lead on a presentation or a possible discussion, and City Attorney Casher stated that would be coordinated at the staff level. It would either involve an ordinance approach or a ballot measure, and those two options could be presented to the City Council for direction. A number of staff members would work on the proposal.

Whether it was possible to have a high-level discussion or briefing on the two options in July or August 2025, and in response to the Mayor, Council member Murphy explained the intent of his motion was for staff to return in 180-days with a proposal and he recognized staff may be able to do that work faster. His intent was to be more intentional of the staff review of the numbers and he recognized there had also been a review of the statewide cannabis industry that could be beneficial to City staff and suggested the staff assessments would play a part in that. He asked if 180-days was doable for staff.

Finance Director Guillory suggested 180-days would be reasonable.

Mayor Sasai recalled the City Council had previously been provided a presentation on a cannabis retail tax, and Finance Director Guillory clarified a presentation had been made in 2022/23 and staff could build upon that presentation.

Council member Martinez-Rubin commented the presentation would need to be updated since circumstances and the statewide experience with that type of tax had changed, it was not as lucrative as one would anticipate or desire, and the City would need to include workshops given the discussion of an idea in a community that was still fairly conservative. There were a number of speakers available through the League of California Cities who could provide presentations and who had the experience in other cities on both the pros and cons on this topic rather than have staff work on this just yet. That could be another consideration for the City Council and public to hear the idea as an idea, and gage from a presentation how receptive the public would be. She was of the opinion this was something that would be controversial.

Mayor Sasai wanted to see a robust community engagement in the process and see what the community thought about it. He noted the City of San Pablo passed such a proposal with 75 precent approval and Contra Costa County had Countywide approval of a similar measure in 2018. He suggested a high-level discussion could happen on the two options and then get into the stakeholder engagement.

City Clerk Bell and Council member Murphy restated the initial motion to direct staff to explore the feasibility of establishing a Commercial Cannabis Tax and/or Permitting Program in the City of Pinole, as per the 2022 Long-Term Financial Plan, including potential revenue projections, regulatory models, community impacts and legal considerations and return to the City Council with a report and recommendations within 180-days.

Mayor Sasai again seconded the motion.

Mayor Pro Tem Tave understood with that motion the budget would not reflect the item, the budget would not be changed, but at the six-month review there could be an adjustment.

Council member Murphy acknowledged as staff had pointed out the status of the economy was unknown and it was likely the budget would be looked at quarterly, with the City Council to have an idea about the future in some way. He also recognized the 10-year LTFP had projected the City would have a deficit in the future and he suggested the need to push those ideas out. In some ways, he found the narrative around the travel and training budgets to be frustrating given he had delivered so much to the City Council, in conversation, in his time, and his money as an elected, where he had brought so much back to the City. He saw the value of training and travel as critical to enhancing the standard of the City and the City Council.

**Motion by Council member Murphy/Mayor Sasai to extend the City Council meeting to 11:30 p.m.**

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| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Martinez-Rubin, Murphy, Toms** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

Council member Murphy continued his comments and recognized Council members had different personalities and experiences, and as someone who constantly was engaged in the community and who served on different boards representing the City Council, and as someone who had received a lot of support in the community, it was important he share that narrative since those who did not understand may never understand, but people were counting on the City Council to do better and enhance the standard in Pinole. He was concerned with staff not having the funds for travel and training. He reported he had a conversation with the City Manager who stated the cuts would not affect her but as a new City Manager, she would be unable to attend potential beneficial sessions.

Council member Murphy commented that when the City Council stopped thinking about research and development, it stopped thinking about innovation and if doing that, the City Council would stop thinking about delivering the needs of the community.

**Motion by Council member Murphy/Mayor Sasai to direct staff to explore the feasibility of establishing a Commercial Cannabis Tax and/or Permitting Program in the City of Pinole, as per the 2022 Long-Term Financial Plan, including potential revenue projections, regulatory models, community impacts and legal considerations and return to the City Council with a report and recommendations within 180-days.**

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| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Martinez-Rubin, Murphy, Toms** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

Council member Murphy offered a motion, seconded by Mayor Sasai to amend the Revised Proposed Operating and Capital Budget to increase the Travel and Training allocation for each Council member from $4,250 to $12,000.

On the motion, Council member Toms commented when there were budget uncertainties the City should avoid budgeting in a way that was not sustainable. By increasing the Travel and Training allocation for the City Council, it sets it up a situation that was not sustainable. She had worked in a public agency during two cycles of economic downturns where staff had been asked to take a five percent salary reduction and increase staff contributions to health care. She could see that if continuing on this trajectory of pulling out of the reserves that was where the City was headed and she wanted to be mindful of having a sustainable budget. She reiterated there were opportunities for training locally that did not cost as much, the Council could meet with federal agencies and representatives when they were in their Districts, which would not involve reimbursement for hotel and travel expenses. She suggested taking a look at being more conservative with the travel and training budgets. She had been able to attend both the League of California Cities and a CivicWell conference in Yosemite one year, which was out of pocket somewhat, but Council members needed to retain some level of responsible budgeting since it would just snowball in three years where the City Council may have to consider drastic cuts.

Mayor Sasai recognized there were different opinions on this issue. His stance had not changed since last year and he challenged the City Council to consider where cuts could be made.

Council member Martinez-Rubin suggested as leaders they all had the responsibility to be responsive to the constituents who would like them to bring back resources, but it was a bit arrogant to consider any Council member was the key holder of information that would not be otherwise obtained in an alternative way She suggested it was not irresponsible, but responsible to use the funds that were reasonable for regional and in-state travel and bring back resources that would yield the most to constituents and set aside their own interests in wanting to attend particular events since they believed they were a necessity for one's professional growth.

Mayor Pro Tem Tave understood the discussion was about $60,000 to cover the increase to the City Council Travel and Training Budget. He explained that he chose the events he wanted to attend and tried to balance them. He otherwise wanted the Fourth of July event to remain and he understood the current event was underway. At this time, he supported the need to keep City staff trained if that meant the Fourth of July event would need to be eliminated. He noted that over the past two to three years, there had been an acceleration of professionals coming on board critically looking at the City and its growth. He appreciated Council member Murphy's recommendation to consider a Cannabis Tax since it would add a different dimension of revenue, which the City Manager was very qualified to review. He asked if the City Council could allocate the travel and training budgets for staff and the City Council and ensure staff knew that keeping that investment would mean that something else would have to be eliminated.

Mayor Pro Tem Tave also commented the City did not have a fireworks display but a drone show for the Fourth of July in 2024, which was a hit and potentially another drone show in 2025. There were ways to invest in what was really needed. He suggested it was up to each Council member to consider what they valued and use the travel and training budget or not, and that training should be there which was part of the reason why the City was in the current situation over the last couple of years.

**Motion by Council member Murphy/Mayor Sasai to amend the Revised Proposed Operating and Capital Budget to increase the Travel and Training allocation for each Council member from $4,250 to $12,000.**

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| **Vote:** | **Passed** | **3-2** |
| | **Ayes:** | **Sasai, Tave, Murphy** |
| | **Noes:** | **Toms, Martinez-Rubin** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

Council member Murphy understood the impacts from the motions would be brought back at the June 17 City Council meeting. He was okay waiting until that meeting to make further motions, although Finance Director Guillory advised that the meeting on June 17 was intended to adopt the Final Budget. There were no plans for an extra meeting at the end of the month of June.

Council member Murphy understood the process for the budget was a bit different this year. The Finance Subcommittee saw the budget once when it was usually reviewed at least twice, the Planning Commission meetings were canceled for the month of May with its review of the CIP to occur on June 9, 2025, and he understood direction could be given on June 17 to make adjustments to the budget. He asked staff to provide clarification.

City Attorney Casher explained the item would come forward on June 17 for adoption but there could be some discussion and some tweaks, but it would need to be adopted at that meeting, with any changes incorporated into the Final Budget at that time.

Council member Murphy commented he was going to offer a motion to remove the Fourth of July celebration from the list of City-sponsored events but proposing the additional direction around the feasibility of a Commercial Cannabis Tax and Permitting Program, and he pointed out the City Council had not yet approved an amendment to the Reserve Policy. Amongst that approval, the City Council would have $2.4 million to disburse. At this time, staff was recommending using all of that money for the Section 115 Trust. There was consideration from the City Council perspective, that rather than use $2.4 million, it could use $2.3 million and fully fund the Staff Travel and Training Budget and still have funds for the Fourth of July celebration that some still wanted.

Finance Director Guillory advised that would be considered a one-time source of funds and the City would have to address that as an additional expense in 2026.

Council member Murphy pointed out next year the City would have to address a deficit anyway. He reiterated that without additional revenue, the 10-year LTFP foresaw a deficit in the future.

Finance Director Guillory clarified the last forecast was a bit outdated, it did not have Measure I and the situation had changed a bit where at this point it was unknown whether or not there would be a deficit in 2026. The City did start the upcoming fiscal year with a deficit, which shortfall had been fixed with Measure I funds. Long-term forecasting beyond FY 2025/26 had not been done yet to account for current circumstances and uncertainty.

Council member Murphy stated information provided in the past had shown the City ran at a deficit and with increased costs including retirement liabilities that would not decrease but increase. He was reluctantly in support of continuing the Fourth of July celebration, which he suggested was not truly a day for all, but it was very costly and there had been only 3,000 people in attendance at the 2024 event. He suggested the funds would be better used in other areas, including staff travel and training and a light, at most $10,000 program, for Veterans Day.

Mayor Sasai reiterated he would not be in favor of moving forward with a Fourth of July event for July 4, 2026, and thereafter for the reasons he previously stated.

Mayor Sasai offered a motion, seconded by Council member Murphy to remove the Fourth of July event from Special Events in the FY 2025/26 Budget and include instead a Veterans Day event, with staff to return with an approximation of the cost for the event, not to exceed $5,000.

On the motion, Council member Toms commented that given the current consideration of the FY 2025/26 budget, removing the Fourth of July event was not for this budget but for the following budget.

Finance Director Guillory clarified it would be reflected in the 2025/26 Budget since it would be paid in this upcoming fiscal year.

Council member Martinez-Rubin asked for consideration of an amendment to the motion. The Fourth of July event at a cost of $50,000 in 2024 was because it had been a drone show. She recommended halving the budget for a Fourth of July event, which would require a redesign but it could still be an event that did not require a drone show but people liked the gathering and the day was honored.

Mayor Sasai did not support the amendment to the motion since he did not want residents to pick and choose between a Pinole event and a regional event. He stood by his motion, as stated.

**Motion by Mayor Sasai/Council member Murphy for FY 2025/26 remove the Fourth of July event from Special Events and instead include a Veterans Day event, with staff to return with an approximation of the cost for the event (cash value) not to exceed $5,000.**

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| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Martinez-Rubin, Murphy, Toms** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

Council member Martinez-Rubin offered a motion to incorporate into Special Events, a Veterans Day and Flag Retirement Ceremony with an allotment of $8,000.

Mayor Sasai advised the motion that was just passed was to remove the Fourth of July event from Special Events and instead include a Veterans Day event, with staff to return with an approximation of the cost for the event (cash value) not to exceed $5,000. He asked if Council member Martinez-Rubin was recommending an increase for the Veterans Day event.

Council member Martinez-Rubin restated her motion to integrate in the Special Events listing, a Veterans Day and Flag Retirement Ceremony with an allotment of $8,000.

There was no second to the motion.

Mayor Sasai clarified the reason he asked *for an approximation of the cost for the event (cash value) not to exceed $5,000* was because $5,000 or $8,000 was an arbitrary number, and staff could come back with an approximation for the event that could be discussed from there.

Mayor Pro Tem Tave asked if the gap in training included the City Council Travel and Training Budget and was informed it was not and there remained around $60,000 needed in order to keep those motions accurate. Based on the motions, he understood the Staff Travel and Training Budget had been reinstated based on the elimination of the Fourth of July event.

City Manager Young sought more direction form the City Council defining where those funds were going. Based on the discussions, the City Council had eliminated the Fourth of July event but there was no motion defining where the funds would specifically go.

Council member Murphy asked if staff was asking for the City Council to move that those funds be expended to replace the Staff Travel and Training Budget, and the City Manager stated that would be great if that was the City Council's direction.

Council member Murphy offered a motion, seconded by Mayor Pro Tem Tave that those funds be expended to replace the staff travel and training budget

**Motion by Council member Murphy/Mayor Pro Tem Tave that the funds from the eliminated Fourth of July event be expended to replace the Staff Travel and Training Budget.**

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| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Martinez-Rubin, Murphy, Toms** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

Council member Murphy asked where staff would pull the $60,000 for the City Council Travel and Training Budget, and City Manager Young recommended a motion from the City Council whether it be from the reserve (from the $2.4 million transfer to be brought to the Section 115 Trust) or other source.

On the discussion of the numbers, the Finance Director clarified that $38,750 was the delta of the change and the additional amount needed.

Council member Murphy offered a motion, seconded by Mayor Pro Tem Tave to direct staff to utilize approximately up to $38,000 from the General Reserve for the City Council Travel and Training Budget.

**Motion by Council member Murphy/Mayor Pro Tem Tave to direct staff to utilize approximately up to $38,000 from the General Reserve for the City Council Travel and Training Budget.**

| | | |
|---|---|---|
| **Vote:** | **Passed** | **3-2** |
| | **Ayes:** | **Sasai, Tave, Murphy** |
| | **Noes:** | **Toms, Martinez-Rubin** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

**Motion by Council member Murphy/Mayor Sasai to extend the City Council meeting to 11:45 p.m.**

| | | |
|---|---|---|
| **Vote:** | **Passed** | **5-0** |
| | **Ayes:** | **Sasai, Tave, Toms, Martinez-Rubin, Murphy** |
| | **Noes:** | **None** |
| | **Abstain:** | **None** |
| | **Absent:** | **None** |

**B.** Draft Fiscal Year 2025/26 Baseline Budget and Five-Year Capital Improvement Plan. **Action: Review the Draft Fiscal Year (FY) 2025/26 Capital Budget and the Five-Year FY 2025/26 through 2029/30 Capital Improvement Plan (CIP) and Direct Staff on Changes. (Heba El-Guindy)**

Public Works Director Heba El-Guindy reported there had been no recommendations for changes to the Draft Fiscal Year 2025/26 Baseline Budget and Five-Year Capital Improvement Plan (CIP) during the May 13, 2025 City Council meeting. Staff did make a change to Project #RO1710, San Pablo Avenue Bridge Over BNSF Railroad, through coordination with WCCTC, which on May 23, 2025, approved adjustments to the agreement which would allow flexibility to use Strategic Management Planning Program (STMP) Grant Funds to replace the local match. The local match had been reduced from $241,000 to $100,000 from Measure S just to have cash flow since the City had to pay the consultants until they sought reimbursements.

Responding to questions from the City Council, Public Works Director El-Guindy clarified the following:

- Measure I was not assumed for FY 2025/26, although it was assumed in the following four years to be utilized for payments towards the debt financing. Debt financing would only be assumed in the Pavement Rehabilitation Project, assumed in FY 2026/27 through FY 2029/30 for an amount of $4 million in FY 2026/27, $4 million in FY 2027/28, $2,750,000 in the following year and $2,250,000 the year following. The summary table included in the PowerPoint presentation had not mentioned Measure I but included Measure S 2006 and 2014. (Murphy)

- Project #RO2404, Crosswalk Tennent Avenue at Prune Street, had been moved to FY 2026/27, with $50,000 for an analysis to be done in FY 2026/27, unless the City Council directed otherwise. (Murphy)

- Project #IN2105, Appian Way Complete Streets, had been pushed to FY 2026/27, with the STMP fees for the project not collected, which would be on a reimbursement basis. The project was not moving quickly since it had not been a priority and been on the books for some time, unless the City Council directed otherwise. (Mayor Sasai)

- The Pavement Rehabilitation project would start with Pinole Valley Road in FY 2025/26 in addition to a few small streets. The following year the City would continue with the rest of the corridor and the hope was to establish it as a Complete Streets project with bicycle and pedestrian facilities. San Pablo Avenue would be considered afterwards and staff would look at San Pablo Avenue as a Complete Streets project and hopefully it would be done with the San Pablo Avenue Bridge Project. (Mayor Sasai)

PUBLIC COMMENTS OPENED

There were no comments from the public.

PUBLIC COMMENTS CLOSED

Council member Martinez-Rubin thanked the Public Works Director for her work.

Public Works Director El-Guindy thanked the City Council for the approval of the Associate Engineer position at its last meeting, which was greatly appreciated and would make a significant difference for the Public Works team. She also thanked the City Council for the approval of the VIFs.

In response to the Mayor, Public Works Director El-Guindy advised the CIP would be brought back on June 17, 2025 for approval. She understood no changes had been proposed to the CIP at this time.

**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.*

Anthony Vossbrink, reported over the past few months it had been noted the back end of the tennis courts needed to be tidied up, with bushes and trees growing through the chain link fence and protruding into the sidewalks. Nothing had been done to maintain the area other than cutting some weeds that were left on the side of the tennis courts. There had been no notification to the public of the status of repairs to the two outdoor public restrooms on the outer perimeter of the tennis courts and there had been continued vandalism of the fencing on the outer fence perimeter by the bus stop near the library. This issue had been raised with Council member Murphy who was to look into it. He asked the City to contact the Pinole Valley High School (PVHS) Principal and Head Librarian to address the continued vandalism to the fence.

Mr. Vossbrink also asked about the status of the renovation of the Adobe Road Trail behind the caretaker's house and dog park, and reported two large dead trees on the trail were a fire hazard and the City continued to dump asphalt and old concrete from street renovations on the trail. In addition, Pinole Valley Road and San Pablo Avenue continued to have street light outages, and light bulb replacements were needed along with replacement of some of the yellow reflectors and traffic calming signs that had been knocked down some time ago. He also asked about the status of Coffee with a Cop and meetings with the City Manager and asked if the meetings had been canceled as had Traffic and Pedestrian Safety Committee (TAPS) meetings.

Council member Toms reported this date marked 37 years since Amber Swartz had been taken from her home and she wanted that milestone to be recognized.

**14. ADJOURNMENT** to the Regular Meeting of June 17, 2025, in Remembrance of Amber Swartz.

At 11:45 p.m., Mayor Sasai adjourned the meeting to a Regular City Council Meeting on June 17, 2025 in Remembrance of Amber Swartz.

**Submitted by:**

**Heather Bell, CMC**
**City Clerk**
**Approved by City Council:**

CITY OF PINOLE ✦ 1903 ✦ CALIFORNIA ✦ 1903