

**CITY OF PITTSBURG
Redevelopment Agency Minutes
September 3, 2002**

Chair Frank Aiello called the meeting of the Redevelopment Agency to order at 7:01 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California, after having met at 5:30 P.M. for Conference with Real Property Negotiator pursuant to Section 54956.8 of the Government Code regarding APNs 085-166-009, 085-165-009, 085-165-012, 085-164-005, 085-164-015, 085-164-016, 085-165-017, 085-165-016, and 085-165-015; Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9 regarding Alves Ranch LLC vs. City of Pittsburg, Superior Court Case No. C02-02334 and Communities for a Better Environment and Pesticide Action Network of North America vs. City of Pittsburg, Superior Court Case No. C02-02065; and Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding one case.

City Attorney Linda Daube advised that there was nothing to report from Closed Session.

MEMBERS PRESENT: Beals-Rogers, Lewis, Quesada, Rios, Aiello

MEMBERS ABSENT: None

STAFF PRESENT: Assistant Executive Director, Nasser Shirazi
Legal Counsel, Linda Daube
Assistant Legal Counsel, Carol Victor
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
Director of Recreation, Paul Flores
Interim Finance Director, Pete Kolf
Planning Manager, Melissa Ayres
City Engineer, Joe Sbranti
Police Chief, Aaron Baker
Executive Assistant to the City Manager, Alice Evenson

PLEDGE OF ALLEGIANCE

Nita Esposito led the Pledge of Allegiance.

CITIZENS REMARKS

There were no citizens remarks.

MEMBERS REMARKS

There were no Members remarks.

CONSENT

On motion by Vice Chair Beals-Rogers, seconded by Member Rios and carried unanimously to approve the Consent Calendar, with the removal of Item c.

- a. **MINUTES** Dated: August 19, 2002

Approved Minutes dated August 19, 2002.

- b. **RESOLUTION 02-841** Annual Submittal of Pittsburg Redevelopment Agency Investment Policy Required by California Government Code Section 53646

Adopted Resolution 02-841.

The following item was removed from the Consent Calendar for discussion.

- c. **RESOLUTION 02-842** Authorization for Funding

The Agency approved the FY 2002-2003 Budget for the Redevelopment Agency of the City of Pittsburg with the stipulation that the budget would be brought back to the Agency when the State passed its budget. The Agency also stipulated that spending would be limited to 25 percent of the budget as of September 30, 2002 or earlier should the percentage be reached earlier.

Member Rios advised that she had pulled the item to request the incorporation of the projected revenues that AB 81 would bring into the Redevelopment Agency. She requested that information be submitted to the Agency at its September 16, 2002 meeting to allow action on the resolution.

Interim Finance Director Pete Kolf requested that the item be deferred to the October 7, 2002 meeting given that he would be out of town prior to the September 16 meeting and would be unable to prepare the agenda item.

Director of the Redevelopment Agency Garrett Evans reported that the tax increment included most of the Power Plants \$23 million with next year's estimate of \$25 million. As such, he stated that information was available and there should be no problem returning that information to the Agency for the next meeting.

On motion by Member Rios, seconded by Member Quesada and carried unanimously to continue Resolution 02-842 to the September 16, 2002 meeting.

ADJOURNMENT

The meeting adjourned at 7:07 P.M. to the meeting set for September 16, 2002.

Respectfully submitted,

Lillian J. Pride, Secretary

als

CITY OF PITTSBURG
Pittsburg Power Company Agenda
September 3, 2002

Chair Frank Aiello called the meeting of the Pittsburg Power Company to order at 7:08 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California, after having met at 5:30 P.M. for Conference with Real Property Negotiator pursuant to Section 54956.8 of the Government Code regarding APNs 085-166-009, 085-165-009, 085-165-012, 085-164-005, 085-164-015, 085-164-016, 085-165-017, 085-165-016, and 085-165-015; Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9 regarding Alves Ranch LLC vs. City of Pittsburg, Superior Court Case No. C02-02334 and Communities for a Better Environment and Pesticide Action Network of North America vs. City of Pittsburg, Superior Court Case No. C02-02065; and Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding one case.

City Attorney Linda Daube advised that there was nothing to report from Closed Session.

MEMBERS PRESENT: Beals-Rogers, Lewis, Quesada, Rios, Aiello

MEMBERS ABSENT: None

STAFF PRESENT: Assistant Executive Director, Nasser Shirazi
Legal Counsel, Linda Daube
Assistant Legal Counsel, Carol Victor
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
Director of Recreation, Paul Flores
Interim Finance Director, Pete Kolf
Planning Manager, Melissa Ayres
City Engineer, Joe Sbranti
Police Chief, Aaron Baker
Executive Assistant to the City Manager, Alice Evenson

CITIZENS REMARKS

There were no citizens remarks.

MEMBERS REMARKS

There were no Members remarks.

CONSENT

On motion by Member Quesada, seconded by Member Rios and carried unanimously to approve the Consent Calendar, with the removal of Items b, c and d.

a. **MINUTES** Dated: August 5, 2002

Approved Minutes dated August 5, 2002.

The following items were removed from the Consent Calendar for discussion.

b. **RESOLUTION 02-078** A Transfer of \$375,000 from the Reserves of the Power Company to the Delta View Golf Fund to Provide Needed Improvements and Meet State Mandates

The State of California has mandated that all gasoline powered golf carts be replaced with electric carts by January 1, 2003. The requirement was mandated by the Environmental Protection Agency (EPA). To meet this mandate, the golf course must build a facility to accommodate 80 electric carts with the appropriate battery charging equipment. This in turn will affect other facilities at the golf course and require the placement of a modular pro-shop, restrooms, and supporting improvements, such as electrical and phone installations. There is little choice but to comply with the State mandate. Golf carts are required on the Delta View Golf Course because of topography. Without electric carts, the golf course could not remain open as one of the City of Pittsburg's recreational assets.

WILLIE MIMS, Pittsburg, referenced the number of components related to the item, the cost involved and inquired why there was a need to build another facility when there was a facility already in place.

Economic Development Director Brad Nail explained that the EPA required that all golf courses change over from gasoline golf carts to electric golf carts as of January 1, 2003. All of the City's current golf carts were gasoline golf carts and after January 1 would not be allowed to be used on the golf course. The issue became one that electric golf carts required an enclosed facility and a major increase in power to charge those golf carts, which would have to be done on a daily basis. The replacement of 80 new golf carts would create a large electric load, which was driving the issue. The EPA essentially gave the City no choice and the changeover was required. A facility to store the carts would have to be provided as would the electricity to recharge those carts on a daily basis.

Vice Chair Beals-Rogers pointed out that the amount was not just for the new golf cart structure in that included in the cost estimate was a three year lease for 80 golf carts, the relocation of the pro shop, restrooms, and all restructuring requirements.

BEN JOHNSON, Pittsburg, verified that reserve funds were being transferred from the Power Company to the Delta View Golf Course Fund. He inquired of the Power Company's authority to transfer those reserves from one organization to another. He also questioned how the funds could be used to participate in projects related to the

redevelopment of Mare Island as opposed to being used in the City of Pittsburg proper.

Interim Finance Director Pete Kolf noted his understanding that Power Company funds could be used for capital projects within the City of Pittsburg. The subject item would represent such a project and the City Council could authorize the use of that money for the project.

Director of the Redevelopment Agency Garrett Evans emphasized that no funds had ever been used from the City of Pittsburg, the Pittsburg Power Company or the Redevelopment Agency outside the City boundaries, nor would they ever. He stated that funds were not exported.

In further response to Mr. Johnson, Mr. Evans explained that the funds in question were from a reserve account of approximately \$10.7 million from the sale of the Los Medanos Energy facility.

Mr. Johnson stated that answered his question.

Member Rios sought a change to the text of the resolution given that the Delta View Golf Course was a business and should be treated as such. She suggested that the funding be identified as a loan and not a transfer and that whether or not the golf course would be able to repay that loan could be addressed later on. She requested that the resolution be modified and returned to the Power Company on September 16 for approval.

Member Quesada noted that originally the City had executed a loan with the golf members at \$1.5 million. When the loan could not be paid, the City acquired the golf course. Stating that the facility was still an enterprise, he concurred with the recommendation to designate the funding as a loan and not as a transfer to ensure accountability and a pay back of the funds.

Mr. Kolf commented that GASB 34 accounting rules indicated that a loan had to be both measurable and receivable in order to be recorded as an outstanding loan. While measurable, he stated he could not say that the loan would be receivable within a short period of time, or within a period of time that might extend four to six years. He stated that the golf course management team was working on a business plan for the golf course that would eventually allow the facility to break even or begin to generate a positive cash flow.

At the current time, Mr. Kolf recommended that the item be recorded as a contribution coming from another fund and at a later date when determined that the golf course would be able, the golf course would be asked to pay back the contribution, or the resolution would be amended to state that in the future, when feasible, the golf course would repay the contribution. He would not record it as a receivable because he did not believe it would meet the accounting requirements to show on the City's Financial Statements.

Member Lewis noted that the City owned the golf course in its entirety and there was

no transfer of funds to another entity, merely a transfer of funds from one City account to another. He supported the staff recommendation to be able to move forward.

Member Quesada commented that some golf members owned their own carts. He inquired what would occur in that case.

Mr. Nail explained that a number of members did own their own carts and the golf course would have to provide storage for members' golf carts. He added that the current item addressed the City's issue in regards to the EPA in that the golf club would have to deal with the EPA prior to January 1. While those members with their own carts would probably have to replace those gas carts with electric carts at some point, there would not be a January 1, 2003 requirement in that case.

Chair Aiello suggested that the City might be abdicating its duty if everyone was not required to convert gas carts to electric carts. As such, he suggested that the owners of gas carts be advised of the legal requirement and that the City assume a proactive approach with respect to the situation.

BART KERR, the Director of Golf at the Diablo View Golf Course, explained that there were different rules as far as the carts themselves. The members could keep their gas carts as long as they did not change them. When getting another cart the replacement would have to be with electric carts. He noted that many members would salvage their carts for awhile but would ultimately have to secure electric carts. He added that the club membership had been apprised of the rules and were well aware of the situation.

Mayor Aiello inquired whether or not the resolution could be changed that the funding would be a contribution that was expected to be paid back within a ten-year period.

Mr. Kolf explained that the funds would be recorded in the books as a contribution from the Power Company. The resolution could be amended to state that the contribution would be paid back when the golf course was able to do so or over a ten-year period.

Member Rios supported a timeline of ten years in the resolution with the resolution to return to the Power Company for verification and approval at the next meeting.

When asked by Member Lewis, Legal Counsel Daube stated that the modifications could be made at this time and the resolution could be amended to include the language that the funds were to be considered a contribution to the golf course fund to be paid back within a ten year period.

Member Lewis explained that while in support of the changes, he did not support a continuation of the item. As such, he would not support the motion to continue.

Mr. Nail emphasized the tight timeline to have the work done by January 1 in that the existing pro shop would have to be remodeled, the mobile home on the property would have to be demolished, as would some of the garages, and there would be significant site preparation involved.

Mr. Kolf suggested that the amendment to the resolution could be made given that the resolution could not proceed without the Mayor's signature.

Member Rios wanted to be assured that the language would be as directed to ensure Council accountability.

Chair Aiello clarified that without his signature the resolution would not go into effect. He assured Member Rios that he would review the resolution and if not stipulated as requested, he would return it to the Power Company for approval.

When asked for clarity, City Attorney Daube advised that Member Rios' request was that the resolution be amended to show that the funds would be considered as a contribution to the Diablo View Golf Course from the Pittsburg Power Company, to be paid back within a ten year period.

On motion by Member Rios, seconded by Member Quesada and carried unanimously to adopt Resolution 02-078, as amended that the funds be considered as a contribution to the Diablo View Golf Course from the Pittsburg Power Company, to be repaid within a ten year period.

- c. **RESOLUTION 02-079** Approve and Authorize the Executive Director to Execute a Memorandum of Understanding with Permission to Demolish Existing Facilities, Exchange of Easements, and Transfer New Facilities from Lennar Mare Island LLC to Pittsburg Power Company

The Pittsburg Power Company doing business as Island Energy ("Utility") on Mare Island is a participant in the redevelopment of Mare Island. The Utility has easements for the gas and electric distribution systems throughout Mare Island Service territory. Lennar Mare Island LLC ("Owner") received title to certain land from the City of Vallejo to facilitate redevelopment on Mare Island. Staff had been negotiating with the Owner this Memorandum of Understanding ("MOU") that allowed the Owner within a designated project area to demolish existing facilities, exchange easements, construct to standards and transfer new facilities to the Utility.

BEN JOHNSON, Pittsburg, stated that he had pulled the item given his confusion with the item in relation to the prior Resolution 02-078. He inquired whether or not the references to the Power Company, the Pittsburg Power Company and Island Energy Utility were to one and the same entity.

Mr. Evans explained that Island Energy Utility was one arm of the Power Company, but there was also a development arm that had no "doing business as" name. He clarified that there were two separate items. The work at the Diablo View Golf Course was being done with Pittsburg Power Company funds via the City of Pittsburg, and Lennar Mare Island LLC was redeveloping Mare Island and the Pittsburg Power Company owned assets

and easements would be destroyed as the Island was redeveloped and replaced one for one.

Mr. Evans further clarified that there was one entity involved in a situation similar to the Redevelopment Agency where multiple projects could be done with different entities or with the City of Pittsburg. He added that he would be happy to meet with Mr. Johnson to clarify Island Energy and Pittsburg Power Company as two separate entities with two separate budgets.

On motion by Member Lewis, seconded by Member Rios and carried unanimously to adopt Resolution 02-079.

d. **RESOLUTION 02-080** Resolution of Intent Approving Funding for Auto Mall Dealership Business Association

One of the key components to the success of the Century Plaza Auto Mall would be a strong Dealership Business Association that had the ability to advertise and aggressively promote the Auto Mall. It is in the City of Pittsburg's best interest because the success of the Auto Mall would be directly reflected in the amount of sales taxes the City receives from the Mall. It is estimated that the first four dealers would generate about \$3 million per year to the City of Pittsburg in sales taxes. In the negotiations with the first three dealers, their cash flow considerations became a serious consideration and funding the Dealer Association was at risk. Subject to approval, the advertising assessment for the first three dealers, \$37,000 for each dealer per year, would be paid for the first seven years from the Power Company Reserve Fund. The total amount committed over the seven-year period would be \$777,000 or \$111,000 per year.

Chair Aiello recognized Ben Johnson's request to speak to the item, and Mr. Johnson declined at this time.

WILLIE MIMS, Pittsburg, commented that he had also been confused by the proposal and the activities of the Pittsburg Power Company. With respect to Resolution 02-080, he was concerned with the taking of money from the Power Company Reserve Fund to fund the advertisements for the Auto Mall for seven years. He inquired whether or not the referenced Dealership Business Association would be required to pay the money back. He noted that \$4 million in Auto Mall assessments had been approved at the last meeting and he questioned those actions in light of the current request.

Brad Nail noted that the \$4 million referenced was for the assessment district improvements to fund the infrastructure improvements so that the Auto Mall could be built, which funds would be repaid by the auto dealers over a period of time. He explained that the Auto Mall project had been ongoing for several years and he suggested that a finished Auto Mall was critical to the City in that once completed, it would by far be the largest single sales tax generator in the City. He reported that the first four dealers in the Auto Mall over a period of ten years would pay in excess of \$12 million to the City.

Mr. Nail added that the negotiations for the Auto Mall had been long and difficult with

concessions from all involved. The initial three dealers in the Auto Mall would spend millions of dollars to purchase the land and build their new dealerships. From a cash flow standpoint, those initial dealers had been stretched and it got to the point where the ultimate success of the proposal rested with the City to help make some of the concessions occur. All dealers, the developer and the City had agreed that a strong Dealer Association was essential to the success of the Auto Mall, which must be able to promote and advertise. Mr. Nail emphasized that the Dealer Association was being threatened by a lack of funds the dealers had to invest in the project. The recommendation was that the City step forward for the first three dealers only to contribute the annual assessment so that the Auto Mall could start in a strong position. As the other dealers came in, the Auto Mall would be able to aggressively promote and advertise, which advertisement would come back to the City handsomely in sales tax revenue.

Mr. Mims expressed concern with the issues related to the Auto Mall, particularly since it did not appear that the dealers or developer were putting up front money. He expressed his concern that the City was giving away money.

Mayor Aiello noted that Concord had put up \$3.6 million to secure Fry's in that City and that the Contra Costa Times had characterized that action as a "genius deal."

RON WAITE, Pittsburg, inquired whether or not that would be a loan and whether or not a per car charge would be instituted to pay for the Association.

Mr. Nail explained that those decisions would be made by the Auto Mall Dealers Association, when formed. The initial funds would be spent on advertising to promote the Auto Mall. To make the transaction a loan would not remove the issue that the three dealers had in that they were stretched to the limit financially. Also the initial three dealers going into the Auto Mall had been in independent situations and were making a commitment to the organized Auto Mall itself, which was a major step for them. He emphasized that with the sales tax to be generated by the Auto Mall the item was a small price to pay.

Vice Chair Beals-Rogers inquired whether or not those three dealers would benefit twice from the City's payment of association costs for seven years. She wanted to see that issue addressed and returned for discussion so that those dealers would not be allowed to benefit twice when the City was paying those costs.

Mr. Nail stated that initially the CC&R's governing the Association required that a certain amount per car would be placed into a common pot, although through negotiations it had been determined that a set annual amount for each of the car dealers was preferred. The dealers would have a single benefit and any dealers after the first three would pay the same amount of money into the Association's common pot.

Mr. Waite suggested that would be taking the money twice from the people, and Vice Chair Beals-Rogers reiterated the same concern where the dealer would be benefiting twice, from the consumer and from the City.

Mr. Nail stated that the CC&R's had negotiated out the per car charge.

Member Quesada wanted to make certain that this would be a one-time arrangement. He suggested that the Power Company had been more than helpful and too generous, although he acknowledged that the item would generate more money for the City later on. He wanted assurance that the proposal would be a one-time arrangement.

Member Rios clarified with Mr. Nail that the vast majority of the funds would be used for advertisements. She preferred an amendment to the motion to require that staff provide an annual report as to how the funds would be used.

On the question, Member Lewis emphasized the importance of remembering the ultimate goal of creating an Auto Mall. He reiterated that just the three dealers could generate \$21 million in sales tax revenue over a period of time. He suggested that \$111,000 annually for seven years to secure those funds would be well worth it and that other dealerships would follow to become part of the Auto Mall. He supported the proposal for the benefit of the City.

On motion by Member Quesada, seconded by Member Rios and carried unanimously to adopt Resolution 02-080 for a one-time seven-year period only with no extensions, and that staff provide an annual report on how the funds would be used.

ADJOURNMENT

The meeting adjourned at 7:55 P.M.

Respectfully submitted,

Lillian J. Pride, Secretary

als

**CITY OF PITTSBURG
City Council Minutes
September 3, 2002**

Mayor Frank Aiello called the meeting of the City Council to order at 7:56 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California, after having met at 5:30 P.M. for Conference with Real Property Negotiator pursuant to Section 54956.8 of the Government Code regarding APNs 085-166-009, 085-165-009, 085-165-012, 085-164-005, 085-164-015, 085-164-016, 085-165-017, 085-165-016, and 085-165-015; Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9 regarding Alves Ranch LLC vs. City of Pittsburg, Superior Court Case No. C02-02334 and Communities for a Better Environment and Pesticide Action Network of North America vs. City of Pittsburg, Superior Court Case No. C02-02065; and Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding one case.

City Attorney Linda Daube advised that there was nothing to report from Closed Session.

MEMBERS PRESENT: Beals-Rogers, Lewis, Quesada, Rios, Aiello

MEMBERS ABSENT: None

STAFF PRESENT: Assistant City Manager, Nasser Shirazi
City Attorney, Linda Daube
Assistant City Attorney, Carol Victor
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
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CITIZENS REMARKS

WILLIE MIMS, Pittsburg, clarified that he did not live in Concord and that his concern was with what went on in Pittsburg. With respect to the last meeting, he referred to an item where the developer had wanted an easement on PG&E property. He stated that he had submitted a card to speak at that time but had not been called. He requested that the Council ensure that he be allowed to speak when he submitted a card. Mr. Mims noted that East County had given up much to developers and dealers and he suggested that the City stop giving up so much. He urged the Council to respect its fiduciary responsibility to the residents of the City and to no one else.

COUNCIL REPORTS

Councilmember Quesada stated that he had attended the finale of August After Hours, which had been a huge success. He commended staff for a job well done. He also commended the Recreation Department, the Chamber of Commerce and others for the National Bocce Tournament that had been well received by out of town competitors.

Vice Mayor Beals-Rogers reported that she had attended the Senior Center Groundbreaking, which had been well attended. She thanked the staff and architects who had made an informational presentation to those who would soon be using that facility. She also noted that the Community Advisory Commission (CAC) and the City Council had met and that she had been pleased with that meeting and with the Council's efforts to build a relationship with the CAC to keep communications flowing. She also advised that the Centennial Subcommittee had met and had finalized the workshops and community input. A report was expected to be presented to the Council at its next meeting.

Vice Mayor Beals-Rogers also requested that the meeting be adjourned in memory of *Robert Threatt*, a long-time City resident, faithful servant to local churches, and a dedicated youth volunteer.

Councilmember Rios advised that she had attended the Senior Center Groundbreaking, the CAC meeting, the Bocce Tournament and August After Hours, all well attended. She commended the Chamber of Commerce for participating and being a partner in August After Hours, a growing event. She also thanked the Police Department for their service in that regard and for protecting Pittsburg citizens. She added that the Mayor would further describe entertaining the Youth Delegation from Shimoneseki, Japan.

Mayor Aiello explained that the Youth Delegation from Shimoneseki had involved eight junior high school students, and three other individuals, one of whom was the head of international trade for Shimoneseki. Four of those young people had stayed in his house for several days. He also highlighted the Senior Center groundbreaking where power company money was again being put to good use.

Mayor Aiello also reported that the *Shaping Our Future* initial report had been published, which report had opined that the creation of job centers in East County would not be possible. Given that was his focus, he emphasized the need to make a firm commitment to partner to the east. He suggested that the report was flawed and that jobs could be created in East County.

Mayor Aiello commended the Bocce Tournament and announced that the City had committed to holding the World Bocce Professional Tournament in Pittsburg next year, which was expected to be telecast on Fox WorldWide Television Network.

Councilmember Lewis stated that the Centennial Committee would be pleased to include that event in its roster of events.

PROCLAMATIONS

1. Patriot Day

Mayor Aiello read the proclamations designating September 11 as Patriot Day.

Councilmember Lewis presented the proclamation to Tim Palmer representing the Fire Department. Vice Mayor Beals-Rogers presented the proclamation to Nick Baker representing the Police Department, and Councilmember Quesada presented the proclamation to Ben Johnson representing the Veterans of Foreign Wars.

BEN JOHNSON, Pittsburg, announced a ceremony to be held on September 11 at the Veterans Memorial at 11:00 A.M. Members of the Council were invited to attend.

Vice Mayor Beals-Rogers requested an observance of a moment of silence for all those lost on September 11, 2001.

2. Pittsburg Historical Society

Councilmember Rios read the proclamation for the Fire Engine Dedication by the Pittsburg Historical Society and presented the Proclamation to Marti Aiello.

MARTI AIELLO reported that the Pittsburg Historical Society would honor the firemen on September 27 when it would host a luncheon for them. The Council was invited to attend that luncheon.

CONSENT CALENDAR

On motion by Councilmember Lewis, seconded by Vice Mayor Beals-Rogers and carried unanimously to adopt the Consent Calendar, with the removal of Items d, e, f, g, h, and i.

a. **DISBURSEMENT LIST** Periods Ending: August 22, 2002 and August 28, 2002

Approved Disbursement Lists periods ending August 22 and August 28, 2002.

b. **MINUTES** Dated: August 19, 2002

Approved Minutes dated August 19, 2002.

c. **CLAIMS** #1460 Valerie Lessley; #1463 Nancy Collins

Denied Claims #1460 Valerie Lessley and #1463 Nancy Collins.

j. **ORDINANCE 02-1200** Community Advisory Commission Quadrant Restructure

Adopted Ordinance 02-1200.

The following items were pulled from the Consent Calendar for discussion.

- d. **RESOLUTION 02-9668** Authorize Advertising for Bids to Construct Site Improvements at Delta View Golf Course as Part of Contract 02-05, Golf Course Improvements

Construction contract documents (plans and specifications) were being developed for the site work required for installation of a new golf cart barn, clubhouse and pro shop at the Delta View Golf Course. The proposed improvements would provide the sewer, water, storm drain, electrical and asphalt required to develop the site in preparation for the new buildings. The estimated cost for construction of site improvements was \$180,000.

BEN JOHNSON, Pittsburg, clarified that the \$180,000 was not in addition to the \$375,000 sought under the similar item on the Pittsburg Power Company agenda. He was advised that the \$180,000 was included in the \$375,000 total.

On motion by Vice Mayor Beals-Rogers, seconded by Councilmember Lewis and carried unanimously to adopt Resolution 02-9668.

- e. **RESOLUTION 02-9669** Awarding Contract No. 02-05, Golf Course Improvements to Rios Earthworks of San Francisco, California for Demolition of Existing Facilities

The contract with Rios Earthworks was for the demolition of the existing golf cart garages and caretaker's residence at the Delta View Golf Course to make space available for a new pro shop and a golf cart barn to be used for the rental of electric golf carts.

WILLIE MIMS, Pittsburg, inquired whether or not the project had been put out to bid.

Senior Engineer Joe Sbranti reported that the item was less than the threshold requiring a formal bid and an informal bid process had been pursued. In this case three qualified bidders had been proposed, three prices had been secured and those prices had been compared. The contractor was the low bidder.

Councilmember Rios stated for the record that she was not related or affiliated in any way with the contractor, Rios Earthworks of San Francisco.

On motion by Councilmember Quesada, seconded by Vice Mayor Beals-Rogers and carried unanimously to adopt Resolution 02-9669.

- f. **RESOLUTION 02-9670** Approving the Congestion Management Plan Compliance Checklist for Local Jurisdictions

The Contra Costa Transportation Authority (CCTA) is asking the cities and county to complete and approve a Congestion Management Program Compliance Checklist.

The Checklist states conformance with the Congestion Management Program (CMP) as it relates to the City's participation in multi-jurisdictional planning, attainment of level-of-service standards, trip reduction ordinance, and land use evaluation.

BEN JOHNSON, Pittsburg, noted that East County had grown steadily over the last twenty-five years with an 85 percent increase in commute trips each workday. Given that East County was growing faster than any other part of the County, he suggested that more and more problems would occur. He described the current traffic gridlock, particularly the traffic he had experienced this date, emphasized that traffic was getting worse, and urged the Council to work with the CCTA and TRANSPLAN to seek relief of the problem. He added that the Range Road intersection would alleviate some traffic problems.

Vice Mayor Beals-Rogers concurred with the traffic concerns but commented that not only was the City currently plagued by a number of road closures related to construction projects to alleviate traffic, but also today was the first day of the new school year.

Councilmember Rios added that the City was well represented on transportation groups to address the many transportation issues affecting the City.

Councilmember Quesada invited Mr. Johnson to attend TRANSPLAN and CCTA meetings to see where Pittsburg rated on the budget items. He commented that Pittsburg was down on the bottom of the list.

On motion by Vice Mayor Beals-Rogers, seconded by Councilmember Rios and carried unanimously to adopt Resolution 02-9670.

Mayor Aiello advised that he had made an error in that there had been no request to remove Item g. from the Consent Calendar.

- g. **RESOLUTION 02-9671** Annual Submittal of City of Pittsburg Investment Policy Required by California Government Code Section 53646

The State of California Code Section 53646 amended by the passing of Senate Bill No. 564 which took effect January 1, 1996 requires the Treasurer to submit to the City Council at a public meeting an Annual Investment Policy for their review and approval. The intent was to provide the local governing body with the authority to review the policy.

Councilmember Rios took this opportunity to thank and commend staff for the outstanding presentation of the Annual Investment Policy.

On motion by Mayor Aiello, seconded by Councilmember Rios and carried unanimously to adopt Resolution 02-9671.

- h. **RESOLUTION 02-9672** Amending the Annual Budget to Receive \$375,000 from the Power Company, Appropriate Various Improvements, and Estimate Net Revenues of \$61,773

from the Golf Cart Trade In

The State of California has mandated that gasoline powered golf carts be replaced by electric golf carts effective January 1, 2003. The City has no recourse but to comply with the State mandate. To comply, a new cart barn with battery charging equipment will have to be constructed. In order to build the cart barn, other improvements will have to occur at the golf course. Net cost of the required improvements because of the State mandate is \$375,000, including contingencies. Financing of these improvements is contingent on Power Company budget action to provide a transfer of \$375,000 from Power Company Reserves. This action will amend the Golf Course Annual Budget for fiscal year 2002-2003 to receive the Power Company transfer and to appropriate the various required improvements.

Ben Johnson had submitted a card to speak but did not wish to speak at this time.

On motion by Councilmember Lewis, seconded by Councilmember Rios and carried unanimously to adopt Resolution 02-9672.

- i. **RESOLUTION 02-9673** Requests to Extend the General Fund and Local Law Enforcement Block Grant Fund Budgets to 12/30/02 and Approve all Other City Budgets

The City Council approved the FY 2002/03 Operating Budget with the stipulation that the budget would be brought back to the Council when the State passed its budget. The Council also stipulated that spending would be limited to 25 percent of the budget as of September 30, 2002 or earlier should the percentage be reached earlier.

Councilmember Rios reported that she had pulled the item to note that she disagreed with the staff recommendation. Because of the split of the Economic Development Department into two separate departments, Economic Development and Redevelopment, she stated that a portion of the Economic Development Department on the Festival budget had been transferred over from Leisure Services. She therefore requested that the budget reflect that situation.

Interim Finance Director Pete Kolf explained that the Finance Department had the authority to make that change but had not done so given that it was a tedious thing to do during the year as opposed to being done at the beginning of the fiscal year. He explained that the net effect on the budget was zero in that it had no impact on the budget other than moving funds around. There would be no increase or decrease involved. While the adjustments, when made, would change the reporting there would be no impact to the budget.

Mr. Kolf also advised that there was no impact on the State budget as far as the City of Pittsburg was concerned. He had recommended going to December on the General Fund and the Local Enforcement Block Grant in that none of the other funds listed would be affected by the State action on the budget. He also suggested it was doubtful that the

current budget resolution adopted by the State Assembly would have an impact on the General Fund or on local law enforcement. Further, he had received an e-mail from Police Chief Baker to advise that the local law enforcement funds had been reinstated by the State's budget action.

Mr. Kolf explained that the only reason he had recommended an extension to December was that the budget resolution had not yet been signed by the Governor and adjustments could still be made. The only fund requiring further review was the General Fund. He recommended prior to October 16 that staff meet with the Budget Committee on the General Fund, in particular, and review any adjustments that would be necessary at that time. He strongly recommended that the other listed funds be approved through the end of the year given that there was no impact as far as the State Budget was concerned.

On motion by Councilmember Rios, seconded by Councilmember Lewis and carried unanimously to adopt Resolution 02-9673, with the exception of the General Fund and to pursue the staff recommendation to approve the spending limit 50 percent or up to December 30, 2002, with the Budget Committee comprised of Vice Mayor Beals-Rogers and Councilmember Rios to meet prior to October 16, 2002.

CONSIDERATION

Ms. Daube reported that Resolutions 02-9674 and 02-9675 could be considered together but would require separate actions.

1. **RESOLUTION 02-9674** Approval of a Consultant Agreement with Fehr & Peers Associates, Inc. to Prepare a Pittsburg Traffic Mitigation Fee Update Study

2. **RESOLUTION 02-9675** Amending the Annual Budget to Provide Financing for Traffic Mitigation Fee

Assistant City Manager Nasser Shirazi advised that Fehr & Peers Associates, Inc. had proposed to prepare a Pittsburg Traffic Mitigation Fee Update Study for an amount not to exceed \$100,000. The study would provide the necessary analysis to increase the City's Traffic Mitigation Fee (TMF).

Mr. Shirazi recommended the adoption of the resolution to approve the standard City consultant agreement with Fehr & Peer Associates, Inc. to update the City's Traffic Mitigation Fee Study and a resolution to amend the General Fund Budget for Fiscal Year 2002-2003 to provide financing.

BEN JOHNSON, Pittsburg, inquired whether or not \$100,000 was the normal fee for that type of survey. He also inquired of the proposed timeframe for the mitigation survey.

In response, Mr. Shirazi advised that the study was not to exceed \$100,000, which amount was normal, dependent upon the extent of the report, to consider the existing traffic

mitigation fee and additional fees that might be imposed given the number of projects involved.

City Engineer Joe Sbranti advised that the consultant agreement had identified a sixty-day timeframe for the preparation of the study.

WILLIE MIMS, Pittsburg, referred to an Exhibit A showing six weeks for Category 1 and ten weeks for Category 2, which appeared to be in conflict with Mr. Sbranti's estimation of the timeframe involved.

Mr. Sbranti referenced Page 3 of the agreement identifying a sixty-day timeline. He agreed there appeared to be a conflict, noted that the six weeks and ten weeks would be done concurrently, and explained that he would verify the time period with the consultant.

Mr. Mims inquired whether or not the project had been put out to bid, reported by Mr. Sbranti that the original TMF study had previously been done by the same consultants and rather than starting from scratch, the consultant who had conducted the original study would be utilized in this case. Mr. Mims stated that a budget had been approved for the item between \$50,000 and \$200,000. Given the request for \$100,000 and the fact that the contractor was not the only company that could do that type of work, he suggested that had the City gone out to bid a cheaper price might have resulted.

Vice Mayor Beals-Rogers inquired whether or not a new contractor would have cost more than using an existing contractor.

Mr. Sbranti explained that the first step was a Request for Proposal (RFP) which required significant staff time. If securing a different contractor, he suggested that the lead-time would be more extensive. He added that generally using a consultant with existing background information was more cost effective.

Mr. Mims referred to Category 1 where certain streets were named. He expressed concern for the parameters that the consultant could not exceed. He suggested that there appeared to be some constraints on the consultant that were a concern to him.

Mr. Sbranti stated that the consultant was limited to evaluating the projects included in the TMF. For Category 2 and the discussion of Range Road, he added that no new projects were being included, only those included in the TMF.

Councilmember Rios stated that since the issue involved essentially an updated study by a company familiar with the project, a shorter timeframe should be involved.

Mr. Sbranti referred to the timeline referenced for ten weeks, suggested that was an aggressive schedule and noted that all current TMF projects would be revisited and that the funding lost by the regional transportation fees no longer being contributed to those projects would attempt to be replaced. In response to the Vice-Mayor, he explained that the item was specifically to assess the TMF fee and not the regional fee.

Vice Mayor Beals-Rogers had a problem given the parameters of the proposal and her concern that the fee would be directed to the new homebuyers. Noting the expectation that the study would show that an increase would be required, she inquired why that had to be directed to the new residents. She also inquired whether or not other regional fees or other fees should be increased.

Mr. Sbranti emphasized that the study would address no other than the City's fee. That fee did not affect current residents. Only new residents would be affected.

Mayor Aiello pointed out that all new housing would bear the burden of any regional fee. He quoted the Councilmember of a city to the east who had suggested that the fee would not be a problem given that it would be imposed on new homeowners. He added that while substantial fees were being collected east of the City, none of those funds were being used to address transportation in Pittsburg that was impacted by traffic from the east. Given that the City of Pittsburg was not allowed membership in the State Route 4 Bypass Authority, he suggested that represented taxation without representation. He recommended that the study address the potential for new development.

Mr. Sbranti inquired whether or not the Mayor was asking that the scope of work be changed.

Mayor Aiello sought a two-tiered fee. One fee on the west of Range Road and a fee on the east of Range Road, which would be a higher fee given that it would have a greater impact on City streets.

Mr. Sbranti stated that two separate fees would not be included as part of the study in that one recommended fee increase would be generated.

Mayor Aiello clarified that the Council would address the recommendation, when received.

On motion by Councilmember Quesada, seconded by Councilmember Lewis and carried unanimously to adopt Resolution 02-9674.

On motion by Councilmember Lewis, seconded by Councilmember Quesada and carried unanimously to adopt Resolution 02-9675.

PUBLIC HEARING

1. **ORDINANCE 02-1201** Railroad Terrace Residential Subdivision, RZ-02-09

Mr. Shirazi presented the staff report for the continued public hearing on an application by Albert Seeno III, Discovery Builders, to rezone 1.3 acres to RM-0 (Medium Density Residential with a Limited Overlay) in order to establish development regulations that would allow the construction of a 16-lot, single-family residential subdivision ("Railroad Terrace"). At the close of a public hearing held on June 25, 2002, the Planning Commission recommended that the Council rezone the Railroad Terrace subdivision site as

well as a one-acre site (former Cardinale Bakery) in the middle of the subdivision. The 2.3-acre site of the recommended rezoning is on the south side of East Third Street, west of the Johns Manville Plant, east of Cumberland Street, and north of the Village at New York Landing residential subdivision; APNs 085-370-054 and 085-370-142 through 145.

Mr. Shirazi recommended the introduction of the ordinance establishing development regulations and rezoning 2.3 acres located on the south side of East Third Street, including the Railroad Terrace project site, to RM-0.

Mayor Aiello opened the public hearing for Ordinance 02-1201. There was no one to speak for or against the ordinance. Mayor Aiello closed the public hearing.

On motion by Councilmember Lewis, seconded by Councilmember Quesada and carried unanimously to introduce Ordinance 02-1201 by title only and waive further reading.

ADJOURNMENT

The meeting adjourned at 8:52 P.M. in memory of **Robert Threatt** to September 16, 2002.

Respectfully submitted,

Lillian J. Pride, City Clerk