

CITY OF PITTSBURG
Special Meeting of The
Housing Authority, Redevelopment Agency,
City Council, and Pittsburg Power Company

Minutes
June 24, 2002

Chair/Mayor Frank Aiello called the meeting of the Housing Authority, Redevelopment Agency, City Council and Pittsburg Power Company to order at 4:32 p.m. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California.

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

MEMBERS ABSENT: None

STAFF PRESENT: Executive Director/City Manager, Willis Casey
Assistant Executive Director/City Manager, Nasser Shirazi
Legal Counsel, Linda Daube
Director of Economic Development, Garrett Evans
Director of Public Services, John Fuller
Director of Leisure Services, Paul Flores
Director of Planning and Building, Randy Jerome
Director of Personnel Services, Marc Fox
Interim Finance Director, Peter Kolf
City Engineer, Joe Sbranti
Director of Housing, Buck Eklund
Police Chief, Aaron Baker
Executive Assistant/Deputy City Clerk Alice Evenson

PLEDGE OF ALLEGIANCE

Julia Passmore led the Pledge of Allegiance.

CENTENNIAL CELEBRATION WORKSHOP

A workshop was conducted to allow community input into the planning of the City's Centennial Celebration.

The Agency/Council convened to conduct business at 5:57 p.m.

CITIZENS REMARKS

Allen Valentine, Pittsburg, commented on a grass fire behind the golf course that came within 200 yards of his home. He stated the fire was set by someone at the model airplane field. He stated the City should never have allowed the air field in that location because of the high winds and proximity to houses. He stated he was in contact with CCCFD Station 87 who were unaware of the air field, and that the City of Antioch did not allow the field to continue at their former location because of the danger. He commented

that his neighborhood was up in arms about the situation and the Neighborhood Watch group would be submitting a petition to the City to remove the field.

PROCLAMATION

1. Jack and Tina Gray, Carlo's Pizzeria

The Grays were not in attendance. The proclamation will be forwarded to them.

2. Alice Evenson

A proclamation was awarded to Alice Evenson, Executive Assistant and Deputy City Clerk for her dedication to the City of Pittsburg during her past lengthy illness.

CONSIDERATION

1. **RESOLUTION 02-203** Housing Authority Budget Adoption

On June 10, 2002, the Housing Authority held a budget workshop to review the proposed budget for FY 2002/2003 for the Housing Authority of the City of Pittsburg. The budget must be adopted to provide ongoing financing for Housing Authority activities in the next fiscal year. On June 17, 2002, the Housing Authority reviewed the proposed budget and expressed concerns regarding adoption of the budget before all impacts of the State budget are known. Housing Authority directed staff to bring back a resolution authorizing a spending plan until the budget is adopted. For reasons which will be more fully discussed below, staff recommends adoption of the budget and a restriction on spending. Further, the Housing Authority Audit Committee is directed to review State action and return to the Housing Authority on or before September 16, 2002 with specific recommendations for budget modification.

The recommendation is to approve the budget for the Housing Authority of the City of Pittsburg for the Fiscal Year 2002-2003 with a provision that the Housing Authority is limited to spending 25% of the adopted budget until September 30, 2002. If the 25% spending limit is reached prior to September 30, the Housing Authority must again review the budget to increase spending limits on a month to month basis as it sees fit. As soon as the State budget impact is known, the Housing Authority Audit Committee will meet with staff to review the status of the budget and on or before September 16, 2002 the committee will make further recommendations to the Housing Authority to adopt the budget.

On motion by Member Quesada, seconded by Member Rios with the amendment to allow 100% of the Housing Authority budget to be adopted.

Member Lewis stated he was not satisfied with the wording in the staff report. He agreed there needs to be a review of the State action and needs to be brought back to the Council on September 16; however not with the committee action involved.

Chair/Mayor Aiello interjected that the motion was to approve 100% of the Housing Authority budget, and therefore this budget does not need to be brought back in September.

Vice-Chair/Mayor Beals-Rogers asked for further clarification. She asked whether or

not the budget as originally proposed on June 10 could be passed tonight, as the current resolution is not for 100% of the budget.

City Attorney Daube stated staff will amend the wording to reflect the fact that 100% of the budget is adopted. She stated Council always has the option to come back and make modifications.

Resolution 02-203 was approved by the following vote: **VOTE: 6-0**

The Housing Authority adjourned at 6:13 p.m.

2. **RESOLUTION 02-833** Redevelopment Agency Budget Adoption

On June 10, 2002, the Redevelopment Agency held a budget workshop to review the proposed budget for FY 2002/2003 for the Redevelopment Agency. The budget must be adopted to provide ongoing financing for Redevelopment Agency activities in the next fiscal year. On June 17, 2002, the Redevelopment Agency reviewed the proposed budget and expressed concerns regarding adoption of the budget before all impacts of the State budget are known. Redevelopment Agency directed staff to bring back a resolution authorizing a spending plan until the budget is adopted. For reasons which will be more fully discussed below, staff recommends adoption of the budget and a restriction on spending. Further, the Redevelopment Agency Audit Committee is directed to review State action and return to the Redevelopment Agency on or before September 16, 2002 with specific recommendations for budget modification.

Member Quesada stated he has three concerns. 1) the amount allocated for the Blues Festival under Leisure Services; 2) that all consultants that come before City Council go to the audit committee for review prior to being approved; and 3) look at providing benefits for retired police officers that has been discussed previously, but never concluded. He stated he would like to discuss these items tonight prior to voting on the budget.

When asked by Member Rios if that was a motion, Member Quesada stated this was for discussion purposes only.

Member Rios requested clarification as to whether a 4/5 vote is required, and if so, what is the required vote to bring any changes back to the Council?

City Attorney Daube stated a simple majority is needed for changes. The budget structure itself requires a super-majority vote. The audit committee can address any concerns, including Member Quesada's items, and recommend changes that can be brought back to the Council with a simple majority vote.

Member Rios moved to adopt Resolution 02-833 with the recommendations Member Quesada made. Member Quesada seconded the motion.

Member Lewis stated there has been no discussion on Member Quesada's recommendations. He inquired as to the proposed effect to the Blues Festival budget; is it to increase it, decrease it, or eliminate it entirely? Secondly, it was the Council's direction to the City Manager that he utilize consultants rather than City employees to accomplish many

of the goals and developing the information he needs for various projects. It would seem contrary to that direction to insert the approval of those consultants and take away that authority from the City Manager. He also voiced his concern about what is being proposed for the retired police officers; is it 100% or partial funding? He states these items are not appropriate for a budget hearing and are more appropriate for the negotiations between the City and employment groups. He would like clarification on all three items before voting.

Member Lewis also does not feel the Audit Committee is the right group to review State action. He cited the report just received from the independent financial expert that evaluated the Finance Department which says that the Audit Committee should be the direct link between auditor and City Council and focus on the audit of the City's financial statements and the resolution of any audit findings. He stated there should be an ad hoc Budget Committee, appointed as per the established council policy. He felt the budget concerns were not an appropriate venue for the Audit Committee. He asked the Mayor to announce the intention to form an ad hoc committee to review the budget, and recommended the Mayor and Vice-Mayor serve on this committee. He stated that until these items are straightened out he will not support any of the budget items.

Member Rios agreed with Member Lewis that it is not a function of the Audit Committee, but no policy is in place, and until there is a policy, the current Audit Committee will be taking those duties. She stated the recommendations that Member Quesada made will be reviewed by the Audit Committee, as well as any suggestions that are made regarding the budget. This resolution is to approve 25% of the budget to allow payroll to continue and to allow the Council to get some of the questions answers on issues that exist on the budget. She stated the Council needed to either approve this resolution, or stay all night and hash the issues out.

Member Lewis stated is he willing to stay as long as it takes, but disagreed that we do not have policies and procedures in place. He stated this is a typical example of what an ad hoc committee does, as it is a one use, one issue committee to check the State budget for one year for potential take-aways. This is exactly the definition of what an ad hoc committee does and submitted that there are policies and procedures in place for the appointment of ad hoc committees. This is not an authority that has ever been given to the Audit Committee, and he is not willing to give them the authority, when this is an ad hoc duty that should be performed by an ad hoc committee.

Vice Chair/Mayor Beals-Rogers asked when the determination was made that the Audit Committee would change its function to operate as a budget committee. She understood that this determination had been made already that they will be doing this. She also felt there is one other option and that is to pass the budget as originally recommended and come back and make any amendments necessary.

Chair/Mayor Aiello stated he has heard this discussion, and there is a motion on the floor with a second to that motion. He questioned the City Attorney as to whether this motion on budget adoption, with amendments, required a 4/5 vote? His understanding is that on a budget adoption, a 4/5 vote is required.

City Attorney Daube stated that was correct.

Member Lewis stated that without regard to the issue raised about the Audit Committee, he still had no idea what is being considered about the Blues Festival, or retired police officers. No one has explained what is being done with this motion, whether we are increasing, decreasing, eliminating, and what are the financial ramifications of the proposal for the retired police officers as to what that will cost, what level of funding we are performing, and he still remained uncomfortable with taking away the authority of the City Manager to hire consultants as he sees fit when he has been given that direction. He stated we cannot just make proposals and vote on them; we need to have financial ramification discussions, and what these changes entail.

Vice Chair/Mayor Beals-Rogers stated she missed the motion and would like it repeated. She stated issues like the retired officers, the Blues Festival, etc., still do not make it clear why the budget cannot be adopted as is, and come back to address any issues once financial repercussions are known. She also feels the Council should not be micro-managing the City Manager's authority. She asked the City Attorney to repeat the motion.

City Attorney Daube stated the motion on the floor is to adopt the budget, with a spending limitation to the end of September, which is 25% of the budget. Also included in the resolution is the fact that the Audit Committee would do a review of all the issues that were raised by Member Quesada, several other issues in terms of the State budget as well, and would come back to Council on or before September 16 to make the proper allocations or re-allocations with respect to the budget.

Vice Chair/Mayor Beals-Rogers asked if the Council can do another financial status of the City based upon the State budget, and why would it go to the Audit Committee, or a Budget Committee, if implemented.

City Attorney Daube stated this is only a subcommittee that would bring back recommendations to the full Council. The Audit Committee, or subcommittee, is not the body making the decisions, only recommendations.

Member Quesada stated he agrees with the Vice Mayor, and that the Council has the option to decide whether it's feasible within the budget to do the three items, and whether we can afford and how much we can afford to put into these programs. As for the consultants, all he is asking is that the Audit Committee review them, bring them back to the Council to be approved, and the City Manager then has the right to hire whomever he wants as long as the Council approves it. He stated with the 25% contingent, we can work things out to get everything we want within the limitation of the budget.

Chair/Mayor Aiello stated the motion is sounding unclear and needed clarification. He asked the motion maker and second to clarify.

Member Rios stated her motion is to adopt the resolution and staff recommendation on 02-833. Further, because the recommendation is for any issues to go to the Audit Committee, the issues that Member Quesada brought up would be discussed then.

Vice-Chair/Mayor Beals-Rogers stated that she is still not confident that the issues brought up tonight are enough not to pass the budget for this Agency. She is not sure that

the Audit Committee is the appropriate body to say yes or no on potential consultant services, and is not convinced that this is enough to hold up the budget for this Agency beyond the 25%.

Chair/Mayor Aiello stated this meeting will go on for the next three days without interruption if necessary until the budget is passed. There are employees here waiting to find out if they are going to get paid. Secondly, the motion as it stands allows this budget to move through and the recommendations, and recommendations only, from an Audit Committee would come back to the entire Council to either approve or deny. He stated he believes to not pass the budget as it states in this resolution would be irresponsible to the employees of this City and irresponsible to the citizens of the community. We can pass the budget. If there are any revisions, staff will look closely at them and keep the entire Council abreast. It can come back September 16 or sooner and the budget is done. Understanding that the only thing we are doing is adopting the staff recommendation to move forward with the budget he asked the Council to move forward. He stated the Finance Director worked hard to put this recommendation together, and he is fully behind his recommendations.

Vice Chair/Mayor Beals-Rogers stated that employees should be paid and nor should this conversation stop them from doing so. At the same time she does not believe that concerns about the Blues Festival expenditures should also stop them from getting paid. There was a five hour workshop in which these concerns were not brought up, as well as the June 3rd meeting about the budget. She stated we are being irresponsible to not bring these issues forward prior to tonight and that the 25% is not in anyone's best interest. She stated we should pass the budget 100% complete, and if there are any questions or issues, they should be handled after the full budget is passed.

Chair/Mayor Aiello stated he is on record that with all State agencies and mandates we do not know where we stand. That is his concern with the budget. He will not address these other issues.

Member Rios had a clarifying comment regarding the Blues Festival. She wants to see how much the City has been expending on the festival. This information was requested, but not received. If we are not making a profit, she feels this money could better be spent providing wage increases for our employees. This is where the contract for professional services comes into play. Until that information is provided, she will not approve the budget 100%. There are still too many uncertain questions. All information was not provided during the five hour workshop. It will not be fiscally responsible to approve a budget when all the information is not provided.

Vice Chair/Mayor Aiello stated staff has made it clear that other cities have done the same thing that is proposed tonight. At this time, he called for the question.

The vote was taken as follows: **3-2 with Beals-Rogers and Lewis voting no.**

Vice Chair/Mayor Aiello stated the budget has failed. He asked the dissenting votes, if either had a motion that can be made?

Member Lewis moved that we approve the budget like we have every year in the past. There have been numerous times when this City has faced uncertain financial times when

we have had no reserves. We currently have adequate reserves to cover whatever shortfall might occur in the budget. It is always possible to come back and make adjustments to the budget after it has been adopted. He moved to approve the budget as proposed on June 3, 2002.

Vice Mayor/Chair Beals-Rogers seconded the motion and directed staff to contact the Council Members that are concerned about the Blues Festival expenditures so that it is crystal clear where dollars are being spent. She also made the recommendation for an ad hoc subcommittee to be established to look at the budget concerns.

The Vote was as follows: **3-2 with Member Quesada and Rios voting no.**

Mayor Aiello called for a short recess at 6:38 p.m.

Mayor Aiello reconvened the meeting at 6:42 p.m.

Member Lewis stated he would prefer to look at the whole budget, but requested that if that is not the case, the group that brings the recommendation back to the Council not be the Audit Committee, but rather an ad hoc committee that each member be allowed to submit an application for.

Member Lewis moved to adopt the budget for the first 90 days and the Mayor form an ad hoc Budget Review Committee to review any issues and return to the Council on September 16, 2002.

Chair/Mayor Aiello seconded the motion.

The vote was as follows: **3-2 with Member Quesada and Beals-Rogers voting no.**

Interim Finance Director Pete Kolf stated he understood the concerns the Council has and stated those items can be discussed by the Council at any time it so chooses. These issues can be brought back at the July 15 meeting and direct staff to provide the information Council requests. If the budget passes tonight with the 25% provision, the Council can modify it as seen fit on July 15. He reiterated that any concerns can be brought back to the Council at any time. He recommended passage of the budget tonight as stated in the resolution.

Vice Chair/Mayor Beals-Rogers thanked Mr. Kolf for his clarifications that these are minute issues and hold no bearing on passing a budget. In light of this she asked what is the difference between passing a 100% or 25% budget when we can come back later and make any amendments?

Mr. Kolf stated approximately 432 cities are doing the same thing right now with no 25% restrictions. He stated that either way, it accomplishes the same thing.

Member Lewis stated he would like to re-introduce the same motion he made with the stipulation that the Mayor appoint an ad hoc Budget Review Committee.

Member Rios seconded the motion.

The vote was as follows: **4-1, with Beals-Rogers voting no.**

3. **RESOLUTION 02-9633** City Council Budget Adoption

On June 10, 2002, the City Council held a budget workshop to review the proposed budget for FY 2002/2003 for the City Council of the City of Pittsburg. The budget must be adopted to provide ongoing financing for City Council activities in the next fiscal year. Included with the budget is the City of Pittsburg calculation of the appropriate limit for FY 2002/2003 in accordance with the California Constitution, Article XIII (B). On June 17, 2002, the City Council reviewed the proposed budget and expressed concerns regarding adoption of the budget before all impacts of the State budget are known. Council directed staff to bring back a resolution authorizing a spending plan until the budget is adopted. For reasons which will be more fully discussed below, staff recommends adoption of the budget and a restriction on spending. Further, the Council Audit Committee is directed to review State action and return to City Council on or before September 16, 2002 with specific recommendations for budget modification.

Member Rios moved to adopt the resolution as amended by Member Lewis in the previous resolution adoption. The motion was seconded by Member Lewis.

The vote was as follows: **4-1 with Beals-Rogers voting no.**

4. **RESOLUTION 02-075** Pittsburg Power Company Budget Adoption

On June 10, 2002, the Pittsburg Power Company held a budget workshop to review the proposed budget for FY 2002/2003 for the Pittsburg Power Company of the City of Pittsburg. The budget must be adopted to provide ongoing financing for Pittsburg Power Company activities in the next fiscal year. On June 17, 2002, the Pittsburg Power Company reviewed the proposed budget and expressed concerns regarding adoption of the budget before all impacts of the State budget are known. Power Company directed staff to bring back a resolution authorizing a spending plan until the budget is adopted. For reasons which will be more fully discussed below, staff recommends adoption of the budget and a restriction on spending. Further, the Power Company Audit Committee is directed to review State action and return to the Pittsburg Power Company on or before September 16, 2002 with specific recommendations for budget modification.

On Motion by Member Rios to adopt the resolution with the amendment that 100% of the budget be approved, seconded by Member Lewis by the following vote: **5-0.**

PUBLIC HEARING

1. **ORDINANCE 02-1199** Introduction of an ordinance to amend the Zoning Map for Approximately 17.18 acres from RS (Single-Family Residential) to PD (Planned Development) and Approval of a PD Plan for Construction of 120 Single-Family Homes Generally Located Between North Parkside Drive on the North, West Seventeenth Street on the South and Between Andrew Avenue on the East and the River Run

Residential Subdivision on the West; APN 086-02-0012.
RA-01-03

This is the adoption of an ordinance to amend the City of Pittsburg Zoning Map for approximately 17.18 acres from RS (Single-Family Residential) to PD (Planned Development) and approval of a PD Plan for the construction of a 120-lot single-family home subdivision on the portion of Stanley Works site generally located between North Parkside drive on the north, West Seventeenth Street on the south and between Andrew Avenue on the east and the River Run residential subdivision on the west; APN 086-020-012.

There being no questions from Council, Mayor Aiello opened the Public Hearing.

Vincent Fletcher, Schuler Homes, stated they have been building in Pittsburg for five years. He explained the project in detail and requested approval of this project as part of the existing Harbor Lights project.

There being no one to speak either for or against the ordinance, the Mayor closed the Public Hearing.

On motion by Member Quesada, seconded by Member Lewis to introduce and waive first reading of the ordinance as follows: **VOTE: 5-0**

The meeting was adjourned at 6:58 p.m. to July 15, 2002.

Respectfully submitted,

Alice E. Evenson
Deputy City Clerk