

CITY OF PITTSBURG
Housing Authority Minutes
June 16, 2003

Chair Yvonne Beals called the meeting of the Housing Authority to order at 7:05 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California, after having met in Closed Session at 6:30 P.M. pursuant to Section 54956.9 of the Government Code, Conference with Legal Counsel - Existing Litigation regarding City of Pittsburg vs. Griego, Contra Costa Superior Court Case No. C03-00473.

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

MEMBERS PRESENT: Glynn, Kee, Parent, Rios, Wallen, Beals

MEMBERS ABSENT: Leatherwood

STAFF PRESENT: Assistant Executive Director, Nasser Shirazi
Legal Counsel, Linda Daube
Assistant Legal Counsel, Russ Townsend
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
Director of Public Works, John Fuller
Director of Recreation, Paul Flores
Director of Building and Planning, Randy Jerome
Director of Finance, Marie Simons
Director of Human Resources, Marc Fox
City Engineer, Joe Sbranti
Police Chief, Aaron Baker
Executive Assistant to the City Manager, Alice Evenson

PLEDGE OF ALLEGIANCE

Dolores Magallon led the Pledge of Allegiance.

CITIZENS REMARKS

There were no citizens remarks.

MEMBERS REMARKS

There were no Members remarks.

CONSENT

On motion by Chair Beals, seconded by Member Parent and carried unanimously to adopt the Consent Calendar, as follows:

- a. **DISBURSEMENT LIST** Period Ending: May 31, 2003

Approved Disbursement List period ending May 31, 2003.

- b. **MINUTES** Dated: May 19, 2003

Approved Minutes dated May 19, 2003.

CONSIDERATION

1. **RESOLUTION 03-210** Authorizing the Payment of Critical Costs Necessary to Support the Continued Delivery of All Housing Authority Programs and Services for the 2003-2004 Fiscal Year Prior to Adoption of Fiscal Year 2003-2004 Budget

Assistant Executive Director Nasser Shirazi advised that authorization was required for the payment of critical costs to support continued delivery of all Housing Authority programs and services prior to the adoption of the Operating and Program Budgets for Fiscal Year 2003-2004. Identifying the fiscal impact, Mr. Shirazi stated that the recommended action would ensure that prior to budget adoption in July 2003 the necessary payments would be processed for Fiscal Year 2003-2004 pertaining to employee salary and benefit costs, on-going maintenance and other contract costs, including construction progress payments to prevent the disruption of service delivery and additional penalty costs for late payments.

Mr. Shirazi recommended that the Housing Authority authorize the payment of critical costs necessary to support the continued delivery of all Housing Authority programs and services for the 2003-2004 Fiscal Year prior to the adoption of the Fiscal Year 2003-2004 Operating and Program Budgets.

On motion by Member Kee, seconded by Vice Chair Rios and carried unanimously to adopt Resolution 03-210.

ADJOURNMENT

The meeting of the Housing Authority adjourned at 7:09 P.M. to the next meeting set for July 21, 2003.

Respectfully submitted,

Lillian J. Pride, Secretary
als

CITY OF PITTSBURG
Redevelopment Agency Minutes
June 16, 2003

Chair Yvonne Beals called the meeting of the Redevelopment Agency to order at 7:10 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California, after having met in Closed Session at 6:30 P.M. pursuant to Section 54956.9 of the Government Code, Conference with Legal Counsel - Existing Litigation regarding City of Pittsburg vs. Griego, Contra Costa Superior Court Case No. C03-00473.

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

MEMBERS PRESENT: Glynn, Kee, Parent, Rios, Beals

MEMBERS ABSENT: None

STAFF PRESENT: Assistant Executive Director, Nasser Shirazi
Legal Counsel, Linda Daube
Assistant Legal Counsel, Russ Townsend
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
Director of Public Works, John Fuller
Director of Recreation, Paul Flores
Director of Building and Planning, Randy Jerome
Director of Finance, Marie Simons
Director of Human Resources, Marc Fox
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 Member remarks.

CONSENT

On motion by Member Parent, seconded by Member Glynn and carried unanimously to adopt the Consent Calendar, as shown.

- a. **MINUTES** Dated: June 2, 2003

Approved Minutes dated June 2, 2003.

- b. **RESOLUTION 03-895** Approving the Execution of Two Quit Claim Deeds to Discovery Builders, Inc.

Adopted Resolution 03-895.

- c. **RESOLUTION 03-896** Correct the Accounting Treatment of a \$543,000 Loan Repayment to the Redevelopment Agency

Adopted Resolution 03-896.

Mayor Beals convened JOINTLY the CITY COUNCIL, the REDEVELOPMENT AGENCY, and the PITTSBURG POWER COMPANY at this time to consider the following:

CONSIDERATION

1. **RESOLUTION 03-897** Authorizing the Payment of Critical Costs Necessary to Support the Continued Delivery of All Redevelopment Agency Programs and Services for the 2003-2004 Fiscal Year Prior to Adoption of Fiscal Year 2003-2004 Budgets
Combined w/CC 03-9846
Combined w/PPC 03-088

Assistant City Manager Shirazi stated that authorization was required for the payment of critical costs to support continued delivery of all Redevelopment Agency programs and services prior to the adoption of the Operating and Program Budgets for FY 2003-2004.

Mr. Shirazi explained that the recommended action would ensure that prior to budget adoption in July 2003 the necessary payments would be processed for Fiscal Year 2003-2004 pertaining to employee salary and benefit costs, on-going maintenance and other contract costs, including construction progress payments to prevent the disruption of service delivery and additional penalty costs for late payments.

Mr. Shirazi recommended that the City Council, the Redevelopment Agency and the Pittsburgh Power Company authorize the payment of critical costs necessary to support the continued delivery of all City, Agency and Power Company programs and services for the 2003-2004 Fiscal Year prior to the adoption of the Fiscal Year 2003-2004 Operating and Program Budgets.

On motion by Member Glynn, seconded by Member Parent and carried unanimously to adopt Redevelopment Agency Resolution 03-897.

On motion by Vice Mayor Rios, seconded by Mayor Beals and carried unanimously to adopt City Council Resolution 03-9846.

On motion by Member Glynn, seconded by Member Parent and carried unanimously to adopt Pittsburg Power Company Resolution 03-088.

2. **RESOLUTION 03-898** Allocating Funding, Approving Plans and Specifications, Authorizing Bidding, Approving a Consultant Agreement Amendment, and Making Certain Findings in Connection Herewith for Contract 01-10, West Tenth Street Rehabilitation Project
 Combined w/CC 03-9847

Mr. Shirazi stated that the project would rehabilitate West Tenth Street from Railroad Avenue to Builders Circle, reconfigure the pavement striping, construct Americans with Disabilities Act (ADA) compliant curb ramps, and construct pedestrian bulb outs to increase safety for citizens crossing the street.

Mr. Shirazi presented the fiscal impact and advised that the cost of the project was to be divided between the State Transportation Improvement Program (STIP) grant in the amount of \$371,000 and Redevelopment Agency funds in the amount of \$348,000. The Consultant Agreement Amendment with Bellecci and Associates was for an amount not to exceed \$30,835. The additional costs of the Amendment are to be funded from the remaining project budget of \$719,000.

Mr. Shirazi recommended that the City Council adopt the resolution making certain findings and consenting to the Redevelopment Agency's expenditure of funds for the project, authorize the City Engineer to advertise for bids, and approve the Consultant Agreement Amendment with Bellecci & Associates, and that the Redevelopment Agency adopt a resolution to authorize \$719,000 to fund the project and receive the \$371,000 STIP grant upon receipt of the reimbursement.

On motion by Vice Chair Rios, seconded by Member Glynn and carried unanimously to adopt Redevelopment Agency Resolution 03-898.

On motion by Vice Mayor Rios, seconded by Councilmember Glynn and carried unanimously to adopt City Council Resolution 03-9847.

3. **MINUTE ORDER** Black Diamond Project Site

Mr. Shirazi advised that Redevelopment Agency staff was seeking direction from the Agency Board to recommend one of the following alternatives for the Black Diamond Project site: 1) Direct Staff to solicit Request for Proposals to develop a Mixed Use Project; 2) Direct Staff to solicit Request for Proposals (RFPs) to Developers using the Mixed Use concept of Griego Designs; or 3) Conduct a Feasibility Study to determine the highest and best possible use for the Black Diamond Project Area, including Alliant International University (AIU).

Presenting the fiscal impact, Mr. Shirazi explained that the impact would depend on which alternative the Agency selected. Alternative #1 would have a minimal cost impact

depending on the number of RFP's to be sent out, Alternative #2 would depend on the Agency's involvement in purchasing the Conceptual Plans by Griego Designs, and Alternative #3 would involve a not to exceed \$75,000 cost for the Feasibility Study depending on the scope of work selected.

Mr. Shirazi recommended that the Agency Board, by Minute Order, select one of the three alternatives so that the Black Diamond Project Area could move forward.

LISA GRIEGO, Pittsburg, speaking on behalf of Griego Designs, presented a petition of 62 signatures from Pittsburg and Bay Area residents who were in support of the Griego Pittsburg Renaissance Village Design. When the Request for Qualifications (RFQ) was originally submitted by Griego Designs in 2001, she stated that information had been included as to why the design would represent the best course of action by the City. Two years later, she stated that the design that had originally been submitted was much farther along and was feasible in terms of construction and cost and with overwhelming support from the community and local businesses. She distributed a handout to identify why the City should adopt the Griego Design Master Plan to help the downtown thrive in a residential, live/work, small retail spaces and art walk environment.

Ms. Griego suggested that the choice of the Griego Design in an RFP process would save the City time and money, save the developer time and money, adhere to the wishes of the community and create a unique and vibrant downtown that would attract visitors, customers and residents from the entire Bay Area. Ms. Griego explained that the design had been displayed in the window at 446 Railroad Avenue for over eight months and had created excitement and praise from many local residents and businesses as well as visitors to the community. She recommended that Alternative #2 be chosen by the City Council.

IDA MAY WAGNER, Pittsburg, a Bay Harbor Park resident, stated that last year the previous Council had heard the community's desire for the adoption of the Griego Mixed Use Project Design. She sought a reaffirmation from the Council to adopt the Griego Design and to proceed with that design.

RON WAITE, Pittsburg, supported the Mixed Use Design when it had first been presented to the community and he supported the Griego Design. He urged the use of the Mixed Use Griego Design for the benefit of the downtown.

Chair Beals read a letter dated June 16, 2003 from Ben Sandoval, Pittsburg, into the record in support of the Griego Design, as follows:

“Due to the short notice, I was unable to speak to you in person tonight. As a resident of the Pittsburg Hills, I urge you to choose the Griego Pittsburg Renaissance Village design for the Black Diamond area. In 2001, I was house-hunting with the intent of moving my family out of Pittsburg until I saw Mr. Griego's design. When the City Council voted in 2002 5-0 to give the negotiation rights to Mr. Griego to realize the design, I felt that the City was headed in the right direction and changed my mind about moving my family from Pittsburg. I was upset when the developer did not work out and Mr. Griego withdrew

from the negotiation rights; but hopeful when I heard the praise from the council members about the design in particular and their hope that the city would be able to work with Mr. Griego to eventually purchase the design.

“Furthermore, I was happy to see three community-minded Councilpersons recently elected to the City Council. I believe in your messages that the communities’ voice counts and your independence from the ties of any special interests or developers.

“Please send a message that Pittsburg’s community voice matters. I ask you to choose the Griego Pittsburg Renaissance Village design for the Black Diamond area. Don’t allow developers to choose what our city will become. Let’s handle this as other cities do and tell the developers what we want and have them bid to build it.”

Chair Beals clarified that the vote in question had been 4 to one at that time in that she had cast the only 'no' vote. Chair Beals characterized the issue as one that was historical and political. To maintain Council etiquette she urged that the politics be left out of the discussion. She suggested there was a need for a formal process as to what was best for the project.

Councilmember Kee noted past City agreements with developers, architects and the like and expressed his understanding that there had always been a clause to state that a design would be the City's property to do with as the City pleased. He inquired whether or not there was any term or clause referenced in the agreement for the Black Diamond Project.

Redevelopment Agency Director Garrett Evans explained that the City's standard language was that whatever was submitted would become the property of the City. He explained with respect to Alternative #2, that while the design itself would be the City's, the extensive background work conducted by Mr. Griego was not in the City's possession and it would have to be determined whether or not that background would be included in an RFP for developers.

Vice Chair Rios made a motion to pursue Alternative #2 to solicit RFPs to developers using the mixed-use concept of Griego Designs. She explained that time, effort and money had already been expended for RFPs, which had been received by the Agency. She stated that the Griego Design had been extremely well received by the community and the majority of the previous City Council had supported the Griego Design concept for the Black Diamond area.

Chair Beals noted that Alternative #2 sought a purchase of the design and not a pursuit of the design.

City Attorney Linda Daube commented that Alternative #2 had suggested incorporating the designs and going out for a new RFP to developers, which did not mean that the City had to do the purchasing. She stated as part of the RFP that the Council could condition that the developer engage in negotiations to purchase those designs.

Mr. Evans stated in further response to the Chair who had inquired whether or not that had been done last year, that Griego Designs had found a developer from six developers staff had presented and the design company had gone through several interviews and had selected one development company. That process occurred last year.

Chair Beals sought clarification of the Vice Chair's motion, that the City purchase the design and solicit it out to developers to build.

Vice Chair Rios withdrew the original motion and recommended a new motion. She made a new motion to select Alternative #1 to direct staff to solicit RFPs to develop a Mixed Use Project.

Chair Beals clarified that would mean that the Council would put out an RFP for what the City would like to see and include those items in the RFP, which would open the process for anyone to submit any mixed use concept.

Member Kee suggested that the concept of a mixed use in the Black Diamond Area was a good concept. He sought something along the lines of Alternative #1 that would propose a mixed-use development. If a developer wished to purchase the Griego Design, that would be the developer's option as opposed to the City's option. He noted that the City would also have to consider what AIU wanted to do and how that would fit in.

There being no second to Vice Chair Rios' motion to pursue Alternative #1, the motion failed for lack of a second.

Member Glynn sought a clarification of the official definition of mixed use.

Director of Building and Planning Randy Jerome stated that the classic mixed use concept, as envisioned in the General Plan for the Downtown Area, was a mixture of commercial, retail and residential properties, either all on the same property or mixed together in one building or portions of a property, but conceptually designed in an integrated plan to share amenities such as parking, buildings and the like. A mixed concept was land use of residential and commercial uses.

Member Parent clarified with Mr. Jerome that use could include schools.

Chair Beals stated that was her concern given AIU and the possibilities in that case. She did not want to jeopardize the ongoing discussions with AIU.

Mr. Evans stated that a developer putting together a mixed-use project might or might not contain a university. As to whether or not there could be an alternative site for AIU, he explained that there were several potential sites that could be discussed with AIU should the Black Diamond site not be available, which sites could be both in the downtown area and along Highway 4.

Vice Chair Rios had concerns with the discussions of AIU and suggested that the

possibility was only a vision at this time in that the marketing survey had not been done. She suggested that nothing would be done in that case for the next five to ten years. She did not want to see the property sit vacant in the downtown. She did not believe it was fair that a mixed use for the downtown that had been well received by the public should be discarded out of hand. She acknowledged the political issue but urged being bold and focusing on the issue in that the area had been designated for Mixed Use. She also suggested that the General Plan would have to be changed if AIU were to be included. She supported Alliant University but at a site better than the area in question.

Chair Beals clarified with Economic Development Director Brad Nail as to a realistic timeline for AIU if Alternative #3 was chosen in that the process would likely take no more than three years.

Dr. Josefina Castillo (Josie) Baltodano, Executive Vice President of Strategic Planning for Alliant International University, representing the President of AIU, noted that the City Manager was in receipt of a letter confirming AIU's intention of proceeding as soon as possible on the project. The letter had advised that classes would begin in the fall for mental health professionals in the area, AIU was working with the Pittsburg Unified School District (PUSD) and a faculty member would work with the PUSD during the summer. Architects were also working on renderings for the site. The goal was to begin construction on the first building, a 60,000 square foot signature building, in the next three years.

Dr. Baltodano clarified that a marketing study had identified a very positive situation in terms of the Pittsburg market. Los Medanos Community College (LMC) was also preparing a survey. A third survey would be conducted with the adult population to summarize the other two surveys and to ensure no overlap. She stated that AIU was very excited with the prospects of locating in Pittsburg and AIU's architect had been working with a steering committee comprised of members of the City and the AIU community to create timelines for the actual plan that the City and Alliant had developed.

Chair Beals suggested it was important no matter what that AIU be seen as an anchor that would drive the downtown. In consideration of a university or for Alternative #3, she suggested that would enhance the economic development opportunities, residential and cultural activities surrounding any university. She explained that the mixed-use project was also a synergy where cultural arts, retail and commercial activities could be pursued. She suggested therefore that staff would have to consider what was desired, not for a group of people to tell the City what it wanted and for the City to identify what was preferred, but to conduct a process with input to distribute an RFP to advise developers of what the City preferred. She stated that would not exclude an architect, a designer or a developer.

Member Parent inquired of Mr. Evans if during the interim period when the Black Diamond Project had been put on hold and the current hearing, whether or not developers had sought to develop the project.

Mr. Evans stated that there had been no interest during the interim to propose a

mixed-use project although interest in residential projects had been proposed.

On the discussion of the Black Diamond Project site, Mr. Evans reported that Fifth to Eighth Street was the defined project site.

Member Glynn noted that the area between Eighth and Tenth Streets was occupied by a former school and was a potential site for expansion of the Black Diamond site. Mr. Evans advised him, when asked, that the area of Fifth to Eighth Street would encompass six acres while the area from Fifth to Tenth would comprise ten acres.

Member Glynn suggested that expanding the Black Diamond site from Fifth to Tenth Street would allow more land for a greater use, such as a university use.

In response to the earlier question as to whether or not there had been any interest in the development of the Black Diamond Project site, Vice Chair Rios noted that Mill Creek, The Olson Company and others had inquired of the Griego Design.

Mr. Evans explained that developer interest had occurred in October 2002 when it was the belief that a developer could replace the existing developer, at which point those who had inquired had recommended purely residential projects.

Vice Chair Rios agreed with the Mayor's comments that there was a desire to tell developers what the City wanted although she emphasized that the Council also had to listen to the people. She sought a community workshop to solicit input from residents to consider a university or a mixed-use project in that area, particularly since there were other sites where AIU could be placed.

On motion by Vice Chair Rios to create a public workshop process similar to what had been created as part of the General Plan Update for the Black Diamond Project site to allow neighborhood input and to consider the public's wishes.

There was no second to the Vice Chair's motion. The motion failed.

Member Kee inquired of Dr. Baltodano if the site were not available to AIU whether or not that would preclude AIU from locating in the City of Pittsburg.

Dr. Baltodano suggested that everything was open to negotiation. She stated that AIU was relying on Brad Nail to help AIU determine what was best for the community. She noted that the Civic Center property had also been considered although the architect had fallen in love with the Downtown. She saw AIU creating the kind of atmosphere that Stanford University had created for Palo Alto. She noted that the President had inquired whether or not some property in the Downtown could work for AIU given the preference for the placement of the university in the Downtown.

Chair Beals referred to Alternative #3, the Feasibility Study to determine the highest and best possible use for the area and inquired whether or not the project area could be

expanded to include Fifth through Tenth Streets and Black Diamond to Railroad Avenue given that a larger area could attract more interest. She commented that a mixed-use development was a possibility and a driving force for the downtown, although she suggested that a university and opportunities for the education of City residents was also something that needed to be considered.

On motion by Chair Beals, seconded by Member Glynn to select Alternative #3 to conduct a Feasibility Study in an amount not to exceed \$75,000 to determine the highest and best possible use for the Black Diamond Project area, to expand the area from Fifth to Tenth Streets, to continue to have Alliant International University as part of that process, as well as potential options, to put out RFPs to see what could be done to create a multi-mixed use/university given that mixed use could also mean a school and to include input from the entire community through a public hearing process, carried by the following vote:

Ayes: Glynn, Kee, Parent, Beals
Noes: Rios

ADJOURNMENT

The meeting of the Redevelopment Agency adjourned at 7:55 P.M. to the next meeting set for July 7, 2003.

Respectfully submitted,

Lillian J. Pride, Secretary

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CITY OF PITTSBURG
City Council Minutes
June 16, 2003

Mayor Yvonne Beals 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 in Closed Session at 6:30 P.M. pursuant to Section 54956.9 of the Government Code, Conference with Legal Counsel - Existing Litigation regarding City of Pittsburg vs. Griego, Contra Costa Superior Court Case No. C03-00473.

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

MEMBERS PRESENT: Glynn, Kee, Parent, Rios, Beals

MEMBERS ABSENT: None

STAFF PRESENT: Assistant City Manager, Nasser Shirazi
City Attorney, Linda Daube
Assistant City Attorney, Russ Townsend
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
Director of Public Works, John Fuller
Director of Recreation, Paul Flores
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Director of Finance, Marie Simons
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CITIZENS REMARKS

BERTHA STOBBS, Pittsburg spoke with respect to the inspection of mobile home parks. She noted that the City had two mobile home parks for a total of 655 spaces; Delta Hawaii with 284 spaces and one apartment building with four apartments and the Meadows Mobile Home Park with 367 spaces. Ms. Stobb read a portion of an e-mail that she had sent this date to the City's Director of Building and Planning and to the Chief Building Official regarding the inspection of mobile home parks. She noted that in 1991 the State mandated that all mobile home parks in the State of California be inspected every seven years. She had owned a coach in the Meadows Mobile Home Park since 1991, which coach had never been inspected. In 1998, she stated that the State had communicated authority to the City to conduct the inspections of the City's two mobile home parks. Ms. Stobb explained that the State was paying the City a specified amount of money annually

for inspections, which funds had been included in the City's budget, although inspections had not occurred. She suggested that it would take an estimated six months to make the inspections and correct any problems. She referenced junk cars, bent awning supports, and illegal storage containers as problems in the Meadows Mobile Home Park that could create unwanted slums and junkyards.

Mayor Beals requested that the Finance Director clarify the referenced budget item and that the Assistant City Manager work with Ms. Stobb to address the situation given the fact that the mobile home parks were private property.

Mr. Shirazi advised that the Building Department had been involved in the issue and would report to the City Council.

CAROLINE ALLEN, Pittsburg, explained that this was the second time she had approached the City Council to seek a bus stop allowing service to the Harbor Lights Subdivision. As a new homeowner, she emphasized the critical need for access to the community given its isolation, lack of pedestrian walkways, no bike access and no transit access in that area. She stated that access was desperately needed, particularly by the young families and senior citizens who needed access to shops and to healthcare centers.

Mayor Beals urged staff to move progressively to address the transit needs of the residents in that area.

COUNCIL REPORTS

Councilmember Parent noted that she had recently attended a memorial for Helen Thomas who had been a long-time employee of the Finance Department and a citizen active in the community.

Councilmember Parent stated that on Earth Day she had participated in a function at Small Work Park and she commended staff for that excellent program that showed off the park as well as encouraged people at many levels to recycle, reuse and rebuy. Councilmember Parent had also been attending the East County Baseball meetings and the project was still moving forward, although slowly. In a year, she suggested that a collegiate level baseball team playing from June to August might be possible in East County, subject to the necessary funds to allow that to occur.

Councilmember Parent also reported that Councilmembers had been invited to Stoneman School for a program commemorating the City's Centennial from the Native American period to the 1950s through music and costumes. The Pittsburg Historical Society had also participated in that program.

Councilmember Kee reported that he had attended the well-done Health and Safety Fair sponsored by Supervisor Federal Glover and Assemblyman Joseph Canciamilla. He added that a local service group had provided a child identification service free of charge and that service had been busy all day long. Councilmember Kee noted that he had served

on Jury Duty during the past week.

Councilmember Glynn stated that he had attended the FilAm Scholarship Dinner at the FilAm Club and noted that the three top students at the PUSD also happened to be Filipino American. Those students had been appropriately honored at the dinner. He had also attended the Island Energy Meeting and the transportation planning committees and for the American Legion had hosted the Flag Day ceremony at Camp Stoneman, which had been well attended when all Councilmembers had been present along with Supervisor Glover, Assemblyman Canciamilla and Senator Torlakson.

Vice Mayor Rios stated that she had represented the Mayor at the Mayors Conference when an updated budget had been presented along with an update on *Shaping Our Future*. She had presented Brad Nail with the information distributed at that meeting to be made available to the rest of the Council.

Vice Mayor Rios reported that the Finance Subcommittee had met and some of the items presented to the Council this date had previously been considered by the subcommittee. A budget update had also been presented at that time.

Mayor Beals advised that over the past week she had served as a representative from the City at the 71st US Conference of Mayors and International Mayors in Denver, Colorado. She stated that the Northern California delegation had been well represented. The primary focus of the conference was on national security although there were also vital discussions on US Mayor support for the development of housing, social services and energy. Some of the resolutions passed at that time related to Community Development Block Grants (CDBG), home ownership tax credits, and the reauthorization of the Hope Funding Program, a housing program that could be of vital use to Pittsburg residents.

Given the International flavor of the conference and representatives from a number of countries, Mayor Beals stated that she had met, among many others, the Mayor from South Africa who had indicated that city had a cultural exchange program similar to the Sister City Program. She distributed a brochure to the Council and to staff, commented that the South African city in question was very similar to the City of Pittsburg, and suggested that a "Sister City" relationship with that City be pursued.

Mayor Beals announced that there would be a groundbreaking for Presidio Village at 11:30 A.M. on Monday, June 23. There would also be a community meeting at the Pittsburg Library to discuss design options for the new library on Tuesday, June 24 from 7:00 to 9:00 P.M. She urged community participation in that design process.

In addition, the Mayor reported that next week would be the City's Centennial Week. On Wednesday, June 25 there would be a commemorative City Council meeting in recognition of the City's 100 years when free hor' dourves and refreshments would be provided to the community on the first floor of City Hall. Free music would be provided on Thursday, June 26 at City Park.

The Centennial Dinner would be held on Friday, June 27 at Zandonella's. Tickets would be available at \$40 per person through the Chamber of Commerce. The Centennial Dinner would recognize some of the City's oldest citizens. A community family oriented picnic would be held from 12:00 to 7:00 P.M. on Saturday, June 28 at Buchanan Community Park.

Mayor Beals urged all to participate in the City's Centennial celebrations.

Mayor Beals further noted that she had picked up brochures from the US Department of Justice at the Conference of Mayors, which brochures she described as a useful tool to the community. Noting the titles of two as "Speeding in Residential Areas" and "Loud Car Stereos," she urged that the free brochures be ordered for use as tools in bettering the quality of life for the community and for community oriented policing.

Vice Mayor Rios stated that the Sister City delegation from Pohang, Korea would be visiting the City during its Centennial week and would be participating in the events scheduled for that week.

CITY MANAGER REPORT

There was no report.

CONSENT CALENDAR

On motion by Vice Mayor Rios, seconded by Councilmember Parent and carried unanimously to adopt the Consent Calendar, as follows:

- a. **MINUTES** Dated: June 2, 2003

Approved Minutes Dated June 2, 2003, as submitted.

- b. **RESOLUTION 03-9845** Approving the Transfer of Prior Year Grant Balances into Fiscal Year 02-03 Budget for the City of Pittsburg in the Amount of \$1,526,986

Adopted Resolution 03-9845.

CONSIDERATION

1. **RESOLUTION 03-9846** Authorizing the Payment of Critical Costs Necessary to Support the Continued Delivery of All City Programs and Services for the 2003-2004 Fiscal Year Prior to Adoption Of Fiscal Year 2003-2004 Budgets
Combined w/RDA 03-897
Combined w/PPC 03-088

Authorization was required for the payment of critical costs to support continued delivery of all City programs and services prior to the adoption of the Operating and

Program Budgets for Fiscal Year 2003-2004.

Action was taken to adopt Resolution 03-9846 in Joint Session with the Redevelopment Agency and the Pittsburgh Power Company, as follows:

On motion by Vice Mayor Rios, seconded by Mayor Beals and carried unanimously to adopt City Council Resolution 03-9846.

2. **RESOLUTION 03-9847** Allocating Funding, Approving Plans and Specifications, Authorizing Bidding, Approving a Consultant Agreement Amendment, and Making Certain Findings in Connection Herewith for Contract 01-10, West Tenth Street Rehabilitation Project
Combined w/RDA 03-898

This project will rehabilitate West Tenth Street from Railroad Avenue to Builders Circle, reconfigure the pavement striping, construct Americans with Disabilities Act (ADA) compliant curb ramps, and construct pedestrian bulb outs to increase safety for citizens crossing the street.

Action was taken to adopt Resolution 03-9847 in Joint Session with the Redevelopment Agency, as follows:

On motion by Vice Mayor Rios, seconded by Councilmember Glynn and carried unanimously to adopt City Council Resolution 03-9847.

3. **RESOLUTION 03-9848** Adopt a Supplemental Retirement Plan

Assistant City Manager Shirazi advised that in April 2001 the City Council directed staff to supply the Council with information that would make former Contra Costa County Employees' Retirement Association (CCCERA) non-safety Tier 1 members "whole." In May 2001, the City Council adopted Resolution 01-9370, which directed City representatives to negotiate at a later date compensation for the CCCERA Tier 1 member employees. There were 23 such employees. In August 2002, the City Council adopted Resolution 02-9651 providing its Notice of Intention to adopt a supplemental retirement plan.

The City and AFSCME reached impasse regarding the City's last, best, and final offer regarding adoption of the supplemental retirement plan. The parties implemented the City's impasse procedures. Mediation did not resolve the impasse. AFSCME reconsidered the City's last, best and final offer and has agreed to accept the City's offer. The actions before the City Council implement the supplemental retirement plan consistent with Resolutions 01-9370 and 02-9651.

Mr. Shirazi described the fiscal impact as \$722,342.50 for the Supplemental Retirement Plan plus a \$2,000 one-time plan implementation start-up fee and \$900 per month for costs of the Trust Administrator to administer the plan and conduct a bi-annual actuarial study. He presented the details of the actuarial study conducted by Milliman USA in May 2002, related to the present value of the future benefits as reported, and explained

that the \$483,848 to be deposited into the Supplemental Retirement Plan would be increased to the \$722,342 with interest earnings of \$238,494 over the life of the plan. Fiscal Year 2003/2004 costs had been estimated at \$900 per month for Trust Administrator Fees, or \$10,800 for the year.

Mr. Shirazi recommended the adoption of a Supplemental Retirement Plan by 1) adopting the Public Agency Retirement Systems (PARS) Trust Agreement; 2) approving the City of Pittsburg PARS retirement enhancement defined benefit plan; 3) appointing the City Manager as the City's PARS Plan Administrator and authorizing the Plan Administrator to execute the legal and administrative service documents on behalf of the City; and 4) appropriating \$487,000 from the General Fund to cover the initial cost of \$486,748.

In response to Councilmember Parent, Human Resources Director Marc Fox explained that the Supplemental Retirement Plan was a City of Pittsburg self-defined supplemental retirement plan and was not associated with the Public Employees Retirement System (PERS). He clarified that the 23 non-safety employees involved were part of the higher benefited retirement plan that the City had contracted with the County, or Tier 1 employees. The Tier 2 program provided for lower benefits.

Mr. Fox explained that when the City had considered moving out of the County Retirement Plan into PERS, the Tier 1 employees had presented a compelling argument to the City Council if that were to occur that they would have to be made "whole." He stated that the proposal was one of the tools that the Council had directed staff to consider and had ultimately directed be pursued.

Mr. Fox clarified the differences in the Tier 1 and Tier 2 members and the situation that had predicated the need for Tier 1 members to be made "whole." He further clarified that the Tier 1 employees had no option to remain under the County Retirement Plan. He explained that PARS was a trust administering supplemental retirement plans on behalf of local schools, cities and special districts in California. Participants had a variety of options in the program, including a lump sum payment. He added that time was a plus factor on behalf of the City in that the longer the employees kept money within the particular plan prior to retirement the more funds would accumulate through interest earnings.

Mr. Fox emphasized that the actuary had considered a number of assumptions for when employees would retire from the City and whether or not a lump sum distribution or other proportional payments would be chosen.

Councilmember Kee clarified with Mr. Fox that all involved parties were in agreement with the proposal, including AFSCME.

Mr. Fox noted that the one group that did not have a voice in the proposal was the unrepresented Department Directors.

On motion by Vice Mayor Rios, seconded by Councilmember Glynn and carried unanimously to adopt Resolution 03-9848.

4. **RESOLUTION 03-9849** Approving a Resolution Adopting Personnel Rules and Regulations

Mr. Shirazi stated that the Pittsburg Municipal Code delegates to the City Manager or his/her designee the responsibility of administering the City's personnel system. The current Personnel Rules were originally adopted in 1986 with various amendments through 1998. Additionally, the Personnel Rules had been supplemented with City Manager initiated Administrative Orders. The current Personnel Rules were out of date and ineffective because, in part, they covered topics that were governed by various collective bargaining agreements and, in part, because they did not cover topics that should be included. Revised Personnel Rules were prepared to address the deficiencies of the current Personnel Rules and the proposed Personnel Rules had been reviewed by the City Attorney's Office for legal compliance, by the City Manager and department directors, and by collective bargaining units.

Mr. Shirazi advised that there was no fiscal impact for implementation of the Personnel Rules although there could be some costs, less than \$500, associated with printing and distributing the revised Personnel Rules.

Mr. Shirazi recommended the adoption of the resolution rescinding the current Personnel Rules in their entirety and adopting the revised Personnel Rules.

JO BATES, representing AFSCME Local 512 Bargaining Unit Members, sought a postponement of the adoption of the rules given that AFSCME had not been allowed to review the final document, which she had only received on June 13. Ms. Bates requested that the Personnel Rules be tabled until the next Council meeting to allow the opportunity to review the document in its entirety. She stated that AFSCME had bargained in good faith with the City and had spent hours doing so. She commented that not being allowed to review the final document was offensive. Postponement was only being asked to allow a review of the documents given that they would govern the City.

ROD DUPONT, Vice President of the Pittsburg Police Officers Association (PPOA), stated that the PPOA had worked hard and had gone through the process nearly three years ago when the process had been removed from consideration. He emphasized the time and money spent to negotiate and return rules set up in the best interests of the City and its employees. He supported the adoption of the Personnel Rules and Regulations.

Mayor Beals expressed her appreciation to all those who had participated in the process and making sure that the rules were well represented for all those affected. She applauded Ms. Bates' efforts to allow AFSCME a last chance to review the document and with no impact involved sought a motion to table the item to the July 7 meeting.

Vice Mayor Rios noted some items missing, such as in the probation section related to transfers, reimbursement for education purposes, and grievances where unresolved grievances at the City Manager level would be submitted to the City Council. She urged

that those items be carefully considered and discussed.

Mr. Fox stated that the Grievance Procedures under the Personnel Rules stopped at the City Manager level. For all those employees governed by a Collective Bargaining Agreement, the Grievance Procedure still contained the City Council step. The Grievance Procedure stopped at the City Manager level for unrepresented employees, which were the seasonal employees and Department Directors.

Mr. Fox stated that educational reimbursement was not contained within the Personnel Rules since it was an employer provided benefit governed also by all the Collective Bargaining Agreements and the Department Director Salary and Benefit Schedule.

With respect to transfers, Mr. Fox explained that the Probationary Period covered the initial period in a job class. He stated therefore that all three items referenced by the Vice-Mayor were covered, the last two items by Memorandums of Understanding (MOUs). He further clarified with respect to the Probationary Periods that there were two types; initially upon appointment and a promotional probationary period. He referred to Personnel Rule 13.3 addressing the promotional probationary period.

Councilmember Glynn verified with Mr. Fox that the probationary period was one year even if there were interdepartmental transfers during that period.

On motion by Mayor Beals, seconded by Councilmember Glynn and carried unanimously to continue Resolution 03-9849 to the July 7, 2003 meeting.

5. **RESOLUTION 03-9850** Authorizing Year-End Budget Adjustments for the 2002-2003 Fiscal Year

Mr. Shirazi reported that staff had been reviewing the City's financial records in preparation of the Fiscal Year 2003-2004 Citywide Operating Budgets and for the completion of the fiscal year-end closing.

As a result of this review, staff had determined that there were a few accounting items that were not sufficiently budgeted for Fiscal Year 2002-2003. To provide a clear audit trail and a more accurate picture of budget estimates, staff recommended that budget amendments be approved for those account items.

Mr. Shirazi stated that the recommended year-end budget adjustments would not impact the General Fund negatively because there were sufficient unforeseen one-time revenues that had been received during FY 2002-2003, which would cover the proposed budget amendments. He recommended the adoption of the resolution authorizing year-end budget adjustments for the 2002-2003 Fiscal Year.

Councilmember Parent commented it was likely that the last budget had been balanced by underestimating expenses. She noted a budget item of \$512,000 of overtime

where the proposed budget was \$353,000 and suggested that the situation was not being considered realistically. She did not want to see that again. She sought a realistic budget and stated that with no money, there would be no proposed expenses. She noted that overtime could not necessarily be controlled but she considered that a \$200,000 difference in expenditure from one budget to the next was not realistic.

On motion by Vice Mayor Rios, seconded by Councilmember Kee and carried unanimously to adopt Resolution 03-9850.

Mayor Beals asked the Recreation Director to identify the kites displayed in the Council Chambers.

Director of Recreation Paul Flores advised that the kites in the Council Chambers had been designed and developed by the children of Pittsburg's Sister City of Shimoneseki, Japan for inclusion in the City's Centennial celebrations. Approximately 60 kites had been provided to the City and would be flown in the downtown and along City Hall throughout the celebration. The kites would also be shared with the PUSD for the 2003 School Year in a joint effort.

Mayor Beals emphasized the positive partnership with the City of Pittsburg's Sister Cities.

ADJOURNMENT

The meeting of the City Council adjourned at 8:52 P.M. to the Joint Planning Commission meeting on June 23, 2003 at 7:00 P.M.

Respectfully submitted,

Lillian J. Pride, City Clerk

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CITY OF PITTSBURG
Pittsburg Power Company Minutes
June 16, 2003

Chair Yvonne Beals called the meeting of the Pittsburg Power Company to order at 8:53 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California, after having met in Closed Session at 6:30 P.M. pursuant to Section 54956.9 of the Government Code, Conference with Legal Counsel - Existing Litigation regarding City of Pittsburg vs. Griego, Contra Costa Superior Court Case No. C03-00473.

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

MEMBERS PRESENT: Glynn, Kee, Parent, Rios, Beals

MEMBERS ABSENT: None

STAFF PRESENT: Assistant Executive Director, Nasser Shirazi
Legal Counsel, Linda Daube
Assistant Legal Counsel, Russ Townsend
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
Director of Public Works, John Fuller
Director of Recreation, Paul Flores
Director of Building and Planning, Randy Jerome
Director of Finance, Marie Simons
Director of Human Resources, Marc Fox
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 Member remarks.

CONSENT

On motion by Member Parent, seconded by Vice Chair Rios and carried unanimously to adopt the Consent Calendar, as shown:

a. **MINUTES**

Dated: April 7, 2003 and April 21, 2003

Approved Minutes dated April 7 and April 21, 2003.

CONSIDERATION

1. **RESOLUTION 03-088** Authorizing the Payment of Critical Costs Necessary to Support the Continued Delivery of All Pittsburg Power Company Programs and Services for the 2003-2004 Fiscal Year Prior to Adoption of Fiscal Year 2003-2004 Budgets
Combined w/RDA 03-897
Combined w/CC 03-9846

Assistant Executive Director Nasser Shirazi stated that authorization was required for the payment of critical costs to support continued delivery of all Pittsburg Power Company programs and services prior to the adoption of the Operating and Program Budgets for Fiscal Year 2003-2004.

Action was taken to adopt Resolution 03-088 in Joint Session with the Redevelopment Agency and the City Council, as follows:

On motion by Member Glynn, seconded by Member Parent and carried unanimously to adopt Pittsburg Power Company Resolution 03-088.

PUBLIC HEARING

1. **RESOLUTION 03-089** Approving the Revisions to the Rate Schedules for Gas and Electric Service on Mare Island for the Pittsburg Power Company D.B.A. Island Energy

Assistant Executive Director Shirazi stated that the Pittsburg Power Company ("PPC"), doing business as Island Energy on Mare Island currently had a Gas and Electric Rate Schedule last revised on July 15, 2002. Staff has performed a Rate Case Review analysis and had determined that the rates should be increased. The increased rates for gas and electric service were embodied in the rate schedules attached to the staff report dated June 16, 2003.

Mr. Shirazi explained that there was no financial impact to the City of Pittsburg general fund. The Pittsburg Power Company was projected to increase its net worth \$100,000 through the reduction of the Sempra loan. If the rate increase was not approved and the existing rates remained in effect, a projected shortfall of \$160,000 could occur.

Mr. Shirazi recommended that the public hearing be opened, testimony be taken and the hearing be closed to then allow the adoption of the resolution to revise the rate schedules for the gas and electric service on Mare Island.

Redevelopment Agency Director Garrett Evans presented a PowerPoint presentation

of a Rate Case Study to identify the expenditures and revenues of the gas and electric services offered by Island Energy.

Mr. Evans explained that the biggest challenge in this year's budget was the economic slowdown where the growth that had been expected had not occurred. He compared Island Energy's current and proposed rates with PG&E and explained the intent to compare rates with PG&E and to keep Island Energy's rates ten percent lower than PG&E's rates. Other than residential rates, he stated that goal had been met. He emphasized that the resident component had always been the biggest challenge.

Mr. Evans explained that the Mare Island Advisory Committee, comprised of a Councilmember and staff member from the City of Pittsburg, a Councilmember and staff member from the City of Vallejo, and a customer on Mare Island, had been discussing the rates for the last three months. He described some of the problems involved, not only with an antiquated distribution system and equipment, but with a variety of standards and differences in those standards and usages for Vallejo and Mare Island.

Mr. Evans reported that the Advisory Committee had continued the discussion of rates at its last meeting and had expressed its hope that the Board would wait until July 17 to make a decision on rates. He presented the alternatives open to the Board, to continue the public hearing until July 21, which could cost as much as \$20,000 in lost revenue and which could result in an increase, or adopt the staff recommended rate increase of 12.5 cents per kilowatt hour and 67.5 cents per therm, which would require a four fifths vote.

Member Glynn, as the City Council representative on the Mare Island Advisory Committee acknowledged the City of Vallejo's concerns, essentially that if the rates were increased appreciably that would diminish Vallejo's ability to attract businesses in an otherwise adverse environment.

Given the difficulties involved with the antiquated equipment, the high cost of providing gas and electricity given the antiquated systems and the potential per monthly loss of \$20,000, he supported the rate increase as recommended by staff.

Chair Beals opened the public hearing for Resolution 03-089.

Mr. Evans affirmed, when asked by Member Parent whether those asking for the delay were customers who had the largest benefit of buying power from Island Energy, that the City of Vallejo was pushing for the delay. He explained that a few other customers on the island had asked questions and had sought information but had not opposed the proposed increase. He also explained that notices had been mailed to every single customer, totaling over 300 notices.

Chair Beals understood the City of Vallejo's concern and emphasized that in order for the City to benefit, the growth and development of the island was critical. She acknowledged that other issues remained to be resolved and that the City of Pittsburg should help move those discussions along to facilitate the development of Mare Island,

which would benefit everyone involved. She therefore supported the rate increase as a necessary action to be able to move forward.

Assistant Legal Counsel Russ Townsend directed his comments to the cooperation involved between the City, Island Energy, Vallejo and Lennar, the development company on the island. He commented that the City of Vallejo had been difficult to work with and he described the history of the purchase of Island Energy from the US Navy in relationship to the City of Vallejo's requests at that time.

Mr. Townsend explained that the Pittsburg Power Company was constantly working with the City of Vallejo and with the developer, and that meetings had been scheduled within the next couple of weeks to discuss a draft franchise agreement expected from the League of California Cities, to be able to work with Vallejo toward the Pittsburg Power Company's obligations to pay some sort of franchise fee to then be able to move forward.

Chair Beals requested that the entire Power Company Board be kept apprised of those meetings through memo correspondence given the City's need to either participate in, or to guide those discussions, to ensure the City's investment.

With no recommendation to continue the hearing and no comments from the public for or against the resolution, Chair Beals closed the public hearing.

On motion by Member Parent, seconded by Vice Chair Rios and carried unanimously to adopt Resolution 03-089.

ADJOURNMENT

The meeting of the Pittsburg Power Company adjourned *in memory of Helen Thomas* at 9:13 P.M.

Respectfully submitted,

Lillian J. Pride, Secretary

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