

**PINOLE FINANCE SUBCOMMITTEE
MEETING MINUTES
March 29, 2023**

A. CALL TO ORDER

Mayor Murphy called the meeting to order at 3:01 p.m. The meeting took place in the Pinole City Hall Chambers, 2131 Pear Street, Pinole, California.

Board Members Present:

Mayor Devin Murphy
Mayor Pro Tem Maureen Toms
Treasurer Roy Swearingen

Staff Members Present:

Finance Director Markisha Guillory
Deputy City Clerk Roxane Stone

B. PUBLIC COMMENT

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

C. CONSENT ITEMS: None

D. BUSINESS ITEMS

1. Review Fiscal Year 2023/24 Financial and Investment Policies [**Review and provide recommendations (Guillory)**]

Finance Director Markisha Guillory provided a PowerPoint presentation on the Fiscal Year 2023/24 Financial and Investment Policies, which included an overview of financial policies intended to set guidelines on how the City would manage its financial resources and provide direction for financial decision making, the City policies to align with standard financial policies recommended by professional associations and those implemented by other local government agencies, and best practices to establish financial policies and regularly review and update when necessary.

Finance Director Guillory advised there were no major changes to the policies but there were some minor language changes and she had added context to the Reserve Policy.

Finance Director Guillory provided an overview of each of the policies including the Structurally Balanced Budget Policy, Reserve Policy, Revenue Policy-One-Time (Non-Recurring) Resources, Revenue Policy-User Fees and Charges, Expenditure and Budget Policy, Debt Policy, Receivables Policy, Grants Management Policy and Procedures, Capital Assets Policy and Procedures, Unclaimed Funds/Outstanding Checks Policy and Procedures, Investment Policy and Pension Investment Policy.

Finance Director Guillory added that future financial policies would include a Section 115 Trust Policy to establish guidelines on the allowable use and withdrawal of funds from the Trust. A draft policy would be presented to the City Council for consideration at a meeting in May.

Director Guillory recommended the Finance Subcommittee review the proposed Fiscal Year (FY) 2023/24 Financial Policies and recommend them for City Council approval or provide other direction to city staff.

Treasurer Roy Swearingen referenced the Grants Management Policy and Procedures and suggested the City was not pursuing grants as much as it could. Grants were one-time programs and if related to adding personnel and other things when the grant was exhausted that personnel would have to be laid off, which must be kept in mind. While he wanted the City to pursue grants, he also did not want to see the City be challenged attempting to figure out how to pay for either the project or the activities the project provided since the grant was a one-time funding source. He understood that warning had been included in the report.

Mayor Pro Tem Toms referenced the Reserve Policy and the target of 50 percent or more and asked whether that should be included in the Policy. She was informed by Finance Director Guillory that had been included in the Policy under Item 1, Definitions and Details.

Mayor Pro Tem Toms referenced the Debt Policy and asked if the City were to go out for a bond and the repayment of the bond came from taxpayers whether the Debt Policy needed to be modified, or whether that scenario applied only if the coverage exceeded 10 percent.

Finance Director Guillory confirmed that if the coverage exceeded 10 percent the policy would have to be revisited.

Mayor Pro Tem Toms also referenced the Grants Management Policy and Procedures and asked whether City Departments would be able to include a sentence to identify the staffing cost to obtain and manage the grant if awarded. She suggested it would be good for the City Council to be aware of that and possibly include that information in the Fiscal Analysis.

PUBLIC COMMENTS OPENED

Irma Ruport, Pinole, referenced the Grants Management Policy and Procedures and commented she had worked with the grant writing program for the Department of Justice and there was no such thing as a liability to receiving a grant although some grants included administrative costs. She had a recent email from the City Manager who had informed her the City was planning to issue a Request for Proposal (RFP) for a grant writer. She asked whether the policy of City Departments applying for grants had delayed the process, whether Department staff had been trained for grant applications and commented on how few grants the City had sought to obtain. She suggested the administrative costs could be recovered. Given there were deadlines with many grants and given that staff was at capacity, she urged the City to move forward and pursue all possible grant opportunities.

Ms. Ruport also commented on the time to write a grant application and if the Department Heads were knowledgeable of deadlines and procedures grants could be fast-tracked. She also asked when the City had last conducted a detailed forensic audit and if that answer could not be provided at this time requested that the information be provided to her in an email.

Anthony Vossbrink, Pinole, asked how much the City spent this year, last year and within the last ten years outsourcing and approving outside contractor/consultants to do staff work. Given new hires of City staff, he suggested the numbers should be reviewed since many salaries could be handled in-house rather than contracting with outside contractors/consultants, a concern raised by other residents. He suggested the savings could be used to combat crime in the community. He referenced the increase in crime around Fitzgerald Drive and asked of the cost to place one new Police Officer for a year and/or install a satellite police station on the Fitzgerald Drive property, particularly since there were vacant properties that could be considered and given the future development planned for the area where crime and traffic problems would only increase.

Mr. Vossbrink also asked in terms of quality of life why more funds could not be put forward in an immediate budget to address infrastructure needs such as street light outages up and down Pinole Valley Road, defaced bridges on the Appian Way freeway overcrossing and other maintenance concerns.

PUBLIC COMMENTS CLOSED

Treasurer Swearingen responded to the public comment and reported he had spoken with Department Heads and staff to ask how much more could be done with grant writing opportunities and the possibility of hiring a professional grant writer. He agreed more should be done given that grants could be a source of income for Pinole as had been the case with other communities, and emphasized that a professional grant writer would be a benefit for the City.

Treasurer Swearingen added the costs for outsourcing for contractors/consultants was something he also questioned and he would like to see more competitive bids.

Treasurer Swearingen also recognized the City did not have the professional capacity to do some of that work but he wanted to ensure competitive bidding. In terms of quality of life issues, residents were primarily concerned with the condition of the City's streets, striping and needed pothole repair and he had informed the relevant staff of the need for maintenance. Some of the needed street repair was quite expensive and the City of Pinole did not receive a lot of funds in gas taxes or funds from the Contra Costa Transportation Authority (CCTA) to address the City's street needs, which was a long-term ongoing maintenance process.

Treasurer Swearingen further commented on his understanding that a new Police Officer was in the midst of training and would be placed on staff soon and he hoped that would improve situations in the community in the near future.

Mayor Murphy asked whether there was cross-departmental training on the Investment and Financial Policies and Finance Director Guillory stated that had not been the practice but was something that could be considered, although Department Heads were pretty familiar with the Grants Management Policy and Procedures since most Departments had been pursuing grants.

Mayor Murphy asked when the last forensic audit had been conducted in the City of Pinole and the Finance Director reported she was unaware of a forensic audit having been done for the City of Pinole, which was usually triggered by claims of illegal activities around finances and was not a normal practice. This question had come up before and staff had been in contact via email with Ms. Ruport sometime in 2022. She could resend that email to Ms. Ruport and copy the Finance Subcommittee.

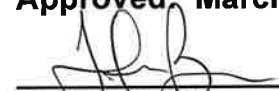
Mayor Murphy also spoke to the future financial policy for The Section 115 Trust and wanted to see the Balancing Act be used as a tool for the public. He also wanted more information as to how it would be used for this financial policy development and a plan mapped out for the public to understand the importance of such policies.

Mayor Murphy thanked staff for the presentation, advised that no action had been requested, and clarified that the Subcommittee was an advisory committee that made recommendations to the City Council.

E. ADJOURNMENT

At 3:34 p.m., Mayor Murphy adjourned the meeting to the next Finance Committee meeting.

Approved: March 27, 2024



Heather Bell, CMC
City Clerk

