

**SPECIAL CITY COUNCIL MEETING  
MINUTES  
March 29, 2022**

**1. CALL TO ORDER & PLEDGE OF ALLEGIANCE IN HONOR OF THE US MILITARY TROOPS**

The Special City Council Meeting was held via a hybrid meeting format live in-person and Zoom videoconference and broadcast from the Pinole Council Chambers, 2131 Pear Street, Pinole, California. Mayor Salimi called the Special Meeting of the City Council to order at 6:00 p.m. and led the Pledge of Allegiance.

**2. LAND ACKNOWLEDGEMENT**

*Before we begin, we would like to acknowledge the Ohlone people, who are the traditional custodians of this land. We pay our respects to the Ohlone elders, past, present and future, who call this place, Ohlone Land, the land that Pinole sits upon, their home. We are proud to continue their tradition of coming together and growing as a community. We thank the Ohlone community for their stewardship and support, and we look forward to strengthening our ties as we continue our relationship of mutual respect and understanding.*

**3. ROLL CALL, CITY CLERK'S REPORT & STATEMENT OF CONFLICT**

*An official who has a conflict must, prior to consideration of the decision; (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself/herself from discussing and voting on the matter; and (3) leave the room until after the decision has been made, Cal. Gov. Code § 87105.*

**A. COUNCILMEMBERS PRESENT**

Vincent Salimi, Mayor  
Devin Murphy, Mayor Pro Tem  
Norma Martinez-Rubin, Council Member  
Anthony Tave, Council Member  
Maureen Toms, Council Member (Zoom teleconference)

**B. STAFF PRESENT**

Andrew Murray, City Manager  
Heather Bell, City Clerk  
Eric Casher, City Attorney  
Markisha Guillory, Finance Director  
Roxane Stone, Deputy City Clerk

City Clerk Heather Bell announced the agenda had been posted on Thursday, March 24, 2022 at 5:00 p.m. with all legally required written notice. No written comments had been received in advance of the meeting.

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

#### 4. CITIZENS TO BE HEARD (Public Comments)

*Citizens may speak under any item not listed on the Agenda. The time limit is 3 minutes and is subject to modification by the Mayor. Individuals may not share or offer time to another speaker. Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future Council meeting.*

Debbie Long, Pinole, commented during the March 15, 2022 City Council meeting that there had been a discussion and comments regarding the development of the former Kmart property, which proposal would consist of 223 apartments, as well as a discussion of Pinole becoming a Charter City. Some of the comments had taken place under Citizens to be Heard and some under Old Business. She explained it had always been the case that citizens choosing to speak should not be attacked for their opinions or chastised or humiliated in a way that may prevent them speaking in the future; however, she stated this previous decorum was not being adhered to by the Mayor Pro Tem. In response to the comments opposed to the large apartment complex, she stated the Mayor Pro Tem had indicated several times that residents of Pinole did not want new people in Pinole. She stated his analysis was not only factually inaccurate but offensive and divisive given that his background in Pinole was short-lived. She welcomed new development and suggested the City was fortunate enough to be able to move forward with some development, although not all projects were appropriate in design, size or site. While people may disagree with a particular size and location of a project, as was the case with the proposal for the former Kmart site, it did not lead to a conclusion that residents did not want new people in Pinole.

#### 5. STUDY SESSION ITEM

##### A. Special City Council Meeting to Provide an Overview of the City's Revenue Sources **[Action: Receive Report (Guillory)]**

Finance Director Markisha Guillory explained that this item was in response to a future agenda item request for a presentation of the City's tax revenue sources and to inform the City Council and general public on how the City generated revenues and how revenues were used. No action would be taken by the City Council. The report was for information only.

Ms. Guillory provided a PowerPoint presentation which included an overview of the General Tax Revenues which included Property and Sales Taxes, Utility Users' Tax (UTT), Franchise Tax, Motor Vehicle License Fee (VLF), Gas Tax, Business License Tax and Transient Occupancy Tax (TOT) along with the purpose and use of revenues. She also highlighted the Special Tax Revenues which included a Tax Assessment District on properties within the district to maintain median lighting and lighting in the Pinole Valley Road North and South areas. All information had been detailed in the March 29, 2022 staff report.

Council member Toms commented with respect to property taxes that 34 percent of the property tax went to school districts and 19 percent to the City of Pinole, which had been locked in since 1978 and Proposition 13. For comparison purposes, some cities had received as much as 5 percent more in property taxes than Pinole. As to TOT taxes, she clarified with staff that TOTs were collected for Airbnbs. She asked for clarification of the process if the City were to issue bonds for one-time expenditures.

Ms. Guillory outlined General Obligation Bonds payable from property taxes and for that to be passed it would require legislative approval by the City Council, a ballot measure and two-thirds voter approval. From there the City would sell the bonds to generate funds. That option would need to be very specific as to what would be funded and the funds could only be used for that item.

Council member Toms understood similar to how the West Contra Costa Unified School District (WCCUSD) issued bonds, repayment would come from property taxes, not out of the 34 percent tax distribution but an additional assessment on individual tax bills.

Council member Martinez-Rubin clarified with Ms. Guillory the rate of one percent assessed value for property taxes applied to Commercial, Residential and Industrial property categories. She also clarified with staff the VLF, imposed in-lieu of local property taxes, defined excise taxes (such as a litter tax) required two-thirds voter approval given that they would be a special tax as opposed to a general tax, and defined general purposes with a reference to administration including City staff and personnel.

Council member Tave clarified with Ms. Guillory the impacts of Proposition 13. He also referred to prior Council discussions of a Real Property Transfer Tax (RPTT) and the City's Operating Budget for Fiscal Year 2021/22.

Ms. Guillory clarified that the budget was not structurally balanced primarily due to City Council directed initiatives that had been included in the budget. If just basic services had been included in the budget, it would be pretty much balanced. Given that the City had other revenues and reserves, the City's budget was balanced.

Council member Tave further clarified the property tax overview as part of the PowerPoint presentation and the Educational Revenue Augmentation Fund (ERAF) and community college bonds where Pinole paid almost 52 percent of its taxes to schools, with the RPTT being the only tax being implemented at this time. He also clarified with Ms. Guillory the average sales tax percentage in Contra Costa County was about 9.6 percent as compared to the City of Pinole at 9 percent. The City of El Cerrito had the highest sales tax at 10.25 percent.

#### **PUBLIC COMMENTS OPENED**

Rafael Menis, Pinole, spoke to the City's revenues and suggested it would be beneficial for future charts to include Measure S funds in addition to the general budget, particularly since Measure S funds were unrestricted revenue and general taxes as noted. As to the ERAF, he understood the fund had been created to allow the state to take a portion of local property taxes and assign them to the state's obligation to ensure that local education was properly funded and was different from the other tax segments within property taxes. He asked whether one of the charts in the PowerPoint presentation should have included the Countywide Measure X funds and commented on the one percent Consumer Price Index (CPI) change versus property tax change, and noted most of the City's tax revenues were not property taxes with many revenues coming from other sources than from property taxes. He also asked why the TOT was anticipated to decrease in Fiscal Year 2021/22 given the expectation more people would occupy hotels as the pandemic waned as opposed to prior years, and the projection of flat or decreases to the UUT revenues for the same reasons.

Debbie Long, Pinole thanked Ms. Guillory for a very complete analysis of the City's revenues. She commented that Fiscal Year 2018/19 included a summary of revenues similar to the pie chart included in the staff report and had shown that in three fiscal years the City had increased its revenues by almost \$3 million. She asked whether any analysis had been done to identify how the \$3 million had been spent. She also spoke to gas taxes and understood unlike VLFs, gas taxes had been based on the number of miles in the City, which meant that Pinole would always receive fewer gas taxes than the City of Hercules since that community had more miles within its borders. She was uncertain that process had changed and stated it should be clarified.

Ms. Long also commented that the ERAF was at 12 percent with WCCUSD at 48 percent not including bonds and that should be evaluated with more accountability. She noted that other cities received more and the County should reevaluate the ERAF. She also asked of the fund balance in the City's reserves and the fund balance overall for the different funds where monies had been appropriated but had not necessarily been spent and carried over.

Ms. Guillory asked that she be allowed to review the comments from the public and respond via email.

Council member Tave asked that the responses to the public be distributed to the City Council as well.

City Clerk Heather Bell clarified, when asked, that the questions asked by the public would be reflected in the meeting minutes but the responses would not unless they occurred during the meeting.

Council member Tave asked that the responses be provided now if possible to be part of the record.

Ms. Guillory stated some questions from the public would require additional research. As to whether the sales tax rate included County Measure X funds, she confirmed it did. She also clarified why the TOT was less for FY 2021/22 since it had been based on historical numbers, and while some things were starting to reopen after the pandemic and while travel and tourism had increased when the budget had been developed for Fiscal Year 2021/22, they had landed on a safe figure based on what was happening around the uncertainty of the pandemic. As a result, adjustments may need to be made for Fiscal Year 2022/23.

Ms. Guillory stated the actuals had been reviewed with monthly financial reports and updates and with quarterly reports provided to the City Council. She stated the actuals aligned with the budget.

Irma Ruport, Pinole, thanked the Finance Director for the presentation but stated not all of the information had been included in the staff report. She asked that future reports include more detail since some of the charts and slides had missing dates and the charts had not identified the amounts of the funds and who may receive the funds. She added there was a lot of misinformation in the public regarding sales taxes and effects to residents. She asked whether the City would be able to manage given inflation and other factors. She found the PowerPoint presentation difficult to follow with the exception of the charts but suggested this meeting was important allowing a discussion of a single item separate from other agenda items.

**PUBLIC COMMENTS CLOSED**

Ms. Guillory acknowledged the staff report had not included some of the historical information on the add-on measures but those details would be included as the City moved forward to ensure consistency between the staff report and future presentations.

Mayor Pro Tem Murphy asked how Airbnbs were taxed and City Attorney Eric Casher explained that the TOT for Airbnbs was through an agreement with Airbnb related to their collection of TOTs to the City. The City did not have the same agreement with other short-term rental providers but that could be considered in the future. The current agreement between the City and Airbnb was not imposed by state law or included in the Pinole Municipal Code (PMC).

As to the collection of sales taxes from Apple Apps, as an example, and in response to the Mayor Pro Tem, Ms. Guillory commented that the charges would be reflected on an individual cell phone bill or credit card statement but she was uncertain if that had been included in the tax for the overall service and would have to check that information.

Mayor Pro Tem Murphy suggested it would be intriguing to bring this conversation into the participatory budgeting model to see how it could be used as a way to ask questions. He also suggested consideration of using the PowerPoint presentation as a way to keep the public informed as to when and how revenues were used each year. He suggested some kind of open data access be considered to allow the public to be informed when the funds were coming in and how funds were spent around the revenue streams and reserves.

Mayor Pro Tem Murphy was also interested in greater collaboration between the City and the WCCUSD. He wanted the City to create a stronger partnership with the WCCUSD and its representatives with the knowledge that much of the City's tax dollars went to local schools.

Council member Martinez-Rubin suggested a conversation with the WCCUSD Board of Trustees on issues that could inform communication on responsibilities whether the City of Pinole's or the WCCUSD's. She commented the City Council had met jointly with the WCCUSD in the past to discuss School Resource Officers (SROs) and the issue of shared costs. Discussions between the City and the WCCUSD may help to better inform residents how their tax dollars were being used.

Council member Martinez-Rubin also thanked the Finance Director for the presentation which had been very helpful. Involved at the state level with the League of California Cities Policy Committee on Revenue and Taxation, she was familiar with the tax code and legislation and provided an update on the discussion of online purchases. Pinole did not have a product fulfillment or distribution center, although neighboring cities did and the impacts on the transportation of goods and services were being discussed by other groups within the League of California Cities related to the proportionate share of online sales taxes that could be shared. Another statewide effort involved a group of business people who were working to place on the ballot this November an issue related to tax breaks for large corporations. If that measure were to pass it may impact the availability of taxes to cities.

Council member Tave also wanted to have a conversation with the WCCUSD and reiterated the large percentage of taxes paid to the school district. He agreed with the need to work better with the WCCUSD. He also spoke to the estimated transfer tax if they were to implement something like other cities, and commented it had not been discussed by the City Council and should be considered. Hopefully something could be placed on the ballot.

Council member Tave emphasized the importance of getting the information out to the public and welcomed future discussions on how revenues were generated and how they would be used, which would also be discussed further as part of the upcoming budget discussions.

Mayor Salimi agreed the WCCUSD played an important role in the City and on property values. Comparing the percentage of property taxes other cities paid for their school districts, Pinole's taxes were not as high and property values were lower with many families sending their children to private schools, which was one of the challenges. As to the percentage of taxes Pinole received, he commented that was a conversation the City Council had two years ago. While Pinole received less than the City of El Cerrito, it received more than the City of Hercules. Working with the County, Pinole would receive Measure X funds. It was important to foster the relationships between the City, Contra Costa County and the WCCUSD.

Mayor Salimi also recognized the challenges at the state level where it was becoming more difficult for businesses to remain in California. He reported he had reached out to Assembly member Buffy Wicks, District 15, to provide assistance on how taxes could align better between the state and federal levels.

Mayor Pro Tem Murphy understood there would be a reclassified staff position that would be responsible for working on intergovernmental affairs and asked the City Manager to provide more information.

City Manager Andrew Murray explained that the current Five-Year Strategic Plan adopted in February 2020 included as one of the strategies or special projects the creation of an Intergovernmental Affairs Advocacy Program, which would be fulfilled by assigning a new staff person. The Assistant to the City Manager was a newly reclassified position to handle Council directed strategies and special projects. He also expected the City Council would be asked to consider approving a contract with a legislative advocacy firm that could advocate for the City at the state and federal level.

**6. ADJOURNMENT** to the Regular City Council Meeting of April 5, 2022 in Remembrance of Amber Swartz.

At 7:30 p.m., Mayor Salimi adjourned the meeting to the Regular City Council Meeting of April 5, 2022 in Remembrance of Amber Swartz.

**Submitted by:**



Heather Bell, CMC  
City Clerk

**Approved by City Council:**

