

**PINOLE FINANCE SUBCOMMITTEE  
MINUTES  
MAY 12, 2021**

**A. CALL TO ORDER**

Mayor Martinez-Rubin called the meeting to order at 3:05 p.m. The meeting took place via Zoom teleconference and was broadcast from Pinole City Hall Chambers, 2131 Pear Street, Pinole, CA.

**Board Members Present:**

Mayor Martinez-Rubin  
Mayor Pro Tem Salimi  
Treasurer Swearingen

**Staff Members Present:**

City Manager, Andrew Murray  
Finance Director, Markisha Guillory  
City Clerk, Heather Iopu  
Community Development Director/City Engineer, Tamara Miller

**B. PUBLIC COMMENT**

There were no speakers.

**C. CONSENT ITEMS**

1. Approve the Minutes of the April 28, 2021 meeting.

**ACTION: Motion by Salimi/Swearingen to Approve the Minutes of the April 28, 2021 meeting.**

**Vote: Passed 3-0**

**D. BUSINESS ITEMS**

1. Revised Proposed Long-Term Financial Plan for Fiscal Year (FY) 2021/22 – FY 2025/26 [Review and Provide Direction (Guillory)]

Director Guillory provided an overview of the Proposed Long-Term Financial Plan for FY 2021/22 – FY 2025/26, one of the strategies indicated in the Strategic Plan for the City of Pinole for FY 2020 through 2025. The scope of the Long-Term Financial Plan included the General Fund, Measure S 2006 and Measure S 2014 sales tax measures. Future plans would incorporate all of the city's funds.

The Five-Year Financial Forecast adopted by the City Council was detailed, the plan had previously been presented to the Finance Subcommittee and a number of changes had been made. A revised version of the plan had been provided to the Subcommittee and the changes were detailed at this time.

Treasurer Swearingen found the salaries information difficult to read which should be better clarified before the item was presented to the City Council. Referring to Page 60, Franchise Tax, he suggested more factors were involved than had been shown other than the cable services portion.

The following speaker submitted written comments that were read aloud and would be filed with the agenda packet for this meeting: **Rafael Menis**.

Mayor Martinez-Rubin identified typographical errors and language changes as follows:

- Page 3, revise the second sentence of the last paragraph to read:

*Staff shared information and received input from Council Members and the public at multiple Finance Subcommittee and City Council meetings in spring 2021.*

- Page 8, Intergovernmental Tax, revise the second sentence of this section to read:

*The forecast is based on projections provided by HDL, the City's property tax consultant.*

- Page 8, Other Taxes, revise the first sentence to read:

*This category includes the business license tax which is levied on businesses located within the City and those that do business with Pinole but are located outside of City boundaries*

- Page 9, Professional Services, revise the last sentence to read:

*The status quo forecast assumes that Professional Services will grow from \$2.8 million in FY 2021/22 to \$3.1 million in FY 2025/26.*

- Page 17, Capital Asset Renewal and Replacement, revise the sixth sentence to read:

*The City is in the process of developing a sewer system master plan and will be developing a parks master plan.*

- Page 20, Housing Assistance, revise the last sentence to read:

*However, these resources are significantly less than what would be needed to provide any substantial amount of new affordable housing units in the City; and*

- Page 23, Policy Alternatives – Additional Revenue and Expenditure Reduction Options, revise the second to last sentence of the second paragraph to read:

*Therefore, if the City would like to make any substantial new investments, it will need to identify additional revenue sources or reduce some other current expenditures.*

As the Finance Subcommittee considered the next agenda item for the Five-Year Capital Improvement Plan (CIP), Mayor Martinez-Rubin asked whether any of those revenues and expenditures had been reflected in the Long-Term Financial Plan, and asked staff to provide guidance since she understood they had not been included.

City Manager Andrew Murray reported the City may use the General Fund to invest in any allowable and appropriate municipal purpose with a lot of the CIP projects paid through special revenues such as gas tax and others. The City may invest General Fund resources and Measure S funds in capital projects, had done so, and he offered examples of investments in facilities and capital maintenance. The interplay would be clear in the future as the Long-Term Financial Plan was expanded to show all special revenue sources that contributed to capital projects.

Mayor Martinez-Rubin also requested the insertion of a few explanatory notes in the next iteration of the Long-Term Financial Plan and the entire process of evaluating specific projects, such as how capital projects were determined to be deferred but suggested it was more fitting to have that kind of explanation in the CIP.

Mr. Murray clarified the line edits the Mayor would like made to the Long-Term Financial Plan primarily to correct typographical errors that appeared in the draft, and asked for consensus from the Finance Subcommittee for staff to make those changes.

By consensus, the Finance Subcommittee agreed that the Mayor's recommended changes be made to the Long-Term Financial Plan.

Mr. Murray asked whether the Finance Subcommittee would like staff to make changes to the Long-Term Financial Plan in response to the public comment which was highlighted at this time and he provided the staff rationale whether or not the changes should be made.

By consensus, the Finance Subcommittee agreed with the addition of a sentence in the Long-Term Financial Plan on the qualitative and quantitative methods along with a section about the Utility Users Tax extension as a future revenue opportunity.

Mayor Martinez-Rubin understood that staff would respond to some of the questions with a bit more narrative to provide clarification with some of the public comment answered by the City Manager and with the edits made to the document as discussed.

2. Title: Preliminary Proposed FY 2021/22 Five-Year Capital Improvement Plan (CIP) [Review and Provide Direction (Guillory)]

Director Miller provided a summary on the preparation of the CIP via master planning documents condition assessments, regulator notations on insufficient assets and the like, and with the projects included based on multiple different paths of information. The Five-Year CIP also included a funding source summary for the projects in the CIP, which had been divided into five main categories including roads, parks, facilities, storm water and sewer, with links to the funding sources and restrictions on funding sources. Projects in the Five-Year CIP were highlighted.

Mr. Murray thanked staff for the preparation of the Draft Five-Year CIP which was being presented earlier in the process and which provided an overview of the various funding sources, timing and greater narratives of the projects, with the projects identified through the City's assessments of capital assets and determination and greatest need. City staff was working to improve its communications with the public on the City's operating budget and the CIP. The revised proposed Draft Five-Year CIP would be presented to the Finance Subcommittee with more narrative on the capital asset footprint, capital asset process, and complexity of the different funding sources.

City Clerk Heather Iopu reported no comments had been received for this item.

Mayor Pro Tem Salimi inquired of the total budgeted project amounts and the budget for 2021 and how much was the actual for this fiscal year as compared to what had been planned, questions he had raised in 2020 given concerns with a discrepancy in the plan and the actual amount. He asked staff to provide that information from the last three years, what was planned and actual, to be able to provide a better understanding whether the City was understaffed. He also questioned whether the work would be done in-house by City staff or through a Request for Proposal (RFP) process to seek consultants.

Director Miller advised the information in the staff report for the total budgeted project amounts was correct. She did not have the other information requested at this time since the accounting for each project had not been aggregated and she could provide that information at a later date. She spoke to the difficulties for a jurisdiction the size of Pinole to make the funding commitments and noted that historically the City had put a project in a single year with all funding, although it would take more than one year to complete a project. The project could not start without a commitment. Given the limited staff resources many of the capital projects required consultant assistance.

Mayor Pro Tem Salimi asked if additional staffing was provided whether it would expedite the CIP, and Mayor Martinez-Rubin pointed out that even with additional staff the City would not have the funding needed to start the projects since the financial commitments came from outside agencies.

Director Miller described the current work load and acknowledged that the City would benefit from additional staff.

Mayor Pro Tem Salimi asked whether additional staff would be budgeted in the next year, and Mr. Murray confirmed that additional staffing had been included in the upcoming agenda item for the Preliminary Proposed Operating and Capital Improvement Budget, including separating the current Community Development and City Engineer positions, and a Management Analyst for the Public Works Department limited to available funding.

Mayor Pro Tem Salimi requested budgeted Full-Time Equivalents (FTE) for the next year for capital improvement projects in terms of the number of FTEs required to complete the CIP that had been proposed, which could be compared to current staffing levels.

Mr. Murray advised the information would be part of the next agenda item and he suggested the proposed changes in staffing would meet the near future capital planning and other Public Works Department needs.

Mayor Pro Tem Salimi expressed appreciation for the current staff work and inquired of the status of the Tennant Avenue pavement work. He asked whether it would be possible to offset the cost for the portion of the work dedicated from the City of Pinole more towards the Sewer Enterprise Fund so that funds could be dedicated towards other projects, and Director Miller expressed confidence a nexus could be provided, had been discussed in-house, and suggested due to the daily truck traffic for operations that could be quantified, that impact could be passed on to the Pinole-Hercules Wastewater Treatment Plant and the Enterprise Fund as an impact to the road system.

Treasurer Swearingen referenced the on-ramp revisions at Pinole Valley Road and Interstate I-80 which while not funded was on the list of West Contra Costa Transportation Advisory Committee (WCCTAC) projects forwarded to the Contra Costa Transportation Authority (CCTA) for funding. He asked the status of the project and was informed by Director Miller the project was still on the list of anticipated projects the CCTA maintained. The City had been successful in adding the project to the WCCTAC West County Subregional Transportation Mitigation Program (STMP) project list, and the project had been listed as a City of Pinole project, with Pinole required to find funds for the project itself. Staff had met with CCTA staff to discuss the project and may be able to leverage CCTA assistance to help Pinole find money to move that project forward.

Treasurer Swearingen also asked about the cost of the parking lot for the Fowler House and Director Miller reported the City had a consultant working on the design and had provided an estimate, which included some reconfiguration of other parking areas to maximize the entire parking lot and provide electric vehicle (EV) charging stations and low impact development such as storm water improvements since it was a new project. Staff hoped the costs would be kept under control to allow the City to move forward with the project.

Treasurer Swearingen also commented that the Hercules-Pinole Wastewater Treatment Plant funds had been calculated to be utilized in an annual fashion year-to-year with the Consumer Price Index (CPI) part of that calculation.

Treasurer Swearingen asked whether there were enough funds to take some of those funds and use them for the Tennant Avenue improvements, and Director Miller stated she would look into that. He further clarified with Director Miller the Rule20A funds where PG&E was the selected project manager and had been using the funds to pay its contractor but was doing the work on the City's behalf. It was described as a net project and if the City had money left over it would be in the Rule20A bank. Those funds could only be used for Rule20A projects.

Mayor Martinez-Rubin expressed her appreciation for the CIP over the years with projects moving forward based on available funding commitments, with the present CIP including 24 preliminary unprogrammed projects. She asked whether any of the items would become worthy enough to have their own project sheet with potential funding. She asked how the projects had been determined to be included on the list and noted that bridging those project sheets with the current CIP would be helpful to the City Council. She wanted to see a transition between the project sheets and the list with strategic thinking and ideas from staff for possible funding source commitments.

Director Miller suggested the list could be expanded to include notes on how the projects had gotten on the list; possible notations added where the projects had first originated; several of the projects in the park category would be better defined as part of the Park Master Plan process; a column of next steps and aligning possible grants with each item would be helpful; the receipt of federal stimulus funds should be included; and the projects may be prioritized by rank to allow the City Council, as the decision maker, to understand how much infrastructure needed to be considered in the future.

Mayor Martinez-Rubin asked about the status of recommendations from the Beautification Ad Hoc Committee.

Mr. Murray clarified that more narrative background information, potential funding sources and possibly estimated costs would be included for the items in the proposed CIP and the unfunded list when the CIP was brought back to the Finance Subcommittee for review, including more information on the American Rescue Plan Act (ARPA). As to the recommendations from the Beautification Ad Hoc Committee, those recommendations would be addressed as part of the next agenda item. A Tree Master Plan had also been included on the unfunded project list.

The Finance Subcommittee thanked staff for the report and Director Miller confirmed the item would return for consideration of more improvements.

### **3. Preliminary Proposed FY 2021/22 Operating and Capital Improvement Budget [Review and Provide Direction (Guillory)]**

Director Guillory presented the Preliminary Proposed FY 2021/22 Operating and Capital Improvement Budget, with work remaining to be done including reconciling numbers, rebalancing some of the funds including the General Fund, Measure S and all City funds, and descriptive narrative information.

The numbers would be fine-tuned and presented to the Finance Subcommittee at its next meeting scheduled for May 26, 2021. At this time, the Finance Subcommittee was asked to consider the City Council items of interest, identified as future agenda items on Page 124 of 357 of the agenda packet.

The Finance Subcommittee discussed each of the City Council Items of Interest one-by-one and asked clarifying comments of staff for each item.

- Increased staff and maintenance in the sewer enterprise.

Any time additional staff was recommended staff was asked to identify whether or not the City was fully staffed and the basis for additional staffing to be better defined. Public Works and Engineering Department staffing levels had always been limited as compared to the number of projects. The current Public Works Department staffing levels and staff duties were identified and staff acknowledged the current staff level was not sufficient to meet current service needs. The Finance Subcommittee supported increased staff and maintenance in the sewer enterprise.

- Addition of police officers.

Staff did not recommend the addition of police officers in the budget at this time with the current staffing level determined to be sufficient.

Concerns were expressed with officers who may be out on disability resulting in overtime for other officers, straining remaining officers on duty who were required to be on-duty 24/7, and there was concern whether officers were at their peak performance. It was recommended that if competitive salaries were an issue to attracting additional officers to the City of Pinole they should be reviewed by the City Council. The Finance Subcommittee supported the staff recommendation.

- School Resource Officer (SRO) Program discussion.

No change was being recommended to the SRO Program at this time with the two positions that had been serving in the assignments of SRO to be maintained although not entirely dedicated to SRO responsibilities.

- Employer funding programs regarding unfunded pension liability.

The City was in relatively good shape regarding its unfunded pension liability. The Long-Term Financial Plan outlined the major financial challenges facing the City. The unfunded pension liability with the California Public Employees' Retirement System (CalPERS) was offset by the City's Pension Trust. Other Post-Employment Benefits (OPEB) liability was completely unfunded and of greater concern. The City had a significant number of deferred and unfunded capital needs. Staff was of the opinion nothing more needed to be done related to the unfunded pension liability.

The City Council asked staff for a presentation from CalPERS representatives in the near future to discuss the City's required contributions and CalPERS investment strategies.

- Fire services study.

The City Council asked staff to review the City's fire service model and funding, with City Council direction to incorporate the fire service model and staffing needs into the proposed budget. Next steps included adding two new positions to the Fire Department and conducting further analysis of the City's needs, service potential and model changes. Staff did not recommend anything further on this item other than to receive future recommendations from the Fire Chief beyond adding the two new positions.

- Continued discussion and concerns with lack of hospital or clinic services in West Contra Costa County.

Staff was of the opinion that medical services were not a core City function. The City had limited capacity, authority, and jurisdiction to address medical services and the City Council was encouraged to continue to advocate and raise questions with local and elected officials on the State and County level more responsible for medical care, with the City to take no further action. Staff confirmed, when asked, that the City may use General Fund resources for public purposes, which were broad, but the funds would be in competition with other City core activities that may compete for General Fund funds. While the City may spearhead the creation of a local hospital, it would be a complex undertaking. The City would get a better return on its investment working with medical health care providers to possibly expand medical services, which had been discussed during a recent Mayors' Conference.

If the City Council sought some sort of City initiative on this topic, the first step would be to consider a scoping and feasibility analysis and appropriation of funds for a professional services firm for a feasibility assessment.

The topic was discussed at length, feedback from the recent Mayors' Conference was detailed, and the staff recommendation restated. If the City Council were to consider moving forward with a firm to consider a scoping session, it was likely the conclusion would be to recommend the City Council advocate with its County and State counterparts and the current medical services providers to consider an expansion.

Mayor Pro-Tem Salimi stated this topic had been a major point of his campaign; Mayor Martinez-Rubin suggested it could be brought up as a future agenda item for City Council consideration; and Treasurer Swearingen suggested the City Manager and the Mayor Pro Tem contact the consultant firm that had previously worked on the bond measure to save Doctor's Hospital which would have the background information to propose a project.

Mr. Murray pointed out this item had been a request for a future agenda item and the City Council had decided it be discussed as part of the budget process. He noted all of the narrative in the staff report would be included in the staff report to the City Council.



- Project labor agreement policy.

Staff recommended the City Council task the Public Works Department with initiating a project this year to analyze potentially instituting a Project Labor Agreement Policy, with the item to be added as a Special Project for the Public Works Department for the upcoming fiscal year with no budget required. Director Miller provided additional details on the federal stimulus spending for labor agreements.

- Open City of Pinole bank and fiber connectivity status/opportunities.

Staff recommended this topic be discussed as part of the Comprehensive Economic Development Strategy. A separate analysis was not recommended at this time and it was recommended the City Council take no other action than the consultant for the Comprehensive Economic Development Strategy take into consideration the two issues. Staff was asked to clarify whether or not only charter cities were able to open a public bank (which Mr. Murray confirmed was the case) and Mayor Pro Tem Salimi pointed out this had the potential to generate millions in revenues for the City of Pinole and those funds could be used for other City needs.

- Pinole Shores II as potential solar site.

The City was negotiating the sale of Pinole Shores to a prospective buyer with the City Council having previously provided direction on the sale of the property. If the City Council sought to pursue this topic the best course of action was through a Council request for future agenda item in Closed Session.

- Charter city.

Staff did not recommend the City of Pinole as a Charter City in and of itself unless there was a compelling public policy initiative the City Council desired to pursue. Absent that possibility, staff did not recommend action at this time. Mayor Pro Tem Salimi reiterated Charter City status would be required for a public bank, it had been discussed as part of real estate transfer taxes with the opportunity for the City to generate additional revenues for other City projects in the future. He understood that background information on Charter Cities had already been done and the City Council may want to discuss the public bank and real estate transfer tax options. He asked that staff clarify with the City Attorney whether or not homebuyers would have to pay additional real estate transfer taxes if they were to use local realtors. Mayor Martinez-Rubin suggested if it had not already been budgeted, the City Council should have a discussion about options to increase additional revenue for the City, and identify potential consequences and requirements in terms of compliance which should be included in the budget. She sought a better understanding of what was required for viable options to become a reality, which would require others with experience with such options to be presented to the City Council, which would require additional funding.

Mr. Murray clarified the budget included a baseline for City Council meetings and adding one or more special meeting would not have to be budgeted. He recommended the City Council defer the issue pending the completion of the Comprehensive Economic Development Strategy.

- Making use of treated wastewater.

Staff had conducted preliminary research and had concluded that making use of treated wastewater was not financially feasible given the costs but a second opinion could be sought by the City Council and the budget could include a modest professional services amount for a consultant to conduct a feasibility analysis. Mayor Pro Tem Salimi understood the refinery in the City of Hercules was making use of treated water, and Director Miller reported that working with the East Bay Municipal Utility District (EBMUD) Phillips/76 the refinery located in Hercules was being studied as a possible reuse destination for Hercules' affluent, and the City of Pinole's wastewater could be put to use as well, although the fiscal benefits were minimal. Wastewater was high on the list for the use of federal stimulus funds and it may be a good time to invite EBMUD to have a conversation to consider the environmental benefits of supplying the affluent.

Treasurer Swearingen provided the background of past discussions between EBMUD and Phillips/76 on desalination plants. Mayor Martinez-Rubin and Mayor Pro Tem Salimi supported a second opinion and funding for a small consulting contract.

- Utility undergrounding opportunities/plan.

Staff to return with an analysis and plan.

Mr. Murray added that the recommendations from the Beautification Ad Hoc Committee would be provided at the next Finance Subcommittee meeting.

Mayor Martinez-Rubin suggested an analysis was warranted for unfunded capital projects. She asked staff to consider that members of the City Council, Planning Commission and staff had gone through the expected process to consider possibilities and recommendations on reasonable suggestions for beautification in combination with investments that staff had considered years prior in terms of litter and trash removal and creative ways to partner with organizations that may be interested, with the aspect of quantification to be part of the analysis to come back.

Director Guillory identified the incremental changes that had been included in the budget as reflected on Page 124 of 257, as discussed, and highlighted the reorganization structure, with all positions included in the proposed budget. She also clarified the cap in the General Plan, staff to continue working on balancing the funds, with a possible need to tap into the imbalance in the General Fund and Measure S in 2006 and 2014 to fund some of the critical positions, with staff to balance the funds as best as possible and come back with possible recommendations in the next version of the Revised Proposed FY 2021/22 Operating and Capital Improvement Budget.

In response to the Mayor Pro Tem, Mr. Murray clarified the organizational chart and the duties of the City Manager, Management Analyst, and Administrative Assistant but noted the chart did not include a dedicated Economic Development Director. The Community Development Department would conduct the day-to-day economic development activities. The current Development Services Director position would be split into two positions; one dedicated to Community Development and the other to Public Works, and a portion of the new Community Development Director's time would be spent on economic development and possibly some of the tasks performed by other Community Development staff. The budget did not include a dedicated Economic Development person or dedicated Communications person, with the communications function to be handled among the three staff persons in the City Manager's Office. The organizational assessments recommended a reclassification of those persons but that was not being pursued as part of the reorganization currently being implemented. Staff recommended the City Council wait for the recommendations from the Comprehensive Economic Development Strategy before recommending how the City should invest and pursue economic development.

The Revised Proposed Budget would come back to the Finance Subcommittee on May 26 incorporating any feedback from that meeting, to be incorporated into the Final Proposed Budget which would be presented to the City Council on June 15. Any subsequent changes would be brought back to the City Council at a future meeting.

Mayor Martinez-Rubin asked that when the budget returned to the Finance Subcommittee information be included as to when a fund begins with a deficit in the fund balance and likely to have a greater fund balance at years end, citing Cable Access TV as an example, where over the years there had been use of funds from a different fund to be able to carry on the activities in that program area, but given the limited funding there had been an anticipated deficit and a fund balance that dipped into the negative. She asked that the next version of the proposed budget include thought of obtaining funds from a different area of the budget.

Director Guillory confirmed that all of the funds would be reconciled and clarified that staff would determine whether or not the funds for CCTV needed to be increased.

Mayor Martinez-Rubin also identified a number of typographical errors which she would hold over to the next meeting of the Finance Subcommittee after a revised version of the document was presented.

Mayor Pro Tem Salimi also wanted to know what it would take for Comcast to broadcast Council meetings in HDTV and whether or not the department required additional equipment, and Mr. Murray reported he had recently e-mailed the Comcast representative and would have more information to provide to the City Council on the possibility of broadcasting meetings in high definition, whether equipment upgrades would be needed, and what would be needed for the City to consider a hybrid format to televise City meetings.

Mayor Martinez-Rubin further referenced the funds allocated for fireworks which the City Council had not agreed to, and Mr. Murray recalled the City Council had directed staff to include in the proposed budget a reserve for fireworks and return with a plan in January 2022 for Fourth of July fireworks celebrations, and to reserve funding in the amount of \$40,000 in the budget. Per City Council direction, \$40,000 had been included in the budget as a reserve but staff would double check that issue and incorporate the City Council's direction into the budget.

The following speaker submitted written comments that were read aloud and would be filed with the agenda packet for this meeting: **Rafael Menis**.

Director Guillory responded to the public comment and clarified the new positions reflected in the organizational chart were from the organizational assessment; the Deputy City Clerk had not been added to the organizational chart; the one-time funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES) and the Federal Emergency Management Agency (FEMA) Public Assistance Program had not been budgeted for the next Fiscal Year; updated numbers in the gas taxes would be reflected in the revised proposed budget and a plan would have to be instituted to rectify any negative fund balance; an increase in salaries in the Finance Department were clarified; Police Support Services increases in system enhancements were one-time costs for this Fiscal Year; and remaining questions provided would have to be researched further by staff.

#### 4. Preliminary Proposed Financial Policies [**Review and Provide Direction (Guillory)**]

Director Guillory presented the Preliminary Proposed Financial Policies to the Finance Subcommittee for review, which policies had been presented and adopted by the City Council in October 2020, at which item there had been a number of changes made including changes to the Reserve Policy, creation of a Receivables Policy, updates to the Structurally Balanced Budget Policy and updates to the Revenue Policy on one-time resources. All of the changes had been incorporated into the document adopted by the City Council in October 2020. At this time, staff did not recommend any changes to the financial policies. The Finance Subcommittee was asked to review the document, make any changes, with the final proposed financial policies to be brought back to the Finance Subcommittee.

The following speaker submitted written comments that were read aloud and would be filed with the agenda packet for this meeting: **Rafael Menis**.

Treasurer Swearingen referenced the investment portfolio, his understanding they could not control fossil fuel investments, and suggested it be left to the City Council to investigate

Mayor Martinez-Rubin asked whether any further study needed to be made that would yield an answer to the question of how best to invest, to which Mr. Murray could not recall a conversation of social policy regarding fossil fuels.

Director Guillory advised the policy was in line with State law and best practices in terms of the City's resource allocations and how the City invested. Socially responsible investing was a hot topic for jurisdictions and the comments Mr. Menis had provided would fall under the realm of socially responsible investing. More information could be provided to the Finance Subcommittee at its next meeting. Staff was also looking into a consulting firm for investment management with the goal of maximizing returns for the City, with safety the number one priority.

Mr. Murray added as long as the City Council adhered to State law the Council may have a more prescriptive investment policy than was allowed. City staff currently selected the investment instruments that could be modified to meet certain social objectives, and the City Council could direct staff to do that, with an assessment of the current situation needed. CalPERS had also considered this issue and its position was it had a responsibility to its stakeholders/retirees to get the maximum return, which could be a consideration for Pinole as well. He left it to the City Council to decide whether an assessment of the pros and cons of implementing a Social Investment Policy should be considered, but it could be a special project tasked to staff which would not hold up consideration of the financial policies to make that happen. It could be a special project for staff to pursue subject to Council direction.

Mayor Martinez-Rubin suggested it was premature to make any modifications to the financial policies at this round of review.

Mayor Pro Tem Salimi suggested the priority for Pinole was to maximize its revenues. He suggested this topic be discussed with the entire City Council. He otherwise thanked staff for the Accounts Receivable Policy that had been put into place.

Mayor Martinez-Rubin advised the Finance Subcommittee did not recommend any changes to the financial policies at this time, with this round of all of the budget documents to take into consideration the application of these financial policies, with the Preliminary Proposed Financial Policies to remain as-is.

## **E. ADJOURNMENT**

At 6:25 p.m., Mayor Martinez-Rubin adjourned to the next Finance Committee meeting.

**Submitted by:**

  
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Heather Iopu, CMC  
City Clerk

**Approved by Finance Subcommittee: August 10, 2021**

