

PIEDMONT CITY COUNCIL

Regular Meeting Minutes for Monday, June 4, 2007

A Regular Session of the Piedmont City Council was held June 4, 2007, in the City Hall Council Chambers at 120 Vista Avenue. In accordance with Government Code Section 54954.2(a) the agenda for this meeting was posted for public inspection on May 31, 2007.

CALL TO ORDER

Following a 7:00 p.m. Closed Session regarding labor negotiations with City childcare workers and salary & benefit negotiations with the City Administrator held pursuant to Government Code Section 94957.6, Mayor McEnroe called the meeting to order at 7:35 p.m. with the Pledge of Allegiance.

ROLL CALL

Present: Mayor Nancy McEnroe, Vice Mayor Abe Friedman and Councilmembers Dean Barbieri, John Chiang and Garrett Keating

Staff: City Administrator Geoff Grote, City Attorney George Peyton, Police Chief Lisa Ravazza, Fire Chief John Speakman, Finance Director Mark Bichsel, Public Works Director Larry Rosenberg, Recreation Director Mark Delventhal, City Clerk Ann Swift and Recording Secretary Chris Harbert

PRESENTATION

Mrs. Sue Herrick, President of the Piedmont Beautification Foundation, presented the City with a check in the amount of \$60,000 for Phase III of the Exedra Renovation Project. She added that the Foundation has pledged to raise an additional \$100,000 for this project. On behalf of the City, the Mayor thanked the members of the Foundation for their exceptional generosity.

CONSENT CALENDAR

The following items were considered under one vote by the Council:

Minutes

Approves as amended Council meeting minutes of May 19, 2007 and as submitted Council meeting minutes of May 21, 2007

Gift

Accepts a gift in the amount of \$60,000 from the Piedmont Beautification Foundation

Resolution 41-07

RESOLVED, that the City Council approves the consent calendar as noted.

Moved by Barbieri, Seconded by Chiang

Ayes: McEnroe, Friedman, Barbieri, Chiang, Keating

Noes: None

Absent: None

(0520)

PUBLIC FORUM

There were no speakers for the public forum.

REGULAR CALENDAR

The Council considered the following items of regular business:

Swim Club

Per Council direction of December 2006, the Council resumed its

Lease Extension

consideration of an extension of the Piedmont Swim Club's lease of the pool facilities on City property at 777 Magnolia Avenue. The current lease is set to expire on June 30, 2008.

Councilmember Keating, a member of the Piedmont Swim Club, recused himself from discussion and action on this item and left the chambers.

The City Administrator recommended that the City offer to extend the Swim Club's lease for eighteen months, commencing July 1, 2008 and ending December 31, 2009, to allow existing pool management and operations to continue until a new pool proposal expected as part of the on-going Civic Center Master Plan is finalized, approved and funded. The City Administrator acknowledged the differing points of view within the community regarding continued operation of the pool facility by the Swim Club and further recommended that as a condition of lease extension, he be authorized to negotiate with the Swim Club amendments to the current lease regarding: (1) the repurchase clause; (2) payment of the cash portion of rent to the City; and (3) hours of use by various user groups.

Public testimony was received from:

George Childs supported lease extension for either the 18-month term recommended by the City Administrator or the 5 years requested by the Swim Club.

Paul Schroeder, President of the Piedmont Swim Club, stated that as a result of the Council's action of December 2006, the Club is preparing to cease its operations/existence as of June 30, 2008. He emphasized that since last December when the Club's request for a lease extension was not granted, it has been extremely difficult for the Club to retain its management staff and attract new members. The Club's Board of Directors will meet next month to assess whether the club can continue operations beyond the June 30, 2008, lease termination date. However, he noted the Club's willingness to consider the City Administrator's proposal.

Russ Haffenkamp, Al Peters and Josh Bernstein supported the City Administrator's proposal for an 18-month lease extension if the City reinstates in the lease the original provision that the PHS swim and water polo teams have exclusive use of the pool for three hours between 2 p.m. to 6 p.m. on school days during their respective league seasons. This original provision was overturned approximately 10 years ago as part of an arbitration settlement.

Ellen Greenberg submitted a letter from her husband, Duncan Watry, dated May 30, urging the Council to insure that there is no disruption in community pool operations between the time of the Swim Club's lease expiration and the construction of a new pool facility. Ms. Greenberg, a Piedmont Swim Club member, relayed club members' frustration over the ambiguity with regard to the future operations of the existing pool while a new pool facility is designed, funded and constructed. She requested the Council to clearly state its intent with regard to this issue.

Bart Schenone, Swim Club Board Member, noted his preference that the club's lease expire on June 30, 2008.

Polly Upshaw, President of the Piedmont Swim Team, noted her team's good working relationship with the Swim Club, her desire for more pool time to accommodate her team's needs and her team's willingness to pay for using the pool. She supported the City Administrator's recommendations.

Jody Cornelius cautioned against blocking out a three hour period in the afternoon for the exclusive use of the high school swim/water polo teams, stressing that there are several youth-related swim programs/lessons that use the pool at various times. She voiced concern that lumping all youth related programs between 2 and 6 p.m. could adversely affect the overall swim opportunities for the community's kids.

The Council directed the City Administrator to offer a 18-month lease extension to the Piedmont Swim Club and granted the Administrator full authority in negotiating amendments to the current lease regarding hours of use allocations, user fees, City rent payments, repurchase provisions, arrangements for club members to transition into any new pool facility constructed as a result of the Civic Center Master Plan development, etc.

**FY 06-07 Year-End
Appropriation
Requests & Transfers**

Per Council direction of May 19, the Finance Director proposed specific year-end transfers from the General Fund and appropriation requests in the amount of \$291,774 of which \$261,774 will be funded by the General Fund and \$300,000 by the Sewer Fund.

There were no speaker requests on this matter.

The Council reviewed the proposed year-end transfer recommendations at length. Council consensus was reached for the following year-end transfer schedule:

Capital Improvement Program

- Community Pool \$600,000
- Moraga (Blair Park) \$100,000
- Coaches Playfield \$300,000
- Pre-fund FY 07/08 \$700,000

Master Street Fund

- Sidewalk, Curbs & Gutters \$325,000

Facilities Maintenance Fund

- Building Rehabilitation \$100,000
- Artificial Turf Replacement-Beach 65,000

Equipment Replacement Fund \$350,000

It was noted that \$200,000 of the \$700,000 CIP Pre-fund allocation will come from greater than anticipated transfer tax revenue from the months of May and June 2007. The \$100,000 allocated for Moraga

(Blair Park) is intended for frontage improvements to the park such as sidewalks, landscaping, crosswalk and possible traffic signalization.

The Council requested the Finance Director to resubmit this revised year-end transfer schedule at the June 11 meeting for Council approval.

The Council discussed with staff specific issues related to the proposed appropriation requests and how actual department expenditures and subject matter breakdowns are indicated in the budget documentation.

Resolution 42-07

RESOLVED, that the City Council approves, as proposed by the Finance Director, FY 06-07 year-end departmental appropriation requests in the amount of \$291,774 of which \$261,774 will be funded by the general fund and \$30,000 will be funded by the sewer fund.

Moved by Friedman, Seconded by Barbieri

Ayes: McEnroe, Friedman, Barbieri, Chiang, Keating

Noes: None

Absent: None

(0165)

**Public Hearing:
Proposed FY 07-08
City Budget**

The Mayor opened the first of two public hearings on the proposed FY 07-08 City Budget, including the annual levy of the Municipal Services Tax and the City Sewer Tax. The Finance Director summarized the changes made to the draft budget in response to the Council's May 19 budget worksession.

Correspondence was received from: Rebecca Schnier, June 4

Public testimony was received from:

George Childs supported the proposed reduction in the tax rate for the Municipal Service Tax, supported the proposed rate increase in the Sewer Tax and generally supported the proposed digital upgrade of KCOM as a means for allowing residents to directly access videos of City meetings from home without having to physically come to the Civic Center to pick-up and return meeting tapes; thus reducing Civic Center traffic/parking congestion.

The City Clerk responded to Council questions concerning proposed expenditures for the digital upgrade of the KCOM studio and the addition of a new Station Manager position.

On a Motion by Councilmember Barbieri, Seconded by Vice Mayor Friedman and Unanimously Carried, the Council agreed to extend tonight's meeting to 11:30 p.m. in order to complete agenda consideration.

During the discussion, the Council tentatively agreed to the following modifications to the proposed budget:

- Elimination of the KCOM request for a multi-media lectern (\$9,800) and JVC remote camera (\$13,850)
- No levy of the Municipal Services Tax in FY 07-08

There was also considerable discussion regarding the necessity to increase the tax rate for the Municipal Sewer Tax in 07-08 (the budget proposes a 3.44% increase). A majority of Councilmembers supported freezing the tax rate at the 06-07 level for 07-08. Staff cautioned that not increasing the sewer tax rate in 07-08 would significantly impact available funding for Phase VI and VII of the Sewer Rehabilitation Program, thus necessitating a significant increase in the tax rate in the future and/or requiring a future General Fund subsidy. Staff stressed that it is common municipal practice not to fund sewer rehabilitation projects from general fund subsidies. The Vice Mayor countered that in light of the City's extraordinary revenue situation as a result of greater than anticipated transfer tax revenue, consideration be given to allocating \$250,000 of this surplus revenue to the Sewer Fund to off-set the loss of revenue from not increasing the sewer tax rate in 07-08.

The City Administrator stated that June 18 is the scheduled date for the second public hearing and Council adoption of the FY 07-08 budget. However, only three Councilmembers will be present on June 18. The Council discussed alternative dates, with a majority preferring that budget adoption be scheduled on the Council's June 11 special meeting agenda (the special meeting is a joint meeting with the School District regarding the Civic Center Master Plan).

**Utility
Undergrounding
Policy**

Per Council direction of May 21, the City Clerk submitted for Council review and approval revisions to the City's Utility Undergrounding Policy.

On a Motion by Councilmember Barbieri, Seconded by Councilmember Chiang and Unanimously Carried, the Council agreed to extend tonight's meeting to 11:35 p.m. in order to complete agenda consideration.

Public testimony was received from:

George Childs reiterated his May 21 misgivings regarding using Rule 20A funds for Rule 20B private undergrounding projects.

The Council reviewed the revised draft, suggesting several additional changes, including:

- Add language under the Policy section indicating that *indirect costs associated with staff time in processing undergrounding projects will be funded from the General Fund*
- Add language *citing the state law provisions which require that liens will be filed within a month following Council approval of the district.*
- Add language indicating that state law allows the Council full discretion to approve a district if a majority of the weighted ballots cast favor district formation.
- The Vice Mayor to submit his revisions directly to the City Clerk

The Council requested that the revised policy be submitted for Council review and approval on July 2.

On a Motion by Councilmember Barbieri, Seconded by Vice Mayor Friedman and Unanimously Carried, the Council agreed to extend tonight's meeting to 11:45 p.m. in order to complete agenda consideration.

Future Items

Municipal Tax Review Committee – Councilmember Keating requested that the Municipal Tax Review Committee analyze Piedmont's property values and how these values affect Piedmont's tax base. Councilmember Chiang responded that this could be a difficult task but will relay Councilmember Keating's request to the Committee.

ANNOUNCEMENTS

Water Conservation—The Vice Mayor encouraged residents to heed the EBMUD's request to conserve water this summer given last year's very dry winter.

Centennial Celebration – The Mayor thanked members of the Centennial Committee for sponsoring the June 2 *Bagpipe Tattoo Centennial Celebration*. The event was great fun and included a century community photo and a 100+ ft. birthday cake.

ADJOURNNENT

There being no further business, Mayor McEnroe adjourned the meeting at 11:45 p.m.