

PIEDMONT CITY COUNCIL

Regular Meeting Minutes for Monday, June 21, 2010

A Regular Session of the Piedmont City Council was held June 21, 2010, 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 June 17, 2010.

CALL TO ORDER Following a 5:00 p.m. Closed Session for City Attorney interviews and discussions regarding pending litigation in the matters of Kurtin v. Piedmont and U.S. v. City of Alameda, et.al. Mayor Barbieri called the meeting to order at 7:30 p.m. with the Pledge of Allegiance.

ROLL CALL Present: Mayor Dean Barbieri, Vice Mayor John Chiang and Councilmembers Margaret Fujioka, Garrett Keating and Jeff Wieler

Staff: City Administrator Geoff Grote, City Attorney George Peyton, Finance Director Mark Bichsel, Interim Fire Chief John Speakman, Acting Police Chief John Hunt, Public Works Director Larry Rosenberg, Recreation Director Mark Delventhal, City Clerk Ann Swift, City Planner Kate Black, Chief Building Official Chester Nakahara and Recording Secretary Chris Harbert

CEREMONIAL MATTERS Interim Fire Chief Speakman introduced newly promoted Fire Lieutenant John Fitzpatrick.

CONSENT CALENDAR The following items were approved under one vote by the Council:

Minutes Approves as amended Council meeting minutes of June 7, 2010

Agreement Approves an Amendment to the Agreement with George S. Peyton to provide consultant services to Piedmont's new City Attorney

Ordinance Approves the second reading of Ordinance 686 N.S. transferring City property at 56 Sharon Avenue to Mr. and Mrs. Robert Rachwald and approving an agreement with Mr. and Mrs. Rachwald for sale of property at 56 Sharon Avenue in the amount of \$1,600

Grant Funding Approves a 2010-11 block grant funding agreement between the City and the Alameda County Community Development Agency

Agreement Renews the Certification and Indemnification Agreement with Alameda County relating to the collection of taxes

Appointment Extends the appointment of John Speakman as Interim Fire Chief through July 30, 2010, to allow completion of the recruitment for a new fire chief

Resolution 51-10

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

Moved by Fujioka, Seconded by Chiang

Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler
Noes: None
Absent: None
(0045; 0705; 0045; 0045; 0045; 0088)

PUBLIC FORUM

There were no speakers for the public forum.

REGULAR CALENDAR

The Council considered the following items of regular business:

COPS Grant

The Acting Police Chief recommended that the Council accept \$27,493.96 in Citizens Option for Public Safety (COPS) funding and appropriate \$21,995.17 (80%) to the Police Department's Equipment Replacement Account and \$5,498.79 (20%) to the Police Department's Overtime Account. The Chief stated that the \$27,493.96 is the last funding installment for FY 09-10. He added that COPS funding has been historically used for police equipment replacement and overtime special patrols.

Public testimony was received from:

George Kersh requested that residents be apprised in advance of proposed equipment purchases utilizing COPS funding, voicing his objection to the department's previous purchase of a license plate reader.

Resolution 52-10

RESOLVED, that the City Council accepts \$27,493.96 in Citizens Option for Public Safety funding and appropriates \$21,995.17 (80%) to the Police Department's Equipment Replacement Account and \$5,498.79 (20%) to the Police Department's Overtime Account.

Moved by Chiang, Seconded by Keating

Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler
Noes: None
Absent: None
(0088)

PG&E Presentation

Pacific Gas & Electric East Bay Government Relations Manager Alicia Burke and Senior Director of the *SmartMeter* Program William Devereaux provided information regarding PG&E's installation of *SmartMeters* in Piedmont. Mr. Devereaux provided sample meters for public inspection as well as a brochure describing the purpose, operation and benefits of the new meters. In response to Council questioning, Mr. Devereaux stated that less than 1% of installed meters have experienced difficulties. These difficulties have been typically caused by incorrect installations, data storage corruption and/or wireless communication problems. However, as a consequence of the controversy surrounding the new meter program generated from complaints from customers that their utility bills have significantly increased with the new meters, the Public Utilities Commission has authorized an independent third party investigation of the program to test meter accuracy, data calculation and billing. This investigative examination is currently on-going and it is expected that its findings will be

released in August. It was Mr. Devereaux's opinion that complaints concerning escalated utility bills are due more to the significant increase in usage tier rates imposed in March 2009 than any systemic problem with the new meters. He added that to date a few hundred *SmartMeters* have been installed in Piedmont but this installation process has been temporarily suspended in light of the Recreation Director's request that all further installations be halted until PG&E representatives appear before the City Council.

Public testimony was received from:

George Kersh thanked the Recreation Director for requesting PG&E to publicly report on the new meter program. He requested that Piedmont residents be given the option to either accept or refuse the installation of the new meters.

The Mayor thanked the PG&E representatives for their report and requested that the *SmartMeter* brochure information be posted on the City's website.

**Piedmont Hills
Underground
Project Update**

The Chief Building Official and Finance Director highlighted the major points in their written status report regarding the Piedmont Hills Underground Construction Project for the period June 3 through 16. It is anticipated that the conversion from overhead to underground utility power will be completed by September 15. The Finance Director reported that despite reporting on June 7th that the final construction payment was made to the project contractor (Valley Utility), Valley Utility has submitted \$16,677.43 in unpaid invoices dating from last February. Staff is currently reviewing these old bills but it appears that these are legitimate costs which will be funded from the project's contingency fund. Valley Utility has confirmed that there are no other outstanding invoices.

**FY 09-10 Year-
End Appropriations**

The Finance Director recommended Council approval of \$364,244 in year-end appropriation requests to be funded by the General Fund. The requests, detailed in the Director's staff report, represent additional funding needed to cover legal expenses, audit fees, Fire overtime, civil service investigations, engineering services, contract building maintenance services and workers' compensation. The Council discussed these appropriation requests with the Director.

Resolution 53-10

RESOLVED, that the City Council approves year-end appropriation requests of \$364,244 all of which will be funded by the General fund as detailed in the Finance Director's staff report of June 21, 2010.

Moved by Wieler, Seconded by Chiang

Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler

Noes: None

Absent: None

(0165)

Public Hearing:

The Mayor opened the second of two public hearings on the proposed

**Proposed FY 10-11
City Budget and the
Levy of the Municipal
Services Tax and
Sewer Tax**

FY 10-11 budget. The Finance Director summarized the proposed budget changes made in response to the Council's May 22 and June 7 consideration of the budget.

Public testimony was received from:

George Childs urged the Council to retain the FY 09-10 tax rates for the Municipal Services Tax and Sewer Tax.

The Council discussed additional budget adjustments for the purpose of reducing the amount of General Fund Reserve monies to be transferred into the General Fund in order to balance the budget for FY 10-11. At the start of the discussion, the amount of reserve funding being used was approximately \$294,709. During discussion, the Council agreed to the following changes:

- Library Contract Services be reduced to \$350,471;
- Administration Software expenditures totaling \$46,000 be deferred;
- Harvest Festival appropriation of \$3,000 be eliminated and instead use \$3,000 from the event's reserve balance as seed money for 2010;
- Reinstate the \$1,000 funding for Employee Appreciation Day;
- Adjust the Tea House (3 hours) rental fee to \$150;
- Add \$2,000 to FY 10-11 Total Revenue to reflect tennis fee increases;

Based upon the above modifications, the Finance Director determined that the amount of reserve funding required for FY 10-11 would now be \$199,180.

During the discussion, the Council agreed to consider the following issues during mid-year budget review deliberations:

- Library Contract with City of Oakland -- staff was directed to inform the City of Oakland that the City's FY 09-10 payment for library services would be \$350,471, consistent with the payments made in FY 07/08 and 08/09. Also to advise that this amount has been allocated for library services in FY 10-11. In addition, staff was requested to submit a report on library related issues, addressing in particular the possibility of terminating the Oakland Library Services Contract or reducing the City's subsidy for library services by requiring residents to pay a fee directly to Oakland to use its library system.
- Business License Software -- re-examine whether the proposed \$46,000 expenditure to upgrade the City's 20+-year old software used to collect business license fees should be upgraded this fiscal year. As a related issue, both Councilmembers Wieler and Keating supported the May 22 suggestion that the Council to consider establishing a Citizens Information Management Systems (IMS) Advisory Committee to propose recommendations for making the City's MIS services more efficient;

- Grand/Arroyo/Rose Traffic Median Landscaping -- explore whether the \$20,000 in remaining Congestion Management Agency funding for this traffic signal installation project can be used to landscape or fence the signal boxes to improve aesthetics;
- Havens Playfield Expenditure -- staff to determine the nature of the City's commitment to the Piedmont Unified School District related to the funding of the new playfield being constructed at Havens School. Determine whether the playfield architect's (Phil Singer) construction estimate of \$391,875 is a firm price cost. Staff to determine if the City's commitment to the PUSD is a payment of \$1.2 Million for the Schoolmates Facility and Playfield or whether the City is only committed to funding the exact costs of these two facilities provided that the total cost does not exceed \$1.2 Million. If it is the latter, there is the potential that the City's total expenditure for these two facilities could be \$1,101,885 rather than \$1,200,000 -- a potential savings of \$98,115.
- Corporation Fuel Tanks Generator -- consider whether to fund the proposed \$25,942.29 purchase and installation of a generator as a back-up power source for the Corporation Yard or scale back the project to merely provide back-up power to the fuel pumps only. Staff to provide a cost estimate for fuel pump only back-up power.
- Fee Schedule -- re-examine the FY 10-11 Department of Recreation Fee Schedule.

**FY 10-11
Budget Adoption**

Resolution 54-10

RESOLVED, that the City Council appropriates all fund balances at the close of the fiscal year ending June 30, 2010, to applicable reserves in the various funds.

Moved by Chiang, Seconded by Keating

Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler

Noes: None

Absent: None

(0165)

Resolution 55-10

RESOLVED, that the City Council adopts the City's proposed FY 2010-11 operation budget in the amount of \$21,152,525.

Moved by Chiang, Seconded by Fujioka

Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler

Noes: None

Absent: None

(0165)

Resolution 56-10

RESOLVED, that the City Council adopts the City's proposed FY 2010-11 capital projects budget in the amount of \$3,658,635.

Moved by Chiang, Seconded by Fujioka
Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler
Noes: None
Absent: None
(0165)

Resolution 57-10

RESOLVED, that the City Council approves all fee schedules, as amended, contained in the proposed FY 10-11 budget.

Moved by Chiang, Seconded by Fujioka
Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler
Noes: None
Absent: None
(0165)

Councilmember Keating voiced his personal opposition to the increases in Schoolmates Fees.

Resolution 58-10

RESOLVED, that the population percentage increase for the County of Alameda be used for computing the 2010-11 appropriation limit for the City of Piedmont.

Moved by Chiang, Seconded by Wieler
Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler
Noes: None
Absent: None
(0165)

Resolution 59-10

RESOLVED that the use of growth in the California Per Capita Income be used for computing the appropriation limit for the City of Piedmont for fiscal year 2010-11.

Moved by Chiang, Seconded by Fujioka
Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler
Noes: None
Absent: None
(0165)

Resolution 60-10

RESOLVED that following public notice of the availability of the documentation used in the determination of the appropriation limit pursuant to Section 7910 of the Government Code and Article XIII(B) of the California Constitution, as amended by Proposition 111 and SB 88, the City Council does hereby establish the appropriation limit for fiscal year 2010-11 at \$17,308,436.

Moved by Chiang, Seconded by Wieler
Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler
Noes: None
Absent: None
(0165)

Resolution 61-10

WHEREAS, the City Council in accordance with the provisions of Chapter 20B of the City Code has held a public hearing relating to the need to assess the Municipal Services Tax for the 2010-11 tax year commencing July 1, 2010; and

WHEREAS, the City Council, after fully considering all of the information and materials before it, determines in accordance with Section 20B.2 of the City Code that the cost of providing the general municipal services for the 2010-11 tax year exceeds the amount of funds generated through other revenue and income for such services; and

WHEREAS, the City Council further determines that a general Municipal Services Tax must be levied for the 2010-11 tax year in order to provide the municipal services required by the residents of the City; and

WHEREAS, after reviewing the financial and tax data available, the City Council determines that the amount to be raised by the Municipal Services Tax is **\$1,530,000** and that the tax should be set at the rates set forth hereafter.

RESOLVED, that based upon the foregoing findings and determinations the City Council does hereby levy a general Municipal Services Tax in the amount of **\$1,530,000** for the 2010-11 tax year pursuant to Chapter 20B of the City Code at the rates set forth hereafter:

Single Family Residence

0 to 4,999 sq. ft.	\$351
5,000 to 9,999 sq. ft.	\$393
10,000 to 14,999 sq. ft.	\$456
15,000 to 20,000 sq. ft.	\$519
Over 20,000 sq. ft.	\$591

Commercial Properties

0 to 10,000 sq. ft.	\$591
Over 10,000 sq. ft.	\$886

Multi-Family Residence per unit \$243

Parcels Divided by Tax Code Area Line \$359

Moved by Chiang, Seconded by Wieler

Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler

Noes: None

Absent: None

(0165)

Resolution 62-10

WHEREAS, the City Council in accordance with the provisions of Chapter 20E.4 of the Piedmont Municipal Code has held a public hearing relating to the

need to assess the Municipal Sewer Tax for the 2010-11 tax year commencing July 1, 2010; and

WHEREAS, the City Council, after fully considering all of the information and materials before it, determines in accordance with Section 20E.2 of the City Code that the maximum amount to be raised by the Municipal Sewer Tax is **\$2,070,500** and

WHEREAS, under the provisions of Section 20E.3, the tax for the fiscal year beginning July 1, 2010 shall be set forth hereafter;

WHEREAS, that based upon the foregoing findings and determinations, the City Council does hereby levy a Municipal Sewer Tax in the amount of **\$2,070,500** for the 2010-11 tax year pursuant to Chapter 20E of the Piedmont Municipal Code at the rates set forth hereafter.

RESOLVED, that based upon the foregoing findings and determinations the City Council does hereby levy a Municipal Sewer Tax in the amount of **\$2,070,500** for the 2010-11 tax year pursuant to Chapter 20E of the City Code at the rates set forth hereafter:

Single Family Residence

0 to 4,999 sq. ft.	\$464
5,000 to 9,999 sq. ft.	\$528
10,000 to 14,999 sq. ft.	\$609
15,000 to 20,000 sq. ft.	\$711
Over 20,000 sq. ft.	\$836

Commercial Properties

0 to 10,000 sq. ft.	\$836
Over 10,000 sq. ft.	\$1,152

Multi-Family Residence per unit \$387

Parcels Divided by Tax Code Area Line \$464

Moved by Chiang, Seconded by Fujioka
Ayes: Barbieri, Chiang, Fujioka, Keating, Wieler
Noes: None
Absent: None
(0165)

ANNOUNCEMENTS

Public Safety Committee -- next meeting is June 24 at 6:30 p.m. The public is invited to attend.

July 4th -- residents were encouraged to attend the City's annual July 4th Parade and Park Celebration.

Retirement Dinner -- a retirement dinner in recognition of Public Works Director Larry Rosenberg's 21 years of service to the City of Piedmont will be held June 25.

Tea House Renovation -- residents were encouraged to support the Piedmont Beautification Foundation's campaign to raise funds for the renovation of the historic Japanese Tea House in Piedmont Park.

FUTURE AGENDA ITEMS

The following issues will be scheduled for Council discussion at a future meeting: (1) construction of a landscaped traffic median at the Ronada/Ramona intersection; and (2) setting a date for a joint meeting with the Planning Commission.

ADJOURNMENT

There being no further business, Mayor Barbieri adjourned the meeting at 10:30 p.m.