

PIEDMONT CITY COUNCIL

Special Budget Work Session Minutes for Saturday, May 13, 2017

A Special Budget Work Session of the Piedmont City Council was held May 13, 2017, in the East Wing of 801 Magnolia Avenue. In accordance with Government Code Section 54954.2(a) the agenda for this special meeting was posted for public inspection on May 11, 2017.

CALL TO ORDER

Mayor Wieler called the session to order at 9:32 a.m.

ROLL CALL

Council: Mayor Jeff Wieler, Vice Mayor Robert McBain, and Councilmembers Teddy Gray King, and Jen Cavanaugh

Council Absent: Councilmember Tim Rood (excused)

Administration: City Administrator Paul Benoit and City Clerk John Tulloch

Fire: Fire Chief Warren McLaren

Finance: Interim Finance Director Jim O'Leary, and City Accountant Ken Lee

Police: Police Chief Jeremy Bowers

Public Works: Public Works Director Chester Nakahara, Planning Director Kevin Jackson, Parks & Projects Manager Nancy Kent, and Public Works Supervisor Dave Frankel

Recreation: Recreation Director Sara Lillevand

BUDGET OVERVIEW

City Administrator Paul Benoit highlighted the completion of several significant civic improvement projects, including the Hampton Field renovation and the Linda Kingston Triangle. He also highlighted other projects completed during the past fiscal year. He indicated that the City had made good progress on the implementation of the Information Technology Strategic plan during this fiscal year.

Mr. Benoit relayed the overall sound financial condition of the City. He credited the City's financial health to the strong leadership of the City Council, the engaged and supportive community, and the quality and diligence of City Staff. He listed a number of factors and challenges that have influenced the budget, including the necessity of an investment in the City's facilities and infrastructure to address deferred maintenance and provide a sufficient reserve for future needs.

The City Administrator noted that the employment agreements with each of the City's employee groups expire on June 30, 2017 and that there will be budget adjustments necessary based upon the actual agreements and employment resolutions approved by the Council after negotiations. Mr. Benoit indicated that the proposed budget includes a placeholder 2% wage adjustment for all employees.

He highlighted that property related taxes account for 70% of the revenue to the General Fund, including the voter approved Municipal Services Tax, and that the City has very little ability to affect these revenue sources. He also highlighted that personnel costs account for 71% of general fund expenditures and that Public Safety services total 64% of the City's expenses.

The City Administrator highlighted factors leading to the City's current stability including: 1) the voter approved Municipal Services Tax, 2) the ongoing strength of the real estate market, 3) the reduction in pension and benefits costs made possible by contributions from employees, and 4) the City's tradition of conservative budgeting.

Mr. Benoit noted that the Council and staff being conservative and thoughtful stewards of public resources is what positions the City to maintain its high service levels and occasionally consider new opportunities and initiatives.

He noted that, while the City's financial position is good news, it must be taken in the light of ongoing underinvestment in civic infrastructure including buildings, parks, streets, sidewalks, and the storm sewer system. Mr. Benoit indicated that addressing all of the infrastructure issues that the City is aware of would cost approximately \$20 Million and then maintaining that improvement would challenge the City's resources.

The City Administrator then reviewed the status of each of the City's major funds, including the General Fund, Equipment Replacement Fund, Facilities Maintenance Fund, Sewer Fund, Pension Obligation Fund, and Capital Improvement Projects Fund.

CIP COMMITTEE PRESENTATION

Susan Herrick, Chair of the CIP Review Committee, presented the Committee's recommended projects for FY 17-18.

Mrs. Herrick explained the process used by the Committee this year. She explained that the Committee conducted significant public outreach to come to the recommendations before the Council today. She highlighted the criteria used to determine the recommendations made to the Council.

Mrs. Herrick relayed the recommendations of the CIP Review Committee for FY 17-18, without any order of priority.

- Coaches Field Turf and Lights
- Linda Beach Playfield & Tot Lot
- Aquatics Center
- Improvement of the Intersection of Wildwood, Winsor, Warfield, and Wallace Avenues
- St. James Drive Lantern Re-Lighting
- Crocker Park Path Improvements

The CIP Review Committee also referred six resident suggestions to the Public Works Department as repair and maintenance projects.

The Council thanked Mrs. Herrick and the Committee on a comprehensive and useful report. The Council requested that funding for Capital Improvement Projects be placed on the agenda of a future Council meeting.

BUDGET REVIEW

Staff reviewed the proposed FY 17-18 departmental budgets and non-departmental items with the Council. During budget review and discussion, the Council requested the following from Staff:

- Police Department – No requests from the Council

- Public Works Department – Bring a broader discussion of pavement condition back to Council at a future meeting
- Recreation Department – Include cost recovery charts for all areas of programming
- Fire Department – No requests from the Council
- Administration – Bring an update on the Information Technology Strategic Plan back to Council
- Non-Departmental – Council asked that the Fee Schedule include information as to when fees were last changed

Public testimony was received from:

John Constantine asked if there were any ways to improve the condition of streets if additional revenue comes in.

Jonathan Levine asked questions about the progress the Aquatics Center project.

PUBLIC FORUM

There were no speakers for Public Forum.

ADJOURNMENT

There being no further business, Mayor Wieler adjourned the special work session at 1:25 p.m.