

## PIEDMONT CITY COUNCIL

Special Budget Work Session Minutes for Saturday, May 11, 2019

A Special Budget Work Session of the Piedmont City Council was held May 11, 2019, in the Police Department EOC Room at 403 Highland Avenue. In accordance with Government Code Section 54954.2(a) the agenda for this special meeting was posted for public inspection on May 9, 2019.

### **CALL TO ORDER**

Mayor McBain called the session to order at 9:02 a.m.

### **ROLL CALL**

*Council:* Mayor Bob McBain, Vice Mayor Teddy Gray King, and Councilmembers Jennifer Cavenaugh, Tim Rood and Betsy Smegal Andersen

*Administration:* City Administrator Paul Benoit and Assistant City Administrator / City Clerk John Tulloch

*Fire:* Fire Chief Bret Black

*Finance:* Finance Director Michael Szczech and City Accountant Ken Lee

*Police:* Police Chief Jeremy Bowers

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

*Recreation:* Recreation Director Sara Lillevand

**BUDGET OVERVIEW** City Administrator Paul Benoit described the City's financial position as stable. He explained the City's revenue is mainly generated from property based taxes, which were generally reliable and consistent. He indicated that the City's focus is on providing core, high quality services. Mr. Benoit stated that the City continues to budget conservatively.

Mr. Benoit discussed the City's unfunded liabilities for pension and retiree health care. He indicated that the Council had begun to address some of these liabilities, by implementing pension cost sharing with employees, reduction of medical benefits for future retirees, and the establishment of the pension rate stabilization fund.

He indicated that one of the biggest challenges facing the City is the fact that Piedmont's public facilities are old and expensive to maintain. While aesthetically pleasing, most facilities are in need of significant repair and renovation. Unfortunately, while many City facilities and infrastructure have been kept functional, they have not received the attention and investment necessary to meet community needs and current safety and accessibility standards.

Mr. Benoit compared the City's reserve of just under \$5 million to those of nearby cities, which are all at a significantly higher percentage of their operating budget. He noted upcoming increases to benefit related costs from \$2.2 million to \$5.5 million by 2029, with revenue increasing by only 35%. Mr. Benoit discussed the use of PARS savings in the future. Mr. Benoit discussed the need to invest in long-term underfunded facility maintenance, totaling \$58 million.

Finance Director Mike Szczech gave a detailed presentation on the proposed

budget. He gave an overview of the General Fund, other funds, fees & charges, as well as projections related to the Facilities Maintenance Fund, Pension Fund, and OPEB Fund. He also discussed the Municipal Services Special Tax, Special Municipal Sewer Tax, and the Real Property Transfer Tax.

## **CIP COMMITTEE PRESENTATION**

Conna McCarthy, Chair of the CIP Review Committee, presented the Committee's recommended projects for FY 19-20.

Ms. McCarthy 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.

Ms. McCarthy relayed the recommendations of the CIP Review Committee for FY 19-20, in three categories.

- 1) Projects that can move forward with City Council support
  - Renovation of Piedmont Middle School Hard Courts
  - Installation of additional Automated License Plate Readers at entrances to Piedmont
  - Installation of a drinking fountain at Piedmont Park
- 2) Projects recommended as meritorious, but requiring additional study by staff
  - Wildwood Gardens emergency egress and one-way signage
  - Development of a landscaped triangle at the intersection of Blair Avenue and Calvert Court
- 3) Projects needing further direction from the City Council
  - Blair Park Improvements
  - Two proposals related to improvements at Witter Field

The Council thanked Ms. McCarthy 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 budget for each department and answered Council questions regarding the proposals.

**Public testimony** was received from:

Winnifred Walters advocated for additional funding to support the Oakland Public Library and the services it provides to the community.

## **ADJOURNMENT**

There being no further business, Mayor McBain adjourned the special work session at 1:40 p.m.