

PIEDMONT CITY COUNCIL

Regular Meeting Minutes for Monday, October 7, 2019

A Regular Session of the Piedmont City Council was held October 7, 2019, in the City Hall Council Chambers at 120 Vista Avenue. In accordance with Government Code Section 54957(b), the agenda for this meeting was posted for public inspection on October 3, 2019.

CALL TO ORDER Mayor Bob McBain called the meeting to order at 7:30 p.m. with the Pledge of Allegiance.

ROLL CALL Present: Mayor Bob McBain and Councilmembers Jennifer Cavanaugh, Tim Rood, and Betsy Smegal Andersen

Absent: Vice Mayor Teddy Gray King

Staff: City Administrator Sara Lillevand, Deputy City Attorney Sergio Rudin, Finance Director Michael Szczech, Planning & Building Director Kevin Jackson, and Assistant City Administrator / City Clerk John Tulloch

CONSENT CALENDAR The Consent Calendar consisted of the following items:

Council Meeting Minutes Approval of Council Meeting Minutes for 08/19/19

Investment Portfolio Report Receipt of a Report on the City's Investment Portfolio (0165)

Resolution No. 62-19

RESOLVED, that the City Council approves consent calendar items 1 and 2.

Moved by Andersen, Seconded by Rood

Ayes: Andersen, Cavanaugh, McBain, Rood

Noes: None

Absent: King

Police & Fire Pension Board Oversight of Additional Investment Portfolios Councilmember Cavanaugh questioned whether the Police and Fire Pension Board (Board) should be renamed to avoid confusion as to the Board's scope of work. Mayor McBain suggested the Board's agenda could include a reference to review of other portfolios.

Resolution No. 63-19

WHEREAS, the Police and Fire Pension Board is created in the City Code to perform certain tasks related to the legacy Police & Fire Pension Fund, including oversight of the investments in the fund; and

WHEREAS, by direction of the City Council, a subcommittee of the Police and Fire Pension Board, consisting of the Mayor, one City Council member, and the public member of the board, also oversees the investments of the Other Post-Employment Benefits Fund; and

WHEREAS, on April 16, 2018, the City Council approved a revised investment policy, in response to changes in state law, allowing cities to broaden their scope of investments, while affirming the City's fiduciary responsibility to safeguard public assets; and

WHEREAS, under the new investment policy, the Finance Department has diversified City's investments; and

WHEREAS, at the same meeting, the City Council approved the creation of the Pension Rate Stabilization Fund, which is designated to pre-fund future pension costs; and

WHEREAS, the Police and Fire Pension Board meets in public on a quarterly basis and receives reports on the City's investments; and

WHEREAS, the City Council desires to have the Police and Fire Pension Board provide oversight of the investments provided for under the City's investment policy as well as the Pension Rate Stabilization Fund;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Piedmont does hereby resolve, declare, determine, and order as follows:

SECTION 1. A subcommittee of the Police and Fire Pension Board, consisting of the Mayor, one City Council member, and the public member of the Board, will receive quarterly reports on and provide oversight of investments under Administration/Finance Policy #12, the City's Investment Policy.

SECTION 2. A subcommittee of the Police and Fire Pension Board, consisting of the Mayor, one City Council member, and the public member of the Board will receive quarterly reports on and provide oversight of investments in the Pension Rate Stabilization Fund.

Moved by Andersen, Seconded by Rood
Ayes: Andersen, Cavanaugh, McBain, Rood
Noes: None
Absent: King
(0165, 0317-0790, 0475-0370)

PUBLIC FORUM

Sunny Bostrom-Fleming commented on the need to provide medical assistance to the homeless.

Hope Salzer encouraged the City to be forward-thinking and ambitious in efforts to curb climate change.

Jordan DiGiorgio requested that the City take action to reduce traffic accidents at the intersection of Mesa and Moraga Avenues.

REGULAR AGENDA

Municipal Services Special Tax

The Council considered the following items of regular business:

City Administrator Sara Lillevand advised that the current Municipal Services Special Tax (parcel tax) expires on June 30, 2021. She indicated that the Budget Advisory and Financial Planning Committee was charged with a quadrennial review of the need for and rate of the parcel tax. She described the timeline necessary to get a possible renewal of the tax on the March 2020 primary election ballot.

Bill Hosler, Budget Advisory and Financial Planning Committee Chair, reported the City is in a good financial position and summarized the Committee's recommendations. He indicated that the Committee recommends extending the parcel tax for an additional period and it should be renewed at the same rate. Mr.

Hosler detailed the areas of the City's finances where the Committee believed the staff and Council focus are necessary going forward. He stated that, in addition to the continuation of the parcel tax, a possible increase in the City's Transfer Tax could be a potential funding source to fund deferred maintenance.

Finance Director Michael Szczech reported that staff has prepared a schedule of maintenance over the next 15 years for almost all facilities and a schedule of capital projects over the next five years. Roads and sidewalks will be incorporated into the facilities maintenance plan.

Councilmembers asked questions regarding deferred maintenance as well as ongoing pension obligations and what the City is doing to prepare for them.

Public Testimony was received from:

Dimitri Magganas suggested the Council form a committee to plan and prioritize major facility improvements so that projects could be ready for construction during a recession, when construction costs are lower.

The Council appreciated the Committee's report, particularly the tax primer, and discussed the term and amount of the parcel tax. Councilmembers expressed interest in discussing an increase in the Transfer Tax. The Council also noted that the Piedmont Unified School District has two tax measures on the November 2019 ballot.

The City Council directed staff to prepare an Ordinance to continue the Municipal Services Special Tax at the same rate for a four-year period. (0320, 1030)

**FY 2018-19 Year-End
Appropriations,
Adjustments, and
Carryforwards**

Finance Director Szczech reported a net increase in the General Fund for the fiscal year ending June 30, 2019, of approximately \$470,000. He attributed this increase to a strong real estate market coupled with tight spending controls. He reported that the majority of realized budget savings were related to personnel costs. He detailed end of year appropriation, transfer, and carryforward requests as follows:

- Appropriation of \$124,000 for workers' compensation costs
- Transfer of \$200,000 for sidewalk repairs
- Appropriation of \$300,000 for street paving
- Carryforward of \$53,000 for hazard mitigation planning, solid waste consulting services, climate action and sustainability, and supplemental planning services.

Finance Director Szczech did not believe the increase in workers' compensation costs would be ongoing.

There was no **Public Testimony** on the matter.

Resolution No. 64-19

RESOLVED, that the City Council approves year end appropriations, transfers, adjustments, and carryforwards for fiscal year 2018-2019 as detailed in the agenda report dated October 7, 2019.

Moved by Cavanaugh, Seconded by Rood

Ayes: Andersen, Cavanaugh, McBain, Rood

Noes: None

Absent: King

(0088, 0165)

**FY 2018-19 Year-End
Fund Transfers**

City Administrator Lillevand reported revenue trends were favorable in fiscal year (FY) 2018-2019, particularly Transfer Tax revenues and wildfire mutual aid revenues. At the end of the fiscal year, the unassigned balance of the General Fund was approximately \$6.4 million, which constitutes approximately nineteen percent of annual expenditures held in reserve.

Mr. Szczech discussed the City's multiyear efforts to protect against the pension liabilities by funding a trust specifically designed to pay pension liabilities. He also discussed actions to restructure retiree health benefits, which will result in substantial savings in approximately fifteen years. He estimated that the over funded balance in the legacy Police and Fire Pension Fund will be sufficient to fund the OPEB liability by FY 2031-2032.

Mr. Szczech reflected the Budget Advisory and Financial Planning Committee's emphasis on maintenance and improvement of City facilities, in recommending a transfer of \$1.1 million to the Facilities Maintenance Fund consistent with the Committee's report.

There was no **Public Testimony** on the matter.

Councilmembers noted the Facilities Maintenance Fund should remain in a positive balance only until FY 2024, and that more work was needed on this subject.

Resolution No. 65-19

RESOLVED, that the City Council approves a transfer of \$1.1 million for the fiscal year ending June 30, 2019 from the General Fund to the Facilities Maintenance Fund.

Moved by Rood, Seconded by Andersen

Ayes: Andersen, Cavanaugh, McBain, Rood

Noes: None

Absent: King

(0165)

**REPORTS AND
ANNOUNCEMENTS**

Councilmember Andersen announced an event on November 7th to unveil the Piedmont Climate Challenge and invited all residents to attend the event and/or participate in the challenge. She also announced that staff has completed and submitted an application for SB 2 housing related funding.

Councilmember Cavanaugh announced that the Recreation Department's Halloween Carnival and Haunted Hotel will be held on October 19th and that the Pool Pumpkin Patch will be held October 26th. She announced upcoming screenings of the Appreciating Diversity Film Series. She noted that October is Breast Cancer Awareness Month and Domestic Violence Awareness Month.

Mayor McBain reported that the 21st annual Harvest Festival and the Police Department's 2nd annual Coffee, Cars, and Cops events were exemplary and well attended.

Assistant City Administrator / City Clerk John Tulloch reported PG&E has announced a Public Safety Power Shutoff for later this week, which could affect portions of Piedmont. He indicated that residents should be prepared for any disaster and that the City is pushing out information via multiple channels. Ms.

Lillevand advised that staff has been working with PUSD to issue information about the power shutoff.

ADJOURNMENT

There being no further business, Mayor McBain adjourned the meeting at 9:07 p.m. in memory of Piedmont resident Zachary Presberg.