

## PIEDMONT CITY COUNCIL

### Special Meeting Minutes for Monday, June 29, 2020

A Special Session of the Piedmont City Council was held June 29, 2020, via teleconference, consistent with Executive Order Nos. N-25-20 and N-29-20 and the Alameda County Health Official's Order #20-04. In accordance with Government Code Section 54957(b), the agenda for this meeting was posted for public inspection on June 26, 2020.

**CALL TO ORDER**

Mayor Bob McBain called the meeting to order at 7:33 p.m.

**ROLL CALL**

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

Staff: City Administrator Sara Lillevand, Deputy City Attorney Sergio Rudin, Finance Director Michael Szczech, Recreation Director Chelle Putzer, Recreation Supervisor Jackson Stearns, Aquatics Coordinator Zoe Clancy-Clavere, Assistant City Administrator / City Clerk John Tulloch

**SPECIAL SESSION**

The Council considered the following items of business:

**Continued Operation of Piedmont Community Pool**

City Administrator Sara Lillevand discussed the history of the Piedmont Community Pool, its inability to meet the community's needs, past efforts to plan a new aquatic center, and the current focus on maintenance and repairs. She indicated the Piedmont Community Pool is 56 years old, six years past its expected lifespan, and more expensive to operate each year. She indicated that the pool is currently closed because of the COIVD-19 pandemic. She explained that staff initially anticipated the Alameda County Health Officer would likely issue an order allowing for the reopening of public pools, but earlier in the day the County announced the next round would be delayed due to the increase in COVID-19 cases. Ms. Lillevand reported recreation staff has developed a model for a potential reopening based on likely safety requirements. She noted residents rely on the pool for swim lessons, exercise, sports, play, socialization and employment of local youth.

Ms. Lillevand related upcoming significant expenses, the leakage of 3,000 gallons of water per day, attempts to plan closure days for maintenance and repairs, the \$15 million estimated cost of a new facility, and a 2017 poll that found insufficient community support for a municipal bond to fund a new facility. City Administrator Lillevand asked the Council to consider an acceptable operating loss given the City's limited resources; reopening the pool, when allowed, with COVID-19 restrictions; and closing the facility and focusing on building a new facility.

Finance Director Michael Szczech reported over the past seven years, the pool has operated at a deficit each year with revenues declining since FY 2015-2016, personnel costs remaining relatively stable, and operating costs increasing since FY 2016-2017. He indicated losses have increased from \$100,000 in FY 2017-2018 to \$190,000 in FY 2018-2019, and the projected loss for FY 2019-2020 is more than \$300,000 due to COVID-19. He noted pools operated by municipalities typically do not make money and are subsidized by taxpayer funds.

Recreation Director Chelle Putzer indicated staff is monitoring guidelines for pool operations from many entities, but the County has not issued official guidelines for reopening at this time. She explained that the proposed model for reopening provides access to as many user groups as possible, includes fee

increases, assumes programming is filled to capacity, reduces hours of operation and pool capacity, increases staffing, requires reservations for lap swim, requires documentation of health screenings for staff and visitors, and eliminates seasonal passes, recreation swim, and birthday parties. Ms. Putzer reported increasing programming will increase staff costs but will not generate sufficient revenue to cover those costs. She noted other cities have needed three to five weeks to prepare for reopening their pools.

**Public Testimony** was received from:

Helen Gerken and Kathleen Quenneville believed the City should cease pool operations now because the pool has exceeded its expected lifespan and there is insufficient public support for a bond measure.

John Savage, Scott Cunningham, Lynne Wright, Amy Aubrecht, Yusef Freeman, Noah Kwong, Gwen Jones, Alison Kuehner, Gadi Meir, Jackie Khor, Aaron Aubrecht, Duncan Watry, Eden Smith, Andreas Oesterer, Josh Sachs, Cecelia Johnson, Paul Jahn, Aaron Wu, Ryan Stokes, Kevin Scott Smith, Alix St. Wecker, Kyoko Nagaysu, Donna Meir, Joseph Joestar, Paige Arnold, Kim Seto, Andy Peay, Susy Struble, David Cole, Paul Cheng, Angel Fierro, Christine Chapon, Kay Kewley, Krissy Kliszewski, Anita Backer, Earl Wilson, Robert Cheatham, Jon Sakol, Hulda Hodgkinson, Colby Price, Josie Oesterer, Dion Lim, Osa Wolff, Geoff Snyder, Lesley Zalewski, Allen Matthews, Angela Temple, Bev Nakashima, and Tom Reicher supported continued operation of the pool until a new pool can be constructed or the Council finds another long-term solution due to the high demand for aquatic programming and the benefits of exercise and swim lessons.

Rik Krumins inquired about the Council assisting Piedmont Unified School District with finding alternative pools for high school aquatic teams.

Garrett Keating inquired regarding analysis of changes in Piedmont's population that could explain the drop in membership and plans to build and operate a new facility in compliance with Climate Action Plan goals.

The Council recessed from 9:50 p.m. to 9:57 p.m.

Councilmembers appreciated the public's interest and staff's efforts to maintain the pool and develop a plan for reopening. Councilmembers discussed at length pool costs, demand for programming during and after COVID-19 restrictions, obtaining additional information, revising the operating model, the community's understanding of the needs and urgency of the situation, the community's willingness to accept higher fees, and community education. The Council directed staff to learn more about pools currently operating with COVID-19 restrictions and to present more than one scenario for reopening with COVID-19 restrictions including a worst-case scenario.  
(0270-1022, 0860-1022)

#### **Discussion of Ballot Measures Related to Facilities**

City Administrator Lillevand emphasized the importance of understanding the present condition and limitations of City facilities, planning and acting in a manner consistent with residents' goals and priorities, and understanding facilities may be closed or consolidated absent significant renovation or replacement projects. She indicated existing recreational facilities require significant funding to bring them up to current standards and codes as well to maximize their full and efficient use. She noted staff has examined Police and

Fire facilities and determined that they are severely deficient in several ways that affect current service delivery and the ability to facilitate essential services during and after a disaster.

Ms. Lillevand recalled Council's direction to the Budget Advisory and Financial Planning Committee (BAFPC) regarding funding mechanisms that could fund some or all projects and to staff regarding a thorough and detailed understanding of essential services facilities and evaluation of community interest and support for City infrastructure projects. She reported the BAFPC presented a detailed report to the Council on June 15, 2020, which recommended additional funding for ongoing facilities and infrastructure maintenance, and examined possible funding mechanisms for capital projects. She advised that staff is working with a consultant to better understand the scope and cost of a replacement essential services building and will present a preliminary report on July 6. She noted staff recognizes that capital need is greater than may realistically be requested from voters; therefore, polling was conducted on a \$50 million facilities bond with a public safety emphasis.

David Metz, FM3, shared the survey methodology and poll results that show the community believes public facilities are in good condition. He noted that few in the community believe there is a great need to fund City facilities. He indicated that 60% are likely to vote yes on a proposed bond measure. He noted the community's focus on essential services facilities as a priority. He summarized the poll results as a solid majority, but not a supermajority, of voters support a bond measure. He believed obtaining two-thirds support for a bond measure would be very challenging.

**Public Testimony** was received from:

Rajiv Bhatia and Eileen Ruby believed there is a significant risk voters will not approve one measure for both essential services and the pool.

Kevin Scott Smith inquired as to the sample size of the poll.

Vincent Fisher inquired whether the Council has considered a parcel tax and recommended any ballot measure for Coaches Field not include lighting.

Jon Sakol supported a bond measure for essential services and the pool and a vigorous education campaign.

Susan Miller Davis noted information about the capital projects does not include the need to address Climate Action Plan priorities.

Kathleen Quenneville opposed any increase in the Real Property Transfer Tax (RPTT).

Garrett Keating requested the Council clarify the procedural requirements for General Obligation (GO) bonds.

Deputy City Attorney Sergio Rudin indicated that at this point, time does not allow for the placement of a bond measure on the November ballot using the Community Facilities District methodology, which would be necessary to use a parcel based methodology for assessing bond costs.

**Resolution No. 43-2020**

RESOLVED, that the City Council extends the meeting until 11:59 p.m.

Moved by Rood, Seconded by Andersen

Ayes: Andersen, Cavenaugh, King, McBain, Rood

Noes: None

Absent: None

City Administrator Lillevand reiterated the BAFPC's recommendations regarding ongoing maintenance, capital projects, swift action, GO bonds, and a parcel tax through a CFD.

Michael Newman, Hilltop Securities, advised the Council that the use of proceeds from bonds are restricted, and the Council should consider the type of debt to be issued and the permitted purpose. He explained that Certificates of Participation (COP) are not subject to a vote of the people and do not carry any additional revenue. He reported the City currently does not have a credit rating and estimated Standard & Poor's would rate the City's GO bond as AA+ and Moody's rating as AA2.

**Resolution No. 44-2020**

RESOLVED, that the City Council extends the meeting until 12:30 a.m.

Moved by McBain, Seconded by King

Ayes: Andersen, Cavenaugh, King, McBain, Rood

Noes: None

Absent: None

Councilmembers discussed one measure versus two measures, an RPTT versus an ad valorem tax, community education, and placing a measure on the November ballot or waiting until a subsequent election. The Council directed staff to prepare information for an RPTT measure and an ad valorem-based General Obligation bond measure for the November ballot; language for ballot measures for essential services only, the pool only, and both; and a list of capital projects to be funded.  
(0435, 0270-0370)

**ADJOURNMENT**

There being no further business, Mayor McBain adjourned the meeting at 12:15 a.m.