

City of Piedmont
COUNCIL AGENDA REPORT

DATE: September 2, 2025

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Final Report of the Pool Bond Oversight Committee

RECOMMENDATION

Accept the final report of the Pool Bond Oversight Committee.

BACKGROUND

On October 4, 2021, the City Council approved a resolution establishing a temporary Pool Bond Oversight Committee (PBOC) pursuant to the requirements of Ordinance 754 N.S. (Measure UU) and Ordinance 762 N.S. The PBOC was charged with reviewing and reporting on the expenditure of bond proceeds dedicated to the rebuilding of the Piedmont Community Pool.

In accordance with the enabling resolution, the Committee's responsibilities included:

- Reviewing expenditure reports to confirm bond proceeds were used solely for the purposes set forth in Measure UU.
- Informing the public of how bond proceeds were expended.
- Producing annual reports on the use of bond proceeds until the funds were fully expended.

DISCUSSION

The Committee provided its **final report** at its meeting on **August 21, 2025**, confirming that all bond proceeds were expended solely for the purposes authorized by Measure UU. With the expenditure of all bond funds and submission of its final report, the Committee has completed its assigned duties.

The term of the Pool Bond Oversight Committee extends only until the Committee's submission of its final report reflecting the full expenditure of bond proceeds. That condition has now been met, and the Committee has no further duties to perform.

Attachment: Bond Oversight Committee's Final Report with Exhibit A

By: Kiran Bawa, Finance Director

**City of Piedmont
COUNCIL AGENDA REPORT**

DATE: August 21, 2025

TO: Mayor and Council

FROM: Patricia Leicher, Chair of Bond Oversight Committee

SUBJECT: BOND OVERSIGHT COMMITTEE’S ANNUAL REPORT

BACKGROUND:

The formation of a Bond Oversight Committee (“Committee”) was approved by the Piedmont City Council on October 4, 2021. Per Bond Measure UU (Ordinance 754 N.S.) and Ordinance 762 N.S., which was the formal authorization to issue bonds to fund the rebuilding of the Piedmont Community Pool, the formation of a Bond Oversight Committee was required. The Committee’s focus is on reviewing and reporting on the expenditure of the proceeds of the bonds, specifically:

1. Inform the public how the City is expending the bond proceeds.
2. Review expenditure reports produced by the City to verify that bond proceeds were expended only for the purposes set forth in Measure UU.
3. Produce an annual report which includes the following information:
 - a. A statement indicating whether the bond proceeds used by the City have been expended only for the purposes set forth in Measure UU; and
 - b. A summary of the Committee’s proceedings and activities for the preceding year.

While the Committee serves in an advisory role and is not responsible for managing or directing project activities, it will leverage the experience, expertise, and insight of its members to ensure the bond proceeds are spent in accordance with Measure UU and Ordinance 762 N.S. Meetings of the Bond Oversight Committee are open to the public and will serve to educate the community on how bond funds are being expended.

The members of the Bond Oversight Committee are:

- Patricia Leicher, Chair
- John Chiang
- Billy Deitch who replaced Dirk ten Grotenhuis
- Margaret Hiller
- Al Lee

BOND OVERSIGHT COMMITTEE PROCEEDINGS AND ACTIVITIES

The Committee met four times during the past 12 months:

- September 12, 2024
- December 12, 2024
- January 16, 2025. This was a special meeting to review a committee response to an article that had appeared in the Piedmont Post.
- June 24, 2025

The meetings were held in person. Members of the public were invited to attend and informed of the meeting dates and times. There were no members of the public present at any of the meetings.

For the meetings, Mr. Szczech, former City of Piedmont's Finance Director, served as the liaison between the City and the Committee.

At each meeting, Michael provided detailed summary reports showing the total Measure UU bond proceeds available, including other funding sources, comparisons to the total budget, expenditures to date, and remaining funds available, by category. There were also summaries of commitments to date with the various vendors and contract amounts, amendments, and revised maximums, including respective expenditures to date and remaining contract amounts. The vendors with contracts include:

- Wickman Construction – construction general contractor
- ELS Architecture & Urban Design – architecture and engineering design services
- Griffin Structures – project management
- Isaac Sports Group – community pool operational analysis
- Rincon Consultants Inc. – California Environmental Quality Act (CEQA) compliance
- Forensic Analytical – environmental health services
- Coastland Civil Engineering – construction inspection services

The total community pool budget is \$34,900,000 which is an increase of \$4,932,000 over last year's report. There has been no change in the budget since December 2, 2024.

Measure UU bond proceeds deposited was \$24,418,577, which is net of capitalized interest, costs of issuance, and underwriters' discount. The funding sources for the community pool budget is comprised of the following:

- Measure UU - \$25,118,200 (includes \$699,623 of interest earnings)
- Contributions - \$3,146,465 (includes \$214,000 pledged but not yet received)
- Loan/Grant - \$832,800 (includes \$80,000 committed but not yet received from CEDA)

- Sewer/Measure BB/interest - \$410,000
- Facilities Capital Reserves - \$5,392,535 (Frontage and ROW improvements and contingency as needed)

Details were provided of the Hard and Soft Costs, by category, and the respective funding sources. As of May 31, 2025, \$28,509,773 was expended on the Community Pool Project. This amount includes \$25,118,200 of Measure UU funds (including interest earnings), which fully exhausts the Measure UU funds. Soft costs are limited to 20% of Measure UU funds and totaled 18% or within the limit.

At each meeting, there was a discussion of the construction progress to date led by Daniel Gonzales, City of Piedmont's Public Works Director. There have been delays because of unknown buried fuel tanks, which had to be removed and contaminated soil off-hauled, utility installation and rainy weather. Completion is now targeted for Fall 2025. The project is currently approximately 96% complete on a cost basis.

Questions were posed by the Committee and answered at each meeting. A copy of the most recent presentation to the Committee, as of June 24, 2025, is attached as Exhibit A.

Following each meeting and presentation, the Committee was satisfied that the City is keeping complete records of expenditures and charging them to the proper funding accounts. The Committee's focus was specifically on the expenditure of Measure UU proceeds.

Committee members did not review invoices or check copies, nor verify that they were posted to the proper funding sources. Committee members Pat Leicher and John Chiang did not speak with the external auditors, as in prior years, regarding their audit of the City's financial statements for the fiscal year ended June 30, 2024, since they were satisfied with the Auditor's report and opinion.

CONCLUSION FOR THIRD AND FINAL ANNUAL REPORT

The Committee is satisfied that the bond proceeds used by the City as of May 31, 2025, which are fully exhausted, have been expended only for the purposes set forth in Measure UU.

Attachments:

Exhibit A: Presentation on June 24, 2025, Bond Oversight Committee Meeting

Bond Oversight Committee June 2025 Update

		Amount
Total Proceeds		\$ 25,329,463.85
<u>Fund Deposits</u>		
Project Fund Deposit		\$ 24,418,576.55
Debt Service Fund - Capitalized Interest		712,291.67
		25,130,868.22
<u>Delivery Date Expenses</u>		
Cost of Issuance		\$ 146,950.00
Underwriter's Discount		51,645.63
		198,595.63

Commitments

- As of May 31, 2025, the City has made the following commitments with the Community Pool Project funds:

	<u>Vendor</u>	<u>Contract Date</u>	<u>Description</u>		<u>Original Contract</u>	<u>Amendments</u>	<u>Revised Maximum</u>	<u>Spent thru 5/31/25</u>	<u>Remaining</u>
	Forensic Analytical	March 2021	Environmental Health Services		\$ 9,475		\$ 9,475	\$ 9,475	\$ -
		June 2021	Environmental Health Services		\$ 4,845		\$ 4,845	\$ 4,845	\$ -
	Griffin Structures	June 2021	Project Management	(A)	\$ 612,700	\$ 1,049,525	\$ 1,662,225	\$ 1,468,889	\$ 193,336
	ELS Architecture & Urban Design	October 2021	Architecture and Engineering Design Services	(B)	\$ 2,475,554	\$ 315,084	\$ 2,790,638	\$ 2,763,782	\$ 26,856
	Isaac Sports Group	December 2021	Community Pool Operational Analysis	(C)	\$ 35,000	\$ 1,990	\$ 36,990	\$ 36,990	\$ -
	Rincon Consultants Inc.	December 2021	California Environmental Quality Act (CEQA) Report		\$ 16,956	\$ -	\$ 16,956	\$ 15,628	\$ 1,328
	Wickman Construction	December 2022	Construction Contract	(D)	\$ 23,870,000	\$ 5,689,000	\$ 29,559,000	\$ 23,194,195	\$ 6,364,805
	Coastland Civil Engineering	April 2023	Construction Inspection Services		\$ 259,250	\$ -	\$ 259,250	\$ 193,385	\$ 65,865
			Total		\$ 27,269,460	\$ 7,055,599	\$ 34,325,059	\$ 27,672,869	\$ 6,652,190
(A)	Revised contract to include construction management and Geotechnical testing and inspection. Additional amendments for additional time due to project delays								
(B)	Amendment to include Frontage and Right of Way Improvements - to be paid out of the Facilities Capital Fund. Design of relocated transformer and for additional time due to project delays								
(C)	Revised contract to include travel costs for consultant to present analysis at City Council meeting in person.								3
(D)	Contingency increased \$800,000 in 12/23; and \$2.1 million in 7/24; and \$2.8 million in 12/24.								

PROJECT FUND HISTORY

Account #	Description	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	TOTAL	Major Vendors
Revenue								
116-0320-003-000	BOND PROCEEDS	-	24,418,577	-	-	-	24,418,577	
116-0305-001-001	INTEREST	-	80,908	180,222	350,833	87,660	699,623	
	TOTAL REVENUE	\$ -	\$ 24,499,485	\$ 180,222	\$ 350,833	\$ 87,660	\$ 25,118,200	
Expenses								
116-0417-010-002	PART-TIME SALARIES	17,493	41,338	1,104	-	-	59,935	
116-0417-013-005	MEDICARE	254	599	16	-	-	869	
116-0417-013-009	FICA	1,085	2,563	68	-	-	3,716	
	TOTAL PAYROLL	18,831	44,500	1,188	-	-	64,519	Project Manager - Benoit
116-0433-117-000	PROJECT MANAGEMENT: DESIGN	14,320	1,415,117	598,767	457,598	120,807	2,606,609	ELS
116-0433-117-001	PROJECT MANAGEMENT	48,242	129,549	422,281	43,436	-	643,508	Griffin Structures
116-0433-117-002	CONSTRUCTION COSTS	-	-	3,649,154	10,623,465	6,233,155	20,505,774	Wickman Contruction
116-0433-117-003	CONSTRUCTION MANAGEMENT	-	-	10,309	603,368	199,504	813,181	Griffin Structures
116-0433-117-004	ENVIRONMENTAL	-	32,708	15,489	3,582	1,010	52,789	Rincon
116-0433-117-008	PLAN CHECK\PERMIT\INSPECT	-	-	75,295	182,164	100,062	357,521	Coastland Engineering
116-0433-117-005	OTHER	-	14,000	27,954	21,712	10,633	74,299	Isaac Sports Group \ Other
	TOTAL OPERATING	62,562	1,591,374	4,799,249	11,935,325	6,665,171	25,053,681	
	TOTAL EXPENSES	\$ 81,393	\$ 1,635,874	\$ 4,800,437	\$ 11,935,325	\$ 6,665,171	\$ 25,118,200	

- All Measure UU Funds expended as of January 31, 2025.

Community Pool Project – Budget History 05/31/25

	<u>Construction</u>	<u>Contingency</u>	<u>Total Construction</u>	<u>Soft Costs</u>	<u>Contingency</u>	<u>Total Soft Costs</u>	<u>Total Project</u>
Pool Facility	\$ 21,350,000	\$ 2,135,000	\$ 23,485,000	\$ 4,076,205	\$ 524,655	\$ 4,600,860	\$ 28,085,860
Offsite Improvements	350,000	35,000	385,000	75,140		75,140	460,140
Timing, Scoreboard, Lighting	435,000	-	435,000				435,000
Adjustment	(13,450)		(13,450)			-	(13,450)
Pool Budget - 12/5/2022	\$ 22,121,550	\$ 2,170,000	\$ 24,291,550	\$ 4,151,345	\$ 524,655	\$ 4,676,000	\$ 28,967,550
Increase Contingency		800,000	800,000		200,000	200,000	1,000,000
Pool Budget - 12/18/2023	\$ 22,121,550	\$ 2,970,000	\$ 25,091,550	\$ 4,151,345	\$ 724,655	\$ 4,876,000	\$ 29,967,550
Increase Contingency		1,632,450	1,632,450		500,000	500,000	2,132,450
Pool Budget - 7/1/2024	\$ 22,121,550	\$ 4,602,450	\$ 26,724,000	\$ 4,151,345	\$ 1,224,655	\$ 5,376,000	\$ 32,100,000
Increase Contingency		2,835,000	2,835,000		(35,000)	(35,000)	2,800,000
Pool Budget - 12/2/2024	\$ 22,121,550	\$ 7,437,450	\$ 29,559,000	\$ 4,151,345	\$ 1,189,655	\$ 5,341,000	\$ 34,900,000

- No change in budget since December 2, 2024

Funding Sources

- Measure UU > \$24.4 m bond proceeds + \$0.7 million interest.
- Contributions > PRFO \$2.1 m; PBF \$0.2m; Kroeger Estate (Teddy Bear) \$0.8m.
- Loan\Grant > \$82,800 grant from CEDA; \$750,000 EBCE loan at 0% interest with 15 year payback for pool electrification.
- Measure BB\Sewer > Funds will be used for Street paving and sewer main repair.
- Facilities Capital\Interest > Frontage and ROW improvements, Rec building waterproofing, and construction overages to be paid from Facilities Capital Fund.

	FUNDING SOURCE						
COMMUNITY POOL BUDGET	Measure UU	Contributions	Loan\Grant	SEWER\BB\INT	Fac. Capital	Total	
CONSTRUCTION & OTHER HARD COSTS	\$ 18,833,777	\$ 2,101,984	\$ 823,770	\$ -	\$ 362,019	\$ 22,121,550	
CONTINGENCY	\$ 2,314,623	\$ 409,001	\$ -	\$ 360,000	\$ 4,353,826	\$ 7,437,450	
SUB-TOTAL > HARD COSTS	\$ 21,148,400	\$ 2,510,985	\$ 823,770	\$ 360,000	\$ 4,715,845	\$ 29,559,000	
PROJ MGMT, A&E, OTHER SOFT COSTS	\$ 3,464,645	\$ 635,480	\$ 9,030	\$ -	\$ 42,190	\$ 4,151,345	
CONTINGENCY	\$ 505,155	\$ -	\$ -	\$ 50,000	\$ 634,500	\$ 1,189,655	
SUB-TOTAL > SOFT COSTS	\$ 3,969,800	\$ 635,480	\$ 9,030	\$ 50,000	\$ 676,690	\$ 5,341,000	
TOTAL PROJECT BUDGET	\$ 25,118,200	\$ 3,146,465	\$ 832,800	\$ 410,000	\$ 5,392,535	\$ 34,900,000	
ACTUAL EXPENSES APRIL 30, 2025							
CONSTRUCTION & OTHER HARD COSTS	\$ 20,505,775	\$ 2,202,262	\$ 541,393	\$ -	\$ 270,801	\$ 23,520,231	
CONTINGENCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SUB-TOTAL > HARD COSTS	\$ 20,505,775	\$ 2,202,262	\$ 541,393	\$ -	\$ 270,801	\$ 23,520,231	
PROJ MGMT, A&E, OTHER SOFT COSTS	\$ 4,612,425	\$ 299,725	\$ 4,830	\$ -	\$ 72,562	\$ 4,989,542	
CONTINGENCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SUB-TOTAL > SOFT COSTS	\$ 4,612,425	\$ 299,725	\$ 4,830	\$ -	\$ 72,562	\$ 4,989,542	
% OF TOTAL	(A)	18%					
TOTAL PROJECT BUDGET	\$ 25,118,200	\$ 2,501,987	\$ 546,223	\$ -	\$ 343,363	\$ 28,509,773	
UNSPENT							
CONSTRUCTION & OTHER HARD COSTS	\$ (1,671,998)	\$ (100,278)	\$ 282,377	\$ -	\$ 91,218	\$ (1,398,681)	
CONTINGENCY	\$ 2,314,623	\$ 409,001	\$ -	\$ 360,000	\$ 4,353,826	\$ 7,437,450	
SUB-TOTAL > HARD COSTS	\$ 642,625	\$ 308,723	\$ 282,377	\$ 360,000	\$ 4,445,044	\$ 6,038,769	
PROJ MGMT, A&E, OTHER SOFT COSTS	\$ (1,147,780)	\$ 335,755	\$ 4,200	\$ -	\$ (30,372)	\$ (838,197)	
CONTINGENCY	\$ 505,155	\$ -	\$ -	\$ 50,000	\$ 634,500	\$ 1,189,655	
SUB-TOTAL > SOFT COSTS	\$ (642,625)	\$ 335,755	\$ 4,200	\$ 50,000	\$ 604,128	\$ 351,458	
% OF TOTAL							
TOTAL PROJECT BUDGET REMAINING	\$ -	\$ 644,478	\$ 286,577	\$ 410,000	\$ 5,049,172	\$ 6,390,227	

Community Pool Project – Contingency Analysis 5/31/25

		CONTINGENCY		
		Construction	Other	Total
INCLUDED IN ORIGINAL BUDGET		\$ 2,170,000	\$ 524,655	\$ 2,694,655
Additional approved by City Council - 12/18/23		800,000	200,000	1,000,000
Additional approved by City Council - 07/01/24		1,632,450	500,000	2,132,450
Additional approved by City Council - 12/02/24		2,835,000	(35,000)	2,800,000
TOTAL CONTINGENCY		\$ 7,437,450	\$ 1,189,655	\$ 8,627,105
Change Orders \ Other		\$ (6,332,565)	\$ (1,129,460)	\$ (7,462,025)
Remaining Contingency		\$ 1,104,885	\$ 60,195	\$ 1,165,080
% Remaining		15%	5%	14%

- Construction Contingency – Utility delays, buried fuel tanks, contaminated soil off-haul, ground water intrusion, and contract extension driving increase in contingency.
- Other Contingency – Primarily Inspection fees and additional design & engineering costs not specified in original budget.

Fund Recap

	MEASURE UU
	FUND
	<u>ACTIVITY</u>
Balance @ 6/30/2020	\$ -
Revenues	25,118,200
Expenditures	(25,118,200)
Balance @ 1/31/2025	(0)

QUESTIONS ?