

City of Piedmont  
COUNCIL AGENDA REPORT

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DATE: October 7, 2019  
TO: Mayor and Council  
FROM: Sara Lillevand, City Administrator  
SUBJECT: Consideration of FY 2018-19 Year End Appropriations, Adjustments, and Carryforwards

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RECOMMENDATION

Approval of the year-end General Fund and Other Fund's appropriations and carryforwards as detailed in this report.

BACKGROUND

The City Council adopted the FY 2018-19 Budget on June 4, 2018. In order to close the books and appropriately account for the required budget adjustment and recommended carryforward for the fiscal year, I recommend that the City Council approve the adjustments as detailed below.

Appropriation requests:  
Workers Compensation       \$ 124,000  
Street Paving                 \$ 300,000  
Sidewalk Repair               \$ 200,000

Carryforward requests:  
Planning and Building Department   \$53,000

Appropriations:

General Fund

All operating department expenditures were lower than budget. Non-Departmental expenses exceeded budget due to higher than expected workers compensation claims.

Workers compensation costs exceeded budget by \$124,000 due to higher than expected claims. We request FY 2018-19 appropriation be increased by this amount.

Gas Tax Fund

In July of 2017, staff submitted to the City Council an informational report concerning the

condition of Piedmont's streets. The report indicated, that on a scale of 1 to 100, Piedmont's streets have been rated by the Metropolitan Transportation Commission at an average Pavement Condition Index (PCI) of 64 (PCI of 70 or greater = Very Good to Excellent, PCI of 50 to 69 = good, PCI of 25 to 49 = Poor).

The breakdown of the condition of the street system in 2017 were as follows:

- 53% in "Very Good" to "Excellent" condition (PCI = 70 or greater)
- 20% in "Good" condition (PCI = 50-69)
- 16% in "Poor" condition (PCI = 25-49)
- 1% in "Very Poor" condition (PCI = 0-24)

While the City's overall 2017 PCI is 64, and may be favorable in comparison to neighboring jurisdictions, it is not where the City should be, especially considering 17% of the City's streets are in poor or very poor condition. With the relatively recent passage of SB1 by the state legislature our 2019-20 paving budget is \$1.0 million.

We are recommending an increase in spending in years when funds are available. In the FY 19-20 Approved Budget, \$300,000 of the revenue received from the Gas Tax was earmarked to be transferred to the General Fund to offset personnel and materials cost related to street maintenance in the Public Works Department). Given the relative health of the General Fund, we propose to retain this amount in the Gas Tax Fund in FY 2018-19, and increase our street paving budget for FY 2019-20 from \$1.4 million to \$1.7 million.

### Sidewalk Fund

In the Approved FY 2018-19 Budget we began budgeting sidewalk repair costs in a separate fund. Previously, these costs were included with street paving costs in the Special Revenue Funds (Measure B, Measure BB, and Measure F). In 2018-9, costs exceeded budget by \$212,000 primarily due to increased damage caused by heavier than normal rains.

We request a transfer of \$200,000 from the General Fund to the Sidewalk fund.

### Carryforwards

Carryforwards are typically requested for items that were budgeted and expected to be completed within the same fiscal year, but were either only partially completed in the year or delayed to the next year. I am requesting to carryforward \$53,000 in the General Fund operating budget from FY 2018-19 to FY 2019-20 as summarized below.

- Planning and Building (formerly included in Public Works Department)
  - Account Name: Hazard Mitigation Plan
  - Account Number: 101-0402-059-007 to 101-0403-059-005
  - Amount: \$15,000

Updating the General Plan to reference the LHMP will be more involved and more costly than originally estimated. In addition, implementation and public engagement for the plan

in FY 2019-20 will benefit greatly particularly in regards to wildfire risk.

- Account Name: Solid Waste Consultant Services  
Account Number: 101-0402-059-004 to 101-0403-059-004  
Amount: \$20,000

The June 12, 2019 request by Republic Services for a rate increase will involve consultant costs (R3 Consulting Group) not considered in the FY 2019-20 budget. In addition, should Republic gain a rate increase and/or to ask for changes in the recyclable materials collected, the change will involve amendments to the agreement, which again will involve consultant costs. Changes to the accepted recyclables could involve significant negotiation and public engagement.

- Account Name: Supplemental Planning Services  
Account Number: 101-0402-059-003 to 101-0403-059-003  
Amount: \$10,000

The FY 2019-20 budget included funds for the purchase of new California Building and Fire Codes. The project has expanded to include the updating of City Code Chapters 5 (Building) and 8 (Fire) to modern formatting standards, as has been done for Chapters 9 and 17. These funds are intended to cover the cost of services by Judith Robbins, our consultant on the previous updates.

- Account Name: Climate Action & Sustainability  
Account Number: 101-0402-059-003 to 101-0403-059-001  
Amount: \$10,000

The FY 2019-20 budget allocated \$30,000 for CAP programs: \$26,000 for the CivicSpark Fellow, which remains unchanged; and \$4,000 for public engagement events, materials and services. Now that 95% of Piedmont's residential customers are using 100% renewable electricity, the next big task is to replace gas appliances with electrical appliances, a task that can be rather costly. The carryover funds will enable staff to develop incentives the City can offer to residents and business owners who electrify their appliances.

By: Michael Szczech, Finance Director