

### Rebuttal to Argument in Favor of Measure UU

The issue is not whether Piedmont needs a new pool. It does. The issue is whether it is fiscally prudent in the midst of the worst pandemic of our lifetime to issue bonds that will cost the city more than \$20 million, including interest.

The proponents of the measure have conveniently ignored referencing Piedmont's financial condition. Piedmont has over \$53 million in liabilities, including over \$26 million in future pension liabilities and over \$8 million in bonds and sewer loans. Measure UU would increase total liabilities by almost 40% and would restrict our ability to borrow additional money for emergency purposes.

An even more important number is the Unrestricted Net Position, which is Piedmont's net worth excluding both capital assets and restricted funds. That number is a **deficit** of \$8.6 million.

The proponents state that we must act now to take advantage of historically low interest rates. Not true. The Federal Reserve has issued warnings about the country's economic recovery and stated its intention to keep rates close to zero for the foreseeable future.

We should NOT be incurring additional debt in the midst of huge financial uncertainty. The pool is closed now due to Covid, and it may remain closed for a while – but not permanently. When things return to normal, we can pass a bond measure to rebuild the facility. But until then, we need to exercise patience and fiscal prudence. Vote NO on Measure UU.

The undersigned authors of the Rebuttal to Argument in Favor of Measure UU at the General Municipal Election for the City of Piedmont to be held on November 3, 2020, hereby state that such argument is true and correct to the best of their knowledge and belief.

Signed: \_\_\_\_\_

Printed Name Andy Wasserman, Retired CFO

Date: August 20, 2020

Signed: \_\_\_\_\_

Printed Name Larry Miller, Certified Financial Planner

Date: August 20, 2020