

MINUTES OF MAY 1, 2018

REGULAR MEETING
OF THE
CORTE MADERA TOWN COUNCIL
AND THE BOARD OF SANITARY DISTRICT NO. 2,
A SUBSIDIARY DISTRICT TO THE TOWN OF CORTE MADERA

Mayor Condon called the Regular Meetings to order at Town Hall Council Chambers, 300 Tamalpais Drive, Corte Madera, CA on May 1, 2018 at 6:35 p.m.

1. CALL TO ORDER AND ROLL CALL

Councilmembers Present: Mayor Condon, Vice Mayor Furst and Councilmembers Andrews and Bailey

Councilmember Absent: Councilmember Ravasio

Staff Present: Town Manager Todd Cusimano
Town Attorney Teresa Stricker
Director of Planning Adam Wolff
Director of Public Works Peter Brown
Senior Civil Engineer Kelly Crowe
Town Clerk/Assistant to the Town Manager Rebecca Vaughn

1. CALL TO ORDER, SALUTE TO THE FLAG, ROLL CALL

SALUTE TO THE FLAG – Mayor Condon led in the Pledge of Allegiance

Mayor Condon reported that at the Council's last meeting of April 17th, a Closed Session was held at the end of the meeting, and there was action taken.

2. OPEN TIME FOR PUBLIC DISCUSSION

BOB BUNDY, Mariner Cove, spoke on behalf of Tage Hansen who has been an advocate for banning gas powered leaf blowers in Corte Madera and has enlisted him in his efforts. He thanked the Town Manager and the Council for bringing the matter forward for discussion. He also thanked the Town for conducting the survey and he looks forward to its future return on the Council's agenda.

PATI STOLIAR, Casa Buena Drive, thanked everybody for their support in getting Age-Friendly Inter-Generational Center launched on Sunday. It was a wonderful experience and she hopes people will take advantage of the center.

Mayor Condon echoed Ms. Stoliar's comments and spoke briefly about the center's scheduled classes and activities.

3. PRESENTATIONS

- 3.I Presentation of a Certificate of Appreciation to Senior Civil Engineer, Kelly Crowe, in recognition of his service to the Town of Corte Madera

Public Works Director Peter Brown announced that Senior Civil Engineer Kelly Crowe will be leaving the Town to take a job as the new City Engineer for the Town of Key West, Florida. He spoke about Mr. Crowe's attributes and service to the Town. Mr. Brown said he has secured two new Senior Civil Engineers, one from Santa Rosa beginning on Monday and the second engineer from Marin County.

Town Manager Cusimano echoed Mr. Brown's comments and noted the Department has gone through a lot of transition, with Mr. Crowe as the "rock". He will be difficult to replace and cited his many accomplishments, particularly having to do with flood control.

Councilmembers and staff congratulated Mr. Crowe and wished him the best of luck with his new position. Mayor Condon presented Mr. Crowe with a Certificate of Appreciation recognizing his service since March 30, 2015, and Mr. Brown presented a departing gift.

Mr. Crowe gave departing words and thanked the Town Council and staff for the certificate and opportunity to serve the Town. He has enjoyed working with Town staff, Dr. Bundy and Flood Control District Board members and thanked his wife for her support.

3.II Presentation from Adam Wolff, Director of Planning and Building, Regarding the Department's FY 2017-18 Accomplishments and Goals for FY 2018-19

Director of Planning Adam Wolff gave a presentation on the FY 2017-18 accomplishments and FY 2018-19 goals for the Planning and Building Department. He said last year was a milestone in that it was the first year they have had continuity in personnel for an entire year. He will have been with the Town for 4 years this June. He takes great pride in the work of his department, discussed attributes of staff and introduced the following staff members in the Planning and Building Department:

- Pam Miller, Code Enforcement Inspector
- Phil Boyle, Senior Planner
- Bob Haggett, Building Inspector
- Amira Sofer, Permit Technician
- Tracy Hegarty, Customer Service Representative
- Brian Fenty, Building Official
- Doug Bush, Associate Planner (unable to attend meeting)

Mr. Wolff gave the following statistics relating to the work of the Planning Department:

- Since the beginning of 2017 they had 165 applications submitted for review and process.
- Only 25% or about 45 of those applications go to the Planning Commission and about 10 or 6% go to the Town Council each year.
- They serve over 2,300 visitors at the counter last year.
- Staff has responded to a wide variety of approximately 10,000 community questions via email, telephone and in person.
- Tam Ridge Apartments opened last fall and he attributed much of its completion to Brian Fenty.
- RH Gallery gravel lot project received entitlements and the Planning Commission approved amendments to the design last week which included placing the restaurant on the top of RH Gallery.
- He recognized the work of Pam Miller for her efforts with code enforcement.
- To improve information and tools to the public, staff worked to develop several new graphic tools and he provided handouts of these which are designed to help the public understand internal processes and answer FAQs.
- They have improved the amount of useful information on the website and update information regularly.
- Staff has updated the zoning maps, all project web pages for major development projects and has posted the latest building plans in efforts to provide resources to customers.

Mr. Wolff then provided the following goals for the upcoming year:

- Continue to implement projects.
- Continue to improve customer service. The Department just completed a customer satisfaction survey they hope will provide insight into areas for improvement and this should be valuable for all departments.

- The new permit tracking system will improve efficiencies and have tremendous benefits for the public to be able to do more things without having to visit the office.
- Major projects include The Amy's project which Mr. Bush will bring to the Planning Commission on May 8, the Robin Drive residential project, the Budget Inn.
- Staff will be working on cannabis regulations, hotel zoning and will continue work regarding view guidelines.
- He expects to be addressing new housing legislation.

Building Official Brian Fenty stated the Building Department has been very busy this year which includes the following work:

- Issuance of building permits for construction and the work which takes place before and after permits are issued.
- In 2017, 673 permits were issued for a total construction valuation of over \$44 million. This represents a 16% increase from the year before and a 30% increase as far as the construction value. This does not include the Enclave Condominium project.
- During the process, plans are submitted for plan check, reviewed for minimum criteria, routed to departments for review and comments are compiled into consolidated letters. If any revisions are needed they are re-submitted and plan review is done a second time. Once all concerns are satisfied, permits can be processed for issuance. Managing this process has been accomplished primarily due to the efforts of Amira Sofer, Permit Technician; and Tracy Hegarty, Customer Service Representative.
- After permits are issued, the Building Inspection team provides inspections and those who do not pull permits are visited by Pam Miller, Code Enforcement Inspector.
- Currently, Ms. Miller is managing 39 active code enforcement cases, has investigated and resolved 50 cases over the past year with an average caseload of 36-40 cases open at any one time.
- Code enforcement accomplishments include developing and implementing an organizational and tracking system for the active cases. She developed a system for tracking and invoicing clients for cost recovery, has worked with the Town Attorney to develop forms and letters enabling her to enforce the Town's administrative citation process, has worked hard with CMPA to coordinate State and local laws, language, signage on streets, enforcement on commercial and RV parking, and a particular case moving towards resolution which is 310 Summit; a new home that began 46 years ago and is now nearing completion.

Regarding goals for the coming year in the Building Department, the RH Gallery will be very large and significant, Marin Country Day School and Marin Montessori School will both be under construction, the auto sales facility at 200 Nellen, and construction of the Enclave Condo project on Casa Buena and on-going tenant improvement work at the Village and Town Center, both of which have a handful of tenant improvements coming in the next few months.

Councilmember Andrews said once planning approval is done, a building permit is issued and construction work begins, he asked when the file is closed out so staff knows the project is done and they can report it to the Assessor's Office.

Mr. Fenty said a normal project usually takes 6-12 months and at times 2 years for larger projects. He found that the County Assessor is very interested in projects at the time they reach 50% completion. At times, they email or call staff to learn more about the projects. The Park Marin project was renovated this past year and about one month ago it was 100% complete with an occupancy permit, and the Assessor then assesses the project. Currently, they do not have an automatic way of assessing projects, but this may come out as a result of their technology discussion.

Councilmember Bailey thanked the Planning and Building Department, stating the Council recognizes the complexity of the work staff does, and they are not insensitive to pressures they sometimes find themselves under and the work very much benefits the community, and Councilmembers agreed.

- 3.III Presentation from Scott Shurtz, Fire Chief, Regarding the Department's FY 2017-18 Accomplishments and Goals for FY 2018-19

Mayor Condon reported that this presentation will be postponed, as Chief Shurtz was unable to attend the meeting.

4. CONSENT CALENDAR

4.I TOWN ITEMS

- 4.I.i Authorize Introduction and/or Adoption of Resolutions and Ordinances by Title Only.
(Standard procedural action – no backup information provided)
- 4.I.ii Adoption Of Resolution 20/2018 To Award A Contract And Authorize Expenditures For Construction Of Marina Village Storm Drainage Improvements: Echo Avenue And Harbor Drive, Project 17-018
(Report from Kelly Crowe, Senior Civil Engineer)
- 4.I.iii Request to Grant the Town Manager Spending Authority in the Amount of \$15,000 for Educational Material Development and Public Outreach Related to Measure F
(Report from Todd Cusimano, Town Manager)
- 4.I.iv Clarification of Request to Move the Tuesday, June 5, 2018 Regular Town Council Meeting to Monday, June 4, 2018 So As to Not Conflict With Election Night Activities
(Report from Rebecca Vaughn, Town Clerk/Assistant to the Town Manager)
- 4.I.v Receive and File Investment Transactions Monthly Report for March, 2018
(Report from Daria Carrillo, Finance Director)
- 4.I.vi Approval of Warrants and Payroll for the Period 3/28/18 through 4/25/18: Warrant Check Numbers 218335 through 218589; Payroll Check Numbers 5772 through 5798; Payroll Direct Deposit Numbers 34379 through 34572; Payroll Wire Transfer Numbers 2301 through 2315 and Wire Transfer of 4/01/18.
(Report from Daria Carrillo, Finance Director)
- 4.I.vii Approval of Minutes of April 17, 2018 Town Council Meeting

MOTION: Moved by Bailey, seconded by Furst, and approved by the following vote: 4-0-1 (Ayes: Andrews, Bailey, Furst and Condon; Noes: None; Absent: Ravasio)

To approve Town Consent Calendar Items 4.I.i, ii, iii., iv., v, vi and vii.

4.II SANITARY DISTRICT ITEMS: None

5. PUBLIC HEARINGS – None

6. BUSINESS ITEMS

TOWN BUSINESS ITEMS

6.I TOWN BUSINESS ITEMS

6.I.i Consideration Of A Request For 2018/2019 Budget Appropriation For Procurement Of Accela Permit Tracking Software For The Planning, Building, And Public Works Departments

And

Discussion And Possible Direction To Staff Regarding Implementation Of A Technology Fee

(Report from Adam Wolff, Director of Planning and Building)

Town Manager Cusimano introduced the item, stating staff has been working on this over the last 18 months to bring Corte Madera to the 21st century with technology. This is the second step of the financial platform in a continuing effort to give the best service possible. When all departments touch a permit, residence or site, everybody can see what has been done, which is a factual history and provides the best service to residents.

Mr. Fenty said he and Tracy Hegarty will provide an overview of the Accela Permit Tracking Software system and implementation of a technology fee.

Staff is requesting the Town Council consider the following:

- The 2018-19 budget appropriation of \$113,840 for the Permit Tracking Software.
- This consists of a one-time cost of \$76,000 for implementation, setup and training and a recurring annual cost of \$36,888 which is the subscription and support fees.
- The next item would be a discussion regarding a technology fee to completely offset these costs.

Customer Service Representative Tracy Hegarty said she would provide a presentation on the Permit Tracking Software system and reiterated the Town's job to provide information to residents, applicants and customers and to provide excellent customer service.

The current permit tracking software is lacking in that the public cannot view information and property history and permit activity regarding their property or neighborhood properties on-line.

Additionally, applicants do not have on-line access to make requests, review the status of their building permit application as it moves through plan review, are unable to schedule inspections or view the results of those inspections and must visit the office.

Field personnel cannot look up the information, check for a permit or check for property history via a mobile device and they must call, come back in the office or determine some other way of learning what they see in the field.

Lastly, office staff is often performing many tasks on paper and some examples include processing of plan reviews, keeping track of due dates, creating letters of correction for applicants, limited reporting capability and no mapping capabilities. Visual representation of data is helpful for staff, management and for residents. An example would be permit activities overlaid on a community map to see what is going on in someone's neighborhood.

Ms. Hegarty spoke about staff's experience with permit tracking software systems and this assisted underscore what deficiencies as well as possibilities for the Town to meet its needs. They also spoke with other city/town jurisdictions about strengths and weaknesses of various software programs, and based on research, they narrowed down three potential systems and had product demonstrations and scoping meetings with the three vendors.

Benefits to be realized include:

- Community benefits
- Conveniences

- On-line access to view property history
- Review plan check corrections
- Residents able to schedule inspections and determine time of day the inspector has them scheduled for the day
- Have the ability to pay fees
- Enable a greater degree of transparency about property records
- Converting old permit data and providing it on-line to view historical records
- Inspectors and field personnel would be able to conduct inspections in real time and contractors could review results for permit applications on-line, which would allow for more inspections during the day.
- Regarding internal productivity and efficiencies, there would be opportunities to reduce the use of paper, manual look-up functions related to parcel data, zoning information, contractors' license and insurance information, and improve the sharing of information between departments.

Mr. Fenty commented that analytics and tracking of plan checks, time, types of projects and statistical data, etc. is important information where currently staff must manually research this from physical filing cabinets and their computers. The current Eden system was unable to migrate any of the data from the previous Fox Pro system which was 17 years' worth of information and the new system would be able to migrate all of this information and be able to generate reports on all of the work.

Mr. Fenty then described the three vendors and their system components and cost factors based on the technology fee and staff arrived at two recommendations for the fee, at a .25 percent project valuation amount or a fixed flat fee. They would be open to other ideas or could pursue further research. Both systems have the opportunity for cost recovery. Currently, he would lean towards recommending the .25 percent of the project valuation added onto the building permit. A small water heater permit would be \$7.50 versus a huge addition would be \$375.00 which is still reasonable.

Councilmember Andrews said once fully implemented, he asked if building plans or blueprints be stored on-line electronically. Mr. Fenty said this would be his plan; to digitize all plans and documents. Staff may choose to make some of this accessible to the public, given copyright and infringement/security issues. The longer term plan would be to have the ability for electronic submittal and review. Ms. Hegarty added that staff does scan some documents and plans and these are sent out to an outside vendor, scanned and provided back on an internally viewable system.

Councilmember Bailey referred to the chart of how the technology fee will be charged there is a distinction between project valuation and permit fees. Permit fees are sometimes based on valuation, sometimes scope and value or other things, and he asked for an explanation, stating Fairfax has scope and Novato has scope and valuation.

Mr. Fenty said he believes most permit fees are based on the fee schedule adopted and based upon the project. For example, any kitchen remodel permit fee is \$550 as a flat rate, regardless of how much the valuation is. Staff reviewed cities' fee schedules which vary and those cities charging based on valuation have a specific calculation or an entire table to utilize given ranges of valuation.

Councilmember Bailey said while there may be inequities in applying this concept to permit fees, the simplicity of that range of valuation was attractive to him.

Vice Mayor Furst said as someone who went through a rather complex kitchen remodel, she supported Councilmember Bailey's comments on simplicity. She asked how the valuation works if someone runs into things like structural changes once a deficiency is identified. While the cost of construction increases she questioned what would occur given the overall project would not necessarily be any nicer or more valuable. Secondly, she asked if any of the surveyed cities have similar software and asked how they were utilizing

the funds.

Ms. Hegarty said other jurisdictions and beyond Marin has been polled and staff is seeing Track It being used. She assumes due to its sophistication, they are performing the fee calculation within the system similar to how the Town would collect fees. Outside of Marin they are seeing more users of Accela such as Napa and Sonoma Counties, Palo Alto, and Berkeley.

Mr. Fenty commented that the City of Napa had a nice tracking system with Track It, but purchased it years ago which is now different in that the help function of the software is not that user-friendly. He also gave examples of large projects, changes and the review and inspection process, so the goal is for them to break even, but they want to be able to grow in their capacity and abilities, as well.

Vice Mayor Furst asked if the Accela program tracks this and whether this could be used to capture revisions made for proper invoicing. Mr. Fenty said yes; there is the ability to do revisions in the system and capture additional staff time for any revisions.

Councilmember Andrews asked if staff would move forward with the software if the Town could not collect a fee on it. Mr. Fenty said yes.

Councilmember Andrews asked what the actual cost of providing the service is. Mr. Cusimano noted that the fee schedule accounts for staff time through flat fees. He said staff is recommending the Council approve this purchase next fiscal year and they would put monies collected from fees and put them into the Equipment Replacement Fund to pay for on-going maintenance and ultimately purchase a new or revised system.

Councilmember Andrews asked if staff was aware of nearby users to call on if staff had questions.

Mr. Fenty said yes there are some and the City of Larkspur are also considering this type of system and are following what the Town will do.

Mayor Condon opened the public comment period.

Public Comments:

KAREN GERBOSI, Parkview Circle, asked to hear comments about other municipalities that have used the same product over a relevant period of time. She noted the fee is being charged not to cover the purchase price but to cover a reserve for the future and she questioned what the point of the fee was. She also asked about the valuation versus the actual, system security and legibility of scanning historical documents.

Mr. Cusimano agreed technology is expensive and the over time the Town can offset this. He referred to annual subscription and maintenance costs of \$35,000 a year and the technology fee would help pay for that. Staff is working closely with their IT Department who has made sure there are secure measures in place and he has approved this software platform

Ms. Hegarty noted the City of Palo Alto who has used the Accela system for a long time and did not have any complaints. She also spoke with the Town's former Permit Technician who went to work for the City of Berkeley and uses Accela which she indicated was valuable. She now works for the City of Belmont and uses Track It so this was a helpful comparison. Regarding scanning, this can be an issue with very old documents and blueprints. Microfiche and photos can be problematic and at times documents simply cannot be imaged due to their quality. When images are scanned and found to be poor, staff pulls it and it is retained on paper with the Town.

Mr. Fenty noted there is a massive microfiche backlog which is aging and deteriorating, so they can digitize things as best as they can, but if they wait another 10 years it only gets worse.

Mr. Cusimano recognized staff's thoughtful approach and process. Staff recommends the software in the upcoming budget and as a discussion piece, they will bring back the technology fee, and he welcomed feedback and/or direction so as to prepare.

Councilmember Andrews said having worked with investment accounting systems of various generations, he found that agencies should not purchase software in its initial stage or after it has been out for so long, given patches.

Mr. Fenty said Accela has been around for some time and have also improved their systems and abilities dramatically over the past 15 years. He briefly expanded on the system's capabilities and noted Town staff will greatly benefit in time and effort from its efficiencies, as well as the public.

Councilmember Bailey said he in evaluating the prudence of the plan, he was cautious about the costs of \$76,000 initially and then \$36,000 annually. At the .25 percent fee, staff estimates that after 2 years the Town would roughly break even. After about the 4th year they will have banked sufficient money to either upgrade or purchase a new system. He said this is the highest fee from all agencies in the County surveyed, and asked if they were charging the most only because they know technology will need to be replaced or was it because the system will be superior to every other town in the County.

Mr. Cusimano said staff has more work to do on the technology fee which will return to the Council and acknowledged Councilmember Bailey's comments.

Vice Mayor Furst echoed concerns about cost recovery and the technology fee unless there is justification. If it could be reduced from .25 percent to .18 percent, this would bring in \$51,000 a year which would cover the \$36,000 maintenance costs plus banking towards replacement of equipment.

She also commended staff for the staff report, which convinced her that new software is needed. She was disappointed that the Eden system did not work out in converting information, but she recommended moving forward with approving the staff recommendation and request that staff return to the Council with additional information and analysis about a potential technology fee.

MOTION: Moved by Furst, seconded by Bailey, and approved by the following vote: 4-0-1 (Ayes: Andrews, Bailey, Furst and Condon; Noes: None; Absent: Ravasio)

To approve request for 2018/2019 Budget Appropriation for procurement of Accela Permit Tracking Software for the Planning, Building, and Public Works Departments; and to return to the Council with additional information and analysis about a potential technology fee.

6.I.ii Consider Adoption of Resolution 18/2018 Approving a One Time Performance Bonus of \$10,950 for Town Manager Per Employment Agreement – Continued from the April 17, 2018 Town Council Meeting
(Report from Daria Carrillo, Finance Director)

Town Clerk Rebecca Vaughn stated this is consideration of a one-time performance bonus to the Town Manager of 5% of the annual salary per his employment agreement which amounts to a one-time payment of \$10,950. This item was heard at the April 17, 2018 meeting and the Council was supportive of the proposal but requested staff bring the item back tonight in order to be in accordance with the Town's practice of having items relating

to salary and benefits considered on two consecutive agenda items prior to approval for greater transparency.

Mayor Condon opened the public comment period, and there were no speakers.

MOTION: Moved by Bailey, seconded by Andrews, and approved by the following vote: 4-0-1 (Ayes: Andrews, Bailey, Furst and Condon; Noes: None; Absent: Ravasio)

To adopt Resolution 18/2018 Approving a One Time Performance Bonus of \$10,950 for Town Manager per Employment Agreement – Continued from the April 17, 2018 Town Council Meeting.

6.I.iii Discussion and Possible Direction to Staff Regarding the FY 2018-2019 General Fund Budget
(Report from Daria Carrillo, Finance Director)

Mr. Cusimano introduced the matter, stating staff will present this year's coming budget and receive feedback on key decision points. From that feedback, staff plans to meet with the Sales Tax Oversight Committee this month to receive their feedback on expenditures this year, and then to meet with the Finance Subcommittee of Vice Mayor Furst and Councilmember Andrews. The Council will then consider the budget at the first meeting in June.

Finance Director Daria Carrillo provided the General Fund Budget presented as the Operating Fund and does not include the Measure B Sales Tax Fund or Park Madera Fund which are segregated.

She referred to the spreadsheets following the staff report and reviewed the FY 2017/18 current budget and estimated actuals. They expect Town revenues to exceed expenditures by about \$800,000 this year which will bring the General Fund ending balance to nearly \$3.3 million which is an 18% reserve.

Major highlights include:

- Sales taxes are estimated to decrease by \$300,000 based upon revenues to date.
- TOT taxes will be \$908,000 versus \$1,050,000 based upon revenues to date.
- The Town has received \$558,000 in fire disaster reimbursement and \$125,000 in storm disaster recovery to offset these decreases in revenues.
- The ending fund balance is expected to increase by \$800,000.
- The Pension Stabilization Trust is included on the line which states "Retirement-Unfunded Liability and the Town is paying this year \$1.3 million for unfunded liabilities which includes the stabilization fund payment of \$366,000. The amount sent to CalPERS was \$966,000.

In the following year, the preview of the FY 2018/18 budget does include some of the items staff is seeking direction on, and Ms. Carrillo provided the following highlights:

- Sales tax and property tax continue to be the largest portions of the Town's revenue in the General Fund.
- Property tax is expected to increase by approximately \$244,000 which is about a 4.5% increase.
- Franchise taxes are expected to increase by about \$46,000 due to an increase in garbage rates.
- The State of California has estimated sales taxes increasing throughout the state and based upon this, she increased sales tax revenues from \$6.4 million to nearly \$6.6 million for next year, and most other revenues are expected to be stable.

- The new chart of accounts and the new software system will allow staff to produce more meaningful reports and she noted some of the categories in the report may look different.
- The CalPERS unfunded liability payment is expected to increase by approximately \$250,000. CalPERS has lowered its discount rate to 7% starting next year and will be changing its amortization period for the unfunded liability from 30 years to 20 years.
- Expenditures for police services are expected to increase by \$195,000.
- Salaries and benefits for personnel, not including the Fire Department, have been increased by 3%. This includes step increases and a maximum increase of 3% to the salary schedule.
- Expenditures for the Fire Department are expected to increase by approximately \$151,000 and a budget for Central Marin Fire Department separately.
- A full-time Engineering position will be added but will be offset by elimination by an independent contractor who has been working 2 days a week and the cost is the same.
- Contract personnel for landscaping and for overtime costs are expected to decrease by \$150,000 due to operational changes in the Public Works Department.
- Health insurance rates are usually received in June and they are in effect the following January, so she has assumed a 6% increase on January 1, 2019 of \$60,000.
- The Town is analyzing the amount of work done by staff on behalf of the Sanitary District in order to determine the property amount to charge. The current amount is \$349,000 which they need to confirm is the proper amount to be charged.

Staff is requesting direction and input on the following items:

- Gravel lot fees: About \$340,000 is expected from those fees and staff is requesting the \$340,000 be paid into the Pension Trust Fund in addition to the \$366,000 annual payment, given CalPERS unfunded liability rates may double and the trust was established in order to mitigate volatility and gain control over investments.
- OPEB Trust: The Town has been making \$500,000 payments in each of the last 3 fiscal years to fund its unfunded liability which is \$9 million. The balance in the trust is \$2.2 million and staff recommends reducing that OPEB pre-funding payment to \$250,000 and using the other \$250,000 to put in the Pension Stabilization Trust, as well. The Town would not have to touch the amount in the OPEB Trust within the next several years and the pay-as-you-go amount was \$485,000 this year which is paid to retirees to reimburse them for their health insurance costs. This amount will be over \$500,000 next year. If not sufficient, there is \$2.2 million in the trust which could be used. However, a better plan is to use some of that money to put into OPEB for pension payments for unfunded obligations, given these rates seem to be increasing and could impact the Town's budget.
- Disaster Preparedness Costs: These are eligible to be paid from the sales tax fund Measure B, and this will be discussed by the Citizens' Oversight Committee. Some items currently being paid from the General Fund may be able to be paid from the sales tax fund have to do with disaster preparedness, weed abatement and code enforcement which totals \$183,000 and this would be discussed by the oversight committee.
- Create a policy of maintaining a reserve in the Sales Tax Override Fund: Staff recommends maintaining a reserve of \$2.5 million in this fund to be used in cases of disasters or emergencies.
- Contributions to other organizations: This amount should be \$67,500 and not \$52,500. This is the amount the Town contributed to other organizations in the current year such as the homeless program, the Yellow Bus Challenge, the crossing guard program, and staff seeks direction as to the amount and programs to fund and recommends having a discretionary line item fund for these sorts of contributions.
- Park Madera Center Fund: This fund has an ending balance which is in the negative of more than \$1.9 million. This loss is the total of what has been spent on the Park Madera Center out of the General Fund. Due to the refinancing of the debt and also

increased tenant rents, the Town does not expect to continue to incur losses on this shopping center. The reason this fund is segregated on the Town's books is to track the amount the Town has spent on the center. If there is still a need to do so, the Town Council could combine this fund with the General Fund on its books as it is in the Town's financial statement. This would eliminate the fund with the negative balance but would reduce the General Fund's ending balance to nearly \$1.5 million or 7.5% in the current year.

Councilmember Andrews asked if staff reached out to the three organizations the Town has contributed funding to receive an estimate of what their requests will be.

Mr. Cusimano discussed the following programs staff is seeking direction from the Council to fund:

- The Homeless Winter Shelter Program: This program is coming to an end. At the next meeting, a presentation will be given on the Mobile Shower Program and they are asking the Town to continue to contribute \$13,000 to \$14,000 each year, and this will be in the budget.
- Yellow Bus Challenge Program: The Town has been asked to consider \$25,000 again this fiscal year and he was not planning on having them present to the Council. However, higher amounts are being requested for this program in the future and staff is conflicted with this.
- Crossing Guard Program: There are short-comings with the Crossing Guard program and the Town may want to consider funding this program this year.

He will recommend a set amount for contributions to organizations the Town funds, the Council will be asked to prioritize them based upon the merits of organizations and he noted some of the programs have higher requests for funding.

Mayor Condon commented that with the fire consolidation, costs were to go down; however, they are going up, as well as with police.

Mr. Cusimano pointed out that if the Town was at their current projection and did not consolidate fire operations, with all increases and staffing for positions their budget for Fire would be \$857,000 more than it is now in this budget. This also allowed them to reform their pensions from 3% at 50 to 3% at 55 and he noted this is a huge success. This is also a very conservative budget and both agencies feel there are additional savings in operational line items.

Ms. Carrillo added that the increase also assumes a 3% salary increase and does not include the pension reform for Corte Madera, as this has not yet been approved by CalPERS.

Regarding police, Mr. Cusimano stated CMPA is seeing some large hits with pension, salaries and benefits but again, in projecting backwards over the last 10 years, sharing costs and consolidating has significantly saved money.

Councilmember Bailey thanked staff for the excellent report, but asked that for future reports staff add more history than a single year, as well as trend lines. In the Non-Departmental budget, he suggested identifying liabilities to meet and whether they are coming down or not.

Secondly, regarding disaster preparedness he thinks the Council should budget funds for this program. He asked why the Town was going from \$43,000 to zero.

Mr. Cusimano stated this has been discussed with the oversight committee and historically, the Town pays for disaster preparedness from the General Fund and have not been taking funds from the Sales Tax Override. If the sales tax measure passes, staff will be recommending it be a reoccurring item for this fund.

Councilmember Bailey referred to the police budget and asked if this was a contractual obligation or he asked if they should anticipate another \$200,000 in costs.

Mr. Cusimano noted this item will be reviewed by the Police Council on May 3 and each member agency will know what their share is. If the Corte Madera Council said they do not want to pay for it and indicate what they are willing to pay, it would go back for review by the Police Council.

Councilmember Bailey referred to Public Works and they are reducing roughly \$300,000 in contract personnel costs and asked for an explanation.

Ms. Carrillo said part of this has to do with reducing the landscaping personnel and the other part has to do with the contract engineer who will be retiring and replaced with someone on payroll.

Councilmember Bailey referred to the Recreation General Fund and he asked how this is \$100,000 less in salaries.

Ms. Carrillo explained that one of the Recreation Supervisors is going to be charged to the Recreation Fund with the hope that his costs will be recovered in this fund. Mr. Cusimano added that if they are going to have a Parks and Recreation Program, the Town is committed to the Director position and soft costs for the facility. Everything else should be self-sustaining. There was a \$300,000 deficit within Parks and Recreation, so they hope to close the gap by moving the Supervisor position over. They estimate closing this gap in the next FY from \$300,000 down to \$20,000 based upon work by staff and this will return in June.

Councilmember Bailey referred to the General Fund – Non-Departmental charges and asked for a second explanation of the \$300,000 greater number for retirement unfunded liability, about \$600,000 greater amount dedicated to the Stabilization Trust, and about \$250,000 less to pre-funding OPEB Trust.

Ms. Carrillo explained that for the retirement unfunded liability, this is the portion that CalPERS is charging the Town which is required and due to the lowering of the discount rate. Regarding the CalPERS Stabilization Trust, this year the Town paid \$366,000 which is being recommended for next year as well, and in addition, to use the gravel lot fees of \$340,000 and then the other part is the \$250,000 from the OPEB Trust and moving that from the OPEB Trust payment to the unfunded liability payment.

Mr. Cusimano likened this to being proactive, stating it is difficult to go backwards in history. For example, he noted now the Council sees 100% of a Public Works Engineer in expenditures for engineering and they charge back based on a formula of how much time they charge the Sanitary District. Revenues are higher for services provided. What they did in the last fiscal year and the upcoming fiscal year is they built over a \$500,000 surplus. He said some employees are retiring and those replaced will result in lower salaries and benefits which saves money. They have closed many operational holes the Council has discussed and in June, staff will provide 10 year trends moving forward as best they can and identify debt.

He noted that the budget is whole. The Town works within their means and they will talk about attacking and paying down certain debt and addressing increases and changes in CalPERS costs. This will provide options moving forward for the Town and positively affect its budget over time. He said he will also be recommending re-evaluation of the retiree health discussion which was different from 5 years ago.

Councilmember Andrews referred to the General Fund Revenue Summary and revised budget versus actual which is going down, and in listening to the Town Manager say that

over 5 years the Town lost \$2.5 million. He asked if they might be going in this direction again.

Mr. Cusimano explained in FY 2016/17, \$6.4 million was brought in by sales tax revenues, and this last FY this is estimated at \$6.7 million. They saw about a \$200,000 shortfall specifically to the vacant car dealership. Also, the Town Center had major renovations which resulted in vacancies. However, major sales tax is improving year to year, and this is not a reflection of reduced sales tax but specific to two main parcels which staff expects to be filled with tenants this coming year.

Vice Mayor Furst thanked staff for the revised format and asked staff to incorporate the percent change reflected over the prior year which would help be more helpful to her. In looking at the first summary page, there was a large reduction in retirement normal cost and she asked and confirmed this was due to the Fire Department's budget was pulled out and reported separately. She questioned and confirmed that the unfunded liability, retiree benefits and pre-funding OPEB include fire.

Vice Mayor Furst asked if the Town's Operating Budget take into consideration that garbage fees are increasing. Ms. Carrillo said no. Mr. Cusimano noted that increases are coming which are under study with all affected cities and this will return to the Council and it could be a 7% increase. Ms. Carrillo agreed to return with a specific amount of increase in June.

Vice Mayor Furst said for the recommendation that some of the disaster preparedness expenses be shifted to sales tax override, this is fair and the Council and community wanted this to be used. She cautioned that they be clean numbers and said she would anticipate the Citizens' Oversight Committee would similarly want the same thing. That said, code enforcement has nothing to do with the regular Planning Department staff person but rather costs related to clearing brush, and Mr. Cusimano confirmed.

Vice Mayor Furst referred to combining funds and the Park Madera Center Fund and said she did not necessarily know that this was needed. She asked for more information from staff as to their recommendation. If there is no recommendation, she suggested dealing with this next year and discussing the long-term plans.

Mr. Cusimano noted that based on what they brought in for leases versus what they paid in financing and the deficit grew to \$1.9 million over the years. He asked if the Council wants to continue to show this or did they want to write it off and park it.

Councilmember Andrews said personally he would like to look at the number and figure out how big the difference has been from day one to now.

Mr. Cusimano said it will no longer grow and the question is whether the Council wants to pay it down, pay the Town back, as the parcel is now worth more than what the Town paid for it and they do not take a loss year to year any longer.

Vice Mayor Furst recommended bringing this item to the Finance Subcommittee to talk about it, and Councilmember Andrews agreed.

She then referred to direction regarding other items and she supported putting the \$340,000 from the gravel lot into pensions. If there is concern that the Town is putting too much extra into the OPEB Trust Fund, the pension deficit is anticipated to increase dramatically over the next few years and she suggested holding off on OPEB, putting more in the pension or at least holding off for a few months on making the transfer from OPEB into the Trust Fund until more is known in terms of long-term strategy.

Regarding contributions to other organizations, she thinks the Council will need to hold more discussion about this. Regarding the Yellow Bus Challenge, she reminded people that

Tiburon, Belvedere, Reed School Yellow Bus Program has taken on a bus run for the Cove School and Mr. Cusimano noted this serves 30 students.

Regarding the formal policy about maintaining a reserve in the Sales Tax Override Fund, she asked and confirmed with Ms. Carrillo that this could wait.

Councilmember Andrews said one thing he would like the oversight committee to do is to come up with a policy so there could be an easy transition from this current Council to the next Council, identify what items are and are not appropriate to fund, etc.

Councilmember Bailey said his understanding is the value of a reserve policy is not just to have money for a true disaster but also that it affects the Town's credit rating which can reduce the rates charged, which in turn can increase money that is available for other things. He thinks there are reasons to consider that which go beyond just having a rainy day fund so it is less expensive for the Town to transact its regular business. Ms. Carrillo agreed this was correct.

Vice Mayor Furst asked and confirmed that this was not a matter of timeliness and the Council did not necessarily have to address this tonight.

Mayor Condon suggested being mindful that this report is more than a broad brush overview of the budget and staff has received direction and information to return with in June as to how numbers might be adjusted, and she suggested moving on. She and Councilmembers thanked staff for their work.

6.I.iv Discussion and Possible Action to Approve Letter of Opposition to AB 1912, Public Employees' Retirement: Joint Powers Agreements: Liability
(Report from Rebecca Vaughn, Town Clerk)

Ms. Vaughn stated this item is to discuss and provide direction and possible action to approve a draft letter declaring opposition to AB 1912 which is the Public Employees' Retirement Joint Powers Agreements and Liability. This request is being brought forward based upon a recommendation received from the League of California Cities who are currently opposing this legislative action.

The bill was amended on March 19 and again on April 19 and what it does is limit cities abilities to formally enter into JPAs unless there is an agreement to take on some amount of pension liabilities of the other JPA members. This is important because cities rely on their police and fire JPAs as well as other JPAs to both reduce costs and increase service to the communities.

Similar to the letter brought forward at the last meeting which is being revised by a subcommittee of the Council, the Council can discuss the finer points of the legislation and select one or two Councilmembers to wordsmith the letter further and bring it back at a later date.

Mr. Cusimano agreed that it would be helpful for one or two Councilmembers work with the Town Attorney to revise the draft letter, noting there are many moving parts with the legislation. This is the reason also that the consolidation has stalled. There are stakeholder meetings coming up with the Governor's Office and the League and Ms. Stricker's office is assisting the League as well on the bill. Therefore, staff sees this as a response letter from the Council and also to testify at some of the state hearings.

Councilmember Bailey asked and confirmed the League provided the draft letter. He said he agrees with the concept but cited the need to revise the letter and suggested making it shorter.

Councilmember Andrews referred to the bottom of the second page and noted they are giving CalPERS the exclusive authority to use equity to assign liability, and he voiced difficulty with this because he believes CalPERS has reached its fiduciary responsibility on numerous items and it bothers him they will be determining who gets stuck with the bill.

Mayor Condon recalled some years back there was a lot of money lost from CalPER's poor investment choices. She asked and confirmed Councilmember Bailey was interested in working with the Town Manager and Town Attorney to ensure whatever is expressed does not provide CalPERS with latitude.

Councilmember Bailey referred to timing and noted June 1st is the last day for the House to pass bills and he agreed to revise the letter for the next Council meeting.

Vice Mayor Furst said she would like to see the Council list some of the other JPAs the Town is member to, thinks it is important to point out the serious disruption this will cause to their ability to provide services to their community, not only police but water treatment, sanitation, mosquitos, etc. and use plain language. Mr. Cusimano stated staff can work through and identify all JPAs.

Mayor Condon suggested also agendizing SB 828 for discussion at the next meeting, given SB 827 has died.

Mayor Condon opened the public comment period, and there were no speakers.

Mayor Condon confirmed direction to continue the item to the May 15, 2018 Council meeting and for Councilmember Bailey to work with staff to re-draft the Letter of Opposition to AB 1912, Public Employees' Retirement: Joint Powers Agreements: Liability

6.II SANITARY DISTRICT BUSINESS ITEMS - None

7. COUNCIL AND TOWN MANAGER REPORTS

- Town Manager Report
 - Mr. Cusimano announced that tomorrow evening at 6PM a Community Forum will be held in the Council Chambers on the Flood Control Infrastructure. Vice Mayor Furst will assist along with Kelly Crowe and Peter Brown with the presentation.
 - Councilmember Ravasio continues to recuperate and improves every day. He indicated that when he returns he will be putting an emphasis on bike and pedestrian safety.
 - Staff conducted a customer service survey for the month of April and received 200 responses. Overall, staff received favorable responses with 88% to 91% stating the Town is doing a satisfactory to outstanding job with customer service throughout all levels of staff. There are also 50 comments which provide constructive criticism where they can do better.
- Council Reports

Councilmember Bailey gave the following report:

- He represents the Town on the Legislative Committee for the MCCMC and they took action on three bills: AB 1912 relating to JPAs; supported AB 3162 affecting licensing requirements for drug and alcohol rehabilitation facilities; opposed AB 3121 which would have provided an evidentiary privilege similar to the attorney-client privilege protection to union agents. June 1st is the last day for the House to pass bills and June 15 is when the State budget is due by midnight and on August 31 is the last day for the legislature to pass bills.

- He attended the MCE Clean Energy monthly meeting. Their local provider has opened a second office in Concord given the membership has risen to 27 agencies. There are 9 new member cities just in Contra Costa County.
- MCE Solar One project has opened in Richmond, which provides sufficient electricity to power roughly 3900 homes and 341 local jobs.

Vice Mayor Furst gave the following report:

- She attended the TAM Board meeting:
 - The Board discussed and approved was the Expenditure Plan for the proposed half-cent sales tax renewal for the November ballot. They will not increase the amount but proposes an extension of the existing tax which is not due to expire for a couple of years.
 - An area that has come up repeatedly is crossing guards and needs for funding.
 - There has been a push by EV advocates to have more money for EV charging stations and this was increased but flexible so funds can be used based on demands.
 - TAM has a Citizens' Oversight Committee that reviews and reports on this.
 - On Thursday, May 10 is Bike to Work Day. TAM will be sponsoring an energizer station with the Marin County Bicycle Coalition at the base of the Central Marin Ferry Connection Bridge.

Councilmember Andrews gave the following report:

- He attended the pension meeting and as compared to others, the Town seems to be heading in a better direction. Assemblyman Joe Nation spoke and said the Town should be using a 5% return.

Mayor Condon gave the following report:

- She attended the Chamber of Commerce Board meeting today and they have met their goal of 50% of their new member goal.
- Paul Scheifer from Amy's gave a presentation with new drawings as well as an overview of their project at the Planning Commission meeting.
- The Chamber Golf Tournament will be held in October at the Marin Country Club this year.
- The grand opening celebration of the Inter-Generational Center was a great success, with donations of food, ice cream and drinks and she briefly described activities held and upcoming classes.

Vice Mayor Furst thanked Mayor Condon and everybody who worked so hard to create the Inter-Generational Center and Age-Friendly. It is an amazing community asset that will be enjoyed for a long time.

8. REVIEW OF DRAFT AGENDA FOR UPCOMING TOWN COUNCIL MEETING

8.I Review of Draft Agenda for May 15, 2018 Town Council Meeting

Mr. Cusimano stated staff will be adding 1) the financial audit, 2) SB 828 discussion and 3) the draft letter of opposition regarding AB 1912 for the May 15, 2018 meeting.

9. ADJOURNMENT

The meeting was adjourned at 9:28 p.m. to the next regular Town Council meeting on May 15, 2018 at Town Hall Council Chambers.