

**AGENDA ITEM 1(b)**

**TOWN OF SAN ANSELMO  
STAFF REPORT  
August 3, 2004**

For the Meeting of August 10, 2004

TO: Town Council  
FROM: Debra Stutsman, Town Administrator  
SUBJECT: Final Work Plan Report, 2003-04

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**RECOMMENDATION**

That Council acknowledge and file the final report on the 2003-04 work plan.

**BACKGROUND**

As part of the 2003-04 budget, Council adopted a work plan for this fiscal year. Staff reports periodically to the Council on the progress being made on the work plan.

Respectfully submitted,

Debra Stutsman  
Town Administrator

<b><i>Department</i></b>	<b>Work Plan Goal</b>	<b>Mid-Year Progress</b>	<b>Year-end Report</b>
<b><i>Administration and Finance</i></b>	Implement GASB 34 legislation requiring a revised accounting of fiscal assets.	Sought auditors' advice regarding work plan calendar and activities; reviewed equipment and building information for accuracy and compiled on Excel spreadsheet; obtaining quotes for infrastructure valuation.	Per Council Direction, the Town has chosen to not completed the revised accounting of fiscal assets.
	Implement a business license administrative fee to cover costs of processing 2,500 business licenses in town.	Researched applicable Government Codes; determined need for ordinance revision to recognize admin fee.	Ordinance will be implemented in September 04.

	Decentralize the web page process, giving each department the responsibility to improve and update individual pages.	Planning, Police, Recreation, Community Resources and Library are able to update their own pages.	Public Works and Parks are able to update their own pages.
<b><i>Department</i></b>	<b><i>Work Plan Goal</i></b>	<b><i>Mid-Year Progress</i></b>	<b><i>Year-end Report</i></b>
<b><i>Engineering &amp; Inspection</i></b>	Continue effort to improve customer service in Public Works/Planning Departments and to streamline the permit process.	Customer service has improved and we strive to keep improving that service. A new building permit form is being considered.	Computer generated building form and electronic recordkeeping is being investigated.
	Continue to implement the MarinMap Geographic Information System (GIS) in conjunction with the County efforts in this area.	A fly-over is scheduled for March 2004. Thereafter a more detailed, colored ortho-map with elevations will be produced.	Fly-over was completed and the data is being rectified.
	Work to implement a yearly plan to continue the progress made with the Measure G program, committing \$400,000/year to this effort.	Measure G committee meeting is scheduled on 1-22-04 for the 2003/4 program to be recommended to the Town Council	Measure G Committee met and the 2003-04 list was approved by Town Council; contract was awarded.
<b><i>Department</i></b>	<b><i>Work Plan Goal</i></b>	<b><i>Mid-Year Progress</i></b>	<b><i>Year-end Report</i></b>
<b><i>Isabel Cook Complex</i></b>	Develop a long-term needs assessment of the facility (continued goal).	Slow progress but our goal is still the same.	No change.

<b><i>Department</i></b>	<b>Work Plan Goal</b>	<b>Mid-Year Progress</b>	<b>Year-end Report</b>
<b><i>Library</i></b>	Library staff and the Friends of the Library will sponsor a poetry reading for National Library Week in April 2004. April is also National Poetry Month. The Children's Librarian plans to investigate, promote and implement a program for teens on graphic novels.	The Friends of the Library and the Town Librarian met in January to begin planning the April 22 Poetry Reading Program. The Children's Librarian is researching ideas for the graphic novel program.	The National Library Week Poetry Reading was a big success and we plan to repeat the program next year. The graphic novel program for teens is still in the planning stages and may not happen if the interest in graphic novels evaporates.
	The Library staff will be replacing and improving signage throughout the Library to better direct patrons.	Signage has been replaced and improved.	Completed.
	The Town Librarian plans to work more closely with the Historical Commission and the Historical Society and help them in their fundraising efforts.	The Library Board and the Historical Commission planned and presented 2 joint displays on library history for January and February. The Town Librarian is providing information on grant possibilities to the Historical Commission on an on-going basis.	The Town Librarian and Historical Commission members continue to work closely on projects.
<b><i>Department</i></b>	<b>Work Plan Goal</b>	<b>Mid-Year Progress</b>	<b>Year-end Report</b>
<b><i>Parks</i></b>	Working with Recreation, work with master planning company to develop a Master Plan, identify spending priorities and begin implementing the plan.	Master Plan to be presented to Council in March 2004.	Master Plan completed.
	Prioritize and complete deferred	Parks & Recreation Commission is finalizing the	Priority list has been finalized. Deferred

	maintenance projects.	priority list.	maintenance is ongoing.
<b><i>Department</i></b>	<b>Work Plan Goal</b>	<b>Mid-Year Progress</b>	<b>Year-end Report</b>
<b><i>Planning</i></b>	Implement second unit ordinance in accordance with State legislation on second units.	Ordinance implemented.	Completed.
	Work with citizen group to prepare and present to Town Council a revised telecommunications ordinance.	Revised ordinance presented to Council on 1/13/04. Under review by subcommittee.	Resolution 3688 regarding submittal requirements revised and adopted by Council on June 8, 2004.
	Continue efforts to improve customer service in Public Works/Planning Departments and to streamline the permit process.	Weekly staff meetings are conducted to discuss customer service and potential improvements.	Council subcommittee created to review zoning requirements for streamlining process. Revisions to be presented in October. Customer Service efforts ongoing.
	Continue efforts on the Housing Element and General Plan.	Housing Element preliminarily accepted by state on 1/13/04. Proceeding with final environmental processing and hearings scheduled for 3/15/04 and 4/13/04.	Negative Declaration and final Housing Element adopted by Council in April and subsequently certified by the State Department of Housing and Community Development (HCD).

<b>Department</b>	<b>Work Plan Goal</b>	<b>Mid-Year Progress</b>	<b>Year-end Report</b>
<b>Police</b>	Facilitate the relocation of the EOC to the Corporation Yard.	Assigned to Commander Kirton and Commander Providenza. Funds secured for generator. Updated plan for EOC in process of being drafted. Site plan under development. Anticipate new EOC ready for use by 1 <sup>st</sup> quarter FY 2004-2005.	Due to budget issues, the EOC move to the Corp Yard put on hold. Updated EOC procedures to be in place by end of 1 <sup>st</sup> quarter FY 2004-2005. Work begun on joint application for FEMA Local Hazard Mitigation Plan
	Research and write an ordinance for Council consideration to better regulate businesses involved in illegal activities.	Ordinance drafted by Commander Providenza, reviewed by Town Attorney. Submitted to Town Council subcommittee and Chamber of Commerce for review and consensus.	Ordinance enacted by the Town Council May, 2004.
	Work with Sunny Hills staff to develop a standard protocol to address the issue of violence on campus.	Officer Ryan Dunnigan assigned to this community policing project. Initial meetings with Sunnyhills developed a basis for commitment by main stakeholders (Sunnyhills, PD and Juvenile Probation) for staff training and regular client-specific meetings. Officer Dunnigan meets monthly or more often as required with Sunnyhills staff to work out plans for mutual response to specific clients.	Officer Dunnigan continues to work with stakeholders at Sunnyhills. Officers and school staff report improved communications and more consistent handling of students by both the school and police department.
	Work with neighbors to reduce impact on the neighborhood from the school, including monitoring student parking, providing traffic enforcement and facilitating any	Commander Kirton met with neighbors who have formed their own neighborhood group. We provided the neighborhood group with alternative solutions and are currently awaiting a response from them. Officers continue to monitor morning	The neighborhood group and the department agreed that the group would contact Commander Kirton if additional problems arose. Officers continued to monitor morning

	communications with the school.	and afternoon parking and provide traffic enforcement. The high school reopened one parking lot early adding 30 on campus parking spaces.	and afternoon parking and provided extra traffic enforcement on the streets surrounding the high school. No further problems reported through the end of the school year / work plan cycle. The department expects to continued high visibility enforcement during the upcoming school year.
<b>Department</b>	<b>Work Plan Goal</b>	<b>Mid-Year Progress</b>	<b>Year-end Report</b>
<b>Recreation</b>	Working with Parks, work with master planning company to develop a Master Plan, identify spending priorities and begin implementing the plan.	The Parks and Recreation Commission is finalizing its recommendations for presentation to the Town Council on March 9.	The P&R Commission has identified key recommendations of the finalized Master Plan on which to focus effort over the next one to five years. In addition spending priorities have been approved by the Commission and will be implemented.
	Continue work with community committee to move forward with plans for a Skate Park.	A letter was sent to community committee members on December 1 updating them on the environmental review process, which is scheduled for completion in early March.	A Skate Park Task Force has been formed and has begun meeting. It consists of interested community members and two P&R Commissioners, and has begun developing a fundraising strategy.

<b><i>Department</i></b>	<b><i>Work Plan Goal</i></b>	<b><i>Mid-Year Progress</i></b>	<b><i>Year-end Report</i></b>
<b>Street Maintenance</b>	Complete the move into the Corporation Yard, building shelves, organizing materials, etc.	All done and the crew is settled in. Shelves in a secure cubical were erected to store Town files.	Completed.
	Utilize computers in the new Corporation Yard Administration Building to bring the staff into the world of technology.	Slow progress due to excessive work load. Equipment purchase postponed due budget crunch.	Work underway to set up a DSL line and utilize surplus computer equipment.
<b><i>Department</i></b>	<b><i>Work Plan Goal</i></b>	<b><i>Mid-Year Progress</i></b>	<b><i>Year-end Report</i></b>
<b>Volunteer &amp; Community Resources</b>	Continue working on the Downtown Revitalization plan, with the focus on completing the Town Hall Plaza.	Deer in place. Investigating cost of New Town sign for front of Town Hall. Also looking at art project.	Contacted volunteer who completed design for front of Town Hall project (between the flagpoles).
	Develop plan for creating partnerships with local merchants in support of Town Events.	Attended conference, Jan. 14 <sup>th</sup> , at Sonoma State on this subject...new ideas for this difficult fiscal time.	Successfully seeking partnerships in sponsorships of Town events.
	Work with new assistant in setting priorities for the position.	Assistant is taking over certain aspects of the Comm. Resources office.	Have been training assistant in use of SAVE database and in coordination of Town events.

**AGENDA ITEM 1(c) – continued to August 24, 2004**

**AGENDA ITEM 2**

**TOWN OF SAN ANSELMO  
STAFF REPORT  
August 2, 2004**

***For the Meeting of August 10, 2004***

TO: Town Council

FROM: Debra Stutsman, Town Administrator

SUBJECT: Appointment to Parks and Recreation Commission and Open Space Committee

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**RECOMMENDATION**

That Council appoint two members to the Parks and Recreation Commission and one member to the Open Space Committee.

**BACKGROUND**

The Parks and Recreation Commission has a membership of seven seats. The Commission presently has two vacancies, to terms expiring in June, 2008. Council previously interviewed two candidates, Patrick Kenefick and Jay Murphy. Council is scheduled to interview Mathew Swalberg, an incumbent, tonight.

The Open Space Commission has a membership of eleven seats. The Commission has one vacancy, to term expiring in October 2008. Council has interviewed one candidate, Liz Huntington.

The applications of the candidates are attached.

Respectfully submitted,

Debra Stutsman  
Town Administrator

Attachments

**AGENDA ITEM 3**

**TOWN OF SAN ANSELMO  
STAFF REPORT**

**August 3, 2004**

For the Meeting of August 10, 2004

TO: Town Council

FROM: Lisa Wight, Senior Planner

SUBJECT: Planning Commission recommendation: Approval of a Negative Declaration and Subdivision Map converting 5 apartment units to 5 condominiums at 26 Tamalpais Avenue, APN 7-211-23.

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PLANNING COMMISSION RECOMMENDATION

That the Town Council approve the Negative Declaration and Subdivision Map.

APPLICANT Drew Klausner, 2004 Fifth Avenue, San Rafael, California 94901

BACKGROUND **July 19, 2004: Planning Commission recommended approval (eyes: 4; absent: 2 (Fernandez, Zwick)).**

DISCUSSION

Reference Planning Commission staff report dated July 19, 2004. There is one correction in that report: staff states that the applicant proposes to make "Unit A" available as a below-market-rate unit, which should be changed to "UNIT B".

The CC&Rs are being updated to include the below market rate unit, the tenants' lease periods, and parking assignments, and will be reviewed by the Town Attorney.

REQUIRED FINDINGS FOR APPROVAL

Reference 'Required Findings' in the Planning Commission staff report dated July 19, 2004.

RECOMMENDATION

That the Town Council approve the project, subject to the following conditions: A) Approval is based on the tentative map date stamped received by the Town on June 8, 2004; B) those 20 items listed in the 'Subdivision' discussion of the July 19<sup>th</sup> staff report shall be required; C) permits from the Building Department shall be obtained prior to any structural improvements; D) should the final map not be recorded within 24 months of the Town Council approval, the approval shall be considered null and void; E) a one-time-only, one-year extension can be requested in writing to the Planning Commission prior to the expiration date

- Attachments: Planning Commission minutes and staff report dated July 19, 2004
- Application and attachments
- Ecumenical Housing and Marin Housing Authority letters
- Negative Declaration, Checklist and comments received
- Tenant's statements
- Acoustical Report Letter
- Draft CC&Rs
- APN Map and Plans

c: Drew Klausner, applicant

**AGENDA ITEM 4**

**TOWN OF SAN ANSELMO  
STAFF REPORT**

**August 2, 2004**

For the Meeting of August 10, 2004

TO: Town Council

FROM: Thomas Bell, Planning Director

SUBJECT: Appeal of Planning Commission's approval of Environmental Review, Design Review, Lot Merger, and lot line adjustments to develop a 9500 square foot commercial building, and exterior renovation of an existing 4,215 square foot building, located within the C-L zoning district APN's 006-061-06, 006-091-34, & 006-091-35, **790-800 Sir Francis Drake Blvd.**

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### RECOMMENDATION

Uphold the Planning Commission's approval of the project reaffirming the necessary findings and subject to one additional condition regarding indemnification as specified within this staff report.

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**APPELLANT:** Jonathan Braun  
Box 627, San Anselmo 94979

**APPLICANT:** Fredric Divine Architects  
1924 4<sup>th</sup> St.  
San Rafael, CA 94901

**OWNERS:** G. Koblick (800SFD), 790 Sir Francis Drake LLC –Coby Friedman

**BACKGROUND:** July 8, 2003- Council denied a project (partially upon this property) for 13 residential units based upon General Plan visual impacts.  
June 21, 2004- Planning Commission approved this project(4-0).

### ***DISCUSSION OF APPEAL***

Six items are documented in the attached appeal from Mr. Braun. Following is staff's response to those issues:

1. **“The subject property and the contiguous residential development should have been considered as one project for planning and CEQA reasons.”** The applicant submitted separate applications and plans for each project. Planning does not dictate inclusion of separate adjacent lots provided that each project could be accomplished independently of each other. The proposed projects are separate in design and function of each other in that one is **commercial** and the other **residential**. Although staff processed separate environmental documents for each project, both the Traffic and Soils consultants cumulatively reviewed the project's primary impacts of traffic and grading.
2. **“The environmental checklist does not provide adequate environmental information or rationale for findings. Disagree with approval of Negative Declaration of Environmental Impact.”** Standard environmental checklist was

- prepared identifying source of each determination of impact. Checklist was distributed to State clearinghouse for comments. No comment was received. Checklist is adequate. Staff and Planning Commission believe the Negative Declaration is appropriate. Disagreement noted.
3. **“Entire project (commercial and residential) needs Focused EIR that addresses project specific impacts, cumulative environmental impacts and environmentally preferable alternatives.”** See 2 above.
  4. **“Traffic report is incomplete and does not address all traffic related issues including; construction impacts, line of sight, Hub congestion, actual feasibility of access to eastbound Sir Francis Drake Blvd. and traffic safety hazards.”** Traffic report was prepared by a registered traffic engineer and reviewed by the Public Works Director/Town Engineer and found adequate. Detailed design plans and construction management plan will require the approval of the Public Works Director/Town Engineer in accordance with standard engineering practice.
  5. **“The approved conditions are insufficient to protect environmental resources and public health and safety.”** The Planning Commission adopted project and conditions of approval. Conditions therefore are adequate in the opinion of the Commission and staff.
  6. **“The Planning Commission should have obtained the above sited studies and information before making decision affecting such a potentially dangerous site in a location that will affect many thousand of citizens.”** The Commission was provided with all environmental documents, as well as, traffic and soils reports. The Commission did not request additional information and was able to make necessary findings based upon evidence and testimony presented.

Details of the project are contained in the Planning Commission staff report of June 21, 2004. In addition to the conditions listed in the Commission’s staff report, the Commission required three additional conditions of approval. Those conditions are:

1. Exterior colors to be approved after framing,
2. A comprehensive lighting plan, roof and window materials, and a sign plan will be developed and presented to the Planning Commission(prior to building permit issuance),
3. A sign is to be erected indicating construction hours and the telephone number for the Public Works Dept.

In addition to the project conditions required by the Planning Commission, the Town Attorney recommends that the following condition be added to the project approval:

**Applicant shall at all times comply with all applicable laws, ordinances, rules and regulations of municipal, state and federal authorities relating to the installation maintenance, height, location, use, and operation of improvements authorized herein, and shall fully defend, hold free and harmless and indemnify the Town of San Anselmo, its Council, commissions, agents, officers, employees, and consultants against any and all claims, costs, expenses, suits, and liabilities of any kind whatsoever, or actions seeking to set aside, declare void or annul the approval(s) of this project, and including without limitation, reasonable attorney’ and expert witnesses’ fees and costs, arising out of or in any way related to applicant’s**

installation, or operation of the improvements and equipment authorized by this approval and any claim by any person or entity relating to alleged health or environmental effects of the project. The Town and applicant shall promptly notify each other of any such attack, claim, action, or proceeding. The Town will tender defense to the applicant. The Town may assist in defense; and nothing shall prohibit the Town from participating in the defense in any such attack, claim, action or proceeding so long as the Town agrees to bear its own attorneys fees and costs and participates with applicant in the defense cooperatively.

RECOMMENDATION

Conduct a Public Hearing, and thereafter subject to evidence and testimony received,

- 1) uphold the Planning Commission's approval of the application,
- 2) approve the findings made by the Planning Commission,
- 3) add a project condition as recommended by the Town Attorney as described above.

Respectfully submitted,

Thomas Bell  
Planning Director

- Attachments:
1. Appeal
  2. Planning Commission minutes
  3. Planning Commission staff report with application materials, reports, environmental documents
  4. letters from applicant, citizen, & MMWD, submitted drawing from citizen
  5. Plans

c: applicants/appellants

**AGENDA ITEM 5**

**TOWN OF SAN ANSELMO  
TOWN COUNCIL STAFF REPORT**

August 4, 2004

For the meeting of August 10, 2004

**TO:** Town Council

**FROM:** Tom Bell, Planning Director

**SUBJECT:** Environmental Review, Zone Change from R-1, R-3, & C-L to PPD/SPD, Use Permit, Tentative Parcel Map, and Design Review to consider 4 residential dwelling units on .58+ acres located at 2, 4, 6, & 8 Loma Robles Dr. APN 006-091-02, 34, 35, 62

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## **RECOMMENDATION**

1. Conduct a public hearing and thereafter, subject to evidence and testimony,
  2. Introduce the attached ordinance and waive the reading.
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**BACKGROUND:** July 8, 2003- Town Council denied a project (upon this property & the C-L to the southwest) for 13 residential units based upon General Plan visual impacts.  
June 21, 2004- Planning Commission adopted a resolution recommending approval of this project (3-1).

## **DISCUSSION**

At its regularly scheduled meeting of June 21, 2004, the Planning Commission conducted a public hearing on the above subject and recommended approval of the project by adopting the attached commission resolution.

Because the project includes a zone change, Town Council action is necessary to consider approval.

The proposed project consists of the creation of 4 single-family residential dwellings upon land currently zoned as R-3. The project also includes the merging of an R-1 parcel above (to the northeast), and a lot line adjustment between the residential and commercial property down slope (southwest). Because of the limited access points onto the property from a public street, topography, and mass grading needs, the applicant seeks to create an SPD zoning to accommodate the creation of the proposed 4 lots.

As the Council may recall, one of the main citizen concerns with this property is its landslide potential. However, as in the case with the previous proposal, extensive grading will be required to adequately mitigate this potential.

The project as now proposed is of a scale, intensity, and design to adequately address the General Plan visual/aesthetic impacts that were a concern with the previous proposal in staff's opinion.

The attached ordinance draft provides for project approval. In addition to the Planning Commission recommendation, staff has included detailed findings necessary for approval, as well as, surety and indemnification provisions to protect the interests of the Town.

Details of the project are addressed in the attached Planning Commission staff report of June 21.

Tom Bell  
Planning Director

**Attachments:**

1. Proposed ordinance
2. Planning Commission staff report and minutes of 6/21/04
3. Planning Commission resolution recommending approval
4. Application materials, environmental documents, correspondence
5. Project plans

**AGENDA ITEM 6**

**TOWN OF SAN ANSELMO  
STAFF REPORT  
August 4, 2004**

For the meeting of August 10, 2004

TO: Town Council

FROM: Debra Stutsman, Town Administrator

SUBJECT: 2004-05 Proposed Budget and Work Plan

**RECOMMENDATION**

That Council conduct a public hearing on the Proposed 2004-05 Budget and Work Plan.

**BACKGROUND**

The Town of San Anselmo's fiscal year starts on July 1 and ends the following June 30. Each year staff prepares a proposed budget to project revenues and recommend expenditures for the upcoming fiscal year.

**INTRODUCTION**

Attached is the Budget Message that summarizes the Proposed 2004-05 Budget and Work Plan, Also attached is the proposed work plan, organized by department, for special projects and programs to be undertaken during the next budget year.

**DISCUSSION**

2003-04 Status— Revenues for 2003-04 came in 2.6% below projections, particularly in the area of sales tax, interest income, and vehicle code fines. Measures were taken mid-year to reduce expenditures, which included freezing two additional positions for a total of seven, eliminating the Town Council stipend of \$99/month, curtailing expenditures for overtime, training and supplies and freezing the Contingency account. These reductions helped to minimize the impact of the revenue shortfall and as a result staff project ending the year right on budget.

Carryover – Town policy has been to use the previous year’s carryover to fund equipment and capital project expenditures. In this extraordinary year, the Town is unable to fund any new equipment or capital expenditures due to the fact that there is no carryover. In this fourth year of cutting the budget ever “closer to the bone” the carryover figure has shown a predictably steady decline over the last several years.

2004-05 Revenues: While San Anselmo continues to experience an active real estate market, we have suffered from the difficult economic situation. Revenues in the coming year are projected to increase by 7.7% due to a continued active real estate market and associated construction activity. Property tax revenue should continue to be strong. Interest earnings remain uncertain and sales tax revenue may not rebound from the current economic slump. San Anselmo will lose \$235,000 in revenue from the State in 2004-05 and also in 2005-06 as the local government share of the State budget solution, in exchange for a Governor-backed constitutional amendment intended to protect local revenues from State raids in the future.

2004-05 Expenditures: While revenues are increasing at a steady pace, budgeted expenditures have, unfortunately, risen at a considerably faster pace. In particular, pension costs have risen sharply and are expected to increase again in 2005-06, due in large part to the poor performance of the stock market in 2001 and 2002. Employee health insurance premiums continue to rise at an alarming pace.

2004-05 Budget Shortfall: Projected expenditures for 2004-05 outpace revenues by \$1,000,000. In order to balance the budget the following actions are proposed and reflected in the budget document.

- **Seven positions are frozen.** These positions include the Town Clerk/Human Resources Analyst, three Parks/Streets Maintenance Workers, a Police Department Dispatcher, a Police Officer and a Public Works/Planning Administrative Services Assistant. The primary work of these position has been absorbed by other staff members; however, there is necessarily a loss of service to the community.
- **No raises for employees.** Both the Police and Firefighters union agreements expired on June 30, 2004. Both groups agreed to extend the contracts for another year with no changes. The contract of the miscellaneous group expires June 30, 2005, but no salary increases were negotiated for 2004-05.
- **An additional 35% of Recreation Director’s salary is shifted to the Recreation Fund.** All expenses for the Recreation Department are accounted for in the Recreation Fund, except for the Recreation Director’s salary, which has previously been funded in the General Fund. 30% of the Director’s salary was shifted to the Recreation Fund in 2003-04 as a cost cutting measure. An additional 35% is shifted to the Recreation Fund in 2004-05, to be recouped through program revenues.
- **New revenues are projected.** Fee increases have been implemented, or are in the process of being implemented, in Planning, Police, Library, Administration & Finance,

Recreation and Parks. Staff anticipates implementing a Garbage Impact Fee and placing parking meters in the Town parking lots.

- **Department budgets are further shaved.** Department Managers went through their budgets line by line and eliminated funds wherever possible (\$50,000).
- **Library services are reduced.** The book budget for the Library was cut by 25% to \$40,000, and the hours the Library is open are reduced by two per week.
- **Funding is eliminated to community groups.** The following General Fund contributions are eliminated: Historical Commission - \$900; Art Commission - \$2,500; Promotion of Commerce - \$3,800; Community Donations - \$6,700 (funding limited to those organization who requested 04-05 funding).
- **Special Events seed money is utilized.** In 1999, a Special Events Fund was established to track revenues and expenses associated with Town special events, particularly Community Fair. The net gain from each event has remained in the fund. \$10,000 is transferred to the General Fund from Special Events to assist with the cost of organizing the events.
- **Equipment purchases are limited to previous commitments.** No new equipment purchases are proposed. Items listed in the Equipment Fund are carried over from previous years or reflect lease agreements that are already committed to for Police, Fire and Public Works equipment.
- **No new Capital Project expenditures.** No new capital projects are included in the budget, excepting a new roof on the rear portion of the Library, which is of an emergency nature. The Town Hall tower project, the replacement of the tower roof and wooden trim pieces, must be delayed until a future year.

## ISSUES

Funding for Capital and Equipment Expenditures – Town policy is to use carryover funds for capital and equipment expenditures. In the last three years, the carryover amount has been steadily shrinking as the budget is cut ever closer; this year there is **no** carryover. Staff recommends that, when the current fiscal crisis subsides, Council consider a policy of budgeting a certain amount for these important expenditures each year, to ensure a steady source of funding.

Pension Costs – While pension costs are rising astronomically, the Town is fortunate to have a Pension Override Tax. In the recent past pension costs have been minimal due to the excellent performance of the stock market, and the Town has been able to build up a healthy pension reserve in the designated portion of the ending balance. That reserve will diminish quickly, however, with the predicted pension contributions in the next two years.



Appropriations Limit Data – Under Proposition 4, approved by state voters in 1979, local government spending each year cannot exceed a formula based on population growth and statewide inflation. Last year the Town was approaching the limit with a leeway of just \$87,000 and anticipating the need for an election in the next few years. However, due to unusual countywide growth, as well as reduced revenue projections, the Town is currently well within the appropriation limit.

## **CONCLUSION**

The action recommended for the Council is to conduct the public hearing on the Proposed 2004-05 Budget and Work Plan. Pending the outcome of that public hearing, the next step would be to incorporate changes identified by Council, and bring the budget and work plan back to Council for adoption.

Respectfully submitted,

Debra Stutsman  
Town Administrator

**August 4, 2004**

Honorable Mayor and Members of the Town Council:

I am pleased to submit for your review and public hearing the Proposed 2004-05 Budget and Work Plan.

The proposed budget reflects the severe financial restraints under which the Town has operated during the last two years and which are expected to continue in the next two years. The balanced budget reflects expenditure cuts of \$1 million to the Town's General Fund budget of \$10.4 million. The budget is balanced through a combination of increased fines and fees, seven frozen positions and extensive expenditure cuts across all departments. I am pleased to report that the proposed budget includes maintaining key services to the community, with no involuntary employee pay and schedule reductions. This was made possible by the cooperation and hard work of the Town Council, staff and community to arrive at a budget solution.

**The State of California**

These are difficult financial times for the State of California. The Governor and Legislature have grappled at length with how best to close a budget deficit estimated to be in the billions of dollars. Local government has agreed to a substantial funding reduction of \$2.6 billion in 2004-05 and 2005-06 in exchange for future constitutional protection of local revenues. This will ensure that the State can no longer use local revenues at will to balance the State budget.

Many of the factors causing financial trouble in Sacramento are also at work in San Anselmo. Vehicle license fees, property tax and sales tax are sources of revenue that we depend heavily upon to provide basic public services. The State has continued to use local government as a source of revenue when times are tough, and this year is no exception. In addition, the poor economy over the last three years has hit our merchants hard, and revenue from local sales tax is down considerably. Interest rates are hitting an all-time low, further eroding our resources.

Even as revenues have declined in the last two years, our expenses have risen at an alarming pace, particularly in the areas of employee pension and health costs. Pension costs have risen significantly due to the stock market's poor performance in 2001 and 2002. Health costs continue to soar statewide.

### **State of the Town**

The Town's financial outlook has been in a declining state since fiscal year 2001-02, due to the poor economy, declining revenues and rising expenditures. While we have continued to experience a steady real estate market and associated construction activity, other sources of revenue have remained flat or have fallen below projections. In order to balance the 2003-04 budget, five positions were frozen and no new capital projects or equipment purchases were authorized. By June 2004, the Town had frozen two additional positions, eliminated all but mandatory training and overtime, and severely curtailed expenditures. These measures allowed us to end 2003-04 without using fund reserves.

In order to balance the 2004-05 budget, expenditure reductions or revenue enhancements amounting to \$1 million were needed. The Town Council and staff have been working since January to close the budget shortfall with as little impact on services as possible. Extraordinary measures were needed to balance the budget, including increasing fees and fines in the Library, Police, Recreation and Planning Departments, installing parking meters in the downtown parking lots, eliminating critical funds in department budgets, committing to a second year of no new capital or equipment expenditures, reducing community donations, and using money from our emergency reserves and road maintenance fund. There are no raises for employees included in the budget.

Next year promises to be more of the same, but some relief is expected in 2006-07, with an improving economy and lowered pension costs. However, by that time the Town will have tremendous pent up need, particularly in personnel, deferred capital projects and equipment.

### **Long-term Fiscal Health**

The fiscal challenges facing the Town are:

- Regaining the progress lost during these very lean years in maintaining the Town's buildings, parks and other public facilities and replacing old, outdated equipment.
- Ensuring sufficient funds to maintain the Town's streets and storm drain infrastructure at current levels.
- Rebuilding staff to ensure timely and quality delivery of the varied municipal services desired and expected by our residents.
- Retaining experienced Town staff through sufficient employee compensation to remain competitive in the employment market with public agencies that have a higher revenue base. The high cost of living in the County and limited workforce housing makes attracting and retaining qualified employees difficult.
- Relying heavily on a relatively fixed tax base, restricted by a geography offering few development possibilities for tax revenue expansion.

### **Capital and Equipment Needs**

Current revenues are insufficient to fund current services to the community; thus, the budget includes no funds for new or deferred maintenance and improvement projects, except those of an emergency nature or committed to previously. The Town does, however, have pressing capital and equipment needs:

- Repair work on the Town Hall Tower trim pieces, which must be replaced due to dryrot.
- Replacement of the aging heating and cooling systems in Town Hall, the Isabel Cook Community Center and the downtown Fire Station.
- Replacement of the leaky equipment shed at the hub, which contains sensitive traffic signal equipment and is structurally inadequate.
- Replacement of outdated and inadequate computer equipment and software in the Administration and Finance, Police, Recreation, Planning and Public Works Departments.
- Replacement of aging Public Works and Parks vehicles, and purchase of necessary equipment, such as a water trailer.

### **Accomplishments for 2003-04**

- The Parks Master Plan was completed and approved by the Parks & Recreation Commission and the Town Council. Work is ongoing to prioritize projects for completion through State park bond funds available to the Town.
- The Town's Housing Element was updated and approved by the State's Housing and Community Development Department.
- Agreement was reached with the Ross Valley School District and the Tamalpais Union High School District regarding joint development of a community park at the Red Hill School site, to include a soccer/lacrosse field, dog park, tennis courts, walking track and rest rooms; fundraising is underway.
- A second unit ordinance was implemented in accordance with State law.

## Budget Format

The operations of the Town are budgeted primarily in the Town's General Fund. Significant maintenance projects and other capital improvements are contained in the Capital Reconstruction Fund, with the exception of road and drainage improvement projects, which are currently funded through the Measure G general obligation bond program. With the expiration of Measure G funds, these improvement projects will be funded through the Road Maintenance Fund. The Recreation Fund accounts for all of the revenue and expenses related to recreation programs, with the exception of 35% of the Recreation Director's compensation, which is budgeted in the General Fund.

A list of all of the Town funds, a description of their functions, and a summary of revenue and expenses are contained in the Overview of Funds section at the beginning of the budget document.

Each Town department head, in conjunction with the Town Administrator, has recommended two to four work plan items to undertake this fiscal year. The work plans were submitted using a general guideline of one item that is "external", meaning policy and/or community service oriented, and one item that is "internal", meaning it will enhance staff and customer service efficiency and effectiveness. A mid-year progress report will be reviewed by the Town Council at a regular meeting. This year's work plan focuses on items that can be accomplished considering the reduced staffing levels at which we are operating and without financial outlay.

Highlights of the proposed work plan include:

- Initiate Housing Element implementation measures, including development of an inclusionary housing ordinance and minor zoning text modification.
- Reinstigate the traffic unit to reduce traffic collisions through education and enforcement.
- Manage Red Hill Community Park project.
- Develop and implement a policy and procedures on drug and alcohol testing for Class B licensed drivers.
- Implement a work priorities program in the Street Department to ensure priority projects are accomplished in light of diminished staffing.
- Garner support among businesses for community activities, both as financial contributors and as volunteers.
- Develop a revised tree ordinance in conjunction with Town citizen's committee.
- Expand CPR training to accommodate as many community members as possible.
- Direct State bond fund expenditures on prioritized projects as set by the Parks & Recreation Commission and the Town Council.

## 2004-05 Budget Ramifications

This year's budget is a departure from previous budgets. Significant cuts have been made to department budgets that have not been increased in two previous years. Frozen positions in the Police, Parks, Public Works, Planning and Administration & Finance Departments and reduced

staffing in the Library mean that staff members are spread thin trying to cover more bases. The lack of expenditures for equipment means that our computers, software, trucks, maintenance equipment and tools must last yet another year. Capital projects and deferred maintenance that should be completed are again delayed. While the proposed budget contains no involuntary pay or schedule reductions for employees, employees will receive no pay increases in 2004-05. When this financial crisis passes, the Town is going to have numerous needs that will have to be addressed.

**Conclusion**

This has not been an easy budget to assemble given the poor economy, uncertainties at the State level and the difficult decisions that were required to be made by the Town Council. This budget document represents six months of work by the Council, staff and the public to hammer out a workable solution to the fiscal crisis for the Town. I believe the document presented here represents a realistic budget that will carry the Town through the next year in the best possible position, given the circumstances. Town staff remain fully committed to carrying out the goals and priorities of the Town with enthusiasm in order to continue to serve our community.

**Acknowledgements**

Many people had a hand in bringing this budget forward. I'd like to sincerely thank the Town's employees for the many suggestions on cost-saving ideas and their enthusiasm and support during a difficult time. The support of community members who attended our budget meetings and offered suggestions was invaluable. Many thanks go to our Department Managers who have shown unflinching support and encouragement, even as their budgets dwindled before their eyes. The Budget Subcommittee, led by Vice-Mayor Breen and Councilmember Thornton, served as an excellent resource, sounding board and source of great support. And, finally, I must thank my partner in this effort, Finance and Administrative Services Director Janet Pendoley, who worked tirelessly to project revenue, anticipate expenditures, estimate costs, and assemble it all in a comprehensive and readable document.

Respectfully submitted,

Debra Stutsman  
Town Administrator

<i>Department</i>	<i>Goal</i>
<i>Administration and Finance</i>	Provide financial expertise and human resources management for major cost cutting plans, in conjunction with implementation of new sources of revenue.
	Develop and implement a Town policy and procedure on drug and alcohol testing for Class B licensed employees.
	Research payroll services providers to improve functionality and

	reduce cost; Research financial software programs to replace current ACS system, assuming a 2005-06 purchase and conversion timeline.
<b>Community Resources</b>	Continue working with assistant to establish priorities and refine department's work in community and office.
	Seek stronger rapport with local schools to promote volunteerism.
	Work to garner support among businesses for community activities, both as financial contributors and as volunteers.
<b>Engineering &amp; Inspection</b>	Work to establish systems to fast track the building permit process by issuing more permits over the counter.
	Research implementing a computerized permit tracking system.
	Develop a new tree ordinance with Town citizen's committee.
<b>Fire</b>	Integrate MERA for seamless operation with Police and Public Works in both Fairfax and San Anselmo.
	Complete the strategic plan, obtain approval from Fire Board and use as a guide for future decision making.
	Expand CPR training program to accommodate as many of our neighbors as possible.
<b>Library</b>	Apply for grant offered by California Council for Humanities, involving adult and children's programming, to be a collaborative effort between the Library staff, Friends of the Library and hopefully the Historical Commission.
	Hold another Poetry Night for National Library Week in April 2005.
	Begin classes for senior on use of the internet.
	Plan one program for teens.
<b>Parks</b>	Direct State Bond Fund prioritized project expenditures and construction.
	Provide staff support to the Red Hill Community Park Project.
	Work toward completing list of prioritized deferred maintenance projects.

<b>Planning</b>	Complete work of Zoning Subcommittee by revising Table 4-B of the Zoning Ordinance.
	Initiate Housing Element implementation measures including development of an inclusionary housing ordinance and minor zoning text modifications.
	Complete Sign Ordinance modifications.
<b>Police</b>	Reinstitute the traffic unit to reduce traffic collisions through education and enforcement.
	Continue to seek funding for a generator to facilitate the move of the Emergency Operations Center to the Corporation Yard
	Strengthen Volunteers in Policing (VIP) program, using volunteer assistance to ensure the department operates as efficiently as possible.
<b>Recreation</b>	Establish &/or enhance relationships with school districts and other community organizations.
	Identify unmet community recreational needs and develop/expand programs to meet these needs.
	Continue to assume a lead role in the Red Hill Community Park project to meet goals and recommendations identified in the Recreation Master Plan.
<b>Street Maintenance</b>	Set up a computer station at the Corporation Yard.
	Get set up to receive underground service alerts electronically instead of by fax to save money.
	Implement a work priorities program in light of diminished staffing.

***AGENDA ITEM 7***

**TOWN OF SAN ANSELMO  
STAFF REPORT  
August 6, 2004**

***For the Meeting of August 10, 2004***

TO: Town Council

FROM: Debra Stutsman, Town Administrator

SUBJECT: Transportation Authority of Marin

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**RECOMMENDATION**

That Council appoint an alternate representative to the Transportation Authority of Marin (TAM).

**BACKGROUND**

The Transportation Authority of Marin serves as the congestion management agency for the County of Marin. San Anselmo concurred on the membership of the authority on March 23, 2004 per Resolution 3682 (attached). Peter Breen is the Town's representative to TAM. It is requested that the Council appoint an alternate representative to the authority.

Respectfully submitted,

Debra Stutsman  
Town Administrator

Attachments