

AGENDA ITEM 2

TOWN OF SAN ANSELMO STAFF REPORT December 6, 2004

For the Meeting of December 14, 2004

TO: Town Council

FROM: Janet Pendoley, Finance & Administrative Services Director

SUBJECT: Annual Independent Audit Report for Fiscal Year ending June 30, 2004

RECOMMENDATION

1. That Council accept the following reports prepared by Odenberg, Ullakko, Muranishi (OUM) and Company, LLP, CPA which comprise the Annual Independent Audit Report for the fiscal year ending June 30, 2004:
 - General Purpose Financial Statements and Supplemental Information With Independent Auditor's Report;
 - Fiscal 2004 Report to Town Council (Management Letter);
 - Agreed Upon Procedures (Gann Limit Compliance); and
 - Single Audit Reports on Federal Award Programs.
2. That Council approve staff's response to the recommendation presented in Section II of the Fiscal 2004 Report to Town Council.

BACKGROUND

OUM, Certified Public Accountants, have prepared the annual independent auditor's report and general purpose financial statements for the fiscal year ending June 30, 2004. In addition, they tested and reported on compliance in the Gann Limit calculations. For fiscal year 2003-04 the Town expended federal grant funds in an amount over \$500,000; therefore, a single audit was also performed. Based on their examination of Town records and procedures, they have presented their findings in a Management Letter.

This is the third and final year of the Town's contract with OUM to conduct the audit and prepare the financial statements for the Town. Copies of the documents have been mailed to the homes of the Council members and the Town Treasurer. They are also included as part of the agenda packet in the Town Library and Police Department for public viewing. Scott Miller, the audit manager from OUM, will present its report to the Town Council on December 14, 2004. Following action by the Council, the document will be available for public viewing in the Finance Department for a period of 30 days.

Section I: GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements include balance sheets and revenue and expenditure reports for the Town's funds, and notes on items designated by the auditor. Implemented for the first time in this report, this section also includes government-wide financial statements as required by the Governmental Accounting Standards Board (GASB) Statement #34. They provide a more comprehensive view of the Town's financial position and include such items as an expanded valuation of the Town's fixed assets, capitalization and depreciation of those assets, indebtedness related to those assets, and more accurate information on the debt service and employee benefit accruals.

Also implemented for the first time in the Insurance Fund is the reporting of the long term cost estimate for all insurance claims against the Town, including both workers compensation as well as general liability claims. The liability as of June 30, 2004, as estimated by Bay Cities Joint Powers Insurance Authority, is \$430,244. Recognizing this liability has depleted the fund balance, resulting in a deficit fund balance of \$133,298.

A key piece of data that the Town receives in the transmittal of the financial statements is the amount of the prior fiscal year General Fund "carryover", which is defined as the excess revenue realized in comparing actual to budgeted revenue and expenditures. At the time of the 2004-05 Budget Adoption, staff projected zero carryover. As a result of the final closing of the 03-04 books and as reflected in the auditor's report, that number has been revised to \$10,414. The additional amount has been set aside in the contingency for future use.

The conclusion presented in the independent auditor's report resulting from OUM's audit of the Town's financial records is that the general purpose financial statements present fairly, in all material respects, the financial position of the Town as of June 30, 2004. The results of its operations and cash flows of its proprietary fund types for the fiscal year are in conformity with generally accepted accounting principles. This conclusion is known as a "clean audit."

Section II: AUDITOR'S REPORT TO TOWN COUNCIL

The auditor's Report to Town Council contains two sections. The first, entitled Required Communications, is a series of statements regarding various aspects of the Town's internal control structure. No material deficiencies or irregularities were identified in this section.

In the second section, entitled Recommendations for Improving Internal Accounting controls and Administrative Efficiency, OUM's recommendation is that the Town reassess its current method of accounting for workers compensation, general liability, and flood insurance expenditures. Staff concurs with this recommendation and will implement the revision during 2004-05 fiscal year.

Section III: AGREED UPON PROCEDURES (GANN LIMIT)

The auditors reviewed the Town's Gann Limit Worksheet for FY 03-04 for compliance with the *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*. The report indicates compliance with no exceptions.

Section IV: SINGLE AUDIT REPORT

As indicated above, a Single Audit Report was required for 2003-04 due to the fact that the Town expended \$540,448 in federal award funds (FEMA) on the Red Hill storm drain project. No material deficiencies were identified in this project.

CONCLUSION

The annual audit reports outlined above provide the Council with an overview of the fiscal condition of the Town as of June 30, 2004. The recommended actions are to hear the auditor's reports, and to accept them and to approve the response to OUM's recommendation.

Respectfully submitted,

Janet Pendoley
Finance and Administrative Services Director

Complete audit documents: Mailed to Council Members and Town Treasurer
Public viewing in Library, Police Department

Following Council action, public viewing of the
document in the Finance Department for 30
days

AGENDA ITEM 3

**TOWN OF SAN ANSELMO
STAFF REPORT
December 10, 2004**

For the meeting of December 14, 2004

TO: Town Council

FROM: Debra Stutsman, Town Administrator

SUBJECT: Red Hill Community Park

RECOMMENDATION

That Council consider the request of the Red Hill Community Park Joint Powers Authority (RHCP JPA) to approve in concept the installation of lights at the proposed Red Hill Community Field and provide direction on related issues.

BACKGROUND

The RHCP JPA is a partnership of the Ross Valley School District, the Tamalpais High School District and the Town, working to construct a park at the former Red Hill School site. At the JPA meeting of November 10, 2004 the JPA Board voted to support the installation of lights at the proposed field. The Ross Valley School District Board also approved the lights, with the caveat that input would be gathered from the community.

DISCUSSION

At the JPA meeting a number of concerns were expressed by residents about the installation of lights at the field. While acknowledging that modern lighting is less intrusive to the surrounding area, speakers were concerned primarily about the additional noise and traffic generated by the increased playing time provided by a lighted field. The Town Council, at its November 23, 2004 meeting heard testimony from residents concerned with the effect on surrounding neighbors of a lighted playing field, as well as residents supporting the construction of a lighted field.

ISSUES

A number of issues have surfaced in conjunction with discussions on field lights. A lighted field extends the available playing time considerably by allowing play after nightfall. Playing time is further extended by the utilization of field turf, which allows for play throughout the winter. A lighted field with field turf could ostensibly be available for play any time, raising the following issues:

- Noise – Longer available playing times means more use, which translates into more noise for the surrounding area, which includes the Red Hill Shopping Center, Sunny Hills School, the Parkside Apartments, the Sunny Hills apartments and the Sequoia Drive neighborhood. Because the park would primarily be used for youth sports, the bulk of the activity would be generated on weekday afternoons and evenings and on weekends.
- Traffic – Increased use will generate more traffic to the site over extended periods of time.
- Ancillary Impacts – Other impacts that have been raised as concerns include possible use of amplified sound, use by outside groups to increase revenue, visual effect of 20 foot backstop fence, signage, fire safety, security and noise from fans on bleachers.

Mayor Breen has been working with one neighborhood group to address their concerns and reach a possible compromise on issues. He will provide an oral report at the meeting. A letter was received from the owner of the Parkside Apartments expressing concern about lights, noise and parking. In addition, the Friends of Corte Madera Creek have commented that lighting may disturb wildlife.

ANALYSIS

Regarding the significant issues of traffic and noise, a denial of the request for field lights would lessen, but not eliminate, concerns of residents. Staff recommends:

- That the Council recommend to the RHCP JPA Board that they consider the visual and noise impact of fencing, signage and bleachers during the design/development phase.
- That the Council recommend to the Parks & Recreation's Use Policies Subcommittee that policies be set regarding: hours of operation of the field, field use parameters for non-Ross Valley groups, sound amplification and field use fees to cover maintenance costs.
- That the Fire Chief address the question of fire safety during the design development/planning process.
- That the Police Chief address the question of security lighting during the design development/ planning process.

CONCLUSION

On the surface the issue of lighting at the Red Hill field is appealing in that it increases the usage of the field, allows for more playing time for the youth of the community, and

provides increased revenue from field use fees. Those same advantages become disadvantages to neighbors, who must deal with the noise and traffic generated.

Respectfully submitted,

Debra Stutsman
Town Administrator

AGENDA ITEM 4

TOWN OF SAN ANSELMO STAFF REPORT

December 8, 2004

For the Meeting of December 14, 2004

TO: Town Council

FROM: Lisa Wight, Interim Planning Director

SUBJECT: 790-800 Sir Francis Drake Boulevard, APN Nos. 006-061-06, 006-091-34, and 006-091-35: Reconsideration and review of August 24, 2004 Town Council grant of appeal of Planning Commission approval of environmental review, design review, lot merger, and lot line adjustment to develop a 9,500 square foot commercial building and exterior renovation of an existing building.

2, 4, 6, and 8 Loma Robles Drive, APN Nos. 006-091-02, 006-091-34, 006-091-35, and 006-091-62: Planning Commission recommendation of approval of environmental review, rezoning from R-1, R-3 and C-L to PPD/SPD, use permit and design review to consider 4 residential dwellings units on .58+ acres.

RECOMMENDATION

1. That the Town Council reconsider and review their grant of the appeal of the Planning Commission's approval of the project at 790-800 Sir Francis Drake Boulevard, APN Nos. 006-061-06, 006-091-34, and 006-091-35. Applicants: Fredric C. Divine Associates Architects for G. Koblick and 790 Sir Francis Drake LLC Coby Friedman Appellant: Jonathon Braun, Post Office Box 627, San Anselmo, California 94979; and
 2. Planning Commission recommendation that the Town Council approve the Negative Declaration, rezoning from R-1, R-3 and C-L to PPD/SPD, use permit and design review. Applicant: Fredric C. Divine Associates Architects for Loma Robles LLC Coby Friedman
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BACKGROUND

November 23, 2004: 790 Sir Francis Drake Boulevard: Town Council heard presentations by the architect, soils engineer and traffic engineer, briefly discussed the possibility of deeding Town property above the project to Mr. Friedman, and continued the hearing to December 14, 2004. 2, 4, 6, 8 Loma Robles Drive: Not heard and continued hearing to December 14, 2004.

Refer to staff reports and attachments prepared for the November 23, 2004 Town Council meeting for further background information and discussion, and Town Engineer's memo dated December 9, 2004.

c: Fredric C. Divine, Architect
G. Koblick
790 Sir Francis Drake LLC Coby Friedman
Jonathon Braun, appellant of project at 790-800 Sir Francis Drake Boulevard

attachment: Town Engineer's memo dated December 9, 2004