

AGENDA ITEM 1(b)

TOWN OF SAN ANSELMO
Staff Report
April 21, 2004

For the meeting of April 27, 2004

TO: Town Council
FROM: Ron Little, Recreation Director
SUBJECT: FINANCIAL REPORT ON RECREATION FUND

RECOMMENDATION

That Council approves the Recreation Fund Revenue and Expenditure Report for the period ending March 31, 2004.

BACKGROUND

The Recreation Department offers a wide array of programs throughout the fiscal year. Most of the programs are seasonal in nature. Revenue is usually collected in advance, with expenditures following after a time lag.

DISCUSSION

At the end of the third fiscal quarter '03-'04 the Recreation Fund is in good shape. *Actual revenues continue to exceed actual expenditures by a very comfortable margin.* Although actual revenues to date represent only 89% of budget, associated expenditures have been kept in check by Staff and are well under expected (budgeted) levels.

We anticipate incurring significant costs in the final quarter as we pay spring instructors and contractors. We also anticipate posting incremental revenues, albeit minor, for ongoing programs.

In sum, the Recreation Fund is currently positioned to finish FY '03-04 with a positive fund balance.

Respectfully submitted,

Ron Little
Recreation Director

AGENDA ITEM 1(c)

TOWN OF SAN ANSELMO STAFF REPORT April 23, 2004

For the Meeting of April 27, 2004

TO: Town Council

FROM: Janet Pendoley, Finance & Administrative Services Director

SUBJECT: Revenue and Expenditure Report, March 2004

RECOMMENDATION

That Council approve the Revenue and Expenditure Report for the period ending March 31, 2004.

BACKGROUND

The Revenue and Expenditure report is a year-to-date summary report of revenues and expenditures that is presented to the Town Council on a monthly basis. The General Fund is included in the monthly report. The purpose of these reports is to present financial information for review and discussion.

ANALYSIS

The revenue and expenditure data as of March 31st reflects financial activity transacted during 75% of the budget year. Revenue received, at 59%, is 2% below the level of revenue for this period last fiscal year. Revenue reflects the normal lag in receipt of periodic payments and includes the following items of note:

- Property tax distributions in December, at 56% of budget, are 1% above last fiscal year.
- Annual business license fees are collected in large part in the early months of the calendar year. The mailing of this year's application forms to town businesses was delayed due staff's research regarding the initiation of an administrative fee. Staff concluded that an ordinance revision is needed in order to implement such a fee. This source of revenue has shown significant gains in this current month and should continue for the next one to two months.
- Sales Tax revenue at 60%, reflects a one month lag and as such is off the budget target (67%) by 7% or \$73,000. Recent projections published by the State Board of Equalization show taxable sales statewide picking up during 2004 by approximately

6%. Although San Anselmo businesses may not enjoy this level of increased sales, it is hoped that the current negative trend will be reversed. MBIA MuniServices Company is projecting a more modest 3% gain for the remainder of 2003-04.

- As noted in previous reports, the impact of the State Budget's "trigger gap" of the Motor Vehicle License Fees, estimated at \$146,540, was implemented entirely in the first four months of the fiscal year, which resulted in lower than normal receipts. In addition, the October fees were down approximately 50% of normal, presumably due to a desire by consumers to wait for the new governor's actions. Although recent months' allocations have increased somewhat, they have not been enough to bring the income level back to the budgeted target. The level of revenue from this source continues to be uncertain for 2003-04.
- LAIF investment returns continue to be very disappointing. Interest earnings for the quarter ending March 31st, at the apportionment rate of 1.48%, were received subsequent to this reporting period.

Expenditures, at 74%, are 1% below last fiscal year and are stable level across major categories presented on page 1 of the report. Department expenditures presented on page 2 of the report reflect staff's continuing efforts to conserve resources during this financially uncertain time. Items of note include:

- Legal Services expenditures (at 73%) reflect payment for litigation services incurred during the first 7 months (58%) of the fiscal year only.
- Non-departmental expenditures (at 80%) are elevated due to payment during this reporting period of annual charges for animal control.
- Town Council expenditures (at 99%) reflect annual election costs as well as the cost of hosting the MCCMC dinner in January 2004. In addition, this department budget was reduced to reflect the Council's voluntary suspension of their monthly stipends.

BUDGET REVISIONS:

The following budget revisions were made during this report period:

- \$75 budget increase in the General Fund revenue budget to recognize an anonymous donation to the Town. This revision increases the General Fund contingency reserve from \$93,017 to \$93,092.

CONCLUSION

In reviewing the financial data particularly as it compares to the prior year, the Town's revenue collections and spending levels appear to be within reasonable ranges for this report period.

In comparison to the previous fiscal year, however, total revenue lags behind by 2% due primarily to the uncertain Sales Tax collections, interest earnings and the MVLFF situation. Expenditures are currently 1% lower than last year's, but the 03-04 budget does not offer the opportunity for the level of savings that were achieved during the second

half of 02-03 via the freezing of vacancies. These numbers continue to signal that at best the current year budget is very tight and may not result in the excess carryover revenue available in past years for funding capital and equipment items.

Respectfully submitted,

Janet Pendoley, Finance and Administrative Services Director

Attachment #1: Revenue and Expenditure Report, March 2004

AGENDA ITEM 1(d)

National Library Week 2004

Proclamation

WHEREAS, our Town Library provides equity of access to library users no matter their age, income and socioeconomic background;

WHEREAS, our library plays a vital role in providing people with the resources they need to live, learn and work in the 21st century;

WHEREAS, our library is a changing and dynamic place and librarians are the ultimate search engine, helping people of all ages find the information they need in print and online;

WHEREAS, our library is part of the American Dream – places for opportunity, education, self-help and lifelong learning;

WHEREAS, our library brings you a world of knowledge both in person and online, as well as personal service and assistance in finding what you need, when you need it;

WHEREAS, our library is a player in the national discourse on intellectual freedom, equity of access, and narrowing the “digital divide;”

WHEREAS, libraries, librarians, library workers and supporters across America are celebrating National Library Week with @ your library®, The Campaign for America's Libraries.

NOW, THEREFORE, be it resolved that I, Mayor Paul Chignell, proclaim National Library Week, April 18-24, 2004. I encourage all residents to take advantage of the variety of library resources available at our Town Library. I also urge them to thank both librarians and library workers for providing valuable services and making information accessible to all who walk through the library's doors. Come see why there's something for everyone @ your library.

Paul Chignell, Mayor
April 13, 2004

AGENDA ITEM 1(e)

For the Meeting of April 27, 2004

To: Town Council

From: Charles L. Maynard, Chief of Police

Subject: Designation of Alternate Representative for the MarinMap Steering Committee

Date: April 14, 2004

RECOMMENDATION

That Council designate Commander Providenza as the Town's Alternate Representative to the MarinMap Steering Committee.

BACKGROUND

MarinMap is a consortium of local public agencies working under the Marin Telecommunications Agency. MarinMap is dedicated to building and sharing a geographic information system (GIS), cooperating to improve each agency's business processes, improving public service and providing a forum for collaborative decision making. The Town is a MarinMap member; the Town's Public Works Director is assigned as the Town's Representative on the MarinMap Steering Committee. The Public Works Director cannot attend every meeting due to other commitments and it is in the best interests of the Town to have a representative at all meetings.

DISCUSSION

The Town has participated in the MarinMap project since its inception and has a seat on the MarinMap Steering Committee. Town Staff has determined that it is in the Town's best interest to have an alternate representative to the steering committee. The committee's work is highly technical and involves layering of geographic information for various government functions including public safety. The Town's representatives should be both technically proficient and possess the widest possible knowledge about the needs of the Town's departments. Commander Providenza has skills and expertise that compliment Public Works Director Elias' knowledge and would make the best alternate for the steering committee.

CONCLUSION

Marin Telecommunications Agency Executive Director Martin Nichols has notified Town Staff that the Alternate Representative to the MarinMap Steering Committee has to be appointed by the Town Council to conform to legal requirements.

CHARLES L. MAYNARD, Chief of Police

AGENDA ITEM 1(f)

**TOWN OF SAN ANSELMO
STAFF REPORT
April 19, 2004**

For the Meeting of April 27, 2004

TO: Town Council

FROM: Debra Stutsman, Town Administrator

SUBJECT: First Amendment to MarinMap Agreement

Recommendation:

That Council approve First Amendment to MarinMap Joint Exercise Of Powers Agreement to implement new funding formula

Background:

Concerned that the current flat rate formula was unfair to smaller agencies, the MTA Board of Directors asked the MarinMap Steering Committee to consider changes to the membership formula. The current JEPA provides for a \$10,000 per member per year membership fee. The Steering Committee felt it was important to find a formula that all members could support so that all cities/towns remained MarinMap members.

The MarinMap Steering Committee recommended a three-tiered formula, which was adopted by the MTA Board at its February 2004 meeting. The three-tiered formula is as follows:

- Tier I - \$10,000 per year:
Agencies assessed this amount: County, Novato, San Rafael, MMWD, LAFCO
and Novato Sanitary District
- Tier II - \$9,000 per year:
Agencies assessed this amount: Corte Madera, Larkspur, Mill Valley, San Anselmo,
Sausalito and Tiburon
- Tier III - \$6,000 per year:
Agencies assessed this amount: Belvedere, Ross and Fairfax

Joint Exercise of Powers Agreement:

The Joint Exercise of Powers Agreement for MarinMap specifies a compensation amount of \$10,000 per year, per member in Section 3.04. The MTA General Counsel has determined that implementation of the new tiered formula would require amending the JEPA.

Attached is the "First Amendment to the Joint Exercise of Powers Agreement" for the MarinMap program. This amendment revises Section 3.04 of the JEPA to give the MTA Board of Directors the authority to set the membership fee, not-to-exceed \$10,000 per year per member.

Respectfully submitted,

Debra Stutsman
Town Administrator

AGENDA ITEM 1(g)

**TOWN OF SAN ANSELMO
STAFF REPORT**

April 19, 2004

For the meeting of April 27, 2004

TO: Town Council
FROM: Debra Stutsman, Town Administrator
SUBJECT: Business Improvement District (BID)

RECOMMENDATION

That Council appoint Julie McNair, owner of the San Anselmo Inn, as the Town's representative to the Marin County Tourism Business Improvement District (BID)

BACKGROUND

The Business Improvement District includes lodging businesses within the unincorporated areas of Supervisorial Districts 1, 2, 3 and 5, and within the cities/towns of Novato, San Rafael, San Anselmo, Larkspur, Corte Madera and Mill Valley. The Tourism Business Improvement District was formed at the request of the lodging industry in Marin to provide funding for a new cooperative tourism organization, the Marin Visitor Network, Inc., which is now being formed, and a proactive program of tourism promotion and management. The Tourism BID applies a one percent assessment on the gross room rental revenue that will apply from May 1, 2004 onward.

DISCUSSION

San Anselmo has been allotted one seat on the Marin Visitor Network Board. Julie McNair, owner of the Town's only lodging establishment, has indicated that she would be willing to serve as San Anselmo's representative.

Respectfully submitted,

Debra Stutsman
Town Administrator

AGENDA ITEM 1(h)

TOWN OF SAN ANSELMO

TOWN COUNCIL STAFF REPORT

For the meeting of 4-27-04

DATE: 4-19-04

TO: Mayor and Council Members

FROM: Rabi Elias, Public Works Director

SUBJECT: Installation of in-pavement crosswalk lights across Sir Francis Drake Blvd. at Madrone Ave. and Saunders Ave., Accept the project and authorize filing the certificate of completion.

RECOMMENDATION

Accept the project and authorize filing the certificate of completion.

BACKGROUND

The Town Council at the meeting of 4-22-03 awarded the contract to Mike Brown Electric of Cotati in the amount of \$61,840.

DISCUSSION

The project was completed according to plans and specs on 3-12-04. There was a four month delay in the project completion due to P.G. & E. not providing the electric service in a timely manner.

FISCAL IMPACT

Contract cost	\$61,840
Change order work	\$ 1,625
P.G. & E. fees	\$ 1,000
Total cost	\$ 64,465

OTS Grant	\$23,000
Traffic Congestion Relief Fund	\$41,465
Total funding	\$64,465

AGENDA ITEM 1(I)

**TOWN OF SAN ANSELMO
STAFF REPORT**

April 21, 2004

For the meeting of April 27, 2004

TO: Town Council

FROM: Debra Stutsman, Town Administrator

SUBJECT: Financial Reserve Policy

RECOMMENDATION

That Council direct staff to prepare a draft policy for Council review regarding maintaining a prudent financial reserve.

BACKGROUND

Local governments experience considerable volatility in their financial foundation because of the economy, natural and manmade disasters and the state's propensity to shift revenue away from cities/towns. Setting aside funds for a "rainy day" ensures that critical services can continue in spite of unforeseen circumstances.

The Town has had an informal policy of maintaining a reserve for operating expenditures for the purpose of mitigating the effects of unanticipated occurrences such as an economic downturn, loss of revenues, or natural disaster. Staff recommends that Council direct staff to prepare a formal policy outlining the Town's commitment to maintaining a specific reserve amount and specifying parameters for use of reserve funds.

Respectfully submitted,

Debra Stutsman
Town Administrator

AGENDA ITEM 1(j)

**TOWN OF SAN ANSELMO
STAFF REPORT**

For the Meeting of April 27, 2004

TO: Town Council

FROM: Debra Stutsman, Town Administrator

SUBJECT: Announce Term Expirations:
Boards, Commissions and Committees

RECOMMENDATION

That the impending expiration of terms be announced and publicized, and that applications for appointment be solicited and forwarded to Council.

BACKGROUND

The following terms will expire on the specified dates:

Boards, Commissions & Committees	<u>Members</u>	<u>Expiration date</u>
Library Advisory Board	Therese Stawowy, Ted Freeman, and Sophia Spencer	June, 2004
Marin Commission on Aging	Mary O. Bailor	June, 2004

A status report of current openings is attached.

Respectfully submitted,

Debra Stutsman
Town Administrator

AGENDA ITEM 2

TOWN OF SAN ANSELMO
TOWN COUNCIL STAFF REPORT
April 21, 2004

For the meeting of April 27, 2004

TO: Town Council

FROM: Tom Bell, Planning Director

SUBJECT: Chapter 9 of the Zoning Ordinance (**SIGNS**)

RECOMMENDATION

1. Review and discuss the attached Sign Ordinance draft,
 2. Provide direction to staff as appropriate to proceed to the Planning Commission for formal public hearing consideration and recommendations.
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DISCUSSION

As the Council is aware, recently a local attorney challenged the political sign provisions of the Zoning Ordinance. As a result, it was determined that the “political sign” provisions were in need of revision.

Over the last few months, the Town Attorney and staff have reviewed the sign provisions (Chapter 10-9 of the SAMC) and prepared the attached draft for further consideration and direction. The draft seeks to address the legalities of political signs, as well as clarify other provisions.

The significant recommended modifications include:

1. Provision for both temporary and permanent noncommercial(political) signs upon all properties. The reason for this change is to facilitate legal requirements of free expression upon private property. Permanent noncommercial (political) signs would be ones expressing views not pertaining to specific elections.
2. Increasing the time limits for temporary signs The time limit for the display of temporary signs is recommended to be increased from 60 days to 90 days in order to provide a “reasonable” time period for elections, etc.
3. Noncommercial sign size limitation of 6 square feet, without a limit to the number of signs. The reason for this requirement is to set a reasonable size limitation for these signs. However, because of the issue of free speech, the number of such signs is not proposed to be limited.
4. Elimination of private signs within the public right-of-way. Currently, the sign provisions allow limited placement of real estate signs along sidewalks, etc. within the public right-of-way. If these provisions were to remain, political signs and potentially other signs would need to be allowed to prevent discriminatory practices. As a consequence, staff recommends that no private signage be allowed within public rights-of-way in order to prevent the proliferation of signs and reduce potential public liability.
5. Reinstate temporary sign provisions. Several years ago, significant sections of the temporary sign provisions were inadvertently removed from the code.

This modification would restore provisions for signs advertising such items as fairs, holiday decorations, construction, and other temporary events.

Other recommended changes include clarifications and logical formatting of the various sections.

Tom Bell
Planning Director

AGENDA ITEM 3

TOWN OF SAN ANSELMO STAFF REPORT

April 21, 2004

For the meeting of April 27, 2004

TO: Town Council

FROM: Debra Stutsman, Town Administrator

SUBJECT: 2004-05 Budget Direction

RECOMMENDATION

That Council provide direction to staff regarding actions to be taken to reduce expenditures and/or increase revenue in order to budget for a shortfall of up to \$1 million in the upcoming fiscal year.

BACKGROUND

In order to balance the 2003-04 budget, a number of cost savings measures were employed. Additionally, revenues for the current fiscal year have fallen short of projections by approximately \$200,000. To date, the following actions have been taken to reduce expenditures:

- Five positions frozen for the full year, including the Town Clerk/Human Resources analyst, a Maintenance Worker I in Parks, two police officers and one police dispatcher.
- Expenditures for overtime, training, and supplies severely curtailed.
- Fees increased in the Police and Planning Departments.
- One Police sergeant attending a 6-month training and State pays 80% of salary and expenses.
- Janitorial services at the Isabel Cook Center absorbed by the Parks Department.
- Administrative Services Assistant I position in Public Works/Planning frozen as of March 2004.

- Maintenance Worker I position in Street Crew frozen as of March 2004.
- Town Council monthly stipend of \$99 eliminated.
- Legal expenditures reduced to only those deemed necessary.
- Uncommitted funds of \$80,000 in Contingency frozen.

In addition projections for 2004-05 show revenues falling short of expenditures by \$700,000 to \$1 million. Council appointed a subcommittee of Councilmembers Breen and Thornton to work with the Town Administrator on budget solutions.

DISCUSSION

Prior to this evening's meeting, Council held a workshop with interested community members to present the Town's budget situation and solicit public input on budget solutions. In order to balance the 2004-05 budget, we must further reduce expenditures, increase revenues or plan for a combination of both. The intent of the budget workshop was to solicit community feedback on the various options available to the Council for solving the budget crisis and to assist in the decision-making process.

OPTIONS FOR INCREASING REVENUE:

1. Increase fees and fines:

- Planning fees – Planning fees were increased as of March 15, 2004, but analysis shows that the cost of providing the service is considerably higher than the newly-raised fees. (\$50,000 - \$100,000)
- Business License Administrative fee – Current license fees do not recoup processing costs. A \$15 administrative fee on each license would recoup the cost of processing and issuing licenses. (\$35,000)
- Road Impact Fee – Large trucks do the most damage to roadways. Council could enact a road impact fee on our refuse and recycling service to recoup the cost of road damage from garbage trucks, which travel on every San Anselmo roadway every week. The fee would be passed on to customers and the revenue would be reserved in the Road Maintenance Fund. (\$50,000)
- Parking Meters – Parking meters could be installed in Town parking lots. Meters could be installed in Creek Park, Magnolia and Pine Street lots, or other commercial zone roadways could be included. (\$71,000 - \$185,000 for the parking lots only)

2. Increase the Municipal Services Tax:

The Municipal Services Tax is currently set at a maximum of \$78 per living unit and per 1,500 square feet of structure of nonresidential use, except that the tax derived from a nonresidential structure 75% or more occupied by a single enterprise shall not exceed \$1,000. The tax was enacted in 1983 and since 1987 the maximum rate of \$78 has been levied.

The Municipal Services Tax is considered a general tax, which is any tax imposed for general governmental purposes. A general tax requires a majority vote to pass. The California Constitution Article 13C, Section 2 requires that “the election for a general tax be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body. A general tax must be renewed every four years.

The Town’s regularly scheduled general election for members of the Town Council is in November 2005. If a Municipal Services Tax election were held in November 2004, the increased revenue would not be available until fiscal year 2005-06. If an election were held in November 2005, the increased revenue would not be available until fiscal year 2006-07.

At \$78 per living unit, the Town realizes approximately \$500,000 per year in revenue from the Municipal Services Tax. The following table illustrates the total projected revenue that would be received with an increased tax:

Rate per living unit:	Estimated total revenue:
\$150	\$1,000,000
\$200	\$1,200,000
\$250	\$1,600,000
\$300	\$2,000,000

Should Council choose to pursue increasing the Municipal Services Tax in 2004, a unanimous vote of the Council declaring a fiscal emergency would be necessary. Following that, staff would draft a resolution outlining the parameters of the proposed tax. There is an August deadline for measures to be placed on the November 2004 ballot.

3. Institute a Public Safety Special Tax:

According to the California Constitution, “a special tax is any tax imposed for specific purposes, including a tax imposed for specific purposes which is placed into a general fund. A special tax must be approved by a two-thirds vote.”

Nearly half of the Town’s \$9.6 million budget is spent on Police and Fire Services. A special tax dedicated to Police and Fire could ensure that public safety services

remain at or above the current level. The money collected from such a tax would be restricted for Police and Fire expenditures only.

There are no timing restrictions on elections to approve a special tax. A special tax for public safety could be placed on the November 2004 ballot with a majority vote of the Council. Funds realized from a special tax on the November 2004 ballot would not be realized until fiscal year 2005-06.

Should Council choose to pursue a special tax for public safety in 2004, staff would come back with a resolution proposing the parameters of the proposed tax. There is an August deadline for measures to be placed on the November 2004 ballot.

OPTIONS FOR DECREASING EXPENDITURES:

Considering the cuts that have already been made to the organization through frozen positions, flat line department budgets and the elimination of raises, there is very little left in the way of staffing reductions that can be made without highly visible cuts to services. The following possibilities reduce services significantly:

- Require employee furloughs one day every four weeks (\$130,000)
- Close two parks (\$60,000)
- Close the Library one day per week (\$25,000)
- Eliminate street sweeping (\$35,000)
- Reduce street maintenance work (\$60,000)
- Reduce clerical assistance (\$50,000)
- Eliminate community contributions (\$20,000)

CONCLUSION

Although it is of little consolation, the Town of San Anselmo is not alone in this fiscal crisis. The poor economy, the State's difficult fiscal situation, declining revenue and increasing employee health and pension costs have hit most cities, counties and school districts hard. There are difficult choices to be made in the weeks ahead that will impact the Town in a variety of substantial ways.

Respectfully submitted,

Debra Stutsman
Town Administrator

