

REGULAR MEETING
OF THE
CORTE MADERA TOWN COUNCIL AND SANITARY DISTRICT #2 BOARD

In the Town Hall of the Town of Corte Madera, on January 6, 2009 at 7:30 p.m.

PRESENT: Mayor Dupar
Councilmembers Cock, Condon, Lappert, Ravasio
Town Manager David Bracken
Town Attorney Jeff Walter
Dir. of Administrative Services/Town Treasurer George Warman
Director of Planning/Assistant Town Manager Pendoley

OPEN SESSION

Salute to the Flag

1. OPEN TIME FOR PUBLIC DISCUSSION

No items were brought forth at this time

2. COUNCIL AND TOWN MANAGER REPORTS

The Town Manager provided the following report:

- Director of Emergency Services Bob Fox retired on December 31, 2008. Acting Director of Emergency Services Roger Sprehn has been appointed as his successor;
- The January 20, 2009 Town Council meeting will be dedicated to the first review of the draft General Plan;
- The Flood Control Board's January meeting is cancelled;
- Today's Marin Independent Journal ranked Corte Madera second in the County for street conditions.

Councilmember Condon provided the following report:

- She attended the Chamber of Commerce luncheon. The Chamber's goal this year is to increase membership and awareness of retail businesses and services available in Corte Madera. She will serve on a subcommittee tasked with improving public outreach and increasing the Chamber's identity and presence.

Councilmember Lappert provided the following report:

- He thanked the Twin Cities Police Department for their work and apprehension of the perpetrator of the recent child molestation case.

CONSENT CALENDAR

The Director of Administrative Services provided further detail on Item 3b. He explained that the Town entered into an agreement with the City of Larkspur to pay \$945,000, which is 50% of the land cost for the Police Facility Project, within sixty days following certification of the election. The payment is due by February 28, 2009 but the financing the Town is receiving to cover the payment will not be secured by that date. This action allows the Town to make the payment on time, secure the financing and then reimburse the General Fund.

- 3a. Approved Warrant and Payroll for the Period December 10, 2008, through December 22, 2008, Warrant Check Numbers 121947 through 122033 and Payroll Check Numbers 2703 through 2716, Payroll Direct Deposit Numbers 12855 through 12938, and Payroll Wire Transfer Numbers 824 through 827
- 3b. Adopted Resolution No. 3580 Declaring Intention to Reimburse a Payment to be Made with Respect to the New Police Facility from the Proceeds of Tax Exempt Obligations to be Issued by the Town and Directing Certain Actions
- 3c. Approved Investment Transactions for the Month of November 2008
- 3d. Adopted Resolution No. 3581 Appointing David Bracken, Town Manager as Representative to the Marin Emergency Radio Authority, and Director of Emergency Services Roger Sprehn as the Alternate Member

MOTION: Moved by Lappert, seconded by Condon, and carried unanimously by those present,

To approve consent Calendar Items 3a through 3d.

BUSINESS ITEMS

- 4. Proposed General Plan Maintenance Fee

The Director of Planning presented the staff report, stating that in 2002, the California legislature amended the Government Code to allow municipalities to place a surcharge on various zoning and building permit fees to recover the costs associated with preparation and revision of various plans and policies as mandated by the State. These include General Plan and Zoning Ordinance updates, Housing Elements, community plans and design guidelines.

He explained that long-range planning projects are a significant part of the Town's capital improvement budget with an estimated cost of \$905,000 over the next ten years and that a 35% surcharge on building permits could generate enough revenue to cover that. He stated that if the Council is interested in holding a hearing on the matter, staff can schedule it for February.

Councilmember Cock asked what impact the surcharge would have on homeowners performing remodel projects. Mr. Pendoley explained that their permit fee would also include a surcharge.

Councilmember Cock questioned the percentage of residential versus commercial building permits over the past few years, and Mr. Pendoley said he could obtain this information.

Mayor Dupar said many municipalities have not yet updated their General Plan or Housing Elements and asked what the repercussions are should the Town fail to do so in the future. Mr. Pendoley stated that the Housing Element mandate has the “most teeth” with nine out of eleven of the County’s cities having certified plans. While the General Plan update mandate does not have a clear deadline, the rule of thumb is that the older the plan, the greater the possibility that its relevance can be challenged which could result in problems for the Town.

Councilmember Condon stated that it may be to the Town’s advantage to have a revenue stream dedicated to these projects rather than delving into the general fund, but questioned whether a 35% surcharge was too steep. Mr. Pendoley agreed that the essence of the surcharge is to act as a cushion for the general fund. Councilmember Condon reiterated her support and said that the matter warrants public input from both residents and businesses.

Mayor Dupar said that a large project like that proposed on Koch Road certainly has an impact on the General Plan and Housing Element, but questioned the relevance of a surcharge for residents looking to do a simple remodel. Mr. Pendoley explained that the State recognizes that the Planning Commission is regularly confronted with projects that while comparatively small, require a resolution which includes findings of consistency.

Councilmember Lappert said that this is another example of the State making unfunded legislative maneuvers that force municipalities to recover the money from individuals and expressed concern that this is another revenue stream that the State will later try and capture.

Councilmember Ravasio said this is one of those hidden costs that do not get factored into building costs or the cost of living and he asked how the Town’s building and permit fees compare to others. Mr. Pendoley said he could obtain this information.

Councilmember Cock said the Town needs to move in the opposite direction or at the very least stop adding fees and costs. She said that while it means the money will have to be generated some other way, given the current economy and cost of building, she would like to table to the idea. Mr. Pendoley said Corte Madera’s fees, and those of most towns throughout the county, are some of the lowest in the Bay Area. The fees to build a single family home in Vacaville are well over \$100,000.

Councilmember Ravasio asked and confirmed that those high fees are due to the need for infrastructure and Mr. Pendoley noted that Vacaville is also recovering all planning and

engineering costs that Corte Madera absorbs with the general fund. He explained that continuing to do so is a policy option the Council has but noted that if they approved the surcharge, the impact would be relatively small compared to other municipalities.

Councilmember Lappert voiced full support of cost recovery but disapproves of asking citizens to pay for a scheme that was created by a termed out legislator and does nothing to improve the quality of life. He expressed concern that the Town could conceivably charge a homeowner \$25,000 for findings on a \$100,000 project. Mr. Pendoley clarified that the surcharge would apply only to the building permit fee.

Councilmember Condon referred to the staff report which indicates that other towns have already instituted a permit fee surcharge and cited previous circumstances where the Town was responsible for significant legal fees resulting from the failure to have a proper Housing Element. She would prefer to see those funds used to preserve the Town's infrastructure, suggested that perhaps 35% is excessive, and suggested consideration of a sliding scale fee base.

Councilmember Lappert suggested using the surcharge funds to allow the Town Attorney to fight the State's mandates.

The Mayor opened the public comment period.

George Topor reviewed the proposed revenues, said that the current planning fees do not currently cover 100% of the cost, and suggested reviewing the current cost recovery status of the Planning Department. Mr. Warman noted that with the exception of sewer fees, building fees for low-income housing projects are typically waived and result in unrecovered costs to the general fund.

The Mayor closed the public comment period.

Mayor Dupar expressed doubt that the surcharge would result in 100% cost recovery and said he is appalled that the State requires so much paperwork that comes with such a high cost and essentially robs citizens of funds that could be better spent elsewhere.

Councilmember Lappert reiterated his desire for more detailed information. Councilmember Cock said that she would like to table the matter. Councilmember Ravasio said that he would like more information and Councilmember Condon agreed, adding her desire for public input on the matter.

5. Approval of Amendments to Adopted Town Budget FY2008-2009 Including Expenditure Reductions, Off Setting Adjustments and Revenue Reductions

The Director of Administrative Services presented the staff report. He explained that financial consultants have advised that the adopted Town Budget for FY 2008-2009 be reduced before

attempting to obtain the \$945,000 loan required for the Police Facility Project. Mr. Warman stated that department managers were asked to identify funds set aside for unexpected contingencies as well as projects that could be deferred or adjusted in order to free up funds. This, combined with a slight reduction in estimated sales tax and transient tax revenue, has identified a potential net reduction of \$3 million. He noted adopting the revised budget will allow the Town to obtain the necessary financing but will eliminate any overall budget savings that is typically realized at the end of the fiscal year.

Councilmember Lappert asked where the Town stands with regards to reimbursements, especially those for fire containment. The Director of Emergency Services explained that some of the funds have been received and he is expecting reimbursement for the rest shortly. Mr. Warman noted that he has made adjustments to the budget's federal funds.

Councilmember Lappert asked if every penny counts in this situation and offered to forgo his \$3,600 annual salary if this was the case.

Councilmember Cock referenced page 5 of the staff report which indicates that the San Clemente Sidewalk project is cancelled and has received a letter of complaint regarding its condition. Mr. Warman explained that the project was supposed to be funded by the property owners.

The Town Manager said the main obstructions in this area are the driveway approaches; the Town has replaced some of them already. The CHP repaired the area in front of their offices and Marin Honda was supposed to do the same but that project has fallen through. He explained that the Town submitted letters to residents along this stretch of San Clemente asking them to do the same but cannot mandate that they do so.

Mr. Warman clarified that the intent was for the Town to collect funds from those residents and then put the project out to bid. Mr. Bracken further clarified that it was a combination of that and commercial owners doing the improvements on their own.

Councilmember Ravasio questioned impacts that the State's current budget position is expected to have on the Town's budget. Mr. Warman explained that the only foreseeable impact of proposed and vetoed State budget compromise would have resulted from the elimination of the triple flip. He said that he believes it would have created an unidentified decrease in the Town's reimbursement of monies that the State assumes via the Educational Revenue Augmentation Fund.

Mr. Warman noted that the Governor has been adamantly against Proposition 1A which allows the State to borrow money from local governments. He added that all special bond and grant funds have been frozen which amount to several billion dollars.

Mayor Dupar asked if the revised budget would have to be maintained after obtaining the financing. Mr. Warman explained that next year brings a new budget which already includes

\$150,000 in debt service for this loan and reviews with department managers have identified areas where continued reduction may be possible.

Councilmember Cock questioned if the Chamber of Commerce's budget has been reduced proportional to the reduction in transient occupancy tax dollars. Mr. Warman explained that the revenues and expenses for the Chamber of Commerce are an exact match for one another but agreed that both should be adjusted to indicate the revised amount.

The Mayor opened the public comment period.

Harry Schriebman asked for more information on the Golden Hind at Ebbtide pump station project that will be deferred. The Town Manager said that the project called for two gate structures to be built behind the curb. He explained that the Town received bids which were in excess of twice the anticipated cost and the project is postponed regardless of any budget cuts.

Mr. Schriebman asked if the \$70,000 budgeted for the project will still be available and Mr. Bracken confirmed, explaining that it comes entirely from restricted Measure C funds.

Mr. Warman explained that it is typical for the Town to build up a large reserve balance and then spend it on storm drainage projects all in one year. He asked and confirmed that the Golden Hind at Ebbtide project include pump stations. Mr. Bracken clarified that the \$70,000 budgeted is for the gate structures but that at some point in time, up to seven pump stations will be installed as recommended by AM West. He explained that the project calls for an initial pump station to be constructed using additional Measure C funds.

Mr. Schriebman asked how the remainder of the \$600,000 of Measure C funds will be spent and Mr. Warman reviewed the approved flood control projects. The Town Manager added that a good portion of those costs are deferred and explained that since the fiscal year ends in the middle of the construction season, the deferment represented in the budget demonstrates a project's completion and final payment rather than deferment of construction. Mr. Warman noted this can work conversely as well, showing a budget savings at the beginning of a fiscal year because a project was completed and paid for at the end of the previous fiscal year.

Mr. Schriebman asked if some of those funds are deposited to show a greater balance when obtaining financing. Mr. Warman explained that due to the receipt and payable dates of certain tax revenues, there is typically a larger balance shown that the Town has available to spend.

The Mayor closed the public comment period.

Councilmember Lappert complimented the department managers on their work in reducing the budget.

Councilmember Cock asked if any infrastructure projects will be deferred as a result of adopting the amended budget. Mr. Warman stated that staff has indicated on the Madera Gardens main sewer replacement will be deliberately deferred. He reminded the Council that borrowing \$6 to \$7 million of general fund monies to complete the Paradise Drive project has driven the sewer fund balance down and that deferring the Madera Gardens project will return that account to its ideal \$1 million balance by December 2009. He explained that the \$1 million balance acts as a cushion should the State decide to take all property tax revenues from the Sanitary District.

Councilmember Lappert asked and confirmed that the revised budget has no effect on the Police JPA.

MOTION: Moved by Lappert, seconded by Condon, and carried unanimously by those present,

To Approve Amendments to the Adopted Town Budget FY2008-2009 Including Expenditure Reductions, Off Setting Adjustments and Revenue Reductions.

6. Approve Minutes of December 16, 2008

Mayor Dupar requested the following amendment to the Minutes:

- Page 3, line 13, as follows: "...Project is proceeding smoothly ~~with the exception of an extension for Ross Valley to vacate their building.~~"

MOTION: Moved by Cock, seconded by Lappert, and carried unanimously by those present,

To approve the minutes of December 16, 2008, as amended.

ADJOURNMENT

The meeting was adjourned at 8:39 p.m. to the next regularly scheduled meeting on January 20, 2009.