

DRAFT Fairfax Town Council Minutes
Adjourned Meeting
Fairfax Women's Club
Wednesday, November 17, 2010

The regular meeting was preceded by a special meeting closed session regarding: Conference with Legal Counsel pursuant to Government Code Section 54956.9(a), Pending Litigation, Marin Superior Court No. CV 086177, Town of Fairfax v. John and Marlia Berg; Anticipated litigation, one potential case; and initiation of litigation, one potential case.

Call to Order/Roll Call:

COUNCILMEMBERS PRESENT:

Larry Bragman
Pam Hartwell-Herrero
John Reed
Lew Tremaine
David Weinssoff

STAFF MEMBERS PRESENT:

Michael Rock, Town Manager
Jim Moore, Planning Director
Jim Karpiak, Town Attorney
Kathy Wilkie, Public Works Director
Laurie Ireland-Ashley, Finance Director
Roger Meagor, Ross Valley Fire Chief
Mark Lockaby, Building Official
Linda Neal, Senior Planner
Barbara Petty, Town Treasurer
Judy Anderson, Town Clerk

Mayor Tremaine called the meeting to order at 7:40 pm.

Approval of Agenda and Affidavit of Posting

M/S, Weinssoff/Bragman, Motion to approve the agenda and the affidavit of posting.

AYES: All

Announcement of Closed Session Action

Mayor Tremaine announced that the Council had conferred with legal counsel on the matters listed and that no action had been taken.

Open Time for Public Expression

No speakers came forward.

Second Reading and Adoption of Ordinance No. 758 extending Interim Ordinance No. 753, an Interim Ordinance of the Town Council of the Town of Fairfax prohibiting the establishment of new medical marijuana dispensaries in any zoning district within the Town - Planning

Vice Mayor Bragman recused himself because of his pro bono work with Marin Alliance for Medical Marijuana.

Planning Director Moore presented the staff report.

Councilmember Hartwell-Herrero asked for a review of the timeline created by the ordinance.

Planning Director Moore explained that the ordinance would go into effect December 17th for six months until June 17th.

Mayor Tremaine opened and closed the public hearing when no speakers came forward.

M/S, Weinsoff/Reed, Motion to waive further reading and to read the title only of Ordinance No. 753, an Interim Ordinance of the Town Council of the Town of Fairfax prohibiting the establishment of new medical marijuana dispensaries in any zoning district within the Town.

AYES: Hartwell-Herrero, Reed, Tremaine, Weinsoff
NOES: None
RECUSED: Bragman

M/S, Weinsoff/Reed, Motion to adopt Ordinance No. 753, an Interim Ordinance of the Town council of the Town of Fairfax prohibiting the establishment of new medical marijuana dispensaries in any zoning district within the Town.

AYES: Hartwell-Herrero, Reed, Tremaine, Weinsoff
NOES: None
RECUSED: Bragman

Town of Fairfax – Past and Present Financial History – Finance

Finance Director Ireland-Ashley presented an overview of the financial history of Fairfax for the last six years.

Update on the State Budget impacts on Fairfax – Finance

Finance Director Ireland-Ashley described the impacts of the State Budget challenges on Fairfax including the State's plan to delay the distribution of gas tax revenues until April or May of 2011; the end, on June 30, 2011, of the temporary 1% sales tax increase adopted in 2009; the elimination of Prop 42 funds for 2010-11; the State's overall deficit of \$25.4 billion for 2011-2012 making further take-aways likely; and the passage of Proposition 26 that changed the classification of certain local fees to be considered as taxes which would require a 2/3 vote to increase. She noted that the State's budget problems were predicted to continue for the next few years and were probably worse than projected.

Town Budget Expenditures – Sources and Uses – Finance

Finance Director Ireland-Ashley reviewed the Town's growth in salaries and benefits from July 2003 to June 2010 to illustrate that the escalating costs exceeded the funds available to a larger degree every year. She described the effect of the economic recession and the outlook for a slow recovery; the ever increasing retirement and health care costs; the lack of reserves for capital maintenance, equipment and fleet replacement, emergencies and for the General Fund; and the expected reductions in revenue.

Councilmember Hartwell-Herrero asked about the projected 2% decrease in property taxes.

Finance Director Ireland-Ashley stated that it was a reflection of the properties re-assessed at lower values.

Proposed 20-Year CIP and Infrastructure Improvement Plan – Public Works

Public Works Director Wilkie presented the staff report and reviewed the Plan. She stated that the amounts listed for bridge work just included the Town grant match amount, not the total cost of projects; that the replacement cost was approximately 1.5 million per bridge and about \$500,000 for design; and that all the bridges needed to be included in the CalTrans inspection program to qualify for future funding. She further stated that the figures given were just for maintenance of the buildings; that many retaining walls were needed around town and some existing ones needed repair; that the ones already identified were listed; that the street/road assessment was not yet completed; that the pavement maintenance and repair needs were much greater than the funding available; and that the spreadsheet didn't account for inflation or increased costs.

There was a discussion of Measure K funding and how it would be in place for another 15 years so that another bond wasn't possible; a discussion about bridges in Town and whether or not they met CalTRANS standards; and that the expected life of a road was twenty years with proper maintenance but in Fairfax, with the water and topography, it was less than twenty years.

Proposed Reorganization of Town Staffing – Best Use of Funds – Town Manager

Town Manager Rock presented the staff report. He noted that 80% of the budget was spent on labor costs with 20% spent on everything else; that the only way to balance the budget with reduced revenues was to look at staffing; that with 28 employees Fairfax had the lowest ratio of staff to population served in Marin; and he reviewed the current Town staffing. For the short term he recommended not hiring a Public Works Director to replace retiring Director Wilkie and in the long term to provide more support staff and fewer department heads.

Councilmember Weinsoff stated that the Council needed to have budget discussions a number of times in the next few months; that a Town Manager and a Planning Director had two different skill sets; that now that the Town was close to having a General Plan, a professional planning person was needed to implement the General Plan; that Town Managers had increased responsibilities over recent time; asked how the Council could pare down staff and still function; suggested that the Council had to focus more on raising more revenue than on reducing services and staff; and quoted Dick Spotswood's sentiments from a recent newspaper column that Marin had fallen in love with the services but not with how to pay for those services.

Mayor Tremaine stated that the long-term plan represented addition by subtraction; that the former Council had erred in a fundamental direction that went to emphasizing the management side; that it was not sustainable; that past action needed to be corrected; that the Council needed to be more aggressive about realignments or changes to save money; that they couldn't wait for new sources of revenue to materialize; that the Town had debt in road work and debt in the pension and health benefits; that they needed to have a serious conversation with the employees; that it was logical to head to a joint Planning Director and Town Manager; that they couldn't wait for a reorganization to happen through attrition; and that they needed to be more aggressive about solutions.

Councilmember Reed stated that he had a number of concerns; that he was trying to get money from the County for the East-West Bicycle Corridor; that the County had expressed concern about the Town's ability to bring projects to conclusion without a full time Public Works Director; that the Town had done many projects with Measure K funds, money that was almost gone although the bond would be around for another 20 years; that a decision had been made to offer

higher salaries to get better people and it worked but was not sustainable; that there were ways to have Fairfax maximize the strengths of the community; that they should welcome innovative businesses to Town; that reorganizing the structure of town staffing should be considered; that there was no silver bullet, but that a combination of a number of things were needed.

Vice Mayor Bragman stated that there weren't going to be any sacred cows moving forward; described a trial he had completed in Sacramento with a public employee where estimates were given that it would be 2014 before the economy would improve; that reorganization was needed; that they needed to talk to all of the labor groups about decreasing benefits; that in a shrinking economy we all needed to share the sacrifice that was going to be necessary; that he wasn't sure the Town could retain a robust management that could continue to provide the services to the Town; that it was going to take greater participation of the Council with staff; that everyone was going to have to be more disciplined going forward; and asked if the redefined functions would do what they needed to do to protect Fairfax.

Mayor Tremaine stated that the good thing about the organizational charts and the numbers was that it gave the Council the ability to look at other scenarios; that the question was how quickly did they need to act and what was the right way to act; and that it would be gut-wrenching to the Council but that action might need to be taken.

Councilmember Weinsoff stated that police consolidation should be on the table for consideration; that the shared services committee should at least have a conversation about police consolidation; that a study should be done; that 37% of the budget was for police; and that the community should vote on the issue after all the facts were gathered.

Vice Mayor Bragman stated that it had already been decided by the voters with the passage of Measures "F" and "I;" that the citizens had shown that they wanted to keep their police department; that some kind of internal consolidation needed to happen; and that the Twin Cities Police Department, a consolidated department, cost more per capita than the Fairfax department.

Mayor Tremaine opened the discussion to the public.

Susan Brandborg, Dominga Avenue, stated that \$131,000 was given as the savings possible with the first scenario and noted that the Berg case was still on the agenda and costing more than those projected savings; cautioned the Council to look very carefully at combining positions with the Town Manager; stated that Planning Director and Town Manager required two different areas of expertise; that \$114,000 savings wasn't enough to make it worth it; that a long-term financial plan was needed; and that reducing the pension costs would take the cooperation of the employees.

Vice Mayor Bragman stated that long-term economic projections were very difficult; that anything beyond the coming year would be based on speculation; that the public sector was definitely not out of the recession; that we were looking at some pretty tough times coming; that costly decisions had been made; and that the Council needed to stay close to the bargaining units as partners going forward.

Councilmember Hartwell-Herrero asked when the PERS changes would happen.

Town Manager Rock stated that the Town had to have new agreements with the labor groups by July 1, 2011; that cutting services to save money hadn't been discussed; and that all the assumptions were based on maintaining the current level of services.

Town Budget Revenues – Sources and Uses

Finance Director Ireland-Ashley presented an overview of the Town revenues.

New Revenue Ideas – Local Sales Tax for specific use, parking fees, bond (Measure K) – Town Manager

Town Manager Rock presented the staff report and stated that there had to be a discussion of new revenue sources in conjunction with other measures. He described the possibility of the levy of a local sales tax, with a possible half-cent tax able to generate approximately \$200,000 per year; and charging for parking downtown to generate from \$100,000 to \$200,000 per year.

Councilmember Weinsoff suggested that the staff work on expanding the list of possible revenue enhancements.

Councilmember Hartwell-Herrero asked about the contracts negotiated with the County for services provided.

Town Manager Rock described the negotiations for animal control services that resulted in a reduced contribution from the Marin cities for Marin Humane Society costs.

Fire Chief Meagor described the contract with the County for fire protection services provided by Ross Valley Fire outside town limits including Oak Manor, producing revenue of \$124,000 for the current year.

Town Manager Rock described the high cost of the Marin Emergency Radio Authority (MERA) at about \$100,000/year for Fairfax; stated that MERA had some serious issues to figure out; that the County was planning a new public safety building that would be the location for all the MERA equipment; that there was discussion of possibly taxing all County residents for the new MERA construction costs; and that the MERA system was getting old and would have to be replaced eventually.

Councilmember Weinsoff asked staff to provide a list of all contracts with the Town to the Council.

Overall Financial Policies – Finance

Proposed Reserve Policy – Restricted and Unrestricted Policies – Finance

Finance Director Ireland-Ashley presented the staff reports. She explained that the purpose of establishing a comprehensive set of financial policies for the Town was to provide a guideline for financial decisions.

The General Fund Reserve policy was explained and discussed. The Dry Period TRAN loan to provide cash between property tax payments was described. Director Ireland-Ashley provided recommendations for the various reserves: General Fund Reserve; Emergency Reserve; Capital Improvement and Maintenance Reserve; Equipment Replacement Reserve; and OPED (Other Post Retirement Benefits) Reserve.

Cal PERS and Health Care challenges – Finance

Finance Director Ireland-Ashley presented a chart illustrating the dramatic increases in pension costs for the Town and described the anticipated increase in health care costs.

Town Manager Rock noted that there were fewer people paying in to the system and more people were retiring out of the system and that Government was reducing its numbers and laying off lots of people.

Discussion of a proposed policy to Adopt a Two-Year Budget - Finance

Finance Director Ireland-Ashley presented the staff report.

Mayor Tremaine thanked Director Ireland-Ashley for her presentation.

M/S, Weinsoff/Hartwell-Herrero, Motion to adjourn to November 30th.

AYES: All

The meeting was adjourned at 10:20 p.m.

Respectfully submitted,

Judy Anderson, Town Clerk

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