

TOWN OF SAN ANSELMO

Minutes of the Financial Planning Workshop of March 29, 1994

1. Call to order and welcome.

Present: Mayor Chignell, Council Members Breen, Kroot, Yarish, Zaharoff

Absent: None

2. Review of the financial needs of the Town for delivery of services and capital reconstruction responsibilities.

Interim Town Administrator Pollard said that the Town has managed recent tight economic times of shrinking revenues by putting off big projects. The few capital reconstruction projects that have been undertaken were financed through carryover funds, a source that has gotten smaller each year. In addition, costs have continued to rise, making the budget situation even more difficult.

Public Works Director Bush outlined the Town's capital needs, separated into three areas: 1) Building and Grounds - Included here are the Library, Corporation Yard, Robson, Memorial Park, Lansdale Park and Sorich Park, work totaling \$600,000. 2) Drains - The Town has a complex system of storm drains, some of which are on private property and under houses. Approximately 12,000 feet of pipe needs to be replaced, at a cost of about \$1,750,000. Another \$2 - \$4 million is needed to take care of the rest of the drainage defects. These projects are prioritized by safety concerns. 3) Pavement - The Town has 35 miles of roads, most of which are nearing a critical time for maintenance work. This would cost about \$400,000/year for fifteen years, to catch up on maintenance and get into a regular maintenance routine.

Interim Town Administrator Pollard recommended the Town not continue to make do. The carryover funds are not stable, and deferring maintenance leads to more costly repairs down the road. No one is going to bail us out; both the state and the county are more likely to take funds away. The Town's options are limited. It can sit still until all fails. It can cut services and reduce personnel. Or, it can change course to one of financial planning. Tonight we are going to explore possibilities in this area.

3. Presentations

a) *Financing mechanisms available to create a revenue source for capital reconstruction and/or services.* Bruce Kerns, Stone & Youngberg, financial advisors, outlined the options available to the Town: General Obligation Bonds, Mello-Roos District, Parcel Tax, Benefit Assessment District, Fire Suppression District, Landscaping and Lighting District, Infrastructure Financing District, and a Special Assessment District. Mr. Kerns outlined the advantages and limitations of each of the options, and said that one or more together may be best for a particular town.

Ed Schilling, Stone & Youngberg, outlined what combinations of the above options might work for focusing on specific areas of need in the town.

Steve Melikian, Nossaman, Guthner, Knox & Elliott, bond counsel, said that all of the available options have lead times, with the General Obligation Bonds having the shortest lead time.

b) *Public opinion information gathering and the decision making process regarding whether to pursue a financing mechanism, and if so, the purpose, type, and scope.* Brian Godbe, Godbe Communications, said that his firm helps a town figure out what the voters can support ahead of time. They use a random sample of voter, and conduct interviews on the phone. They are up front with the survey respondents so they know it is their own town in question. The survey can find out what is affordable and what voters think is important. This way you save the cost of a failed election. The survey takes 4 to 6 weeks to complete. He would do 400 interviews for this population size.

c) *Reflections on the experiences of another city in pursuing financing mechanisms to generate revenue for road repairs, park improvements, and other purposes.* Richard Hill, Assistant City Manager, City of Novato, said that Novato had two measures on the ballot in 1989, one for streets and one for parks, and they both passed. He said that citizen support and their public opinion survey were key components. Educating the public had a significant effect as well. Hill advised bringing in technical experts early to keep costs down and develop a good strategy. Other advice he offered was to keep a campaign simple, leave room in project planning for additions, choose projects that will decrease maintenance, and spread projects over town.

4. Questions and discussion.

John Stover, Stock Broker, Edward Jones & Company, San Anselmo, said his company is a large player in municipal underwriting and would be interested in participating. He said it may be in the Town's interest to have a negotiated sale rather than competitive bids.

Cynthia Barrows, 265 Crescent Road, asked what the referendum possibilities would be. All special assessments have public hearing requirements, and if sufficient number protest the effort would stop. The requirements are so large that it's unlikely you'd reach it.

Merle Sheldon, Town Treasurer, said that up until three years ago, the Town had a big carryover. He said the Town could use interest on the carryover money to avoid big debt.

Bill Franchini, 2 Agatha Court, asked how much the survey will cost. The estimate is \$8,000 to \$10,000 to survey 400 people.

6. Concluding summary and next step.

Zaharoff said that she feels they would be remiss in doing anything without first having a survey done. Interim Town Administrator Pollard said there are funds in the budget for such a survey.

It was the consensus of council that the first step in this effort is to have a survey done. It was agreed that Yarish and Kroot would meet with staff to go over the details of the survey, before bringing it to the full council.

M/s, Yarish/Kroot, to direct staff to enter into a contract for a survey to analyze the issues discussed at this meeting. Ayes by call of roll: Breen, Kroot, Yarish, Zaharoff, Chignell. Noes: none.

6) Adjourn.

The meeting was adjourned at 9:15 p.m.

Debbie Stutsman