

TOWN OF SAN ANSELMO

Minutes of the Special Town Council Meeting, June 9, 1994
"Who Spends My Property Tax Money"

1. Welcome by Mayor Paul Chignell. Mayor Chignell welcomed participants and residents to the special town meeting. He especially thanked Planning Commissioner Jo Julin for being the catalyst for this meeting, and for preparing all the maps displayed in the lobby.

Mayor Chignell announced that a decision was reached by the Council during closed session regarding filling the position of Town Administrator. Beth Pollard was named as the Town Administrator.

2. Overview. Town Administrator Pollard gave an overview of the purpose of the meeting. There are a number of different local agencies who receive money from property tax revenue. Tonight residents will get a broad picture of local governmental financial needs in our community from representatives of the various agencies.

3. Explanation of "ERAF" shift of property taxes by the State of California from cities, counties, special districts to schools - Gene Turtle, Retired Deputy Superintendent of Schools, Marin County Office of Education.

Mr. Turtle gave a brief history of education funding in California. In the '70's there was a per student revenue limit. At that time, 70% of education revenue came from property taxes and 30% from the state. When Proposition 13 passed, funding was cut drastically from property tax revenues. Then came Proposition 88, which shifted school funding from a local focus to a state focus, and created a student revenue limit. The Education Relief Augmentation Fund (ERAF) was created when it was apparent that post Prop 13 property tax moneys would not be picking up as expected. This can be compared to a shoebox effect, where the state is responsible to fill up each school's shoebox. As local property tax revenues increase, the state doesn't have to give as much money. They are just responsible to "fill up the shoebox." Proposition 98 was passed when it was apparent that schools were in trouble with the shoebox concept, and required that the state continue to fill up the shoeboxes, even when the state was in a deficit budget situation.

4. Financial needs, issues and future projections for local agencies providing services to San Anselmo residents.

Town Administrator Pollard said the Town has a budget of \$5.5 million, with 33% coming from property taxes. The State shift of moneys has impacted San Anselmo in that \$450,000 has been permanently lost, and \$100,000 in different types of revenues lost. The latter loss was generated by changes in revenues the Town received from the state from various fees and taxes. It is anticipated that the State will not reduce revenue more this year from local government. There are increased demands on the Town Council and staff and the decaying infrastructure cannot be ignored any longer. San Anselmo's streets and storm drain problems need to be addressed. In the past the Town has tried to come up with money for some projects from the general fund, using the difference between revenue and expenditures for a given year. The Town currently has projected \$10 million needed to address infrastructure problems, \$5 million for storm drains, \$4 million for streets, and \$1 for miscellaneous projects.

b. County of Marin (including Marin County Transit District and Marin County Open Space District) - Harold C. Brown, Jr., Supervisor, District 2.

Supervisor Brown said the County has a \$183 million proposed budget for next year. They are facing a \$5 million realignment of funds by the state. Local government should not be affected by state changes in fund realignment. The County currently receives 12% of property taxes. They have had to cut many services, such as maintaining the median strips along Sir Francis Drake Blvd. The County is in a difficult situation fiscally; however it is fiscally sound, as evidenced by its recent high bond rating. He is willing to work with the Town on any problems encountered.

c. Marin Municipal Water District - Ron Theisen, Assistant Manager of Engineering

Mr. Theisen said that the water district has the power to impose a property tax, but has chosen not to do it. Their recently passed (1992) bond issue gives the district the ability to move forward. They are planning ahead and building up funds, so that a one or two year drought won't cause trouble. MMWD cooperates with cities and towns on projects to leverage money and ensure that recently repaved streets won't be dug up. They are working to keep Water District lands open to the public, while not inflicting undue hardship on Town's parking and traffic situations. When asked why our bills are higher than our nearby neighbors, Theisen replied that MMWD is a mature district and has much higher replacement costs, as well as having difficult terrain, requiring pumps. Theisen said that they are doing a fire flow study to look at critical fire areas in the area and the water systems available to serve them.

d. Marin Community College District - James Middleton, President.

The MCCD is in the same revenue situation as the other school districts. Tuition covers a very small percentage of their operating costs. 85% of their money comes from property taxes. They will have a shortfall next year. He said that the school faculty voluntarily gave back to the District a 1% raise to be put in a scholarship fund. They are facing some difficult decisions regarding cutting programs and staff. They may have to shift away from community education to courses that pay their own way. Putting a parcel tax measure on the ballot is a possibility, but would be a challenge. All tuition fees are set by the state, the college district has no control over them. When asked why only approximately 200 students receive an A.A. degree with close to 8,000 students, Middleton replied that 1200 students complete 60 units per year, but many go on to a four year college without actually requesting or fulfilling all the requirements.

e. Tamalpais Union High School District - Ron Kuntz, Assistant Superintendent, Administrative Services.

The District serves southern Marin, West Marin, and upper and lower Ross Valley and has 2800 students. They have a parcel tax in effect that will expire in 1997. In the next five years the District is facing a number of infrastructure improvements. All three schools in the District are over 30 years old. In addition there are a number of seismic concerns that need to be addressed. They are anticipating slow, but steady, population growth in the future. They anticipate keeping all three schools open. A bond issue for infrastructure improvements may be forthcoming. (They are doing a study on the condition of their facilities.)

f. Ross Valley Sanitary District - Ned Ongaro, District Manager.

The District is termed an enterprise district, meaning they can charge for their service. On the property tax bill each parcel is charged \$139. They also receive money from property sales and resale, which gives the district a 5-7% cost increase. The state has not been after their funds as yet, but after November they very well might go after enterprise districts. The District has 180 miles of sewer lines, and do not have the luxury of waiting to fix broken pipes. Their repairs must be done immediately. The average replacement cost for one mile of pipe is \$1 million.

g. Ross Valley Paramedic Authority - Ron Zeise, Executive Officer.

The Paramedic Authority was formed under a Joint Powers Authority, and includes eight different areas: Fairfax, Sleepy Hollow, Kentfield, Ross, Larkspur, Corte Madera, San Anselmo, and some unincorporated County areas. They also cover the MMWD watershed area. The sole source of funding is from a voter approved special tax that comes up for renewal every four years. There are no new taxes anticipated; property owner's are currently charged \$25 per parcel, and the tax was approved for up to \$30 per parcel. There are no plans to raise the per parcel charge next year, but the tax is up on June 30, 1995, and the measure will be on the ballot this November for \$30 per parcel

again. The transport vehicle needs to be replaced, but there is money in reserve for that. Paramedics go on about 863 advanced life support calls a year. They do not charge a fee for service because the voters were promised that that would be the case. It is possible, however, that frequent users of the system for non-life threatening problems could be billed and insurance companies charged.

h. Ross Valley Fire Service - Linda Christman, Executive Officer.

The Fire Service has 27 paid firefighters, with 8 on duty at any given time. Paid staffing is augmented by a dedicated volunteer staff. At a recent fire, 14 firefighters were available. They receive about 1800 calls per year, 50% of which are for fires, 50% for medical aid calls. RVFD anticipates a 5% operating increase next year, and they need to buy a new fire truck at a cost of \$225,000. It is not currently planned to close any of the stations. When asked how medical aid calls are paid for, Ms. Christman said people aren't charged for the service, but she will investigate this. She mentioned that the first level of medical emergency service has been combined with the fire service. This way costs are lower by not duplicating functions.

I. Other.

Mayor Chignell read a letter from Frank Elliott of the Ross Valley School District. It said that at the May 19th meeting of the School Board a bond election was discussed, to finance sorely needed infrastructure work. However, the school district appreciates the Town's support of last year's school parcel tax, and will now support the Town's needs.

6. Where do we go from here?

It was the consensus of council that the Town must confront the need to repair the decaying infrastructure. The next step will be a discussion of the results of the public opinion poll on Thursday, June 23, at 7:30, in the Council Chambers.

7. Thank You and Adjournment.

After thanking participants and residents, Mayor Chignell adjourned the meeting at 9:45 p.m.

Debbie Stutsman