

**TOWN OF SAN ANSELMO
1995-1996 BUDGET HEARINGS
AUGUST 24, 1995**

7 p.m. Mayor Yarish called the meeting to order.

Overview of the Budget Process:

Town Administrator Pollard said tonight is the first of three Town Budget Hearings and will include a general budget overview, discussion on Revenues, Legal Services, Police Services, Safety Fund, Non-Departmental funds, Solid Waste and recycling Advisory Committee, Recreation and the Isabel Cook Complex. There will also be hearings Monday, August 28, at 7:30 p.m. and Tuesday, August 29, at 7:00 p.m.

Pollard said this is an opportunity for questions, comments, and communications with the public regarding the budget. After the three hearings staff will come back to Council with a revised document based on comments from the hearings. If all goes well, it could be approved on September 12, 1995.

General Budget Review:

Town Administrator Pollard said that the departments had been authorized to create a "stretch the line" budget with up to a 2% increase. However, a state budget change took \$148,000 away from our \$6 million budget, a significant loss. There is action at the state level to see if this move can be modified or rescinded. However, our budget has been prepared assuming the loss of this revenue. This budget now represents a 1% increase in revenue. She recommends that departments accomplishments and goals, as well as boards, commissions, and committees accomplishments and goals, should be organized into an overall Town work plan.

Measure G funding was the Town's most significant accomplishment for 1994-95. Other accomplishments include acquisition of 25 acres of open space, a new garbage agreement, adoption of the Downtown Revitalization Plan, Library renovation, approval of the Housing Element, and work at Sorich Ranch Park.

Revenues

Pollard said the primary revenue of the town is property tax, projected to increase by 4.75% next year. Unsecured and unitary property tax is projected to remain the same. The property tax increase for properties that were not resold or improved during the year is less than the usual 2% increase (1.19%) because growth in cost of living statewide didn't increase the full 2%. The supplemental tax roll is tied to resale and construction activity, the latter of which was higher than usual last year. The pension tax is levied at 5.9 cents per \$100 of assessed valuation and will result in about \$535,000 in 1995-96.

Sales taxes are another source of revenue. Last year we expected at 2-3% increase in sales tax, but mid-year we lost a large sales tax generator which resulted in a loss of about \$29,000 last year. Still, a healthy increase in business activity is expected throughout the Town. At present, we are estimating a 3.5 - 5% increase, but the amount in the budget is set at the same figure as last year, pending an auditor's review.

Franchises are also a source of Town incomes, including San Anselmo Refuse and Recycling, Viacom, P.G.&E. and others. The garbage company franchise revenues are up considerably, due to a better billing system and debris box franchise fee.

Other revenues include the following. Business license revenue is projected at a 3% increase. Construction permits are up and high activity is expected for 95-96 as well. Parking revenue may go up. Sleepy Hollow Fire pays a share of labor costs to the Ross Valley Fire Service.

Breen asked about the changes to the actual budget. Pollard said just the Pension Tax Funds and the Homeowner's exemption were the only changes.

Chignell asked how the percentages for PG&E franchise fees are set. Pollard said they have remained the same for years. Chignell asked staff to explore raising these fees. He asked to be advised of changes in the carryover figures as they occur.

Breen asked Police Chief Del Santo about the increase in parking revenues expected. Del Santo said they have a new company handling the tickets which will save money for the Department. Breen would like to know the percentage of a parking ticket that actually goes to the Town.

Paul Giampaoli, Chamber of Commerce, said his copy of the budget appear incomplete. Complete copies were furnished to him and others.

Legal Services

Hodgens asked staff to provide information on Worker's Compensation and liability.

Police Services

Police Chief Del Santo explained the Community Services Division he has proposed.

Hodgens asked about the negotiations regarding the San Anselmo Police Officer's Association and asked about disability status on the force.

Breen asked if he could have a salary range for the police positions in question.

Chignell asked if we still have seized asset fund. Pollard said the balance is \$2,250. The force is at full staffing at present except for disabilities.

Kroot asked about the policy for new cars. Del Santo said one year they replace one, and then the next year they replace two.

Kroot asked about grant funds for a radar monitor. Del Santo said he is trying to get money for this; Officer Nelson is making an application.

Breen asked if the motorcycle that was in an accident will be replaced. Del Santo said the CHP has found the Town to be clear of fault on the accident. They would like to go ahead and purchase a motorcycle, replacing the money with insurance funds from the other driver. Pollard said we need to explore how much we will receive from the insurance.

Paul Giampaoli, Chamber of Commerce, asked about the Outside Services cost increases. Del Santo said this is due to the Major Crimes Task Force monies and new booking fees.

Safety Fund

Town Administrator Pollard said the 1995-96 Safety Fund is essentially the same as last year, except for plans for enhancements in the Police Dispatch area. They are getting design advice and will come up with a proposed plan for any changes. The proposed budget figure is \$12,500. Captain Richard Schmidt is handling the Safety Committee.

Breen said the improvements to the dispatch area seem more like a capital expense for structural changes. Pollard said it could be either one and the Council has the discretion to move Safety Fund money to the Capital Fund.

Non-Departmental Services

Town Administrator Pollard said the largest items in this budget are the Marin Humane Society for \$69,000, \$4,000 for open space, and proposals for citizens in need. This year the Chamber of Commerce has requested the Town contribute \$5,000 toward Downtown Holiday Lighting. Unless the Council wants to fund this request, it is proposed at \$0 as Council has the authority to decide the issue.

Chignell asked about the Marin Abused Women's Services money. Did they not request any this year? Pollard said she didn't receive a request.

Chignell asked about the Teen Center. Pollard said no request came through from them.

Breen asked about the \$69,000 to the Humane Society. Pollard said alternatives are being studied county-wide to see if the service can be arranged for cheaper. A request for proposal was put out from the Marin Managers for a study.

Yarish asked about the Ad Hoc Art Committee status. Recreation Director Schweiger said the Ad Hoc Art Committee has been meeting and the information will be ready in September. Yarish would like funds kept in contingency to fund the Festival of Student Art.

Hodgens said that even if the Art Commission begins in the fall, they won't have time to get the festival running this year. We should be making plans for getting the Festival of Student Art started.

Hodgens also asked about the Open Space Projects Reserve Fund. Pollard said this fund is kept in reserve each year. There will be close to \$12,000 after this budget year. Hodgens said someone should look into how to use this money. Pollard will get in touch with Open Space to discuss this fund.

Hodgens also asked about Solid Waste and Recycling Advisory Committee. They get \$300 a quarter, primarily for a hot-line. She'd like to know how fundraising activities coordinate with what the Town allocates to the committees, boards, and commissions.

Paul Giampaoli, Chamber of Commerce, said they are requesting this money because the Chamber has lost a large chunk of funding this year. They are planning a lot of holiday activities this season to pack the downtown with shoppers. It is to the Town's advantage to increase sales as the Town gets a percentage of sales taxes. They need this \$5,000 to make the project work.

Town Administrator Pollard said that the Town receives one cent of each 7.5% of sales tax.

Cynn Barrows, Ross Valley Ecumenical Housing Authority, said they have increased their residency this year. They provide housing for twelve very low income citizens.

Kate Bristol, Marin Housing Authority, said their program (Rebate for Marin Renters) provides rent rebates to low income residents.

Helen Hansel, Rape Crisis, thanked the Council for including their money in the budget.

Chignell asked Paul Giampaoli for details on where this money for the lighting would go.

Dan Goltz, Chamber of Commerce, said it cost \$7,500 to have the lights last season. A member donated about \$2,500, so actual costs were \$10,000. People expect this service, but it won't happen this year without more funds.

Breen said if the holiday lights go untended it will cost a lot to bring them back. The whole idea of downtown revitalization is encompassed in these holiday lights. There are a lot of children in town and this encourages families to come.

Joan Crook, Chamber of Commerce, said these holiday activities give San Anselmo a lot of publicity and will draw people into town.

Hodgens asked if businesses would be open at night. She would like feedback on this. Giampaoli said they will encourage it. He will give the Council an agenda of their holiday plans as well as backup on the costs of putting up the lights.

Hodgens asked if the Chamber submitted any documentation with its request. Giampaoli will respond to that. They got 60% of the merchants to stay open on Stroll evenings.

Solid Waste and Recycling Advisory Committee (SWARAC)

Town Administrator Pollard said that SWARAC has a line item in the budget.

Stephanie Roth, SWARAC, said their accomplishments are outlined in their newsletter. They continue with their composting workshops, and if they get an award they will start a model composting area. They will be continuing with education in the schools.

Breen asked about potting soil giveaways from recycled plant materials. Roth said their compost program is just getting started but SWARAC may be getting into that.

Recreation

Town Administrator Pollard said she has worked with Recreation Department Director Ginny Schweiger to develop changes to the Recreation budget and process. Previously this was a transfer account, with the amount of transfer based on the incremental increase in costs and the anticipated gap between program revenue and overall costs. There has been a shortfall in most of the last six years, causing the Recreation Fund to go into a deficit position. Pollard proposes to base the General Fund support of the Recreation Department on a quantifiable and reliable figure.

Recreation Director Schweiger said this debt has accumulated over the last few years when revenues were overestimated and expenses underestimated.

Pollard said she proposes stopping this as a transfer account and simply budget the money. This will satisfy the concerns of the auditors.

Hodgens asked if this debt could be wiped out. Pollard said you could budget to offset or expend it out of the General Fund balance.

Pollard said the year-by-year approach was recommended by the auditors as it keeps us looking at it.

Yarish asked about the converse situation, if the revenue exceeded the expenses. Pollard said the account would then carry a positive balance.

Pollard said she will modify the spread sheets to better display these numbers.

Hodgens said the cost of the Recreation Director should be delineated as a direct cost.

Chignell asked if there are alternatives to this new, radical approach.

Pollard said it could be done in one fell swoop taking it out of the General Fund.

Chignell asked how low the general fund balance got this year. Pollard said the lowest was \$900,000. Policy is \$500,000. Chignell said it might be better to do it all at once, but that would affect the carryover figure.

Recreation Director Schweiger suggested taking the deficit out over a two year period to minimize its effect.

Yarish asked how we can prevent this from happening again. Pollard said she will address this shortly.

Hodgens said it is better to clean up the deficit to make the accounting clearer. This is a policy decision to allocate \$67,000 to Recreation.

Breen said that a policy statement should be that the Town supports this program like any other Town department. It seems prudent to clean this up now if we can do it financially.

Chignell said he would like to talk more about how we will keep this from happening again, and how it came to be.

Pollard will provide information on the deficit and make changes to the budget pages.

Pollard said the Recreation Services Fund will contain two departments, one for labor costs and services/supplies for the department in general. The other department (484) would be the program budget, including the preschool, daycare and recreation programs. The revenue from recreation fees would cover the costs.

Breen asked why Robson is not considered one of the programs. Schweiger said she has very little control over the program. Pollard said she put it there because Robson has no revenues so it skews the balance.

Pollard said that the expectation is that if expenses increase, revenues should increase accordingly. This is an attempt to quantify and project as best we can.

Schweiger said their direct program costs are always covered by registration fees.

Hodgens suggested that staff look at how many new classes are offered to limit the unknowns, or have some kind of contingency plan in case enrollments don't come through.

Recreation Assistant Director Dorey said the budget did not take into account the new programs.

Hodgens said she would like the revenue from new programs charted because it is counted as expected revenue. She would like an expected revenue and expense sheet on the new programs for the fall from the Recreation Director.

Pollard said she projects a \$6,900 deficit this year, the difference between expenses and revenues. She proposes \$10,000 extra be budgeted to Recreation to try to operate without a deficit.

Pollard said Recreation's accomplishments are many. Their new brochure is upgraded, they're pursuing grants, and are developing new accounting procedures.

Chignell asked about the status of baseball. Schweiger said nothing is ongoing on that. He would like it brought into Recreation, along with the snack shack perhaps.

Breen asked how you deal with grants that are received after the budget process; will the budget be continuously monitored?

Pollard said Kate Hacker couldn't be here tonight to discuss Robson Stop-by, but can come Monday evening.

M/s, Chignell/Hodgens, to continue the hearing on the Isabel Cook Community Center to Monday, August 28, at 7:30.