



TOWN OF TIBURON

1505 Tiburon Boulevard
Tiburon, CA 94920

MEMORANDUM

Date: April 4, 2016
To: Mayor and Town Council
From: Diane Crane Iacopi, Town Clerk
Subject: Summary of April 1, 2016 Council-Staff Retreat

On April 1, 2016, the Town Council held a special meeting at Servino's Restaurant for the purpose of its annual retreat with Town staff.

At 8:30 a.m., Mayor Tollini called the meeting to order. All Councilmembers were present: Doyle, Fredericks, O'Donnell, Vice Mayor Fraser, and Mayor Tollini. Staff members present were Town Manager Chanis, Director of Community Development Anderson, Director of Public Works/Town Engineer Barnes, Director of Administrative Services Bigall, Police Chief Cronin, Planning Manager Watrous, Management Analyst Creekmore, and Town Clerk Crane Iacopi. One member of the public (Deirdre McCrohan, The Ark Newspaper) attended, and was joined later by several proponents of the Hawthorne Terrace undergrounding effort.

After asking for oral communications (there were none), Mayor Tollini and Town Manager Chanis reviewed the agenda. Town Manager Chanis noted there were no formal action items on the retreat agenda; rather, there were projects and discussion items on which the Council could provide direction to staff and indicate its consensus, or not, of moving forward with particular items.

The Town Manager also briefly reviewed the list of prior year (2015) special projects and activities, noting which ones had been completed and those that are still in process, and a few that had not yet commenced (but are on the project list for today's meeting). He highlighted the completion of the Town's website and acknowledged Management Analyst Creekmore for her efforts in bringing this project to fruition.

This was followed by a power point presentation by Director of Administrative Services Bigall on the Town's General Fund (GF) reserves. Bigall said having strong GF reserves is a cornerstone of the Town's financial flexibility, providing it with options to respond to unexpected issues, offset unfunded liabilities, and pay for capital equipment and capital improvements without incurring interest expense related to debt financing. She said the 15 funds that comprise the GF and its reserves are broken down into three categories – Designated Reserves (which she said are policy driven), Discretionary Reserves (for capital projects), and the unallocated GF balance (which this year is \$2 million).

Bigall said staff met with the Council Budget Committee in March to discuss the Town's GF reserve balances and possible transfer of unallocated reserves. Also discussed was the possible investment of the GASB 68 OPEB reserve into a third-party trust (PARS), and to remit the PERS Reserve to CalPERS to pay down a portion of the Town's \$4.7 million unfunded liability. She said investing OPEB funds with a third party trust would allow the Town to have the funds professionally managed to achieve a higher rate of return which will help lower the Town's future liability. And paying down the Town's CalPERS unfunded liability will save the Town interest expense of 7.5% on the funds prepaid. Bigall said this recommendation will be brought to the entire Council for action.

Bigall said the Budget Committee would also recommend the transfer of \$2.75 million from the GF unallocated reserve -- \$750,000 to Facilities Repair, \$1.25 M to Drainage and \$750,000 to Parks and the Old Rail Trail to replenish these accounts that had been drawn down over the past year.

Bigall then discussed the remaining unallocated reserves of \$2 M which, when allocated to projects or policies under consideration today and during the upcoming budget cycle, would still allow the Town to meet its standard and policy of 25% of operating budget "rainy day" fund.

However, Bigall noted there was "lots of competition" for projects [in this \$2M fund]. This led to a question from Councilmember Fredericks as to how cost overruns on capital projects were funded. Town Manager Chanis said this fund was one way to fund them. Fredericks asked if this was a good practice. Chanis said that for an agency this size, it may be an appropriate use of the funds, if Council agrees. Vice Mayor Fraser disagreed with this approach; he said it was not good practice to rely on a back-up fund; that our goal should always be to focus on fine-tuning the budget and not have a "slush fund".

Director Barnes agreed that there is a need for more pre-design engineering on projects and appropriate contingencies. But he said that one never knows the cost of a project until it goes out to bid. (The Town Manager added, or until a Notice of Completion is signed.) That being said, Barnes said the upfront design tends to mitigate this problem.

Town Manager Chanis opened a discussion about project priority-setting and what it might look like if the Council decided to adopt this approach and integrate it into the budget process. He reviewed a criteria guide for capital improvement projects utilized by the County of Marin, which showed how projects were ranked, starting with the most important legal criterion ("Removes and Reduces Threats to Health & Safety") to lesser weighted criteria, such as aesthetic benefits to users. He noted he had also provided the Council with a white paper on this topic.

Council indicated its interest in pursuing a priority-setting process for its obvious benefits as a tool for budgeting, as well as to make the process more open and accountable. The suggestion to form a Council subcommittee for capital improvement projects was received favorably and will be brought back for formal adoption.

The Town Manager led the discussion of projects he said were generated by Council or public input. He introduced a new template sheet with information about each project that also contained estimated project costs, source of funds, net impact on operating budget, and the like. He said staff was open to suggestions on ways to improve the template.

Chanis said Council was also free to ask questions or provide feedback on projects not highlighted for today's discussion.

Councilmember O'Donnell raised the topic of Electric Vehicle (EV) charging stations. He said the market has changed a lot since the last discussion; that more and more people own electric vehicles, and he raised the question of whether government should be subsidizing car owners (rather than incentivizing them as was envisioned in the past).

Councilmember Fredericks said there is a bill before the State Legislature that would limit local government's ability to provide design review and decision over placement of these stations by private entities. It was agreed that there will be more discussion of this topic in future.

The list of projects discussed, a brief summary and direction given, is below:

1. Town Council Chambers A/V Upgrade – consensus to pursue; better microphone system and large screen or screens, visible around the room. Also, there was a strong desire to support the DRB through better A/V infrastructure to project 3-D and design elements during public presentations.
2. Kayak Put In – carried forward from 2015; location still needs to be determined, but a new idea arose to possibly locate it in a “safe harbor” area in vicinity of Angel Island dock; consensus for subcommittee (Doyle and O'Donnell) to continue gathering information about viability and public/private partnership since Town does not own ferry docks.
3. McKegey Green – preliminary rough estimates received from consultant need to be further refined; initial reporting shows renovation of a 150,000 square foot section plus potable water irrigation hook-up will cost \$1.1 million; turf of same size will cost \$2.9 million; Council expressed caution about artificial turf being not being well received in community; also wanted to see smaller (existing field) size estimates. Councilmember O'Donnell commented that some golf courses use special grasses that are salt tolerant that may allow continued use of reclaimed water. Discussion continued to a future Council meeting.
4. Trestle Berm Trail – project proposed by Tiburon Peninsula Foundation (Jim Wood) has been reviewed by POST with recommendation to send to Council for consideration – will be on April 20, 2016 regular meeting agenda.
5. Open Space Management Program – discussion by Vice Mayor Fraser and others of public interest in eradicating invasive species esp. in Middle Ridge area that are threatening endangered plants; discussion of possibly using annual budget allocation and Measure A funds for 1 year to concentrate on this effort in difficult to reach areas; talk with fire district about suspending usual work near homes in favor of this short-term concerted effort.
6. Sidewalk Construction 1 (Mar West to Lyford) – proposed by Mayor and supported by Council to provide safe passage (not having to cross the street) for children walking to

Reed School from the east side of Tiburon Boulevard; cost estimated at \$730,000. Fredericks said she liked the design aesthetic of a proposed wooden bridge over the existing drainage ditch.

7. Sidewalk Construction 2 (Gilmartin to San Rafael) – brought forward by Mayor and at the behest of Gilmartin residents who want to cross Tiburon Boulevard but who do not want to walk (on existing shoulder) back to the light at San Rafael Avenue; Town Engineer noted that a sidewalk would displace resident parking on that section of Tiburon Boulevard; this was not received favorably unless there were alternatives; suggestion tabled for now.
8. Hawthorne Undergrounding District / General Benefit – Director Barnes reported on “very preliminary” cost estimates of \$1,140,000. He said the proponents have \$150,000 on deposit with the Town to start design work. Fredericks said that litigation costs should be factored in, as well. Town Manager reported on current case law which says that the “general benefit” portion of the work cannot be assessed to the property owners within district and noted that Town policy seems to say otherwise. Councilmembers Fredericks and O’Donnell said they did not object to Town paying general benefit; O’Donnell said that removal of 4-5 poles on Old Rail Trail would be a general benefit.
9. Rules 20A/B Undergrounding (Lyford to Ned’s Way) – Director Barnes reported that PG&E has placed the Town in the queue and will allow use of Rule 20B funds, as well, creating an opportunity to do the work for less; argument against was that these funds may be needed to put toward general benefit in Hawthorne District. Direction to staff is to proceed by asking PG&E if they can wait a while longer to start engineering study while fate of Hawthorne District is determined.

At this juncture, one of the Hawthorne proponents asked the Council to stay tuned for updates on district within the next six weeks. The proponent, Jack Ryan, expressed optimism and said that the legal challenges dealt with by the Town in the past had been mostly removed due to recent court rulings and updates to procedures; said there was plenty of support in neighborhood to move forward with project.

10. Granicus Agenda/Meeting Management – consensus to pursue, along with community outreach on whether the Town should live-stream or videotape its meetings.
11. Social Media Presence – Mayor has received feedback from merchants who would like a community calendar and perhaps a Town presence on Next Door. While the latter was not endorsed, the staff recommendation to create a Social Media use policy (based on “best practices” and existing policies) was given the green light.
12. Relinquishment Tiburon Boulevard – previous Council support not as strong after hearing community arguments against assuming new and ongoing costs; however, arguments in favor of control of boulevard still resonate with some and deserve possible further study; the direction was to get better numbers on what it would cost to maintain the boulevard, and to identify these costs using a town consultant versus a Caltrans study.

13. Resident parking pass program – Vice Mayor Fraser raised issue and although funding sources were not identified, said it would help to encourage residents to dine and shop downtown. He also noted there is a parking shortage in the Boardwalk lot and said that employees were being asked to park elsewhere. The consensus was for a subcommittee (to be appointed at a future meeting) to study solutions; possibly through another public/private partnership.
14. Parking facility acquisition – Consensus to revive discussion with Argo/AC Ventures on possibility of leasing lot adjacent to Town Hall; Director Anderson also noted that the Library expansion project needs to meet its parking mandates and this would be the location to do it.
15. Refinancing Existing Assessment Districts (5) – consensus to pursue refi that would benefit homeowners and still cover administrative costs of Town.

A question arose as to whether the Town could float its own bond for general benefit assessment in districts. While doubtful, staff said it would get an answer from counsel.

Councilmember Doyle thanked staff (Pat Barnes and DPW) for its timely completion of Blackie’s Picnic Meadow. He noted that while there was no formal “grand opening,” the area is being used now by groups for picnics on weekends.

The meeting adjourned at 12:20 p.m.

ERIN TOLLINI, MAYOR

ATTEST:

DIANE CRANE IACOPI, TOWN CLERK