CITY OF MILL VALLEY CITY COUNCIL

MINUTES

COUNCIL CHAMBERS, CITY HALL 26 CORTE MADERA AVENUE, MILL VALLEY June 18, 2012 7:30 p.m.

Mayor Garry Lion--Present
Vice Mayor Andrew Berman--Present
Councilmember Shawn Marshall--Present
Councilmember Stephanie Moulton-Peters--Present
Councilmember Kenneth R. Wachtel--Present

City Staff Present: City Manager McCann; City Attorney Stepanicich; Finance and Human Resources Director Erickson; Planning and Building Director Moore; Public Works Director Barnes; Police Chief Bernal; City Librarian Brenner; Interim Parks and Recreation Director Kesler; Lieutenant Dunkel; Battalion Chief Walsh; Operations Superintendent Misuraca; and City Clerk/Administrative Analyst Rogers.

CALL TO ORDER

Mayor Lion called the Regular Session to order at 7:32 p.m.

PUBLIC OPEN TIME

Meredith Grey discussed pedestrian and bicycle safety with regards to broken sidewalks and poorly maintained roadways. She cautioned that there was a risk of tripping on Mill Valley sidewalks. She stated that the crosswalk near Whole Foods on Miller Avenue often times had a crossing guard and she appreciated that. She indicted her concern that cars often sped on Camino Alto and Miller Avenue and requested that the speed limits and roadway laws be enforced.

Dr. Lynn Noonan, 326 Sycamore Avenue, raised claims that the Mill Valley Police Department was responsible for wrongdoings towards children. She read a portion of a letter (date unknown) from Mr. Gary Giacomini.

APPROVAL OF THE AGENDA ORDER

It was **MOVED** by **Councilmember Wachtel** and **SECONDED** by **Councilmember Marshall** to approve the Council meeting agenda. The Motion was carried unanimously by a 5-0 vote.

ACTION OUT OF CLOSED SESSION

Mayor Lion reported that there was no reportable action taken during the Closed Session meeting.

COUNCIL AND STAFF ANNOUNCEMENTS

None.

PRESENTATIONS

1. Recognition and thanks to the organizers of the Memorial Day Parade and Kiddo! Carnival.

Item No. 1 Supporting Documents

Mayor Lion thanked the Memorial Day Parade organizers and volunteers for putting together such fun and well attended events.

2. Presentation of a Proclamation congratulating the Tamalpais High School Boys Varsity Baseball Team on their successful 2012 season.

Item No. 2 Supporting Documents

Mayor Lion presented the Proclamation to the team. He congratulated them on their success and wished them luck on future endeavors.

City Clerk/Administrative Analyst Rogers read into the record an eComment received from Samantha Wachtel congratulating the team on its successful season.

3. <u>Introduction of Kathryn "Kat" Reisinger, the City's new Aquatics and Fitness Recreation Supervisor.</u>

Item No. 3 Supporting Documents

City Manager McCann introduced Aquatics and Fitness Recreation Supervisor Reisinger.

Interim Recreation Director Kesler introduced Aquatics and Fitness Recreation Supervisor Reisinger, noting she was a Marin native who graduated from UC Berkley.

CONSENT CALENDAR

It was MOVED by Councilmember Moulton-Peters and SECONDED by Vice Mayor Berman to approve Item Nos. 4 through 7 on the Consent Calendar. The Motion was carried unanimously by a 5-0 vote, with Councilmember Marshall abstaining from Item No. 5.

4. Warrants--\$ 1,270,879.83.

Recommended Action: Approve paying expenses authorized by the adopted City Budget.

Item No. 4 Supporting Documents

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5. Consideration of the Minutes of the May 30, 2012 Special Joint City Council and Planning Commission Meeting and the June 4, 2012 Regular City Council Meeting. **Recommended Action:** Approve the May 30, 2012 Special Joint City Council and Planning Commission Meeting and the June 4, 2012 Regular City Council meeting minutes.

Item No. 5 Supporting Documents

6. Consideration of a Resolution accepting a \$4,450 Donation from the Mill Valley Library Foundation.

Recommended Action: Adopt Resolution No. ____. *Item No. 6 Supporting Documents*

7. Consideration of a revised Resolution denying an appeal by the Mill Valley Streamkeepers of the Planning Commission's approval of a Categorical Exemption, Design Review and Tentative Parcel Map for a proposed three unit detached single-family condominium development located at 30 Laurelwood. Continued from the June 4, 2012 Regular City Council Meeting.

Recommended Action: Adopt Resolution No. ____. *Item No. 7 Supporting Documents*

Mayor Lion thanked the Mill Valley Library Foundation for its generous donation.

NEW BUSINESS

8. Presentation by Bartel Associates of their independent CalPERS Actuarial review of the City's pension obligations and discussion of current pension practices.
 Recommended Action: Receive presentation, discuss, provide direction, and consider adoption of draft Resolution.
 Item No. 8 Supporting Documents

City Manager McCann introduced the item and explained the purpose of the report. He introduced John Bartel, Bartel Associates, LLC, who would be presenting the report.

In response to Vice Mayor Berman, City Manager McCann stated that there are two primary parts to public employee benefits; Public Employees' Retirement System (PERS), which is the pension portion, and Other Post Employment Benefits (OPEB). He stated that staff members who retire from the City after serving 15 years or more with the City receive medical benefits after retirement. He indicated that certain positions, such as Department Heads become eligible for retirement benefits after working for the City for 7 ½ years. He discussed the City's accounting, costs and payment process for these obligations.

Vice Mayor Berman thanked the City Manager for helping the City take a leadership role in the County with regards to the pension obligation issues.

Councilmember Moulton-Peters stated that she concurred with Vice Mayor Berman.

John Bartel, Bartel Associates, presented the report. He stated that for clients that participate in a CalPERS risk pool, such as Mill Valley, his company recommends paying off the side fund which the City had already done. He also recommended establishing a second pension tier, which the City had also already created. He stated that his third recommendation would be to set up an internal service fund with additional money. He discussed current City contribution rates and stated that compared to other agencies around the state; Mill Valley's contribution was low. He indicated that contribution rates may reduce in the next seven to nine years.

Mr. Bartel presented a PowerPoint slideshow which had been included in the Council agenda packet. He stated the City had been prefunding the CalPERS funds. He discussed the two year investment return hit that CalPERS took during the last few years. He discussed smooth market rate of returns and stated that there was a two year lag in valuations that determine contribution rates. He stated that second tier savings takes a longer time to be realized. Mr. Bartel outlined the differences between tier one and tier two employees and contribution rates associated with the fact that the City had a majority of tier one employees. He noted that the City has favorable rates compared to most agencies because of past practices and funding decisions.

In response to **Councilmember Marshall**, **Mr. Bartel** stated that other cities could have more than one or two tiers. **Councilmember Marshall** proposed possibly implementing additional tiers. **Mr. Bartel** discussed the structure of the State government and the State's proposed pension reform. He recommended the City waiting to make a firm decision on pension reform until the State concludes its action on pension matters.

Mr. Bartel discussed the assumptions he was using to help project the City's finances and investment returns. He discussed CalPERS actions that have the potential to affect the City's contribution rates and explained the factors associated with choosing an appropriate projected rate of return.

Mr. Bartel stated that CalPERS may soon be required to break-out each City's ownership portion of the risk pools and unfunded liability. He stated that information would be available in fall 2012.

Councilmember Marshall thanked Mr. Bartel for his report. She asked whether Mr. Bartel had any advice for the City regarding the topics suggested by the Marin County Council of Mayors and Councilmembers (MCCMC) subcommittee. Mr. Bartel again noted that the City has done a very good job in managing its pension benefits and has implemented the key recommended tools or practices to responsibly manage this benefit and contain costs.

City Manager McCann discussed best pension practices outlined in the draft resolution. He stated that MCCMC and the League of California Cities help Mill Valley staff monitor key issues surrounding the pension issues being discussed by the legislature.

Vice Mayor Berman stated the draft resolution was put together by the MCCMC subcommittee to be used as a guide that could be tailored to each City's specific needs. He stated that the resolution helps to unite the 12 Marin County jurisdictions on pension reform.

Councilmember Marshall stated she wanted clarification on Item Nos. 3a, 6a, and 9b in the draft resolution.

Councilmember Wachtel concurred and stated he wanted further information on Item No. 3a.

Mr. Bartel stated that he felt that Item No. 3a meant that the total pension cost plus the contribution rate, is shared by the employer and the employee. He suggested re-wording section 3a to infer that the contribution rate is the sum of two parts; the normal cost and the payment on the unfunded liability.

Vice Mayor Berman stated that Item 3a was not in the MCCMC committee's draft resolution. He suggested implementing a subcommittee of Mill Valley Councilmembers to study the Mill Valley-specific pension issues.

City Manager McCann thanked Mr. Bartel for his report and stated that the City take pause in its discussions until more work had been done on the issue, perhaps with a subcommittee's help.

Mayor Lion opened the public comment.

Richard Tait, 6 Marsh Drive, commented that the staff report mentioned OPEB. He stated the report should have included a statement on OPEB liabilities. He stated that the MCCMC report had been used as a guide, but that he believes the City of Mill Valley can draft a stronger, more concise resolution. He stated he did not wish for the City to wait to act until Sacramento made a decision on pension reform.

George Gordon questioned calculations in the staff report. He asked the Council to outline what benefits City employees were currently receiving. He questioned whether or not the Council had considered paying into Social Security instead of CalPERS. He stated that it was unlikely to see a 7½ percent return on investment, as reported by **Mr. Bartel.**

In response to Vice Mayor Berman, Mr. Bartel discussed buying out of CalPERS. He stated that the cost to do that was prohibitively expensive.

Mayor Lion closed the public comment.

Councilmember Marshall indicated that she wished to see a subcommittee created to better identify best practices and recommended steps specific to Mill Valley regarding pension issues as well as OPEB obligations. She stated that she still wished to see more information on Items 3a, 6a and 9b and see a more specific resolution drafted.

Councilmember Wachtel thanked Mr. Bartel for his well presented, easy to understand report. He asked Mr. Bartel if he could suggest anything else the City may do to further themselves on pension reform issues. He nominated Councilmember Moulton-Peters and Vice Mayor Berman for the subcommittee.

Councilmember Moulton-Peters thanked Mr. Bartel and stated she concurred with Councilmember Wachtel. She stated she wished to underscore her efforts and intent to continue to collaborate with staff.

Vice Mayor Berman stated he concurred with Council and stated that the information presented was a good start. He requested that this item's video recorded portion of the meeting be made available on the City's website in an easy format for the public to search. He stated this is a long-term issue and noted that he was willing to serve on the subcommittee that would continue studying pension matters in depth. He stated that he felt that OPEB needs to be a part of the equation.

Mayor Lion stated he also concurred with the rest of the Council's comments. He thanked Mr. Bartel for his excellent report and stated he felt Councilmember Moulton-Peters and Vice Mayor Berman should serve on the subcommittee. He requested that the subcommittee's research be expanded to include OPEB. He stated the Council would defer adoption of a resolution until the subcommittee could conduct its study.

The **Council** took a 5 minute recess and reconvened at 8:47 p.m. with all Councilmembers present.

9. Conduct Public Hearing to consider proposed sanitary sewer charge rates, to tabulate written protests from customers and to introduce new sewer service charges.
 Recommended Action: Tabulate written protests and introduce first reading of Ordinance No.

Item No. 9 Supporting Documents - Part 1
Item No. 9 Supporting Documents - Part 2
Item No. 9 Supporting Documents - Part 3

City Manager McCann introduced the item.

City Manager McCann asked City Attorney Stepanicich to assist the Council on Proposition 218 regulations if needed. He thanked Public Works Director Barnes, Director of Finance and Human Resources Erickson, Mr. Farnkopf, Mayor Lion, City Attorney Stepanicich and colleagues, the Chamber of Commerce, members of the public, and the entire Council for their help on this inclusive and constructive project.

Public Works Director Barnes presented the staff report.

City Attorney Stepanicich stated that the public hearing should be opened, and then the protests should be tallied and reported. He discussed the different actions the Council could take on the matter.

In response to Mayor Lion, Public Works Director Barnes stated that the rates for the upcoming roll would be based on one past billing cycle. She stated that the zeros seen on the rolls, Attachment No. 6 of the staff report, were vacant, unimproved lots.

In response to **Mayor Lion**, **Public Works Director Barnes** stated that the City would be billing \$93,000 less than the revenue requirement for the upcoming year. She stated that estimates were based on cost of service analysis and water district data from 2010-11. She noted that the billing was lower than anticipated.

John Farnkopf, Consultant stated that the City's water use was up this year. He explained the estimations used for tabulating the rates.

In response to **Mayor Lion**, **Mr. Farnkopf** stated debt service had not been "netted out" of the estimates in the staff report.

In response to **Mayor Lion, City Attorney Stepanicich** stated that the rates being placed on the Marin County tax rolls for collection purposes would need to have a resolution adopted by the Council annually. He stated that the hearing would be brief and would not require Proposition 218 protest proceedings.

In response to **Councilmember Wachtel, City Manager McCann** stated that annually the Council will look at projected revenue against our expected expenditures and recommend a rate within the allowed rate structure. The Council will then set it on the property tax roll.

Mayor Lion opened the public hearing.

Sigrid Boehm, 24 Brooke Circle, stated she opposed the rate schedule. She questioned what the final rates would be. She stated in past years she had been charged \$600 a year. She discussed her water bill and water usage. She questioned why the multi-family rates were higher than single-family rates. She stated that she wished to formally protest the proposed sewer rate charge.

Public Works Director Barnes responded to the questions brought up by Ms. Boehm and discussed laterals.

City Clerk/Administrative Analyst Rogers read into the record an eComment from John Overton indicating his desire to have the sewer rates remain the same.

Mayor Lion closed the public hearing.

City Clerk/Administrative Analyst Rogers reported that the City had received ten official protests.

City Attorney Stepanicich confirmed that there was not a majority protest present.

It was **MOVED** by **Councilmember Marshall** and **SECONDED** by **Councilmember Moulton-Peters** to confirm that the City had not received a majority protest of the affected parcels of the proposed sanitary sewer rate charges and confirmed the written report. The Motion was carried unanimously by a 5-0 vote.

It was **MOVED** by **Councilmember Wachtel** and **SECONDED** by **Vice Mayor Berman** to introduce on first reading, Ordinance No. 1254, amending Title 17, Chapter 17.04 of the Mill Valley Municipal Code regarding sewer service charges and to bring back the item for second reading and adoption at the next regular City Council meeting. The Motion was carried unanimously by a 5-0 vote.

Councilmember Marshall reminded the public and staff to look at the next phase of this issue and begin studying the sewer lateral issue.

10. Presentation of the Proposed Operating Budget for Fiscal Years 2012 - 2014 and the five year Capital Improvement Program.
 Recommended Action: Receive presentation, discuss and provide direction.

Item No. 10 Supporting Documents

City Manager McCann introduced the item and requested direction on Capital Improvement Programs (CIPs) tonight so that at the June 26, 2012, Special meeting, the Council could discuss the rest of the budget and hopefully think it fit for adoption.

In response to Vice Mayor Berman, City Manager McCann stated that some of the CIP items have been delayed to future years, but are still on the City's radar and will be acted upon eventually.

In response to Councilmember Wachtel, City Manager McCann stated that the reserves had seen a decrease in funds. Director of Finance and Human Resources Erickson stated that the contingency reserves had traditionally fluctuated over time. He stated the funds are always at 25%, unless otherwise directed by Council.

In response to Vice Mayor Berman, Public Works Director Barnes discussed the discrepancies between fiscal years in regards to the Municipal Services Tax and stated that the fund amounts reflect some unspent money, and that the \$900,000 reserve is more traditionally what the tax revenues actually amount to. Director of Finance and Human Resources Erickson stated that the Municipal Services Tax funds engineering and administrative costs associated with CIPs in addition to street repair and vegetation management projects.

In response to Councilmember Wachtel, Director of Finance and Human Resources Erickson stated that a CIP Reserve of approximately \$200,000 is proposed.

In response to Councilmember Marshall, City Manager McCann discussed Fire Department access road improvements that were budgeted in the upcoming FY.

In response to Councilmember Marshall, City Manager McCann indicated that the City has completed a camera scan of a portion of the City's sewage collection system (excluding private laterals) and that Public Works staff will be bringing a sewer lateral inspection and replacement ordinance forward for Council consideration in the next few months.

Mayor Lion questioned why the City should budget for increased security measures in the Police Department lobby. He questioned when the Council would review the Stetson report on flood control.

Chief Bernal discussed the proposed security improvements at the Police Station. He stated that more security was needed in the event that unruly people come to the building, or when there are no police officers onsite.

Mayor Lion opened the public hearing.

Wendy Crowe discussed Boyle Park fundraising efforts and the need for new tennis courts. She requested that this issue be dealt with promptly. In response to Vice Mayor Berman, Ms. Crowe stated that the upper two courts could be resurfaced for \$50,000. She stated the community was frustrated by the current lack of improvements to the courts.

In response to Ms. Crowe, City Manger McCann indicted that donations for the tennis courts were given to help with the costs for renovation not design or administrative costs.

Eric Crowe stated that a lot of the planning and engineering for the upgrades to the courts had already been done on a pro-bono basis by members of the community. He stated that the community had provided contributions to fix the courts and indicated that the community would not want their contributions used on a Master Plan for Boyle Park.

City Manager McCann stated that the input from the Parks and Recreation Commission, the public, and from those who had contributed to the tennis court upgrades on the renovation plans is critical. He discussed the need to work together to formulate an action plan and to strengthen the partnership between the City and the Community.

Councilmember Wachtel stated that with limited resources, the City should spend the money on fixing the problem, not on a Boyle Park Master Plan.

Mayor Lion stated that he had heard from the Parks and Recreation Commission that repairing the courts would cost upwards of \$650,000 dollars. Ms. Crowe stated that she had never seen the cost estimated to be that high.

City Manager McCann stated that it would be important to look at the CIP listing that allocates specific projects and funds. He stated that the City should analyze the work that had already been completed and see if that meshes into what the City feels is best for the park.

Councilmember Marshall stated that even though she appreciates master plans for parks, she stated that they are often times expensive and she suggested that master plan funding be substantially reduced allowing the majority of the identified funding be allocated to design and construction.

The **Council** indicated that the tennis court and fund allocation descriptions should be reconfigured for the tennis court issue at Boyle Park for the June 26, 2012 Council meeting.

Ken Brooks, 15 Bernard, questioned whether the Downtown bathroom item was on the CIP list for next year and whether or not the bathroom issue needed a feasibility study. He indicated that a feasibility study might be rather expensive and not necessary. He stated that he felt that the best Downtown bathroom location might be in the portion of the City's building that the Chamber of Commerce currently occupies.

Mayor Lion stated that the feasibility study would help identify the reasonable options, the best location, and a range of reasonable costs for the restroom project.

Mayor Lion closed the public hearing.

In response to **Vice Mayor Berman, City Manager McCann** stated that there would be a Golf Course Clubhouse renovation plan prepared during FY 2013-14.

Vice Mayor Berman stated he was fine with the proposed CIP budget (as amended), but indicated that this discussion was an important civic responsibility, and that he wanted to make sure Council had carefully considered the budget.

Councilmember Wachtel stated that he felt that implementing repairs and renovations to the Community Center was crucial to keep the facility attractive as a rental revenue and to insure that it continues to serve the Community well.

In response to **Mayor Lion**, **City Manager McCann** stated that traffic signal coordination for East Blithedale Ave. was funded in a prior years CIP and remains a funded project. He noted that the timing for initiating this project needed to be reviewed.

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City Manager McCann thanked Council for their input and stated that the Council would revisit the revised CIP and Operating Budget at the June 26, 2012 Special City Council meeting.

Councilmember Marshall discussed the need for more secure trash cans in the downtown area. Vice Mayor Berman agreed and added that the Downtown area trash cans are in poor condition and some should be replaced. Operations Superintendent Misuraca stated that the Parks and Recreation Commission were currently considering an upgrade in trash cans. Councilmember Marshall requested installing garbage cans with lids to help keep raccoons out of the trash.

COUNCIL LIAISON REPORTS

None.

CITY MANAGER'S REPORTS

City Manager McCann asked the Council to confirm their summer schedules and availability with the City Clerk so that staff can ensure that there would be a quorum at the July Council meetings.

COUNCIL REQUESTS AND IDEAS FOR DISCUSSION

None.

<u>ADJOURNMENT</u> -- To the Special City Council meeting scheduled for Tuesday, June 26, 2012. The next Regular City Council meeting will be held on Monday, July 2, 2012.

	Approved and adopted by the City Council of the City of Mill Valley on July 2, 2012.
	Garry Lion, Mayor
ATTEST:	
Kelsey Rogers, City Clerk/Administrative Analyst	