

TOWN COUNCIL MINUTES

CALL TO ORDER

Mayor Collins called the regular meeting of the Tiburon Town Council to order at 7:30 p.m. on Wednesday, June 16, 2010, in Town Council Chambers, 1505 Tiburon Boulevard, Tiburon, California.

ROLL CALL

PRESENT: COUNCILMEMBERS: Collins, Fredericks, Fraser, O'Donnell, Slavitz

PRESENT: EX OFFICIO: Town Manager Curran, Town Attorney Danforth, Director of Administrative Services Bigall, Director of Community Development Anderson, Director of Public Works/Town Engineer Nguyen, Chief of Police Cronin, Town Clerk Crane Iacopi

PRESENTATIONS

1. **Commendation for Rooney's Restaurant** – Present commendation to John Rooney for 40 years of outstanding service to the Tiburon community (Town Manager Curran)

Mayor Collins presented John Rooney with a commendation that he read into the record.

Mr. Rooney thanked the Council and said that he had enjoyed serving his customers, many of whom had become his friends, over 40 years in Tiburon. He said that he only wished that his partner, David, had been able to be there to receive the commendation, as well.

2. **Hazardous and Solid Waste Joint Powers Authority** – Presentation Regarding 2010-11 Work Plan and Zero Waste Efforts (Michael Frost, Executive Director)

Town Manager Curran said that the managers of the 11 cities in Marin were the board members of the Hazardous and Solid Waste Joint Powers Authority (JPA). She said that because the JPA Board was considering authorizing a tipping fee increase in the coming fiscal year, she suggested that the Council provide her with direction after the presentation, if it chose to do so.

Curran introduced Executive Director Michael Frost.

Mr. Frost gave a presentation to Council about the ongoing efforts of the JPA to attain the "zero waste" target mandated by AB 939. He said that the JPA worked in concert with the

haulers in Marin County to achieve these goals. He noted that Marin County was one of the first counties in the State to reach 50% reduction since the implementation of AB 939.

The Director outlined the JPA work plan and budget for 2010-11 which included development of a zero waste “tool kit”, education and implementation of programs, and the addition of a Zero Waste Coordinator (outreach) position. He said that the budget contemplated \$100,000 for the toolkits, \$200,000 for education and outreach, \$160,000 for the administrative and coordinator position, plus \$300,000 to grant back to member agencies for outreach programs.

Frost said that the JPA’s funding came entirely from tipping fees, and that 50% of the fees paid to the Redwood Landfill came from outside the County. He said that these fees would help to subsidize the programs.

In response to questions from Councilmembers Slavitz and Fraser, Director Frost said that the JPA worked hard to prevent overlap between the JPA and haulers in disseminating information and programs. He said that the five private haulers in the County (and one public agency) were all working toward the same goal, using the same processes. He said the JPA represented a good example of a public/private partnership.

In response to a question from Councilmember Fredericks, Frost said that the JPA did not have regulatory powers and that its efficacy depended upon the contracts developed by individual agencies with the haulers.

Mayor Collins asked what an individual homeowner could do to move toward the zero waste goal. Mr. Frost said that he recommended doing “just one thing,” such as bringing reusable bags to the grocery store; he said that would make a big difference.

Mayor Collins thanked Mr. Frost for his report.

3. **Sanitary District #5** – Information and discussion regarding proposed rate increase (Board Members and Staff of Sanitary District #5)

Boardmember Connie Wiley gave a brief history of the District’s operations since 1940. She said the plant currently served customers in Tiburon (65% of its “flow”) and Belvedere (35% of its “flow”). She said it was staffed by nine employees and had an operating budget of \$2.6 million annually. Wiley also said that Sanitary District No. 5 had a consistently high rating for compliance and containment.

Plant Manager Bob Lynch said that District rates had not increased in 25 years (between 1980 and 2005). Lynch said the District imposed a 17% increase in 2005 in order to make capital improvements and repairs to its aging equipment. Now, more significant repairs were needed, according to Lynch, which drove the proposal for another rate increase.

Councilmember O'Donnell asked how the District had paid for recent repairs and projects. Lynch said it had paid for them out of reserves; he said the District currently had \$2 million in reserves.

O'Donnell commented that District costs might be lowered by borrowing and prudently paying the loans back over time. The Councilmember asked if that strategy had been discussed by the Board. Lynch said that the "old" board had rejected the notion of borrowing; he said he had not discussed the issue with the current board.

O'Donnell commented not all the residents had lived in Town since 1980 and were able to take advantage of the low rates; he said that many objected to the large rate increases at this time.

Councilmember Fraser also remarked that the proposed double digit rate increases seemed high and asked what they were being used for. Mr. Lynch said that they would be used to replace the capital equipment; he said that an evaluation had been performed by Harrison showing that significant repairs were needed to the District's collection system. He said the District had also entered into an Agreement with River Watch to install a televised system into the catch basins.

Fraser asked what the long-term strategy was for the District, after these rate increases were spent down. Lynch said that hopefully, the District would be able to replace all its equipment and would be able to stabilize the rates, barring any unforeseen accidents or leaks.

Board President Claire McAuliffe said that the repairs needed to keep the District equipment running was akin to "painting the Golden Gate Bridge". She said that she had never seen such a capital intensive organization. McAuliffe said that the Board regretted having to propose the new rate increases; however, she said that the Board was comfortable with the level of supporting detail provided by the consultant reports and the management and staff of the District.

With regard to the District's budget, McAuliffe noted that the District had experienced the same kind of drop-off in fees and interest income experienced by other public agencies, combined with rising costs. She said there were no plans for increased growth but there were rising operating costs. She said that the plant was at a critical juncture in its life and that it was notable that the District had not received any large fines.

The Board President said that Tiburon's rates did not cover Tiburon's costs; she said that the reserves needed to grow from \$2 million to \$4 million. She said that the rate increases would be used first to build up the reserves and she acknowledged that the Board had to catch up for the District's prior years' "pay as you go" policy.

McAuliffe said that Proposition 218 allowed the District to increase its rates but also noted that the Board had no plans to impose the maximum rate increase allowed by law at this time.

Vice Mayor Slavitz asked Ms. McAuliffe if the Board had considered consolidating with other districts to save costs based on economy of scale. McAuliffe said that she liked the concept of consolidation; she noted that Assembly member Huffman was leading the discussion about consolidation with SASM (Sanitary Agency of Southern Marin).

Councilmember O'Donnell said that financing was presently at historic lows and suggested that the Board consider financing some of the capital improvements.

Councilmember Fredericks asked how it was possible to finance work on a "pay as you go" basis with a fixed customer base.

Councilmember Fraser gave kudos to McAuliffe for the good work of the Board. But he urged the Board to look into financing so that it would have appropriate reserves on hand now and in the future. McAuliffe said that the Board was looking into all of these matters.

Plant Manager Lynch said that after the first project (which he said was not big enough to finance) was completed, the District might apply to the State for a lower interest loan and in turn, not have to charge such high rates to its customers.

Mayor Collins thanked the members of the District for their presentation.

CONSENT CALENDAR

1. **Town Council Minutes** – Adopt Minutes of May 19, 2010 meeting (Town Clerk Crane Iacopi)
2. **Commendation for Rooney's Restaurant** – Approve commendation to John Rooney for 40 years of outstanding service to the Tiburon community (Town Manager Curran)
3. **Tiburon Police Association MOU** – Authorize Town Manager to execute Memorandum of Understanding with Tiburon Police Association (Director of Administrative Services Bigall)
4. **Tax Deferral for Employee CalPERS Contributions** – Adopt Resolution regarding Internal Revenue Code 414 (h)(2) to allow for tax deferral of employee contributions (Director of Administrative Services Bigall)

MOTION: To adopt Consent Calendar Item Nos. 1 through 4, as written.
Moved: Slavitz, seconded by Fredericks
Vote: AYES: Unanimous

PUBLIC HEARINGS

1. **Mill Valley Refuse Service** – Consider rate increase for recycling services and food waste pick-up (Town Manager Curran) – *continued without hearing from June 2, 2010*

Town Manager Curran gave the report. She said that Mill Valley Refuse Service (MVRS) typically seeks an annual rate increase. Recent increases, according to Curran, were 3.2% in 2007, no increase in 2008, and 3.1% in 2009. She said that MVRS was seeking a 9.75% increase in the coming fiscal year, of which 3.83% would cover increased costs for the current service, and 5.92% would be for a newly proposed curbside food waste pick-up and composting service. The total rate increase would translate to approximately \$2.68 per household, per month, based upon a 32-gallon can plus recycling and yard waste pick-up.

Town Manager Curran said that the Town and other Marin cities had requested that the regular rate increase be supported by a formal rate review. She said that the review was performed last year by R3 Consulting Group, a national solid waste management consulting company. The R3 report showed that a substantially greater rate increase than 3.1% was warranted at that time, and the Town Manager recommended its approval.

In response to questions from the Council regarding the franchise agreement, Town Manager Curran noted that the renewal of the MVRS franchise agreement would be coming to the Council in the near future for consideration. At this time, she said she recommended approval of the rate increase in the coming year, noting that this would be the 22nd amendment to the franchise agreement which denoted a long and successful working relationship with MVRS.

MVRS Managing Partner Jim Iavarone responded to questions from the Council. He said that the proposed rate increase requested by the company was lower in Tiburon than some of the other communities it serviced. He said that this was based on a variety of factors, such as population, labor costs, narrow or hilly streets, and the like. He also said that the franchise fees differed between communities. Tiburon, for instance, charges MVRS \$70,000 in street impact fees, in addition to its franchise fees, according to Iavarone.

With regard to the proposed food waste pick-up, Town Manager Curran listed some of the benefits of to the community of the new weekly service:

- Helps the Marin County Solid Waste JPA, of which Tiburon is a member, reach its Zero Waste goal;
- Increases the number and types of items that can be composted when compared to backyard composting systems;
- Extends the life of the landfill due to diversion of food waste;
- Eliminates harmful methane gas caused by rotting food in the landfill;
- Creates a useable nutritive soil amendment in the form of compost;

- Saves water and effluent to sewerage treatment plants by reducing garbage disposal usage;
- Offers the possibility for some households to reduce the size of their trashcans to the cheaper 20-gallon size, and thereby virtually offset the monthly rate increase.

Curran said that yard waste is currently picked up by MVRS every other week. However, she said that state law mandated that food waste must be picked up weekly, which accounts for some of the additional expense of the food waste program. Additionally, Redwood Landfill and Recycling Center's new composting operation is more expensive than their yard waste only operation, requiring a significant hike in their dump fee.

She said that it might be possible in the future to reduce truck trips by reducing the frequency of garbage pick-up if food waste is diverted from the regular garbage.

Councilmember Fredericks asked about the measure of success of the new program and when MVRS thought that people might switch to 20-gallon cans.

Mr. Iavarone said that it depended upon the speed of customers in making the switch to the new program, by the customers. He said the same question arose when recycling programs were instituted but experience showed that customers use fewer garbage cans now as a result.

Ms. Fredericks questioned what the impact would be in a community like Tiburon, if the program was voluntary and if the "food industry" waste was not included in the program.

Iavarone also said that truck tonnage was weighed at the landfill and that tonnage previously going to one area that was diverted to another area could be used to measure the success of the program.

Councilmember Slavitz asked whether residents would pay for the service whether or not they participated. Iavarone said that, yes, it was included in everyone's recycling rates.

Councilmember O'Donnell asked about other services provided by MVRS. Mr. Iavarone said that MVRS provided Tiburon residents with a twice per year "on demand" extra trash pick-ups, rather than limiting the pick-ups to set weeks.

Mayor Collins asked what kinds of things would go into the regular trash if wood waste was diverted. The Mayor said that he was interested in seeing how a household might make the transition from a 32-gallon to 20-gallon can. Mr. Iavarone said many items, such as food soiled paper could be added to the food waste mix, reducing the regular waste, but that the latter would still be necessary for un-recyclable packaging materials and similar products.

Councilmember Fredericks suggested that the program could be made easier for people if MVRS service provided a pail with a lid for food waste.

Mr. Iavarone said that the company had thought about this but had made a conscious decision not to add to the waste stream by providing additional cans.

Mayor Collins opened the public hearing.

Mill Valley resident Joan Irwin spoke of the benefits of composting and the new food waste program. She said that as a result of composting and recycling, she hardly had anything at all in her regular trash pick-up. She urged the Council's support of this program.

Tiburon resident David Barker said that Mill Valley Refuse Service did a great job in Tiburon. He did, however, have some questions about the proposed rate increases and the study supporting them. He said that the independent review had called for a 13% rate increase in 2009.

Town Manager Curran said that Mr. Barker was correct in his analysis but noted that the rate increase awarded the company had been much lower. Mr. Iavarone said that the rate was lower because the company had cut a route, constituting a savings of 40 man and truck hours per week.

Mr. Barker suggested that in the absence of a formal rate review each year, there should be a clause in the franchise agreement tying rate increases to the CPI.

Barker said it was not a good time to increase rates due to the economy; on the other hand, he said it was important to make customers more aware of their options to downsize their cans. He said that he was unaware that he had the option now of using a smaller can for a reduced rate.

Barker also said that he did not like the proposed food waste proposal. He stated that methane emissions from the composting food waste would be worse than emissions from increased pick-ups by the garbage trucks.

Mayor Collins closed the public hearing.

The Mayor asked Mr. Iavarone to respond to the emissions question.

Mr. Iavarone said that California has very strict emissions standards, including those for diesel engines. He said that in his opinion, the concern about methane emissions did not justify not going forward with the program.

Vice Mayor Slavitz agreed with Mr. Barker about the service provided by MVRs; he said the service was "fantastic" in the Reedlands.

Councilmember Fredericks said that the discussions about food waste reminded her that in Marin County we are always trying to balance conflicting outcomes with regard to environmental goals.

She said that she was bothered by the “gesture” of the food program and the fact that it was not mandatory. She asked MVRS to follow up on her request to allow pails for food waste, reiterating her statement that it would make people more willing to participate in the program. Fredericks also recommended Council approve the food pick-up as a pilot program, to be evaluated in a year to measure its success.

While acknowledging that change is not easy, Councilmember Fraser said that the proposed program was “heading in the right direction”. He encouraged MVRS to do more outreach to the community to ensure its success and to obtain feedback.

Councilmember O’Donnell commended staff for a very thorough report and analysis. He agreed with the statements about the community not being aware of the 20-gallon option. He suggested that information about the new program be disseminated in the Town’s newsletter.

O’Donnell said that he supported the zero waste goals and that the rate increase on the regular service had been vetted and was justified. He said the additional fee for the food waste pick-up was justified and would be a benefit to the community. He commended MVRS for their effort in bringing the program forward.

Vice Mayor Slavitz agreed, stating that it was a good idea to tie increased rates to increased service. He asked MVRS to look at the possibility of reducing the number of trucks needed to do the weekly pick-ups. Slavitz also agreed with the suggestion to measure the success of the new program.

Mr. Iavarone said that MVRS sent out its own newsletter, and planned to send out color flyers to its customers, as well as post information on its website, about the new food waste program.

Mayor Collins said that information about the 20-gallon can option should be placed into the bills that were sent to customers. He also suggested that staff look at putting some sort of results measurement clause into the contract.

The Mayor said that the program was the right way to go towards cleaning up the environment and that he would vote to support it.

MOTION: To approve the 22nd amendment to the MVRS contract; to explore modifications to the food waste pick-up service to allow for separate containers to be placed in the green/yard waste cans; and to add language to the contract for annual program evaluation.

Moved: Fredericks, seconded by O’Donnell

Vote: AYES: Unanimous

2. **FY 2010-11 Municipal Budget** – Review and consider adoption of FY 2010-11 municipal budget and capital improvement program and related resolutions (Town Manager Curran/Director of Administrative Services Bigall)

- a) Resolution Adopting a Municipal Budget Plan for the Town of Tiburon and the Tiburon Redevelopment Agency for the Fiscal year ending June 30, 2011;
- b) Resolution Establishing an Appropriation Limit for Fiscal Year 2010-11 pursuant to Article XIII B. Of the Constitution of the State of California;
- c) Resolution Repealing Resolution No. XX-2009 and Adopting an Amended Management Recognition and Incentive Compensation Program;
- d) Resolution Repealing Resolution No. XX-2009 and Adopting an Amended Mid-Management Recognition and Incentive Compensation Program;

Director of Administrative Service Bigall gave a brief review of the previous meeting's report which covered the operating budget for the upcoming fiscal year.

Director of Public Works Nguyen reviewed the \$7.2 million Capital Improvement Program budget for FY 2010-11. He said that the program was comprised of three parts: 1) streets; 2) drainage; and 3) community projects. Nguyen described the community projects: the proposed Lyford Drive parking area, the proposed recreation building at Ned's Way, several Safe Routes to School and Non-Motorized Transportation projects, including improvements to the sidewalks and access in the Del Mar School area, the license plate camera readers, and the annual Railroad Marsh cattail removal, and improvements to the medians on Tiburon Boulevard as well as the Multi-Use Path (MUP).

Vice Mayor Slavitz asked whether the reduced amount of funding for streets rehabilitation would adversely impact the PSI of the streets, or allow them to fall below the benchmark the Town had strived so hard to achieve.

Director Nguyen said that the Town had met its target of 70% PSI in 2009 upon completion of the repair of the "failed streets" over the last several years. He noted that the Council had provided extra funding from Town reserves to accomplish this; Nguyen said that this portion of the funding would not be needed in the coming fiscal year in order to maintain the Town's streets. He said that staff would continue to monitor the condition of the Town's streets.

Councilmember O'Donnell commented that the roadway of Trestle Glen seemed to be in "tough shape" and asked whether it was slated for repair. He also raised the issue of the condition of the Town signboards at Blackie's Pasture. Town Manager Curran said that improvements to the sign were anticipated in the upcoming fiscal year.

Councilmember Fredericks concurred with the importance of maintaining the high PSI of the Town's streets. She said that the Council had approved extra funding over the last seven years to achieve this benchmark so that the on-going repair and maintenance would cost less over time.

Vice Mayor Slavitz said that the decomposed granite on the MUP seemed to be in pretty good condition. Director Nguyen agreed, but added that during recent rains, some puddling had occurred. He said that the path needed only some minor repairs.

The Vice Mayor noted that the Council did not seem to be receiving the same number of complaints about issues on the path which might be a result of the improved signage that was installed.

Councilmember Fraser commented that it would be desirable to make similar improvements (decomposed granite jogging path) to the MUP between San Rafael Avenue and Mar West. He asked whether it might be included in the budget when the improvements were made to construct the Lyford Drive parking lot. Director Nguyen said that he would look into the possibility.

Mayor Collins commented that the Redevelopment Agency's budget seemed largely dormant; he asked whether an annual audit in the amount of \$5,000 was necessary.

Town Manager Curran noted that the agency continued to report until the Town met its State-mandated housing allocation. Director Bigall said the auditors were the ones who filed the reports to the State on behalf of the Town. She also noted that she was negotiating a reduced price for the overall audit report.

Director Bigall reviewed all the resolutions that were needed to adopt the budget. She reviewed the two resolutions for the Town's Management and Mid-Management employees that had been submitted as late mail. She said that the Council's Finance Committee had proposed a 3.5% salary increase for these two groups of employees, in exchange for the employees to start paying the employee-portion of the PERS contribution, beginning July 1, 2010. This change would reduce the Town's pension liability over time, and would be in effect for all new hires in the future. She said that the Tiburon Police Association had agreed to the same change beginning July 1, 2010.

Councilmember Fraser commended staff for an exemplary job and also commended the Town's employees for their spirit of cooperation in making this structural change which allowed the Town to balance its budget and reduce its pension liability going forward.

Councilmember O'Donnell concurred. He said that he still had concerns about the Town's policy of converting unused vacation time to cash at the end of the year. He said that in the private sector, vacation was a benefit that was awarded to employees for their use; he questioned whether a policy that allowed too much accrual might lead to pension abuse. Town Manager Curran said that staff would look into whether any changes to the policy were appropriate.

Town Manager Curran expressed her gratitude to Director Bigall for her exemplary work on the budget. She praised the Town staff for its "constructive attitude" in meeting the challenges of the current economic climate. Curran also said she appreciated the leadership and support of the

Town Council in being able to make important structural changes.

MOTION: To adopt budget resolutions (a) through (d), as written.

Moved: Slavitz, seconded by Fredericks

Vote: AYES: Unanimous

TOWN COUNCIL REPORTS

Vice Mayor Slavitz said that he had attended the Marin Energy Authority board meeting during Mayor Collins' absence. He said that the Mayor was sorely missed and presented him with a commendation from the MEA Board.

TOWN MANAGER'S REPORT

None.

WEEKLY DIGESTS

- Town Council Weekly Digest – June 4, 2010
- Town Council Weekly Digest – June 11, 2010

ADJOURNMENT

There being no further business before the Town Council of the Town of Tiburon, Mayor Collins adjourned the meeting at 10:22 p.m., in memory of Fred Hannahs, who was involved in the incorporation of the Town of Tiburon and served on its first Council.

RICHARD COLLINS, MAYOR

ATTEST:

DIANE CRANE IACOPI, TOWN CLERK