



**TOWN OF MORAGA
REGULAR MEETING**

**June 8, 2016
MINUTES**

7:00 P.M. Regular Meeting

Council Chambers and Community Meeting Room
335 Rheem Boulevard, Moraga, California 94556

1. CALL TO ORDER

The regular meeting was called to order at 7:01 P.M. by **Mayor Michael Metcalf**.

ROLL CALL

Councilmembers present: Mayor Michael Metcalf, Vice Mayor Dave Trotter, and Councilmembers Phil Arth, Teresa Onoda and Roger Wykle

Councilmembers absent: None

2. PLEDGE OF ALLEGIANCE

Town Clerk Marty McInturf led the Pledge of Allegiance.

3. SPECIAL ANNOUNCEMENTS

There were no special announcements.

4. PROCLAMATIONS AND PRESENTATIONS

There were no proclamations or presentations.

5. PUBLIC COMMENTS AND SUGGESTIONS

Jackie Lew, Moraga, opposed the potential lane reduction on Moraga Road between Donald and Corliss Drives and stated she had presented an e-mail to the Town's Public Works Department. She expressed concern that the intersection, which was chaotic with flashing lights and a clearly marked crosswalk, remained dangerous, particularly when school was out of session. She asked that a signal be considered at the intersection to help the traffic flow and slow traffic on Moraga Road. She had posted her request on the NextDoor website and most commenters had agreed that a reduction in the number of traffic lanes was not a good idea.

Interim Town Manager Robert Priebe reported that the entire Livable Moraga Road Project would be presented and discussed by the Town Council on June 22, 2016.

6. ADOPTION OF CONSENT AGENDA

PUBLIC COMMENTS OPENED

There were no comments from the public.

PUBLIC COMMENTS CLOSED

ACTION: It was M/S (Trotter/Onoda) to adopt Consent Agenda Items 6.1, 6.2 (Wykle abstained), 6.3 (Arth abstained), 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10 and 6.11. Vote: 5-0.

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|------|---|----------|
| 6.1 | <u>Accounts Payable</u> Claim for: 5/27/2016 (\$340,763.41) | Approved |
| 6.2 | Approve <u>Minutes</u> for the Special Town Council Meeting on March 16, 2016 | Approved |
| 6.3 | Approve <u>Minutes</u> for the Regular Town Council Meeting on March 23, 2016 | Approved |
| 6.4 | Approve <u>Minutes</u> for the Special Town Council Meeting on March 30, 2016 | Approved |
| 6.5 | <u>Continuation of Local Emergency Due to Storm Damage</u> Consider Resolution 49-2016 Renewing and Continuing the Local Emergency due to El Niño Storm Damage Pursuant to Public Contract Code Section 22050 and as Proclaimed by the Director of Emergency Services on March 14, 2016 and Ratified by Town Council on March 16, 2016 | Approved |
| 6.6 | <u>Consolidation of Municipal Election</u> Consider Resolution 50-2016 Requesting and Consenting to Consolidation of November 8, 2016 Municipal Election and Setting Specifications of the Election Order; and Consider Resolution 51-2016 Adopting a Policy for Candidates' Statements Printed in Voters' Information Pamphlets | Approved |
| 6.7 | <u>Street Lighting Assessment District</u> Consider Resolution 52-2016 Approving the Engineer's Report For the Town of Moraga Street Lighting Assessment District 1979-1; and Consider 53-2016 Declaring the Town of Moraga's Intention to Levy and Collect Assessments Under Assessment District 1979-1, Town of Moraga Street Lighting in Fiscal Year 2016-17 and Setting a Public Hearing Date of July 13, 2016 | Approved |
| 6.8 | <u>Donation to John Muir Land Trust</u> Consider Resolution 54-2016 Approving \$10,000 Donation to the John Muir Land Trust (Trust) Restricted to the Purchase of the Carr Ranch Parcel Upon Receiving Written Notification that the Trust Reached its Fundraising Goal and Plans to Close Escrow | Approved |
| 6.9 | <u>Regional Regulation of Taxicab Services</u> Consider Resolution 55-2016 Authorizing the Interim Town Manager to Investigate the Feasibility of the Potential Formation of a Joint Powers Authority (JPA) or the Negotiation of a Memorandum of Understanding (MOU) for the Regional Regulation of Taxicab Services within Contra Costa County | Approved |
| 6.10 | <u>Joint Moraga-Lafayette Pavement Project</u> Consider Resolution 56-2016 Authorizing an Additional | Approved |

\$139,347.24 for a Total Amount of \$484,347.24 from the Pavement Management Program (CIP 08-106) to Full Fund the Town's Portion of the Joint Moraga-Lafayette Pavement Maintenance Surface Seal Project

- 6.11 Appointment of Council Liaisons Approved
Consider Re-Appointment of Liaison to the Central Contra Costa Transit Authority (CCCTA) Board of Directors; and Consider Appointment of Alternate Library Commissioner to the Position of Library Commissioner

A. Consideration of Consent Items Removed for Discussion

No items were removed from the Consent Agenda for discussion.

7. **ADOPTION OF MEETING AGENDA**

PUBLIC COMMENTS OPENED

There were no comments from the public.

PUBLIC COMMENTS CLOSED

ACTION: It was M/S (Arth/Trotter) to adopt the Meeting Agenda, as shown. Vote: 5-0.

8. **REPORTS**

A. Mayor's and Councilmembers' Reports

Mayor Metcalf – Reported that he had attended an East Bay Regional Communications System Authority (EBRCSA) meeting on June 2 to review the budget with the City of Oakland finally joining the EBRCSA; and along with the Interim Town Manager, Public Works Director/Town Engineer, and Senior Civil Engineer had met with the Contra Costa Transportation Authority (CCTA) Executive Director to discuss the Rheem Boulevard Sinkhole and the appeal process. He expressed his appreciation to the CCTA for its advice in this matter.

Vice Mayor Trotter – Reported that he had been pleased to learn Councilmember Wykle would run for re-election; reported that he had chaired and attended a RecycleSmart meeting on May 28; a Special Town Council meeting on June 3; and had chaired the Finance Committee meeting for RecycleSmart on June 7.

Councilmember Arth – Reported that he had attended the Moraga Chamber of Commerce Board meeting on June 1; and the Eagle Scout Court of Honor for Troop #234 on June 4, at which time he had presented certificates to five Eagle Scouts.

Councilmember Onoda - Stated she too had been pleased Councilmember Wykle planned to run for re-election.

Councilmember Wykle – Announced that after much thought, he had decided to run for re-election in 2016 to ensure consistency on the Town Council and to see

through numerous projects in process. He took the opportunity to thank the Mayor for his service and expressed appreciation to all of his supporters.

- B.** Town Manager Update – Interim Town Manager Priebe reported that the Moraga School District (MSD) Board had approved the Memorandum of Understanding (MOU) for shared facilities. He thanked the MSD Board, MSD Superintendent Burns, and Parks and Recreation Director Ingram for all their work on the MOU. He announced the Slow Down Lamorinda Campaign would start on June 16 to address enforcement issues; the ballot box at the Town Offices had been picked up and the Town would receive an accounting in the future of the votes deposited at that location; the meeting with the CCTA to discuss the Rheem Boulevard Sinkhole had been very productive and another meeting had been planned with top level officials from the federal and State governments; the Town had received support from local legislators including Senator Glazer and Assembly Member Baker; and staff was in the final stages of preparing an appeal to the Federal Highway Administration (FHWA). He also announced the Buy-a-Rocket campaign had commenced for the upcoming Fourth of July celebrations.

Interim Town Manager Priebe added that Rheem Boulevard would be closed on June 15 between Fernwood and the Woodminster Drive Subdivision for a three-month period while road repairs were conducted. Residents had been notified of the closure and another reminder would be posted in the About Town Newsletter, Nixle, and through the normal avenues to disseminate information to the public.

9. DISCUSSION ITEMS

There were no discussion items.

10. PUBLIC HEARINGS

There were no public hearings.

11. ORDINANCES, RESOLUTIONS AND REQUESTS FOR ACTION

A. Countywide Transportation Sales Tax

Consideration of Resolution 57-2016 of Support for the Countywide Imposition of One Half of One Percent Sales Tax to Fund Transportation Improvements in Contra Costa and Conditionally Amend the Growth Management Program in the Measure J Transportation Expenditure Plan to Match that Found in the 2016 Proposed Transportation Expenditure Plan

Planning Director Ellen Clark provided the background of the request for a measure to be placed on the November 2016 ballot.

Ross Chittenden, Chief Deputy Executive Director, Contra Costa Transit Authority (CCTA), explained that the resolution needed the support of the cities by count/population representing the majority of the city's population in the incorporated areas; the CCTA was seeking support from all city councils. If the measure made the November 2016 ballot, it would require a two-thirds affirmative vote to pass. Some of the polling that had been done in the past had shown a 68 percent support, within the margin of error for the polls.

Mr. Chittenden clarified that the proposed sales tax would be on top of the existing Measure J measure, which ran through 2034. The new tax would have a 30-year term and was expected to generate \$2.9 billion countywide. He presented a PowerPoint presentation on *Transforming*

Contra Costa County, Our New 30-Year Transportation Expenditure Plan (TEP) 2016, which outlined to the voters the benefits the CCTA promised to deliver. He explained that the process to develop the Transportation Expenditure Plan (TEP) had been exhaustive and inclusive; and the CCTA Board of Directors had adopted the plan in May 2016.

Mr. Chittenden identified the TEP summary by region and category with 22 percent of the funds to be used for building sustainable communities and protecting the environment; 26.8 percent to improve the Bay Area Rapid Transit System (BART), bus, ferry, and train networks; 6.2 percent to provide affordable and safe transportation for children, seniors and people with disabilities; 23.8 percent to repair local streets and roads; 20.7 percent to reduce congestion and smooth traffic; and .5 percent for administration. As part of the plan, \$300 million would be used for BART, representing a contribution by Contra Costa County to be matched equally from Alameda and San Francisco counties and by the Metropolitan Transportation Commission (MTC), to replace the BART fleet and purchase 306 new cars.

For the Town of Moraga, the measure would provide \$408,000 per year for local streets and roads. Other projects and programs included BART capacity and station improvements; \$20 million for State Route (SR) 24 improvements; \$230 million to relieve congestion on I-680 and improve transit service in the corridor; enhanced bus service; enhanced paratransit and transit for people with disabilities; additional funding for Lamorinda school buses; and community development, innovative transportation, and bicycle/pedestrian improvement programs. In addition, the CCTA had made changes to its Growth Management Program (GMP) with new policies, new findings for minor Urban Limit Line (ULL) adjustments, Complete Streets Policy, Advanced Mitigation Program, and increased accountability and oversight.

Responding to the Mayor, Mr. Chittenden clarified that through Measure J, the Town of Moraga received \$309,000 annually; the \$408,000 represented the new measure, and the Town would continue to receive the Measure J amount through 2034, and if the new measure passed the additional amount would be received in 2017.

Public Works Director/Town Engineer Edric Kwan advised that Measure K brought the Town approximately \$1.6 million each year.

Mr. Chittenden added that the new measure would also more than double the funds the Town received for Safe Transportation for Children, which included the Lamorinda School Bus program. He noted the presentation also identified the amount of funding that would be received by the Regional Transportation Planning Committees (RTPCs), with a third of the Countywide programming to go to the Southwest Area Transportation Committee (SWAT). He affirmed the numbers referenced in the presentation would adjust pursuant to inflation and assumed a one percent real growth.

Administrative Services Director Amy Cunningham responded to Vice Mayor Trotter's question of whether the Town's support of a successful measure would affect the Town's ability to pursue future measures, by explaining that staff was also seeking a clear answer on that issue from the Town's Sales Tax Consultant.

Mr. Chittenden suggested the Town was already at its sales tax cap; with two percent local, CCTA Measure J at half a percent, BART at half a percent, and the Town at one percent. While both the City of El Cerrito and the Town of Moraga were at the cap, Assembly Bill (AB) 1665 under consideration by the Governor, would allow the CCTA to exceed the cap for a countywide transportation tax and would be able to enact the measure even with two jurisdictions at the cap. Based on his experience, the Town would have to seek other legislation to exceed the cap. He affirmed that AB 1665 would have to be enacted before the CCTA went to the County Board of Supervisors with respect to the sales tax measure.

Vice Mayor Trotter advised that the Town Council had received a letter from an individual representing a number of environmentalists who had suggested that the CCTA's plan was not binding and that the CCTA was making promises that were not necessarily going to be kept. He clarified with Mr. Chittenden that he had seen the letter.

Mr. Chittenden suggested statements in the letter were untrue in that both Measures C and J included provisions to amend the plan. If the CCTA changed the plan after the fact, voters would not support the CCTA again. He emphasized the challenging process, cited the programs and categories identified as part of the TEP, and clarified that return to source funds could be used to fund storm drain improvements, which was a decision to be made by the Town Council. If the measure did not pass in November 2016, in order to meet the County Growth Projections, approximately \$8 billion would be needed over the next 25 years, and he expected the effort would continue again. He commented that sales tax measures typically had a higher rate of success during Presidential election years.

PUBLIC COMMENTS OPENED

Dennis Hill, Moraga, commended the work of the Town Council but having reviewed the status of the Town's sales taxes as opposed to the county and the state, the Town currently had a higher sales tax base than 99 percent of other localities in the state. He questioned how the dollars would be allocated back to the communities, expressed concern the Town would collect more money than would be given back, and cited the purpose of Measure K which was to support the repair of the Town's roads.

Smitty Schmidt stated that while not a resident of Moraga, he was a concerned citizen who resided in the SWAT region; referenced the Complete Streets Program and asked what projects would be included in the program and how the budget had been derived for the program.

Mr. Chittenden acknowledged that Moraga and other jurisdictions would be placed at the highest sales tax bracket if the sales tax measure was passed in November 2016; reiterated the funds the Town received from Measure K each year; and stated the new measure would allow a return-to-source for Moraga in the amount of \$408,000, and the Town would receive half of the return-to-source funds and the other half would go towards regional projects, which would allow Town residents to get out of town or for goods to get into the Town. The measure had a 30-year term with specific projects for the Lamorinda area, as identified by SWAT.

PUBLIC COMMENTS CLOSED

Mayor Metcalf commented that as the Town representative to the CCTA, he was aware there were a number of "donor" communities, who contributed more in sales tax than they received in program revenues, many of which were located in the SWAT region. The Town of Moraga's return-to-source monies would go back into the Town's own street work, storm drain work, and transportation related projects. All other monies would go to the county. Most Measure J funds had gone towards the Caldecott Tunnel fourth bore project, which was fair since many Moraga residents used the Caldecott Tunnel. The same applied to the use of I-680, and the proposed measure included an element related to BART for new BART cars, particularly since BART could only use its bond measure to repair its existing system, and the \$300 million for BART cars the measure would produce would allow an increase in capacity.

Mayor Metcalf referenced the SR-24 Capacity Study which had determined that to address the congestion in that corridor BART service had to be increased. BART had limitations since there could only be a 10-car train at the BART Station; the BART measure proposed for the November ballot would repair the train control system, allow a 50 percent increase in BART

cars, and help address the congestion along the SR-24 corridor. It was important that Moraga and other jurisdictions contribute to that effort. He supported the measure.

Vice Mayor Trotter also supported the measure for the reasons identified by the Mayor, and agreed that Moraga residents used regional transportation and it was fair for the Town to contribute to it, although he would not define the Town as a “donor” community.

Councilmember Wykle did not like being one of the top sales tax jurisdictions in the state; he recognized the benefits of the BART system and the need for a capacity increase, and for those reasons would support the measure although he sought more specificity on the potential projects that could be realized as part of the measure.

Mr. Chittenden stated he had been working with his team to provide more definition on the Advanced Mitigation Program and could provide more information.

Vice Mayor Trotter requested more attention to what the Moraga Road Project for the local commute corridor would look like for the benefit of Lamorinda residents.

Councilmember Arth also supported the measure and anything that returned half the money to the Town with the other half invested in the region.

Councilmember Onoda also supported the measure, although she too suggested the Town was a “donor” community. She agreed that the capacity of BART should be enhanced, recognized that Moraga residents used BART and the road system, and was pleased the measure could provide assistance for the Town’s storm drain system, particularly since the Town was at the cap and would be unable to seek another half percent in sales taxes for storm drain improvements if the measure passed.

ACTION: It was M/S (Trotter/Metcalf) to adopt Resolution 57-2016 to support the Countywide Imposition of One Half of One Percent Sales Tax to Fund Transportation Improvements in Contra Costa and Conditionally Amend the Growth Management Program in the Measure J Transportation Expenditure Plan to Match that Found in the 2016 Proposed Transportation Expenditure Plan. Vote: 5-0.

B. 2016 Full Depth Reclamation Paving Project Contract

Consideration of Resolution 58-2016 Authorizing the Interim Town Manager to Award a Construction Contract to Bay Cities Paving & Grading, Inc. (Concord) in the Amount of \$2,008,539.69 for the Construction of the 2016 Full Depth Reclamation Project (CIP 08-106) and to Execute Contract Change Orders up to 15% of the Contract Amount

Public Works Director/Town Engineer Edric Kwan presented the staff report and identified portions of Bollinger Canyon Road, Corliss Drive, and Larch Avenue to be reconstructed with full depth reclamation treatments. In addition to paving, Mr. Kwan identified an outfall pipe underneath the road closure towards Joseph Drive that would be replaced. Over the years, the outfall had undermined the road.

PUBLIC COMMENTS OPENED

There were no comments from the public.

PUBLIC COMMENTS CLOSED

Mr. Kwan advised that an extensive public outreach program had been prepared. He invited the Town Council and members of the audience to serve as ambassadors for their neighborhoods. A Volunteer Orientation had been scheduled for June 20 at the La Sala Building, with more information in the staff report. Notices had been posted on the Town's website, and invitations would be mailed to all affected residents on June 9.

ACTION: It was M/S (Trotter/Arth) to adopt Resolution 58-2016 Authorizing the Interim Town Manager to Award a Construction Contract to Bay Cities Paving & Grading, Inc. (Concord) in the Amount of \$2,008,539.69 for the Construction of the 2016 Full Depth Reclamation Project (CIP 08-106) and to Execute Contract Change Orders up to 15% of the Contract Amount. Vote: 5-0.

C. Park and Recreation Commission Meeting Location

Consider Changing the Regular Meeting Location of the Town of Moraga Park and Recreation Commission to the Town Council Chambers/Community Meeting Room Located at 335 Rheem Boulevard, Moraga

Parks and Recreation Director Jay Ingram presented the staff report and asked that the Town Council provide direction, by resolution, whether the Park and Recreation Commission should continue meeting at the Hacienda de las Flores or change the location to the Town Council Chambers/Community Meeting Room located at 335 Rheem Boulevard. He advised that the majority of the Park and Recreation Commission had voted on April 19, 2016 to continue hosting its meetings at the Hacienda.

Mayor Metcalf liked the simplicity of having meetings in the Town Council Chambers/Community Meeting Room. He supported a motion to that effect.

Vice Mayor Trotter also supported moving the Park and Recreation Commission meetings to the Town Council Chambers/Community Meeting Room for transparency and to allow live streaming.

PUBLIC COMMENTS OPENED

Tom Schnurr, Moraga, a member of the Park and Recreation Commission, reported that he had offered a motion, which had been seconded, to move the Park and Recreation Commission regular meetings to the Town Council Chambers/Community Meeting Room, although the motion failed. The majority of the Commission preferred that the meetings remain at the Hacienda. After the meeting, some members who had voted to remain at the Hacienda had suggested a re-vote or bringing the matter to the Town Council.

Bill Carman, Moraga, stated a relocation of the Park and Recreation Commission regular meetings to the Town Council Chambers/Community Meeting Room would provide greater visibility and full transparency to the community; live streaming capabilities; and provide accurate meeting minutes which would hold the Commission, staff, and the community accountable.

PUBLIC COMMENTS CLOSED

Councilmember Onoda stated she had raised the issue with respect to live streaming Town Commission/Board meetings since she found that she could not watch some of the meetings online and the minutes of Park and Recreation Commission meetings were action only with no discussion. While she recognized the majority of the Park and Recreation Commission wanted to hold regular meetings at the Hacienda, she believed as a public body the meetings should be held in the Town Council Chambers/Community Meeting Room.

By consensus, the Town Council voted to change the location of the regular meetings of the Park and Recreation Commission to the Town Council Chambers/Community Meeting Room located at 335 Rheem Boulevard, and directed staff to return at the next meeting of the Town Council with a resolution, on consent, to change the regular meeting location of the Park and Recreation Commission.

D. FY 2016/17 Operating and Capital Improvement Program Budgets

Consider Proposed Fiscal Year 2016/17 Operating and Capital Improvement Program Budgets, Including Updates to the Five-Year Financial Plan, Financial Policies, Requests for Funding and Provide Direction on Unfunded Needs

Administrative Services Director Cunningham presented a PowerPoint on the Proposed Fiscal Year 2016-17 Operating Budget, and reported that the total Budget was \$11.9 million, including an \$8.1 million Operating Budget, and a \$3.8 million budget for funded Capital Improvement Projects (CIP). She identified the General Fund revenue sources; property tax to be received for 2016/17; sales taxes anticipated for the upcoming year; General Fund expenditures; personnel summary for the various Town Departments including General Government, Police, Public Works/Engineering, Maintenance (Public Works and Parks and Recreation); Personnel Summary Salary & Benefit Assumptions; and highlighted each Town Department's Expenditure Budget; presented a table showing different funding sources used to support the operations of the Town's Departments; and reported the Operating Budget was balanced, annual ongoing revenues supported the Operating Budget, and there was an operating surplus of \$33,741, with limited funding available for use in the CIP.

Ms. Cunningham also identified the FY 2015/16 Asset Replacement Fund, which was essentially depleted with no routine ongoing investment since FY 2008/09. The FY 2016/17 Operating Budget included \$5,000 for one-time capital replacement purchases, the result of anticipated savings in FY 2015/16. A table showing the historical use of the Asset Replacement Fund over the last several years was also presented.

FY 2016/17 Community Group Requests were identified including recurring requests from the Moraga Library, which at the recommendation of the Audit and Finance Committee (AFC) had been included in the Budget in the amount of \$5,000 from the General Fund, and for the Lamorinda Spirit Van also at the recommendation of the AFC in the amount of \$9,000 from Measure J. A new request had been received from the Moraga Chamber of Commerce in the amount of \$13,179. The AFC recommended a Town Council policy discussion on this request, which had not currently been included in the budget.

PUBLIC COMMENTS OPENED (Operating Budget)

Wendy Scheck, President, Moraga Chamber of Commerce, read into the record a letter from Edy Schwartz who was unable to attend the meeting, and who encouraged the Town Council to support the funding request from the Moraga Chamber of Commerce.

Tom Schnurr, Moraga, explained that the request for funding from the Chamber of Commerce was a request from the business community. He too urged the Town Council to support the request.

PUBLIC COMMENTS CLOSED (Operating Budget)

Public Works Director/Town Engineer Kwan presented the CIP Budget and highlighted the FY 2016/17 CIP projects including the Sinkhole Repair at Rheem Boulevard, Commercial Centers Streetlighting, Moraga Road Pedestrian Improvements, Moraga Road (St. Mary's to Draeger)

Resurfacing, the Pavement Management Program, PG&E Undergrounding, Rheem Boulevard Landslide Repair/Repaving, St. Mary's Road/Rheem/Bollinger Canyon Roundabouts, and a Central Video Surveillance System.

Mr. Kwan also identified the FY 2016/17 Unfunded Asset Replacement and Annual Projects including the Information Technology Infrastructure Program, Vehicle & Operating Equipment Program, Minor Capital Improvement Program, and Municipal Code Updates; and the Unfunded Park Asset Replacement Projects including the Hacienda de las Flores Improvement Program, Municipal Building Repainting Program, Municipal Parking Lots & Pathways Resurfacing Program, Pavilion Building Flagstone Staircase, Commons Park Improvement Program, Moraga Library Improvement Program, and Municipal Fence Replacement Program. The High Priority Unfunded Projects included the Rheem Boulevard Sinkhole Repair and the Central Video Surveillance System.

PUBLIC COMMENTS OPENED (CIP Budget)

There were no comments on the CIP Budget.

PUBLIC COMMENTS CLOSED (CIP Budget)

Ms. Cunningham highlighted the Town Council's Goals and Future Obligations which could require some funding including the Hacienda de las Flores Conceptual Plan/Fiscal Sustainability, Moraga School District (MSD) New and Shared Community Recreation Facilities, Streetlights in Critical Areas Around Town, Moraga Trail System Mapping, St. Mary's Road Roundabouts, additional funding commitments including pedestrian and bicycle safety improvements including Livable Moraga Road, Bike|Walk Plan, Traffic Safety Improvements, Hacienda de las Flores/Laguna Creek Restoration, California Public Employees' Retirement System (CalPERS) Pension Liability, and the Community Preference Survey were also identified. She also highlighted the Town Council's prior actions for fiscal sustainability.

Ms. Cunningham asked the Town Council to opine on any changes desired to the Operating and CIP Budgets and consider the Community Group Requests.

Speaking to the Operating Budget, **Vice Mayor Trotter** clarified with Ms. Cunningham the budget for the Police Chief's salary at Interim Town Manager Priebe's rate in accordance with his current contract, and if Mr. Priebe did not resume his Chief of Police position there could be a savings in the Police Department budget since a new person would likely not be appointed at the same level as Mr. Priebe. Since the Town was operating on a thin margin, if the Council wanted to make room for something, it could be done prior to budget adoption since the Council had the opportunity to amend the budget at any time.

Ms. Cunningham identified the current potential savings of \$20,000 based on salary and benefits, per month, for the Chief of Police vacancy.

Vice Mayor Trotter spoke to the Community Group Requests, particularly from the Chamber of Commerce, emphasized the need to preserve as much money as possible for the sinkhole repairs, and suggested the requests should be a Town Council policy discussion. He favored the request from the Moraga Library to extend Library hours on Sundays, and between the Lamorinda Spirit Van and the Chamber of Commerce requests, he was inclined to support the request from the Chamber of Commerce in the amount of \$9,000 and not the Lamorinda Spirit Van this year. He emphasized the fact that all budget decisions would be overridden by the sinkhole issue.

Ms. Cunningham pointed out the Lamorinda Spirit Van was sponsored through Measure J funds and not General Purpose funds. Measure J funds could not be used to fund the request from the Chamber of Commerce.

Vice Mayor Trotter emphasized he had worked in the past to raise private funds for the Lamorinda Spirit Van, and while the program remained a good one, he suggested it not be funded this year. He would like to see the Town Council support the business community and supported the request from the Chamber of Commerce in the amount of \$9,000.

Councilmember Arth clarified with Ms. Cunningham that when the budget had initially been prepared it had shown a negative of \$150,000 to \$200,000; in 2015 the Town Council had funded the Lamorinda Spirit Van program in the amount of \$9,000 although the request had been for \$25,000. He supported funding in the amount of \$14,000 for the Lamorinda Spirit Van program this year, and the request from the Chamber of Commerce in the amount of \$10,000.

Councilmember Onoda questioned whether the Lamorinda Spirit Van competed with the local taxicab companies. She agreed with the Vice Mayor that the Town Council provide funding for the Chamber of Commerce and the Moraga Library since it would benefit all Moraga residents as opposed to the Lamorinda Spirit Van which benefitted a smaller spectrum of the community.

Councilmember Wykle clarified again with Mr. Kwan the status of the Rheem Boulevard Sinkhole appeal, and staff explained that even if the Town received reimbursement for the cost of repairs, it would take a period of two to three years to realize that reimbursement. In the meantime, the Town would still have a cash flow issue, and staff needed Town Council direction as to how to pay the bills until such potential reimbursement was realized.

Assistant Town Attorney Karen Murphy added that all options were being considered by staff related to the cost of the sinkhole, including property insurance. An update would be provided to the Town Council once all information was available regarding the appeal.

Councilmember Wykle stated that given the sinkhole issue, the Town Council should not spend money on things that were not absolutely necessary, and while he agreed that funding for the Moraga Library and the Chamber of Commerce should be considered, the Lamorinda Spirit Van should not be funded this fiscal year although the request could be revisited during the mid-year budget review. He asked whether the Town had provided funds to the Chamber of Commerce in the past.

Kathe Nelson, Executive Director, Moraga Chamber of Commerce, reported that \$3,500 had been given to the Chamber of Commerce in June 2014 for the Shop Moraga First Program. She clarified the Chamber's original funding request had been for \$19,000, which had included the costs for a permanent office space. The Chamber was able to secure permanent office space in the Rheem Center. She emphasized the Chamber would appreciate any funding the Town Council decided to provide.

Vice Mayor Trotter supported a return of the Lamorinda Spirit Van funding request during the mid-year revised budget review.

Councilmember Wykle referenced late correspondence received from Seth Freeman, and asked staff to opine on Mr. Freeman's comments and request for a zero-based budget.

Ms. Cunningham explained that staff used a combination of tools to analyze the Budget and zero-based budgeting was one of those tools. Each line item had been reviewed; the majority of the Town's costs were personnel related with the Town providing a number of different services with a limited number of employees. When first prepared, there had been a budget

deficit, although staff had been able to reduce expenses, and review the different funding sources to reach a \$33,000 surplus.

Interim Town Manager Priebe stated the Town's Budget had always been bare bones. He suggested the Town had and continued to do an incredible job of watching its costs and providing the absolute maximum service at minimal cost; a 30 percent reduction in personnel, as proposed by Mr. Freeman, would result in greatly reduced services, and impact the Town's ability to do the things residents expected and deserved. He noted the Police Department was pleased with the continuity of its work force, and turnover was very expensive. He suggested the Budget was very, very tight and would provide the best services possible at the minimum expense to taxpayers.

Mayor Metcalf suggested it would be beneficial to review the Revenue Enhancement Committee (REC) Report prepared in 2009, particularly the first chapter as related to the cost of business in Town, and possibly update that chapter which had shown the expenses in every Department and Town functions in comparison to the Town's community peer group of similar size. He suggested that effort could be done by the Audit and Finance Committee.

Mayor Metcalf emphasized that the Moraga Library was the most used public facility in the Town, he saw no reason not to fund the Moraga Library request in the amount of \$5,000, and suggested the Town fund the Chamber of Commerce request in the amount of \$15,000 to support the business community. As to the Lamorinda Spirit Van, he understood the program served approximately 200 Moraga residents; a select group of people who took advantage of the service. While it was a good service, he continued to be astonished that the City of Orinda had never offered any money to the program and relied on the support of the Orinda Community Foundation, and he asked why the Moraga Community Foundation had not been considered as a potential funding source. Given the situation with the Rheem Boulevard sinkhole, he supported the suggestion to revisit the request from the Lamorinda Spirit Van during the mid-year budget review.

Vice Mayor Trotter restated his recommendation for funding in the amount of \$9,000 for the Moraga Chamber of Commerce, which could also be revisited during the mid-year budget review, at which time funding could potentially be increased. As part of the mid-year budget review, there could be some unallocated funds in the Town Manager's budget. Given the timeline on potential reimbursements for the cost of the sinkhole repair and the need for the Town to pay its bills during that time, it would not be responsible to fund \$15,000 now for the Moraga Chamber of Commerce but revisit the question in January 2017.

Councilmember Arth supported funding for the Lamorinda Spirit Van in the amount of \$9,000, and pointed out that in 2015 the program effectively received \$13,000 from the Town through the efforts of the Vice Mayor to raise private funds. He also supported funding in the amount of \$13,000 to the Chamber of Commerce, which would allow the Chamber to realize the programs it had identified, and supported funding in the amount of \$5,000 to the Moraga Library.

Vice Mayor Trotter expressed the willingness to again support Mary Bruns, the Director of the Lamorinda Spirit Van program, to raise money privately but was not prepared at this time to spend public funds on the program which served few people in Moraga. He emphasized that the City of Lafayette had been asked more than once to consider a better way to deliver the Lamorinda Spirit Van program at a lower cost.

Councilmember Wykle reiterated his comments, and while he had supported the Lamorinda Spirit Van in the past and continued to support the program, he wanted to consider the request during the mid-year budget review in the amount of \$9,000. At this time, he supported funding in the amount of \$9,000 for the Chamber of Commerce and \$5,000 for the Moraga Library.

Mayor Metcalf, Councilmember Onoda, and Councilmember Arth supported \$5,000 for the Moraga Library; \$9,000 for the Chamber of Commerce; and a review of the request from the Lamorinda Spirit Van program during the mid-year budget review.

Mayor Metcalf declared a recess at 9:55 p.m. The Town Council meeting reconvened at 10:00 p.m. with Councilmembers Arth, Onoda, Wykle, and Mayor Metcalf present. **Vice Mayor Trotter** arrived at 10:01 p.m.

Ms. Cunningham again identified the capital projects which had undetermined funding sources, with the most urgent being the Rheem Boulevard sinkhole. She explained that the Town Council could choose to fund all or a portion of the projects, or defer funding until some future point in time. She outlined the funding sources and fund balances for the Palos Colorados Fund – Fund 100; and Fund 101- General Purpose Fund; advised that the Town auditors had been in discussions with Town staff on the approach that would have the least impact to the Town, and staff was also having discussions with the consultants and managers for the Certificates of Participation (COP) program. The least impact to the Town's credit rating would be to start out using the Palos Colorados Fund, and no matter what funding source was used the funding sources would be reimbursed as soon as possible.

Mr. Kwan presented an interactive work sheet that staff had prepared to identify the available funding for the Palos Colorados Fund – Fund 100 and Fund 101 – General Purpose Fund; with a focus on the urgent Rheem Boulevard sinkhole repair.

Vice Mayor Trotter believed that Palos Colorados funds were to be used for replacement recreational facilities but had been used for other things over the years. He commented that using Palos Colorados funds for the repair of a sinkhole as opposed to a recreational facility was a challenge since people would forget about the sinkhole while a recreational facility could be in existence for years. He could only consider the use of Palos Colorados funds given the urgency of the sinkhole repair, and only split the repair costs 50-50 between the General Fund and the Palos Colorados Fund, with the first reimbursement dollars to the Palos Colorados Fund to ensure the fund was intact and met the modification to the Settlement Agreement entered into in 2007.

Councilmember Onoda agreed with a cost split for the sinkhole repair between the two funds, with a reimbursement as recommended by the Vice Mayor; however, she understood Palos Colorados funds were primarily to be used for recreational facilities which could also be open space or trails.

Councilmember Wykle clarified with Ms. Cunningham that the Government Finance Officers Association recommended a 15 to 20 percent reserve, which could affect the Town's credit rating, but to what degree would have to be reviewed by the Town's consultants.

Councilmember Arth supported using all the Palos Colorados Fund, and if that was exhausted to then tap into the General Purpose Fund. He did not want to make the creditors nervous and if the Town was reimbursed the funds would go back to the Palos Colorados Fund first. He also saw the use of those funds for open space and trails.

Vice Mayor Trotter commented that the Town had built up the reserves in its funds for such situations and there was a reserve in the General Fund to use for a general problem. He was prepared to split the cost of the sinkhole repair between the two funds.

Ms. Cunningham advised that the Town's overall credit rating and auditors' opinion on the Town's fiscal condition had been weighted on all of the issues. Even if dipping into the Palos

Colorados Fund, there would be an impact on the Town's credit rating although not weighted as heavily as the use of the General Purpose Fund. At this time, staff had chosen not to ask the consultants to analyze the impact to the Town and not expend that money because staff was uncertain what would happen with the various reimbursements and wanted feedback from the State first. The next payments from Palos Colorados would come in when the developer pulled permits, and that agreement stated December 2017, although it did not look as if that schedule would be met, and it was likely those payments would occur after December 2017. The payment would be on a per permit basis.

Mayor Metcalf asked staff to work those numbers up when feasible.

As long as the Town remained within industry standards for the reserve, **Councilmember Wykle** supported a 50-50 payment from the two funds for the sinkhole repair.

Mayor Metcalf suggested the Palos Colorados Fund and General Purpose Fund were the same since they were reserves and available funds that the Town Council could use at its discretion. Currently, the sinkhole had to be repaired at an expected cost of \$2.8 million. He supported a 50-50 payment between the two funds for the sinkhole repair, with the first dollars of reimbursement to go back to the Palos Colorados Fund.

ACTION: It was M/S (Trotter/Onoda) in connection with the 2016/17 Capital Improvement Project Budget, to Fund the \$2.8 Million Rheem Boulevard Sinkhole Repair by Using Half of the Funds from the General Purpose Fund – Fund 101, and Half from the Palos Colorados Fund – Fund 100; and When the Town Received Reimbursement, the First Dollars Would be Used to Fully Fund the Palos Colorados Fund – Fund 100. Vote: 4-0-1. Noes: Arth.

Speaking to the Central Surveillance Video System project, **Councilmember Wykle** suggested the project was the next priority after the sinkhole but should be deferred until the sinkhole matter had been resolved along with the Unfunded Asset Replacement Projects that had been identified. He asked the balance of the Town Manager's contingency budget.

Ms. Cunningham advised that the Town Manager's contingency budget had a balance of \$20,000. The fund could be tapped into if the need arose. She affirmed the Town would have some Information Technology (IT) needs in 2016 that would have to be addressed.

Mr. Kwan identified the projects which had potential safety liability for the Town including the Pavilion Building flagstone staircase replacement, exterior lights, and flagpole.

Ms. Cunningham reported the Town had received a claim from an individual who had fallen and been injured on the Pavilion staircase, in November 2015 when it was dark in the evening. The Town's insurance provider had inspected the site and had determined that the major risk was the lighting. Staff's perspective was that the exterior lights were a higher priority than the staircase replacement.

By consensus, the Town Council agreed to expend the projected \$16,000 for the Hacienda de las Flores exterior lights through Palos Colorados Fund – Fund 100.

Parks and Recreation Director Ingram clarified, when asked, that the Commons Park aluminum flagpole had been damaged four years ago and had been identified for replacement through the Asset Replacement Fund.

The Town Council decided to defer that project at this time.

By consensus, the Town Council deferred all other Unfunded Projects to be considered during the mid-year budget review; with any urgency items in the meantime to be brought to the attention of the Town Council.

Speaking to the Moraga Municipal Code (MMC) Updates Project, Ms. Clark commented that there were some MMC updates required to ensure consistency with State law, including the Medical Marijuana Ordinance and the Housing Element. She was uncertain that the project required funding in the full amount of \$50,000. She clarified the MMC updates were traditionally part of the CIP budget and the majority of projects were special planning projects. The implementation of the Moraga Center Specific Plan (MCSP) was being funded by a grant to the Town from the Contra Costa Transportation Authority (CCTA), with the Hillside and Ridgeline Steering Committee Project identified as a CIP project, although it was really planning work and outside of the Planning Operating Budget. At this time, she recommended budgeting in the amount of \$20,000 for miscellaneous items to be done in the first half of the fiscal year.

Ms. Cunningham suggested the Town Council identify a maximum cap, which would allow staff to go back and look at the current fiscal year allocation, how much had been used, and the balance remaining, and use that to offset some of the capped costs.

Vice Mayor Trotter suggested staff return at the next meeting to identify how much was in the allocation and how much should be added to it.

Councilmember Wykle suggested \$30,000 for Minor Capital Improvements. If the Town did not gain relief for the cost of the sinkhole repair, he was uncertain the Town should be spending money on anything until the reserves were back to a comfortable level.

Councilmember Arth suggested that safety should be provided to the residents and that the Town should proceed and fund the \$50,000 for the Central Video Surveillance System project.

Interim Town Manager Priebe found surveillance cameras to be a great tool, but after the fact with no empirical data to suggest any level of deterrence. While the Police Department would like all tools possible to apprehend criminals, the Police Department had prepared statistics from January 1 to now versus 2015 to 2016 for residential burglaries, which were down 60 percent from 2015. He suggested the Town would benefit from surveillance cameras, although in his opinion it was something that should be considered when financially possible. Cognizant of the staff needs and the needs of the Emergency Operations Center (EOC), he suggested the IT programs would be a better choice for the expenditure of funds now.

Vice Mayor Trotter found that the statistics would suggest that the Town of Moraga was a very safe community. He was of the view that the surveillance cameras could be safely deferred at this time given the status of the sinkhole, which could not be ignored.

Councilmember Wykle agreed and if the Town received relief from the cost of the sinkhole, the next dollars should be spent on the Central Video Surveillance System. He also understood the number of burglaries in the City of Lafayette had been reduced since cameras had been installed and he recognized their benefit; however, given the depletion of the General Fund Reserve by 50 percent, he could not support spending \$50,000 for the Central Video Surveillance System at this time.

Councilmember Onoda agreed with Councilmember Wykle's comments.

On further discussion, staff understood the Town Council's consensus to direct staff to return with information on any savings from this fiscal year for the MMC Updates.

ACTION: It was M/S (Trotter/Onoda) to approve the Draft Operating Budget for 2016/17 Subject to the Following Changes and Clarifications: Funding for the Sunday Hours at the Moraga Library in the Amount of \$5,000; the Town Council will not Fund the Lamorinda Spirit Van In Connection with the Approval of the Initial Budget but would Bring the Request Back for Reconsideration at the Mid-Year Revised Budget; and Fund the Moraga Chamber of Commerce Proposed Activities in the amount of \$9,000, and also Bring it Back for Further Reconsideration at the Mid-Year Revised Budget Based Upon Financial Circumstances at that Time. Vote: 5-0.

ACTION: It was M/S (Trotter/Wykle) to approve the Draft Capital Improvement Budget with respect to Unfunded Items: Fund Minor Capital Improvements in the Amount of \$30,000 From the General Fund; Approve a Budget to Install Exterior Lighting Leading Down to the Pavilion from the Hacienda de las Flores in the amount of \$16,000 from the Palos Colorados Fund – Fund 100; and All Other Proposed Unfunded Items in the Capital Improvement Program Budget to be Deferred with the Understanding that During the Mid-Year Revised Budget the first Priority for Additional Funding would be the Installation of the Central Video Surveillance System. Vote: 5-0.

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

There were no Council requests for future agenda items.

13. COMMUNICATIONS

There were no communications.

14. ADJOURNMENT

ACTION: It was M/S (Wykle/Onoda) to adjourn the meeting at 10:44 P.M. Vote: 5-0.

Respectfully submitted by:



Marty C. McInturf, Town Clerk

Approved by the Town Council:



Michael Metcalf, Mayor