

**MAY 1, 2012
CITY OF ORINDA
CITY COUNCIL MINUTES**

7:00 P.M. – REGULAR MEETING - LIBRARY AUDITORIUM

A. CALL TO ORDER / ROLL CALL:

Mayor Glazer called the meeting to order at approximately 7:00 p.m.

COUNCILMEMBERS PRESENT: Dean Orr, Victoria Smith, Sue Severson,
Vice Mayor Amy Worth, Mayor Steve Glazer,

COUNCILMEMBERS ABSENT: None

B. PLEDGE OF ALLEGIANCE: Led by Mayor Glazer

C. CLOSED SESSION REPORT: No Report

D. ADOPTION OF AGENDA

Public Works Director Swanson advised that City Manager Keeter was absent due to illness and he would serve in her capacity for the meeting.

MOTION by Councilmember Orr and seconded by Councilmember Severson to **adopt the agenda as presented.** Said motion carried by a unanimous (5-0) voice vote.

E. ITEMS FOR THE GOOD OF THE CITY:

- **Recognition of the Orinda News on the Occasion of their 25th Anniversary**

Mayor Glazer and members of the Council read a proclamation recognizing and congratulating the Orinda News, its Editor Sally Hogarty and the current and past Orinda News staff upon the occasion of the newspaper's 25th anniversary.

- **Proclamation Designating May 10, 2012 as Bike to Work Day**

Mayor Glazer announced the proclaiming of May 10, 2012, as Bike to Work Day. On behalf of Dorothy Dickson-Dodds, City coordinator for the event, City Clerk Olsen updated the Council on the activities scheduled for the day.

Councilmember Smith returned to the Council dais.

I-2 Receive 2011 Annual Report from the Citizens' Infrastructure Oversight Commission (CIOC)

CIOC members Richard Nelson and Darlene Gee addressed the Council presenting the 2011 CIOC Annual Report as included in the staff report. In summary Mr. Nelson noted that the Public Works Department, under direction of Director Swanson, has managed the City's program well, assuring that available funds are spent so as to bring the greatest benefit to the most citizens of Orinda. Importantly, the selection process continued to be administered objectively, applying policy, considering recommendations of the StreetSaver algorithm, and leveraging projects by EBMUD and other partners and all areas of Orinda have benefited from improvements.

Mr. Nelson further reviewed CIOC recommendations that the Council (1) continue to maintain funding for the Pavement Management Program at least at current levels, from existing funding sources; (2) commit to maintaining arterials and collectors from existing funding sources supplemented by grants when available; and (3) seek to raise \$50-60 million from new funding sources so as to reconstruct all residential roads. Additionally, should a lesser amount of incremental funding be available, the Commission recommended that new funds be spent entirely on residential roads and prioritized to reconstruct the worst roads first.

Mayor Glazer expressed the Council's appreciation for the Commission's work. Councilmembers Smith echoed the comments and highlighted that several CIOC members have authored news articles to help improve public awareness of the issues.

As a personal comment and not representing the CIOC, Mr. Nelson addressed the Council stating Orinda was an example for other cities and the State of how it can come together and act as a community to solve its problems. He said all will have to consider alternatives and compromise in order to find ways to solve issues. He said that the issue is not one of "roads" but of "deferred maintenance" because the community has prioritized police and fire services and various other services but people need to understand that all services will need to be cut back on.

I-3 Proposed Sales Tax Measure Discussion and Direction for the November 2012 Election

Assistant to the City Manager Pacheco introduced the staff report reviewing the background for the discussion and the research completed to date as included in the staff report.

Carolyn Phinney addressed the Council expressing her concern that a sales tax measure will compete with a State-wide sales tax measure on the November ballot; further, it is critical that the Governor's sales tax measure pass but her understanding is

that voters typically vote for local tax measures over state-wide measures. Ms. Phinney suggested that the Council call the tax a “pot hole” tax as opposed to a “road” tax because, if the measure passes and the Council then attempts another tax, voters will think they already approved a tax to address roads. Ms. Phinney described a discussion she had with 25 voters who were supportive of a total \$40-60 million tax package once they understood details of the issue. She also stated her concern that a sales tax would not be earmarked for roads and felt this would concern people.

Steve Cohn congratulated the Council and CIOC for what has been accomplished to date with limited resources and he felt that may be why the necessary taxes were not approved by voters. He stated his support for both repair and maintenance funding for roads and water pipes noting the proposed sales tax will only provide 1/3 of the needed annual funding for maintenance when \$40-60 million was needed to correct the problem. Therefore, he stated there was a need to explain to residents, possibly through a series of workshops, what the proposed sales tax would and would not fund. He further noted that because of repairs to arterial and collector streets, most residents drive on the good roads and don't drive over the poor residential streets. He urged that an overall plan be developed to address all roads.

Richard Nelson addressed the Council stating: (1) he supported the current proposal and any proposal to raise additional money for roads; (2) he would continue to monitor funds available to use for roads; and (3) he echoed earlier comments that a bigger plan was needed and that the current approach is a short term one which would be a beginning but not an end to addressing the issue.

Kat Schmidt expressed concern with moving ahead with a sales tax that will have a limited effect on solving the issue because only \$600,000 annually would be generated to solve a \$40-60 million problem. She stated her support for a big plan but she did not favor chipping away at the issue. She also felt there would be adverse effects on sales taxes as people would go to other communities to shop and this would hurt retailers; instead she suggested a promotion for shopping in Orinda to increase sales taxes.

Council questions and staff clarification followed regarding the timing for decisions for a tax measure as well as the status of public polling in Moraga and that it does not appear that Lafayette will be pursuing a tax measure at this time but this could change depending on the direction Moraga and Orinda take. Acting City Attorney Engberg discussed how a nonbinding spending plan could be developed in conjunction with a proposed general tax measure. Finance Advisory Committee Chair, Carol Penskar, confirmed that the Committee discussed the proposed tax measure but did not make a recommendation to the Council as they felt more discussion was still needed. Assistant to the City Manager Pacheco clarified that while the Chamber of Commerce did an informal survey earlier in the year on the proposal there have not been any further discussions on the subject and she clarified tax measures that have been approved in the City of El Cerrito.

Councilmember Orr acknowledged there may be conflicts with other November ballot measures and there may be challenges with educating the community but he continued to be interested in moving forward even if the tax was only a small amount. He stated he wanted a bigger plan but understood, based on polling, that it would not be supported. He also acknowledged that budget discussions would take place later in the meeting and again in two weeks and he felt that a non-binding road repair spending plan would be an important document to go side-by-side with a tax.

Councilmember Smith stated concurrence with Councilmember Orr's comments. She requested additional information including Moraga polling results for a higher sales tax. She noted the City has finally received polling numbers showing a good number of individuals were interested in passing a measure and, therefore, felt they should move forward to begin to address the problem. She stated concurrence with adopting a roads spending plan as they have made a promise to the community over the last seven to eight years and she wanted to keep the commitment and obtain funds to begin to chip away at the problem.

Councilmember Severson stated concurrence with comments supportive of moving forward. Regarding the level of a sales tax measure, she stated she would like further discussions with neighboring communities that have had successful tax measures and felt more information may alleviate some concerns that have been expressed. She supported developing a spending plan for the current measure but also supported developing a comprehensive plan so the community would know the measure was only one piece of a larger plan.

Vice Mayor Worth stated concurrence and urged, as the Council continued to study the matter, there be a conversation with the Chamber. She noted there has been a priority to maintain infrastructure and services in the downtown and there have been discussions about the conditions of sidewalks with no money to maintain the sidewalks. She reviewed priorities which were established as the City was being incorporated (parks/recreation, planning, public works, and public safety) noting that planning and parks/recreation services have revenue sources to maintain those services but public works and public safety services rely on general funds. She stated these services are critical and the Council has an opportunity to propose a general tax measure, requiring a majority vote, and it is incumbent on the Council to continue its vigilance with budget priorities in order to maintain services the community wants. She noted that, while the previous two ballot measures did not receive a 2/3 vote, they each achieved an overwhelming plurality of support. She noted that a bond, to provide a larger solution, requires a voter threshold that they have not been able to achieve.

Vice Mayor Worth continued by stating information regarding Moraga's polling would be helpful and she referenced a letter received from a resident supporting a gas tax. She noted her understanding that cities did not have the authority to impose a gas tax but the proposed measure would provide a sales tax on gas purchases.

Mayor Glazer echoed the Council's comments and supported moving forward with a measure. He referenced comments that the City has done a good job in taking care of roads which are most travelled so residents may not support spending more on other roads. He compared examples in the community which show that residents appreciate things in the community that they don't necessarily use but know are an important part of the community. Examples cited included that only 1/3 of residents have children in schools but 2/3 of residents have supported school taxes; additionally the library tax was supported by residents who don't necessarily use the library service.

Mayor Glazer emphasized that the Council would like to fix the whole problem but residents have not been ready to go in that direction and, while there was 64% support in two previous measures, the economic situation and voter attitudes have changed. Because of this the City has used a public opinion poll as a scientific instrument which shows there is not clear support for approval of a comprehensive solution. As such, he concurred that the Council should try to make progress but it was key that they speak clearly about what a sales tax measure will and will not do. He supported developing a plan for spending the sales tax money and how it will contribute to the overall road problem.

Mayor Glazer concluded by noting that one year ago the sales tax in Orinda was 9.25% as compared to today's 8.25% rate and the Governor's proposed increase is only 0.5% and he supported giving the residents a choice about a sales tax.

Mayor Glazer questioned and staff confirmed they had adequate direction from the Council comments.

I-4 Presentation of Changes to the Fiscal Year 2013 Budget

Finance Director Hobdy presented the details of the projected changes to the Fiscal Year 2013 Budget as included in the staff report and she noted a request to fund the Lamorinda Spirit Van has been received and distributed to the Council.

Finance Director Hobdy provided a status of the City's pursuit to obtain a tenant for City Hall space. Councilmember Smith commented that, while they were hoping to work out leasing issues with the Moraga Orinda Fire District (MOFD), if things did not work out the City would need to make it a priority to reach out to other public agencies to find a tenant. She also noted that additional information regarding the Spirit Van request was needed including what the charges for services were, the actual costs for individual services, and whether people using the services have the financial capability to pay the costs. She also questioned whether the Orinda Seniors Around Town transportation service could cover the needs.

Councilmember Orr received confirmation that the revenues from the Wilder sports field rentals were included in the budget assumptions.