

**MARIN COUNTY COUNCIL OF MAYORS AND COUNCILMEMBERS
MINUTES**

**Wednesday, January 22, 2020
Hosted by the Town of Ross
Lagunitas Country Club ~ 205 Lagunitas Road, Ross, CA**

Members Present

Belvedere:	Kemnitzer; McAuliffe, McCaskill
Corte Madera:	Andrews, Bailey, Beckman, Kunhardt
Fairfax:	Coler, Reed
Larkspur:	Haroff, Hillmer; Way
Mill Valley:	Moulton-Peters, McCauley, McEntee,
Novato:	Eklund, Lucan
Ross:	Brekhus, McMillan, Kuhl, Robbins
San Anselmo:	Colbert, Fineman; Greene
San Rafael:	Colin, Phillips
Sausalito:	Burns, Reilly
Tiburon:	None

Ex Officio: Belvedere City Manager Craig Middleton; Mill Valley City Manager Jim McCann; Ross Town Manager Joe Chinn; San Anselmo Assistant Town Manager Linda Kenton; San Rafael City Manager Jim Schutz; MCCMC Secretary Rebecca Vaughn

Guests were: Supervisor Katie Rice; Marin County Civil Grand Jury Foreperson Lucy Dilworth; Sebastian Conn (MCE); Jenna Famular (MCE); Leanne Hoadley (MCE); LAFCO Executive Director Jason Fried; Ross Valley Fire Chief Jason Weber

Call to Order

President Elizabeth Brekhus called the meeting to order at 7:00p.m., welcomed everyone to the meeting of the Marin County Council of Mayors and Councilmembers for January 22, 2020. She then called for Public Comment.

Welcome and Introduction of Guests

Ross Mayor/MCCMC President Brekhus welcomed everyone to the Town of Ross.

She introduced her fellow Council members: Mayor Pro Tem Julie McMillan and Councilmembers Beach Kuhl, Elizabeth Robbins and Ruppert Russell, and Ross Town Staff present: Town Manager Joe Chinn, Town Clerk Linda Lopez. She then called for public comment.

Public Comment

1. Pat Ravasio, Corte Madera resident – Spoke about “No on Measure D” initiative. She spoke about the measure’s loss of local control and said it would override the San Geronimo Valley plan. If passed, the measure will not bring golf back, given the Trust’s interests is to turn it over to the public for a public commons space.
2. Jason Fried, Marin LAFCO Executive Director – Executive Director Fried stated LAFCO is in charge of local government reviews and recently released a review of the eastern peninsula district (Tiburon and Belvedere). It is now open for public comment. The agency is in the process of doing a study of the upper Ross Valley area (Fairfax, Ross, and San Anselmo). This report will be released in a few months.

Following public comment, Ross Mayor/ President Brekhus then introduced guest present: Ross Valley Fire Chief Jason Weber, Supervisor Judy Arnold, Supervisor Katie Rice, Jason Fried, Lucy Dilworth, and from MCE Sebastian Conn, Jenna Famular and Leanne Hoadley.

Following introductions, she began dinner service and called upon Stephanie McNally to provide an update on the 2020 Census.

4. Presentation:

4a. Update on 2020 Census – Stephanie McNally, Canal Alliance

Ms. McNally stated there were handouts on the tables. She reported the census matters because individuals missed costs the County \$1,000 of Federal funding per year for ten years. Federal funding is crucial for local jurisdictions and also non-profits. She discussed how the State allocates this Federal funding. The County of Marin has an excellent response rate (around 80%) but there are pockets that are under-counted. Under-counted communities are defined as a population that is “hard to identify, reach, persuade, or interview”. Children zero to five years of age are the largest under-counted group in the nation. She noted there will be ten questions which can be answered on-line, by phone, or on paper. She discussed how the census data is used with respect to representation, reapportionments, civil rights enforcement, and policy-making and planning. Individual’s information is protected by law and no citizenship questions will be asked. Census takers will be knocking on doors in May, June, and July.

Upon Conclusion of the presentations, Ross Mayor/MCCMC President Brekhus called on committee reports.

5. Committee Reports:

5.a. Association of Bay Area Governments – Written and verbal report from Pat Eklund, Novato.

Councilmember Eklund reported all delegates must register for the General Assembly scheduled for February. The budget must be modified in order to receive a \$23 million grant. The General Assembly will include a discussion on the Regional Housing Needs Allocation (RHNA). She encouraged professional planners throughout the County to attend the General Assembly. ABAG and MTC have formed a new group to help implement AB 1487- the bill that allows ABAG and MTC to put a measure on the ballot for housing. They are looking at a proposal that would levy 35 cents per \$1,000 assessment value on all property. This will be a General Obligation Bond which does not allow exemptions (seniors, non-profits, etc.).

5.b. Marin Local Agency Formation Commission (LAFCO) – Verbal report from Sashi McEntee, Mill Valley

Councilmember McEntee reiterated that LAFCO was performing studies of the east peninsula and upper Ross Valley and asked those representatives to let them know if there were any community groups that should receive and comment on the report. The regular member seat will be vacant soon (Councilmember Coler is the alternate member). At the commission’s planning retreat they approved a County-wide special study on fire services

that would include data on who was providing services and the potential for shared or consolidated services. The report would not recommend any actions but rather lay the groundwork.

5.c. Climate Change and Sea Level Rise Ad Hoc Committee – Update from David Kunhardt, Corte Madera

Councilmember Kunhardt reported the committee’s initial meeting was held prior to this meeting with eight of the eleven jurisdictions in attendance. It was decided that he, along with Councilmember McAuliffe, should co-chair the committee. The focus will be on those things that can still be done to prevent climate change- mitigations, adjusting building codes, etc. The name of the committee will not include the words “sea level rise” since this will be handled by the County program called BayWave. The committee will meet at 5:00 p.m. prior to each MCCMC regularly scheduled meeting.

6. Keynote Presentation:

Public Employee Post Employment Costs, A Slow Motion Disaster”

Panel Discussion and Q&A featuring: Larry Chu, former Larkspur Council member, past President of MCCMC and Chair of the MCCMC Pension Committee; and John McCauley, Mill Valley Council member

Ross Mayor/MCCMC President Brekhus introduced former Larkspur Councilmember Chu and Mill Valley Councilmember McCauley. Mr. Chu thanked the following individuals who served on the committee: Councilmembers Haroff, Winter, McCaskill, Andrews, Ackerman, McCauley, McEntee, Ecklund, Drew, Robbins, Brown, McCullough, Withy, Cooler, Thier, and City Managers Schwartz, Chinn, and Cusimano. He also thanked the alternates who participated on the committee.

He explained that the process first started in 2010/11 and it was recognized that, despite the public narrative, the pension problem was due primarily to the fact that there were over-estimates on the rate of returns built into SB 400. They had an 8¼ percent discount rate, in addition to taking all the pension benefits from a more inferior tier and bringing everybody up to the same level retroactively. He then introduced Mill Valley Council member John McCauley to continue with the presentation tonight.

Councilmember McCauley explained that the committee’s report was designed to be easily understood. He also informed the attendees that they had prepared a slide presentation and that although they were unable to show it this evening, they are happy to come out to any council meetings, show the presentation, and have a more robust conversation with your respective Councils and constituents. (Please note that the presentation has been uploaded to the MCCMC website and can be accessed via this link:)

He first explained that there are two big post-employment responsibilities: pensions and other post-employment benefits (OPEB), which are the retiree health care benefits. The last report, from 2010/11, focused primarily on pensions. This current report focuses both on pensions and on OPEB and the committee provided comments on both.

Marin municipalities have a \$401 million current liability for those two promises. He understands that it is a large number for people to comprehend, and stated that he would provide a real measure of what that means. Prior to that, he explained that the myth that the stock market crashes caused the shortfall was inaccurate. It was not about the stock market crashes. The issue was a question of funding level and benefit level, how much cities were able to put away for future need versus the expense of the promised benefits.

CalPERS acknowledged that there was a problem with the accelerated costs, and that something should be done about it. In response, they increased their mortality assumptions, if people live longer, they take more money in benefits. We have to take account of that. They lowered the discount rate down to 7% and they moved their investment mix to be more conservative because as the number of participants grows, there are more retired versus young people. The last action CalPERS took was to acknowledge the gigantic shortfall, and the need to amortize this in over time. It is this "smoothing" that has become the issue. So cities have an unavoidable amount of costs coming our way. As council members, we know these things are coming our way. The question is, are these actions taken by CalPERS enough?

He then returned to the questions of the \$401 million mentioned previously, and spoke about what that number means as a percentage of a municipal budget. The average budget in terms of spending on CalPERS is 8.3% within the state of California right now. They anticipate that it's going to go to 15.8%. So all things being equal, cities only have so much money coming in their direction. They will need to find ways to accommodate the increase from 8 to 15%. That extra money needed will likely need to be taken away from something else and that's what the issue is, what will it be taken away from, or can it be found through other means.

Options include:

- Raising taxes and fees, but there is voter fatigue associated with those actions.
- Benefits could be changed. While this is theoretically possible, with the California rule, that can't happen, as far as the pension side is concerned. Cities are locked in unless the Supreme Court changes that.
- Decrease the number of employees. But Marin cities and towns are all small, and there is no easy answer there in terms of number of employees.
- Existing reserves could be used
- Cities can borrow more money.
- Services could be decreased

Municipalities, on an average, spend about 8.3% of its budget to CalPERS. CalPERS is anticipating an increase of up to 15.8%. This increase has to come from other departments, programs, services, etc. Solutions include raising taxes and fees, changing benefits, decreasing the number of employees, using existing reserves, borrowing money, and decreasing services. The report includes three recommendations: 1) Develop a long-range plan; 2) Make other post-employment benefits or health care obligations more sustainable; 3) Be more transparent about costs. He discussed the need to develop a 10-year budget that includes dealing with the impacts of the inevitable cyclic recessions.

Other post-employment benefits are a big part of the “promise” that cities make to employees that cannot be ignored. Mr. Chu recommended each City take a hard look at its Financial Statements. The weighted average return of what CalPERS has for the next ten years is about 4.8% with a discount rate of 7%. He noted annual contributions will continue to increase. Councilmember McCauley discussed the difference between a defined benefit plan vs. a defined contribution plan. They answered questions from the group.

Following the presentation, Ross Mayor/MCCMC President Brekhus continued with the Business Meeting.

7. BUSINESS MEETING (I’ll complete the business mtg portion since it’s mostly just recording who made motions/seconds and a little bit about the item)

7.a. Consideration and Possible Action to Make the Following Committee Appointments:

7.a.1 MCCMC Representative to the County Homeless Policy Steering Committee (2 Seats - each for a two-year term)

The expiration of current terms were announced at the October 23, 2019 meeting and Letters of Interest were solicited. Letters of Interest from: James Campbell, Belvedere; Kevin Haroff, Larkspur; Renee Goddard, Fairfax were included with the agenda packet. President Brekus called for additional nominations from the floor. Hearing none, she called for discussion and a possible motion.

A motion was made by Pat Eklund, Novato, to appoint Kevin Haroff, Larkspur to one of the seats and to appoint the two additional applicants, James Campbell, Belvedere, and Renee Goddard, Fairfax, and allow them to decide between themselves who will serve as the Primary and who will serve as the Alternate. The motion was seconded by Catherine Way, Larkspur, and approved by acclamation.

7.a.2 Marin County Transit Board of Directors – Alternate Member (to serve remainder of unexpired term, ending January 2021)

The availability to apply to serve the remainder of the unexpired term, expiring January, 2021, was announced at the October 23, 2019 meeting and Letters of Interest were solicited. A Letter of Interest was received from: Brian Colbert, San Anselmo, and included in the agenda packet. President Brekhus called for additional nominations from the floor. Hearing none, she called for discussion and a possible motion.

There was a motion and a second (Moulton-Peters/Lucan) to appoint Brian Colbert, San Anselmo, to serve the remainder of the unexpired term, expiring January, 2021, on the Marin County Transit Board of Directors. The motion was approved by acclamation.

7.b. Second Reading and Possible Action to Approve an Amendment to the MCCMC Operating Budget for FY 2019-2020 to (1) Increase the Stipend Paid to the MCCMC Secretary/Treasurer From \$700 Per Month to \$800 Per Month, With the Exception of the Summer Hiatus of July and August, for Which the Recommended Stipend is \$450 Per Month; and (2) Approve a One-Time Bonus in the Amount of \$500

(Attachment 7b: Report on Proposed Amendment to 2019-20 Budget, as introduced at the October 23, 2019 MCCMC meeting)

This item was brought forward by the Executive Committee in recognition of the increased workload of the MCCMC Secretary/Treasurer due to additional meetings of the City Selection Committee that were required over the past year, as well as additional assistance with special projects related to ad hoc committee work. It was introduced at the October 23, 2019 meeting and is presented again for second discussion and possible approval.

There was a motion and a second (___/___) to approve an amendment to the MCCMC Operating Budget for FY2019-20 to increase the stipend paid to the MCCMC Secretary/Treasurer from \$700 per month to \$800 per month, with exceptions as noted, and to approve a one-time bonus in the amount of \$500. The motion was approved by acclamation.

- 7.c. Review of Draft Agenda for the February 26, 2020 MCCMC Meeting Hosted by the Town of San Anselmo

- 7.d. Informational Item: Draft Minutes Of The October 23, 2019 Marin County City Selection Committee Meeting, To Be Reviewed And Accepted At The Next City Selection Committee Meeting, Date To Be Determined

- 7.e. Consideration and Possible Action to Approve the Draft Minutes of the September 25, 2019 MCCMC Meeting Hosted by the City of Mill Valley

There was a motion and a second (Eklund/Lucan) to approve the minutes of the October 23, 2019 MCCMC meeting. The motion was approved by acclamation.

Adjournment

President Brekhus thanked everyone for attending and adjourned the meeting at 8:05 p.m. to the next regular meeting scheduled for February 26, 2020 hosted by the Town of San Anselmo.