



TOWN OF ROSS

Annual Report

July 1, 2009 - June 30, 2010

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THE TOWN OF ROSS

While we celebrated our 100 year anniversary in 2008, Ross retains the charm and sense of place it had when the James Ross family settled the land in the 1900's. With its graciously landscaped streets and yards, beautiful vintage residences and meandering creeks and tree-covered hills, the Town of Ross is, and will always be, a special and magical place.

Today's Ross is a primarily residential community in Marin County, California, which features the wonderful Ross Common open space and play fields, the renowned K-8 Ross School and a charming commercial area of restaurants, shops and services. The Town services the local community with its own fire department, police department, town administration, planning, building and public works offices all housed in the lovely John White designed Town Hall and Fire Station in the town center.



Land Area	1.6 square miles	Median age	42.5 years
Population	2,422	Average family size	3.21
Density	2.4 people per acre	Percentage of children in Ross population	30%
Number of homes	827	Percentage of seniors over 65 in Ross population	14%
Median home sales price in 2009	\$1,938,000	Percent over 16 years employed	56%
Number of homes sold in 2009	31		

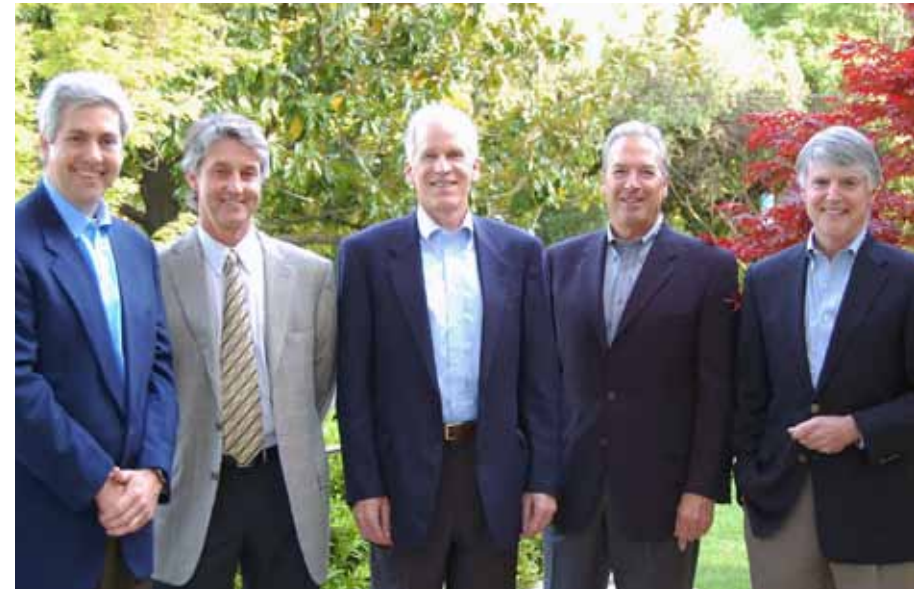
GOVERNING THE TOWN

Ross residents elect five community members to sit on the Town Council. Council members serve four years running the town. The Council annually selects the Mayor and Mayor Pro Tempore. Council members have a full plate as they must make weighty decisions at each month's regular Council meeting directing the community's future, sit as the planning commission and attend numerous additional meetings on countywide issues. It's definitely community service as Council members receive no compensation for their efforts!

In the 2009-2010 fiscal year, Mayor Rick Strauss and Mayor Pro Tempore Scot Hunter ably ran Town affairs, with assistance from their colleagues, Council members Bill Cahill, Christopher Martin and Michael Skall. In June, a Council election between four candidates for two open seats added Carla Small and Russell Rupert to the Council. In July, staff and Council bid farewell to outgoing member Bill Cahill, who served as Mayor in 2008-2009, and Michael Skall, a dedicated Council member who made disaster preparedness a cornerstone of his Council priorities. Council member Hunter, Strauss and Martin's terms run through June 2012, and Council member Small and Russell's terms run through June 2014.

The Council has four subcommittees to conduct additional Town business and make recommendations to the full Council. These are the Public Works, General Government, Finance and Public Safety Committees. The Public Works Committee typically meets the first Tuesday morning of each month and the other three meet as necessary.

The Council adopts five goals annually, with each member responsible for spearheading one goal to fruition. In 2009-2010, the Council selected these goals and assignments: Mayor Strauss continued work on the downtown plan; Mayor Pro Tempore Hunter studied the Town's CalPERS pension liabilities; Council member Skall worked on an overhaul of the Hillside Lot Ordinance; Council member Martin was tasked with shepherding flood control projects forward, including new stormwater runoff regulations; and Council member Cahill studied reconstruction and remodeling options for our aging public facilities.



Council member Mike Skall, Council member Chris Martin, Mayor Bill Cahill, Mayor Pro Tempore Rick Strauss, and Council member Scot Hunter.

Number of Ross Council members since 1908	81
Longest-serving Council member	Frederick Allen, 19 years (1960-1979)
Number of Council Meetings, FY 09-10	18

PROVIDING ESSENTIAL TOWN SERVICES

A group of dedicated and talented staff can be found at Town Hall providing essential services to the Town residents and their professionals. Whether you need help remodeling your house, filing for a building permit or solving a drainage problem, Town staff is ready to help.

Due to the Town's small size, staff typically wears many hats and does double-duty to be cost-effective and efficient. Town Manager Gary Broad manages the day-to-day operation of the Town and staff. He is responsible for supporting the five-member Council, providing stewardship of community assets and sound financial oversight, setting clear goals and direction for staff, providing communication and information to residents, and ensuring excellent and consistent customer service for the community.

Town staffer Linda Lopez was promoted to Administrative Manager this year and took over payroll and accounts payable processing. Linda also oversees the Town's website and maintains official and historical records for the Town. She handles Town elections, which this year featured the June 2010 Town Council election.

Senior Planner Elise Semonian's primary responsibility is to review projects for zoning code compliance and process applications for the Town Council. This past year, Elise shepherded amendments to the Town's hillside lot ordinance and new stormwater run-off and wood burning fireplace regulations. Elise also acts as staff to the Advisory Design Review Group, which provides professional design review of development applications early in the design process. Ross residents Josefa Buckingham, Mark Frits, Jim Kemp, Noreen Slivon and Dan Winey were the ADR group members this past year.

The Public Works Department oversees the management, maintenance and construction of all public facilities, including streets, sidewalks, storm drains, street lights, traffic signals, parks, landscaping and public buildings. The Building Department issues building permits and conducts in-house plan checks, resale inspections, and building inspections on all construction projects to ensure compliance with applicable codes and ordinances. Director Mel Jarjoura, Robert Maccario, Simone Jamotte and Buzz Doughty were extremely busy this year as the Town



Town Staff: Linda Lopez, Tom Vallee, Elise Semonian, Jim Reis, and Gary Broad



Buzz Doughty, Robert Maccario, Bob Haggett, Mel Jarjoura, and Simone Jamotte

pursued an unprecedented number of public works roadway, walkway and bridge projects and a full load of building permits.

This year, the Town honored Building and Public Works Secretary Simone Jamotte for 15 years of service and Public Works Director and Building Official Mel Jarjoura for 10 years. Ross began its Employee Appreciation Program in 2007 to thank long-time employees and recognize those celebrating a 5-year milestone employment anniversary with the Town.



Staff	Years of Service	Consultants	Years of Service
Town Manager Gary Broad	19	Town Attorney Hadden Roth	26
Senior Planner Elise Semonian	4	Town Arborist Becky Duckles	12
Administrative Manager Linda Lopez	5	Recording Secretary Jessica Wood	6
Public Works Director Mel Jarjoura	11	Building Inspector Bob Haggett	8
Building and Public Works Secretary Simone Jamotte	16	Project Planner Christine O'Rourke	4
Public Works Superintendent Robert Maccario	18	Town Hydrologist Matt Smeltzer	3
Maintenance Worker Buzz Doughty	8	Town Accountant Paige Rothman	<1

PROTECTING THE ROSS COMMUNITY

Ross residents are fortunate to have both local fire and police service. Residents like knowing their public safety staff and seeing familiar faces patrolling their streets and protecting them from fires. They can rest assured knowing they are being protected by a group of hard-working and committed public safety personnel.

This year, the Disaster Council (DISCO) was re-established to educate Ross residents on how to be prepared for a disaster. The DISCO team is comprised of members from the Town Council, Fire Department, Ross School, Ross Property Owners Association, residents, and other interested community members. Throughout the year, DISCO communicated to residents through town-wide email, mail drops, and the Ross Town website. They placed flyers in the back to school packets and hosted a Disaster Fair in coordination with the Ross School Family Day events. DISCO also recruited neighborhood block captains to help coordinate emergency preparedness activities for local neighborhoods.

The Fire Department continued to enroll community members in Community Emergency Response Training (CERT) classes and to train instructors for the Get Ready program. The Get Ready program is a two-hour disaster preparedness class designed to educate residents with basic skills to survive

a disaster. Residents who want more in-depth training may sign up for the 15-hour CERT program which teaches citizens to become self-sufficient for at least 72 hours following a disaster. CERT classes are given three times a year in partnership with the five neighboring fire protection agencies in the Ross Valley.

The Fire Department continued to improve emergency communications, and by year end more than 1,000 Ross community members had signed up for the Marin Emergency Alert Notification System (MEANS), which sends recorded emergency announcements to residents via telephone. In April, the Town installed a new warning siren on the top of the corporation yard building to alert residents to a flood emergency during the winter months and to wildland fires during the summer months. Staff may activate the new siren remotely from any cell phone.

On Police Department recommendation, the Town participated in a countywide traffic safety education campaign called Street Smarts. The program is designed to change driver, cyclist and pedestrian behavior and reduce accidents. Six banners were hung on downtown light poles, and twelve signs placed in strategic locations around town, including Bolinas Avenue, Shady Lane, Winship Park, and Ross School. In June, the Council



The Town participated in a countywide traffic education campaign called Street Smarts

agreed to renew the campaign for the beginning of the 2010-2011 school year.

In December, the Town entered into a \$50,000 contract with a hazard mitigation consultant to work with community members and Town staff to develop a Hazard Mitigation Plan. Funded by a Federal Emergency Management Agency (FEMA) grant, the plan will develop strategies to reduce risks and minimize potential damage from flooding and other hazards. The Town expects to receive Community Rating System credits for the final plan, which will help to further reduce flood insurance premiums for Ross property owners and allow

the Town to apply for future FEMA funding. Staff worked on the plan throughout the year and surveyed residents on potential hazard mitigation strategies in May and June. The Town expects the plan, which will address all natural and man-made hazards, to be completed in the 2010-2011 fiscal year.

The Police Department said goodbye to Sergeant Bob Tucker in June, who retired after 25 years of

service to the Town. Police Officer Steve Nelson was promoted to Sergeant; with over 22 years of law enforcement, Sergeant Nelson is a highly experienced addition to the management ranks. School Resource Officer Bob Besgrove was honored this year for his 15 years of employment with the Town.

The Fire Department hired two new apprentice firefighters, Justin Hanson and Chris Friscia. Both were selected from large pools of very good applicants. The Town's successful apprentice firefighter program, initiated in 2006, prepares the department's future firefighters.

The Ross Valley Paramedic Authority is based at the Ross Fire Station. These devoted paramedics serve the Ross and Ross Valley community and calmly and efficiently provide medical emergency aid.



Firefighters **Years of Service**

Chief Tom Vallee	35
Captain Bruce Selfridge	37
Captain Jake Peterson	18
Captain Timothy Grasser	12
Engineer Jim Popken	10
Engineer Rick Addicks	8
Engineer Rick Rosecrans	6
Apprentice Firefighter Mike Gutierrez	1
Apprentice Firefighter Justin Hanson	<1
Apprentice Firefighter Chris Friscia	<1

Police **Years of Service**

Chief Jim Reis	33
Sergeant Bob Tucker	25
School Resource Officer Bob Besgrove	26
Sergeant Steve Nelson	8
Officer Gianfranco Campa	7
Officer Paul Stromoski	7
Officer Kevin McKendry	5
Officer Danny Moy	5
Officer Ken Nicholas	3

Number of residential burglaries	3	Number of service calls to Fire Department	373
Number of vehicle burglaries	3	Number of fire incidents	35
Number of traffic accidents	41	Number of rescue and emergency medical calls	139
Number of traffic citations	565	Number of false alarms	47
Number of DUI's	11	Number of Get Ready-trained community members	81
Number of adult arrests	22	Number of CERT-trained community members	12
Number of juvenile arrests	5		

REDUCING THE RISK OF FLOODING

The 2005 New Year's Eve Flood underscored the critical need to reduce the flood risk in Ross. Since then, many homeowners and business owners in the floodplain have taken steps to protect their property from flooding such as raising houses and installing floodgates. While Ross weathered an exceptionally wet 2009-2010 winter without a major flood, the Town remains acutely aware of the need to act quickly and aggressively to find ways to increase the capacity of Corte Madera Creek and reduce stormwater runoff.

In July 2009, the Corps provided an update on the status of the Unit 4 channel improvement and fish ladder replacement project. In order to increase the flood capacity from the current channel capacity of 3,300 cubic feet per second (cfs) to 5,400 cfs, the Corps recommended replacing the fish ladder, lowering the channel bed and widening the channel in some places, and building flood walls 1 to 3 feet high in some locations. These improvements would be adequate to contain a 30-year flood. The Corps spent the remainder of the year analyzing baseline conditions for the environmental reports and developing project alternatives that will be used in the cost-benefit analysis. Construction is tentatively scheduled for 2013 or 2014.

The Town began reconstruction of the Lagunitas Road Bridge with the awarding of the construction contract in June to R.M. Harris, Inc. for \$1,211,088, approximately \$500,000 lower than the engineer's estimate. Work began on June 21. As the project necessitated the closure of Lagunitas Road and the north Post Office parking lot beginning July 6th, the Council and Town staff worked to ease traffic and parking impacts. The left turn prohibition from Bolinas Avenue onto Shady Lane was suspended and the Farmers Market moved to the Marin Art & Garden Center.

The bridge replacement will improve vehicular and pedestrian safety, replace a seismically deficient structure and increase Corte Madera Creek's stormwater capacity to 5,400 cubic feet at the bridge by eliminating the existing middle piers and raising the bridge deck elevation two feet. The Town received a Federal Highway Bridge Program grant to fund 88.5% of the project cost. The Town was required by state and federal authorities to finish all construction in the creek bed by October 15, before the rainy season commenced. The bridge was anticipated to be reopened by the end of November 2010.

The Town received some very good news from the California Supreme Court in June, which



The Town awarded the Lagunitas Road Bridge reconstruction contract and demolition work began shortly thereafter.

upheld the Ross Valley flood fee election. The flood fee is expected to generate funds for the study and implementation of flood control projects throughout the Ross Valley, including the construction of flood control basins designed to reduce flood water flows to levels that can safely pass through the Corte Madera Creek channel in Ross.

The Town took several steps to improve drainage in Ross creeks. Over 40 volunteers joined Council member Chris Martin for the

second annual Creek Clean Up Day. The volunteers filled two 18-yard debris boxes with debris, discarded landscaping materials, and fallen branches from Ross Creek and Corte Madera Creek. In October, the Corte Madera Creek bed at Lagunitas Road was dredged. Over five hundred cubic yards of sediment were removed at a cost of \$16,989.

The Town also took steps to reduce flooding at its source with the adoption of a stormwater management ordinance. The new regulations will help to minimize stormwater runoff from new development by reducing impervious surfaces, encouraging the use of permeable surfaces, dispersing stormwater runoff on site, and storing stormwater for reuse or slow release so it can naturally infiltrate the ground. Projects that create over 1,000 square feet of impervious surfaces are now subject to design review, and projects valued at over \$250,000 that increase site runoff need to include a stormwater management plan.



IMPROVING OUR STREETS AND PATHWAYS

The Town is working hard to provide a safe and well-connected pedestrian network that will encourage residents to get out of their cars and walk to the downtown area. Walking or biking reduces traffic, relieves parking pressure, improves our health and reduces our community's carbon footprint.

The Shady Lane pathway was completed in September to rave reviews. The attractive, decomposed granite pathway was constructed at a cost of nearly \$300,000, with a Transportation Authority of Marin Measure A grant paying \$246,000 of the project. To improve safety and access to the new pathway, the Town installed a new stop sign and crosswalk at the intersection with Ames Avenue and constructed an Americans with Disabilities Act-compliant ramp by Ames Avenue at an approximate cost of \$15,000. New signs at the Locust Avenue Bridge on Shady Lane were installed to advise motorists to slow down and warn them about the narrow bridge and blind intersection. All of these improvements will help make it easier for residents to walk to downtown and Ross School.

The Town worked to improve bicycle transportation by installing small bike route signs on Shady Lane, Poplar Avenue and Lagunitas Road. These routes are part of a county-wide bike system that connects towns and major destinations throughout Marin. The

bike routing project is part of a federally-funded \$25 million pilot project that seeks to increase bicycling and walking and reduce reliance on the automobile.

A series of ambitious improvements to Sir Francis Drake Boulevard occurred this year. In the spring, the Marin Municipal Water District replaced a 100-year old water pipe from Lagunitas Road to near the San Anselmo town limit. MMWD completed the project ten days ahead of schedule, with few construction problems, no traffic accidents, and minimal delays and inconveniences for motorists.

In June, the Town finalized engineering plans for the Sir Francis Drake Boulevard pathway and put the project out to bid. The lion's share of the approximately \$250,000 project was funded with federal grants. Work progressed on the pathway with project construction planned for August. Finally, the Town was awarded \$226,000 in American Recovery and Reinvestment Act of 2009 (ARRA) funds to repave the .8 mile section of Sir Francis Drake Boulevard within the Ross town limits.

In addition to these projects, the Public Works Department continued its road repaving program, spending approximately \$181,000 on roadway improvement projects, including the repaving of Norwood Avenue and a portion of Fernhill Avenue.

The overall condition of Town roads has improved dramatically in the last few years as the Town continues to invest funding from state and local sources in roadway maintenance.



Ross School Principal Pattie Dullea and Mayor Pro Tempore Scot Hunter officially opened the new Shady Lane pathway in September.

Miles of roadways in Ross	15.3
Miles of Town-maintained roadways	11.2

BUILDING A SUSTAINABLE COMMUNITY

In many ways, Ross is an old-fashioned slice of Americana where residents still pick up their mail, gather for town celebrations, and participate in Town Hall meetings. But modern-day elected officials must negotiate the pressures of overbuilding, environmental degradation and resource scarcity. Town staff works hard to preserve the small-town charms of Ross, while meeting the demands of 21st-century life and ensuring a sustainable community for future generations.

Hillside Lot Ordinance. Council member Michael Skall and planning staff shepherded a major rewrite of the Hillside Lot Ordinance through four public workshops, advisory design review, and several public hearings. Originally written in the 1980s, the hillside lot ordinance has, at times, been a source of ambiguity and conflict for property owners wishing to develop their lots. Many residents and Council members desired to have clearer and firmer development standards. The final ordinance reflected the best ideas of the public, staff and Council. Floor area guidelines were changed from a guideline to a mandatory limit on development and larger setback requirements reinstated. The Council also agreed to include a guideline for deck area to be limited to 25% of the allowable floor area.

Public Facilities. The Town explored the

feasibility of building new public facilities to replace the outdated and inefficient public safety building and Town Hall offices. Council member Bill Cahill, whose Council goal was to spearhead the study, spent much of the year weighing rebuilding and remodeling alternatives and gathering public input on the project. In June, he unveiled conceptual designs, cost estimates, and financing alternatives for a new building that would provide space for the fire and police departments, Town Hall staff, and the Ross Valley paramedics.

The conceptual schematic retained the historic character of the existing building, but provided state-of-the-art public safety facilities and more efficient office space. A 13,300 square foot building was estimated to cost approximately \$10.2 million. A project this large would most likely need to be financed through a general obligation bond.

The Town Council will continue to look at public facilities alternatives, including consolidation or contracting fire services to avoid the need to build a new firehouse. The Council plans to form a citizens' committee to advance the public facilities project and develop a program.

Downtown Plan. The Council approved a conceptual Downtown Plan that includes a redesign

of the Post Office parking lot adjacent to the commercial area. As designed, diagonal parking on the east side of Ross Common will be converted to parallel spaces, and the roadway narrowed between the post office crossing and Redwood Drive. The south Post Office parking lot will be enlarged to provide two rows of parking spaces.



A conceptual sketch for new public facilities was presented in June 2010.

The conceptual plan includes a new entry treatment to the Common across from the Post Office. "Bulb outs" on both corners of Redwood Drive would discourage illegal U-turns and add an 8-foot wide seating area in front of the Ross Grocery. The plan also envisions new street trees, landscaping, benches and signs.

In January, Mayor Rick Strauss unveiled a preliminary design plan for the downtown. Due to the large number of major public works projects in Ross, the Town decided to postpone construction until after the Lagunitas Road Bridge and Sir Francis Drake Boulevard improvements were completed

Sustainability. The Town continued to promote sustainability efforts in Ross and throughout the County. In November, the Council passed a resolution supporting development of a Central Marin Sanitation Agency “Food to Energy” initiative which would create electricity from methane gas generated by food waste. The project plans to collect food waste from restaurants, grocery stores, and other commercial sources in the Marin Sanitary Service area.

The Town also participated in the development of a countywide, model green building ordinance which seeks to reduce energy use and greenhouse gas emissions through green building standards for both remodeling and new construction of residential and commercial buildings. The model green building ordinance relies on two widely accepted industry rating systems: GreenPoint Rated for residential construction and LEED for commercial buildings. Staff plans to bring these green building regulations to the Council for

approval in the 2010-2011 fiscal year.

Wood-Burning Fireplace Regulations.

The Council adopted wood-burning fireplace regulations to protect air quality and augment Bay Area Air Quality Management District regulations that went into effect on January 1, 2009. The Air Quality District requires cleaner burning fireplaces, such as EPA-certified fireplace inserts or natural gas devices, to be installed in new construction and remodels. The Town’s ordinance extends these fireplace regulations to newly constructed outdoor fireplaces that require building permits. The ordinance also makes it illegal to burn wood, fire logs or pellets in an outdoor fireplace, woodstove or fire pit on Spare the Air Days.

Housing Element. The housing element is a required chapter in a community’s general plan that must be certified by the State Department of Housing and Community Development (HCD). The Town submitted its Draft Housing Element to HCD in July and worked with the agency to ensure the plan was in compliance with state law. The State requires the Town to identify sites where housing development might occur and to ensure the zoning and development standards will facilitate development of its state-mandated housing allocation of 27 new units between 2007-2014. The draft housing element



The Town passed an ordinance banning the construction of new wood-burning outdoor fireplaces.

Number of building permits issued	182
Total valuation of building permits	\$13,134,169
Number of resale inspections	54
Number of planning applications reviewed by Town Council	48
Percent of planning applications approved at first Council hearing	67%
Number of Advisory Design Review applications	17



The Town's draft housing element provided for a number of affordable housing sites. The Council decided to remove the Town-owned property at 6 Redwood Drive from a list of potential multi-family housing sites and maintain the house as a single-family rental unit.

relies on second units, rent-restricted housing units such as caretaker units and guesthouses, and multi-family housing development on selected "opportunity sites" to meet its housing requirement. By June 2010, the Town had already approved ten new second units and guesthouses, leaving just 17 new units for the remainder of the planning period. Town staff expects the housing element will be ready for final Council review and adoption in the fall of 2010.

Advisory Design Review. The Council evaluated the Advisory Design Review (ADR) process and implemented some changes to improve transparency and efficiency. In February, the Council reappointed the five current members to serve on the Advisory Design Review Group and established staggered terms to avoid the complete turnover of members at one time. Jim Kemp and Mark Fritts will serve two years and Josefa Buckingham, Dan Winey, and Noreen Slivon, one year. The Council also passed a resolution that requires an ADR member to recuse himself if he has a financial or personal relationship with an applicant that would prevent him from offering an unbiased opinion.

MANAGING THE TOWN'S FINANCES

The Town of Ross has a long history of being fiscally conservative and establishing healthy reserves. While many other cities are struggling financially, the Town continues to operate on sound financial footing.

The Town ended fiscal year 2009-2010 in solid financial shape. General fund revenues totaled \$5,460,020, down just slightly (-0.4%) from the previous fiscal year. Expenditures rose 8.4% over the previous year and outpaced revenues by \$167,079, marking the first time in this millennium that the Town has not ended the year in the black. The deficit was the result of several accounting reconciliations discovered by the Town's new accountant, and one-time employee separation costs. Nonetheless, the Town ended the year with reserves of \$4,900,792 in its total general fund, emergency fund and facilities fund.

General Fund, Emergency Fund and Facilities Fund Combined Balances		
Date		Balance
June 30, 2003	Actual	\$2,159,230
June 30, 2004	Actual	\$2,829,954
June 30, 2005	Actual	\$2,326,209
June 30, 2006	Actual	\$3,862,819
June 30, 2007	Actual	\$4,268,454
June 30, 2008	Actual	\$4,807,622
June 30, 2009	Actual	\$5,132,612
June 30, 2010	Actual	\$4,900,792

As shown in the tables below, general fund revenues have increased by about 8.5% each year in recent years, while expenditures have increased at an average annual rate of 9.7%. While we wait for the economy to improve, the Town has committed to controlling costs and reducing the growth rate in expenditures. In June, the Council adopted a budget for fiscal year 2010-2011 that forecasts a decrease in revenue of 2.2% and reduces expenditures by 10.3%.

General Fund Expenditures			
Fiscal Year		Expenditures	Change from Previous Year
03/04	Actual	\$3,227,748	
04/05	Actual	\$3,413,161	5.7%
05/06	Actual	\$4,597,587	34.7%
06/07	Actual	\$4,404,396	-4.2%
07/08	Actual	\$4,780,317	8.5%
08/09	Actual	\$5,193,247	8.6%
09/10	Actual	\$5,627,098	8.4%
Increase FY 03/04 - FY 09/10			74.3%
Average Annual Rate of Increase			9.7%
Budgeted for FY 10/11			-10.3%

General Fund Revenue			
Fiscal Year		Revenue	Change from Previous Year
03/04	Actual	\$3,342,871	
04/05	Actual	\$4,033,635	20.7%
05/06	Actual	\$4,739,917	17.5%
06/07	Actual	\$5,169,240	9.1%
07/08	Actual	\$5,037,704	-2.5%
08/09	Actual	\$5,479,816	8.8%
09/10	Actual	\$5,460,020	-0.4%
Increase FY 03/04 - FY 09/10			63.3%
Average Annual Rate of Increase			8.5%
Budgeted for FY 10/11			-2.2%

Revenue comes from a variety of sources. Property tax, the largest revenue source, contributed \$2,624,159 to the Town's general fund.

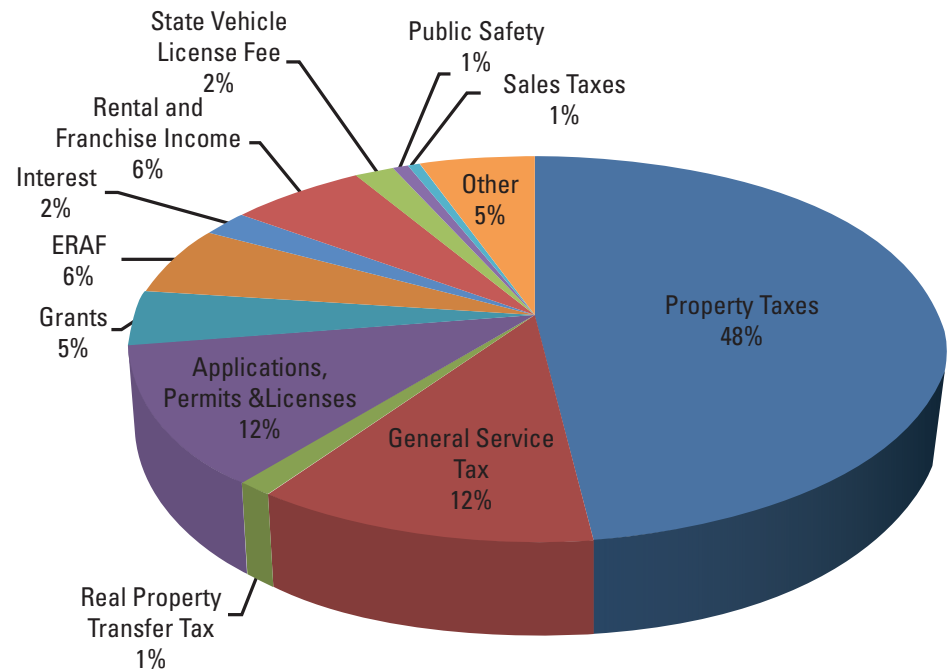
The General Service Tax, renewed by Ross voters in 2008, was the second largest revenue source. At \$775 per parcel, it contributed \$635,002, about 12% of total general fund revenues. In 2009, the Town audited General Service Tax assessment rolls and captured several thousand dollars in additional revenue.

Fees for applications, permits, licenses and construction penalties contributed \$633,492. The Town received \$249,603 in grants, and \$317,479 in State Educational Revenue Augmentation Fund (ERAF) money.

The Town does not have a large commercial base to generate significant sales tax revenue. Instead, the Town relies on a variety of small, and sometimes creative, revenue sources.

Cell site leases, post office rental income, and franchise fees from PG&E, Comcast, and Marin Sanitary Service, contributed \$345,219. The Town received \$28,910 from sales tax revenue, and \$36,641 from business license fees.

Revenue Sources FY 09/10



The Town tracks expenditures for the Public Safety and General Government in separate accounts. Public Safety includes personnel and operating costs for the Fire and Police Departments, as well as shared overhead expenses for the two departments. General Government includes expenditures for the Planning, Building, and Public Works Departments, Administration, and overhead expenses at Town Hall.

Public Safety expenses, at 63% of expenditures, take the biggest bite out of the general fund. The tables to the right show General Government expenditures have been increasing at an annual rate of 7.2% in recent years, which is below the growth rate in general fund revenue. On the other hand, Public Safety expenditures have been increasing at an annual rate of 10.6%, well above the 8.5% annual growth rate in general fund revenue. Public Safety expenses have been increasing at a faster rate because of increases in salary and retirement costs. The apprentice firefighters program and the Town's decision to create separate fire and police chief positions represent a portion of these rising costs.

General Government Expenditures			
Fiscal Year		Expenditures	Change from Previous Year
03/04	Actual	\$1,125,111	
04/05	Actual	\$1,107,029	-1.6%
05/06	Actual	\$1,729,482	56.2%
06/07	Actual	\$1,638,286	-5.3%
07/08	Actual	\$1,593,932	-2.7%
08/09	Actual	\$1,778,159	11.6%
09/10	Actual	\$1,709,193	-3.9%
Average Annual Rate of Increase			7.2%
Budgeted for FY 10/11			-5.0%

Public Safety Expenditures			
Fiscal Year		Expenditures	Change from Previous Year
03/04	Actual	1,956,088	
04/05	Actual	2,072,921	6.0%
05/06	Actual	2,286,625	10.3%
06/07	Actual	2,522,742	10.3%
07/08	Actual	2,679,949	6.2%
08/09	Actual	3,182,314	18.7%
09/10	Actual	3,572,769	12.3%
Average Annual Rate of Increase			10.6%
Budgeted for FY 10/11			-5.0%

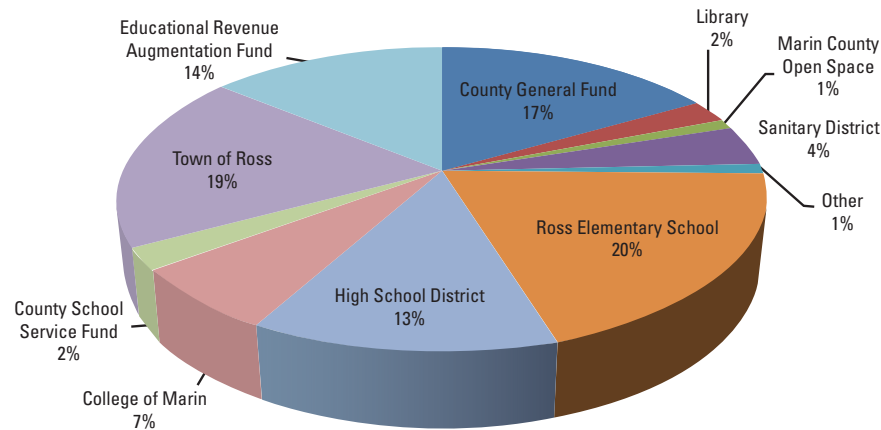
Expenditures included a number of non-routine costs, such as a one-time cost to upgrade the condition of the Town-owned property at 6 Redwood Drive. The improvements allowed for the ultimate rental of the property.

In an effort to trim operating expenses as much as possible, the Town implemented a number of cost-cutting initiatives that resulted in approximately \$18,200 in annual savings. The Town moved payroll and payables in-house and hired a local accountant, saving an estimated \$10,000 a year, and switched building cleaning service for an additional annual cost saving of \$1,500. Both of these changes have resulted in improved service at a lower cost. The Town audited overhead expenses and saved an additional \$6,700 per year by changing cell phone providers, installing software to automatically shut down Town computers at night, correcting a streetlight billing error, and implementing an electricity rate schedule change.

In recent years, the Town has made a concerted effort to obtain federal, state and local grant funding to augment traditional sources of general fund revenue. This strategy has paid off handsomely, as the Town plans to spend \$2,316,000 in grant money

in fiscal year 2010-2011, representing 26.2% of total expenditures in all funds next year. The Town was awarded a \$442,900 federal Highway Safety Improvement Program grant in February, which will be used to fund intersection improvements at Sir Francis Drake Boulevard and Lagunitas Road in the 2011-2012 fiscal year. Ross was the only Marin community to be awarded such a grant. The Town also applied for a \$303,000 Safe Routes to School state grant to pay for sidewalk and roadway improvements on Bolinas Avenue.

Where do your basic property taxes go?



FY 10-11 Grant Revenue From Outside Sources	
SFD Pedestrian Improvements	\$199,000
FEMA Hazard Mitigation Grant	\$40,000
ABAG Workers Comp. Grant	\$10,000
ABAG Liability Insurance Grant	\$15,000
ARRA SFD Roadway Grant	\$226,000
State of CA Park Grants	\$226,000
Federal Highway Administration Grant for Lagunitas Rd. Bridge	\$1,500,000
State of CA COPS Grant	\$100,000
Total Grant Funding	\$2,316,000
Total Expenditures All Funds	\$8,839,058
% All FY 10-11 Expenditures Funded with Grant Money	26.2%

The basic tax on a Ross home is 1% of the assessed value. The greatest percentage of these tax dollars – nearly 56% – go to education. The County of Marin general fund receives 17%, while the Town of Ross general fund receives 19%. So over 4/5ths of your property tax payment winds up supporting operations other than the Town of Ross.

In FY 09-10, Mayor Pro Tempore Scot Hunter completed a study of the Town’s pension liabilities and reported his findings to the Council in March. The Town currently has a retirement fund deficit of \$1.6 million, which is scheduled to pay down over 13 years through regular CalPERS monthly payments. The Council considered using a portion of the Town’s \$5.3 million in reserves to pay down the debt, since CalPERS assesses a 7.75% interest rate, well above the Town’s rate of return on its investments. The Council agreed to consider funding needs for new public facilities and downtown improvements before determining the amount the Town could prudently use from its reserves to pay down pension liabilities.

Town of Ross
Balance Sheets
June 30, 2010
Government Fund Types
(Unaudited)

	<u>General</u> <u>Fund</u>	<u>Roadway</u> <u>Improvement</u> <u>Fund</u>	<u>COPS</u> <u>Fund</u>	<u>CLEEP</u> <u>Fund</u>	<u>Drainage</u> <u>Fund</u>	<u>Building</u> <u>Permit Excess</u> <u>Reserve</u>	<u>Equipment</u> <u>Replacement</u> <u>Fund</u>	<u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Plan Update</u> <u>Fund</u>	<u>Park</u> <u>Fund</u>	<u>Gas</u> <u>Tax</u> <u>Fund</u>	<u>Emergency</u> <u>Fund</u>	<u>Facilities</u> <u>Fund</u>	<u>Legal</u> <u>Defense</u> <u>Fund</u>
Assets:														
Cash - Wells Fargo	(2,156,033)	528,509	66,672	8,154	498,802	10,708	57,967	0	3,813	13,546	137,082	0	(1,355)	184,806
Cash - Wells Fargo - Permits	973,390	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash - Local Agency Fund	4,381,316	64,874	0	11,409	199,595	281,850	591,284	0	1,558	78	0	1,500,000	1,415,000	0
Cash - On Hand	400	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Receivable, net	10,080	103	0	17	305	447	940	0	0	0	0	0	0	0
Employee Advances	1,192	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Expenses	24	0	0	0	0	0	0	0	0	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction in Process	0	0	0	0	0	0	0	234,201	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	2	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0	1,577,913	0	0	0	0	0	0
Office Furniture & Equipment	0	0	0	0	0	0	0	305,348	0	0	0	0	0	0
Other Equipment	0	0	0	0	0	0	0	691,660	0	0	0	0	0	0
Autos and Trucks	0	0	0	0	0	0	0	1,265,836	0	0	0	0	0	0
Less Accumulated Depreciation	0	0	0	0	0	0	0	(2,667,043)	0	0	0	0	0	0
Total Assets	3,210,369	593,486	66,672	19,580	698,702	293,005	650,191	1,407,917	5,371	13,624	137,082	1,500,000	1,413,645	184,806
Liabilities:														
Accounts Payable	64,887	3,677	0	0	64,187	1,235	0	0	5,700	0	0	0	0	0
Permit Deposits in Bank	975,390	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Liabilities	(665)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compensated Absences Payable	(3,769)	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Payroll	185,779	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Compensation Payable	1,600	0	0	0	0	0	0	0	0	0	0	0	0	0
Due to Other Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	1,223,222	3,677	0	0	64,187	1,235	0	0	5,700	0	0	0	0	0
Fund Balance:														
Fiscal Year ended June 30, 2009														
Undesignated	2,217,360	700,090	55,570	24,337	809,220	297,758	584,035	0	15,694	13,624	76,931	1,500,000	1,415,252	184,806
blank total	(2,217,360)	(700,090)	(55,570)	(24,337)	(809,220)	(297,758)	(584,035)	0	(15,694)	(13,624)	(76,931)	(1,500,000)	(1,415,252)	(184,806)
Current Year ending June 30, 2010														
Excess (Deficiency) of														
Revenue Over Expenditures	(167,078)	(110,281)	11,101	(4,757)	(174,705)	(5,988)	3,021	0	(16,022)	0	60,151	0	(1,607)	0
Rounding	0	0	1	0	0	0	0	1	(1)	0	0	0	0	0
Inter-fund Transfers	(63,135)	0	0	0	0	0	63,135	0	0	0	0	0	0	0
Investment in Fixed Assets	0	0	0	0	0	0	0	1,407,916	0	0	0	0	0	0
Total Fund Balances	1,987,147	589,809	66,672	19,580	634,515	291,770	650,191	1,407,917	(327)	13,624	137,082	1,500,000	1,413,645	184,806
Total Fund Balance and Liabilities	3,210,369	593,486	66,672	19,580	698,702	293,005	650,191	1,407,917	5,371	13,624	137,082	1,500,000	1,413,645	184,806

Town of Ross
Statement of Revenue and Expenditures
For the Twelve Months Ending June 30, 2010
Governmental Fund Types
(Unaudited)

	<u>General Fund</u>	<u>Roadway Improvement Fund</u>	<u>COPS Fund</u>	<u>CLEEP Fund</u>	<u>Drainage Fund</u>	<u>Building Permit Excess Reserve</u>	<u>Equipment Replacement Fund</u>	<u>General Assets</u>	<u>Park Plan Update Fund</u>	<u>Gas Fund</u>	<u>Emergency Tax Fund</u>	<u>Facilities Fund</u>	<u>Legal Defense Fund</u>
Revenue													
Prop & Gen'l Serv Taxes	3,326,677	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax	28,910	0	0	0	0	0	0	0	0	0	0	0	0
Franchises	125,538	0	0	0	0	0	0	0	0	0	0	0	0
Business Licenses	36,641	0	0	0	0	0	0	0	0	0	0	0	0
Permits & Resale Inspections	393,382	7,910	134,262	0	0	0	0	0	0	0	0	0	0
Vehicle Code Fines	10,327	0	0	0	0	0	0	0	0	0	0	0	0
Impact Fees	0	90,231	0	0	85,167	0	0	17,053	0	0	0	0	0
Interest & Rental	335,756	338	0	57	1,019	1,441	3,021	0	0	0	0	0	0
Other Agencies	692,608	0	0	0	77,690	0	0	0	0	60,151	0	0	0
Current Services	204,449	0	0	0	0	0	0	0	0	0	0	0	0
Other Revenue	304,443	0	3,000	0	0	0	0	0	0	0	0	0	0
Miscellaneous	1,289	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	5,460,020	98,479	137,262	57	163,876	1,441	3,021	17,053	0	60,151	0	0	0
Expenditures													
General Government	991,243	0	0	0	0	0	0	0	0	0	0	0	0
Public Safety Dept	3,572,769	0	0	0	0	0	0	0	0	0	0	0	0
Public Works Dept	717,950	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditures	345,136	0	0	0	0	0	0	0	0	0	0	0	0
Other Fund Expenditures	0	208,760	126,161	4,814	338,581	7,429	0	33,075	0	0	0	1,607	0
Total Expenditures	5,627,098	208,760	126,161	4,814	338,581	7,429	0	33,075	0	0	0	1,607	0
Excess (Deficiency) of Revenue over Expenditures	(167,078)	(110,281)	11,101	(4,757)	(174,705)	(5,988)	3,021	(16,022)	0	60,151	0	(1,607)	0

PRODUCED BY

Gary Broad, Town Manager
Christine O'Rourke, Project Planner
Elissa Park, Graphic Designer