



TOWN COUNCIL MEETING STAFF REPORT

MEETING DATE June 5, 2024
PREPARED FOR Mayor and Town Council
PREPARED BY Heather Abrams, Town Manager
SUBJECT Receive Scientific Survey Results Regarding a Possible Bond Measure for Road Repairs and Direct Staff as Appropriate

RECOMMENDATION

Staff recommends that the Council receive a presentation of scientific survey results from FM3 and direct staff as appropriate.

BACKGROUND

On [May 8, 2024](#) the Council received the first presentation on the survey results. A second presentation was planned for June 5, 2024, for additional discussion.

Previous discussions:

The Council and staff have received complaints regarding the state of road repair within the Town. The Town is ranked lowest in Marin County on the Pavement Condition Index (PCI), a rating from 0 to 100 of the severity and extent of distresses observed on a pavement surface. The Council has received several presentations from staff and expert consultants regarding the current condition of roads and the limitations of the current budget for repairs within Fairfax, including on [February 1, 2023](#), [March 1, 2023](#), [January 10, 2024](#), [January 24, 2024](#).

The following is a summary of the information discussed:

Financial situation:

In 1999, the Council placed Measure K on the ballot to help fund road and infrastructure repairs of up to \$6.83 million, which was expended on Fairfax infrastructure nearly two decades ago. At that time, more than two-thirds of Fairfax voters approved, and bonds were issued in 2000, 2002, and 2006. The Town currently has a rating of AA+, which allows the Town to access favorable financing rates.

Construction costs throughout California continue to escalate and Fairfax's road condition continues to decline. Unfortunately, the cost to complete the deferred maintenance and repairs needed outstrips the Town's current resources. Continuing pay-as-you-go repairs and maintenance will not be sufficient to maintain Fairfax's current low PCI rating, and improving Fairfax's PCI will require even more resources. Allocating additional resources is essential to improve Fairfax's PCI. Extending the existing property tax rate or increasing the property tax rate would provide needed additional funds to complete road projects and stabilize costs in the long term. This is because regular maintenance is far less expensive than emergency repairs and full replacement following deferred maintenance.

Progress thus far:

Since 2022, Public Works Director Umbertis has successfully completed several large projects, including Scenic and Porteous repaving, retaining wall repairs at 145 Canyon, and one-time sidewalk improvements in town. The Council approved a project charter to help the Town work with the County of Marin to apply for grants to repair Bolinas Road, which appears to be gaining traction with federal

fundings. Grant applications typically require matching funds of 10% to 25%, and bond proceeds would facilitate applying to larger grants than Fairfax could normally access.

Several commentators have mentioned that Larkspur used to have the lowest PCI rating in Marin; Larkspur now has the among the highest PCI rating in Marin, and the lowest PCI is now held by Fairfax. Larkspur was able to make this dramatic upturn in its PCI ranking by increasing the general sales tax from which the Larkspur Council allocated a portion of the revenue for the repair of its roads.

On [March 6, 2024](#), the Council established a Survey Subcommittee of Vice Mayor Blash and Council Member Hellman and approved the use of scientific survey firm FM3 to conduct a survey of voters in Fairfax. During that meeting, Council approved the agreement with FM3 for a scientific survey and the postcard for a total of \$32,690 from the Public Works General Fund 01-51- 821. The Subcommittee and staff met with FM3 to review the survey and postcard design. Postcards began arriving to Fairfax voters on April 15, 2024, and FM3 followed up with telephone calls and emails to voters that did not respond.

As a reminder, the following steps in the process have been discussed. The Council is being asked to receive the survey results; a separate action would be needed to place a bond measure on the ballot for November 2024.

Steps in the Process:

- Council Direction: On January 10, 2024, the Council discussed and directed staff to pursue a scientific survey on the possibility of a voter approved bond for road repairs.
- Voter Surveying/Polling: On March 6, 2024, the Council approved the surveying/polling firm that designed and implemented a poll of residents on bond options and collected data on the priorities and willingness to support a tax measure. The Council also appointed a Subcommittee of two Council Members to review the proposed survey questions before the scientific survey began. Surveying/polling was conducted in the latter half of April 2024.
- Project Planning: At the January 24, 2024, Council Meeting, Public Works staff and consultants presented the draft 5-year plan for paving, based on current resources. If directed by the Council, Public Works staff can develop an updated draft of the 5-year paving plan, reflecting the use of potential bond proceeds. This revised plan would detail which projects could be completed with the additional resources.
- Council Approval: If the Council wishes to move forward, in July the Council would need to approve placing a measure on the November 2024 ballot. If the Council decides not to act this year, the next probable opportunity is in 2026.
- Voter Campaign: A group of residents would be needed to run the campaign for the measure, as Town staff are only allowed to provide educational information (not campaign materials).
- Voter Approval: If voters approve the measure, staff will bring financing documents and road projects back to the Council for review and approval.
- Project Implementation: Once financing is secured, design will begin, and project timelines will be brought before the Council.

DISCUSSION

Unfortunately, significant road issues are commonplace in Fairfax and current pay-as-you-go funds will not be sufficient to keep the deferred maintenance from becoming more costly over time. A bond could be used, like a mortgage, to allow the Town to make significant improvements. The Town has applied with the County for large Federal grants, which require approximately 20% matching funds that could be a challenge for the Town without a bond measure.

On May 8, 2024, the first item on the Town's Budget Workshop Special Meeting was an item to receive scientific survey results regarding a possible bond measure for road repairs and direct staff as

appropriate. The item was on that agenda because a bond for road repairs could shape budget planning. The survey firm, FM3, presented the attached presentation and answered questions. The Council requested that the presentation be given again on June 5, 2024, with the expectation that the Council could direct staff to place the item on the November ballot or not. If the Council directs staff to proceed with a bond ballot measure, a resolution to place it on the ballot can be brought on the consent calendar at the July 17, 2024 Council Meeting.

FISCAL IMPACT

There is no fiscal impact associated with receiving this presentation. If the Council directs staff to place a \$36 million bond measure on the November ballot the assessment would be \$60 per \$100,000 of assessed value, or if it was an \$18 million bond, the assessment would be \$30 per \$100,000 of assessed value. Originally in 1999, Measure K was estimated to have a max tax rate of \$58 per \$100,000 of assessed valuation (AV) and the current rate is \$22.50 per \$100,000 AV. The current median single family residential AV is \$650,000 in Fairfax, which equates to an annual cost of \$146.25. The Measure K assessment has been decreasing over time and will end in 2027.

ATTACHMENT

Presentation slides







Voter Attitudes Toward the Proposed Fairfax Bond Measure Survey

Key Findings of a Survey Conducted April 15-22, 2024



OPINION
RESEARCH
& STRATEGY

Survey Methodology

Dates	April 15-22, 2024
Survey Type	Dual-mode Voter Survey
Research Population	Voters in the Town of Fairfax
Total Interviews	649
Margin of Sampling Error	±5.7% at the 95% Confidence Level
Contact Methods	 Telephone Calls  Email Invitations  Text Invitations  Postcard Invitations
Data Collection Modes	 Telephone Interviews  Online Interviews

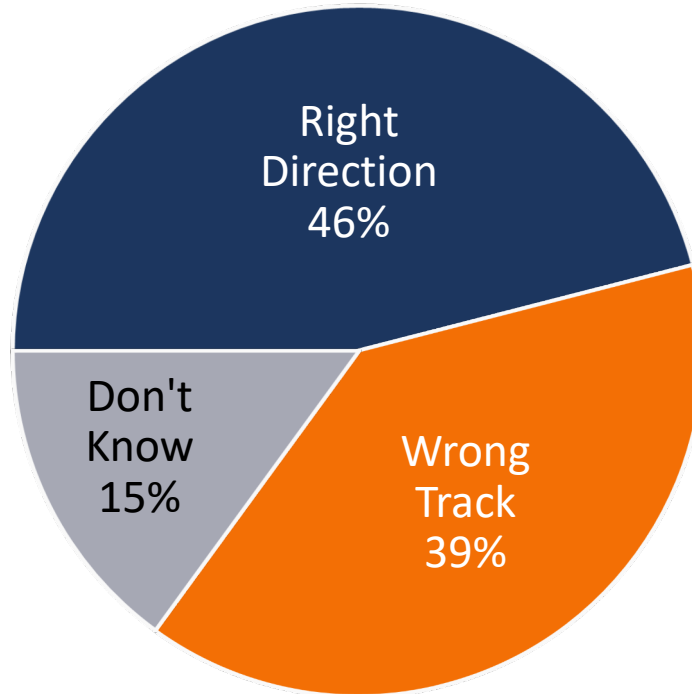
(Note: Not All Results Will Sum to 100% Due to Rounding)



Community Context

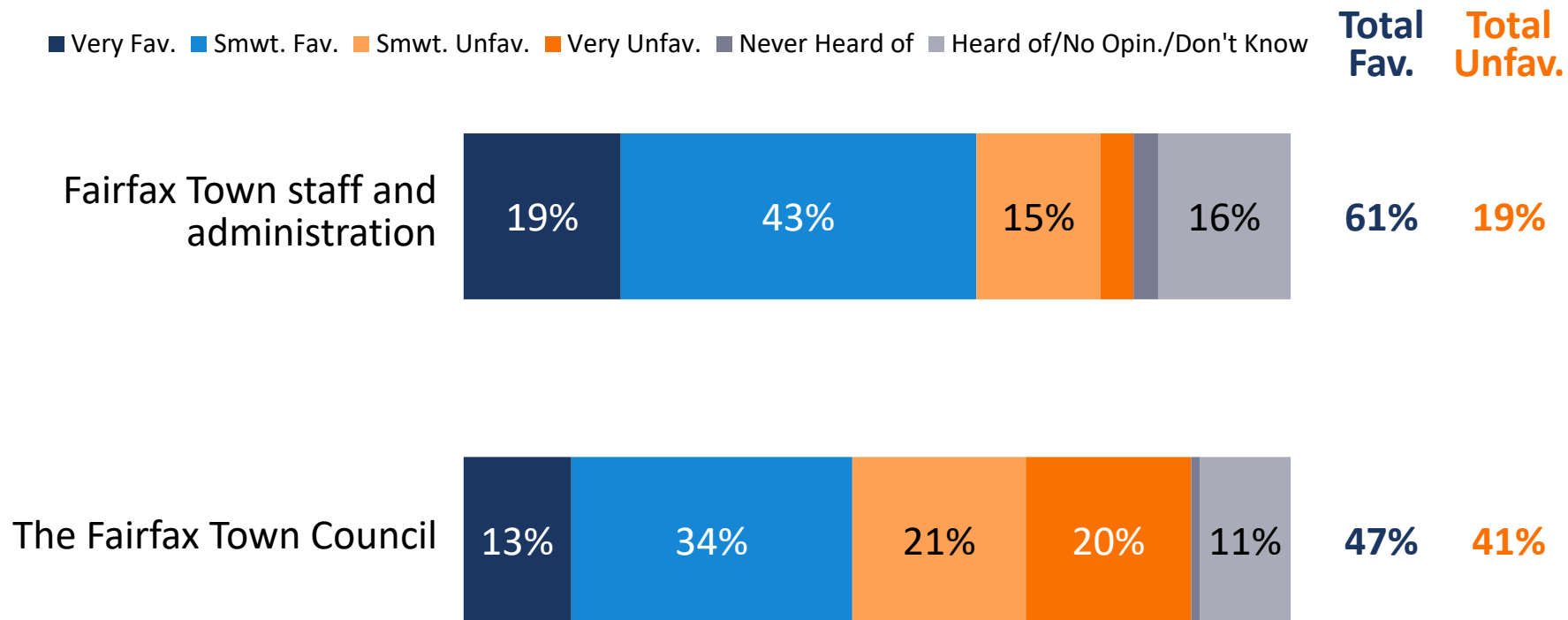
Voters are mixed on the direction of Fairfax.

Would you say that things in Fairfax are generally headed in the right direction, or do you feel things have gotten pretty seriously off on the wrong track?



Three in five have a favorable opinion of Town staff but voters are more closely divided on views of the Council.

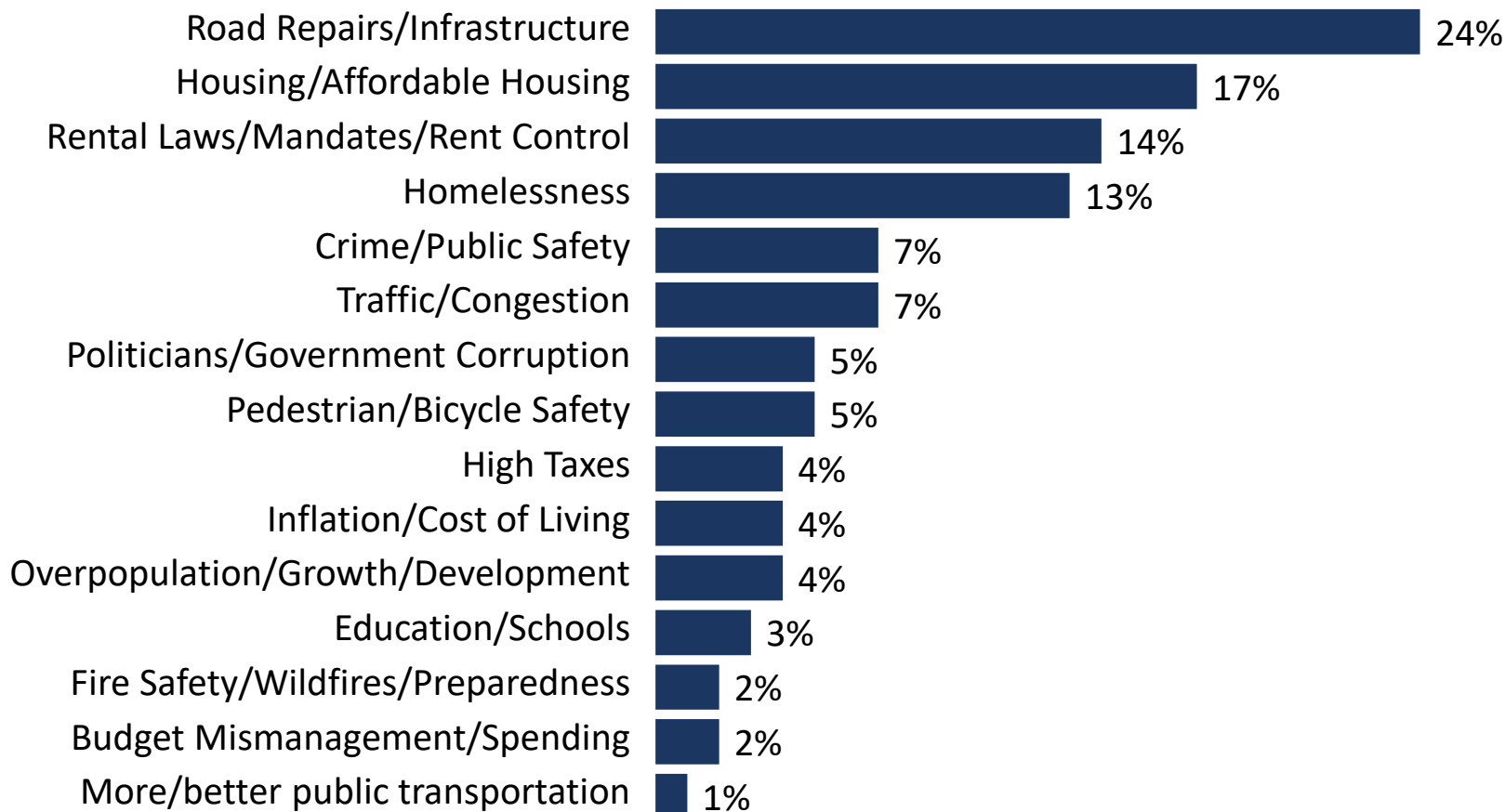
I am now going to read the names of some groups and organizations. Please tell me whether you have a favorable or unfavorable opinion of that group or organization. If you have never heard of the group or organization I mention, or if you do not have enough information to have an opinion, you can tell me that too.



The biggest issue voters would like to see addressed related to road repairs and infrastructure.

In a few words, what is the top issue you would like to see Town government address in Fairfax?

(Open-ended)



Verbatim Comments Describing Top Issues

Speeding cars in neighborhoods.

Help people ensure they have affordable home insurance so we can stay here.

Tripping hazards for pedestrians.

Forgotten street upgrades and repairs, drainage, sidewalks, increase and empower public works to enforce encroachment regulations.

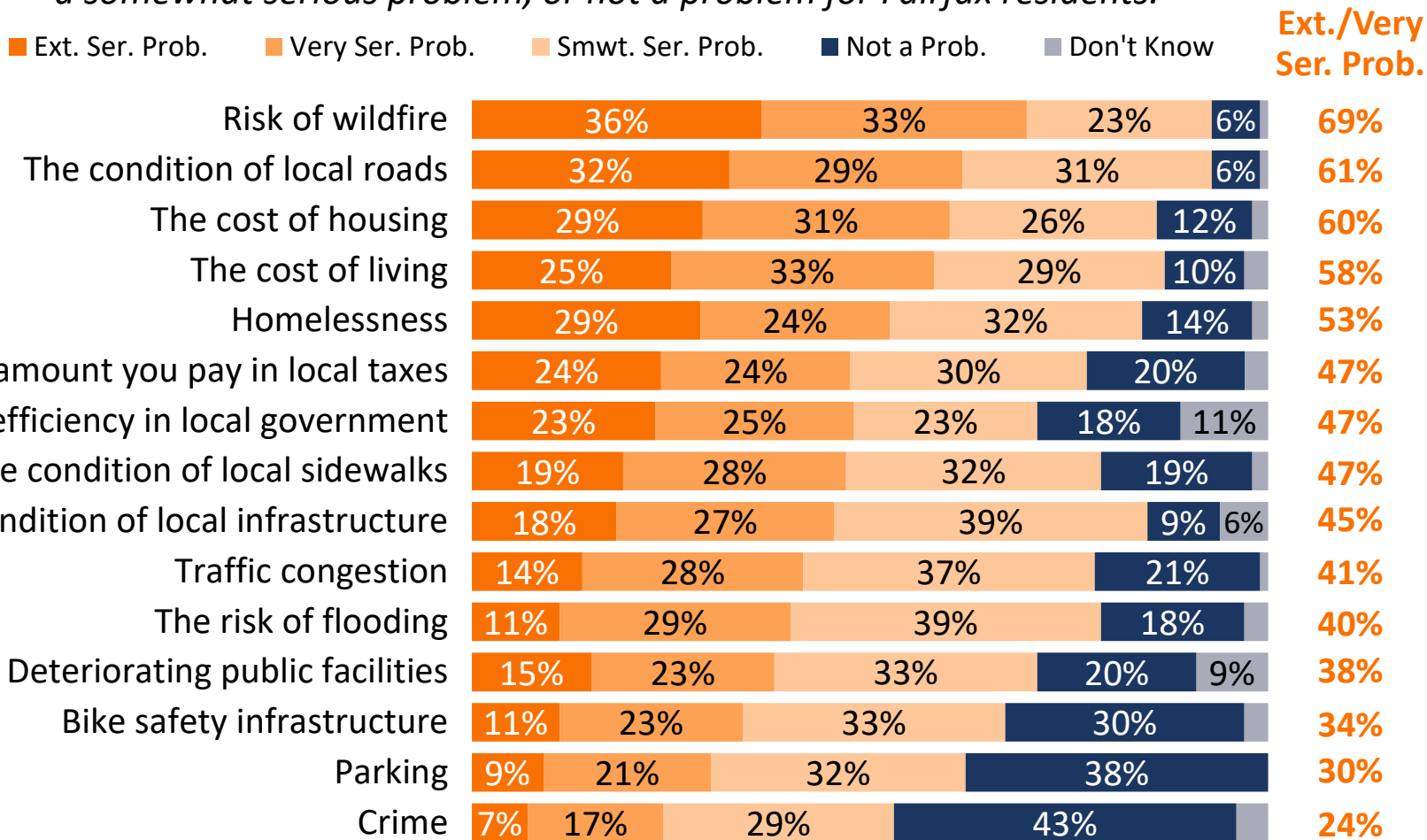
The Town needs to spend within its means. the Town needs to cover the basics like road maintenance before considering optional programs like rent control that there is no money to pay for.

Infrastructure improvements. The Council should get back to basics and forgo social experiments like the rent control ordinances.

The homeless issue behind the baseball field. Affordable housing but not a huge building. Traffic is terrible in Fairfax so it needs to be somewhere not downtown though unless it was sensibly and sustainably built.

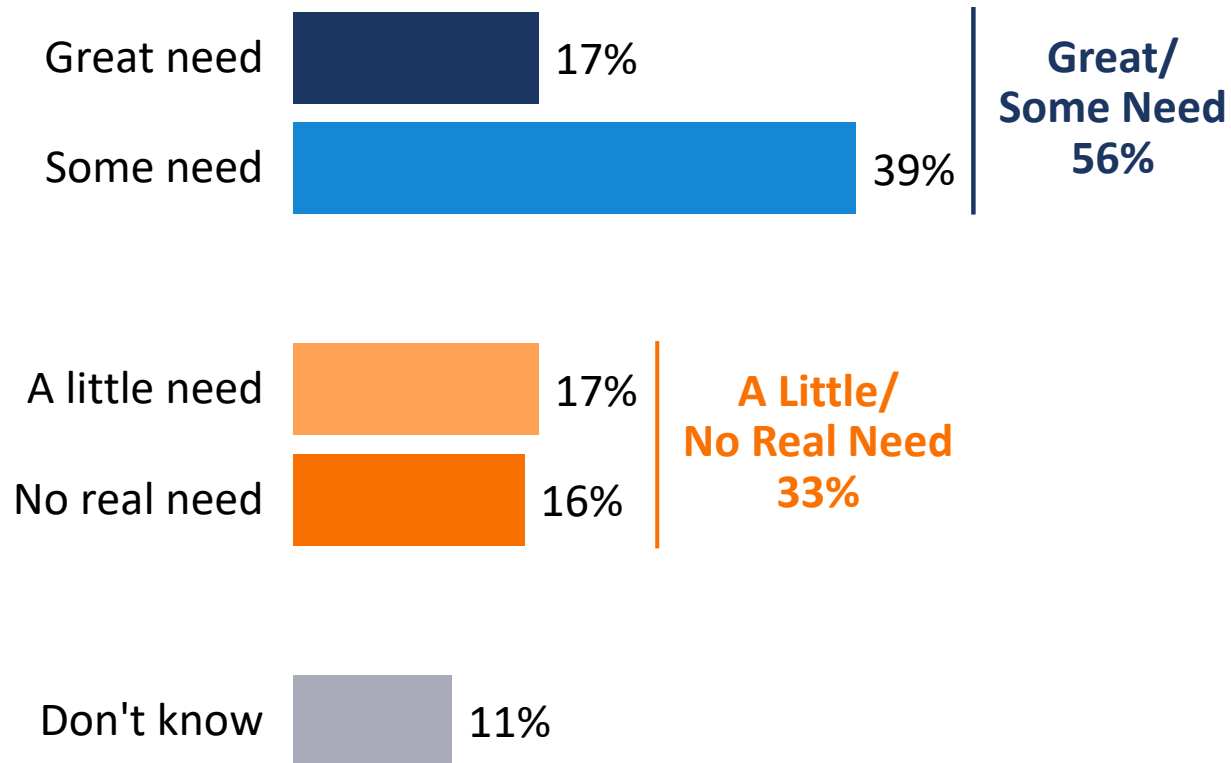
The risk of wildfire, condition of local roads, and cost of housing are the top problems in the community.

I'm going to read you a list of things some people say may be problems facing Fairfax. Please tell me whether you think it is an extremely serious problem, a very serious problem, a somewhat serious problem, or not a problem for Fairfax residents.



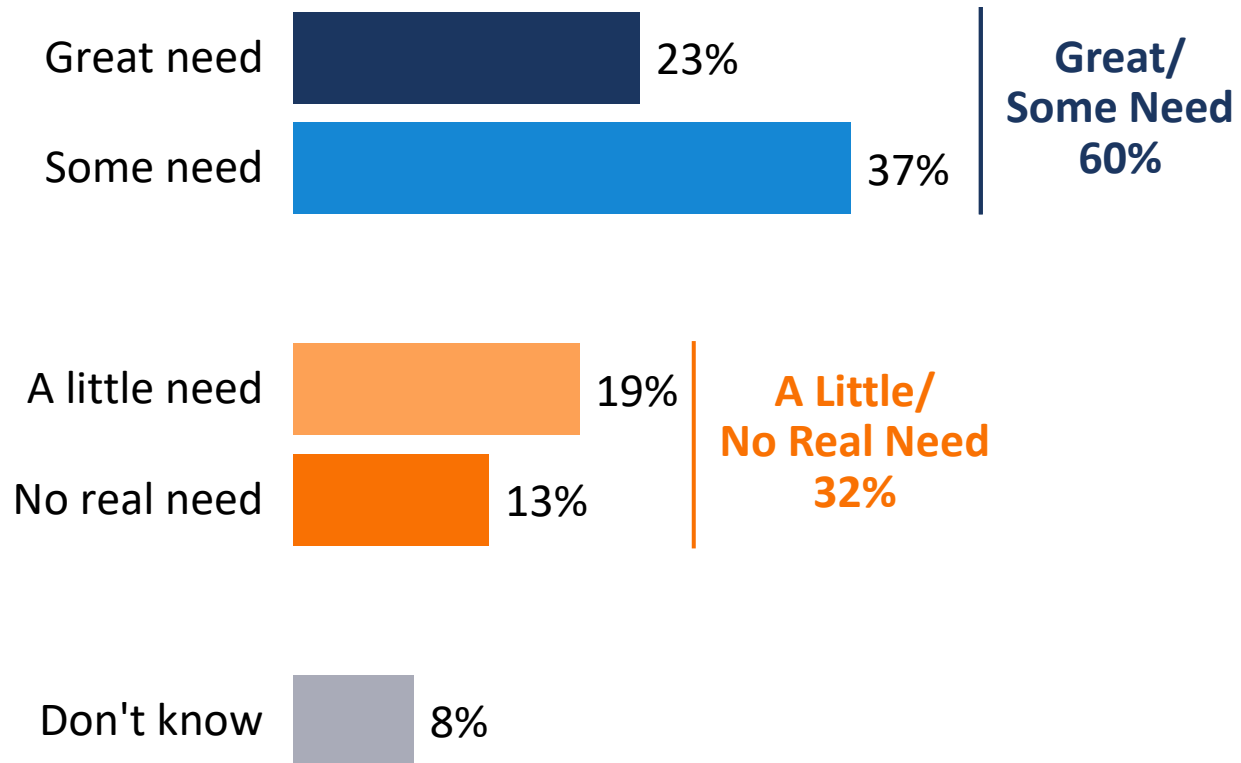
A majority see a need for funding for Town services, but fewer than one in five see a great need.

In your personal opinion, do you think there is a great need, some need, a little need, or no real need for additional funds to provide the level of town services that Fairfax residents need and want?



Three in five see a need for funding to address Fairfax's infrastructure.

And do you think there is a great need, some need, a little need, or no real need for additional funds to address the condition of Fairfax's infrastructure?

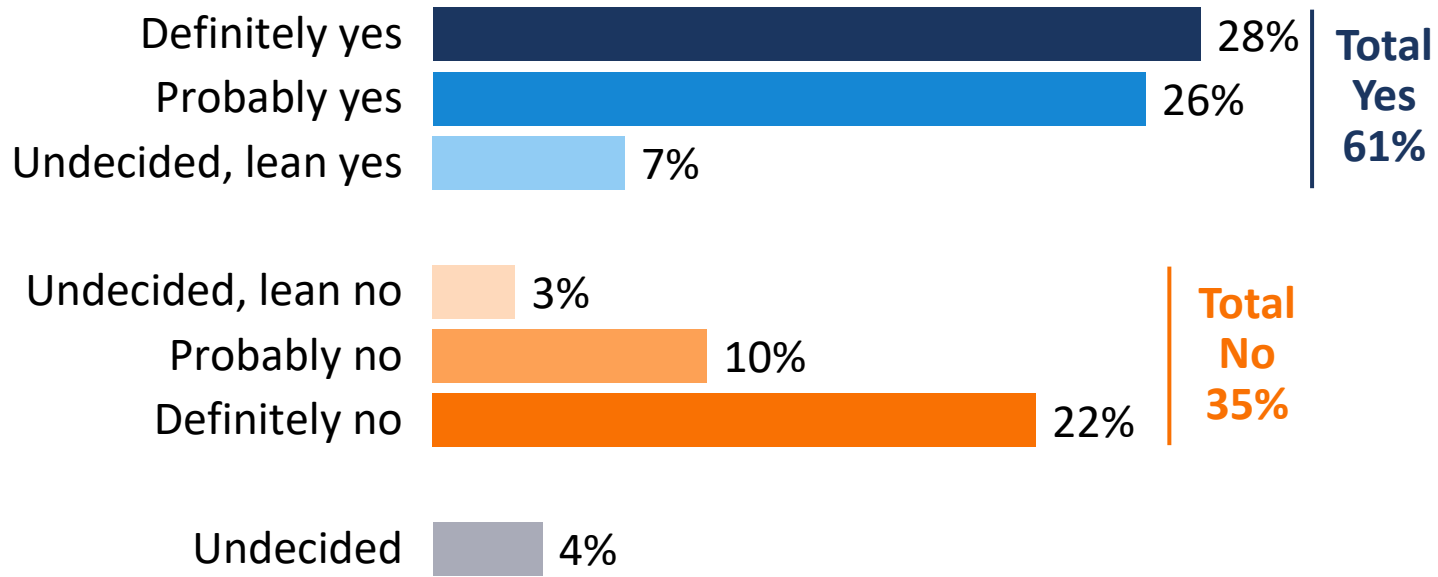




Introducing the Measure

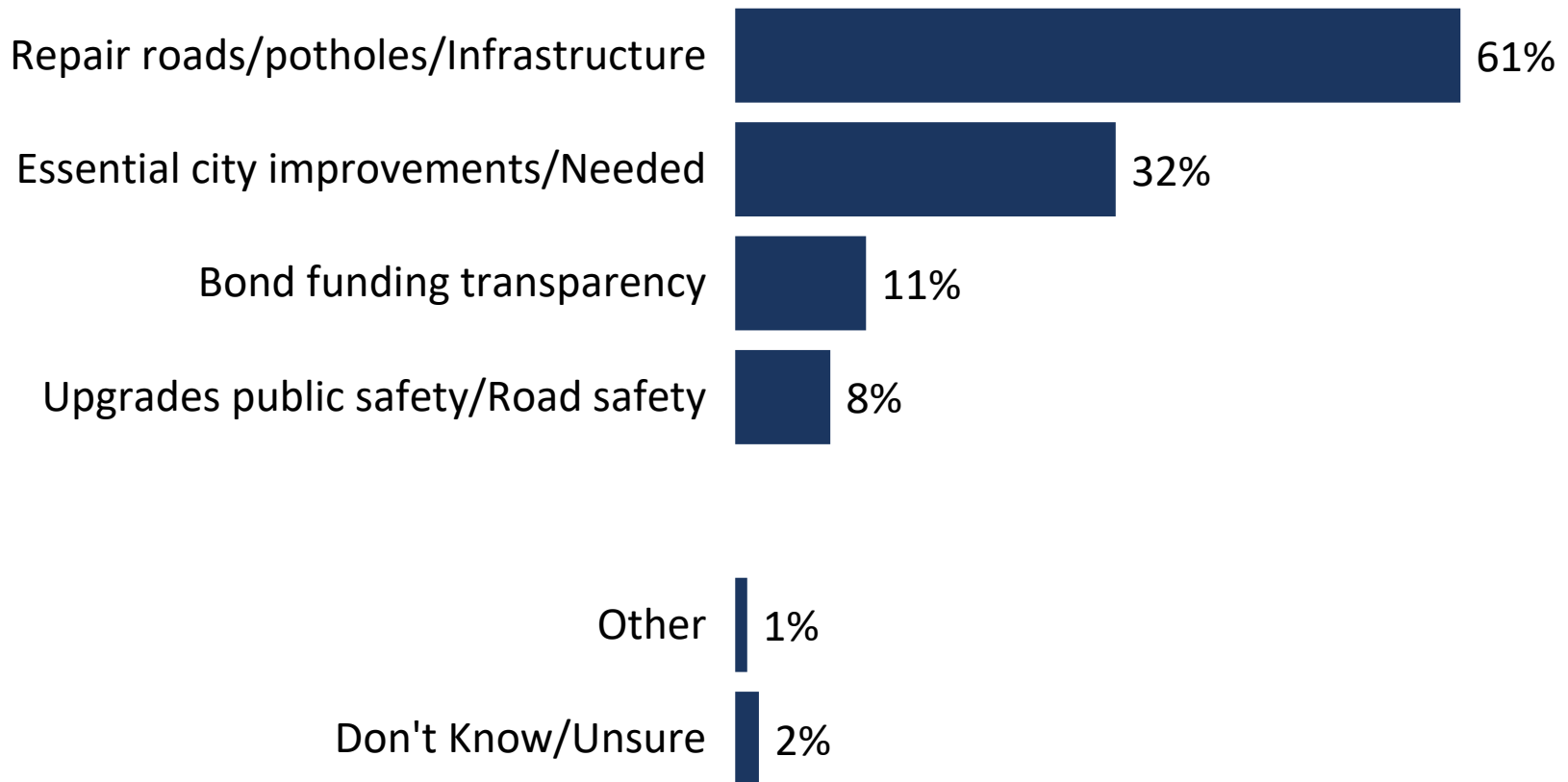
Three in five voters say they are likely to vote “yes” on the proposed measure.

To repair roads/infrastructure; fix potholes; repave streets; repair retaining walls/bridges; address flooding of roads/buildings; improve bike/pedestrian circulation, safe routes to schools, disabled access; and qualify for federal matching funds, shall the Town of Fairfax’s measure authorizing \$36 million in bonds with a duration up to 30 years from the time of each issuance, at legal interest rates, levying approximately \$60/\$100,000 of assessed value, raising about \$2.2 million annually, requiring audits/citizen oversight, be adopted?



Supporters are motivated by the need to repair roads and infrastructure.

*In a few words of your own, why would you vote **YES** on this measure?
(Open-ended; Asked of Yes Voters Only, n=396)*



Verbatim Comments in Favor of the Measure

The neighborhood streets are in terrible condition. The amount of bike traffic warrants solutions.

Rising construction costs and deteriorating roads in town. Funding is important to continue repairs and maintain infrastructure.

Safe streets and sidewalks make any town more "user friendly". As do adequate parking in the proper places in commercial areas.

We need to repair the potholes on the street and fix buildings at schools that need to be repaired.

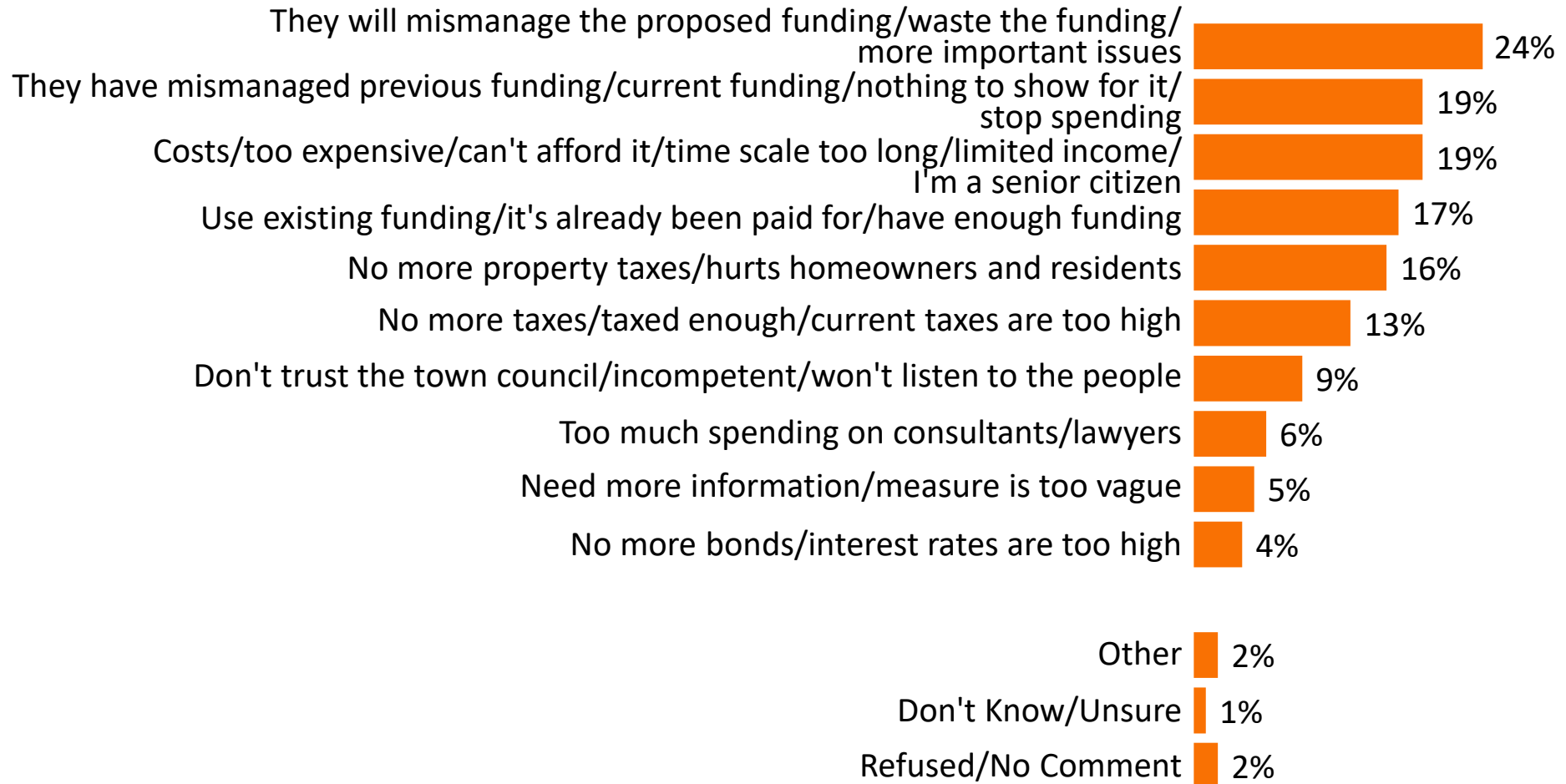
Roads need to be fixed but I like the citizen oversight.

Sidewalk and streets are in serious disrepair in Fairfax, but not sure why we have to pay additional taxes to get this basic service completed.

Infrastructure is important. Roads need to be kept up!

Opponents worry about financial mismanagement and costs.

*In a few words of your own, why would you vote **NO** on this measure?
(Open-ended; Asked of No Voters Only, n=229)*



Verbatim Comments in Opposition to the Measure

Towns keep taxing the residents for expenses rather than trying to adjust the funds they have. We are not an unlimited pot for everything.

It would cost me \$300-\$400 more a year on my taxes. I would rather see an increased sales tax.

We already voted for and had money for infrastructure in our town. The money was not used appropriately.

Town council has squandered our funds and I don't trust them.

As a homeowner, we already pay way too much in property taxes and nothing gets done to fix the infrastructure. Our roads are falling apart and nothing gets done yet our property taxes continue to rise.

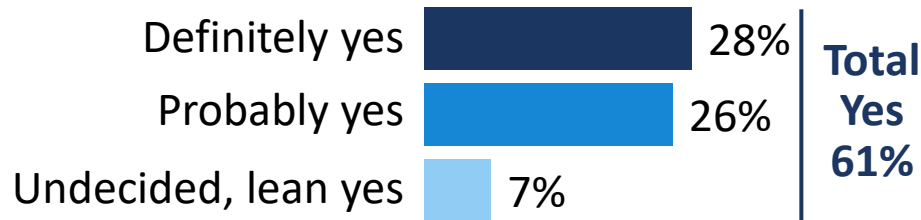
The town already has very high property taxes that it does not use wisely.

We already pay well over \$15,000 annually in property taxes, for our house here in Fairfax. That should be enough to fix the streets.

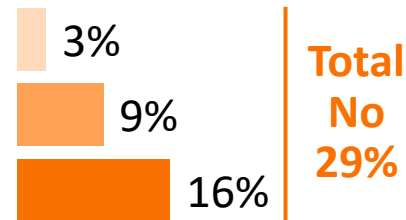
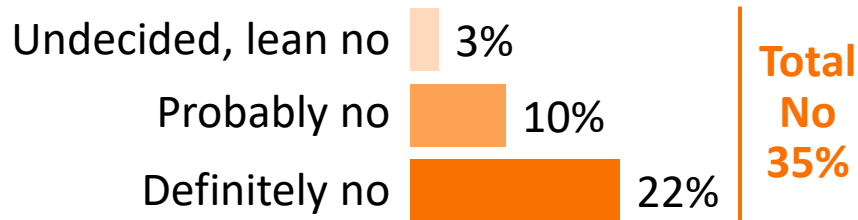
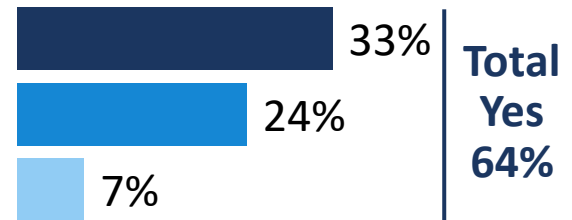
Voters are slightly more inclined to support a \$18 million bond.

Suppose that instead of authorizing a \$36 million bond levying \$60 per \$100,000 of assessed value, the measure to repair and maintain Fairfax roads and infrastructure authorized \$18 million in bonds and levied \$30 per \$100,000 of assessed value.

Initial Vote



\$18 Million Bond



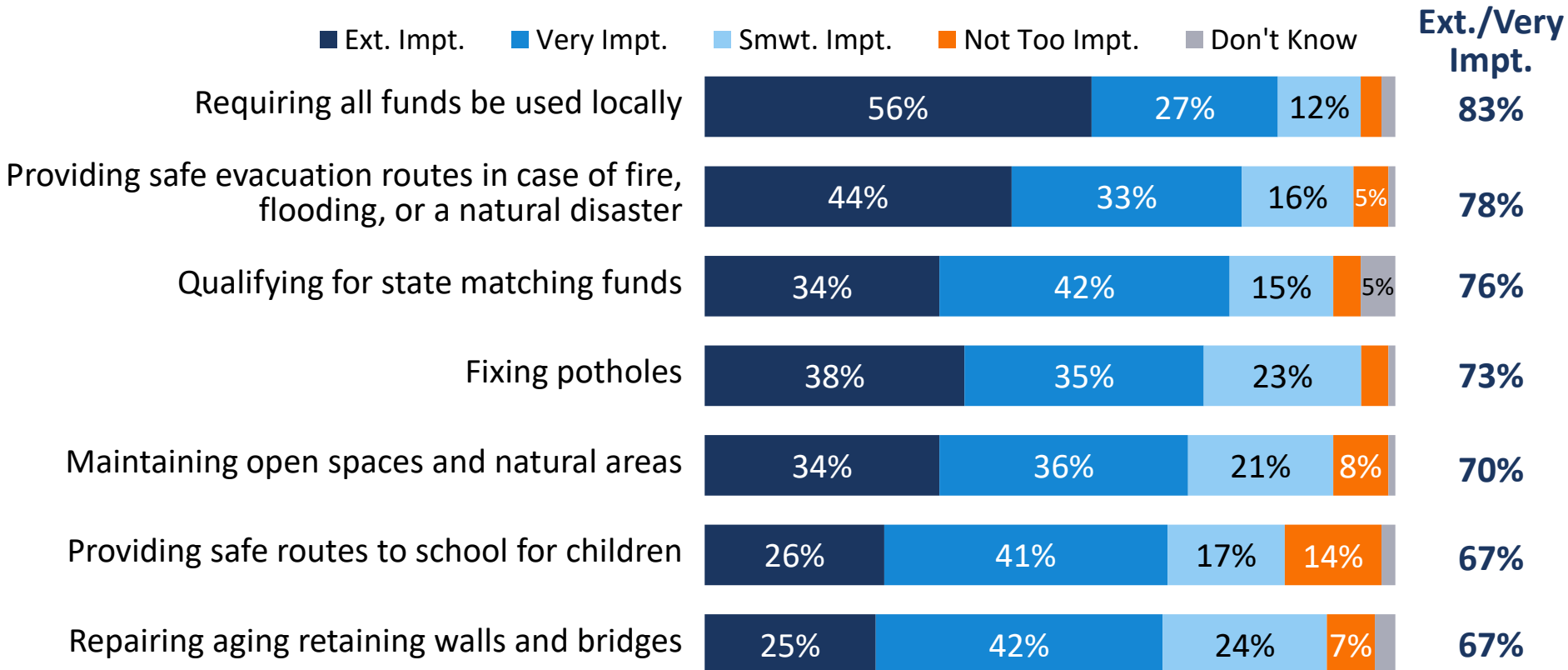
Undecided 4%

Undecided 7%

Accountability measures, safe evacuation, and fixing potholes are voters' top priorities.

The proposed bond measure has not yet been finalized. I am going to read you a list of ways in which the funds generated by the bond measure could be spent, and also provisions that could be included.

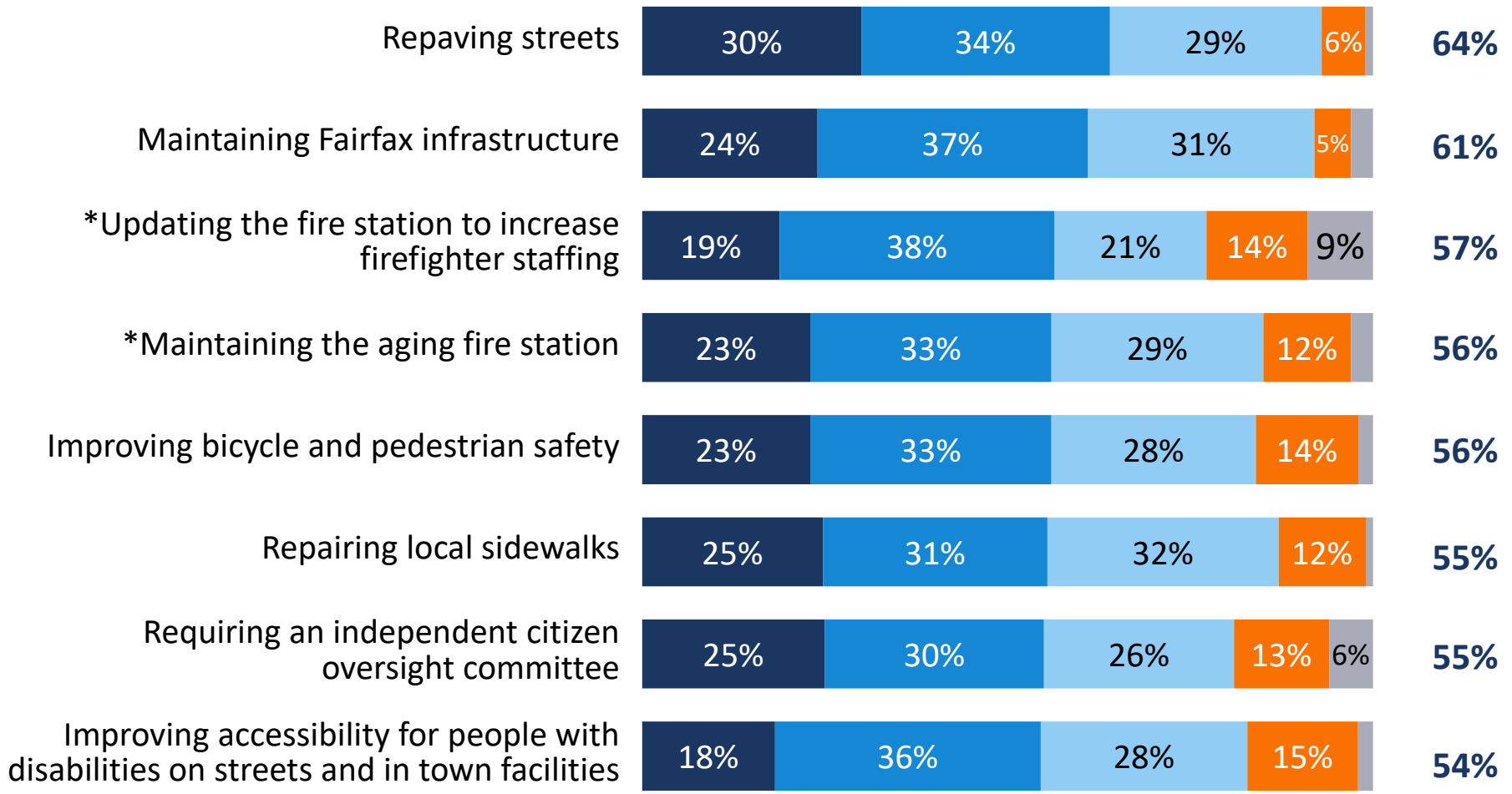
Please tell me how important that provision or use of funds is to you personally: is it extremely important, very important, somewhat important, or not too important?



Three in five say it is important to repave streets and maintain infrastructure.

■ Ext. Impt. ■ Very Impt. ■ Smwt. Impt. ■ Not Too Impt. ■ Don't Know

Ext./Very Impt.

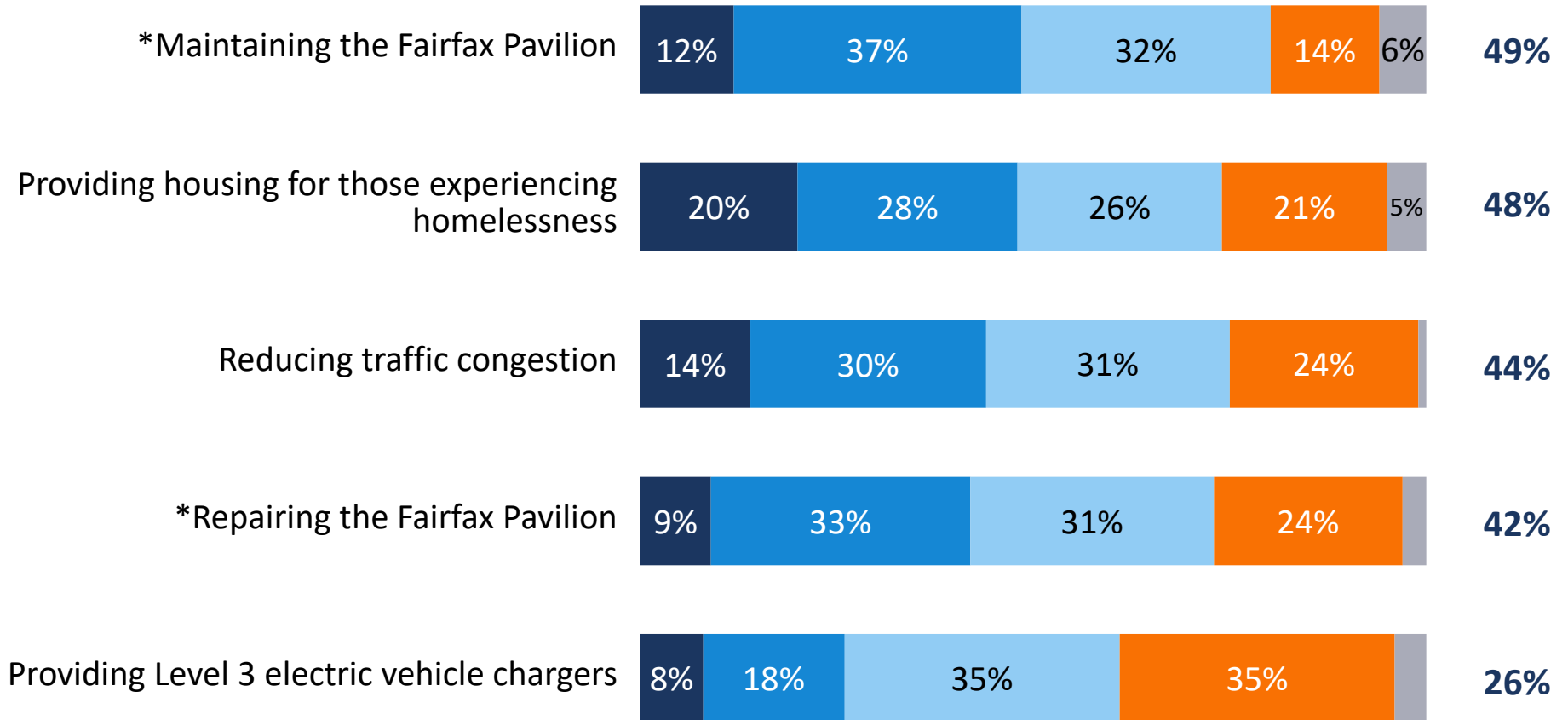


Q10. The proposed bond measure has not yet been finalized. I am going to read you a list of ways in which the funds generated by the bond measure could be spent, and also provisions that could be included. Please tell me how important that provision or use of funds is to you personally: is it extremely important, very important, somewhat important, or not too important? *Split Sample

Voters assign less importance to repairing the Pavilion and Level 3 EV chargers.

■ Ext. Impt. ■ Very Impt. ■ Smwt. Impt. ■ Not Too Impt. ■ Don't Know

Ext./Very Impt.

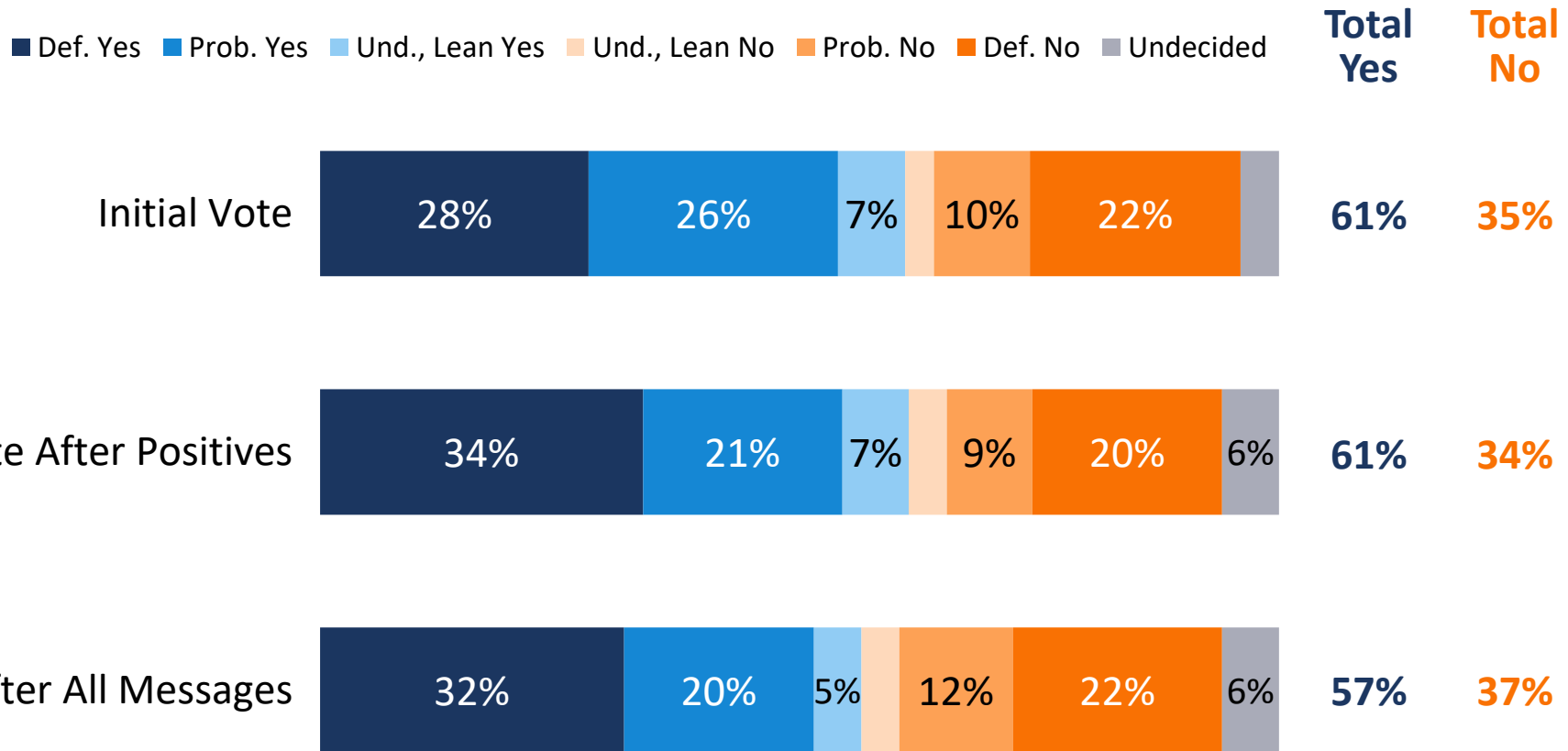


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Messaging

As voters learn more about the measure, their views remain highly stable.



Messages in Favor of the Measure

Ranked by Very Convincing

44%

(MATCHING FUNDS) This measure will allow Fairfax to qualify for up to \$10 million in additional federal grant funding to repair major streets like Bolinas Road. If we do not pass this measure, the grant funding will go to other communities.

41%

(DEFERRED MAINTENANCE) According to independent experts, Fairfax has a \$36 million backlog of road and infrastructure repairs. At the current spending levels road conditions will continue to deteriorate, additional resources are needed; the longer roads go without repair, the more expensive it will be to fix the conditions of our roads. This measure will make Fairfax roads safer and improve our quality of life.

38%

^(ACCOUNTABILITY/LOCAL CONTROL) This measure includes strict accountability provisions, such as public spending reports and independent citizen oversight. This funding cannot be taken by state government or other agencies, and all funds must be used only in Fairfax.

38%

^(STREET CONDITIONS) Fairfax's street conditions are among the worst in Marin and many of our roads are rated "poor." We need this measure to make essential repairs to our local streets and keep drivers, bikers, and pedestrians safe.

34%

^(POTHOLE) Fairfax's potholes are dangerous; they routinely cause expensive damage to residents' cars and are a hazard for cyclists. Fixing our roads will prevent accidents and make our roads safer for everyone.

33%

(WALL PROPERTY) The Town is considering purchasing the Wall Property. This measure could provide funding to ensure that the open space and natural areas on the property are well-maintained and accessible to the community, similar to Sky Ranch.

Messages in Favor of the Measure (Continued)

Ranked by Very Convincing

31%

^(FIRE PROTECTION) Fairfax's fire station is outdated and hasn't been updated since the 1970s. This measure could update the fire station and provide the space for a bigger fire crew to ensure Fairfax residents are protected in emergencies, including natural disasters and wildfires.

28%

^(SAFE ROUTES TO SCHOOL) Unfortunately, many intersections near our local schools are dangerous. This measure will build bike lanes and improve crosswalks near schools to ensure that students can safely walk or bike to their local schools.

27%

(FAIRFAX PAVILION) The Fairfax Pavilion is a beloved landmark for our community, but it is aging and badly needs to be retrofitted. The Pavilion has decaying walls, a leaky roof, and an outdated foundation. This measure could provide funding to restore the Pavilion and make it a fun gathering space for years to come.

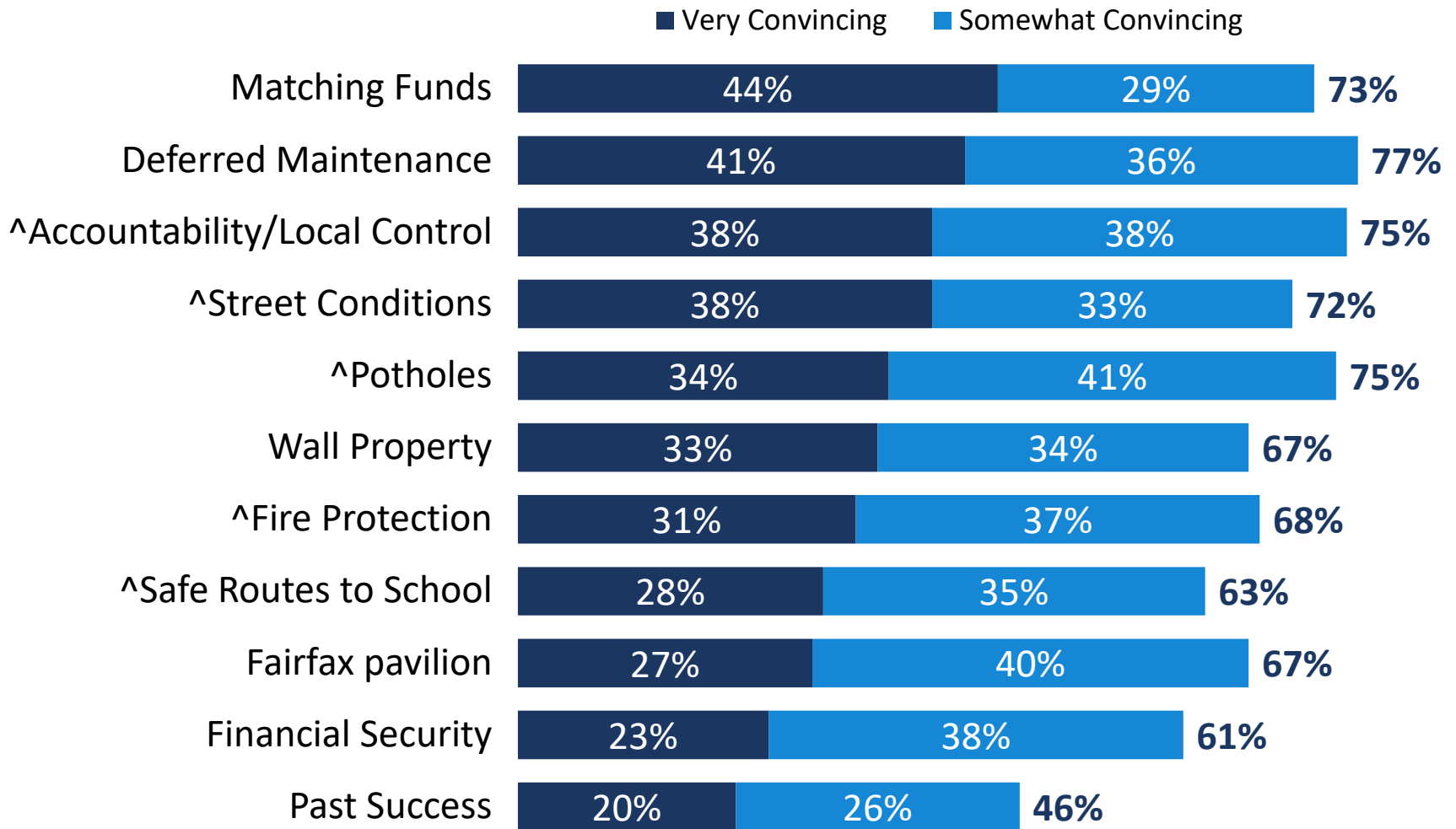
23%

(FINANCIAL SECURITY) The Town of Fairfax has an excellent financial track record. The town has maintained consistent stable financial reserves and an AA+ credit rating. The Town's last infrastructure bond was 25 years ago and it will be expiring in the next three years, meaning that taxpayers will no longer pay it. Fairfax residents can trust the Town to use the funds from this measure as promised and efficiently.

20%

(PAST SUCCESS) The Town of Fairfax has a track record of good financial and project management. In the last year, Fairfax Town government was able to responsibly use some of its financial reserves to repave two road segments and repair sidewalks, proving they can deliver infrastructure projects on time and on budget. Taxpayers can trust the Town to use the funds from this measure as promised and efficiently.

Messages on matching funds and the cost of deferred maintenance resonate strongest.



Q11. I am going to read you some statements made by supporters of this ballot measure. Please tell me whether you find it very convincing, somewhat convincing, or not convincing as a reason to support this measure. ^Not Part of Split Sample



Conclusions

Conclusions

- Fairfax voters are divided in their view of Town government.
 - 61% view Town staff and administration favorably and 19% view them unfavorably.
 - 47% view the Town Council favorably and 41% view them unfavorably.
- While majorities see a need for funding for Town services and infrastructure, few see a “great need.”
- In that context, a majority of voters support a \$36 million bond measure to support roads and infrastructure, but the support falls short of the two-thirds threshold required for success at the ballot.
- Support for an \$18 million bond is greater, but still falls short of two-thirds.
- Voters place the greatest priority on using funds locally, safe evacuation, fixing potholes, and qualifying for matching funds.
- Consistent with these priorities, the strongest messages in favor of the bond describe matching funds, the cost of deferred maintenance, and road repairs.
- Overall, the proposed bond measure does not appear viable at this time; additional public education on the need for funding could increase support over time.

**For more information,
contact:**



**OPINION
RESEARCH
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