

MEETING AGENDA
TOWN OF CORTE MADERA
SALES TAX CITIZENS' OVERSIGHT COMMITTEE

Tuesday, June 2, 2020

4:00 P.M.

Corte Madera Town Hall Council Chambers
300 Tamalpais Drive, Corte Madera, CA 94925

VIA VIDEOCONFERENCE ONLY

NOTICE TO PUBLIC:

Due to Coronavirus (COVID-19), the June 2, 2020, meeting of the Sales Tax Citizens Oversight Committee will occur via videoconference only. All committee members will be participating remotely, and residents are urged to follow the orders issued by the Marin County Public Health Officer and Governor and participate in the meeting remotely as well. As allowed under the Governor's Executive Order N-29-20 (March 17, 2020), during the duration of the COVID emergency the Town of Corte Madera will no longer offer an in-person meeting location for the public to attend. Members of the public may view and participate in the meeting remotely by registering at the following link:

<https://tinyurl.com/ybb7hunt>

(No Pre-Registration Needed- Click on Link at Meeting Start Time) Zoom webinar ID: Webinar ID: 943 1340 8839

If you are joining via dial-in instead of computer/tablet/smartphone, you may dial in to listen to the meeting using any of the following numbers:

1 (408) 638-0968	1 (253) 215-8782	1 (301) 715-8592	1 (346) 248-7799
1 (669) 900-6833	1 (312) 626-6799	1 (646) 876-9923	

(for higher quality, dial a number based on your current location)

Please note that Zoom requires a Name and Email to join the webinar. The information will not be shared with any of the meeting hosts or participants. Download Zoom Webinar [here](#).

Submit public comment remotely by:

1. Emailing PublicComment@tcmmail.org prior to 3:00 P.M. on the day of the meeting.
2. Emailing PublicComment@tcmmail.org during the meeting.
3. Join the meeting at the link above and select the "Raise Hand" icon during the meeting to provide public comment verbally when recognized by the Clerk at the appointed time.

Anyone with a disability needing further assistance with public comment should contact the Clerk at least 2 hours before the beginning of the meeting to make alternative arrangements at rvaughn@tcmmail.org or 415-927-5050.

Click [here](#) for more information on how to register to watch the meeting and submit public comment remotely.

1. CALL TO ORDER, ROLL CALL AND SALUTE TO THE FLAG

2. OPEN TIME FOR PUBLIC REGARDING NON-AGENDA ITEMS

(Anyone wishing to speak on non-agenda items will be recognized at this time. These items can legally have no action as they are not on the agenda. There is a three minute time limit.)

3. GENERAL BUSINESS

(Anyone wishing to speak on agenda items will be recognized after the Committee has concluded their initial discussions. There is a three minute time limit for public comment per item.)

A. Summary of the Fiscal Year 2018-2019 Sales Tax Override Fund and Preparation of Annual Report

The Committee will review the report, "Summary of FY 2018-2019 Sales Tax Override Fund", ask any additional questions of staff and discuss potential content and format for the draft annual report. The Committee will provide direction to the Chair, and staff, to draft the report which would be brought back to the committee for approval and direction to submit to the Town Council at a later date.

Attachment A: Annual Report for FY 2018-2019

B. Approval of Minutes of the May 12, 2020 Meeting

Attachment B: Draft Minutes of May 12, 2020 meeting

4. DISCUSS NEXT MEETING DATE AND ADJOURN

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at 415-927-5085. For auxiliary aids or services or other reasonable accommodations to be provided by the Town at or before the meeting please notify the Town Clerk at least 3 business days (the Thursday before the meeting) in advance of the meeting date. If the town does not receive timely notification of your reasonable request, the town may not be able to make the necessary arrangements by the time of the meeting.

SALES TAX CITIZENS' OVERSIGHT COMMITTEE
2018-2019 DRAFT ANNUAL REPORT

May 13, 2020

The Sales Tax Citizens' Oversight Committee has reviewed the revenues and expenditures of the Transactions and Use Tax and found them to be consistent with the provisions and purpose of the tax.

Corte Madera voters approved a .5% local sales tax (Measure B) which became effective in April 2014. The purpose of the sales tax was to build Town reserves, to provide funding for fire prevention measures, and for capital and infrastructure improvements such as road improvements, flood control and pedestrian crossings. Measure B was approved as a general purpose tax which can be used for any purpose related to Town operations. The Town Council made the decision to prioritize the following Town services with respect to the Measure B tax expenditures:

- Flood Control
- Streets and Potholes
- Safe Routes to School
- Senior and Youth Programs
- Fire Prevention
- Disaster Preparedness

In 2018, Corte Madera voters approved Measure F, which increased the local sales tax to .75% and eliminated the special drainage property tax of \$98 per residential unit or per 1,000 commercial square feet. Measure F was approved for unrestricted general revenue purposes subject to annual audits and a citizens' oversight committee. The Town's infrastructure priorities are listed above. Measure F became effective in October 2018.

For the 2018-2019 fiscal year, July 1 – June 30, the Town received \$3,678,350 in Measure B and Measure F revenue. For this same period, the Town expended \$1,577,760 from this fund as follows:

Flood Control **\$ 249,749**

- Marina Village Pump Station \$40,449
- High Canal \$13,406
- Golden Hind/Ebbtide Pump Station \$6,474
- San Clemente Pump Station \$84,781
- Marina Village Levee \$1,871
- Pumps Repair \$102,767

1
2 MINUTES OF MAY 12, 2020
3

4 MEETING OF THE
5 SALES TAX CITIZENS OVERSIGHT COMMITTEE
6

7 Chair Gerbosi called the Regular Meeting to order at Town Hall Council Chambers, 300
8 Tamalpais Drive, Corte Madera, CA on May 12, 2020 at 4:01 p.m.
9

10 **1. CALL TO ORDER, ROLL CALL AND SALUTE TO THE FLAG:**

11 Chair Gerbosi led in the Pledge of Allegiance.
12

13 Committee Members Present Via Videoconference: Committee Members Greenbaum
14 and Spurzem
15

16 Committee Members Present Via Teleconference: Chair Gerbosi and Vice Chair Flahive
17

18 Committee Members Absent: - None -
19
20

21 Staff Present: Town Manager Todd Cusimano, Finance Director Daria Carrillo, Public Works
22 Director R.J. Suokko, Town Clerk/Assistant Town Manager Rebecca Vaughn and
23 Administrative Analyst Lorena Barrera
24
25

26 **2. OPEN TIME FOR PUBLIC COMMENT REGARDING NON-AGENDA ITEMS**

27 No member of the public addressed the Committee.
28
29

30 **3. GENERAL BUSINESS**
31

32 **A. SUMMARY OF FY 2018-2019 SALES TAX OVERRIDE FUND AND PREPARATION OF**
33 **ANNUAL REPORT**

34 Chair Karen Gerbosi called for the first item on the agenda and Finance Director Daria
35 Carrillo introduced the item. She went over the summary of the fiscal year 2018-2019 Sales
36 Tax Override Fund reading out the revenues and expenditures accounted for so far. She also
37 pointed out the interest adjustment that was made as recommended by the Town's auditor.
38 Additionally, she noted the expenditures and how she has broken them down by category
39 and by project.
40

41 The committee did not have questions on the information provided and proceeded to the
42 next agenda item.
43
44

1 B. CONSIDERATION AND POSSIBLE ACTION TO PROVIDE A RECOMMENDATION TO THE
2 CORTE MADERA TOWN COUNCIL REGARDING FORMATION OF A \$2.5 MILLION
3 EMERGENCY RESERVE AND ITS USES
4

5 Finance Director Daria Carrillo went over the item and mentioned that the information does
6 not reflect the entire 2019-2020 fiscal year. She pointed out that at the beginning of the fiscal
7 year, the balance was \$9.6 million and that \$2.5 million of that are part of the informal
8 reserve. She noted that the revenue through April is approximately on budget. The Town has
9 received eight of the 12 payments from the State and said the State is usually behind the
10 actual payment date. Chair Gerbosi asked if the committee should be looking at page 22 from
11 the agenda packet. Carrillo pointed out that the numbers reflected on that page were what
12 was calculated in late February when she was preparing her report for the committee
13 meeting that was scheduled for March and was later cancelled due to COVID-19. She then
14 directed the committee to page 23 which is the staff report for item 3.B. and said that report
15 was written in May. Again she mentioned that as of April, the sales tax is on budget and the
16 payments received from the State, which she said are called "The January Advance" and the
17 "February Advance," bring the sales tax to budget. She then said the State will be sending
18 what is called "The Cleanup" and that is the payment for the quarter ending March 31st. She
19 informed the committee that is the first quarter where she expects to see how the Town has
20 been impacted due to the COVID-19 emergency. Additionally, she pointed out that although
21 the stores in Town were open through mid-March, an impact should be reflected because the
22 State has allowed small businesses to defer their payments until July. This means that it will
23 be difficult to know what the amounts were supposed to be and we won't know whether
24 businesses are taking advantage of the State's loan program which allows them to submit
25 payments over a 12 month period.

26
27 Carrillo told the committee that the Town's sales tax consultant, HdL, estimates that the
28 impact for the whole fiscal year will show approximately \$726,000 less, or an 18.2 percent
29 shortage in Measure F revenue compared to the \$4 million that had originally been budgeted
30 for the 2019-2020 fiscal year and she clarified that estimate doesn't account for the deferrals
31 or the loan program she mentioned the State is providing for small businesses. She also
32 pointed out that because she is not sure when the payment is really going to be made, the
33 numbers might not be reflected within this fiscal year and might be included in the next fiscal
34 year. On a more positive note, she said that approximately 75 percent of the revenue comes
35 from merchants and vendors and they do not qualify for the State's programs therefore, the
36 State expects them to pay their sales tax.

37
38 Carrillo continued by noting that as of April 30th, approximately 49 percent of the budget,
39 or \$2.58 million, had been expended and she pointed out that the expenditures were broken
40 down by category and by project just like the previous agenda item. She also mentioned that
41 a request for use of an extra \$10,000 for senior programs and an extra \$50,000 for the code
42 enforcement officer for disaster preparedness, will be made to provide some relief to the
43 operating fund. Additionally, there will be a request to formalize the \$2.5 million emergency
44 reserve and to set aside an additional \$2 million for future capital projects along with a
45 request to revise next year's budget.

1 Town Manager Todd Cusimano explained that the Town is projecting a \$2.6 million hit to the
2 Town's overall budget for fiscal year 2019-2020 and a loss of \$3.9 million for 2020-2021. To
3 offset some of that, he mentioned the Town can cut down on some costs and expenditures
4 and also use a portion of the \$2 million reserve.
5

6 For the following year, he believes the Town can have a balanced operational budget by
7 pushing back some of the capital improvement projects and moving up some of the Sanitary
8 District projects. Cusimano also mentioned that online purchases are counted in the sales tax
9 and the projections for loss in revenue might be lower than estimated. Additionally, he
10 pointed out that originally, the Town was projecting an estimate of \$2.5 million in revenue
11 at the ½ cent rate and when the rate was increased to the ¾ cent rate, the projection was in
12 the \$3.5 to \$4 million range. However, the economy was doing so well that the actual amount
13 collected was more than originally projected. Therefore, the estimated costs for the capital
14 improvement projects were based off the original projections and there should not be an
15 issue with proceeding with them. He did note that the Town Hall Remodel will be delayed
16 because of the unknown costs and will be brought back to the table around 2022. From this
17 information, he noted that the Town is aware that a hit will be taken and for that reason, the
18 Finance ad Hoc Committee has recommended setting aside a reserve in the amount of \$2.5
19 million for use during a disaster. He stated that the County has projected a revenue loss in
20 the 18-23 percent range, HdL's projection is in the 22-26 percent range but the Town is
21 making recommendations based on a projection of a 30 percent revenue loss. If that were
22 the case, the \$2.5 million emergency reserve would be used to offset expenses the Town
23 would need to cover, especially in situations where the Town might not have cash or the
24 County defers property tax payments. He mentioned that the recommendation to the Council
25 should include a definition of what constitutes an emergency. Overall, he is working on
26 preparing the Town financially and he thinks that the recommendation on the emergency
27 reserve and the re-scheduling of capital improvement projects will make a significant
28 impact.
29

30 Public Works Director R.J. Suokko added to the conversation by pointing out that
31 rescheduling capital projects allows the Town the opportunity to move up other projects that
32 can be funded through grants or from other earmarked money. He also mentioned the Town
33 has the ability to partner with other jurisdictions like Mill Valley and work with their staff to
34 work on small repairs in order to save money that would otherwise go to a contractor.
35 Additionally, he noted there are some projects that have already been put out to bid or are
36 already scheduled for construction like the Skunk Hollow Project and the Town dog park.
37 Chair Gerbosi brought up the concern from some residents on why the Town is spending
38 money on projects like the dog park. Finance Director Daria Carrillo added that those types
39 of projects don't require much sales tax funding since Measure A park funds can be used for
40 them. Additionally, if the Town did not use Measure A funds within a certain timeframe, the
41 Town would be required to send the money back.
42

43 Committee Member Greenbaum asked if there was a sense on how grants would impact
44 some of these projects. Public Works Director Suokko pointed out that some of the projects
45 that are funded with grant money would not have a major impact because those types of
46 projects have very small budgets. However, staff is working on applying for additional grants.

1 Greenbaum asked if it the re-scheduling of capital projects is going to affect the completion
2 rate for projects Town or affect the productivity of the Town. Public Works Director Suokko
3 said that dollars can be a good unit of measurement but when it comes to productivity, there
4 are some types of work that are easier to do like re-paving a road compared to re-designing
5 a pump station but that does not prevent staff from continuing to work. Staff is always
6 looking for things to improve, projects to complete and staying busy so re-scheduling
7 projects or pushing some of them back actually gives opportunity for other types of work
8 like preventative maintenance. Cusimano added to this by clarifying that pushing back some
9 capital projects can be seen as the funds for the projects being secure but the projects simply
10 being re-scheduled. Greenbaum added that her understanding of the purpose of the tax was
11 to be able to catch up on the necessary capital improvement projects that the Town was
12 behind on but also to put the Town in a more prepared position to deal with disasters.
13 Therefore, from the request of recommending to the Town Council that an emergency
14 reserve fund be created, her understanding is that the recommendation would need to
15 include a definition to what constitutes an emergency.

16
17 Chair Gerbosi summarized the discussion by stating that the committee seems to be in
18 agreement that an emergency reserve fund should and can be created with sales tax funds.

19
20 Committee Member Spurzem asked for confirmation that the intention of the emergency
21 reserve fund is not to cover the cost of projects like the Town Hall Remodel which is no
22 longer being continued at this time. Cusimano confirmed and stated that the only money that
23 will be spent on the Town Hall Remodel is for the design review process part of the project.
24 Spurzem said he is in agreement with have an emergency reserve but he questioned how
25 one would determine when it is appropriate to use money from that reserve. Cusimano said
26 criteria can be made up and ultimately, it would be up to the Town Council to allow the use
27 of funds from that reserve. Spurzem added his concern that future Councilmembers might
28 assume it is appropriate to use funds from that reserve to cover costs outside of the original
29 intent of the sales tax money and therefore, that would defeat the purpose of the oversight
30 committee. Cusimano said criteria can be included in a resolution so that does not occur.

31
32 Town Clerk Rebecca Vaughn said there were some questions from the public.

33
34 Fred Casissa asked how the \$2.5 million recommendation came up and he asked whether he
35 feels comfortable with the estimated 18.2 percent shortage in Measure F revenue that was
36 projected by HdL. Lastly, he asked whether curbside retail might improve the situation for
37 the Town and lead to a decrease in the estimate given by HdL.

38
39 Cusimano mentioned the analysis was done by calculating payroll costs over a period of
40 many months and estimating how long it might take for the Town to receive federal funds if
41 there was a catastrophic situation. He also acknowledged that the intent of the sales tax
42 money is not to create an emergency reserve fund so in trying to find a balance between all
43 of that information that analysis led to the \$2.5 million. Regarding the projection made by
44 HdL for this fiscal year, he and the Finance Director are comfortable with that number.
45 However, he is not in agreement with the projection for the following years and actually
46 thinks the estimate is too low which is why he and the Finance Director are working on the

1 assumption the shortage is at 30 percent. He believes the analysis he presented is very
2 conservative and reflects a more accurate representation for the Town. Lastly, he does think
3 that curbside retail will be beneficial to the Town even if there are soft openings by the
4 businesses.

5
6 Town Clerk Rebecca Vaughn read a comment from resident Pati Stoliar: "It seems like
7 anytime there is an emergency declaration, the funding could be tapped." Pati Stoliar was
8 able to speak and added that in her opinion, it would seem that a declared emergency gives
9 the Council the ability to use funds from the emergency reserve. Town Manager Todd
10 Cusimano thanked her for her comment and mentioned that as a good point to bring up when
11 establishing the criteria for use of the reserve funds in the future.

12
13 Cusimano summarized the discussion by stating that he will work with staff and through
14 Chair Gerbosi to finalize the recommendation that will be presented to the Council for
15 possible approval.

16 Chair Gerbosi asked whether a vote on the item was necessary. Cusimano said a vote was not
17 required.

18
19 Committee Member Greenbaum asked that the committee go back to agenda item 3.A. for
20 direction. Chair Gerbosi asked whether a request for a draft annual report would need to be
21 made by the committee. Town Clerk Rebecca Vaughn confirmed. Chair Gerbosi confirmed
22 the official request.

23
24 C. REVIEW AND DISCUSSION OF COVID-19 DISASTER RELIEF GRANT PROGRAMS FOR
25 RESIDENTS AND BUSINESSES

26
27 Town Manager Cusimano gave a verbal report. He mentioned that he has limited spending
28 authority through his position. However, the emergency declaration for COVID-19 ratified
29 by the Town Council gave him broad authority. In working with the Council and through the
30 Mayor, he mentioned there were two things that were brought up and those were: assisting
31 small businesses and assisting residents. To assist these groups, a grant opportunity would
32 be provided. For the businesses, the Town partnered with the Chamber of Commerce and
33 the County of Marin to create a disaster relief fund where the Town would provide \$1,000
34 grants to qualifying businesses. Cusimano mentioned 108 applications have been received
35 so far. He stated that he is recommending to the Council that the funding source for these
36 grants come from the sales tax measure. Cusimano pointed out that although he has
37 authority to spend Town funds, his thought is that any expense of more than \$75,000 should
38 come with feedback from the committee prior to moving forward to the Council. With regard
39 to the assistance of residents, he mentioned that the Town was approached by the Corte
40 Madera Community Foundation with a donation of \$25,000 if the Town were able to match
41 that and therefore, he is also going to approve the use of \$75,000 to go towards that.
42 Therefore, the business and residential community will have access to grants from a pot of
43 \$100,000 each. However, he thinks that to really make a small difference for the business
44 and residential community, each fund should have about \$200,000.

1 Chair Gerbosi clarified that initially, the Town was providing \$75,000 towards the business
2 grants and \$75,000 for resident assistance but that he was proposing an additional \$100,000
3 be approved for each so that overall, each fund would have approximately \$200,000 to work
4 with. Cusimano confirmed and summarized the application process currently in place for the
5 business grants. He also mentioned his idea of using rental assistance funds to also assist
6 with mortgage payments. Chair Gerbosi asked if there is a way to determine there aren't
7 multiple people living in the same household applying for assistance and being granted the
8 assistance. Cusimano explained that the information provided by the applicants is being
9 compared to the official records of the Finance Department and the information provided by
10 business owners through their annual business license renewals. For the rental assistance,
11 Chair Gerbosi asked how the information will be verified and Cusimano thought it would be
12 appropriate to compare the applications to the lease agreement for each applicant.

13
14 Committee Member Greenbaum mentioned her concerns with all of the lost jobs in the
15 economy and how many residents of Corte Madera have been affected aside from people
16 who worked in Corte Madera but did not reside here. She asked whether the Town would be
17 able to use the residential assistance fund to help individuals even if those individuals did
18 not live in Town. Cusimano mentioned that at the moment, he wants to make sure the Town
19 can keep its lights on and that the Town also be able assist those who live in our community
20 and have a business in our community. Committee Member Greenbaum asked who is
21 reviewing the applications. Cusimano stated that currently, the business applications are
22 being reviewed by the Chamber and staff and he assumes that something similar will be done
23 on the residential side.

24
25 Committee Member Spurzem questioned whether the Town is going to approve grants for
26 businesses that have received assistance, for example from the payroll protection program
27 (PPP). Cusimano pointed out it is still fair to accept applications from businesses even if
28 they've received PPP funding. Staff will evaluate all of the applications and make
29 determinations from that. Spurzem also asked how outreach is conducted. Cusimano
30 mentioned outreach has been conducted for the business grant opportunities and staff is still
31 working on the residential grant fund.

32
33 Town Clerk Rebecca Vaughn suggested taking public comment on this item.

34
35 Pati Stoliar said when outreach is conducted we make sure the media picks up on it.

36
37 Chair Gerbosi mentioned her concern with it being too easy for individuals to be approved
38 for a grant. Cusimano said staff is including questions that would allow staff to determine
39 whether an individual has already received assistance from elsewhere.

40
41 D. APPROVAL OF MINUTES OF THE JUNE 4, 2019 MEETING

42
43 Chair Gerbosi provided typographical and grammatical corrections.

44

