

MINUTES OF APRIL 23, 2019

MEETING OF THE
SALES TAX CITIZENS OVERSIGHT COMMITTEE

Chair Gerbosi called the Regular Meeting to order at Town Hall Council Chambers, 300 Tamalpais Drive, Corte Madera, CA on April 23, 2019 at 4:03 p.m.

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

Chair Gerbosi led in the Pledge of Allegiance.

Committee members Present: Chair Gerbosi, Vice Chair Flahive, Committee Members Greenbaum and Spurzem, Town Councilmember liaison James Andrews

Committee members Absent: Committee Member Howard

Staff Present: Town Manager Todd Cusimano, Finance Director Daria Carrillo, Public Works Director Peter Brown, Administrative Analyst Lorena Barrera

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

No member of the public addressed the Committee.

3. GENERAL BUSINESS

A. Review, discussion and possible action to approve the draft FY 2017-18 annual report on the revenue and expenditures of the Transactions and Use Tax and direction to forward the report to the Town Council for review

Chair Karen Gerbosi called for the first item on the agenda and Finance Director Daria Carrillo explained that the report she wrote explains the expenditures for the 2017-18 fiscal year. She clarified that the report references Measure B because Measure F was not in effect before June 30th 2018 which is when the fiscal year ended. The report shows that the Town collected \$2,455,367 and expended \$970,562. She further explained that the expenditures were broken down based on the services the Town Council decided to prioritize. She also mentioned that as of June 30, 2018, the balance in this fund was \$7,488,928 and \$2,500,000 of the balance has been designated as an informal reserve to be used in case of an emergency.

Chair Gerbosi explained that this report was distributed to all committee members so that each member could provide input on the report. She mentioned that she had suggested some changes and was assuming others did the same however, she acknowledged this was

not an opinion piece and simply a report. Gerbosi asked the committee members if they had further changes and if not, a motion should be made to approve the report.

MOTION: Moved by Spurzem, seconded by Greenbaum, and approved unanimously by the following vote: 4-0-1 (Ayes: Flahive, Gerbosi, Greenbaum, and Spurzem
Noes: None; Absent: Howard)

To approve General Business Item 3.A.

B. Review and discussion of sales tax override fund proposed capital projects for FY 2019-20 and FY 2020-21

Town Manager Cusimano introduced Public Works Director Peter Brown and briefly explained that the review of this agenda item is intended to be an overview of the proposed expenditures for the upcoming fiscal years. Cusimano also mentioned there will be some staff changes that will be taking place in order to be able to initiate or work on the proposed projects listed on this agenda item. He explained that the Town pays a lot of money to individuals contracted to work as project managers for several projects within a year and in order to cut costs, the Town will be hiring an individual to serve as a project manager and work on the projects the Town is initiating.

Committee Member Greenbaum asked about the cost comparison of \$150,000 for an individual project manager versus half a million paid to contracted project managers that Cusimano mentioned. Cusimano clarified that the annual salary includes all employee benefits and retirement, however the costs for benefits and retirement would not come out of the sales tax fund as was promised to the votes; this would be separate and be from the operating budget.

Committee Member Spurzem asked if the hired individual would be a Town employee and Cusimano clarified that this individual would be an employee and work under a contract to serve the Town under the supervision of the Public Works Director. Peter Brown spoke on the matter and explained that the Town generally has to contract with the construction companies on capital projects in order to oversee project from beginning to end. Due to the Town initiating many projects within the next five years, there is going to be a need for a project manager to oversee the projects and using examples from other cities, the Town concluded that it would be more beneficial to pay an individual to serve as a project manager for all of the projects that are going to be initiated in the next five years instead of paying a different project manager for each project which would be more costly.

The committee then turned to review the spreadsheet in the packet and started with the section on flood control and storm drainage. Brown stated that the amount budgeted for all of the capital improvement projects for 2019-20 was \$7,420,000; 2020-21 was \$10,350,000 and there is a need of about \$37,163,000 from 2021 through 2024. He clarified that most of the need in that \$37,163,000 was for the Tidal Barriers and Levee Upgrades in the Marina Village and Mariner Cover Long Term Tidal and Flood Protection. He suggested that in terms of reading the spreadsheet, the committee members look at the number in the

last column as a need and not as a fixed amount that is already determined. For the numbers under the 2019-2020 column, those have been budgeted by determining the need for that year. The numbers under the 2020-2021 column have a larger margin of error.

Spurzem asked about the \$15 million estimated need for the Tidal Barriers and Levee Upgrades and mentioned that he recalled the Army Corp. of Engineers being involved in a similar effort and eventually giving up due to the difficult conditions in improving the area and because most of the area is sinking. He mentioned his concern that \$15 million might not be enough to even scratch the surface. Brown stated he agrees and now there would be more involved parties that can have a say in how to address this matter.

Gerbosi pointed out the Town-wide Flood Control System Assessment (item 14 under the Flood Control and Storm Drainage category) and the Flood Control System Assessment Improvements (item 15) and asked why they were separated if they seem to be very similar projects. Brown explained that item 14 should be listed to be in the planning phase and be seen as an assessment only and not as a project in the engineering phase. Brown stated that item 15 is meant to be a project that captures the results of item 14 after there is a plan in place.

Spurzem asked if there would be a possibility to ask FEMA for funding to assist with getting some homes out of the flood zone and Brown said this might be something that is analyzed with the Climate Adaptation Plan.

Brown proceeded to the Multimodal Transportation of the spreadsheet and he stated that the numbers are pretty well-refined. He pointed out that this section shows, in his opinion, the projects that have been designed and are ready to move to the construction phase. Brown mentioned that for item 5.1, road rehabilitation means grind and overlay and for item 5.2, maintenance and wearing course resurfacing means they will be extending the life of the pavement by adding micro or slurry seals to the roads to extend their life.

Gerbosi asked about the cost listed for item 1: Tamal Vista Boulevard Complete Streets Improvement of \$700,000 and the \$550,000 that is also listed for this same project but found under the section "Finished Projects". Brown explained that the \$550,000 listed under finished projects is basically the engineering component for the project and the \$700,000 is for the construction part of the project. The project is not completely finished and that is why it is listed in both locations of the spreadsheet.

Greenbaum asked for clarification of "finished projects" and Brown clarified that finished does not mean the entire project is finished but it actually means that phase of the project has been completed.

Spurzem asked why item 5.3: 2021-23 Pavement Rehabilitation Project only had an estimated budget under the three year need column and Brown stated that 5.1 and 5.2 are part of the same project but cover different phases and parts 2019 and 2020 and item 5.3 is intended to reflect the estimated amount for 2021-2023 of the same project which is why the amount listed is under estimated need column.

Flahive asked if item 13: Tamalpais Bike/Ped Access Over Hwy 101 would be in addition to redoing the overpass or if it was separate. Brown explained that this would be part of the reconstruction of a new interchange.

Greenbaum asked about the Paradise Drive projects (items 7.1, 7.2 and 7.3). Brown stated that there are several projects taking place on Paradise Drive and all of them are pretty distinct. 7.1 is a project for repaving, adding bike lanes and a Class 1 pathway to improve access to schools from Ring Mountain Trail to Robin Drive, 7.2 is the reconstruction of sidewalks from San Clemente to Seawolf Passage and 7.3 is for the addition of a Class 1 pathway westward to Ring Mountain. Greenbaum asked if the projects were around a school and Brown stated that 7.1 is around the Marin County Day and Marin Montessori area and 7.3 is around the Cove School area.

On the Planning and Building section of the spreadsheet, Brown explained that these projects are less costly. He mentioned the zoning ordinance is going to be updated along with the traffic mitigated fee. Brown also mentioned the Housing Element will be updated and the Climate Action Plan is also going to be reviewed. Gerbosi asked about the separation between item 4: Update Climate Action Plan and item 5: Climate Adaptation Plan. Brown explained they were separate because for item 5, the Town received a grant and the only amount listed is what the Town is matching for that project. Brown mentioned that although the items in this section of the spreadsheet are not actually capital improvement plans and are simply planning or environmental documents, it is still important to list them for budget purposes.

Greenbaum asked if the sales tax did not exist, whether these projects would still be conducted. Brown said he believed so. Carrillo clarified and stated that most of the projects listed in this section will not be paid for by the sales tax. Carrillo also clarified that the total cost for the capital improvement plans would not be paid for from only the sales tax funds. There are other funds that the Town could use for example the gas tax or grant funding like for the Climate Adaptation Plan. Since those funds have to be used for specific types of projects, those would be used first and the sales tax would be applied after.

Cusimano clarified that the costs for these projects would not all come out of the sales tax funds. He then apologized for including items on the spreadsheet that are listed as capital improvement projects but do not require the use of sales tax funding.

The committee moved on to discuss the Parks and Recreation section of the spreadsheet. Cusimano explained that some of these projects are carried over from the previous budget. For example, the basketball court project and the remodeling of the greenroom which are two projects that are funded from the Parks and Recreation Infrastructure Fund and not from the sales tax fund. Cusimano also mentioned that some projects like the ADA improvements and the Bocce Ball Court projects are two examples of projects where sales tax funding could be used. However, the Town would first supplement from the Measure A park funds.

Gerbosi asked about item 4: Town Park Artificial Turf Field and whether there will be public outreach on projects like this that are in the planning phase. Cusimano said yes and explained this a place holder and the Town is currently in the beginning stage for this project. Gerbosi also asked how projects like the Bocce Ball Courts and the Dog Park get prioritized. Cusimano stated that the Parks and Recreation Commission prioritizes these projects. The commission evaluates the projects that the community wants and makes the prioritization for them.

For the Environmental section of the spreadsheet, Brown went over item 3: LED Lighting Conversion Project and stated that this project is in the planning phase. The Town would have an upfront cost but it could be completed within the second phase.

On the Town-Owned Facilities section of the spreadsheet, Brown said it looks like the need decreases in the later years because the majority of the spending will be done in the earlier years. Gerbosi asked about item 2: Town Hall Addition and asked why this was listed under the “Finished Projects” section. Brown explained that some of the design has been complete and the rest of this phase should be complete by June 30th.

Greenbaum asked about item 1: Maintain Town Hall, Fire House, Corp Yard, Etc. and whether this item was sales tax-related. Brown explained that although this item might not completely be considered a capital improvement project, it is still partially related. Cusimano explained that the funds for maintenance can vary based on what is actually being done. He stated that usually, the maintenance of a building is covered from the operational budget but if something is more than the normal maintenance (for example, replacing a pump station) that expense could be covered by the sales tax. For item 1 specifically, Cusimano mentioned there are some major replacements that are going to be needed and those expenses could be covered from the sales tax. Greenbaum then asked about the consolidation of the fire departments and how the maintenance for the four facilities is covered. Cusimano explained that mostly everything stayed the same, however we do have an extra engine here in Town. He mentioned that Station 14 is the main headquarters for Central Marin Fire and because the Town owns the facility, any maintenance updated would have to be covered by the Town. However, if there are necessary changes that are needed in the floor plan of the building due to staffing issues, the costs would be split 50/50 due to a shared funding agreement between Corte Madera and Larkspur. Spurzem then asked about item 4: Fire Station Remodel and the \$1.5 million that is listed as a need through 2024 and whether this is the total that Corte Madera needs to cover or if this is the total that would be split with Larkspur. Cusimano stated this would be a shared cost.

Gerbosi pointed out that the description for item 2 seemed to be missing the word “offices” at the end. Brown agreed.

The discussion moved on to the Finished Projects page and Brown stated he is happy with the list and the number of projects that are on there. Gerbosi asked why one of the items was highlighted yellow and Brown responded that the number needs to be finalized. Gerbosi asked if the Town has already spent \$75,000 on basketball courts and Brown

responded that is the plan by June 30th. Gerbosi asked if that amount was coming from the sales tax monies and Daria Carrillo addressed the question by stating that those funds are not from the sales tax. Gerbosi asked about item 1: Town Hall Addition listed under the Capital Program: Town Owned Facilities category, in the Finished Project Section and whether the \$305,000 listed came from the sales tax monies and Cusimano responded yes. All of the funds came from the sales tax.

Greenbaum asked about item 6: Casa Buena Complete Streets Project and Brown pointed out that one of the phases of the project will be completed by the end of this fiscal year. He also clarified that this is a different project from item 8: Tamalpais Sanford and Casa Buena Traffic Congestion Relief.

Gerbosi pointed out the completed projects listed for the Sanitary District and Brown and Cusimano pointed out that sales tax funds are not used for Sanitary District projects.

Greenbaum proceeded to ask when the Town Council would be reviewing the list of Capital Projects and Brown informed them that a draft Capital Improvement Program (CIP) will be brought up at the last meeting in May and after that meeting, efforts will be made to present the final CIP budget at the first June meeting. Gerbosi confirmed the date was May 21st.

Gerbosi asked about the previous mention of having an update from the Finance Ad Hoc Committee regarding the \$2.5 million emergency reserves and their recommendations. Cusimano mentioned that the focus was on the emergency reserves and possible lost sales tax revenues. After discussions, the group concluded that in an emergency, there would be a loss of about \$833,000 a month. Therefore, the group suggested the reserves be \$2.5 million for that gives the Town about 3 months to get back on its feet. Spurzem added that he initially thought the decision was to reserve \$3 million. Brown and Carrillo corrected his assumption and stated the decision was for \$2.5 million and Cusimano clarified stating the emergency reserves for the Sanitary District would be around \$3 million but the Town's would only be \$2.5 million.

Flahive asked if we have a line of credit for emergencies. Cusimano stated we have a 10% operating reserve and staff is going to recommend to the Council to increase it to 20%. Cusimano added that the Town is part of a risk pool and they would be able to send resources if there was an emergency through an insurance fund where the Town would be reimbursed for expenses made during an emergency. However, if there was a major situation, the Town would probably have to look toward a bond. Flahive asked if the Town would be able to have a line of credit and Carrillo mentioned she was unsure but she did know that the county loans money to its jurisdictions.

Greenbaum proceeded to ask if there were updated numbers for the sales tax reflecting Measure F. Carrillo reported that about \$3.5 million are expected to come in this year and somewhere closer to \$4 million for next year. Greenbaum asked if the payments come in monthly. Carrillo stated that an advance is received and from there, the payments are quarterly.

Gerbosi then took a question from a member of the public. Ms. Pati Stoliar asked why item 6: Casa Buena Complete Streets Project in the finished projects section of the spreadsheet was in red. Brown pointed out the number are being finalized. Greenbaum then asked about grant applications and whether the Town would be applying for some. Brown mentioned that the Town would be looking at the Transportation Authority of Marin for grant applications to finish some of the multimodal projects.

C. Approval of Minutes of March 7, 2019 Meeting

Gerbosi mentioned that she and Town Clerk Rebecca Vaughn had discussed revising the minutes and bringing them back for approval at the next committee meeting.

MOTION: Moved by Greenbaum, seconded by Flahive, and approved unanimously by the following vote: 4-0-1 (Ayes: Flahive, Gerbosi, Greenbaum, and Spurzem Noes: None; Absent: Howard)

To table General Business Item 3.C. to the next committee meeting

4. DISCUSSION OF NEXT MEETING AND ADJOURNMENT

The meeting was adjourned at 5:07 p.m. to the next Sales Tax Citizens Oversight Committee meeting tentatively scheduled for a date to be determined in June at Corte Madera Town Hall Council Chambers.