



**CORTE MADERA TOWN COUNCIL
STAFF REPORT**

REPORT DATE: March 14, 2018
MEETING DATE: March 20, 2018

TO: HONORABLE MAYOR AND MEMBERS OF THE TOWN COUNCIL
FROM: REBECCA VAUGHN, TOWN CLERK / ASSISTANT TO TOWN MANAGER
SUBJECT: RECEIVE REPORT FROM SALES TAX CITIZENS' OVERSIGHT
COMMITTEE REGARDING FISCAL YEAR 2016-2017 ANNUAL REPORT

PURPOSE:

Measure B, the Town's current half-cent sales tax override approved by voters in November 2013, contained language requiring "mandatory fiscal accountability", including requiring that expenditures be reviewed by an independent Citizens' Oversight Committee. The purpose of the Sales Tax Citizens' Oversight Committee is to verify and inform the public, via an annual report, that the expenditure of the sales tax override proceeds is in accordance with the purposes set forth in Measure B.

STAFF RECOMMENDATION:

That the Town Council receive the Sales Tax Citizens' Oversight Committee's Annual Report for Fiscal Year 2016-2017. The report will be provided by Karen Gerbosi, Committee Chair.

TOWN MANAGER'S RECOMMENDATION:

Support staff recommendation.

BACKGROUND:

The Sales Tax Citizens' Oversight Committee met on January 30 and February 28, 2018. Items on those agendas included: Discussion of potential renewal of Measure B Sales Tax Override; Presentation of anticipated Capital Improvements; Summary of FY 2016-2017 Sales Tax Override funds and preparation of annual report; and Review, discussion and possible direction to approve the draft FY 2016-2017 annual report on the revenue and expenditures of the Transactions and Use Tax and direction to forward the report to the Town Council.

The Committee discussed the draft annual report document and approved the report with recommended changes. Committee Chair Karen Gerbosi will present the report to the Town Council and will be available to answer any questions the Council may have regarding the content of the report.

Attachment:

1. Annual Report for Fiscal Year 2016-2017

ATTACHMENT 1

Annual Report for Fiscal Year 2016-2017

SALES TAX CITIZENS' OVERSIGHT COMMITTEE
2016-2017 ANNUAL REPORT

February 28, 2018

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

In November 2013, Corte Madera voters approved a ½ cent sales tax measure (Measure B) for a period of six years. The sales tax went into effect in April 2014. The purpose of the sales tax, as specified in the voter-approved ballot measure was to build Town reserves, and provide funding for fire prevention measures and for capital and infrastructure improvements such as road improvements, flood control, and pedestrian crossings. Measure B is a general purpose tax which can be used for any purpose relating to Town operations, however Town Council and voters chose to prioritize the following Town services with respect to Measure B sales tax expenditures:

- Fire prevention
- Flood Control
- Streets and potholes
- Safe Routes to School
- Disaster Preparedness
- Senior and Youth Programs

During the 2016-2017 fiscal year, the Town collected \$2,470,862 in Measure B sales tax revenue. During this same period, the Town expended \$1,081,636 from Measure B sales tax expenditures. Expenditures were as follows:

Fire Prevention \$22,677

- Pumper \$22,677

Flood Control \$155,497

- Machinery and equipment \$148,772
- Pump Station Lighting \$6,725

Streets and Potholes \$73,898:

- Casa Buena Street Improvement \$9,828.53
- Emtrac Signal Synchronization \$64,069.55

Safe Routes to School \$714,734:

- High Canal Bridge Path \$35,745.30
- Paradise/Prince Royal Crossing \$24,006.56

- Tamalpais Pedestrian Crossing Enhancement \$18,649.16
- Capital Project Development Review \$15,569
Includes Paradise/Westward Pedestrian Ramps, Madera/Monona Intersection, LED Street Light Test
- Pavement Plan Management update \$2,700.00
- Redwood Highway Multi Use Path \$10,590.09
- Tamalpais/Pixley Street Light \$14,985
- ADA Barrier Removal Projects \$592,489.25

Disaster Preparedness \$27,417

- Neighborhood Response Groups and supplies

Parks and Landscaping \$87,413

- Capital equipment \$87,413

The revenues and expenditures related to this tax, although a general purpose tax, are segregated on the Town's accounting records for purposes of tracking. As shown on the attached spreadsheet, the ending fund balance of this fund was \$6,004,124 as of June 30, 2017, the end of the 2016-2017 fiscal year (FY).

While the Committee is satisfied that all expenditures during the 2016-2017 FY comply with Measure B provisions for appropriate use and expenditure, we would like to see an increase in project delivery to the extent possible such that fund balances are drawn down and capital improvements and program delivery are increased. For example, during the FY17 year under review of this report, just over \$1 million dollars in Measure B funds were expended. The Committee encourages expenditures closer to \$2-\$3 million per year in FY18 and FY19, especially if the Measure is renewed in June of 2018.

Please note that other expenditures have been made from other Town resources for most of the priority categories identified in Measure B. Some of these resources include Measure A Parks Tax, TAM Measure A Tax, street impact fees, Storm Drainage Special Tax, and various grants. As these other revenues are restricted to specific purposes, it is the Town's policy to expend the most restricted funds first, thus preserving flexible funding sources such as the locally controlled Measure B sales tax revenue.



Karen Gerbosi, Committee Chair