



**CORTE MADERA TOWN COUNCIL
STAFF REPORT**

REPORT DATE: August 2, 2023
MEETING DATE: August 15, 2023

TO: Honorable Mayor and Members of the Town Council

FROM: Lorena Barrera, Town Clerk/Assistant to the Town Manager **LB**

SUBJECT: Receive the Sales Tax Citizens' Oversight Committee Annual Report for Fiscal Year 2021-2022



RECOMMENDED ACTION:

That the Town Council receive the Sales Tax Citizens' Oversight Committee's Annual Report for Fiscal Year 2021-2022. The report will be provided by Karen Gerbosi, Committee Chair.

BACKGROUND:

Measure B, the Town's previous 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. Please note that Measure B was replaced with Measure F, the new sales tax which increased the sales tax rate from a half cent to a three-quarter cent rate and was approved by voters in June 2018. Measure F went into effect on October 2018 and the same oversight requirements from Measure B were carried on with this new measure.

The Sales Tax Citizens' Oversight Committee met on February 6, 2023 and on July 24, 2023. Items on the agendas related to the 2021-2022 fiscal year included: Summary of FY 2021-2022 Sales Tax Override Fund and Preparation of Annual Report and Approval of the FY 2021-2022 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 at the July 24, 2023 meeting. 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.

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

This activity is not defined as a project under CEQA (Section 15378 CEQA Guidelines).

OPTIONS:

1. Accept the report as presented.
2. Take no action at this time.

ATTACHMENTS:

1. Attachment 1: Annual Report for Fiscal Year 2021-2022

THIS ITEM HAS BEEN REVIEWED AND APPROVED BY THE TOWN MANAGER.

ATTACHMENT 1:

Annual Report for Fiscal Year 2021-2022

SALES TAX CITIZENS' OVERSIGHT COMMITTEE 2021-2022 ANNUAL REPORT

August 7, 2023

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 0.5% 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/Multi Modal Transportation
- Senior and Youth Programs
- Fire Prevention / Disaster Preparedness
- Town Infrastructure

In 2018, Corte Madera voters approved Measure F, which increased the local sales tax to 0.75% 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. The Town is still receiving small payments for Measure B sales tax. The same fund that recorded Measure B revenue and expenditures now records Measure F expenditures.

For the 2021-2022 fiscal year, July 1, 2021 – June 30, 2022, the Town received \$4,029,875 in Measure F revenue. The auditor also recommended that Proceeds of Debt in the amount of \$308,143 be recorded. The Proceeds of Debt is a portion of the proceeds of the Certificates of Participation that were issued in May 2021 in order to pay for the Town Hall construction project. There is a corresponding expenditure in the same amount recorded in Other Expenditures/ Capital Planning as directed by the auditor. During this same period, the Town expended \$4,666,268 from this fund as follows:

Infrastructure Capital Projects	\$2,102,063
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- Pavement Rehabilitation Project \$725,509
- Paradise Drive Multi-Use Pathway \$375,575
- Tamal Vista Complete Streets \$364,481
- LED Streetlight Conversion \$238,447

- Paradise Drive: Westward to Town Limit \$131,705
- 2020 Preventative Maintenance Program \$123,482
- Traffic Signal Improvements \$55,353
- Redwood Highway Pathway and Landscaping Improvements \$54,313
- 2020 Accessibility Program \$50,000
- Mariner Cove Sidewalk Replacement \$40,775
- Sidewalk Repair \$39,424
- Miscellaneous Small Projects \$37,786
- 2020 Road Resurfacing Granada Park \$31,735
- Echo Avenue to San Clemente Bike Path \$31,589
- Sidewalk Program Grant Reimbursement \$24,225
- Redwood Highway \$22,325
- Central Marin Regional Pathways Gap Closure \$244,661 *(Grants funds were used to pay for this project in a previous year. Expenditures were transferred out of this fund.)*

Infrastructure Town Hall \$801,165

- Town Hall Addition Capital Planning and Design \$509,805
- Temporary Offices \$291,360 *(Includes rent for trailer and Hunt Plaza, furnishings, improvements, and other expenditures related to temporary offices.)*

Debt Service \$476,787 *(for Certificates of Participation/Town Hall Project)*

- Debt Service Principal \$250,000
- Interest \$224,202
- Administrative Charges \$2,585

Fire Prevention /Disaster Preparedness \$353,712

- Payment to Central Marin Fire Authority (CMFA) to perform Town work \$118,574
- Contribution to Measure C Wildfire Fund/CMFA \$89,651 *(This is the amount the Town of Corte Madera contributed so that its contribution is equal to the City of Larkspur's contribution.)*
- Vegetation Management/Weed Abatement \$83,012
- Other Disaster Preparedness Services \$53,921 *(Including emergency tree work, undergrounding feasibility study.)*
- Marin Office of Emergency Services Joint Powers Authority (JPA) \$4,502
- Supplies \$3,721
- Training \$331

Housing Element \$306,318

- Consultants \$272,337
- Legal expenditures \$33,981

Other Expenditures **\$270,641**

- Lease proceeds (*adjustment by auditor offset by adjustment to revenue*) \$303,141
- Community Grants/Gift Cards -\$32,500 (*Prior year expenditures transferred to General Fund*)

Transfers to Other Funds **\$184,224**

- General Fund for Project Management \$184,224

Flood Control **\$79,605**

- San Clemente Pipeline Repair \$32,875
- High Canal \$22,264
- San Clemente Pump Station \$9,983
- Flood Hazard Mailer \$7,521
- Storm Drain Master Plan Update \$4,052
- Flood Control Projects and Assessments \$2,910

Youth Programs **\$50,029**

- Staff Time \$50,029 (*Recreation Programs*)

Senior Programs **\$41,724**

- Marin Pirates Foundation \$18,000
- Staff Time \$13,724 (*Recreation Programs*)
- Age-Friendly Corte Madera \$5,000
- Age-Friendly Solutions \$5,000

Although this is a general purpose tax, a separate fund has been established in the Town's accounting records for purposes of tracking. As of June 30, 2022, the balance in this fund was \$8,301,489. As recommended by the Sales Tax Citizens' Oversight Committee, \$2.5 million of these funds have been designated as an Emergency Reserve. The available ending fund balance as of June 30, 2022 was \$5,801,489.

Beginning Balance 7/1/2021	\$8,629,738
Total Revenue	\$4,338,018
Total Expenditures	\$4,666,268
Ending Balance 6/30/2022	\$8,301,489
Reserve	\$2,500,000
Available	\$5,801,489

Karen Gerbosi, Committee Chair