



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 10/2/2012

Report Type: Staff/Discussion

Title: Composition and Responsibilities of the Measure U Citizens Oversight Committee

Report ID: 2012-00794

Location: Citywide

Recommendation: Pass a Resolution establishing the composition of the Citizens Oversight Committee related to Measure U and defining the responsibilities of the Committee.

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Presenter: John F. Shirey, City Manager, (916) 808-7495, Office of the City Manager

Department: City Manager

Division: Executive Office

Dept ID:

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Resolution.

City Attorney Review

Approved as to Form
 Matthew Ruyak
 9/26/2012 2:20:15 PM

Approvals/Acknowledgements

Department Director or Designee: John Dangberg - 9/25/2012 10:39:58 AM

Description/Analysis

Issue: On July 24, 2012, the City Council approved an ordinance, subject to voter approval, to temporarily increase the City's sales tax rate by ½ cent for six years to restore and protect City services. The ordinance requires the City Council to establish a citizens oversight committee to review the revenue and expenditure of funds from the tax. Consistent with this requirement, staff recommends approval of the attached Resolution establishing the composition of the citizens oversight committee, member terms and qualifications, and duties and scope of the committee.

Policy Considerations: Citizen oversight committees are frequently utilized by public agencies to independently ensure tax proceeds are used for the purpose intended by voters.

Economic Impacts: None

Environmental Considerations: Not applicable

Sustainability: Not applicable.

Commission/Committee Action: None

Rationale for Recommendation: The City Council is required to establish a citizens oversight committee to review the revenue and expenditure of funds.

Financial Considerations: Independent review of tax proceeds via a citizens oversight committee will ensure funds are used consistent with law. The committee will be authorized to receive reasonable administrative or technical assistance from staff to fulfill its responsibilities.

Emerging Small Business Development (ESBD): Not applicable.

BACKGROUND

On July 24, 2012, the City Council approved placement of a half-cent general-purpose transactions and use tax on the November 6, 2012 ballot (Measure U) for the protection and restoration of vital City services. The City Council requested the ordinance, which is subject to majority voter approval, include the following provisions:

1. Sunset. The ordinance includes a sunset provision noting the authority to levy the tax expires after six years, or March 31, 2019.
2. Annual Audit. The ordinance requires proceeds resulting from the transactions and use tax be subject to an independent annual audit, with the results presented to the City Council and made available for public review.
3. Citizens Oversight Committee. The ordinance requires the City Council establish a citizens oversight committee to review the revenue and expenditures of the tax proceeds.

Consistent with the citizens oversight committee requirement, attached to this report is a Resolution establishing the proposed composition and responsibilities of a citizens oversight committee.

In summary, the proposed Committee consists of five members with the following characteristics:

- One member shall be a certified public accountant with audit experience.
- One member shall be a representative of business interests.
- One member shall be a representative from a neighborhood organization.
- One member shall be a representative of a bona-fide taxpayer organization.
- One member shall be a member of the community at-large.

Committee members shall serve staggered two-year terms and be eligible to serve multiple terms. Committee members may not be current City of Sacramento employees, City of Sacramento Council Members, or any vendor, contractor, or consultant with active contracts or agreements with the City of Sacramento.

Committee responsibilities are proposed to include:

- Reviewing the City's annual independent audit report.
- Preparing and submitting a written report to the City Council at a public meeting documenting:
 - o The amount of revenue generated by Measure U.

- The allocation of revenue reflecting the services and programs funded by proceeds of Measure U.
- The results of the Committee's review of the City's annual independent audit report as it pertains to use of Measure U proceeds.

If approved, Measure U is anticipated to generate approximately \$28 million per year in revenue. As a general tax, Measure U revenues would be deposited in the City's General Fund and could be used for any municipal purpose, including police and fire services, 911 response, park maintenance, gang and youth violence prevention, youth services, and other programs. By law, a locally-approved sales tax cannot be taken away by state government.



RESOLUTION NO.

Adopted by the Sacramento City Council

ESTABLISHING THE COMPOSITION OF THE CITIZENS OVERSIGHT COMMITTEE RELATED TO MEASURE “U” AND DEFINING THE SCOPE OF RESPONSIBILITY OF THE COMMITTEE

BACKGROUND

- A. On July 24, 2012, the City Council unanimously approved Ordinance 2012-026, a proposal to temporarily increase the City’s sales tax rate by ½ cent for six years to restore and protect City services.
- B. The County of Sacramento has designated this proposal Measure “U” on the November 6, 2012 ballot.
- C. Ordinance 2012-026 requires the City Council establish a Citizens Oversight Committee to review the revenues received and expenditure of funds from the tax.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1: The City Council establishes a Measure U Citizens Oversight Committee as described in Exhibit A to this resolution.

Section 2: This resolution shall take effect only upon voter approval of Measure U on the November 6, 2012 ballot.

Table of Contents:

Exhibit A City of Sacramento Measure U Citizens Oversight Committee

City of Sacramento
Measure U Citizens Oversight Committee

1. Purpose. The purpose of the Measure U Citizens Oversight Committee is to review the revenue and expenditure of funds received from the half-cent transactions and use tax on the November 6, 2012 ballot (Measure U).

2. Committee Composition.

2.1 The Committee shall consist of five members and shall include the following:

2.1.1 One member shall be a certified public accountant with audit experience.

2.1.2 One member shall be a representative of business interests.

2.1.3 One member shall be a representative from a neighborhood organization.

2.1.4 One member shall be a representative of a bona-fide taxpayer organization.

2.1.5 One member of the community at-large.

2.2 All members shall be at least 18 years of age and reside within the City of Sacramento.

2.3 Committee members may not be current City of Sacramento employees, City of Sacramento Council Members, or any vendor, contractor, or consultant with active contracts or agreements with the City of Sacramento.

2.4 The City Council shall solicit members of the Citizens Oversight Committee through an open application process.

3. Appointment. Measure U Citizens Oversight Committee members shall be appointed as follows:

3.1 The City's Personnel and Public Employee Committee (P&PE) shall solicit and interview prospective Measure U Citizens Oversight Committee members.

3.2 The City's P&PE Committee shall recommend Measure U Citizens Oversight Committee members to the Mayor for appointment at a subsequent City Council meeting.

3.3 At the subsequent City Council Meeting, the Mayor shall appoint Measure U

Citizens Oversight Committee members, subject to confirmation by the City Council.

4. Committee Responsibilities. The Citizens Oversight Committee shall have the following responsibilities for each fiscal year in which the Measure U half-cent transactions and use tax is collected:

4.1 Review the City's annual independent audit report.

4.2 Prepare and submit a written report to be presented to the City Council at a public meeting and made available to the public recording:

4.2.1 The amount of revenue generated by Measure U.

4.2.2 The allocation of revenue reflecting the services and programs funded by proceeds of Measure U.

4.2.3 The results of the Committee's review of the City's annual independent audit report as it pertains to use of Measure U proceeds.

5. Committee Member Terms of Office.

5.1 Except as otherwise provided herein, each member shall serve a term of two years, commencing on July 1, 2013. Members shall be eligible to serve multiple terms. At the Committee's first meeting, members will draw lots or otherwise select two members to serve for an initial one-year term and the remaining members for an initial two-year term.

6. Committee Operations. Except as otherwise provided in this resolution, Chapter 2.40 of the Sacramento City Code shall apply to the Committee and its members. The Committee shall:

6.1 Elect a Chair and Vice Chair at the first meeting of the Committee. Thereafter, the Committee shall annually elect a Chair and a Vice Chair, who shall act as Chair only when the Chair is absent. In the event the Chair seat or Vice Chair seat becomes vacant, the Committee shall elect a replacement Chair or Vice Chair at the next available meeting.

6.2 Operate in accordance with the Ralph M. Brown Act.

6.3 Meet up to twice annually in fulfillment of their responsibilities.

6.4 Receive no compensation for service on the Committee.

6.5 Receive reasonable administrative or technical assistance from the City Manager or designee, and other City offices, to fulfill its responsibilities.

7. Vacancies.

7.1 Committee members may be removed from the Committee only by the City Council for repeated absences at committee meetings, malfeasance, failure to

meet the qualifications set forth in this resolution, or for inability or unwillingness to fulfill the duties of a Committee member.

7.2 In the event of removal, resignation, or death of a Committee member, the City Council shall appoint a person to fill the vacant seat.

8. **Committee Lifespan.** The Measure "U" Citizens Oversight Committee shall sunset June 30, 2020.