



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Julie Edmonds-Mares

**SUBJECT: SALES TAX INDEPENDENT
CITIZENS OVERSIGHT
COMMITTEE REPORT**

DATE: May 31, 2017

Approved

Date

5/31/17

RECOMMENDATION

Accept the report from the Sales Tax Independent Citizens Oversight Committee.

BACKGROUND

On December 13, 2016, the Mayor and City Council adopted a resolution designating the City's Neighborhoods Commission as the local Sales Tax Independent Citizens Oversight Committee, as outlined in the City's Measure B Sales Tax ballot measure approved by the voters on June 7, 2016.

The Neighborhoods Commission was tasked to review the local sales tax revenues annually, along with other major General Fund revenues and General Fund expenditures during the development of the annual budget. City staff made a presentation to the Commission at the December 14, 2016 special meeting, advising them of the City Council decision on December 13, 2016 to appoint the Neighborhoods Commission as the Sales Tax Independent Oversight Committee.

Staff returned to the Commission with a presentation on the highlights of FY2017-18 Proposed Operating Budget at the May 10, 2017 Commission meeting. In response, the Commission, in its role as the Citizens Oversight Committee, created an Ad-Hoc Subcommittee and called a special meeting on May 25, 2017 to finalize and discuss the subgroups recommendation. At that meeting the Neighborhoods Commission approved the attached letter to be considered during the budget process.

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PUBLIC OUTREACH

The Neighborhoods Commission held a special meeting on Thursday, May 25, 2017. The agenda and related items were posted on the City's Council Agenda website.



JULIE EDMONDS-MARES

Deputy City Manager

For questions, please contact Zulma Maciel, Assistant to the City Manager, at 408-535-8146.



Neighborhoods Commission

May 25, 2017

Mayor Liccardo and City Councilmembers
City of San José
200 E. Santa Clara St.
San José, CA 95113

Dear Mayor and Councilmembers:

The Neighborhoods Commission created a special Ad-Hoc Subcommittee to address the Local Sales Tax oversight responsibility given to us at our May 10th meeting. Their report is below.

Sincerely,

Pete Kolstad, Chair
San José Neighborhoods Commission
NC3b@sanJoseca.gov

May 25, 2017

Honorable Mayor Liccardo and Councilmembers
City of San José
200 East Santa Clara Street
San José, CA 95113

Re: Neighborhoods Commission Ad-Hoc Committee on Measure B Local Sales Tax
Independent Citizens Oversight:

Dear Mayor and Councilmembers,

On behalf of the San José Neighborhoods Commission, we thank you for the opportunity to participate in the budget process and for our role as the Local Sales Tax Independent Citizens Oversight Committee.

On June 6, 2016, San José voters approved Measure B, a one-quarter percent Local Sales Tax to fund City of San José services. Measure B requires an Independent Citizens Oversight Committee to review the expenditures of revenues generated by this new Local Sales Tax. On December 13, 2016, Council designated the Neighborhoods Commission as the Local Sales Tax Independent Citizens Oversight Committee. (Resolution 78016.)

We would like to provide the following comments in our role as the Local Sales Tax Independent Citizens Oversight Committee:

1. We are generally supportive of the overall proposed budget.
2. Successful oversight of this Committee will provide assurance to San José residents that Measure B revenues will be expended consistent with the language of the ballot measure and the intent of the voters.
3. We plan to further refine our process for future years. We will therefore incorporate this role into future Work Plans and request annual budget information from the City Manager's Office accordingly.
4. As we move into the following years, we must evaluate expenditures against the ballot measure language. To do so, we will need much more information — such as (but not limited to) total revenues collected, projections of where revenues will be spent (similar to “Sales Tax Ballot Measure: 2016-2017 Provisional Budget and Ongoing Spending Priorities Plan, May 27, 2016), a detailed itemized report of where these sales tax funds were actually spent and a functional comparison to previous City budgets.

We appreciate our role and will seek to further maximize our effectiveness moving forward. We look forward to supporting the City and doing everything we can to improve the neighborhoods of San José for us all.

Gary Cunningham, District 1
Chair, Ad-Hoc Committee on Measure B Local Sales Tax Independent Citizens Oversight
NC1b@sanjoseca.gov