



*Independent Citizens Oversight Committee on
2016 Measure B ¼-cent Sales Tax
Neighborhoods Commission*

January 10, 2018

Subject: Committee Status and Concerns

Dear San José City Manager Dave Sykes,

The 2016 San José City’s Local Measure B Sales Tax ballot measure authorized the creation of an Independent Citizens Oversight Committee (ICOC) to ensure that the money collected from the approved ¼-cent sales tax increase was spent according to the parameters laid out in the measure. The San José City Council adopted resolution No. 78016 designating the Neighborhoods Commission (NC) of the City of San José as the Local Sales Tax ICOC. On August 9, 2017, the NC voted unanimously to request the creation of a Standing Committee for the Independent Citizens Oversight Committee, which was approved by the San José Rules & Open Government Committee on August 23, 2017.

Since November 2017, the ICOC has met to develop a work plan and product report. The plan defines what the ICOC charter and scope are and how it will accomplish its goals. At the November 15, 2017 ICOC meeting, attended by Leland Wilcox, Assistant to the City Manager, the ICOC charter and scope as well as basic issues were discussed. The Committee agreed to use the 2016-17 SJ City Manager Budget Addendum #14: Sales Tax Ballot Measure as a basis for modeling those areas of the budget impacted by Measure B, budget allocations, and Measure B independently audited sales tax revenue expenditure data provided by the San José City Manager’s Office. It was further agreed that additional information was to be furnished to the ICOC by the City Manager’s Office regarding outlining the amount of money expended for the last 5 years in the program areas outlined in the City Manager’s 2016-17 Budget Addendum and the priorities mentioned in the original ballot measure. Mr. Wilcox agreed to provide a flowchart depicting the ICOC reporting structure. During the November 15 ICOC meeting, events and key milestones were identified and a schedule providing visibility of the overall ICOC effort was developed. The table below depicts the ICOC events and key milestones.

ICOC Events & Key Milestones – December 13, 2017		
(2017-2018)	<i>Milestone/Activity</i>	Calendar
Nov 17 - Feb 5	<i>Develop prototype 1/4-cent sales tax report</i>	
Dec 6	<i>Finalize draft implementation plan</i>	ICOC Regular Meeting
Dec 13	<i>Approve implementation plan</i>	NC Regular Meeting
Jan 4		ICOC Special Meeting

Jan 10		NC Regular Meeting
Feb 7	<i>Prototype report structure finalized for NC approval</i>	ICOC Regular Meeting
Feb 14	<i>NC approves report structure NC receives Measure B data from CMO</i>	NC Regular Meeting
Feb 14 - Apr 30	<i>Compile ICOC report</i>	
Mar 7		ICOC Regular Meeting
Mar 14		NC Regular Meeting
Apr 4		ICOC Regular Meeting
Apr 11		NC Regular Meeting
May 2	<i>Finalize annual report for NC</i>	ICOC Regular Meeting
May 9	<i>Approve annual ICOC report for Council submission</i>	NC Regular Meeting
May 16	<i>NC approved ICOC report submitted to Council</i>	
Jun 6		ICOC Regular Meeting
Jun 13		NC Regular Meeting

After several following meetings, the ICOC has not been able to move forward because needed information has not been received in a timely manner. The ICOC has not been able to maintain the project milestones and runs the risk of not being able to complete its goals in the required time.

The needed information includes the following regarding the Independent Auditor:

- Who is Independent Auditor?
- How is s/he selected?
- How is her/his position funded?
- Who does the Independent Auditor report to?
- What is the Independent Auditor's charter and statement of work?
- How will the Independent Auditor communicate with the ICOC, and vice versa?
- What information will be provided to the ICOC?
- In addition, the ICOC is still waiting for a flowchart of the ICOC reporting structure.



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- The 2016-17 SJ City Manager Budget Addendum #14 lists Reduce Homelessness as a budget proposal item. The language of the San José City's Local Measure B Sales Tax ballot measure does not mention reducing homeless. This issue needs to be clarified.

In order for the ICOC to meet its objectives, the requested information needs to be provided, and a means of communicating with the Independent Auditor needs to be established as soon as possible.

Sincerely,

Gary Cunningham, Commissioner D1 and Chair of the ICOC

CC: Donald Rocha, Councilmember for District 9 and Neighborhoods Commission Liaison