

Neighborhoods Commission (NC)
Independent Citizens Oversight Committee (ICOC)
FY 2017-2018 Plan
Draft

1. Overview

The Neighborhoods Commission (NC) Independent Citizens Oversight Committee (ICOC) was authorized as a result of the San Jose' City's Measure B Sales Tax ballot measure approved by the voters on June 7, 2016.

On 13 December, 2016, the San Jose' City Council adopted resolution No. 78016. The resolution designated the NC of the City of San Jose' as the local Sales Tax Independent Citizens Oversight Committee, as outlined in the Measure B Sales Tax ballot measure approved by San Jose' voters on June 7, 2016.

On August 9, the NC voted unanimously to request the creation of a Standing Committee for the Independent Citizens Oversight Committee.

2. Charter/Scope of Work

2.1. Charter. The San Jose' City's 2016 Measure B Sales Tax ballot measure defines the ICOC charter and scope of work.

San Jose' City's 2016 Measure B Sales Tax ballot measure: *To fund essential City services such as: improving police response to reduce violent crimes and burglaries; improving 911/emergency medical/fire response times; repairing potholes and streets; expanding gang prevention; and maintaining the City's long-term financial stability, shall the City of San Jose' enact a ¼ percent sales tax for 15 years, providing about \$40 million annually, requiring Independent Citizens Oversight with public review of spending, and all revenues controlled locally.*

2.2. Scope of Work.

On August 10, 2016, the City's Rules Committee directed the City Manager to: 1) create a process for appointing citizens to the ICOC, with explicit consideration that the City's NC serve as the Committee by absorbing Measure B's mandated functions within the existing purpose of the NC; 2) establish a schedule for periodic meetings of the ICOC, at least annually; and 3) determine a scope of duties consistent with voter authorization; and the use of the NC as the ICOC will conserve City resources and staff time and aligns with past work the NC has done on budget engagement; and the City desires to designate the NC as the ICOC, absorb the oversight function required by Measure B within the existing scope of the Neighborhoods Commission, and require that the Neighborhoods Commission, in its role as the ICOC, review local sales tax revenues annually and report to the City Council on the local sales tax measure during the annual budget process.

2.2.1. Near Term Planning and Goals. Near term planning will concentrate on those items necessary to for initial ICOC startup and functionality. Near term planning will include but not be limited to the following:

- a. focusing on defining ICOC reporting structure (Figure 2-1 is a flowchart depicting the ICOC reporting structure)
- b. identifying points of contact for ICOC interfaces
- c. defining protocols and guidelines for Brown Act compliance
- d. defining the ICOC oversight report and developing the report format
- e. developing a timeline for ICOC milestones and key events
- f. developing ICOC guidelines and processes.

2.2.2. Long Term Planning and Goals. Long term planning will include but not be limited to the updating and refining ICOC guidelines and processes, and developing transition planning for new ICOC members.

3. ICOC Standing Committee Membership

The ICOC membership is limited to NC commissioners. Members of the public or former commissioners cannot be members.

4. ICOC Meetings

ICOC meetings will be conducted in accordance with SJ City and Brown Act requirements. SJ CMO staff will provide support for meeting agendas, notices, and minutes.

5. Committee Schedule

The ICOC's activity will be reflected in a schedule identifying events and key milestones that provides visibility of the overall effort and helps minimize impacts. The schedule presenting the key milestones will be developed in a graphic format showing the elements visually versus a listing of milestones with start and end dates. Figure 5-1 is a schedule of the ICOC events and key milestones. The ICOC schedule will include but not be limited to the following:

- a. ICOC meetings
- b. SJCMO submittal(s) of Measure B funding data to ICOC
- c. ICOC report review cycle(s)
- d. ICOC report submittal(s)

6. Points of Contact for ICOC Interfaces

The ICOC reports to the Neighborhoods Commission. As part of the oversight process, the ICOC will interface with the City Manager's Office, including the Budget Office. A single point of contact will conduct the communications with those operations. The single point of contact will reduce the need for CMO staff to perform liaison duties and provide a means for the ICOC to have a line of communications with operations providing information to the ICOC. ICOC requests for information are expected to be acknowledged within 10 working days. The point of contact will be the ICOC Chair or designated alternate.

7. Report Development/Review Cycles

Reports produced by the ICOC will document the committee's efforts, activities, and accomplishments.

The report development is an iterative process. The report review and comment cycles need to be controlled and managed using a process like the following: (1) produce a draft report identified as "draft 1," (2) send out draft for comments with a 3- or 4-day review/comment cycle, (3) collect and incorporate the comments for that cycle, (4) send it out again as "draft 2," and (5) repeat the cycle for subsequent drafts.

7.1 Status Reports. The ICOC will provide status reports to the NC chair as required detailing schedule status, accomplishments, concerns, etc.

7.2 IOC Measure B Report. The ICOC will provide the Measure B report to the NC chair in accordance with the ICOC schedule. The report format and content will be as defined during the ICOC planning cycle. The report content will use Measure B expenditure data provided by the SJCMO.

8. Review and Analysis of FY2017-2018 Measure B Revenue Data

Measure B requires oversight of the measure's revenue. However, the Measure B did not establish a method or system for tracking and reporting the measure's budgeted allocations, actual allocations, and the result of the expenditure.

The Measure B Local Sales Tax revenue is sourced to the General Fund. Separate expense appropriations designated specifically for the measure were not uniformly used and it is not possible for the City, or a financial auditor, to specifically associate applicable General Fund expenditures to the measure. Additionally, there is no comparable San Jose' City Manager's Budget Addendum (MBA) #14 for FY 2017-2018 Measure B revenue expenditures. MBA 14 was the Measure B FY2016-2017 Provisional Budget and Ongoing Spending Priorities Plan.

As a result, for the FY2017-2018 revenue oversight, the ICOC will rely on audited financial statements and other certifications provided by the City Manager's Budget Office for 2017-2018 Measure B Local Sales Tax data for budgeted allocations, actual allocations, and the result of the expenditure.

The City Manager's Budget Office will provide the ICOC with a FY2017-2018 Measure B Local Sales Tax Reconciliation memo. The memo will provide details of the Measure B revenue allocations with respect to the FY2017-2018 Operating Budget document and the City's FY2017-2018 Comprehensive Annual Financial Report data audited by the City's independent financial auditor. The memo will also indicate if any Measure B proceeds allocated to the various departments and programs were used to offset reductions elsewhere within their respective budgets.

8.1 Audited Data. Audited sales tax revenue data will be provided to the ICOC by the San Jose' Budget Department.

8.2 Findings Development. Findings will be provided detailing how the revenues were allocated and expended as well as the methodology used by the City for tracking and reporting the measure's revenues. Findings will be provided for each of the following Measure B categories:

- Improving police response to reduce violent crimes and burglaries
- Improving 911/emergency medical/fire response times
- Repairing potholes and streets
- Expanding gang prevention
- Maintaining the City's long-term financial stability

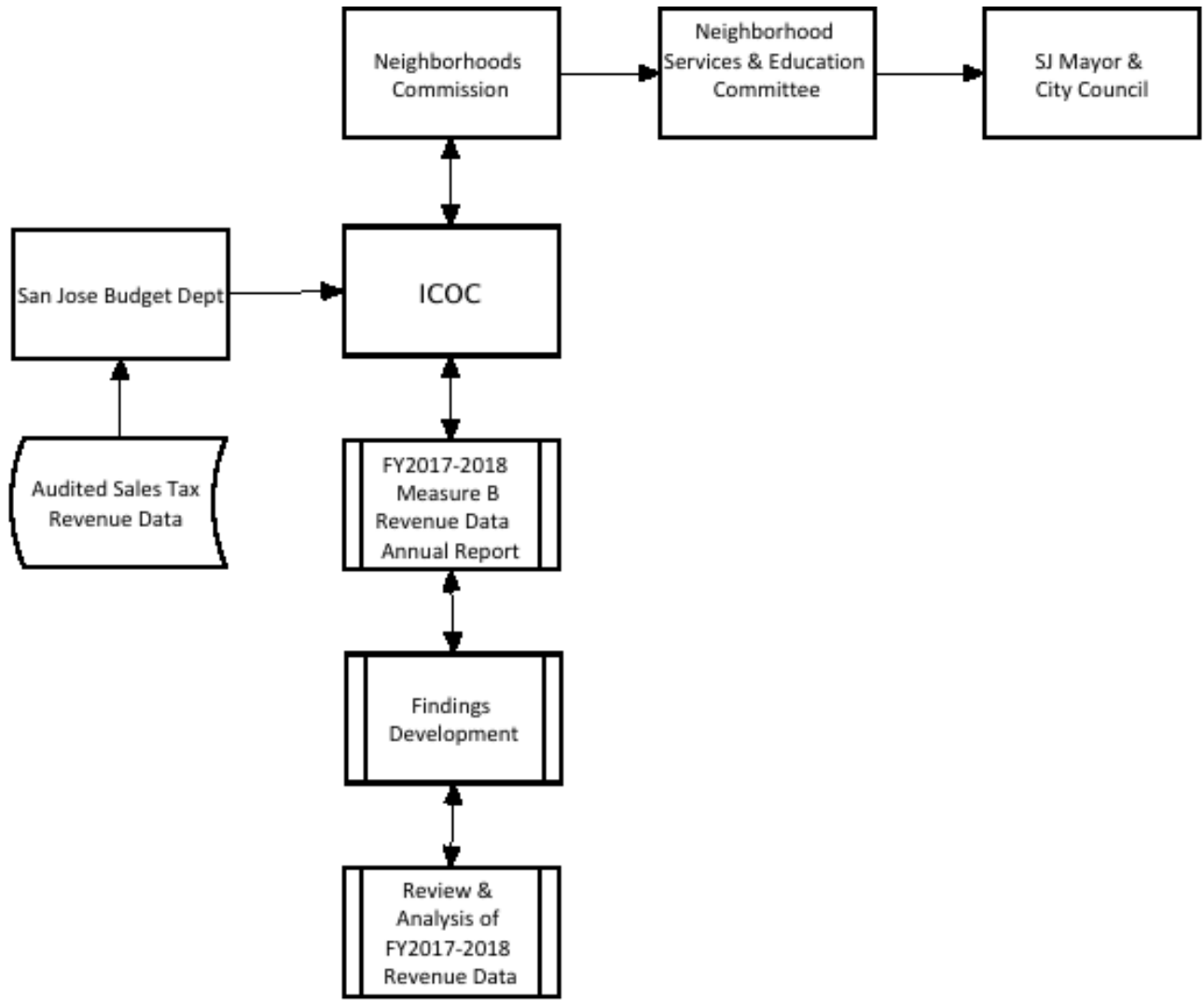


Figure 2-1. ICOC Reporting Structure Flowchart

Item	Event	Start	Finish
1.	Develop ICOC Project Plan	11/7/18	12/5/18
2.	NC Approval of ICOC Project Plan	1/9/19	1/9/19
3.	Develop basic draft ICOC report	11/7/18	12/5/18
4.	Receive Measure B data from CMO	12/5/18	12/5/18
5.	Compile ICOC preliminary report	1/2/19	3/6/18
6.	Finalize ICOC FY 2016-2017 report	3/6/18	4/3/19
7.	Submit final ICOC report to NC	4/10/19	4/10/19
8.	NC approval of ICOC report	5/8/19	5/8/19
9.	NC submittal of ICOC report to Mayor and City Council	5/8/19	5/8/19
	Scheduled ICOC Meetings	Monthly	Monthly
	Scheduled NC Meetings	Monthly	Monthly

Figure 5-1. ICOC Events and Key Milestones