



Memorandum

TO: NEIGHBORHOOD COMMISSION - **FROM:** Jim Shannon
INDEPENDENT CITIZENS
OVERSIGHT COMMITTEE

SUBJECT: 2019-2020 MEASURE B **DATE:** June 1, 2021
LOCAL SALES TAX
RECONCILIATION

This memorandum provides information requested by the Neighborhood Commission, Independent Citizens Oversight Committee (ICOC) related to Measure B Local Sales Tax data for fiscal year 2019-2020.

On June 7, 2016, San Jose voters approved a one-quarter percent Local Sales tax to fund City services. From July 1, 2019 through June 30, 2020, the City collected Measure B Local Sales Tax revenue in the amount of \$43,150,275. This amount was reported in the City's 2019-2020 Annual Report

(<https://www.sanjoseca.gov/home/showpublisheddocument/64533/637375855402770000>, p. II-10) prepared by the City Manager's Office. The City's 2019-2020 Comprehensive Annual Financial Report (CAFR) prepared by the Finance Department also incorporated this figure, and that report was audited by the City's independent financial auditor, Macias, Gini & O'Connell, LLP.

The Measure B Local Sales Tax revenue is one of many revenue sources in the General Fund, and Measure B revenue is tracked in a separate revenue accounting code. This separate accounting code enables the identification of the revenue attributed solely to the Local Sales Tax. Based on feedback from the ICOC, separate expenditure appropriations related to the Local Sales Tax were created in 2019-2020 to enable the tracking and reporting of these expenditures, which was approved by the City Council with the inclusion of Manager's Budget Addendum #34 "Local Sales Tax Budget Adjustments" into the Mayor's June Budget Message for Fiscal Year 2019-2020. These allocations were adjusted through City Council action several times during the year, including adjustments to account for revenue decreases below the initial 2019-2020 Adopted Budget estimate of \$47.0 million.

The City Manager's Budget Office has prepared the "ICOC Annual Measure B ¼-cent Sales Tax Matrix for FY 2019-2020" in accordance with the format requested by the ICOC, which describes each Measure B expenditure allocation with its corresponding budget and actuals data. The City Manager's Office also provided documentation of City Council actions to establish and

HONORABLE MAYOR AND CITY COUNCIL

May 31, 2021

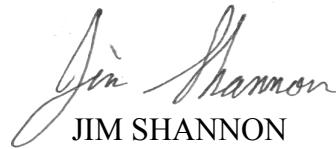
Subject: 2019-2020 Measure B Local Sales Tax Allocation

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modify the budget allocations, and reports from the City's Financial Management System that provide documentation of actual expenditures.

The items in the matrix with a "Fiscal Year Initiated" date of 2016-2017, 2017-2018, and 2018-2019 represent previous allocations of Measure B funding that are ongoing in nature, and continued into 2019-2020. Those items in the matrix with a "Fiscal Year Initiated" date of 2019-2020 represent an increase in resources above a department's 2019-2020 Base Budget allocation as displayed in the 2019-2020 Proposed Operating Budget. The City Manager's Budget Office and the ICOC collaborated on the development of the explanatory notes contained within the Matrix.

The City Manager's Budget Office greatly appreciates the time and effort expended by the ICOC to perform their oversight duties on behalf of the San José community.

A handwritten signature in cursive script that reads "Jim Shannon".

JIM SHANNON
Budget Director

Attachment: ICOC Annual Measure B ¼-cent Sales Tax Matrix