



Atascadero City Council

Staff Report - City Manager

Resolution Relating to the Formation of the Citizens' Oversight Committee for the Implementation of the Transaction & Use Tax Ordinance

RECOMMENDATION:

City Council adopt Draft Resolution relating to the formation of the Citizens' Oversight Committee for the implementation of the Transaction & Use Tax Ordinance (Ordinance No. 581)

DISCUSSION:

On November 4, 2014 the voters of Atascadero approved a general 0.5% sales tax which will go into effect on April 1, 2015. In addition, the voters also supported the Advisory measure asking if the proceeds of the additional sales tax should go into roads.

Prior to voting to place the sales tax measure on the ballot, Council asked staff to reach out to the community to inform them about the potential sales tax measure and to gather community comments and concerns. Staff presented an informational presentation about the City roads and the potential sales tax measure to several community groups including Kiwanis, Chamber of Commerce Board, Rotary, Republican Women, North County Tea Party, and Realtors. In addition, a public community forum open to the public and advertised widely was held on June 5, 2014. At all of the presentations, staff answered questions and encouraged comments on both the roads and the potential sales tax measure. Staff was also available after each of the presentations for comments and questions. The City received some valuable input from these meetings. As a result, Council added some key language in the sales tax ordinance prior to placing the ordinance on the ballot.

It was clear from the public meetings that oversight was a key concern to the community. In order to address the concerns, Council placed the following language in the ballot measure.

“Section 14. CITIZENS’ OVERSIGHT COMMITTEE. There shall be a permanent citizens’ advisory committee called the “Citizens’ Oversight Committee” (hereafter “Committee”) which shall annually review revenues and expenditures from the collection of the tax. The committee shall have 9 members. Seven members shall be appointed to the committee by individual Atascadero community groups. Two members shall be appointed by the City Council. Appointees shall be residents of the City; however, no member of the Committee shall be an elected official.”

Establishing an Oversight Committee comprised of a group of citizens whose purpose is to analyze how new tax monies are being spent is a common practice. Part of the feedback received at the public meetings indicated that they wanted to see an Oversight Committee that is not dominated by City Council appointments, but rather by the community. As such, the Ordinance states that the Committee would consist of two Council appointed members (citizens at large) and 7 members appointed by individual community groups (ie: Chamber of Commerce, Kiwanis, etc.). The Council must now set rules and guidelines for how the community groups will be selected.

Community Group Appointments

As stated earlier, public input indicated that they would like to see this Committee be as independent as possible. In order to foster this independence, the attached resolution calls for the City Manager to coordinate a meeting of interested community groups. At the meeting, the community groups themselves would determine the process by which interested community groups are selected to appoint members to the Committee. Those representatives of community groups that attend the meeting will be responsible for making the decisions regarding the appointments.

Council Appointments

The resolution also calls for Council to direct staff to advertise for the two Council-appointed openings on the Committee. Similar to the process for at large Planning Commissioners, interested individuals would apply for the positions and Council would interview applicants, selecting two individuals to be on the Oversight Committee

Bylaws

Once the Committee is in place, the Oversight Committee would adopt Bylaws setting the place & manner of the meetings. The Bylaws also set forth the membership of the Committee and the terms of the appointed Committee members. Lastly the Bylaws set forth the powers of the Committee.

Powers

The powers of the Committee are set by the Sales Tax Ordinance itself and will be reiterated in the Committee’s Bylaws. As stated in Section 14 of the Ordinance, the Committee shall annually review revenues and expenditures from the collection of the tax. Section 15 of the Ordinance calls for an Annual Road Report to be prepared and

for the Citizen Oversight Committee to review the report and submit their findings and conclusions to the City Council.

The Ordinance does not give the Committee the power to select the projects, nor does it give the Committee the power to budget and expend funds. Those powers remain with the Council. It is expected that staff will educate the Committee on the City's Pavement Management System and how road repair/maintenance projects are selected; however it will be up to Council as part of the regular budgeting process to make the final decision as to which projects are budgeted.

FISCAL IMPACT:

There is no fiscal impact from staff's recommendation. The proposed sales tax measure is estimated to generate an estimated \$1.7 - \$2.0 million in additional annual revenue. It is estimated that an additional 100 annual hours of staff time, plus minor additional expenses will be required to support the Citizen Oversight Committee.

ALTERNATIVES:

1. Council may choose not to adopt the Resolution and direct staff to come back with a modified resolution setting forth the implementation of the Citizen's Oversight Committee

ATTACHMENTS:

1. Draft Resolution Relating to the Formation of the Citizens' Oversight Committee for the Implementation of Ordinance No.581
2. Ordinance No. 581
3. June 24, 2014 Staff Report - Consideration of Sales Tax Measure

DRAFT RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO RELATING TO FORMATION OF THE CITIZENS' OVERSIGHT COMMITTEE FOR THE IMPLEMENTATION OF ORDINANCE NO. 581

WHEREAS, the voters of the City of Atascadero approved the Atascadero Transactions and Use Tax Ordinance ("Ordinance No. 581") on November 4, 2014 to impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2; and,

WHEREAS, section 14 of Ordinance No. 581 provides that there shall be a permanent citizens' advisory committee called the "Citizens' Oversight Committee" ("Committee"), which shall annually review revenues and expenditures from the collection of the tax; and,

WHEREAS, section 14 of Ordinance No. 581 further provides that the Committee shall have 9 members, seven of whom shall be appointed to the Committee by individual Atascadero community groups, and two of whom shall be appointed by the City Council; and that appointees shall be residents of the City, but no member of the Committee shall be an elected official; and,

WHEREAS, City Council desires to set forth the procedures by which the Committee members will be selected and appointed for the proper implementation of Ordinance No. 581.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Atascadero:

Section 1. Recitals. The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Membership of the Committee; Community Groups. The City will seek input from interested community groups in the City to determine which groups may be interested in appointing the membership of the Committee, as set forth in section 14 of Ordinance No. 581. The City Manager shall schedule and coordinate a meeting of interested community groups for the purpose of determining the process by which interested groups appoint the membership of the Committee. Those community groups attending the meeting will be responsible for making all decisions regarding such appointment.

Section 3. Membership of the Committee; City Council Appointees. The City Council hereby directs the City Manager or designee to advertise the two Council-appointed openings on the Committee and the Council shall follow its usual and customary procedures for evaluating and appointing interested and qualified applicants.

Section 4. Committee Bylaws and Rules of Procedure. Once formed as set forth in Ordinance No. 581, the Committee shall adopt a set of Bylaws and Rules of Procedure to govern its activities. If the Committee fails or refuses to do so, the City Council may adopt such Bylaws and Rules of Procedure, but thereafter the Bylaws may be amended only by the Committee, without further review or action by the City Council.

Section 5. Severability. If any portion of this Resolution is declared invalid or unenforceable by a court of competent jurisdiction, then it is the intention of the City Council to have passed the entire Resolution and all its component parts, and all other sections of this Resolution shall remain in full force and effect.

Section 6. Effective Date. This resolution shall take effect immediately upon its adoption.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ADOPTED:

CITY OF ATASCADERO

Tom O'Malley, Mayor

ATTEST:

Marcia McClure Torgerson, C.M.C., City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney