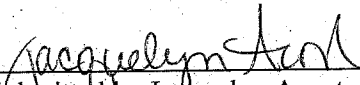





City of Carson Report to Mayor and City Council

August 2, 2011
New Business Discussion

SUBJECT: CONSIDERATION OF PROPOSED CHANGES TO THE COMPOSITION AND SCOPE OF THE UTILITY USERS TAX CITIZENS OVERSIGHT COMMITTEE.


Submitted by Jacquelyn Acosta
Administrative Services General Manager


Approved by Clifford W. Graves
Interim City Manager

I. SUMMARY

This item is on the agenda at the request of Mayor Dear. Over the past several months, there has been much difficulty trying to secure a quorum in order to have a meeting of the Utility Users Tax Citizens Oversight Committee (UUTCOC). There have also been a number of recent resignations. Staff has informed the Mayor of the difficulties that staff has been facing and has inquired as to the possibility of reducing the required quorum from 50% plus one, to 33%. In addition to the consideration of a quorum requirement change, in order to increase the transparency of the committee some other changes to the composition and scope are being proposed.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE a change in the required quorum from 50% plus one to 33%.
2. APPROVE a change in the name of the committee from the Utility Users Tax Citizens Oversight Committee to the Utility Users Tax Citizens Budget Oversight Committee.
3. APPROVE providing quarterly budget status reports to the committee after their submission to the City Council.
4. APPROVE the submission of committee recommendations to the Public Information Office.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

Ordinance No. 09-1423, which was approved by the voters on March 3, 2009, established a 2% utility users tax on gas and electricity use within the city of Carson (Exhibit No. 1). The ordinance also established an oversight committee.

§61119 of Ordinance No. 09-1423 states, "As soon as practical after the adoption of this ordinance, the City Council shall appoint a citizens oversight committee which shall receive reports from the tax administrator at least annually on the implementation of this chapter, the funds collected, and how funds collected are spent. The citizens oversight committee, which may make recommendations to the City Council on any matter relating to this chapter, shall hold all meetings in compliance with the Ralph M. Brown Act." According to this section of the ordinance, the UUTCOC receives information on the UUT revenues collected and how they are spent. However, as UUT revenues are general tax revenues, they are deposited in the general fund and comingled with all other general fund revenues. Therefore, when general fund expenditures are made, they are not tied back to any specific revenue source and so there is no direct correlation between the UUT revenues collected and what specifically they are spent on. Because of this, the City Attorney has previously opined that the UUTCOC has the authority to review and make recommendations to the City Council on the entire general fund budget as the expenditure of the UUT revenues cannot be isolated and tracked (Exhibit No. 2). As the entire general fund budget has been the focus of the committee for the past two years, the Mayor is requesting that the name of the committee be changed from the Utility Users Tax Citizens Oversight Committee to the Utility Users Tax Citizens Budget Oversight Committee.

Other changes that are being proposed for this committee to ensure transparency and provide the committee with meaningful work are:

1. Providing the committee with quarterly budget status reports at their next meeting following the submission of those reports to the City Council.
2. Submitting the recommendations of the committee to the Public Information Office so that they can be made available to other community members who may have an interest in the committee's recommendations. (The committee's recommendations will continue to be forwarded to the City Council for consideration).

One other change to the committee is a change in the composition of the committee as the Mayor is removing himself as an ex-officio member of the committee and the City Clerk has asked to be removed as an ex-officio member. The new composition of the committee will be 21 members and one ex-officio member, the City Treasurer.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Ordinance No. 09-1423 (UUT ordinance). (pgs. 4-11)
2. Memo from Bill Wynder, dated May 14, 2009, regarding the scope of the committee. (pg. 12)

Prepared by: Jacquelyn Acosta, Administrative Services General Manager

TO:Rev010511

Reviewed by:

City Clerk	<u>City Treasurer</u>
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

Action taken by City Council

Date _____	Action _____