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Title: Consideration, Discussion and Direction to Staff regarding: (a) the Structure of the Sales Tax Oversight Committee; (b) Formation of the Sales Tax Oversight Committee

Sponsors: Administrative Office

Indexes:

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Date	Ver.	Action By	Action	Result
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MEMORANDUM

TO: Board of Supervisors

FROM: Carol J. Huchingson, County Administrative Officer

DATE: May 8, 2018

SUBJECT: Consideration, Discussion and Direction to Staff regarding: (a) the Structure of the Sales Tax Oversight Committee; (b) Formation of the Sales Tax Oversight Committee

EXECUTIVE SUMMARY:

As you are aware, on March 6, your Board passed an Ordinance placing a one and one-half percent general transactions and use tax before voters on this June’s ballot.

The Ordinance notes that your Board shall establish, by Resolution, “An Oversight Committee to provide transparency and ensure fiscal accountability” of funds raised by the proposed tax increase.

While it is not appropriate to bring a final Resolution to your Board at this time, I want to ensure that potential voters in the unincorporated areas of Lake County have sufficient information regarding the proposed Sales Tax Oversight Committee to make an informed judgment.

Toward that end, I have undertaken research to identify the typical roles and structures of such oversight committees in other jurisdictions, and have come to the following recommendations:

I recommend that the Sales Tax Oversight Committee assume the following responsibilities:

- Annual review of revenue receipts and expenditures of the Local Sales Tax.
- Annual review of the status and performance of the programs and services funded, wholly or partially, with proceeds from the Local Sales Tax.
- Preparation of an annual independent report to the Board of Supervisors regarding the revenue and expenditures of the Local Sales Tax.

The committee's authority is typically limited to these areas. It is not generally thought appropriate for the committee to direct staff, recommend any particular contracts or define the scope of a road repair project, for example. Generally, the purpose of the committee will be to make sure that Measure G-funded spending is consistent with the vision of your 10-year plan.

Committee structures vary from jurisdiction to jurisdiction, but there are typically 5 or 7 members. Regardless of the makeup of the formal committee, there are additional ex officio members, drawn from County staff, for the purposes of providing information and organizational support.

I recommend that Lake County's Sales Tax Oversight Committee be comprised of 7 members serving two-year terms, representing the following groups:

- The Business Community or the Chamber of Commerce
- An expert in Local Economic Development
- A Local Non-Profit Agency
- A Local Labor Group
- An Acknowledged Community Fiscal/Accounting Expert
- Two from established local Municipal Advisory Councils

As County Administrative Officer, I, or a member of my staff, will serve as a designee to the committee, and not a voting member. The Auditor-Controller will also be an invaluable resource as an ex officio contributor.

All committee members must reside in Lake County, and be at least 18 years of age.

Today, I am asking that your Board:

- 1) Consider the proposed structure, outlined above;
- 2) Discuss the makeup of the committee, and the process for determining representatives; and
- 3) Provide direction to staff regarding timing of formation of the committee.

FISCAL IMPACT: None Budgeted Non-Budgeted

Estimated Cost:

Amount Budgeted:

Additional Requested:

Annual Cost (if planned for future years):

FISCAL IMPACT (Narrative): None

STAFFING IMPACT (if applicable): None

RECOMMENDED ACTION:

- 1) Consider the proposed committee structure;
- 2) Discuss the makeup of the committee, and the process for determining representatives; and
- 3) Provide direction to staff regarding timing of formation of the committee.