



Legislation Text

File #: 20-013, **Version:** 1

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SUBJECT: Public Hearing for the Potential Introduction of Ordinance Adding the "Tax Transparency Commission" to the Merced Municipal Code to Consolidate all Current and Future Tax Oversight Committees Into One Oversight Commission and Discussion and Direction on a Transition Plan for the Existing Oversight Committees

REPORT IN BRIEF

Considers adoption of an ordinance to consolidate all current and future tax measure oversight commissions into a single commission.

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2510**, an ordinance of the City Council of the City of Merced, California, adding chapter 2.56, "Tax Transparency Commission," to the Merced Municipal Code.

ALTERNATIVES

1. Introduce as recommended by staff; or,
2. Introduce with amendments (specify in motion); or,
3. Continue to a future meeting; or,
4. Deny

AUTHORITY

City of Merced Charter, Section 200, Section 405, Section 413, and Section 700.

CITY COUNCIL PRIORITIES

Aligns with City Council priority for governmental transparency.

DISCUSSION

In November of 2005, a tax measure to fund Police and Fire personnel, as well as road projects and repairs (Measure C), was adopted by the electorate of the City of Merced. A stipulation of the ordinance is that an independent oversight committee be formed to review tax revenue and to ensure the money is being used as the ordinance intended.

In June of 2018, a special tax measure was adopted by the electorate in order to tax legalized cannabis businesses that operate in the City of Merced (Measure Y). The tax is meant to supplement funding for the Recreation and Parks Department, the Police Department and the Fire Department. The adopted ordinance, like Measure C, requires a committee be formed to review

revenue and expenditures and make recommendations to the City Council.

Over the past several years, the Citizens Oversight Measure C Committee has experienced a high turnover rate in membership, with many departing members stating that, while they still review the tax revenue, the expenditures are mostly used for personnel in both Fire and Police, which does not leave any room for new recommendations to the Council. With that statement in mind, staff approached the Measure C Committee with the idea of combining their current oversight with the oversight of the Measure Y revenues in order to inject new life and purpose into the committee and garner new interest in applying to serve on the oversight committee. The idea was well received and the Measure C Committee directed staff to recommend this direction to the City Council.

At the City Council meeting of August 20, 2018, staff presented the recommendation of the Measure C Committee for discussion. The City Council agreed that the combining of these two committees would be beneficial to the recruitment and retention of individuals to serve on the oversight committee.

Attached is the draft ordinance creating the Tax Transparency Commission, which is the first step in the combining of the current committees. Over the coming meetings, staff will bring an additional ordinance to amend sections of both the Measure C Committee and the Measure Y Committee, in order to link them to the Tax Transparency Commission.

Also attached are considerations for use when transitioning the current sitting members of the Measure C Committee, who are appointed by Policing District as opposed to City Council District, as the Tax Transparency Commission will be going forward. It is recommended Council give staff direction on the transition so a resolution may be drafted outlining the transition plan for future Council adoption.

IMPACT ON CITY RESOURCES

N/A

ATTACHMENTS

1. Draft Ordinance
2. Transition Considerations
3. Measure C Map