

Memorandum

To: Roseville City Council

From: Local Sales Tax Citizens' Oversight Committee

Date: March 17, 2021

Subject: Citizens' Oversight Committee update for March 17, 2021 Roseville City Council Meeting

History of Measure B

- Measure B is a half-cent local sales and use tax to protect Roseville's essential services and was approved by voters in the November 6, 2018 election, with the expected annual revenue of \$16 to \$19 million.
- On April 1, 2019, the sales and use tax rate in Roseville increased from 7.25% to 7.75%.
- During the prior fiscal year 2018/2019, the City Council approved a budget adjustment to transfer the full \$4.2M earned through Measure B to the Economic Stabilization Reserve.

Role of the Citizen Oversight Committee

- The Citizens' Oversight Committee was proposed as an independent citizen oversight on the Measure B funds.
- The Citizens' Oversight Committee was created when Measure B passed in the November 6, 2018 election.
- The local sales tax oversight committee is charged with the annual review and report to the City Council on the revenue and expenditures of the Measure B sales and use tax.

Current Members	Term End
Patrick Comstock	6/30/2021*
Richard Duffy	6/30/2023*
Christopher Kight	6/30/2021*
Kathryn Kitchell	6/30/2023*
Meghan Krafka	6/30/2023*
*All members are eligible to re-apply at end of current term	

Measure B funds are appropriated to the General Fund where funds are not specifically allocated and tracked for a specific purpose, the Measure B ballot information stated that “the City may use the funds for any municipal purpose, including but not limited to essential services such as neighborhood police patrols, fire protection, 9-1-1 emergency response; crime suppression/investigation; street and pothole repair; libraries, parks and recreation; and job creation and economic improvement programs.”

Review of February 2, 2021 Meeting

- The meeting consisted of the following:
 - Appointment of annual Committee Chair and Vice Chair
 - Review of the Brown Act by Joe Mandell, Senior Deputy City Attorney
 - Presentation of the City’s year-end report by Dennis Kauffman, Assistant City Manager/Chief Financial Officer. Presentation was a summary of information provided to the Committee as exhibits:
 - Committee Overview
 - Year-end Report: Fiscal year July 1, 2019 to June 30, 2020
 - Budget overview
 - Financial outlook
 - Council priorities
 - General Fund revenue/expenditures
 - Measure B strategic investments
 - Fiscal actions to address COVID-19
 - Report to Council
 - Recommendation by the City staff that the Committee designate one or two Committee members to prepare the Committee’s report

Citizens’ Oversight Committee Report of the Funds from Fiscal Year 2019/2020

- Fiscal year 2019/2020 earned \$19.7M in Measure B revenue which was \$3.7M more than budgeted. Actual Measure B earnings exceeded budget primarily due to the conservative approach in budgeting for Measure B revenue since it was the first year in earnings without a historical trend to use as a basis.
- The Committee notes that because Measure B revenue is comingled with other General Fund revenue and pooled for General Fund expenditures, it is not possible to trace specific expenditures back to Measure B revenue.
- City staff reports show that \$14.1M in city funds were used to fund the Economic Stabilization Fund and \$698K was used to increase the Emergency Reserve.
- Certain members of the Committee reviewed The Annual Budget Fiscal Year 2020-21 Report General Fund Summary showing General Fund expenditures by department and noted that police, fire, public works and parks, recreation and library services were all maintained as evidenced by an increase in expenditures from FY 2018/2019 to FY

2019/2020. It was further noted that a new police beat was established in West Roseville fulfilling a public committed use of Measure B funds.

- The Committee concludes that based on the data provided by City staff and our analysis as described above, that Measure B funds were used for their intended purpose.
- The Committee recommends that City staff work with one or two members of the Committee to develop a scorecard for future years to provide supporting evidentiary documentation of Measure B revenue use.

CC:

Dennis Kauffman, Assistant City Manager/Chief Financial Officer

Terry Bradley, Recording Secretary