

City Manager's Report
February 8, 2011 City Council Meeting
Prepared by: M. Cleve Morris
Item #: 12.2



Subject: Adopt Resolution No. _____, a Resolution of the City Council of the City of Placerville Establishing the Measure H Transactions and Use Tax Committee

Discussion: On November 2, 2010, the Electorate of Placerville passed Measure H, a 30-year local transactions and use tax of one-quarter cent (0.25%). The purpose of the tax is to create an additional source of revenue to help reduce water and/or wastewater rates, assist with the repayment of Wastewater Treatment Plant debt and to construct water and wastewater improvement projects. The ordinance adopted to implement the tax requires the adoption of a resolution establishing a five- (5-) member Citizens Oversight Committee (Committee) by the Operative Date of the Measure, which has been established as April 1, 2011.

The purpose of the Committee is to review and report on the revenue and expenditure of funds received from the tax. It is anticipated that the funds will start to be received by the City in June of 2011, with expenditures beginning in July of 2011. The Committee will review proposed expenditures and recommend to the City Council the use of those funds. The funds are required to go toward the repayment of the debt for the Wastewater Treatment Plant, and toward required water and wastewater improvements. The end result is to reduce the currently established water and/or wastewater rates.

In accordance with the ordinance, the attached resolution establishes a five- (5-) member committee made up of three (2) citizens who are residents of the City, only one (1) being a renter, and two (2) commercial business or property owners. The members will be appointed by the City Council upon the recommendation of a Council Committee who will interview the applicants. The resolution requires the Committee to meet no less than once a year during the budget process, with special meetings held as necessary.

With adoption of the resolution, staff will begin recruitment of the Committee members.

Cost: There are no anticipated costs associated with this resolution other than staff time to attend the meetings, and minor supplies.

Budget Impact: No budget impact is expected; however, the Measure H Fund will have to be incorporated into the City's Operating Budget this coming spring.

Recommendation: Adopt Resolution No. _____, a Resolution of the City Council of the City of Placerville Establishing the Measure H Transactions and Use Tax Committee.

M. Cleve Morris, City Manager