



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jim Shannon

SUBJECT: Measure B Local Sales Tax
Oversight Committee and
Updates to City Council
Policy 1-18

DATE: September 8, 2025

Approved

Date:

9/12/2025

COUNCIL DISTRICT: Citywide

RECOMMENDATION

- (a) Adopt a resolution designating the Parks and Recreation Commission of the City of San José as the Local Sales Tax Independent Citizens Oversight Committee, as outlined in the Measure B sales tax ballot measure approved by San José voters on June 7, 2016, and superseding Resolution No. 78016.
- (b) Adopt a resolution revising City Council Policy 1-18, Section 15, Public Involvement, to replace the now retired Neighborhoods Commission with the Parks and Recreation Commission as the primary resident oversight body for ballot measures approved by San José voters that result in increased tax revenues available to be spent for any governmental purpose.

SUMMARY AND OUTCOME

Approval of the recommended actions will formally designate the Parks and Recreation Commission as Independent Citizens Oversight Committee to review revenues and expenditures made possible by the passage of Measure B in June 2016, which approved a 0.25% local sales tax to fund City services, and as the primary resident oversight body for revenue-generating local ballot measures. These functions were previously held by the now retired Neighborhoods Commission.

BACKGROUND

On June 7, 2016, San José voters approved Measure B, 0.25% local sales tax to fund City of San José services for 15 years sunseting September 30, 2031. Measure B required an Independent Citizens Oversight Committee (Oversight Committee) to review revenues and corresponding expenditures generated by the new sales tax. At its meeting on December 13, 2016, the City Council adopted Resolution 78016 designating the Neighborhoods Commission as the Oversight Committee. The duties of the Oversight Committee were subsequently incorporated into City Council Policy 1-18, Section 15, *Public Involvement*.

At its meeting on April 30, 2024, the City Council directed the City Manager to sunset the Neighborhoods Commission as the City was transitioning to a new Neighborhood Association Engagement Model. Further, the Neighborhoods Commission had trouble meeting quorum and was unable to conduct regular meetings, including meetings related to Measure B oversight. The last review of Measure B revenues conducted by the Neighborhoods Commission was for Fiscal Year 2020-2021.

ANALYSIS

During the discussions to sunset the Neighborhoods Commission, staff identified the Parks and Recreation Commission as a strong candidate to take up the functions of the Oversight Committee given its diverse representation, focus on community services, and regular meeting cadence. However, formal actions to designate the Parks and Recreation Commission as the Oversight Committee, and the corresponding adjustments to City Council Policy 1-18, have not yet occurred.

Approval of the recommended actions will formalize the Parks and Recreation Commission's oversight role regarding Measure B revenues (See Attachment for redline revisions to City Council Policy 1-18). At their meeting on October 1, 2025, the Parks and Recreation Commission will receive a report from the Administration on the use of Measure B revenues for Fiscal Years 2021-2022, 2022-2023, and 2023-2024. The Administration will provide a report on activity for Fiscal Year 2024-2025 at a later date after the final fiscal year close.

EVALUATION AND FOLLOW-UP

The reports approved by the Parks and Recreation Commission serving as the Oversight Committee will be forwarded to the City Council.

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COORDINATION

This memorandum has been coordinated with the City Attorney's Office and Parks, Recreation and Neighborhood Services Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the September 30, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

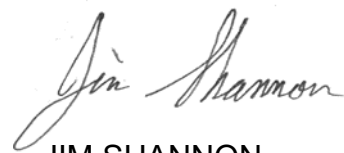
No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

A handwritten signature in black ink that reads "Jim Shannon". The signature is fluid and cursive, with the first name "Jim" and last name "Shannon" clearly distinguishable.

JIM SHANNON
Budget Director

For questions, please contact Jim Shannon, Budget Director, City Manager's Office at (408) 535-8142.'

ATTACHMENT

City Council Policy 1-18, Section 15, Public Involvement (Redlined)

ATTACHMENT: City Council Policy 1-18, Section 15, Public Involvement (Redlined)

15. Public Involvement

Public involvement shall be encouraged in the annual budget decision-making process through public hearings, public outreach and information, and informal meetings.

For ballot measures approved by the voters that **require public oversight of** result in increased tax revenues **eligible** available to be spent for any governmental purpose, the **Parks and Recreation Neighborhoods** Commission shall serve as the primary resident oversight body over how such revenues are allocated by the City Council within the General Fund on an annual basis. Subsequent to the release of the City Manager's Annual Report, the **Parks and Recreation Neighborhoods** Commission will perform the following tasks for each ballot measure identified by the City Council to be reviewed by the **Parks and Recreation Neighborhoods** Commission:

- a) Compare the actual revenue received with the budgeted estimate.
- b) If the City Council approved specific uses for the revenue through a budget action, compare the actual expenses with the budgeted amount.
- c) If the City Council did not approve specific uses of the revenue through a budget action, provide a **holistic** high-level review of the General Fund budget to assess how the increased revenues from the ballot measure were allocated to support and make a positive impact on community priorities.
- d) Produce a report to the City Council summarizing all findings and stating whether and how the revenues were used to support previously identified uses and/or community priorities.

As deemed appropriate, the City Council may designate a separate commission or other body of San José residents to provide oversight of ballot measures that increase City revenues.