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#### STAFF REPORT

**TO:** THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**MEETING DATE:** FEB 18, 2025  
**FROM:** CITY MANAGER DUBOIS  
**SUBJECT:** TUT Oversight Committee

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**RECOMMENDATION:**

Review and approve the TUT Oversight Committee Policy

**BACKGROUND:**

During the Jan 21, 2025 Council Meeting, the City Council discussed and proposed how they would like to see the TUT oversight committee operate. The attached policy is meant to document that discussion

**DISCUSSION:**

Staff recommends motion to approve the policy as stated.

**BUDGET IMPACT:**

Staff time to prepare additional meetings and materials

**ATTACHMENT:**

TUT Oversight Committee Policy

## **Transaction and Use Tax Oversight Committee Policy**

### **BACKGROUND:**

On November 5, 2024, the citizens of Sutter Creek voted overwhelmingly (67.29%) to approve Measure P to generate additional city revenues by imposing a one percent local add-on transactions and use tax.

Measure P exempts essential purchases like groceries and prescription medicine from this tax to ensure the cost is not a burden on those with fixed or limited incomes. Measure P requires independent annual audits and public disclosure of all Measure P funds to ensure the funds are used in accordance with the Measure's stated purpose. Measure P states that the sales tax revenue will be used as funding support for the following purposes:

- Improving the City's aging infrastructure including maintaining City roads, repairing potholes, and repairing storm drains;
- Protecting public safety by maintaining rapid emergency response times, attracting qualified police officers for police patrols, and managing flammable brush and vegetation to prevent wildfires;
- Helping Sutter Creek qualify for state and federal matching funds for projects and; Supporting local businesses.

The Measure P sales tax increase will go into effect on April 1, 2025.

### **OVERSIGHT COMMITTEE**

Oversight Committee was authorized by the Sutter Creek City Council to provide a transparent and objective process by which the citizens of Sutter Creek will be assured that all Measure P derived expenditures will be used for the purposes stated in the Measure passed by the voters in 2024.

#### **1) MEMBER SELECTION**

- a) Five people will be appointed to a Transaction and Use Tax (TUT) oversight committee. The City will recruit people to apply and Council members will suggest names. For the first formation of this committee, City Manager DuBois and Martin Ryan (who has agreed to be on the committee) will review applicants and select four additional members
- b) The City Manager will solicit applications / interest in the future as replacements are needed from Council and via City communication channels.

#### **2) SCOPE and RESPONSIBILITIES**

- a) The Committee will review and approve all city budget proposals concerning the TUT expenditures to publicly certify that all expenditures are either in compliance with, or out of compliance with, the Measure's stated purposes
- b) The Committee has no other responsibility. They do not determine how funds are allocated between appropriate uses or on other parts of the City budget as part of the

oversight committee.

3) COMMITTEE PROCESS

- a) Each year, the TUT Committee will first elect a Chair to run the meeting and report to Council at a future Council meeting.
- b) The oversight committee will be sent a Staff report on the TUT budget and how TUT funds are proposed to be allocated during the upcoming fiscal year.
- c) The Committee will meet with City Staff in a public meeting, to review and discuss the proposed use of funds with minutes made available to the citizens of Sutter Creek.
- d) The Committee will vote to confirm/reject that the funds are proposed to be spent for the proper purposes.
- e) The TUT Oversight Committee Chair will attend the Council meetings when the TUT is discussed in the budget, and report on the oversight committee's findings.