

Name: Charles Katsuyoshi

PROPOSED CHARTER AMENDMENT:

- 1. Please provide a brief description of: The Proposed Charter amendment, the purpose of the proposed Charter amendment, the issue or problem to be addressed by the proposal, and how the proposal would address the issue or problem.**

Brief description:

- (a) Remove or delete or repeal the following funds under Article IX, Chapter 2 of the Charter:
- 1) Section 9-204. Clean Water and Natural Lands Fund and Affordable Housing Fund
 - 2) Section 9-205. Grants in Aid Fund
- (b) Restore Article IX, Chapter 2, Section 9-202. Creation of Funds to the language prior to Resolution 12-113.

Purpose of the proposed Charter amendment, the issue or problem to be addressed by the proposal, and how the proposal would address the issue or problem:

- (a) Removes non-discretionary tax expenditures that may not be the priorities of the community at the time. These mandatory set-asides marginalizes the Executive Branch's and the Council's ability to set priorities. Deletion of these funds would provide the City with improved flexibility in allocating real property tax revenue. During economic downturns and/or when faced with rising fixed costs (labor, pensions, healthcare, debt service, etc.), with these set-asides, the City may be forced to raise real property tax rates. At a minimum, a provision should be added authorizing the City to suspend such non-discretionary tax expenditures.
- (b) To date, the Council has created two funds over the objection of the Executive Branch. Although the Executive Branch proposed alternatives where monies related to those funds could have been accounted for separately, the Council proceeded to establish those funds. Neither of those two funds were self-supporting nor necessary for governmental accounting purposes. The creation and administration of a fund incurs cost (accounting, reporting, management, etc.). The Executive Branch is tasked to "Keep accurate and complete account of receipts and disbursements" (RCH Article VI, Chapter 2, Section 6-203(c); to "Be responsible for the management of city funds" (RCH Article VI, Chapter 2, Section 6-203(j)); to "Review the manner in which public funds are received and expended and report to the mayor on the integrity with which said funds are accounted for and on the financial responsibility of officers and employees administering said funds" (RCH Article VI, Chapter 2, Section 6-203(p)); and to "Provide information pertaining to the financial affairs of the city and make financial reports at least quarterly to the mayor and the council" (RCH Article VI, Chapter 2, Section 6-203(q)). Therefore, only the Executive Branch should determine if and when funds should be created.

- 2. If applicable, list the Charter provision(s) affected by the proposal:**

Article IX, Chapter 2

- a) Section 9-204. Clean Water and Natural Lands Fund and Affordable Housing Fund
- b) Section 9-205. Grants in Aid Fund
- c) Section 9-202. Creation of Funds to the language prior to Resolution 12-113