



City of Arts & Innovation

Charter Review Committee Memorandum

TO: CHARTER REVIEW COMMITTEE

DATE: JUNE 9, 2021

FROM: CITY ATTORNEY'S OFFICE

WARDS: ALL

**SUBJECT: DRAFT AMENDMENT TO CITY CHARTER REGARDING ELECTRIC UTILITY
GENERAL FUND TRANSFER**

ISSUE:

Discussion of the proposed language amending the annual payment by the electric utility into the general fund (i.e. "General Fund Transfer") in the City Charter.

RECOMMENDATION:

Review the proposed Charter amendment language and provide any revisions to the language.

DISCUSSION:

On April 27, 2021, the City Council of the City of Riverside ("City Council") referred to the Charter Review Committee ("Committee") for review and consideration a proposed amendment to the City Charter based on the City of Riverside's Services Protection Measure. The City Council recommended the Committee review and make a recommendation as to the proposed amendment to the City Charter by June 16, 2021.

On May 19, 2021, the Committee approved a proposed amendment to the annual payment by the electric utility into the general fund ("General Fund Transfer") in the City Charter. The Committee proposed a maximum General Fund Transfer of \$38 million beginning in 2022, decreased by \$1 million annually, until the maximum General Fund Transfer decreased to \$30 million, whereupon the maximum General Fund Transfer would remain at \$30 million. The Committee directed staff to return with proposed City Charter amendment language for the Committee's review.

The new Section 1204.2 would add the foregoing to the City Charter. Staff recommends establishing a start date of January 1, 2022, and to require a \$1 million reduction "each subsequent calendar year" to avoid ambiguity. Furthermore, staff recommends language stating the General Fund Transfer proceeds are to be used for "general purposes", to confirm that the proposed charter amendment would be a general tax, in compliance with Proposition 218 and Proposition 26.

The proposed Charter amendment language is attached hereto as **Attachment 1**.

FISCAL IMPACT:

None.

Prepared by: Elliot Min, Deputy City Attorney

Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments: Attachment 1 – Proposed Electric GFT City Charter Amendment