



At the June 16, 2021 Committee meeting, the Committee moved to table discussion of the Final Report and to call a special meeting on June 30, 2021 to allow Committee Chair Ben Clymer, Jr., to review and edit the Final Report for discussion on that date. Chair Clymer, Jr.'s, revisions are found in red below. Upon the Committee's review and approval of the Final Report on June 30, 2021, the Committee will present the Final Report to the City Council in July.

The contents of this report will be published with the City Council meeting agenda materials for July 6, 2021. The agenda will be published on June 24, 2021.

### Summary of Charter Review Committee Process

After the February 16, 2021 City Council meeting, the Committee became aware that the City Council would be referring to the Committee for review and consideration a proposed amendment to the City Charter based on the City of Riverside's Services Protection Measure. The proposal would add Section 1204.2 to the City Charter setting the "annual payment by the electric utility into the general fund" (i.e. "General Fund Transfer" or "GFT") at the amount not to exceed 11.5%.

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

Since the City Council's April 27, 2021 referral, the 11-member Committee met five times (including at three special meetings), often late into the evening, to review and consider the proposed City Charter amendment based on the City of Riverside's Services Protection Measure, and to make a recommendation thereon. In addition to receiving input from the public, the Committee interviewed Councilmembers Edwards, Conder, and Melendrez regarding the General Fund Transfer.

On May 5, 2021, a sub-committee tasked with researching the General Fund Transfer presented to the full Committee its findings and three Charter amendment options:

1. To accept the City Council's referred proposed Charter amendment as-is without changes (i.e. GFT up to 11.5%).
2. To repeal both the GFT and the utility user tax ("UUT") and fix or cap the amount that can be transferred, with a reduction over time of the fixed or capped amount.
3. To reduce the 11.5% transfer incrementally over time.

A robust and lengthy discussion ensued. A motion to approve the Council-referred City of Riverside's Services Protection Measure without any changes, failed for a lack of second. No formal Committee decision was made at that meeting.

On May 19, 2021, the sub-committee presented to the full Committee six GFT Charter amendment options:

1. Agree with what Council recommends (i.e. no changes).
2. Recommend an incremental decrease over a certain period of time.
3. Recommend a fixed dollar amount rather than a percentage.
4. Eliminate the electric GFT altogether (i.e. hard stop).
5. Propose a "sliding scale" based on population not dollar amount (i.e. increase 0.5% based on 1,000 population increase).
6. Increase the GFT (fixed rate or percentage).

Members of the public brought to the Committee's attention the legality of the GFT as currently in place. Discussion took place of the current *Parada* lawsuit and the potential issue with the water GFT being in noncompliance with law and potential future suit. The potential legality of UUT was also raised. The Committee also discussed the fact that some citizens of Riverside are not required to pay the GFT because they receive water from Western Municipal Water District and questioned whether those revenues should be being transferred to the General Fund to protect services. The committee agreed that those two issues of the water portion of the GFT and the UUT were not in the current purview of current CRC, however could be a potential issue for a subsequent CRC or this Council to address before more litigation is filed.

A motion was once again made to approve the Council-referred City of Riverside's Services Protection Measure without any changes. The motion failed with 7 Noes and 2 Ayes (2 members were absent). Following a robust and lengthy discussion, the Committee approved in concept a proposed amendment to the annual payment by the electric utility into the general fund ("General Fund Transfer" or "GFT") 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.

On June 9, 2021, the Committee reviewed, modified, and approved adding a new Section 1204.2 – Electric utility revenue to the City Charter. In addition, the Committee reviewed and approved proposed ballot measure language for the proposed Charter amendment.

On June 16, 2021, based on recommendations from the City Attorney's Office, the Committee reviewed, modified, and approved the proposed Ballot Measure Question. Vice Chair Malissa Mckeith suggested that the Committee vote on the Ballot Measure Question again due to the possibility that all members were not able to participate in the vote due to technical difficulties. It is recommended that this vote occur at the June 30, 2021 special meeting. A member of the public also raised the issue, citing *Trask v. Nicol*, case no. RIC 1603840, of whether the impartial analysis for this ballot measure should be drafted by an attorney or law firm other than the City Attorney or the City Attorney's Office.

Both the charter amendment language and the ballot measure label language are provided in detail below.

**Proposed City Charter Amendment Language (new section):**

**Sec. 1204.2 – Electric utility revenue**

*The revenue of the electric public utility for each fiscal year shall be kept separate and apart from all other moneys of the City by deposit in the appropriate revenue fund and shall be used for purposes and in the order set forth in Section 1204 and for the annual payment by the electric utility into the general fund as set forth in Section 1204(f), except as set forth in this section. For the electric utility, the annual payment required under Section 1204(f), beginning on January 1, 2022, shall not exceed \$38,000,000. The amount of the annual maximum payment shall then decrease by \$1,000,000 in each subsequent calendar year, until the amount of the maximum annual payment does not exceed \$30,000,000. The proceeds of the annual payment shall be used to maintain local general purposes as the City Council may by budget or other*

*appropriation direct including but not limited to 911 response, fire, paramedic, police, street repairs, parks, senior and/or disabled services, homelessness services, and other general services.*

**Issues Raised by Committee in Support:** A fixed amount “de-links” the GFT from electric rates, thereby removing the incentive to increase electric rates to raise general fund revenue. A fixed amount also avoids fluctuations and lends to budget predictability in the GFT when demand is reduced or customers do not pay. The fixed amount of \$38,000,000 and annual decrease would reduce the cost of electricity to Riverside residents. A gradual decrease to the GFT would require the City to gradually reduce reliance on the GFT, resulting in better fiscal management. (Oral Discussions and Documents presented at May 5, 2021 Meeting).

**Issues Raised by Committee in Opposition:** The City should consider raising the GFT, not decreasing it. As the needs of our community grow, and as the cost of City services increase, we need to be able to raise revenue every year to protect those City services in the future. (Oral Discussions at May 5, 2021 Meeting). The City budget already has a very thin margin of error, and a GFT decrease would be problematic. (Oral Discussions at June 9, 2021 Meeting).

**Votes:**

Proposal in concept: **7 ayes, 3 noes, 1 abstention, 1 member absent** (May 5, 2021).

Approval of Charter amendment and ballot measure language: **6 ayes, 2 noes, 1 abstention, 2 members absent** (June 9, 2021).

Approval of Proposed Ballot Measure Question (June 17, 2021): **6 ayes, 2 noes, 3 abstentions** (June 16, 2021).

**Proposed Ballot Measure Question:**

MEASURE \_\_\_\_

The Fiscal Responsibility Act of 2021

Shall the measure, beginning January 2022, discontinuing the 11.5 % tax on electricity, replacing it with a \$38 million fixed amount transferred from Riverside Public Utility to the unrestricted general fund which amount will be reduced annually by \$1 million until this reduction reaches \$30 million and continuing until ended by the voters, be adopted?

**FISCAL IMPACT:**

The estimated cost for one ballot measure on the November 2, 2021, election is \$165,000.

Prepared by: Elliot Min, Deputy City Attorney  
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachment A: Charter Review Committee Member Biographies

## CHARTER REVIEW COMMITTEE 2021

**Randolph Ben Clymer, Jr. (Ward 4), Chair;** 7-year Riverside resident; Chief Executive Officer of Ben Clymer's The Body Shop; Prior La Sierra Chamber and Meals on Wheels board member; La Sierra High School Business Academy mentor; Leadership Riverside graduate; Lincoln Club of Riverside County Vice President; Center for Self Governance Board of Directors; Member of Tenth Amendment Center and Greater Riverside Chambers of Commerce.

**Malissa H. McKeith (Ward 3), Vice-Chair;** 10-year Riverside resident; Citizens United for Resources and the Environment President; Attorney in constitutional and municipal law; Colorado River Board member; Base Closure Commission member; California Women Lawyers; American Lung Association of California; Urban Water Institute; and Greater Riverside Chambers of Commerce.

**Warren Avery (Citywide);** 30-year Riverside resident; Married, father of two—all three are RUSD graduates; Regional Vice President of Sales for Armstrong Flooring; Chair of the RCCD Measure C Bond Oversight Committee; Member of Magnolia Area Neighborhood Alliance; Member of Neighbors Better Together.

**Pete Benavidez (Ward 6);** 40-year Riverside resident; UCR Graduate; President & Chief Executive Officer for Blindness Support Services, Inc.; Vice Chair of the Riverside Housing Development Corporation; Member and Past President of Latino Network; Member of The Group, The National Vision Serve Alliance; Advisory Committee for The Interwork Institute at San Diego State University; Former Chairperson of the Citizens Advisory Committee for RCTC; Past Chairperson of the Blind Advisory Committee for the State of California Department of Rehabilitation; Past Member of Molina Bridge To Access Committee, and Former Member of the National Rehabilitation Association.

**Larry Burns (Citywide);** 17-year Riverside resident; Riverside City College, Associate Professor; CSU San Bernardino, Center Director; Southern New Hampshire University, Associate Faculty; CBD BEB, LLC Managing Partner; Inlandia Institute, Co-founder and Director Emeritus; Riverside Community Arts Association, Member; Riverside Art Museum, The 52 Project; Greater Riverside Chambers of Commerce, various board assignments; SLATE Inc, Board Member; Los Angeles Urban League, Workforce Advisor; Leadership Riverside Graduate; Budget Engagement Commissioner 2018-present.

**James Goldman (Citywide);** 21-year resident of Riverside; Attorney with Berman, Berman, Berman, Schneider and Lowary working here in Riverside; Married, father of three; Graduate of California State University of San Bernardino and Whittier Law School; Pro Bono representation of adoptive parents for Los Angeles County

National Adoption Day.

**Garth Newberry (Ward 2);** 26-year Riverside resident; Retired Art Teacher Rialto Unified School District; California Teachers Association; Founder/CEO of EV Charging Services LLC; Prior Project Coordinator Gaffoglio Family Metalcrafters Costa Mesa; Jurupa Valley Redevelopment Project Area Committee; Rubidoux Community Services District Board of Directors; Riverside Airport Commission; City of Riverside Charter Review Committee; The Roosevelt/Jamie Williams Foundation Board of Directors; Islamic Development Center Moreno Valley member; Hidden Pioneers Volunteer; Aircraft Owners and Pilots Association; Member of The Group.

**Kori Norsell (Ward 1);** Current 6-year Riverside resident; Previous 13-year Riverside resident; County of Riverside - Department of the Auditor-Controller; Executive Office; Economic Development Agency and Department of Information Technology; Member of Friends of Mt. Rubidoux; Volunteer Riverside Community Hospital; nominee for Riverside County Civil Grand Jury (2021/2022 fiscal year).

**Rafael C. Ramirez (Ward 5);** 6-year Riverside resident; Retired, with a background in law enforcement and roadside assistance; Started a local neighborhood watch; Actively involved in a number of charitable organizations; first time Charter Review Committee Member.

**Alia Rodriguez (Citywide);** 15-year Riverside resident; Chief Executive Officer of a non-profit organization, the Corona-Norco United Way; Adjunct Professor at California Baptist University in the History and Government Department; Member of the Corona Chamber of Commerce; Member of the Eastvale Chamber of Commerce; Member of the Norco Chamber of Commerce; Graduate of the City of Moreno Valley Leadership Academy; Current Member of the Corona Chamber of Commerce Executive Leadership Roundtable; Domestic Violence Advocate through the California Partnership to end Domestic Violence; Elsinore First Assembly volunteer; and experienced in local government having worked for the County of Riverside, City of Moreno Valley, City of Eastvale and City of Riverside.

**Brian Saipramuk (Ward 7);** 2-year Riverside resident; Fontana Unified School District Math and Physics teacher; Cal State Fullerton Alumni; Cal State Fullerton Debate Member; Inland Empire Math Teachers' Circle; Good Shepherd Presbyterian Church Member and Volunteer.

**Monrow Mabon (Citywide), Alternate;** Attorney; Associate Pastor at Allen Chapel Church of Riverside; Retired Los Angeles Police Department Commanding Officer; Retired California Senior Supervising State Attorney; Former Member of the Riverside Human Relations Commission; Former Member of the 2019-2020 Riverside Charter Review Committee; Past-President of Riverside Community Settlement Association; Former Member of the Board of Directors of the Riverside

Community Health Foundation; Member on the Boards of Directors of other Philanthropic Organizations.