

RESOLUTION NO. 93-20 (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE SECOND AMENDED PUBLIC SAFETY SALES TAX MEASURE OVERSIGHT COMMITTEE BYLAWS

Rescinds Resolution No. 17-17 (CM)

WHEREAS, the voters in the City of Watsonville at the election conducted on June 3, 2014, enacted a Sales and Use Tax Public Safety Sales Tax Measure (Measure G); and

WHEREAS, pursuant to subdivision (b) of Section 3-6.1101 of the Watsonville Municipal Code, the City was obligated to establish a City Revenue Oversight Committee to provide a second independent verification that all Measure G expenditures are being made as promised to Watsonville residents; and

WHEREAS, on September 9, 2014, the City Council adopted Resolution No. 122-14 (CM) establishing the Citizens' Revenue Oversight Committee; and

WHEREAS, since the Committee does not have legal capacity independent of the City, the Council promulgated and adopted bylaws which neither expand nor restrict the Committee's obligations under the Public Safety Sales Tax Measure but instead the bylaws are intended to implement the provisions of the Public Safety Sales Tax Measure; and

WHEREAS, on October 8, 2019, the Council introduced and adopted Ordinance No. 1393-19 (CM) rescinding Article 11 of Chapter 6 of Title 3 of the Watsonville Municipal Code and adding a new Article 11 entitled Transactions Use Tax: Public Safety Sales Tax Measure to be administered by the California State Board of Equalization to be approved by the Voters of the City of Watsonville; and

WHEREAS, on March 3, 2020, Watsonville voters renewed the Public Safety Sales Tax Measure (Measure Y) until repealed by voters; and

WHEREAS, the Council is required to rescind Resolution No. 17-17 (CM) to adopt revised bylaws to comply with changes to the new Public Safety Sales Tax Measure approved by the voters on March 3, 2020.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. That the City Council of the City of Watsonville hereby approves the Second Amended Public Safety Sales Tax Measure Oversight Committee Bylaws, attached hereto, and incorporated herein by this reference.

2. That the City Clerk is hereby directed to transmit a copy of this resolution to the Public Safety Sales Tax Measure Oversight Committee.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Watsonville, held on the 9th day of June, 2020, by Member Hurst, who moved its adoption, which motion being duly seconded by Member Gonzalez, was upon roll call carried and the resolution adopted by the following vote:

AYES: COUNCIL MEMBERS: **Coffman-Gomez, Estrada, Gonzalez, Hernandez, Hurst, Parker, García**

NOES: COUNCIL MEMBERS: **None**

ABSENT: COUNCIL MEMBERS: **None**



Rebecca J. Garcia, Mayor


ATTEST:



City Clerk

June 15, 2020
Date

APPROVED AS TO FORM:



City Attorney

I, Beatriz Vázquez Flores, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 93-20 (CM) was duly and regularly passed and adopted by the Watsonville City Council at a meeting thereof held on the 9th day of June, 2020, and that the foregoing is a full, true and correct copy of said Resolution.



Beatriz Vázquez Flores, City Clerk

Date June 15, 2020

SECOND AMENDED PUBLIC SAFETY SALES TAX MEASURE

OVERSIGHT COMMITTEE BYLAWS

(RESOLUTION No. 93-20, ADOPTED JUNE 9, 2020)

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SECTION 1. COMMITTEE ESTABLISHED. ¹

The voters in the City of Watsonville (the "City") at the election conducted on June 6, 2014, (the "Election"), obtained authorization from the City's voters to enact a Sales and Use Tax: Public Safety Sales Tax Measure (Measure G). The election was conducted under the provisions of Part 1.6 (commencing with Section 7251) and Section 7285.91 of Part 7.1 in Division 2 of the California Revenue and Taxation Code. The Public Safety Sales Tax Measure was codified in the Watsonville Municipal Code commencing with Section 3-6.1101. Pursuant to subdivision (b) of Section 3-6.1102, the City was obligated to establish a City Revenue Oversight Committee to provide a second independent verification that all expenditures are being made as promised to Watsonville residents.

The City Council therefore adopted Resolution 122-14 (CM) on September 9, 2014, which established the Citizens' Revenue Oversight Committee (the "Committee") which possesses all the rights and is obligated to comply with the duties set forth in the Public Safety Sales Tax Measure. Since the Committee does not have independent legal capacity from the City, the Council promulgated and adopted bylaws which shall neither expand nor restrict the Committee's obligations under the Public Safety Sales Tax Measure but instead the bylaws are intended to implement the provisions of The Public Safety Sales Tax Measures.

The City Council on October 2019, adopted Ordinance No. 1393-19 (CM) rescinding Article 11 of Chapter 6 of Title 3 of Watsonville and adding a new Article 11 entitled Transactions Use Tax: Public Safety Sales Tax Measure to be administered by the California State Board of Equalization and to be approved by the Voters of the City of Watsonville.

The voters of the City at the election conducted on March 3, 2020, voted to renew the Public Safety Sales Tax Measure (Measure Y) until repealed by voters.

The City Council is required to rescind Resolution 17-17 (CM) to adopt new bylaws to comply with the changes set forth in the new Public Safety Sales Tax Measure approved by the voters on March 3, 2020.

SECTION 2. PURPOSES.

The purposes of the Committee are set forth in Article 11. Transactions and Use Tax: Public Safety Sales Tax of Title 6 (Finance) of the Watsonville Municipal Code, and these Bylaws are specifically made subject to the applicable provisions of the Public Safety Sales Tax Measure as to the duties and rights of the Committee. The Committee shall be subject to the *Ralph M. Brown Public Meetings Act* of the State of California (California Government Code § 54950 et seq.) and shall conduct its meetings in accordance with the provisions thereof, including but not limited to only discussing items during a meeting properly agendized on the notice of any meeting. The City shall provide necessary administrative support to the Committee as shall be consistent with the Committee's purposes, as set forth in the Public Safety Sales Tax Measure.

The proceeds of the Public Safety Sales Tax Measure are hereinafter referred to as "Sales Tax Measure Revenue." The Committee shall confine itself specifically to its obligations under the Public Safety Sales Tax Measure. All monies from other sources shall fall outside the scope of the Committee's review.

SECTION 3. COMMITTEE DUTIES.

To carry out its stated purposes, the Committee shall perform the duties set forth in Section 3.1 and 3.2 of and shall refrain from those activities set forth in Sections 3.4 and 3.5 of these Bylaws.

¹ These Second Amended By-Laws supersede and replace the original by-laws adopted by Resolution No. 73-15 (CM) on May 12, 2015 and the First Amended By-laws adopted by Resolution No. 17-17 (CM) on February 7, 2017.

3.1 EXAMINE

A. PERIODIC EXPENDITURE REPORTS.

The Committee shall review appropriate expenditure reports produced by the City to verify that the Public Safety Sales Tax Measure revenues were expended only for the public safety purposes set forth in The Public Safety Sales Tax Measure², to wit: “to maintain: police officer staffing levels; police emergency response times; neighborhood patrols; anti-gang and youth violence prevention, intervention and suppression efforts including the Police Activities League program and other youth programs. The public safety sales tax measure will enable the upgrade of equipment and technology to help solve crimes, combat crime and fight gangs and expand programs to identify and shut down drug and gang houses. It will also help maintain firefighter staffing levels to ensure enough are on duty, fire and paramedic emergency response times and replace inadequate and outdated life-saving equipment. Funds may be used to improve, maintain or develop services or facilities (e.g., East Side Emergency Services) based on demand for services as demonstrated by call volumes, response times or other measurable indicators of community need. The public safety sales tax measure will enable the City to hire more parks and recreation staff for youth prevention programs, increase recreation services to neighborhoods, and upgrade equipment and facilities to increase and improve safe places for youth in the Watsonville community¹.

B. ANNUAL AUDIT.

Review the report of the independent third-party accounting firm auditor who shall annually review and audit expenditures of funds specifically derived from the Public Safety Sales Tax Measure to disclose how the money was used and ensure compliance with the expenditure plans and to ensure that revenues are spent within prudent, established accounting procedures and practices. The independent audit results shall be a discrete part of the City’s annual audit.³

C. CITY BUDGET

Verify the Public Safety Sales Tax Measure annual budget appropriation specifies that all revenues from the Public Safety Sales Tax Measure shall be used only for improving the community’s public safety, with the revenue to be directed in support of the Police, Fire, Parks and Community Services Departments, in the proportions of fifty-four percent (54%) to Police and thirty-eight percent (38%) to Fire, and eight percent (8%) to Parks and Community Services and verify that the City establishes separate funds into which these specific monies are deposited and that such funds are separate for Police, Fire, and Parks and Community Services and are the source of their respective expenditures as established in the annual budget appropriation reviewed by the Committee and approved by resolution of the Council.⁴

D. MAINTENANCE OF EFFORT

Maintenance of Effort. Verify the City does not use The Public Safety Sales Tax Measure funds to replace General Fund operating budget contributions for the Police, Fire, and Parks and Community Services Departments by comparing the baseline maintenance of effort budgets. The baseline maintenance of effort budgets for this purpose shall be the fiscal year 2013-2014 adopted General Fund budgeted City contribution amounts for Police and Fire operations.

² WMC. Subdivision (a) of Section 3-6-1102.

³ WMC. Subdivision (c) of Section 3-6.1102.

⁴ WMC. Subdivision (d) of Section 3-6.1102.

The Police Department fiscal year 2013-2014 adopted General Fund operating City budget contribution amount was Twelve Million Three Hundred Fifty-Nine Thousand Nine Hundred Twenty-Four and no/100ths (\$12,359,924.00) Dollars. The Fire Department fiscal year 2013-2014 adopted General Fund operating City budget contribution amount was Five Million Six Hundred Seventy-Two Thousand Two Hundred Ninety-Nine and no/100ths (\$5,672,299.00) Dollars.

These baselines shall be increased by the change in Consumer Price Index not to exceed three (3%) percent beginning in the fiscal year 2020-2021 budget. The Consumer Price Index shall be for all urban consumers for the San Francisco Bay Area for the preceding April to April change.⁵

E. CONTINGENCY RESERVE FUND

Contingency/Reserve Fund. Because the Public Safety Sales Tax Measure is used for essential services that are needed during both good and bad economic times, the Committee shall verify that the City has established a Contingency/Reserve Fund adequate to ensure that services are maintained in the event sales tax revenues decline. Such funds shall be established for the Public Safety Sales Tax Measure Contingency/Reserve Fund. The Contingency / Reserve Fund containing ten percent (10%) of the annually budgeted revenues will be established. In any given year when the Contingency/Reserve Fund holds less than the required ten percent (10%) of annual revenues, the first use of funds will be to implement the plan's current year program and then to establish or re-establish the Contingency/Reserve fund. If actual revenues in any given year are less than budgeted revenues, the City Council may use the Contingency/Reserve Fund to make up the difference between budgeted revenues and actual revenues for the approved annual budget appropriation.⁶

F. PRIORITY FOR ADDITIONAL REVENUE

Priorities. The Committee shall verify that if the Contingency/Reserve Fund is fully funded and all annual planned expenditures have been implemented, that any additional unanticipated sales tax revenues shall be used first to accelerate the implementation of the expenditure plans and then to provide additional public safety facilities, personnel, and equipment and youth violence prevention and Parks and Community Services based upon the specific needs of the community with the review and recommendation of the Revenue Measure Oversight Committee and approval of the City Council.

3.2 INFORM

A. SECOND INDEPENDENT VERIFICATION OF REVENUE AND EXPENSES

The City Revenue Measure Oversight Committee shall serve in an oversight capacity to at least twice a year meet and review revenues and expenditures and provide a second independent verification that all expenditures are being made as promised to Watsonville residents.

B. TWICE A YEAR COUNCIL OVERSIGHT COMMITTEE REPORT AND COUNCIL REVIEW.

The twice a year findings and report of the City Revenue Measure Oversight Committee shall be reviewed by the City Council at a publicly noticed meeting of the Council and made available to the public at least twice a year. The Committee findings presented to the Council, in public session, shall include the following:

⁵ WMC. Subdivision (e) of Section 3-6.1102.

⁶ WMC. Subdivision (g) of Section 3-6.1102.

- (i) A statement indicating whether the City is in compliance with the requirements of the Public Safety Sales Tax Measure; and
- (ii) A summary of the Committee's proceedings and activities since the last report.

C. ANNUAL COUNCIL REVIEW OF INDEPENDENT AUDITORS REPORT

The report of the independent auditor required by subdivision (b) of Section 3-6-1102 shall be reported to the Council at least annually.

D. COMMUNICATIONS TO PUBLIC

The Committee shall inform the public concerning the City's expenditure of The Public Safety Sales Tax Measure revenues. In fulfilling this duty, all official communications to either the Council or the public shall come from the Chair acting on behalf of the Committee. The Chair shall communicate on behalf of the Committee only if the communication reflects the majority of the Committee.

3.3. COUNCIL AND CITY MANAGER DUTIES

Either the Council or the City Manager, shall have the following powers reserved, and the Committee shall have no jurisdiction over the following types of activities:

- (a) Approval of contracts,
- (b) Selection of personnel,
- (c) Appropriation of funds,
- (d) All legal matters, and
- (e) Approval of plans and schedules.

3.4. LIMIT TO THE PUBLIC SAFETY SALES TAX MEASURE EXPENDITURES ONLY.

In recognition of the fact that the Committee is charged with overseeing the expenditure of the Public Safety Sales Tax Measure proceeds, the Council has not charged the Committee with responsibility for:

- (a) Projects paid with or through the General Fund or grant funds or the sale of surplus property without Public Safety Sales Tax Measure funds shall not be within the authority of the Committee.
- (b) The establishment of priorities and order of law enforcement, fire service, and parks and community services management decisions shall be made by the City Manager, Police Chief, Fire Chief, Parks and Community Services Director, and Council in their sole discretion.
- (c) The selection of professional service firms as are based on City criteria established by the Council in its sole discretion.
- (d) The approval of the methods and timing shall be by the Council in its sole discretion who shall report to the Committee on any cost saving techniques considered or adopted by the Council.
- (e) The selection of independent audit firm(s), and such other persons as are necessary to support the activities of the Committee.
- (f) The approval of an annual budget for the Committee that is sufficient to carry out the activities set forth in the Public Safety Sales Tax Measure.
- (g) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted in the Mayor's sole discretion as part of carrying out their function under the Public Safety Sales Tax Measure.

SECTION 4. AUTHORIZED ACTIVITIES.

In order to perform the duties, set forth in Section 3 of these Bylaws, the Committee may engage in the following authorized activities:

- (a) Receive and review copies of the City's annual independent performance audit and the Comprehensive Annual Financial Report, the City Budget, periodic financial statements furnished to the Committee and the Public Safety Sales Tax Measure Revenue annual independent financial audit.
- (b) Inspect City public records for which the Public Safety Sales Tax Measure revenue has been or will be expended, in accordance with any lawful access procedure established by the City Manager.
- (c) Review efforts by the City to maximize effective use of The Public Safety Sales Tax Measure revenue proceeds by implementing various cost-saving measures.

SECTION 5. MEMBERSHIP.

5.1 NUMBER.

The Committee shall consist of a minimum of eleven (11) members appointed by the Mayor.

5.2 QUALIFICATION STANDARDS.

- (a) To be a qualified member, they must be at least 18 years of age.
- (b) The Committee may not include any elected or appointed official of the City or any vendor, contractor or consultant of the City.

5.3 ETHICS CONFLICT OF INTEREST.

Members of the Committee are not subject to Articles 4 (commencing with Section 1090) and 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code and the Political Reform Act (Gov. Code §§ 81000 et seq.) and are not required to complete the Form 700. However, each member shall comply with the Committee Ethics Policy attached as "Exhibit "A" to these Bylaws.

5.4 TERM.

Except as otherwise provided herein, each member shall serve a term of four (4) years, commencing as of the date of the appointment by the Mayor. The original Committee was appointed September 9, 2014. No member may serve more than two (2) consecutive four-year terms measure from the date of their appointment⁷.

Members whose term has expired may continue to serve on the Committee for a period not exceeding 180 days until a successor has been appointed.

5.5 REMOVAL; VACANCY.

The Mayor may remove any Committee member for any reason, including failure to attend two consecutive Committee meetings without reasonable excuse or for failure to comply with the

⁷ At the Committee's first meeting after adoption of the original by-laws members drew lots to select a minimum of six members to serve for an initial two (2) year term and the remaining members for an initial three (3) year term so that the terms of all members would not expire at the same time.

Committee Ethics Policy. Upon a member's removal, their seat shall be declared vacant. The Mayor shall fill any vacancies on the Committee. Vacancies shall be filled within 180 days.

5.7 COMPENSATION.

The Committee members shall not be compensated for their services.

5.8 AUTHORITY OF MEMBERS.

- (a) Committee members shall not have the authority to direct City staff.
- (b) Individual members of the Committee retain the right to address the Council, either identifying as a member of the Committee or as an individual.
- (c) The Committee and its members shall have the right to request and receive copies of reports and records relating to The Public Safety Sales Tax Measure which have been prepared for the Council and which have become a public record.

SECTION 6. MEETINGS OF THE COMMITTEE.

6.1 REGULAR MEETINGS.

The Committee is required to meet at least twice a year.

6.2 LOCATION.

All meetings shall be held within the City of Watsonville.

6.3 PROCEDURES.

All meetings shall be noticed and open to the public in accordance with the *Ralph M. Brown Act*, Government Code Section 54950 *et seq.* Meetings shall be conducted according to Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century and such additional procedural rules as the Committee may adopt. A majority (6) of the eleven Committee members shall constitute a quorum for the transaction of any business. The Committee shall not discuss items or subjects unless they are on the agenda for the meeting.

SECTION 7. CITY SUPPORT.

Administrative overhead to the Committee for accounting, payroll and human resources related to The Public Safety Sales Tax Measure shall not exceed two percent (2%) of annually budgeted revenues. The amount of the 2% cap on expenditures and the actual expenditures will be reported to the Committee. Subject to said restriction, the City shall provide to the Committee necessary technical and administrative assistance as follows:

- (a) Preparation of and posting of public notices as required by the *Brown Act*, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the City Council;
- (b) Provision of a meeting room, including any necessary audio/visual equipment;
- (c) Preparation and copies of any documentary meeting materials, such as agendas and reports;
- (d) Retention of all Committee records,
- (e) Provision of public access to such records on an Internet website maintained by the City, and
- (f) Printing and mailing of any required reports

City staff shall attend all Committee proceedings in order to report on the status of projects and the expenditures of The Public Safety Sales Tax Measure revenue. City staff shall annually present the report

required by subdivision (b) of Section 3-6.1102 (Fiscal Accountability Protections) to the Committee before the Comprehensive Annual Financial Report and the audit is presented to the City Council in order to allow the Committee sufficient time before the Council meeting to review, question and comment.

SECTION 8. REPORTS.

In addition to the Annual Report required in Section 3.3, the Committee may, in its sole discretion, report to the Council from time to time in order to advise the Council on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

SECTION 9. OFFICERS.

The Mayor shall appoint the initial chair and vice-chair of the Committee. Thereafter the Committee shall annually elect the chair and vice chair in a meeting. The vice-chair shall act as chair only when the chair is absent. No person shall serve as chair or vice chair for more than two consecutive one-year terms.

SECTION 10. AMENDMENT OF BYLAWS.

Any amendment to these Bylaws shall require approval by a majority vote of the Council.

SECTION 11. EXPIRATION.

If the Public Safety Sales Tax Measure is rescinded by voters, the Committee's role shall expire and it shall wind up its and terminate its work, publish its final report and disband as soon as practical.

CITIZENS' OVERSIGHT COMMITTEE ETHICS POLICY STATEMENT

This Ethics Policy Statement provides general guidelines for Committee members to follow in carrying out their roles. Not all ethical issues that Committee members face are covered in this Statement.

However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

POLICY

CONFLICT OF INTEREST

A Committee member shall not make or influence a City decision related to: any contract funded by Revenue Y proceeds; or (2) any decision which will benefit the Committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

OUTSIDE EMPLOYMENT

A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to any contract funded by Measure Y revenue proceeds. A Committee member shall not influence a City decision related to any contract involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the City that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the City with respect to: (1) bidding on providing services funded by Measure G revenue.

COMMITMENT TO UPHOLD LAW

A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California and all other applicable government entities, and the policies, procedures, rules and regulations of the City.

COMMITMENT TO CITY

A Committee member shall place the interests of the City above any personal or business interest of the member.