

**RESOLUTION NO. 17-17 (CM)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE FIRST AMENDED REVENUE MEASURE OVERSIGHT COMMITTEE BYLAWS**

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

**WHEREAS**, subdivision (b) of Section 3-6.1102 of the Watsonville Municipal Code codifying Measure G, obligates the City to establish a Revenue Measure Oversight Committee to provide a second independent verification that all expenditures are being made as promised to Watsonville residents; and

**WHEREAS**, on September 9, 2014, the City Council adopted Resolution 122-14 (CM) establishing the Revenue Measure Oversight Committee; and

**WHEREAS**, providing the First Amended Revenue Measure Oversight Committee Bylaws clarify the role of the Measure G Oversight Committee.

**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 First Amended Revenue Measure Oversight Committee Bylaws, attached hereto and incorporated herein.

2. That the City Clerk is hereby directed to transmit a copy of this resolution to the Measure G Committee.

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The foregoing resolution was introduced at a regular meeting of the Council of the City of Watsonville, held on the 14<sup>th</sup> day of February, 2017, by Mayor Pro Tempore Hurst, who moved its adoption, which motion being duly seconded by Member Garcia, was upon roll call carried and the resolution adopted by the following vote:

AYES: COUNCIL MEMBERS: **Bilicich, Coffman-Gomez, Dutra, Garcia, Hernandez, Hurst, Rios**

NOES: COUNCIL MEMBERS: **None**

ABSENT: COUNCIL MEMBERS: **None**

  
\_\_\_\_\_  
Oscar Rios, Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

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I, Beatriz Vázquez Flores, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 17-17 (CM) was duly and regularly passed and adopted by the Watsonville City Council at a meeting thereof held on the 14<sup>th</sup> day of February, 2017, and that the foregoing is a full, true and correct copy of said Resolution.

  
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Beatriz Vázquez Flores, City Clerk

Date Feb 21, 2017

# FIRST AMENDED REVENUE MEASURE

## OVERSIGHT COMMITTEE BYLAWS

(RESOLUTION NO. 17-17, ADOPTED FEBRUARY 14, 2017)

### Table of Contents

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Section 1.	Committee Established.....	2
Section 2.	Purposes.....	2
Section 3.	Committee Duties.....	2
	3.1 Examine.....	2
	3.2 Inform.....	4
	3.3. Council and City Manager Duties.....	4
	3.4. Limit to Measure G Expenditures Only.....	5
Section 4.	Authorized Activities.....	5
Section 5.	Membership.....	5
	5.1 Number.....	5
	5.2 Qualification Standards.....	5
	5.3 Ethics Conflict of Interest.....	5
	5.4 Term.....	5
	5.5 Removal; Vacancy.....	6
	5.7 Compensation.....	6
	5.8 Authority of Members.....	6
Section 6.	Meetings of the Committee.....	6
	6.1 Regular Meetings.....	6
	6.2 Location.....	6
	6.3 Procedures.....	6
Section 7.	City Support.....	6
Section 8.	Reports.....	7

Section 9. Officers ..... 7

Section 10. Amendment of Bylaws ..... 7

Section 11. Expiration ..... 7

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**SECTION 1. COMMITTEE ESTABLISHED. 1**

The voters in the City of Watsonville (the "City") at the election conducted on June 3, 2014 (the "Election"), obtained authorization from the City's voters to enact a Sales and Use Tax Public Safety 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. Measure G is codified in the Watsonville Municipal Code commencing with Section 3-6.1101. Pursuant to subdivision (b) of Section 3-6.1102 of Measure G, 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 Measure G. Since the Committee does not have independent legal capacity from the City, the Council now promulgates and adopts these bylaws which shall neither expand nor restrict the Committee's obligations under Measure G but instead these bylaws are intended to implement the provisions of Measure G.

**SECTION 2. PURPOSES.**

The purposes of the Committee are set forth in Measure G, and these Bylaws are specifically made subject to the applicable provisions of Measure G as to the duties and rights of the Committee. The Committee shall be deemed to 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 Measure G.

The proceeds of the Measure G tax are hereinafter referred to as "Measure G Revenue." The Committee shall confine itself specifically to its obligations under Measure G. 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, and shall refrain from those activities set forth in Sections 3.4 and 3.5.

**3.1 EXAMINE**

**A. PERIODIC EXPENDITURE REPORTS.**

The Committee shall review appropriate expenditure reports produced by the City to verify that Measure G revenues were expended only for the public safety purposes set forth in

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<sup>1</sup> These First Amended By-Laws supersede and replace the original by-laws adopted May 12, 2015 by Resolution No. 73-15 (CM).

Measure G<sup>2</sup>, to wit: “hire more police officers, help improve police emergency response times, increase neighborhood patrols, maintain anti-gang and youth violence prevention, intervention and suppression efforts, including the Caminos and Police Activities League programs, upgrade equipment and technology to help solve crimes, catch criminals and fight gangs, expand programs to identify and shut down drug and gang houses, hire more firefighters to ensure enough are on duty, maintain fire and paramedic emergency response times, and replace inadequate and outdated lifesaving equipment<sup>1</sup>.”

B. ANNUAL AUDIT.

Review the report of the independent auditor who shall annually review and audit expenditures of funds specifically derived from Measure G 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.<sup>3</sup>

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 and Fire Departments, in the proportions of sixty percent (60%) to Police and forty percent (40%) to Fire and verify that the City establishes separate funds into which these specific monies are deposited and that such funds are separate for Police and Fire 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.<sup>4</sup>

D. MAINTENANCE OF EFFORT

Maintenance of Effort. Verify the City does not use Measure G funds to replace General Fund operating budget contributions for the Police and Fire Departments by comparing the baseline maintenance of effort budgets. The baseline for this purpose shall be the Fiscal Year 2013-2014 Adopted General Fund budgeted City contribution amounts for Police and Fire operations. The Police Department Fiscal Year 2013-2014 Adopted General Fund operating City budget contribution amount is \$12,359,924; and the Fire Department Fiscal Year 2013-2014 Adopted General Fund operating City budget contribution amount is \$5,672,299.

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

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<sup>2</sup> WMC. Subdivision (a) of Section 3-6-1102.

<sup>3</sup> WMC. Subdivision (b) of Section 3-6.1102.

<sup>4</sup> WMC. Subdivision (c) of Section 3-6.1102.

Fund to make up the difference between budgeted revenues and actual revenues for the approved annual budget appropriation.<sup>5</sup>

**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 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:

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

**C. ANNUAL COUNCIL REVIEW OF INDEPENDENT AUDITOR MEASURE G 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 Measure G 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 only release information that 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.

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<sup>5</sup> WMC. Subdivision (f) of Section 3-6.1102.

**3.4. LIMIT TO MEASURE G EXPENDITURES ONLY.**

In recognition of the fact that the Committee is charged with overseeing the expenditure of Measure G 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 Measure G funds shall not be within the authority of the Committee.
- (b) The establishment of priorities and order of law enforcement and fire service management decisions shall be made by the City Manager, Police Chief, Fire Chief and Council in its 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 Measure G.
- (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 its function under Measure G.

**SECTION 4. AUTHORIZED ACTIVITIES.**

In order to perform the duties set forth in Section 3, 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 Measure G Revenue annual independent financial audit.
- (b) Inspect City public records for which Measure G 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 Measure G 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 person, he or she 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 two (2) 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 terms<sup>6</sup>.

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 Committee Ethics Policy. Upon a member's removal, his or her seat shall be declared vacant. The Mayor shall fill any vacancies on the Committee. Vacancies shall be filled within 180 days. Members whose terms have expired may continue to serve on the Committee until their successor has been appointed.

**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 on behalf 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 Measure G 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 Measure G 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;

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<sup>6</sup> 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.



- (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) Providing 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 Measure G 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.**

The Committee's role shall expire and shall wind up its and terminate its work, publish its final report and disband as soon as possible after the Public Safety Sales Tax Measure expires after seven (7) years.