

RESOLUTION NO. 115-23 (CM)

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

WHEREAS, on June 6, 2014, the City of Watsonville voters adopted a Sales and Use Tax: Public Safety Sales Tax Measure (Measure G); and

WHEREAS, subdivision (c)(1) 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, on May 12, 2015, Council adopted Resolution No. 73-15 (CM), approving the City of Watsonville Revenue Measure Oversight Committee Bylaws; and

WHEREAS, on February 14, 2017, Council adopted Resolution No. 17-17 (CM) approving the First Amended Revenue Measure Oversight Committee Bylaws; and

WHEREAS, on March 3, 2020, the voters adopted Measure Y, which renewed the tax measure adopted by Measure G. Measure Y is subject to the same oversight requirements as Measure G; and

WHEREAS, on June 9, 2020, the Council adopted Resolution No. 93-20 (CM) approving the Second Amended Public Safety Sales Tax Measure Oversight Committee Bylaws to comply with the changes to the new Public Safety Sales Tax Measure approved by the voters on March 3, 2020; and

WHEREAS the Third Amended Revenue Measure Oversight Committee

Bylaws will further clarify the role of the Revenue Measure Oversight Committee.

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

1. Adopting a Resolution amending Measure Y Bylaws does not meet CEQA's definition of a "project", because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.
2. That the City Council of the City of Watsonville hereby approves the Third Amended Revenue Measure Oversight Committee Bylaws, attached hereto and incorporated herein.
3. That the City Clerk is hereby directed to transmit a copy of this resolution to the Measure Y Committee.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Watsonville, held on the 13th day of June, 2023, by Member Salcido, who moved its adoption, which motion being duly seconded by Member Orozco, was upon roll call carried and the resolution adopted by the following vote:

AYES: COUNCIL MEMBERS: **Clark, Dutra, Orozco, Quiroz-Carter, Salcido, Montesino**

NOES: COUNCIL MEMBERS: **Parker**

ABSENT: COUNCIL MEMBERS: **None**

ATTEST: DocuSigned by:


Irwin Ortiz
95926F9A882E4FA...

City Clerk

6/19/2023 | 12:42 PM PDT

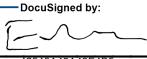
Date

APPROVED AS TO FORM:


Samantha Butler
COE28B98468341A...

City Attorney

DocuSigned by:
Eduardo Montesino, Mayor


42345A43A43E4B5...

I, Irwin I. Ortiz, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 115-23 (CM) was duly and regularly passed and adopted by the Watsonville City Council at a meeting thereof held on the 13th day of June, 2023, and that the foregoing is a full, true and correct copy of said Resolution.

DocuSigned by:
Irwin Ortiz
95926F9A882E4FA...

Irwin I. Ortiz, City Clerk

Date 6/19/2023 | 12:42 PM PDT

THIRD AMENDED PUBLIC SAFETY SALES TAX MEASURE
OVERSIGHT COMMITTEE BYLAWS
(RESOLUTION No. 115-23, ADOPTED JUNE 13, 2023)

Table of Contents

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	5
3.4. Limit to the Public Safety Sales Tax Measure Expenditures Only.....	5
Section 4. Authorized Activities.	5
Section 5. Membership.....	6
5.1 Number.....	6
5.2 Qualification Standards.....	6
5.3 Ethics Conflict of Interest.....	6
5.4 Term.....	6
5.5 Removal; Vacancy.....	6
5.7 Compensation.....	6
5.8 Authority of Members.....	6
Section 6. Meetings of the Committee.....	7
6.1 Regular Meetings	7
6.2 Location.....	7
6.3 Procedures.....	7
Section 7. City Support.	7
Section 8. Reports.	7
Section 9. Officers.....	8
Section 10. Amendment of Bylaws.....	8
Section 11.Expiration.....	8

~o0o~

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 are intended to implement the provisions of The Public Safety Sales Tax Measures.

The City Council in 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.

These bylaws govern the operation of the Committee.

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. The Committee shall be subject to the *Ralph M. Brown Public Meetings Act* of the State of California (California Government Code § 54950 et seq.), meaning that all meetings of the committee will be open to the public, include advance notice of the meeting, adhere to a published agenda, and allow for public comment on all items on the agenda and within the subject matter jurisdiction of the Committee.

The City shall provide necessary administrative support to the Committee.

The proceeds of the Public Safety Sales Tax Measure are hereinafter referred to as "Sales Tax Measure Revenue."

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 refrain from those activities set forth in Sections 3.4 and 3.5 of these Bylaws.

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

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.

safety purposes set forth in The Public Safety Sales Tax Measure²: “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 communityⁱ. ”

B. ANNUAL AUDIT.

Each year, the City engages an independent third-party accounting firm to audit the City’s revenues and expenditures. Measure Y funds will be a specific and discrete component of the annual audit. The Committee will review the audit and incorporate into the Committee’s report whether Measure Y expenditures complied with the expenditure plan.³

C. CITY BUDGET

Verify that the City’s annual budget 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. The City’s budget will include a dedicated fund to track and monitor Measure Y revenues and expenditures. The Measure Y fund will be divided into separate and distinct sub-funds for Measure Y revenues and expenditures Police, Fire, and Parks and Community Services.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.

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

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.

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. The Contingency / Reserve Fund will contain (10%) of the annually budgeted revenues. 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 Committee and approval of the City Council.

3.2 INFORM

A. SECOND INDEPENDENT VERIFICATION OF REVENUE AND EXPENSES

At least twice a year, the Committee shall 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.

At least twice a year, the Committee shall report its findings to the City Council. 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 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 results of the fire facility and operational needs assessment required by WMC Section 3-6-1102(b) 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 the public shall be presented to the Council by the Chair acting on behalf of the Committee. The

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

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

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, including those selected to work on projects using Public Safety Sales Tax measure funds, as are based on City criteria established by the Council in its sole discretion.
- (d) Providing direction to City staff, including those working on projects financed in whole or in part by Public Safety Sales Tax measure funds.
- (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.

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 seven (7) voting members appointed by the Mayor. In addition, there shall be one non-voting youth member, also appointed by the Mayor.

5.2 QUALIFICATION STANDARDS.

- (a) A voting member must be at least 18 years of age.
- (b) The non-voting youth member must be at least 16 years of age.
- (c) The Committee may not include any elected or appointed official of the City or any vendor, contractor or consultant of the City.
- (d) No current employee of the City may serve on the Committee.

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 on the date of appointment by the Mayor. 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 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.

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.

- (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 that have been prepared for the Council.

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 of the Committee members shall constitute a quorum for the transaction of any business. The Committee shall not discuss items or subjects not on the agenda for the meeting.

SECTION 7. CITY SUPPORT.

Administrative overhead for 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 to the Committee on the status of projects financed by and expenditures of 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 report to the Council from time to time in order to advise the Council on the activities of the Committee. The Council may ask the Committee for a report of Committee activities.

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 shall terminate its work, publish its final report and disband as soon as practical.
