RESOLUTION NO. 116-23 (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE CITY OF WATSONVILLE COMMUNITY INVESTMENT TRANSACTIONS AND USE TAX MEASURE (MEASURE R) OVERSIGHT COMMITTEE BYLAWS

WHEREAS, the voters in the City of Watsonville at the election conducted on November 8, 2022, enacted a Community Investment Transactions and Use Tax Measure (Measure R); and

WHEREAS, subdivision (b) of Section 3-6.1502 of the Watsonville Municipal Code codifying Measure R, obligates the City to establish a Revenue Oversight Committee to provide a second independent voice as to how the revenue generated by this tax is being used to address most prevalent community needs; and

WHEREAS, providing the proposed City Revenue Measure Oversight Committee Bylaws clarify the role of the Measure R Oversight Committee.

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

1. Adopting a Resolution approving Measure R 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 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 R 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 Parker, who moved its adoption, which motion being duly seconded by Member Clark, was upon roll call carried and the resolution adopted by the following vote:

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

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

Eduardo Montesino, Mayor

City Clerk

6/19/2023 | 12:42 PM PDT

Date

APPROVED AS TO FORM:

Samantha Butler

City Attorney

I, Irwin I. Ortiz, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 116-23 (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.

Irwin I. Ortiz, City Clerk

6/19/2023 | 12:42 PM PDT
# Community Investment Transaction and Use Sales Tax Measure

## Oversight Committee Bylaws

(Resolution No. __116-23__, Adopted June 13, 2023)

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SECTION 1. COMMITTEE ESTABLISHED.

In November 2022, the Watsonville voters enacted Measure R, the Community Investment Transactions and Use Tax. Measure R is a half-cent sales tax on most goods sold within Watsonville. Although a general tax, the City has committed to voters that revenues from Measure R will be used to support investment in the community, such as repair and expansion of aging parks, playgrounds and trails; creating safe places for kids; maintaining after-school and gang prevention programs; fixing potholes and maintaining streets; expanding library access and services for seniors; creating employment opportunities; investing in community partners; and for and general government use.

The measure has been codified in the Watsonville Municipal Code (“WMC”) at Chapter 3 (Taxation), Article 15 (Community Investment Transactions and Use Tax Measure). WMC Section 3-6.1502 provides that the City Revenue Measure Oversight Committee (“Committee”) will serve in an advisory capacity to, at least biannually, review revenues and expenditures, and provide a second, independent verification that expenditures are being made as promised to Watsonville residents. These bylaws govern that committee.

SECTION 2. PURPOSES.

The purposes of the Committee are set forth in WMC Chapter 3, Article 15, Section 3-6.1502. Community Investment Transactions and Use Tax Measure. 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 Community Investment Transactions and Use Tax Measure are hereinafter referred to as "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. DETERMINE COMMUNITY PRIORITIES.

The City will commission an independent third party to conduct a community needs assessment survey at least once every decade, no later than two years after the final decennial census data is available. The first assessment should be conducted by July 2032, paid for by the measure.

The Committee will receive the results of the needs assessment so that the Committee may determine whether expenditures of Measure R funds are consistent with those identified needs.

B. CONTINGENCY RESERVE FUND

Any funds in excess of those required for expenditure plans shall be kept in a contingency reserve fund.
C. **Priority for Additional Revenue**

If the Contingency/Reserve Fund is fully funded and all annual planned expenditures have been implemented, any additional unanticipated sales tax revenues shall be used first to accelerate the implementation of the expenditure plans and then to provide additional services consistent with the priorities stated above.

### 3.2 Inform

A. **Biannual 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 Tax Measure; and

(ii) A summary of the Committee's proceedings and activities since the last report.

B. **Communications to Public**

The Committee shall inform the public concerning the City's expenditure of the 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 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 Tax Measure Expenditures Only.

In recognition of the fact that the Committee is charged with overseeing the expenditure of Measure R 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 R funds.
(b) The establishment of priorities and order of management decisions; these decisions shall be made by the City Manager and Council at their sole discretion.
(c) The selection of professional service firms, including those selected to work on projects using Measure R funds.
(d) Providing direction to City staff, including those working on Measure R projects or staffing the Committee.
The appointment or reappointment of 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) Inspect City public records for which the Tax Measure revenue has been or will be expended, in accordance with any lawful access procedure established by the City Manager.

(b) Review efforts by the City to maximize effective use of the Tax Measure revenue proceeds by implementing various cost-saving measures.

SECTION 5. MEMBERSHIP.

5.1 NUMBER.

The Committee shall consist of a minimum 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 appointment.

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.

(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 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.

The City shall provide to the Committee with 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 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 Tax Measure is rescinded by voters, the Committee shall 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 participate in or attempt to influence a City decision related to: (1) any contract funded by Revenue R proceeds; or (2) any decision that 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 attempt to or 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 R revenues. A Committee member shall not attempt to or influence or participate in 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 bidding on contracts funded by Measure R revenues.

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

As pertaining to Measure R and services on the Committee, a Committee member shall place the interests of the City above any personal or business interest of the member.