



City of Chula Vista

Staff Report

File#: 16-0568, **Item#:** 16.

CONSIDERATION OF ESTABLISHING A CITIZENS' OVERSIGHT COMMITTEE AS REQUIRED BY MEASURE P

ORDINANCE OF THE CITY OF CHULA VISTA ADDING CHULA VISTA MUNICIPAL CODE CHAPTER 2.61 - "MEASURE P" CITIZENS' OVERSIGHT COMMITTEE (FIRST READING)

RECOMMENDED ACTION

Council place the ordinance on first reading.

SUMMARY

In November, the City's electorate approved the passage of Measure P, which implemented a temporary one-half cent sales tax. Measure P also required the establishment of a citizens' oversight committee before December 31, 2016. The ordinance presented would establish that committee, in accordance with Measure P.

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Environmental Determination

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that this activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change to the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable.

DISCUSSION

On November 8, 2016, the City of Chula Vista submitted to the voters a measure to approve an ordinance enacting a one-half cent sales tax, for 10 years, including provisions for citizens' oversight, separate accounting, and independent audits ("Measure P"). The voters approved the passage of Measure P, which resulted in the adoption of Ordinance No. 3371 ("Ordinance 3371"). Ordinance 3371 enacted the sales tax and required the implementation of the oversight, accounting and audit provisions. Ordinance 3371 specifically required the establishment of a Citizens' Oversight

Committee (“COC”), by ordinance, no later than December 31, 2016.

Ordinance 3371 provided that the COC would function to review and report on City compliance with the terms of Ordinance 3371 as follows: (i) public review and comment on each year’s Finance Department Report, Measure P Spending Plan, and Auditor Report; (ii) preparation of an annual report regarding same for presentation to the City Council at a public meeting; and (iii) working with City staff to identify and apply “best practices” for tracking and reporting on Measure P revenues and expenditures relative to other City revenues and expenditures. It also set forth the following requirements for the COC members: (i) current elected City officials and employees would be disqualified from membership; (ii) the members would be appointed by the City Council in accordance with existing City policies and would include individuals with a range of expertise, including accounting, finance, and engineering; and (iii) the meetings would be conducted in accordance with the Ralph M. Brown Act.

In accordance with Measure P and Ordinance 3371 (codified as Chula Vista Municipal Code Chapter 3.33), City staff has prepared a draft ordinance to add Chapter 2.61 to the Chula Vista Municipal Code. The proposed ordinance creates the COC and sets forth the terms for its composition and operations. Staff’s intent with this proposal is to create a committee that: (1) has full authority to monitor City compliance with Measure P, (2) is comprised of a wide range of individuals that are representative of the community and possess a range of relevant expertise, and (3) operates openly and effectively in accordance with best practices, including existing City policies and the Brown Act. The primary provisions of the proposed ordinance are summarized below:

- **Function:** The stated function of the COC is to review and report on City compliance with the provisions of Measure P.
- **Duties:** The ordinance details the specific duties that the COC is to carry-out; these duties include:
 - (i) review and comment on the annual Finance Department Report, Measure P Spending Plan and Audit (all of which are required to be prepared annually under Ordinance 3371);
 - (ii) prepare and present to City Council an annual report regarding its review of such documents; and
 - (iii) work with City staff to identify and apply best practices for tracking and reporting on Measure P revenues and expenditures.
- **Authority Limited:** The ordinance specifically provides that the COC is advisory in nature and would not have approval authority over any City action.
- **Members:** The COC would consist of eleven (11) voting members, seven of whom would be

“designated members” and four of whom would be “at-large” members.

Designated members would be nominated (one each) by the following Nominating Authorities: (i) the Chula Vista Chamber of Commerce (with required experience in accounting, finance, engineering, or a related discipline, including construction); (ii) the Chula Vista Youth Sports Council (must be a YSC Board Member); (iii) the San Diego Taxpayers’ Association (with required experience in accounting, finance, engineering, or a related discipline, including construction); (iv) the Parks and Recreation Commission (from this commission); (v) the Growth Management Oversight Commission (from this commission); (vi) the Sustainability Commission (from this commission); and (vii) the Director of Public Works (with experience in engineering or construction).

At-large members would apply directly to the City Council, with the City Council appointing one from each of the four Council districts. Experience in accounting, finance, engineering or a related discipline would be encouraged, but not required.

- **Appointment Process:** All members would be appointed by the City Council. Designated Members would first be nominated by the Nominating Authorities as provided above; those nominated would then submit applications. Up to three nominations for each Nominating Authority would be permitted, and if two or three are submitted the City Council must choose from among those two or three.. At-Large members would submit applications directly to the City Clerk in accordance with the existing City appointment process where nominations, interviews and appointments are done by the full Council at a noticed public meeting. [See, Municipal Code Chapter 2.53 for details] **Terms:** Per the City Charter, each COC member would be appointed for a term of four years, with a maximum tenure of two consecutive four-year terms.
- **Meetings:** The COC would be required to meet as often as necessary to accomplish the objectives of Measure P. Meetings would be held in public in accordance with the Brown Act. It’s expected that at least 4 meetings a year will be required.
- **Staff support** would be provided by the City Manager and the City Attorney.
- **Dissolution:** The COC would automatically dissolve once all Measure P revenues had been collected, expended and accounted for, and the COC had fulfilled all of its responsibilities.

Please refer to the full Ordinance, proposed new Chapter 2.61, attached, for further details.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov’t Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Councilmember, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This ordinance would serve these goals, in that, the ordinance is necessary to meet the requirements of the Measure passed by the voting community and forming the COC will assist in assuring that the tax revenues from Measure P will be expended in accordance with the Measure, thereby assisting the City in obtaining operational excellence and economic vitality with respect to the accounting and expenditure of the funds.

CURRENT YEAR FISCAL IMPACT

There will be no current year general fund impacts as a result of this item. All staff time to prepare for this item was included within the adopted FY 16/17 budget.

ONGOING FISCAL IMPACT

No anticipated future fiscal impact as a result of this action. All Measure P fiscal impacts will be taken as separate items to City Council.

ATTACHMENTS

1. Chula Vista Municipal Code Section 3.33 - Ordinance 3371

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