

Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.



AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Council Chambers, 305 West Third Street
February 26, 2019
Regular Meeting - 9:30 to 10:45 AM

A. ROLL CALL / POSTING OF AGENDA

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker cards will not be accepted after the beginning of the general public comment period. Based on the number of speaker cards submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. A person not able to address the legislative body at this time because the fifteen minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the February 12, 2019 Regular Meeting as presented.

Contact: Michelle Ascencion

Phone: (805) 385-7805

D. REPORTS

Finance Department

1. SUBJECT: CalPERS Pension Costs – Historical Trends, Updated Projections and Potential Strategies to Address Rising Pension Costs (15/10/5)

RECOMMENDATION: That the Finance and Governance Committee:

1. Receive a presentation from the City's municipal advisor on the current status and projections for the CalPERS pension program, and an introduction to potential strategies to address rising pension costs;
2. Provide feedback to staff and the municipal advisor as to which options to explore further; and

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item time estimates: (Staff Presentation / Committee Discussion / Public Comment)

3. Direct staff to return to the Committee with more information, eventually to be shared with the full City Council.

Contact: Kevin Riper

Phone: (805) 385-7475

2. SUBJECT: Examination of Sales or Transactions and Use Tax Records and Other Governmental Functions. (5/5/5)

RECOMMENDATION: That the Finance and Governance Committee recommend the City Council adopt a resolution authorizing examination of sales or transactions and use tax records of the California Department of Tax and Fee Administration for tax collection purposes and other governmental purposes.

Contact: Kevin Riper

Phone: (805) 385-7475

City Attorney Department

3. SUBJECT: Council Procedures Manual Update. (5/5/5)

RECOMMENDATION: That the Finance and Governance Committee receive the initial draft update to the Council Procedures Manual and provide its initial comments and direction for further revisions.

Contact: Stephen M. Fischer

Phone: (805) 385-7483

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

DRAFT

MINUTES

OXNARD CITY COUNCIL

FINANCE AND GOVERNANCE COMMITTEE

Regular Meeting

February 12, 2019

A. ROLL CALL / POSTING OF AGENDA

At 9:32 a.m., Chair Flynn called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers, 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Gabriela Basua, Bert Perello, and Chair Tim Flynn were present.

Staff members present were Alexander Nguyen, City Manager; Stephen Fischer, City Attorney; Shiri Klima, Deputy City Manager; Mike More, Risk Manager; and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Lang Martinez (thanked business owners who show kindness to the homeless), and Roy Prince (regarding the proposed draft Downtown Code).

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the January 22, 2019 Regular Meeting as presented.

It was moved by Member Perello, seconded by Member Basua, to approve the minutes as presented.
VOTE: Basua, Flynn, and Perello voted in favor; the motion carried 3-0.

D. REPORTS

City Manager Department

1. SUBJECT: Streamlining of Citizen Advisory Groups and Related Ordinance and Resolution Updates.

RECOMMENDATION: That the Finance and Governance Committee provides direction on staff's recommendations for the streamlining of Citizen Advisory Groups and related ordinance and resolution updates.

The City Manager gave a report. Public comments were received from Roy Prince, Colyn Messecar, Steve Nash, Roger Poirier, Kitty Merrill, Gary Blum, Peggy Rivera, Miguel Fernandez, Angela Whitecomb, and Dan Pinedo. Written comments were received from Deirdre Frank, Roy Prince, and Roger Poirier. Discussion ensued among the Council and staff. No action was required.

Human Resources Department2. SUBJECT: Changes to City-Administered Defined Contribution and Defined Benefit Plans. RECOMMENDATION:

A. For the Defined Contribution Plans, that the Finance and Governance Committee receive and file a report on the consolidation of the current 401(a), 457(b), and Post Employment Health Reimbursement deferred compensation plan recordkeepers to a single recordkeeping platform with VOYA.

B. For the Defined Benefit Plan, that the Finance and Governance Committee recommend the City Council:

1. Award and authorize the City Manager to execute Agreement No. A-8123 (Administrative Services Agreement for Defined Benefit Plans) with MassMutual, subject to changes provided by the City Attorney.
2. Award and authorize the City Manager to execute Agreement No. 8530-19-HR with SFG Retirement Plan Consulting, LLC for investment management services.

The Risk Manager gave a report. Public comments were received from Steve Nash. Discussion ensued among the Council, staff, and representatives from SFG Retirement Planning, VOYA, and MassMutual.

It was moved by Member Perello, seconded by Member Basua, to approve the recommended action as presented. VOTE: Basua, Flynn, and Perello voted in favor; the motion carried 3-0.

D. ITEMS FOR FUTURE AGENDAS (No requests were made.)E. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Flynn adjourned the meeting at 10:51 a.m.

MICHELLE ASCENCION, CMC
City Clerk

TIM FLYNN
Chair



**FINANCE AND GOVERNANCE
COMMITTEE**

AGENDA REPORT

TYPE OF ITEM: Report

AGENDA ITEM NO.: 1

DATE: February 26, 2019

TO: City of Oxnard – Finance and Governance Committee

FROM: Kevin Riper, Chief Financial Officer
kevin.riper@oxnard.org, (805) 385-7475

SUBJECT: CalPERS Pension Costs – Historical Trends, Updated Projections and Potential Strategies to Address Rising Pension Costs (15/10/5)

RECOMMENDATION

That the Finance and Governance Committee:

1. Receive a presentation from the City’s municipal advisor on the current status and projections for the CalPERS pension program, and an introduction to potential strategies to address rising pension costs;
2. Provide feedback to staff and the municipal advisor as to which options to explore further; and
3. Direct staff to return to the Committee with more information, eventually to be shared with the full City Council.

BACKGROUND

NHA Advisors, LLC, the City’s municipal advisor, will be making a presentation (attached) regarding the City’s historical pension costs, recent assumption changes and projections for the CalPERS program. This review is not intended to be an actuarial study typically completed by the City’s actuary but a high-level overview of the City’s pension cost projections. NHA Advisors made a similar presentation to the Fiscal Policy Task Force in February 2018 and to City Council in March 2018.

Rising pension costs are a widespread issue facing all municipalities nationally, with unfunded accrued liabilities (UAL) having grown nearly 50 percent in the last few years. For many cities, annual payments may double over the next decade. The City’s UAL has grown from \$181 million in June 2014 to a projected \$270 million in June 2019. Relative to the City’s other post-employment benefits (OPEB) liability (\$36 million) and its outstanding General Fund-backed bonds (\$86 million), the CalPERS UAL is the City’s largest liability.

Based on the CalPERS 11.2 percent investment return in FY 2016-17, the City's UAL was reduced to \$270 million for the June 2019 estimates. Next year's valuation (report released by CalPERS in Fall of 2019) will include the 8.6 percent investment returns for FY 2017-18, which should reduce the UAL. However, it is also the last year of discount rate phasing (from 7.25 percent to 7.00 percent), which will increase the City's UAL. It is expected that the net effect of these two impacts will increase the City's UAL slightly.

Annual CalPERS pension costs have continued to climb and are projected to continue. Contributions totaled approximately \$20 million in FY 2013-14, \$31 million for FY 2018-19, and are estimated to grow to \$45 million by FY 2024-25. Relative to FY 2018-19 levels, the City's cumulative amount of pension cost increases over the next decade are estimated at \$115 million.

While these cost increases are significant and need to be addressed strategically, the City is in a unique and positive position relative to almost all other cities. The City's voter-approved Property Tax Override (which currently covers the majority of Safety Fire and Safety Police Plan costs), generates about \$13 to \$14 million annually, which otherwise would be paid by the General Fund. The City is one of only 24 cities in the State that collects a property tax override for pension costs.

While the Property Tax Override significantly reduces the burden of pension costs on the City's General Fund, total payments to CalPERS are expected to grow, as contribution rates increase while the Property Tax Override remains relatively flat (maximum tax rate, \$.076637 per \$100 of assessed valuation). Thus, the General Fund will be required to fund an increasing share of these costs moving forward.

OTHER PENSION/OPEB LIABILITIES - PARS AND OPEB

Based on the review of the City's CAFR, the City also has a \$36 million OPEB UAL with CalPERS and a \$21 million net pension liability with Public Agency Retirement System (PARS). Based on the City's CAFR, annual OPEB expenses were about \$2.8 million last year, and the City's contribution to the PARS plan was about \$4.5 million.

It should be noted that the attached presentation and the projections found within are solely focused on City's CalPERS pension plans and do not include estimates for these OPEB and PARS plans.

INTRODUCTION TO POTENTIAL STRATEGIES TO ADDRESS RISING COSTS

Understanding the pension cost increases, and specifically the increasing burden to the City's General Fund, are critical pieces to the City's financial forecasting efforts and budget. Beyond maintaining accurate figures for forecasting, there are various strategies that other cities have employed to assist in addressing rising pension costs and developing alternative repayment strategies. Some of these strategies are introduced in the presentation and below:

- **Pre-Pay UAL at the Beginning of Each Fiscal Year** – The City has been employing this strategy, including for FY 2018-19. Based on the City's estimated \$20.7 million UAL payment for FY 2019-20, the savings will be approximately \$725,000 if this strategy is again executed at the beginning of next fiscal year. NHA Advisors recommends that the City employ this strategy only if it does not negatively impact operations, cash flow, and reserve levels.
- **Fresh Start Option with CalPERS** – The City can request a new amortization schedule with CalPERS, but it must amortize the liability over a shorter period than the current amortization schedule. Less interest would be paid over time under the new schedule; however, annual payments in the near-term would likely be higher. Additionally, once the City requests this fresh start, the new payments would be locked in and would not be able to be re-modified.
- **Use Cash to Set Up a Section 115 Trust and/or Pay Down UAL Directly with CalPERS** – Both of these options aim to increase the earnings potential of the City's reserves but differ in their mechanics of doing so.
 - Section 115 Trust – A Section 115 Trust is managed by a third party (not CalPERS). Funds held in such an account are dedicated to pension and OPEB expenses only. Many agencies prefer this option as it diversifies investments away from CalPERS, provides various investment portfolio options, and provides flexibility year to year to utilize these funds when needed. Funds in a Section 115 Trust do not directly reduce the City's UAL with CalPERS unless they are at some point transferred to CalPERS to buy down the UAL.
 - Pay-Down UAL – The City can apply reserves to pay down its UAL. Funds are submitted to CalPERS, with the UAL directly reduced by the pay-down amount and the funded status of the City's plans increased. CalPERS will eliminate the future payments associated with that UAL component and give the City credit for 7.0 percent interest earnings on that amount.

It is important to note that while the City at the end of FY 2016-17 did achieve its General Fund reserve level target of 18 percent of expenditures plus transfers-out, the ending reserve level for FY 2017-18 was only 13 percent, due to General Fund expenditures plus transfers-out that year having exceeded revenues plus transfers-in by \$5.8 million. Drawing down reserves even further to execute either of these UAL pay-down strategies could negatively impact the City's credit rating, increase the cost of accessing the capital markets, and negatively impact operations and capital projects.

- **Pension Obligation Bond (POB)** – A POB is a taxable municipal bond issued (generally at a lower interest rate than CalPERS is charging on the UAL, which is currently 7 percent), with the proceeds used to pay down all or a portion of the City's UAL. The

Government Finance Officers Association does not recommend POBs as a best practice, given that savings are not guaranteed. Present Value (PV) savings are only generated if CalPERS' actual future investment earnings turn out to be greater than the interest rate paid on the POBs, which is impossible to predict at the time of issuance. While POBs were historically commonplace, recent municipal bankruptcies and lack of credit enhancement from bond insurers have reduced the amount of POBs issued by cities. The risk of default is of increasing concern for investors, most of whom have required a higher interest rate on these POBs to compensate them for this risk. The POBs that have been successfully issued over the last couple of years have assuaged investors' credit concerns either by maintaining a very strong bond rating (AA or higher) or securing the POB with a tax override, as the cities of Inglewood and Monrovia did in the fall of 2017.

- **Increased Cost-Sharing** -- Some public agencies in California have reduced their employer cost for pensions by negotiating with their bargaining units increased cost-sharing by employees

In NHA Advisors' opinion, the ability to "smooth" overall payments through a restructuring to enhance budget predictability is an important consideration and should be considered above the speculative nature of interest savings. NHA Advisors recommends a due diligence and thorough cost-benefit analysis if this complex strategy is to be explored further.

FINANCIAL IMPACT

None directly.

Prepared by NHA Advisors

ATTACHMENTS

Attachment A: PowerPoint Presentation: City of Oxnard CalPERS Pension Liabilities - Historical Trends, Projected Costs and Potential Strategies to Address Rising Pension Costs



City of Oxnard CalPERS Pension Liabilities

HISTORICAL TRENDS, PROJECTED COSTS AND POTENTIAL
STRATEGIES TO ADDRESS RISING PENSION COSTS

PRESENTATION TO FINANCE AND GOVERNANCE COMMITTEE

FEBRUARY 26, 2019

NHA | ADVISORS
Financial & Policy Strategies.
Delivered.

Table of Contents

- ▶ Objectives and Executive Summary
- ▶ Historical Cost Trends and Projections
- ▶ Focus on General Fund and Property Tax Override
- ▶ Potential Strategies to Address Rising Pension Costs
- ▶ Takeaways and Next Steps

Notes

- *NHA is not an actuary and all figures should be considered “best estimates”*
- *CalPERS focused; Does not include costs for PARS retirement plan or OPEB*

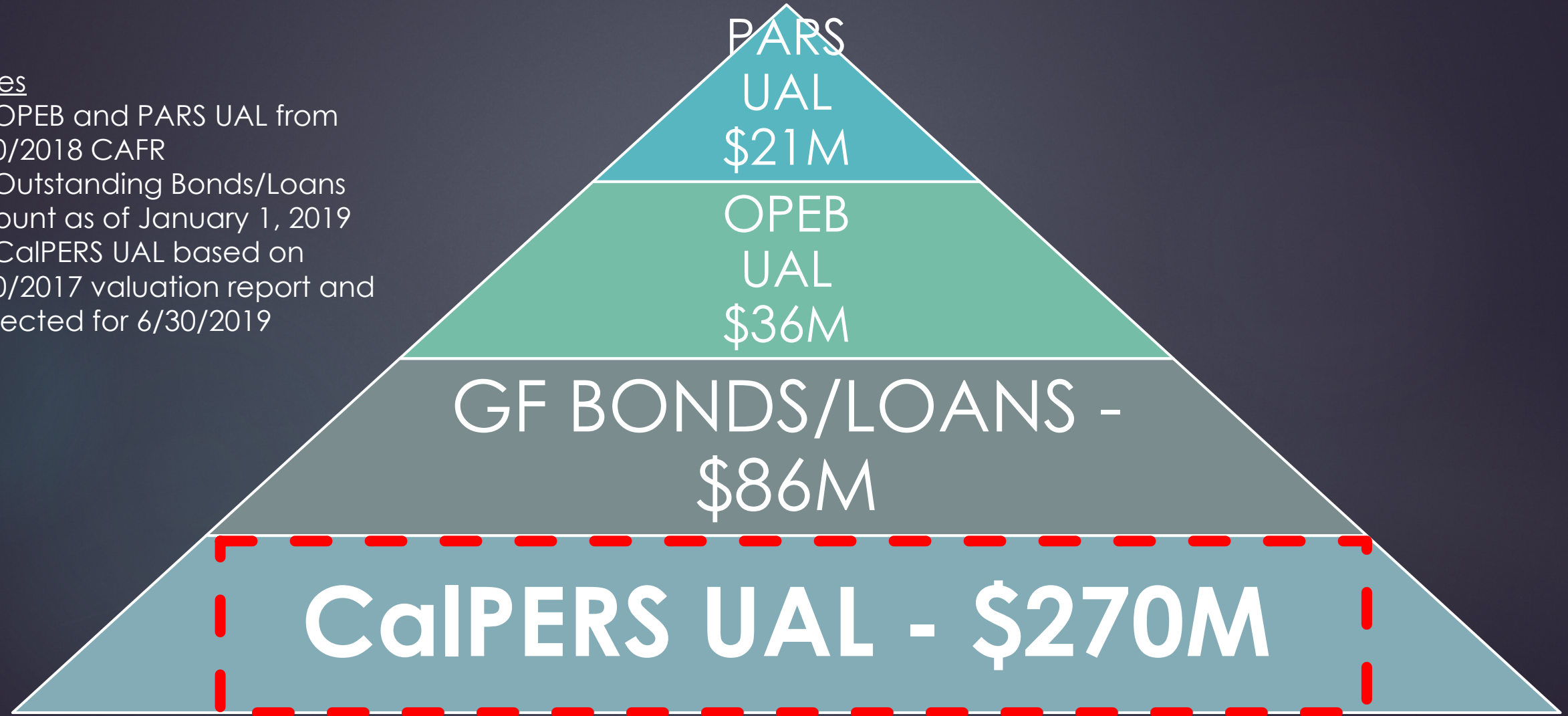
Primary General Fund Financial Liabilities

Notes

(1) OPEB and PARS UAL from
6/30/2018 CAFR

(2) Outstanding Bonds/Loans
amount as of January 1, 2019

(3) CalPERS UAL based on
6/30/2017 valuation report and
projected for 6/30/2019



Executive Summary

- ▶ Rising pension costs are crowding out budgets for most California cities
- ▶ City's CalPERS Unfunded Accrued Liability (UAL) is currently \$270M
 - ▣ ~50% increase (from \$180M) over last four years
- ▶ Total annual payments growing from \$31M (2019) to \$45M by 2025
 - *Five Years Ago: \$20M in annual costs (2014)*
- ▶ City's voter-approved Property Tax Override and its utility funds have historically provided significant support to the City's General Fund to cover allocable costs
 - ▣ One of 24 cities in the State to have a unique pension override tax
- ▶ General Fund picking up increasing share of costs will continue since Property Tax Override at or near maximum AV levy cap

CalPERS Pension Costs: Quick Primer

Overview of City's Retirement Plans

- ▶ City has 4 plans with CalPERS ("PERS")
 - ❑ Miscellaneous
 - 3,785 covered members including 965 active
 - ❑ Safety Police
 - 554 covered members including 218 active
 - ❑ Safety Fire (Classic) and PEPRA
 - 274 covered members including 100 active
- ▶ All are "Defined Benefit Plans" – employees are guaranteed certain level of pension benefits
 - ❑ As opposed to "Defined Contribution" (i.e. 401K, IRA)

Payments Made to PERS Each Year

- ▶ Each year, the City makes two types of payments to PERS
 1. **Normal Cost (NC)** = Annual cost for current employees
 2. **Unfunded Accrued Liability (UAL):** Actuarial Liability MINUS Actuarial Value of Assets
 - "How much we currently have vs. how much we will eventually need"
 - Shortfall not repaid all at once
 - ▶ UAL is amortized over a longer period of time (typically 20 to 30 years) with the City paying down a portion each year (principal and interest)

PERS Cost Trends

Then ...

- ▶ PERS investment returns (10%+)
- ▶ Retirement plans were “Super-Funded” through the 1990s
 - ❑ Earnings on funds were more than adequate to cover retirement costs
 - ❑ Oxnard Miscellaneous Plan in 2003/04: 126% funded
 - ❑ Oxnard Safety Plans in 2003/04: 104% funded

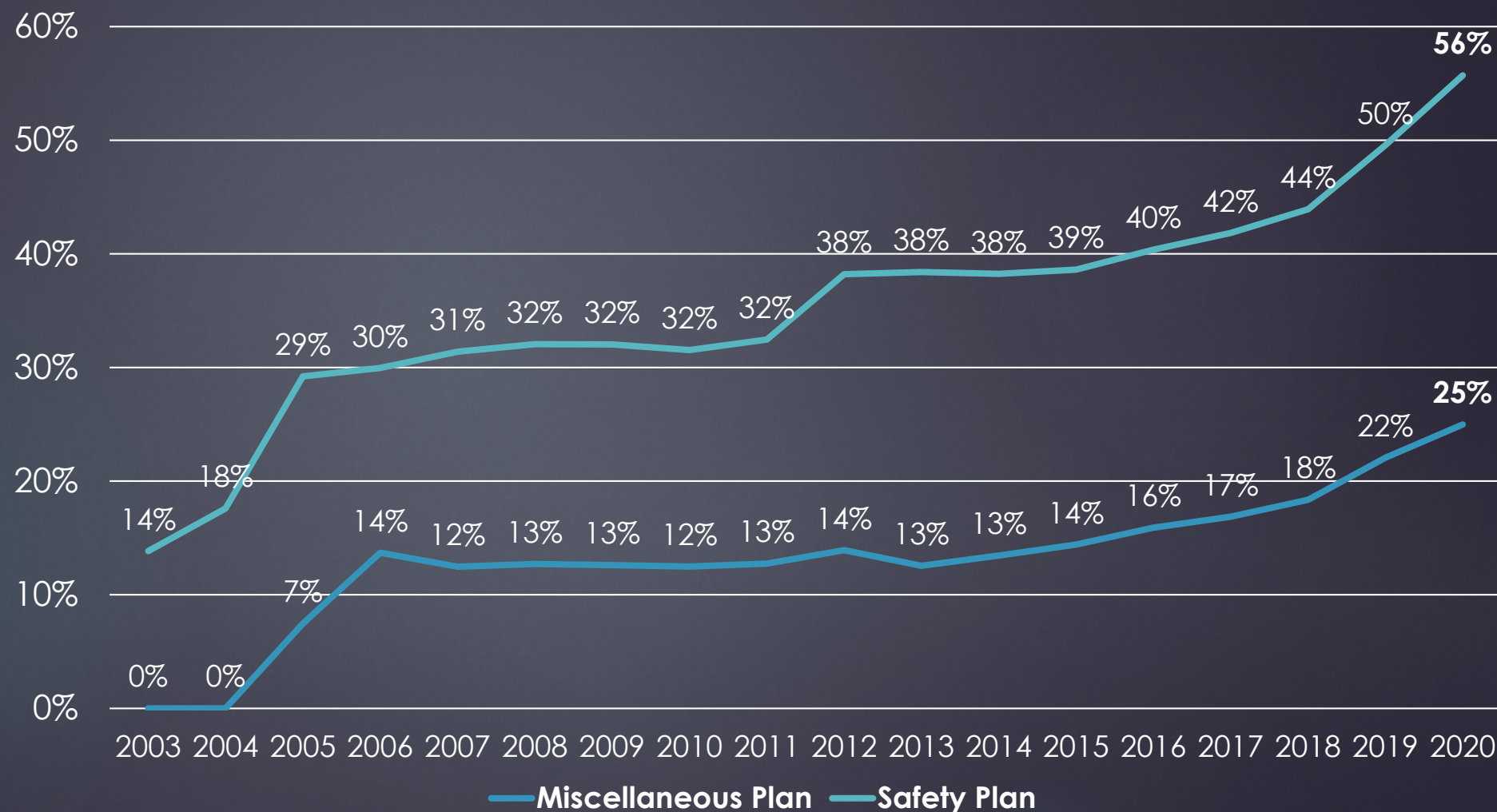
Now ...

- ▶ Sluggish investment growth (<6%)
- ▶ Assumptions are changing
 - ❑ Expected returns: 8.25% → 7.75% in 2003; 7.75% → 7.50% in 2013 → 7.00% by 2020
 - ❑ Mortality rates (people living longer)
 - ❑ Actuarial Valuation → Market Valuation
- ▶ Unfunded liabilities are rapidly growing
 - ❑ Oxnard’s Miscellaneous Plan UAL has grown from \$40MM to \$121MM over last decade (74% funded)
 - ❑ Oxnard’s Safety Plans’ UAL has grown from \$50MM to \$149MM over last decade (70% funded)

Pension Costs as % of Payroll

► Safety Plan annual pension costs have risen to **56% of payroll***

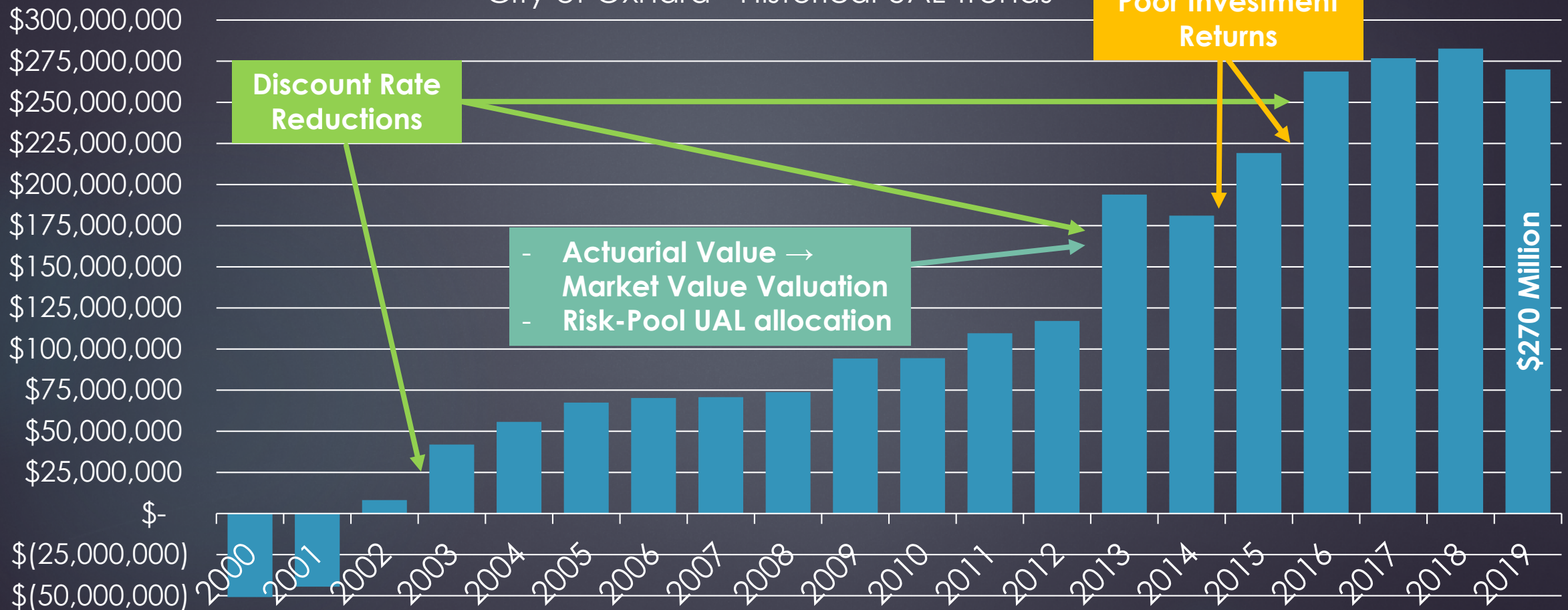
► Misc. Plan annual pension costs have risen to **25% of payroll**



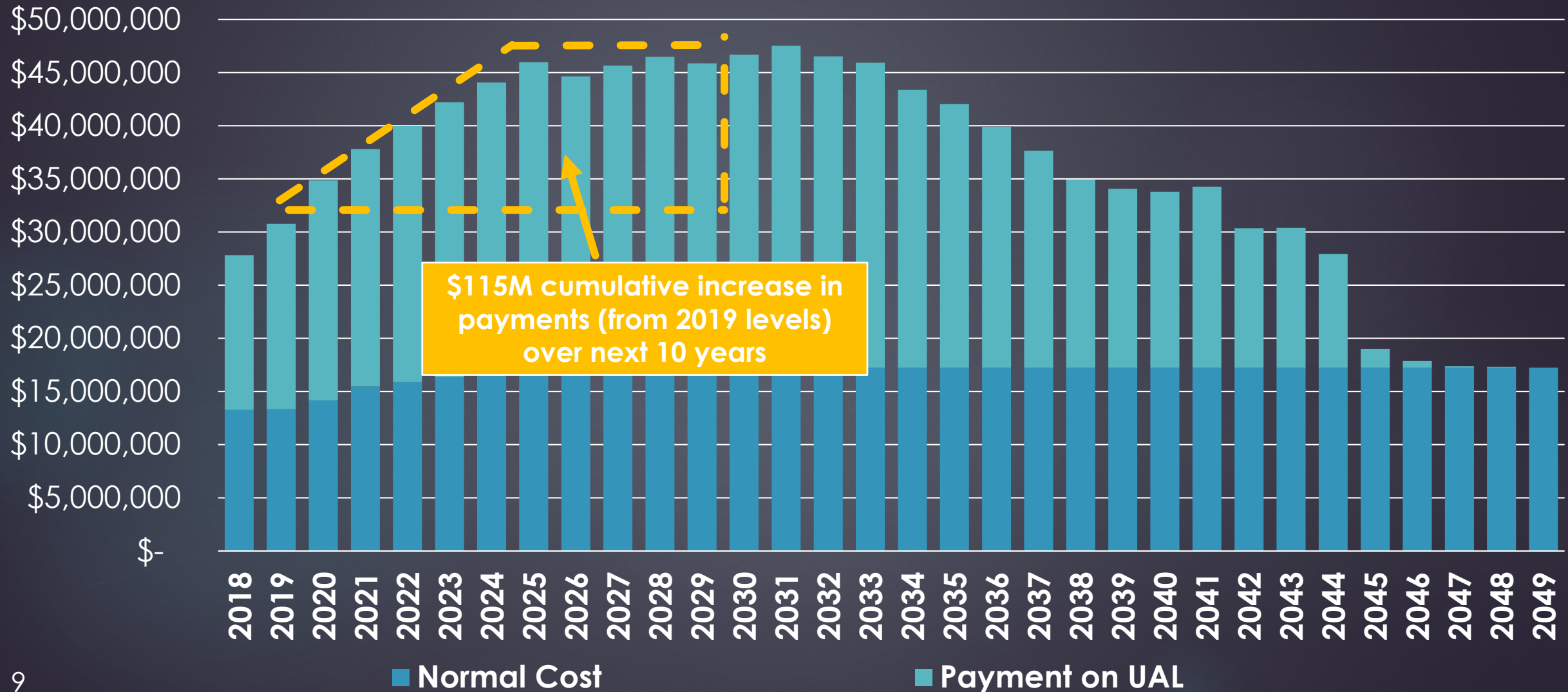
Unfunded Liability Trends

**Historical
PERS Returns**
5-Year: 8.8%
10-Year: 4.4%
20-Year: 6.6%

City of Oxnard - Historical UAL Trends



30-Year Payment Projections

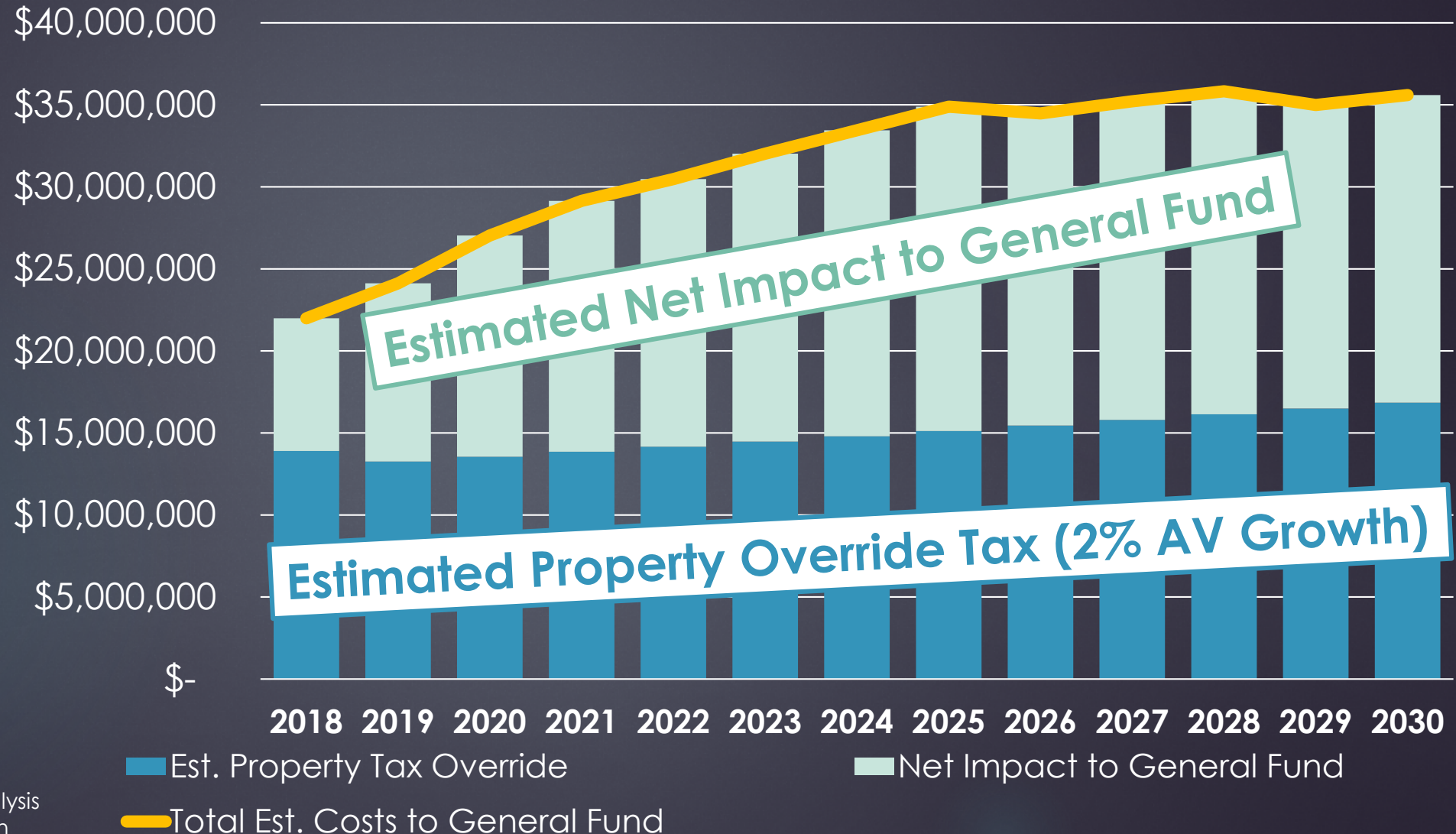


General Fund Only

- ▶ 40%-45% of Miscellaneous Plan costs paid by the General Fund
 - ❑ Remaining 55%-60% currently paid by other funds (water, wastewater, etc.)
- ▶ 100% of Safety Police and Safety Fire is paid by General Fund
- ▶ **Property Tax Override:** Can only be used to cover a portion of Safety Police and Safety Fire
- ▶ Limitations on how much Property Tax Override the City can collect
 - Lower of:**
 - ❑ \$0.076637 per \$100 of assessed value
 - ❑ Eligible costs to be covered (as determined by City's actuary)

Impact to General Fund

- ▶ Annual “GF costs” growing from \$22M to \$36M
- ▶ At 2% AV growth, property override tax expected to grow from \$13M to \$17M
- ▶ **Net Impact to General Fund is increasing:**
 - ❑ 2018: \$8M
 - ❑ 2020: \$13.5M
 - ❑ 2023: \$17.5M
 - ❑ 2028: \$20M



Takeaways

- ▶ Pension cost increases are a widespread issue
 - ❑ Typical to have seen 50% increases in UAL and a doubling of annual payments
 - ❑ PEPRAs for new employees should lower Normal Costs over time
 - UAL increases are main driver of overall cost increases
- ▶ City's General Fund benefits significantly from the Property Tax Override
- ▶ City's General Fund will begin to pick up a larger share of pension costs as (1) UAL payments increase and (2) the Property Tax Override is limited by its max tax rate
 - ❑ Override projections should be updated after upcoming actuarial analysis is completed
- ▶ Planning for, and evaluating options to manage these rising costs are key to ensure fiscal sustainability

Potential Strategies to Address Rising Pension Costs

Prepay Annual UAL Payment Upfront

- 3.5% discount for paying in beginning of Fiscal Year
- \$725,000 potential savings for FY 2020
- **City implemented strategy for FY 2018/19**

Fresh Start Amortization With CalPERS

- Pros: Shortens repayment period; reduces overall interest paid
- Cons: New structure “locked-in” + increased annual payments in near term

Use Cash Reserves to:

- **Set-Up Section 115 Trust** - Separate trust solely dedicated to pension/OPEB
- **Lump Sum Direct Pay Down of UAL** – Reduce UAL with PERS and annual payments

Debt/Bonds

- Pension Obligation Bond (POB) – use bond proceeds to reduce CalPERS UAL

Cost Sharing Negotiations with Employees

- Increase employee share of pension costs

Key Considerations

- ▶ **Pre-Pay UAL** at Beginning of Fiscal Year
 - ❑ Ensure that cash flow/reserves are not negatively impacted
- ▶ **Fresh Start** Option with CalPERS
 - ❑ Future interest savings **but** higher “fixed” near term payments (without any related increase in Property Tax Override) increases budgetary pressure
- ▶ **Use Cash** to:
 - ❑ Create Section 115 Trust – increase investment earnings potential + flexibility to use when needed (doesn’t directly reduce UAL); Money not managed by CalPERS
 - ❑ Pay Down UAL – reduces UAL with PERS and eliminates associated payment stream; Money managed by CalPERS
 - ❑ Reserves would be reduced; potentially impacting credit rating and ability to fund critical CIP and programs; Reserve levels already below policy target of 18%
- ▶ **POB** – (1) Present Value savings **only** if CalPERS earns above the bond rate; (2) ability to re-shape (“smooth”) payments are important consideration beyond speculating on savings; (3) More due diligence and analysis would be required related to ability to secure debt with Property Tax Override
- ▶ **Increased Employee Cost Sharing** – economic incentives impact recruitment/retention

Recommendation

- ▶ Following presentation, questions and discussion
- ▶ Committee to provide feedback to staff and NHA on alternatives to explore further
- ▶ Direct staff to return to the Committee with more information

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**FINANCE AND GOVERNANCE
COMMITTEE**

AGENDA REPORT

TYPE OF ITEM: Report

AGENDA ITEM NO.: 2

DATE: February 26, 2019

TO: Finance and Governance Committee

FROM: Kevin Riper, Chief Financial Officer
kevin.riper@oxnard.org, (805) 385-7475

SUBJECT: Examination of Sales or Transactions and Use Tax Records and Other
Governmental Functions. (5/5/5)

RECOMMENDATION

That the Finance and Governance Committee recommend the City Council adopt a resolution authorizing examination of sales or transactions and use tax records of the California Department of Tax and Fee Administration for tax collection purposes and other governmental purposes.

BACKGROUND

Sales and transactions use tax data is required to be kept confidential by Revenue and Taxation Code Section 7056. Therefore, it is unlawful for anyone who receives access to sales or transactions and use tax records ("tax records") to disclose this information without authorization.

Although it is confidential by law, tax records can be used by local government officials if the use is "related to the collection of local sales or transactions and use taxes" or "related to other governmental functions of the county, city and county, city or district" specified by resolution. The City accesses tax records from the California Department of Tax and Fee Administration ("Board") by agreement with the State but may not disclose amounts of tax paid or any other information that would disclose the operations of a business except as specified in Revenue and Taxation Code Section 7056.

Permit administrators, finance or revenue managers, economic development staff, community development personnel, and business license officials can benefit from access to local tax records. However, only those officers or employees that are authorized by resolution of the City Council may have access to confidential data, and each person authorized is required to follow the provisions of Revenue and Taxation Code Section 7056. Authorized officers and employees will receive guidance on complying with Section 7056, including its confidentiality requirement.

Under the City's agreement with the State for the Board to perform all functions incidental to the administration and collection of City sales and transactions and use tax, the City Manager or designee is appointed to represent the City with authority to examine tax records of the Board pertaining to sales or transactions and use taxes collected for the City.

The City's current resolutions regarding tax records (nos. 11,632 and 13,595) limit the City's authorized representatives to examine Board tax records for purposes related to the collection of City sales or transaction and use taxes only. The proposed resolution would update that authorization to include examination of tax records for all of the following governmental purposes:

- A. Budgeting and revenue projections
- B. Economic development and strategic planning
- C. Land use planning
- D. Revenue productivity analysis
- E. Fiscal & Economic Impact Analysis
- F. Business licensing and tax collection
- G. Other appropriate governmental uses consistent with State law

Consistent with the City Council delegation of authority to the City Manager, in addition to the City's sales and transactions and use tax consultant specified in the resolution, the following City staff would be authorized by the City Manager to review the Board tax records of individual business filers for appropriate municipal purposes.

City Manager's Office

Alexander Nguyen – City Manager

Ashley Golden – Assistant City Manager

Shiri Klima -- Deputy City Manager

City Treasurer's Office

Phillip Molina – City Treasurer

Eden Alomeri – Assistant City Treasurer/Revenue Accounting Manager

Armida Galvan-Monares – Treasury Supervisor

Finance Department

Kevin Riper – Chief Financial Officer

Donna Ventura – Assistant Chief Financial Officer

Christine Williams – Controller

Beth Vo – Budget Manager

Tanya Williams – Financial Analyst III

Development Services

Jeffrey Lambert – Development Services Director

Economic Development

Adam Smith – Project Manager

Information Technology

Keith Brooks – Information Technology Director

FINANCIAL IMPACT

There is no financial impact.

Prepared by Dave Millican, Interim Chief Financial Officer and Kevin Riper, Chief Financial Officer.

ATTACHMENT

Proposed Resolution Authorizing Examination of Sales or Transactions and Use Tax Records

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING
EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS

WHEREAS, the City of Oxnard has entered into contracts with the State Board of Equalization to perform all functions incident to the administration and collection of City sales or transactions and use taxes, which duties have been transferred to the California Department of Tax and Fee Administration (the “Board”; Stats 2017 ch 16, AB 102); and

WHEREAS, the City Council deems it desirable and necessary for authorized representatives of the City to examine confidential sales or transactions and use tax records of the Board pertaining to sales or transactions and use taxes collected by the Board for the City pursuant to those contracts; and

WHEREAS, Section 7056 of the Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board sales or transactions and use tax records, and makes unauthorized disclosure of information contained in or derived from such records unlawful; and

WHEREAS, Section 7056 of the Revenue and Taxation Code has been amended to broaden the purposes for use of sales or transactions and use tax data that can be authorized by the City Council to improve government operations and effectiveness.

NOW, THEREFORE, the City Council of the City of Oxnard resolves:

Section 1. The City Manager, or other officer or employee of the City designated in writing by the City Manager to the Board, is hereby appointed to represent the City of Oxnard with authority to examine sales or transactions and use tax records of the Board pertaining to sales or transactions and use taxes collected for the City by the Board pursuant to the contracts between the City and the Board.

Section 2. That Hinderliter, de Llamas and Associates is also hereby designated to examine the sales or transactions and use tax records of the Board pertaining to sales or transactions and use taxes collected for the City by the Board. Hinderliter, de Llamas and Associates meets all of the following conditions:

(a) has an existing agreement with the City to examine those sales or transactions and use tax records;

(b) is required by that agreement to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information;

(c) is prohibited by that agreement from performing consulting services for a retailer during the term of that contract; and

(d) is prohibited by that agreement from retaining the information contained in or derived from those sales or transactions and use tax records, after that contract has expired.

Section 3. The information obtained by examination of Board records shall be used for the collection of sales or transactions and use taxes and for the following governmental purposes:

- A. Budgeting and Revenue Projections
- B. Economic Development and Strategic Planning
- C. Land Use Planning
- D. Revenue Productivity Analysis
- E. Fiscal & Economic Impact Analysis
- F. Business licensing and tax collection
- G. Other appropriate governmental uses consistent with state law

Section 4. This resolution shall become effective on March _____, 2019, on which date Resolution Nos. 11,632 and 13,595 are hereby repealed.

PASSED, APPROVED, and ADOPTED, this _____ day of March, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Tim Flynn, Mayor

ATTEST:

APPROVED AS TO FORM:

Michelle Ascencion, City Clerk

Stephen M. Fischer, City Attorney

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**FINANCE AND GOVERNANCE
COMMITTEE**

AGENDA REPORT

TYPE OF ITEM: Report

AGENDA ITEM NO.: 3

DATE: February 26, 2019

TO: Finance and Governance Committee

FROM: Stephen M. Fischer, City Attorney
stephen.fischer@oxnard.org, (805) 385-7483

SUBJECT: Council Procedures Manual Update. (5/5/5)

RECOMMENDATION

That the Finance and Governance Committee receive the initial draft update to the Council Procedures Manual and provide its initial comments and direction for further revisions.

BACKGROUND

The City Council adopted the current version of the Council Procedures Manual on May 10, 2016. As stated in Chapter 1 of the Procedures Manual, it was anticipated that the document be reviewed every two years and revised from time to time. Such a review and revision is necessary at this time to address inconsistencies in the current document arising from recent enactment of the Sunshine Ordinance and expansion of the Council to a seven-member body.

The attached first draft of a revised Procedures Manual proposes changes (in redline format) to reflect the additional Council seats, new meeting schedule, and advance agenda publication periods, along with other substantive changes recommended following a complete review of the text. A few typos in the current document were corrected, as well as updates to some materials referenced in the document. The draft also includes comments noting other recommended changes of a policy nature, and highlighted text noting information that needs periodic updating or has been the subject of discussion during Council meetings.

This draft is not intended to be a final recommendation to be moved forward to the City Council. More work needs to be done and the Committee's guidance is needed in order to do so.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

There is no fiscal impact with the consideration of this item.

Prepared by Stephen M. Fischer, City Attorney

ATTACHMENTS

Draft City Council Procedures Manual 2019 Update v.1



Procedures Manual City of Oxnard City Council

Adopted May 10, 2016

Revised _____, 2019

CITY OF OXNARD

Mission Statement

Comment [SF1]: Update?

It is the mission of the City government to ensure that Oxnard will have clean, safe, prosperous and attractive neighborhoods with open, transparent government.

Specifically, the City fulfills its function by:

- Addressing the needs of the residents through the City Council, the appointed commissions, and the City staff.
- Providing easy and open access to information and encouraging dialogue, enabling residents to actively engage in civic life.
- Providing for the safety of its residents, businesses, and visitors.
- Providing timely and responsive service.
- Providing special assistance to those in need.
- Functioning effectively, efficiently and with accountability.
- Creating a positive and desirable workplace environment for City employees.
- Managing change for the betterment of the City.
- Creating and maintaining a viable revenue stream, and providing for the unpredictable nature of our economy.
- Implementing and maintaining City infrastructure, facilities, and programs.
- Formulating sound environmental policies.
- Recognizing and supporting the City's diverse neighborhoods and population.
- Acting as a responsible member of the greater region.

The City Council formed the Oxnard City Council Procedures Committee in January 2011, and appointed Mayor Pro Tem Irene Pinkard and Councilman Tim Flynn to serve on the Committee. The Committee adopted the following mission statement on March 3, 2011. [\[ADD REFERENCE TO CC & HA RESOLUTIONS ADOPTING 2016 MANUAL\]](#)

OXNARD CITY COUNCIL PROCEDURES COMMITTEE

Mission Statement

It is the mission of the City government to ensure Oxnard is a desirable, safe, and vibrant community in which to live and conduct business and to respond to the values and priorities of the residents in an open and transparent manner. In order to accomplish this mission, the Oxnard Council Procedures Committee has been created to develop guidelines and rules under which Councilmembers will operate and perform their role as legislators of the City of Oxnard.

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Comment [SF2]: Keep these as part of the Manual or just provide links/reference?

C H A P T E R 1

Introduction

The Oxnard City Council establishes policies and priorities for the community and is responsible for the fiscal health of a public corporation with an annual budget, including capital and general fund dollars of over \$330 million. Oxnard is a “full service” city, with its own police, fire, water and refuse departments and is an organization with over 1,600 employees that has assets valued in excess of \$1 billion (roads, buildings, parks, etc).

Purpose of the Procedures Manual

By developing and agreeing to adhere to the following guidelines and procedures, the effective administration of City Council affairs will be greatly enhanced. This Procedures Manual shall also apply when the Council acts as the Successor Agency to the Oxnard Community Development Commission, as well as to the proceedings of the Oxnard Housing Authority and the other public entities for which the City Council acts as the governing body. While attempting not to be overly restrictive, procedures are established so that expectations and practices can be clearly articulated to guide the Mayor and Councilmembers in their actions. It is anticipated that this Procedures Manual will be reviewed every two years by the City Council and may be revised from time to time.

Overview of City Documents

This procedures manual provides a summary of important aspects of City Council activities. However, it cannot incorporate all material and information necessary for undertaking the business of a city council. Many other laws, policies, plans and documents exist which bind the City Council to certain courses of action and practices. A summary of some of the most notable documents that establish City Council direction is provided below.

City Code: The City Code contains local laws and regulations adopted by ordinances. The Administrative Chapter of the Code shall incorporate by reference the rules and procedures established herein including the roles of the Mayor, Mayor Pro Tem and City Council. Included in the Administrative Chapter of the Code is appointment of certain city staff positions and the establishment, qualifications, appointment and terms applicable to certain advisory commissions. In addition to these administrative matters, the City Code contains a variety of laws. The City Code is available either on the City’s website or from the City Clerk.

California Government Code: The California Government Code contains many statutes that set forth requirements for the operation of city government. Many of these requirements are also replicated within the City Code to ensure there is broad awareness of such requirements. Oxnard is a “general law” city, which means it is organized in accordance with provisions of the Government Code. The Government Code provides for Oxnard’s City Council-City Manager form of government, which was adopted as the City’s form of government by ordinance approved by the City’s voters. Basically, this form of government prescribes that a city council’s role is to establish policies and priorities, while the role of the City Manager is to oversee the operations of the city government.

Annual Budget: The City’s annual budget provides a description of City services and the resources used to provide services. The document contains both a broad overview of the budget,

inclusive of descriptions of programs and services, organized for convenience by lead departments. The City operates on a July 1st through June 30th fiscal year with a budget that includes the following funds: general, capital, enterprise and internal services.

General Plan: The General Plan is comprised of a number of elements, such as land use, transportation, open space, and housing, all in accordance with State requirements, and provides a policy framework for various matters that fall within these areas.

Orientation of New Councilmembers

It is important that members of the Council have an understanding of the full range of services and programs provided by the organization. As new members join the City Council the City Manager arranges for new member training, conferences and familiarization with all facets of City government.

League of California Cities *Guide*

A publication that provides additional useful information is the *New Mayors and Council Members Resource Guide* ~~published by~~ updated annually and available through the League of California Cities website. The *Guide* contains general information on the role and responsibilities of city council-members and on the specific requirements and laws that govern Council actions. ~~The Guide is available from the City Clerk.~~

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Oxnard City Council: Powers and Responsibilities

City Council Generally

The powers of a city council in California to establish policy are quite broad. Essentially, councils may undertake any action related to the establishment of city policies that affect city affairs other than those that are denied by the California Constitution and general laws or are preempted by state or federal law. Specifically, *the Council shall have the power, in the name of the City, to do and perform all acts and things appropriate to a municipal corporation and the general welfare of its inhabitants, subject to statutory limitations and which are not specifically forbidden by the Constitution and laws of the State of California.*

It is important to note that the City Council acts as a body. No member has any extraordinary powers beyond those of other members. While the Mayor and Mayor Pro Tem have some additional ceremonial and administrative responsibilities as described below, in the establishment of policies, voting and in other significant areas, all members are equal. It is also important to note that policy is established by at least a majority vote of the Council. While individual members may disagree with decisions of the majority, a decision of the majority does bind the Council to a course of action. In turn, it is staff's responsibility to ensure the policy of the Council is upheld. Actions of staff to pursue the policy direction established by a majority of Council does not reflect any bias against Councilmembers who held a minority opinion on an issue.

The City Council has occasionally debated whether it should take positions of a broader nature or limit itself to purely municipal functions. Historically, Oxnard City Councils have chosen to not take positions on issues outside of their immediate authority to effect. The propensity of the City Council to involve itself in such issues reflects the personalities and outlooks of the members who are elected to four-year Council terms.

Limitations are imposed on a Councilmember's ability to serve on appointed boards of the City. State law expresses that no member of the Council shall serve as a voting member of any city board, committee, or commission, whether composed of citizen volunteers, city employees, or a combination of both. This is not construed as prohibiting members of the Council from serving on committees or subcommittees of the Council itself, or of agencies representing other levels of government. In fact, Councilmembers often participate and provide leadership in regional and state programs and meetings. Councilmembers are strongly encouraged to provide a written report to the Council on matters discussed at subcommittees and other regional or state board/agency/group activities in which they have been involved.

Role of Mayor & Mayor Pro Tempore

Mayor: The Mayor is to preside at all meetings of the City Council. The Mayor does not possess any power of veto. As presiding officer of the Council, the Mayor is to faithfully communicate the will of the Council majority in matters of policy. The Mayor is also recognized as the official head of the City for ceremonial purposes only.

The Mayor, unless unavailable, shall sign all ordinances, and other documents that have been adopted by the City Council and require an official signature; except in those instances when the City Manager, or other staff, have been authorized by Council action to sign documents. In the event the Mayor is unavailable, the Mayor Pro Tempore's signature will be used.

Mayor Pro Tempore: The City Council has specified that the Mayor Pro Tempore shall perform the duties of the Mayor during the Mayor's absence or disability. The Mayor Pro Tempore shall serve in this capacity at the pleasure of the City Council.

Appointment of City Manager and City Attorney

The City Council only has the authority to appoint two positions within the City organization: the City Manager and the City Attorney. Both positions serve at the will of the City Council. The City Manager is an employee of the City and has an employment agreement that specifies certain terms of employment including an annual evaluation by the City Council. The City Manager is responsible for all other personnel appointments within the City. The current City Attorney is an employee of the City and has an employment agreement that specifies certain terms of employment including an annual evaluation by the City Council.

Role in Disaster

In consultation with the City Manager, the City Council may be asked to participate at the City's Emergency Operations Center (EOC), located within the Fire Department, to provide policy guidance and to receive information in an emergency. Should the City Council not be available during an emergency, state law specifies a hierarchy of others who may serve in place of the City Council.

Appointment of Advisory Bodies

The City has a number of standing advisory bodies, the rules, regulation and requirements of which can be found in the Administrative Chapter (Chapter 2) of the City Code. The Mayor, "with the approval of the city council, shall make all appointments to boards, commissions, and committees unless otherwise specifically provided by statute." California Government Code Section 40605.

City Council Meetings

General Procedures

Rules of Order: Except as otherwise provided by applicable law or as specifically provided in this Procedures Manual, the latest revised edition of "Robert's Rules of Order" shall govern the conduct of the meetings of City Council.

Comment [SF3]: Recommended to use "Rosenberg's Rules of Order"

Presiding Officer:

- a. The Mayor or in the Mayor's absence, the Mayor Pro Tempore, or a temporary presiding officer in appropriate circumstances, shall be the presiding officer of City Council.
- b. In the absence of the Mayor and Mayor Pro Tempore, the City Clerk shall call the City Council to order. The temporary presiding officer shall be the Councilmember present with the greatest length of service on City Council. Upon the arrival of the Mayor or the Mayor Pro Tempore, the temporary presiding officer shall relinquish the chair at the conclusion of the business then before City Council.
- c. The presiding officer shall assume the chair at the hour appointed for the meeting and shall call City Council to order.
- d. The presiding officer shall preserve strict order and decorum at all City Council meetings, state questions before City Council, and announce City Council's decision on all matters.
- e. The presiding officer shall decide all questions of order, subject however, to an appeal by any Councilmember to City Council as a whole, in which event a majority vote of City Council shall govern and conclusively determine questions of order.
- f. Unless prohibited by State law, the presiding officer shall vote on all questions before City Council.
- g. The presiding officer may move, second and debate from the chair, subject only to such limitations of debate as are imposed on all Councilmembers by this resolution.
- h. The presiding officer shall not be deprived of any of the rights or privileges of a Councilmember by reason of acting as presiding officer.

Seating arrangement of the Council: The Mayor Pro Tempore is seated immediately next to the Mayor. The Mayor, with the approval of individual Councilmembers, shall establish the seating arrangement for regular Council meetings.

Quorum: ~~Three-fifths~~ Four-sevenths of the Councilmembers constitute a quorum for the transaction of business. When there is no quorum, any Councilmember shall adjourn such meeting or, if no Councilmember is present, the City Clerk shall adjourn the meeting.

Comment [SF4]: GC 36810. Consider ordinance to compel attendance of absent members.

Minutes: The minutes of City Council meetings shall be prepared by the City Clerk and shall be maintained in a book as a record of each particular type of business transacted. The City

Clerk shall be required to make a record only of such business as was actually passed upon by a vote of City Council and shall not be required to record any remarks of Councilmembers or of any other person except at the special request of a Councilmember. If provided, the City Clerk shall record the name of any person addressing City Council or submitting a written speaker card. As soon as possible after each City Council meeting, the City Clerk shall cause a copy of the minutes thereof to be forwarded to each Councilmember and the City Manager. Unless the reading of the minutes of a City Council meeting is requested by a Councilmember, such minutes may be approved without reading, if the City Clerk has previously furnished each Councilmember with a copy thereof. Any Councilmember, upon request, shall have entered in the minutes the right to have personal reasons for support for, dissent from, or protest against, any action of City Council.

Meeting Schedule

By Ordinance No. [2,368,949](#) the City Council has established their regular meeting calendar, which provides that unless otherwise approved by City Council action, the Council shall conduct regular meetings in the Council Chambers, at 305 West Third Street on the first ~~four~~ and third Tuesdays of every month. Regular meetings begin no earlier than 4:30 p.m. Closed sessions are generally held, as needed, at the beginning of the regular meeting.

No Council meeting will typically be held in the event that a regular meeting of the Council falls on a legal holiday or in the same week of a legal holiday. Other meetings throughout the year may be cancelled. The Mayor and Councilmembers should inform the City Manager's secretary as soon as possible if they intend to be out of town on a set meeting date.

Special Meetings

Special meetings may be called by the Mayor or a majority of the City Council in compliance with the Brown Act, which is discussed in more detail later in this Chapter. Written notice must be given to the public, and to the media requesting such notice at least, twenty-four (24) hours prior to a special meeting. No business other than that officially noticed may be discussed. The Mayor or City Council may call a special meeting to discuss goals and priorities for the upcoming year.

Development of Agenda

A copy of the agenda for regular meetings is transmitted to the Council on the Thursday prior to the scheduled meeting. All agenda materials are available during normal business hours, after 6:00 p.m. on the Thursday before the Tuesday Council meeting, or on Monday when offices are closed on Friday at the Main Branch of the Public Library and after 8:00 a.m. on Friday in the Office of the City Clerk. Website posting of the agenda concurs with the Council calendar. The City Council and staff shall explore a two-week agenda process to allow for discussion and posting of future agenda items and shall consider that all material presented at a Council meeting (i.e., handouts, PowerPoints) should be made publicly available at least 24 hours prior to the meeting.

Comment [SF5]: Update to summarize Sunshine Ordinance (No. 2948; OCC 2-220 to 2-232).

Placing Items on Agenda

Inclusion of Item on Future Agenda by City Council:

The intent of this policy is to provide an orderly means through which an individual Council Member can raise an issue for discussion and possible City Council direction or action. The

policy described below is a two-step process. The first step is to enable any Council Member to place a matter in front of the City Council. The second step is to enable the City Council to determine whether staff time should be spent on the issue.

Part 1: Council Members wishing to have a matter discussed by the City Council may do so by one of two means:

1. During a Council meeting, under “Council Items,” any Council Member may request that a matter be placed on a future agenda for discussion.
2. In advance of a Council meeting, any Councilmember may contact the City Manager or his/her designee, via telephone, email, or in person and convey the desired title of the agenda item. The desired title must be conveyed before 12:00 p.m. on the Wednesday prior to the Council meeting date. This will give the City Clerk’s Office time on the following Thursday to finalize the agenda and post it within the required timeframe. Requests received after this deadline shall be placed on the agenda for the following regularly-scheduled meeting. The item will then be added under the “Council Items” section of the agenda in the order it was received for discussion only, at a future City Council meeting.

Staff will not spend time preparing any reports or analyses on the requested item. The only staff assistance provided at this initial stage would be to help the Council Member frame the issue, if needed, so that the Council and public clearly understand the request.

Part 2: Consideration of the Council Member’s Request: Staff will present (using a template staff report) for Council consideration whether or not to spend additional staff resources on agendaizing an item for future Council discussion. When the item is called at the Council meeting, the Council Member who made the request will describe the item. The Council discussion will be limited to determining whether staff time and City resources should be spent researching the particular agenda item and whether to direct staff to conduct further analysis on the item. Council will not take action on the item itself.

Concurrence that staff time and City resources will be devoted to the item does not signify approval of the item. It only indicates that the Council wishes to have it studied further. Additionally, the Council may, at any time, decide to drop the matter, even after the matter has been analyzed by staff.

Upon the concurrence of a majority of the Council that the item should be researched and agendaized, the City Manager will determine when to place the item on a future agenda based on time necessary to complete the research and staff workload considerations and the effect on City Council established priorities.

Emergency and Non-Agendaized items: Emergency and non-agendaized items may be added to an agenda only in accordance with state law. Emergency items are only those matters affecting public health or safety such as work stoppages, disasters and other severe emergencies. Adding an emergency item requires a majority vote. Emergency items are very rare. More likely, after the agenda has been posted an item arises that the Council would like to act on. Non-agendaized items may be added to the agenda only if the Council makes findings that (1) the need to consider the item if it arose after the posting of the agenda, and; (2) there is a need to take immediate action at this meeting of the City Council. These findings must be approved by a ~~four-fifths~~ two-thirds vote of members present; if less than five members of Council are present, the findings require a unanimous vote of those present.

Notification and Advertising

The City will continue to publicize matters of significant neighborhood or community public interest that appear on a City Council agenda, as well as all matters where advertising is required by law.

Order of Business

At every meeting, the order of business shall be discussed and acted upon in substantially the following manner, provided that the presiding officer may alter the order of business with City Council concurrence.

- Roll call/posting of agenda
- Public comments on closed session items
- Closed session
- Opening ceremonies / Pledge of Allegiance
- Ceremonial calendar
- Public comments on matters not on the agenda and within the subject matter jurisdiction of City Council
- Review of information/consent agenda
- Public comments on information/consent agenda
- Information/consent agenda
- Public hearings to commence at 6:15 p.m.
- Appointment items
- Reports
- City Manager's report
- City Council business/committee reports
- Public comments on each report before City Council consideration
- Public comments on study session items
- Study session
- Adjournment

Roll Call: Before proceeding with the business of City Council, the City Clerk shall enter in the minutes the names of all Councilmembers present.

Ceremonial Calendar: Ceremonial items shall be **limited to one item per meeting**, not to exceed five minutes, unless additional time is granted by the presiding officer.

Public Comment: Public comments shall be received at several times during each meeting for particular portions of the agenda as specified above. Comments on agenda items are not heard until the particular item is called. Unless otherwise approved by City Council action, public comments relating to the subject matter of discretionary public hearings or public hearings required by law, shall be presented only at the time of the conduct of the hearing. Individuals desiring to speak are to address the Council from the speaker podium. Speaker cards should be filled out and given to the City Clerk prior to public comment, although persons who wish to speak are not required to provide their names or addresses.

A block of thirty (30) minutes time is set aside at the beginning of a regular meeting to receive general public comment about issues not on the agenda. Public comments not heard

during this thirty-minute period will be heard just prior to adjournment. Speaker cards will not be accepted after the beginning of the general public comment period in order to allow for fair allocation of time amongst the known speakers. If the time required to complete general public comments exceeds 30 minutes, any public comments thereafter shall occur immediately prior to the adjournment of the meeting. If during public comment, a person expresses a concern regarding City Council staff or service, City Council may refer the nature of the concern to staff for investigation, resolution or a report.

Comments should focus on a specific matter within the Council's jurisdiction. Members of the public are encouraged to present written comments, preferably in advance of the meeting, as a way to fully communicate their thoughts on agenda items or non-agenda items. When written materials are presented, they should be submitted to the City Clerk for distribution and record keeping ahead of time.

Videos, PowerPoint or similar presentations during public comment ordinarily are not permitted. Prior notice and coordination with the City Clerk is strongly encouraged and the Mayor reserves the privilege to limit such requests as necessary for the effective conduct of the meeting.

Public comment on regular business items normally follows staff's presentation of the staff report, clarifying questions from Councilmembers and applicant comments as necessary and appropriate. Speaker cards should be filled out and given to the City Clerk prior to public comment.

Unless additional time is granted by the presiding officer, each person shall limit public comments to three minutes on any agenda item at a meeting with a cumulative total of ten minutes for all agenda items at such meeting, provided that such ten minute limit shall be voluntary. The presiding officer may grant a representative of a large speaker group additional time (up to ten minutes) to speak for the group on any agenda item.

A person wishing to address City Council shall first be recognized by the presiding officer. Each person shall address all remarks to City Council as a body, not to any member thereof and not to staff. No person, other than a Councilmember and the person having the floor, shall be permitted to enter into any discussion without recognition by the presiding officer.

Information/Consent Agenda: The information/consent agenda shall consist of routine items for which staff contemplates no discussion by City Council. Information/consent agenda items shall be supported by such written reports and information as the City Manager deems necessary to apprise City Council of the action required and to enable City Council to make a decision in the best interests of the City. An information/consent agenda item may be removed for discussion at the request of a Councilmember. A removed information/consent agenda item will be considered after City Council acts upon the remainder of the information/consent agenda.

Appointment Items: The City Council may schedule items for a specific time to accommodate presentations on selected matters.

Special Presentations: Special presentations may be conducted at any City Council meeting at City Council's discretion.

Public Hearings: Public hearings are scheduled to comply with State law or at the discretion of the City Council to discuss a matter of special community interest. Unless

otherwise approved by the City Council, public hearings shall be scheduled to commence at 6:15 p.m. Any person directly involved in the subject matter of a public hearing, such as an applicant, developer, representative of affected homeowners association, property owner or neighborhood council may speak for any length of time at the discretion of the presiding officer.

Reports: A report shall consist of an item contemplated by staff to require a written or oral report and on which the City Council will discuss and deliberate on a course of action, including an item appearing on the agenda under City Manager's Report. Unless additional time is granted by the presiding officer or has been previously approved by the City Manager, staff reports shall be limited to ten minutes.

Study Session: The City Council may conduct a study session on subjects and issues as appropriate at any meeting. Such a study session shall be open to the public and shall be devoted to the gathering of information preliminary to consideration of the subject matter at a future regular or special meeting, or for the City Council to discuss various issues and programs with the City Manager and staff. The City Council shall not formally act upon any matter during a study session.

City Council Business/Committee Reports: City Council business items shall be limited three minutes per Councilmember, unless additional time is granted by the presiding officer. City Council committee reports shall be limited to three minutes per Councilmember, unless additional time is granted by the presiding officer.

Adjournment: No new items on the agenda for a City Council meeting shall be considered after 10:00 p.m., and the meeting shall be adjourned upon conclusion of the item under consideration at 10:00 p.m., provided that the City Council may consider a new item after 10:00 p.m. if the City Council determines by a ~~four-fifths~~two-thirds vote of the members present that there exist exigent or extraordinary circumstances which require that an item be considered after 10:00 p.m.

Discussion Rules

To assist the City Council in the orderly discussion of items, rules are followed which represent accepted practices for the management of Council meetings.

1. **Obtaining the Floor:** A member of the City Council or staff shall first address the presiding officer to gain recognition. Comments and questions should be directed through the presiding officer and limited to the issue before the Council. Cross-exchange between Councilmembers and public should be avoided.
2. **Questions to Staff:** A Councilmember shall, after recognition by the presiding officer, address questions to the City Manager, City Attorney, department head or designated staff member. If a Councilmember has questions on an agenda item, that member should preferably contact the City Manager prior to the meeting in order to allow the City Manager to direct staff with enough time to research a response for the meeting.
3. **Interruptions:**
 - a. Once recognized, a Councilmember is considered to have the floor, and another Councilmember may not interrupt the speaker except to make a point of order or point of personal privilege, or as otherwise permitted in the Rules of Order. In such a

circumstance, the Councilmember holding the floor shall cease speaking until the ~~point of order or privilege~~issue raised is resolved.

- b. Upon being recognized by the Chair, members of the staff shall hold the floor until completion of their remarks or until recognition is withdrawn by the Chair.
4. **Discussion:** A Councilmember should not speak more than once on a particular subject until every other Councilmember has had the opportunity to speak, and shall be limited to speaking twice during discussion on an agenda item unless additional time is granted by the presiding officer. Councilmembers are encouraged to discuss items during the decision-making process and may ask staff to respond when appropriate. The Mayor normally allows other members to speak first, then will give his/her views and summarize. If a Councilmember desires to use a PowerPoint presentation or similar visual aid during a meeting, the Councilmember shall provide the City Clerk with a copy of the material to be used prior to the commencement of the meeting at which it will be used.
5. **Tabling Procedure:** Tabling an item immediately stops discussion and causes a vote to postpone a matter indefinitely or to a time and date certain. A motion to “continue” an agenda item has the same effect, but is generally used when a scheduling problem arises or when insufficient time is available to address the matter thoroughly.
6. **Right of Protest:** A Councilmember is not required to state reasons for a dissenting vote.
7. **Calling for the Question:** The purpose of calling for the question is to disallow further debate and put an issue to an immediate vote. Once recognized by the presiding officer, a Councilmember may move to “call for the question” on an item which is being considered. The motion requires a second, is not debatable, and must pass by a ~~four-~~fifth~~two-thirds~~ vote. If the motion carries, the item is no longer debatable and the City Council must vote on it.

Voting Procedures

When present, all Councilmembers are to vote unless prohibited by law or conflict of interest. Unless a Councilmember states an intention not to vote, the City Clerk shall record silence as an affirmative vote.

A conflict of interest shall be declared whenever appropriate and in compliance with State law. The affected Councilmember will step down from the dais and leave the Chambers as required by State law.

As required by the Brown Act, a roll call vote will be taken and recorded for every action taken and such roll call vote shall be entered in the minutes of the City Council showing those Councilmembers voting aye, those voting no and those not voting or absent. When taking such a roll call vote, the City Clerk shall call the names of the Councilmembers, alternating the order.

Tie Vote: A motion fails on a tie vote. The presiding officer may publicly explain the effect of the tie vote for the audience or may direct the City Attorney to do so.

Motions: There are a number of types of motions, each of which must meet certain requirements before a vote can be taken. Enactment of an ordinance, adoption of a resolution, as well as approval of a motion or order involving a payment of money requires the affirmative vote of ~~three~~ four Councilmembers. Other motions or actions s require a vote in favor of the action or motion by a majority of a quorum of Councilmembers present, unless otherwise specified by State law.

Reconsideration: Reconsideration of an item shall be allowed in accordance with the following Council guidelines. A member of the prevailing majority when the previous vote was taken must make a motion for reconsideration. The City Council has determined that any motion for reconsideration should be made at the meeting ~~immediately following that~~ at which the action was taken. No motion for reconsideration will be entertained after this time unless the City Council determines significant new information has arisen which warrants such action and the reconsideration can be properly agendized.

Other Guidelines

Other guidelines have been developed to ensure that meetings of the Council are conducted in a civil and professional manner. Councilmembers and staff shall:

1. Work to preserve appropriate order and decorum during all meetings.
2. Discourage side conversations, disruptions, interruptions or delaying efforts.
3. Inform the presiding officer before departing from a meeting.
4. Limit disruptive behavior. The presiding officer will call persons demonstrating rude, boisterous, or profane behavior to order. If such conduct continues, the presiding officer may call a recess, request the removal of such person(s) from the Council Chambers, adjourn the meeting, or take other appropriate action. The Council has a policy to discourage applause, booing or other similar behaviors from the public during meetings.
5. Recognize that only the City Council, staff, advisory body chairs or designated representatives, and those authorized by the presiding officer shall be permitted to sit at the Council dais or staff tables. No persons s except City officials, their representatives and representatives of news-gathering agencies shall be permitted to approach the City Council without the consent of a majority of the City Council.
6. Limit breaks of the City Council to 5-10 minutes. The Mayor will resume the meeting if a quorum exists and other members have not returned from the break within the announced time period.
7. Impose time limits on speakers. While the City Council encourages and embraces the need for and right of public participation, it acknowledges that public comments must, at times, be limited. The Mayor, as presiding officer, may poll the audience for an indication of the number of people wishing to speak on a particular item, and to impose time limits per speaker. Typically, speakers are limited to three minutes but a shorter time limit may be established as deemed necessary; however, project applicants, developers of a project under consideration, representatives of affected homeowners associations, neighborhood councils or similar groups may, at the discretion of the presiding officer be granted a longer time period for comment. After the time limit, Council may ask questions of the speaker for clarification, if needed. Each speaker will be thanked for his or her participation.

8. Meetings outside the City of a majority of City Council, even if permissible under the Brown Act, are discouraged, so as to maximize public participation.

Values of Respect: The City Council has also recognized the importance of approaching the public's business in an environment of personal respect and courtesy, which emphasizes the consideration of policy and avoids personalization of comments. Some guidelines utilized by the City Council include:

1. Discussion should focus on policy matters.
2. Personal criticism of members is inappropriate.
3. Proper decorum should be displayed as other members express their views.
4. Treat members of the public equally, applying rules in a fair and consistent manner.

Enforcement of Order: The Police Chief or designee acts as the Sergeant-At-Arms. Any Councilmember may request the presiding officer to enforce the rules of protocol. Upon motion and majority vote, the presiding officer shall be required to do so.

Open Meeting Laws (the "Brown Act")

Operations and procedures of the City and City Council incorporate requirements of the Ralph M. Brown Act, which is the State's open meeting law (California Government Code Sections 54950 et seq., commonly referred to as the Brown Act). Because this law is such an important part of local government operations, some specific requirements of the law are highlighted below.

Applicability and Penalties: The entire City organization conducts its business in compliance with the Brown Act. The intent of the [Brown Act](#) is to ensure that deliberation and actions of local public agencies are conducted in open and public meetings.

- A. **Applicability:** The [Brown Act](#) applies to Council and all commissions, boards and Council appointed subcommittees (except if comprised entirely of ~~two less than a quorum of~~ Councilmembers for a limited purpose and duration) ~~and task forces~~ that advise Council. Staff cannot promote actions that would violate the [Brown Act](#).
- B. **Meetings:** All meetings shall be open and public. A City Council meeting takes place whenever a quorum (~~3-four~~ or more members) is present and information about ~~the City business of the body~~ is received; discussions qualify as a meeting. Social functions (e.g., receptions, dinners) do not fall under the [Brown Act](#) unless City business is discussed.

Serial meetings, which take place when any member of Council or City staff contact more than ~~two-three~~ Councilmembers for the purpose of deliberating or acting upon an item pending before the City Council, are prohibited. This restriction does not apply to ~~the public or media who may contact Councilmembers~~ individual contacts where the comments or position of Councilmembers are not communicated to a majority of Councilmembers. ~~Correspondence that merely takes a position on an issue is acceptable.~~ Note that the Brown Act applies to City Councilmembers immediately after their election and prior to their swearing-in ceremony.

- C. Agendas: Agendas must be posted in a location freely accessible to the public as well as the City's website, at least 72 hours in advance of a regular meeting and at least 24 hours before a special meeting, and must meet various requirements, such as including a brief general description of each item to be discussed or acted upon by City Council. The time periods set forth in the City's Sunshine Ordinance and described previously for posting agendas exceed the minimum requirements of the Brown Act. The City Council shall adhere to the broader requirements of the Sunshine Ordinance.
- D. Actions: No action can be taken on any item not appearing on the posted agenda.
- Exceptions:* 1) An emergency situation exists (determined by a majority of the Council). 2) The need to take action arose subsequent to the agenda being posted and there is a need for immediate action (determined by two-thirds vote of the Council; or if less than two-thirds are present, by unanimous vote). 3) The item was continued to another meeting that was scheduled and posted within 5 days of the original agenda.
- E. Public Input: The Brown Act contains provisions concerning Public Comment on matters within the City Council's jurisdiction and particular matters on the agenda, summarized elsewhere in this manual. These provisions will be followed by the City Council.
- F. Public Disruptions: A portion or all of the public may be removed if willful disruption makes conducting the meeting "unfeasible"; the press may remain unless they participate in the disruption.
- G. Correspondence: All writings distributed for discussion or consideration at a public meeting are public records.
- H. Emergency Meetings: Emergency meetings may be called without notification due to the disruption or threatened disruption of public facilities. Only work stoppages or crippling disasters that impair the public health and/or safety qualify for emergency meetings.
- I. Other Provisions: The Brown Act provides many other restrictions and requirements; this eChapter is intended merely as a Council summary and overview of the Brown Act, and nothing in this Chapter supersedes the provisions of the Brown Act. Please check with the City Attorney and/or the City Clerk for more information.

Council Communications

Overview

Perhaps the most fundamental role of a Councilmember is communication; communication with the public to assess community opinions and needs, and communication with staff to provide policy direction and to gain an understanding of the implications of various policy alternatives. Because the City Council performs as a body (that is, acting based on the will of the majority as opposed to individuals), it is important that general guidelines be understood when speaking as a Councilmember. Equally important, when members are expressing personal views and not those of the Council, the public should be so advised.

Correspondence from Councilmembers

Members of the City Council may occasionally be called upon to write letters to citizens, businesses or other public agencies. Typically, the City Manager will be charged with transmitting the City's position on policy matters to outside agencies on behalf of the City Council. Correspondence sent on behalf of the Council is placed on official City letterhead and is signed by the Mayor or City Manager. Individual members of Council may prepare letters to constituents in response to inquiries or to provide requested information. Individualized City Councilmember letterhead is available for this purpose, and staff can assist in the preparation of such correspondence. Councilmembers are encouraged to provide copies of any correspondence on City letterhead to ~~every Councilmember and~~ the City Manager.

On occasion, Councilmembers may wish to transmit correspondence on an issue upon which the Council has yet to take a position or about an issue for which the Council has no position. In these circumstances, Councilmembers should use their personalized letterhead and clearly indicate within letters that they are not speaking for the City Council as a whole, but for themselves as one member of Council.

After the City Council has taken a position on an issue, official correspondence should reflect this position. While Councilmembers who may disagree with a position are free to prepare correspondence on such issues as private citizens, City letterhead, official Council title, and staff support should not be utilized in order to avoid confusion. In addition, City letterhead and staff support cannot be utilized for personal or political purposes.

Councilmembers may be asked to prepare letters of recommendation for students and others seeking appointment. Councilmembers may utilize City letterhead and their Council titles, but should indicate that the views expressed are those of the Councilmember (as opposed to the City Council). No review by the full Council is required; however, copies will be kept on file.

Speaking for "the City"

Similar to written correspondence, when Councilmembers are requested to speak to groups or are asked the Council's position on an issue, the response should reflect the position of the

Council as a whole. Of course, a Councilmember may clarify their vote on a matter by stating, for example, “While I voted against X, the City Council voted in support of it.” When representing the City at meetings or other venues, it is important that those in attendance gain an understanding of the City Council’s position rather than that of an individual member.

Local Ballot Measures

At times measures that affect City Council policy may be placed on the ballot. There are restrictions regarding what actions a City Council or individual Councilmembers may take on ballot measures. Guidelines as to what is permissible are available from the City Clerk or City Attorney upon request.

State Legislation, Propositions

~~In 2007, the City~~ The City Council periodically ~~adopted~~ see a Legislative Program to enable the City to respond ~~the to~~ pending state and federal legislation in a proactive manner (the ~~2015-2016-current~~ Legislative Program is included as Appendix B posted on the City’s website). The Mayor (or Mayor Pro Tem in the Mayor’s absence) would be authorized to sign correspondence expressing the City Council’s position on legislation consistent with the Legislative Program and/or other positions approved by the City Council.

Staff maintains direct and consistent contact with contracted state and federal lobbyists and monitors the League of California Cities’ ~~Priority Focus~~, Association of California Water Agencies and other sources to identify pending legislation that may impact the City. Letters expressing the City’s position will be drafted for the Mayor’s signature, with copies distributed to each Councilmember. Pending legislation not addressed by the Legislative Program, or staff recommendations that deviate from the Legislative Program, would be agendaized for City Council consideration.

Interaction with City Staff

Overview

City Council policy is implemented on a daily basis through staff. Therefore, it is critical that the relationship between Council and staff be well understood by all parties so that policies and programs may be implemented successfully. The City of Oxnard has a long tradition of positive relationships between members of the City Council and staff. To maintain these effective relationships it is important that roles are clearly recognized.

Council-Manager Form of Government

Like most California cities, Oxnard has adopted a City Council-City Manager form of government. The Council appoints a City Manager to implement policy, enforce its laws, to direct the daily operations of city government, and to prepare and monitor the municipal budget. The City Code specifies roles and responsibilities and requires that Councilmembers work through the City Manager in dealing with City staff unless simply requesting information from department heads or other staff members. The City Manager is responsible to the City Council as a body rather than to individual Councilmembers.

Council-Manager Relationship

The employment relationship between the City Council and City Manager reflects the fact that the City Manager is the chief executive officer of the City. The City Manager has an employment agreement with the City Council. Regular communication between the City Council and City Manager is important in maintaining effective interpersonal relations. All dealings with the City Manager, whether in public or private, should be consistent with the authority of the City Manager in administrative and personnel matters. Councilmembers should avoid situations that can result in City staff being directed, intentionally or unintentionally, by one or more members of the City Council. Further, Councilmembers should avoid involving themselves in matters regarding individual City employees or related affairs.

The City Council evaluates the City Manager's performance annually to ensure that both the City Council and City Manager are in agreement about organizational performance and priority goals that are based on mutual trust and common objectives **which are put forth in the mandatory annual strategic summit.**

As in any professional relationship, it is important that the City Manager keep the City Council informed. The City Manager respects that the final responsibility for establishing the policy direction of the City is held by the City Council. The City Manager communicates with City Council in various ways. In addition to the formal Council meetings, there are periodic briefing meetings with individual Councilmembers and written memoranda and email. Communication must be undertaken in such a way that all Councilmembers are treated similarly and kept equally informed and provided with updates on significant fiscal matters, major projects, or other critical issues. It is also important that the Council provide ongoing feedback, information and perceptions to the City Manager including responses to written communications and surveys requesting feedback.

City Manager Code of Ethics

The City Manager is subject to a professional code of ethics that binds the City Manager to certain practices that are designed to ensure his or her actions are in support of the City's best interests. Violations of such standards can result in censure. Appendix A is a copy of the City Manager's Code of Ethics.

City Council-City Attorney Relationship

The City Attorney is the legal advisor for the Council, City Manager and departments. The general legal responsibilities of the City Attorney are to: 1) provide legal assistance necessary for formulation and implementation of legislative policies and projects; 2) represent the City's interest, as determined by the City Council, in litigation, administrative hearings, negotiations and similar proceedings; 3) prepare ordinances, resolutions, contracts and other legal documents to best reflect and implement the purposes for which they are prepared; and 4) keep City Council and staff apprised of court rulings and legislation affecting the City's legal interests. It is important to note that the City Attorney does not represent individual members of Council, but the City Council as a whole.

Roles and Information Flow

Objectives: It is the intent of staff to ensure Councilmembers have free and easy access to information from the City and to ensure that such information is communicated completely, with candor and without bias. Individual Councilmembers may not intervene in staff decision-making, the development of staff recommendations, scheduling of work, or executing department priorities without the prior knowledge and approval of the City Council as a whole. This is necessary to protect staff from undue influence and pressure from individual Councilmembers, and to allow staff to execute the priorities given by management and the Council as a whole without fear of reprisal. Undue influence exercised by Councilmembers may result in censure.

Council roles: The full City Council retains power to accept, reject, amend, influence, or otherwise guide and direct staff actions, decisions, recommendations, service levels, work-loads and schedules, departmental priorities, and the performance of City business. If a Councilmember wishes to influence the actions, decisions, recommendations, workloads, work schedule, and priorities of staff, that member must prevail upon the Council in accordance with the Brown Act, preferably in open session, to do so as a matter of Council business.

Should a Councilmember become dissatisfied about a department, he/she should always talk it over with the City Manager and/or the Assistant City Manager, not the department head. Concerns about a department head must be taken to the City Manager only.

To assist the City Manager in his/her ability to monitor the flow of information, requests for information are best tracked if submitted in writing, either in memorandum form or through email. And to ensure proper responsiveness, Councilmembers are asked to "cc" both the department head and the City Manager on all correspondence with staff.

Staff roles: The Council recognizes the primary functions of staff as serving the community, executing Council policy and actions and keeping the Council informed. Staff is obligated to take guidance and direction only from the Council as a whole or from the appropriate

management supervisors. Staff is directed to report to the City Manager any attempts by individual members of the Council to unduly direct or otherwise pressure them into making, changing or otherwise influencing recommendations.

City staff will make every effort to respond in a timely and professional manner to all requests made by individual Councilmembers for information or assistance; provided that, in the judgment of the City Manager, the request is not of a magnitude, either in terms of workload or policy, which would require that it would be more appropriately assigned to staff through the direction of the full City Council. If a request by an individual Councilmember is determined by the City Manager to take one hour or more of staff time to complete, that request may be included on the formal Council agenda for full Council discussion.

Dissemination of Information

In cases where a staff response to an individual Councilmember request involves written materials that may be of interest to other Councilmembers, the City Manager will provide copies of the material to all other Councilmembers. In making this judgment, the City Manager will consider whether the information is significant, new, otherwise not available to the Council or of interest to the Council.

Staff Relationship with Advisory Bodies

Staff support and assistance is typically provided to commissions and task forces. However, advisory bodies do not have authority over City employees. While staff may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and ultimately the City Manager and City Council. The members of the commission/ board/committee are responsible for the functions of the advisory body, and the chairperson is responsible for committee compliance with City policies and practices.

Staff support often includes preparation of an agenda and its posting in compliance with the Brown Act. Staff may also prepare reports providing background on the issue, alternatives, a recommendation, and appropriate backup materials, if necessary. Advisory body members should have sufficient information to reach decisions based upon a clear explanation of the issues. The assigned staff person may serve as secretary, taking minutes as needed. Staff members are to assist the advisory body chair to ensure appropriate compliance with state and local laws and regulations.

It is important that advisory bodies wishing to communicate recommendations to the City Council do so through approved Council agenda procedures. In addition, if a commission wishes to correspond with an outside agency, that correspondence will be prepared by staff for review by the City Manager and possible approval by the City Council. Individuals who would like staff to perform research or for the commission to review a particular issue must gain the approval for such a request from the full City Council before any work is planned or done.

Support Provided to City Council

Staff Support

General administrative support to members of the City Council is provided through the City Manager's Office. Secretarial services including scheduling of appointments, receipt of telephone messages, and word processing are available as needed. Sensitivity to the workload of support staff members in the City Manager's Office is appreciated. Should requested tasks require significant time commitments, prior consultation with the City Manager is requested.

Office Equipment

To enhance Councilmembers' ability to communicate with staff and the public, the City Council office is equipped with a computer and telephones with voicemail. The Council can also receive and send faxes.

Councilmembers may be connected from their home to the City's computer network. Information Services staff will provide initial assistance in setting up necessary software and hardware. While staff will maintain those computer applications related to City affairs, staff cannot provide assistance for personal computer applications. When individual Councilmembers have completed their term of office, any installed software and ~~external modems~~ [City equipment](#) must be returned to the City.

These technologies facilitate efficient communication by Councilmembers. However, their use also raises important legal issues to which Councilmembers must pay special attention. First, the Brown Act prohibits members from using "technological devices" to develop a concurrence by a majority regarding an action to be taken by the Council. "Technological devices" under the Brown Act include phones, faxes, computer email, public access cable TV and video. Councilmembers should not use e-mail, faxes or phones for communicating with other Councilmembers in order to develop a majority position on any particular issue that may come before the full Council.

Second, be aware that most emails sent by Councilmembers probably are public records under the Public Records Act. Even though it does not create paper, sending email is more similar to mailing a letter than placing a telephone call. The information in the email is stored on the computer network until deleted, and may continue to exist on the network's back-up systems even after being deleted. As a result, emails can become records of the City maintained in the course of business, and thus available for public disclosure under the Public Records Act.

Finally, the City's email system is intended for the conduct of official business, and not for personal or political reasons. See Chapter 7 for a detailed discussion on the prohibition against using City property and funds for personal or political purposes.

Meeting Rooms

Conference rooms are available in the City Manager's Office for shared use by members of the City Council. Councilmembers can also reserve larger meeting space for use by contacting the City Manager's Office staff.

Mail, Deliveries

Members of the City Council receive a large volume of mail and other materials from the public, private interests and staff. The City Manager's Office staff maintains a mailbox for each member. Meeting agenda materials are available for pick up Thursday evenings at 5:30 p.m. and are posted on the City's website. Members are encouraged to return unwanted reports and documents to staff for distribution to the public or for recycling.

Financial Matters

Council Compensation

State law and the City Code provide for modest compensation to members of the City Council. State law limits an increase in City Council salaries to 5 percent per year, effective only following the next election after adoption. Currently, Councilmembers receive a monthly stipend. Councilmembers are also eligible for participation in group insurance benefits including retirement, medical, dental, vision, and life insurance plans available at the level provided to management employees.

Expenditure Allowance

The annual City budget includes limited funding for members to undertake official City business. Eligible expenses include travel for attendance at conferences or educational seminars, and the purchase of publications and annual subscriptions. Donations to organizations are not eligible nor are meals for individuals other than Councilmembers.

Expenditure Guidelines

It is important to note that any expense must be related to City affairs. Public property and funds may not be used for any private or personal purpose. Courts have ruled that this prohibition includes personal political purposes. For example, reimbursement could not be allowed to pay for meals at a meeting designed to discuss political or campaign strategies. It is also inappropriate for City funds to pay for a meal or other expenses of a private citizen.

City budgetary practices and accounting controls apply to expenditures within the City Council budget. Reimbursement requests should be made through the City Manager's Office monthly with receipts. Expenditure records are public information.

Conflicts & Liability

Conflict of Interest

State laws are in place to prevent an action by a Councilmember that would or may constitute a conflict of interest. The purpose of such laws and regulations is to ensure that all actions are taken in the public interest. At any time a Councilmember believes a potential for conflict of interest exists, he/she is encouraged to consult with the City Attorney or private legal counsel for advice. Staff may also request an opinion from the City Attorney regarding a member's potential conflict. Laws that regulate conflicts are very complicated. Violations may result in significant penalties including criminal prosecution.

There are two primary laws that govern conflicts of interest for public officials in California: the Political Reform Act and Government Code section 1090. In general terms, the Political Reform Act prohibits a public official from having a financial interest in a decision before the official; section 1090 prohibits a public official from having a financial interest in government contracts.

The Political Reform Act prohibits public officials from making, participating in, or in any way attempting to use their official position to influence a governmental decision in which they know, or have reason to know, that they have a financial interest. Therefore, if a public official has a conflict of interest, the official must disqualify himself or herself from acting on or participating in the decision before the City. ~~Once a year Councilmembers and certain staff are required to file statements of economic interests.~~

Government Code section 1090 is similar to the Political Reform Act, but applies only to City contracts in which a public official has a financial interest. The financial interests covered by section 1090 are different from those in the Political Reform Act. A Councilmember having an interest in a contract may preclude the City from entering into the contract at all. In addition, the penalties for violating section 1090 are severe. If a Councilmember believes that he or she may have any financial interest in a contract that will be before the Council, the Councilmember should immediately seek advice from the City Attorney or the Councilmember's personal attorney.

There are a number of other restrictions placed on Council actions that are highlighted in the League of California Cities' *Guide*. Such restrictions include prohibitions on secrecy and discrimination as well as assurance that all city funds are spent for public purposes. Violations of these restrictions may result in personal liability for individual Councilmembers.

City Attorney Advice

The City Attorney has an affirmative duty to protect the City and City Council from conflicts of interest wherever possible. It is critical to note that while the City Attorney can render advice on the interpretation of State laws and regulations on conflict matters, such advice is solely an interpretation of the law. The only authority that can provide binding interpretations on such matters is the State Fair Political Practices Commission (FPPC). Councilmembers or the full Council may also solicit opinions on such matters directly from the FPPC; however, such opinions often take time to develop and may not readily respond to urgent matters. It is

important to note that the City Attorney does not represent individual members of Council, but the City Council as a whole.

Conflict of Interest Forms

Annual disclosure statements are required of all Councilmembers, designated commissioners and senior staff which indicate potential conflicts of interest including sources of income, ownership of property and receipt of loans and gifts. Councilmembers and the City Manager often serve on the governing board of other agencies as a result of their positions. These agencies also require submittal of disclosure forms. ~~These forms require information including income, loans, receipt of gifts, and interest in real property among other items.~~

Liability

The City is a large institution offering a variety of services and may occasionally find itself subject to legal actions through lawsuits. For example, those involved in automobile accidents sometimes choose to take actions against the City since the accident occurred on a City roadway. The City must always approach its responsibilities in a manner that reduces risk to all involved; however, with such a wide variety of high-profile services all risk cannot be eliminated. The City belongs to ~~an agency~~ joint powers authority with other governments to manage insurance and risk activities.

It is important to note that violations of certain laws and regulations by individual members of the City Council may result in that member's being personally liable for damages which would not be covered by the City's insurance. Examples may include discrimination, harassment or fraud.

Additional Training & Resource Materials

League of California Cities

The League is an association of virtually all cities in California. It provides many services including the production of educational conferences for local officials, publication of various newsletters and the monthly magazine *Western City*. The League has lobbyists on staff to represent the interest of cities before the state legislature and federal government and supports committees having local officials as members that are organized to address issues as they arise. The League's website at www.cacities.org provides a variety resources for public officials. The City of Oxnard participates in League activities through the Channel Counties Division.

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Local Government Commission

The Commission is a California-based organization that focuses largely on planning and resource conservation issues. It conducts workshops, offers periodic seminars, and publishes newsletters. See its website for more information: <http://www.lgc.org/>.

International City/County Management Association (ICMA)

ICMA is a professional association of local government chief executives/city managers. The association has an extensive list of publications to assist local officials that can be found at its website: <http://icma.org>.

Other Resources for Reference Material

Open Government (including *Open & Public IV: A Guide to the Ralph M. Brown Act, 2nd edition (Revised July 2010)*) <http://www.cacities.org/Resources/Open-Government>

Institute for Local Government: <http://www.ca-ilg.org/>

Elections information: <http://recorder.countyofventura.org/elections/>

Political Reform Act: <https://oag.ca.gov/conflict-interest>

Fair Political Practices Commission: <http://www.fppc.ca.gov/>

City of Oxnard City Code: http://www.amlegal.com/codes/client/oxnard_ca/

California Legislative Information: <http://leginfo.legislature.ca.gov>

APPENDIX A

International City/County Management Association (ICMA) Code of Ethics

The mission of ICMA is to create excellence in local governance by developing and fostering professional local government management worldwide. To further this mission, certain principles, as enforced by the Rules of Procedure, shall govern the conduct of every member of ICMA, who shall:

Tenet 1

Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective.

Tenet 2

Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward local government affairs and a deep sense of social responsibility as a trusted public servant.

Tenet 3

Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.

Tenet 4

Recognize that the chief function of local government at all times is to serve the best interests of all of the people.

Tenet 5

Submit policy proposals to elected officials; provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals; and uphold and implement local government policies adopted by elected officials.

Tenet 6

Recognize that elected representatives of the people are entitled to the credit for the establishment of local government policies; responsibility for policy execution rests with the members.

Tenet 7

Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.

Tenet 8

Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.

Tenet 9

Keep the community informed on local government affairs; encourage communication between the citizens and all local government officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.

Tenet 10

Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.

Tenet 11

Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's decisions, pertaining to appointments, pay adjustments, promotions, and discipline.

Tenet 12

Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.