

CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: March 4, 2025

=====

To: Honorable Mayor and City Councilmembers
From: Councilmember Carter
Subject: Consideration of Establishing a Public Oversight Committee for Measure U and Utility Rates

=====

RECOMMENDATION:

That the City Council Consider Approval of Establishing a Public Oversight Committee for Measure U and Utility Rates and direct staff to develop a formal resolution and bylaws establishing the oversight committee based on the framework outlined below, incorporating specific operational parameters that protect staff resources and comply with applicable law. It is further recommended that Councilmember Carter work with City staff on recommendations and return to a future City Council meeting.

=====

SUMMARY:

The City of Sebastopol has recently implemented Measure U and approved water and sewer rate increases to maintain essential services and infrastructure. To enhance public trust and ensure effective stewardship of these funds, this agenda items outlines the rationale and framework for establishing a public oversight committee.

BACKGROUND AND DISCUSSION:

REGIONAL BEST PRACTICES Several local jurisdictions have implemented successful oversight models that we can learn from:

- Santa Rosa's Measure O Committee demonstrates how effective oversight can be achieved through quarterly meetings and standardized reporting templates, reducing staff burden while maintaining transparency.

COUNCILMEMBER REQUEST:

There are multiple rationale and benefits from creation of a committee:

1. Enhanced Transparency and Public Trust. The establishment of an oversight committee creates a dedicated forum for detailed review of revenue allocation and expenditures, demonstrating our commitment to fiscal responsibility. This approach has proven successful in maintaining public trust in other jurisdictions, such as the City of Santa Rosa's Measure O Oversight Committee and the City of Petaluma's Measure U Committee.
2. Recognition of Measure U's General Tax Status. Measure U is a general tax, which means the proceeds may be spent on any lawful purpose. However, the City Council has previously adopted a spending plan (which the Council may change at any time). The committee's structure has been carefully designed to recognize Measure U's status as a general tax while providing meaningful oversight. Similar to San Rafael's successful model, the committee will serve in an advisory capacity, reviewing expenditure reports and providing recommendations without directing specific allocations, thus preserving the Council's legislative authority.
3. Operational Efficiency. Drawing from best practices in Sonoma County, the committee will operate with clear parameters that:
 - o Limit meetings to semi annual for measure U and annual to public utility reviews, aligning with budget reporting cycles but not interfering or causing delay,
 - o Set expectations for citizen input as an oversight committee. Oversight Committees are backward looking, reviewing how the funds are expended by the City.

- Utilize existing financial reports to minimize additional staff workload
- Minimize staff time by integrating audit preparation into routine financial processes.
- Focus on high-level revenue tracking and general fund impacts
- Maintain a manageable scope that complements existing budget processes

To ensure success, the committee should:

- Meet Semi Annually for Measure U and annually for Enterprise Fund oversight, scheduled around regular budget reporting cycles, but not to interfere
- Utilize existing financial reports and documentation
- Consist of 3 citizen members with relevant expertise with council and relevant staff
- Focus on reviewing expenditure patterns rather than individual spending decisions
- Produce annual reports coinciding with the city's budget cycle
- Hold meetings separate from Council sessions to allow for detailed discussion

A well-structured oversight committee will enhance public confidence in the City's financial management while maintaining operational efficiency. By learning from regional best practices and establishing clear parameters, we can create a sustainable model that serves both the public interest and practical administrative needs.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date. The City has also used social media to promote and advertise the City Council Meeting Agenda Items.

FISCAL IMPACT: Approval of this item will result in staff and City Attorney time to prepare the bylaws and resolution to establish the proposed oversight committee. Operation of the oversight committee will require ongoing staff time. The amount of staff time is unknown and difficult to estimate.

RESTATED RECOMMENDATION:

That the City Council Consider Approval of Establishing a Public Oversight Committee for Measure U and Utility Rate Increases and direct staff to develop a formal resolution and bylaws establishing the oversight committee based on the framework outlined above, incorporating specific operational parameters that protect staff resources and comply with applicable law. It is further recommended that Councilmember Carter work with City staff on recommendations and return to a future City Council meeting.

OPTION:

1. The Council could deny the request to create additional committees; or
2. That the Council could deny the request for creation of additional committees, and authorize the budget committee to make appointment of up to three community members to the budget committee for participation only during discussion of Measure H or Utility Rates; or
3. That the Council could deny the request for creation of additional committees, and authorize appointment of up to three community members to the budget committee utilizing the City's recruitment and appointment process for participation only during discussion of Measure H or Utility Rates

ATTACHMENTS:

Reference Cases:

<https://www.suisun.com/Government/Citizen-Governance/Measure-S-Oversight-Committee>

<https://www.hemetca.gov/807/Measure-U-Citizen-Oversight-Committee>

<https://www.lakewoodcity.org/Government/Commissions-Boards-Committees/Measure-L-Citizens-Oversight-Committee>

<https://www.cityofgrassvalley.com/post/measure-e-oversight-committee>

<https://portal.laserfiche.com/Portal/DocView.aspx?id=81430&repo=r-3f0b2553>

Transparency "Cloud" based financials:

<https://comptroller.texas.gov/economy/fiscal-notes/archive/2023/apr/local-transparency.php>