

# Oxnard Fiscal Transparency and Accountability Act

The people of the City of Oxnard do ordain as follows:

## SECTION 1. Title.

This initiative shall be known and may be cited as the "Oxnard Fiscal Transparency and Accountability Act."

## SECTION 2. Findings and Declarations.

The people of the City of Oxnard ("City") find and declare all of the following:

- a) No one elected official is explicitly accountable to voters for overseeing the city's finances, including a system of internal controls required to safeguard assets, ensure financial statement reliability, promote operational efficiency, and encourage compliance with applicable laws and city council directives;
- b) Much of the city's finances are opaque and infrequently reported to the public, creating an environment of doubt as to whether taxpayer funds are spent wisely and efficiently;
- c) Performance measurements for city departments are not compiled and presented to residents, leaving the public wondering whether city hall is delivering quality, economical and timely services;
- d) Lines of authority between some elected officials and top city staff are muddled, creating a potential conflict where the appointed city manager dictates tasks to be performed by the elected city treasurer.

## SECTION 3. Purposes and Intent.

The people of the City of Oxnard hereby declare their purposes and intent in enacting this measure to be as follows:

- a) To declare the elected city treasurer as the city's chief financial officer and ensure a sufficient number of qualified professionals are in the finance department to carry out required duties;
- b) To charge the elected city treasurer with designing a system of internal controls and overseeing an internal auditor to discourage malfeasance and criminal conduct;
- c) To entrust the elected city treasurer with designing and implementing a robust program of transparency, including monthly financial reports and the online posting of documentation supporting city expenditures;
- d) To task the elected city treasurer with establishing relevant metrics and regularly reporting on the performance of each city department to better ensure that the public is receiving quality, economical and timely services; and
- e) To create clear lines of authority between elected officials and hired city staff, and require that the elected city treasurer publicly report on the level of support and cooperation provided by city staff in assisting the elected city treasurer with fulfilling required duties.

## SECTION 4. Oxnard Fiscal Transparency and Accountability Act.

To implement the Oxnard Fiscal Transparency and Accountability Act, the Initiative amends or adds the following sections of the Oxnard City Code. Type formatted as underlined is added to the Municipal Code; type formatted as ~~strikethrough~~ is deleted from the Municipal Code; unformatted type is existing and not amended by this initiative.

### A. SEC. 2-167 is amended to read as follows:

SEC. 2-167. BOND OF CITY TREASURER AND ASSISTANT CITY TREASURER.

The bond of the city treasurer is set at \$100,000 and assistant city treasurer is set at \$50,000. The bonds shall conform to the provisions of Chapter 3, Division 4, Title 1 of the Cal. Gov't Code. The premium on the bonds shall be paid by the city.

**Commented [AS1]:** Increases bond of City Treasurer from \$50,000 to \$100,000.

**B. SEC. 2-168 is amended to read as follows:**

SEC. 2-168. DUTIES OF CITY TREASURER.

(A) The city treasurer shall perform such statutory duties as are assigned to the city treasurer of a general law city by the laws of the State and confirmed by resolution.

~~(B) The city treasurer shall also perform such administrative duties as assigned by the city manager. The city treasurer shall be the director of finance, and shall perform such statutory duties as are assigned to the director of finance or chief financial officer of a general law city by the laws of the State and confirmed by resolution, or by this code.~~

~~(C) The city manager and the city attorney shall in good faith cooperate with and be responsive to requests for information or administrative services made by the city treasurer in connection with carrying out the duties imposed on the city treasurer in the general law and this code. The city treasurer's reports to the city council shall also convey the extent to which the city manager and the city attorney have supported or hindered the city treasurer's fulfillment of those duties.~~

**Commented [AS2]:** Combines positions of elected City Treasurer and Director of Finance.

**Commented [AS3]:** Requires cooperation by the City Manager and City Attorney.

**C. SEC. 2-175 is amended to read as follows:**

SEC. 2-175. CREATION.

There shall be a finance department, headed by ~~a director of finance~~ the city treasurer who shall supervise such employees as are necessary to carry out the functions and duties of the department. At least one employee of the finance department must possess a valid certificate issued by the California Board of Accountancy pursuant to Chapter 1 (commencing with Section 5000) of Division 3 of the Business and Professions Code, showing that person to be, and a permit authorizing that person to practice as, a certified public accountant.

**Commented [AS4]:** Requires that the Finance Department have at least one state licensed accountant on staff.

**D. SEC. 2-176 is amended to read as follows:**

SEC. 2-176. FINANCIAL AND ACCOUNTING DUTIES.

(A) Pursuant to Cal. Gov't Code Section 37209, the duties imposed on the city clerk by Chapter 4, Part 2, Division 3, Title 4 of the Cal. Gov't Code are transferred to the director of finance.

(B) Pursuant to Cal. Gov't Code Section 40805.5, the financial and accounting duties imposed on the city clerk by Cal. Gov't Code Sections 40802 through 40805 are transferred to the director of finance.

~~(C) Pursuant to Cal. Gov't Code Section 34004, the duties imposed on the city treasurer by Cal. Gov't Code Section 41004 are transferred to the director of finance.~~

**Commented [AS5]:** Because the City Treasurer and Director of Finance positions are combined, the City Treasurer will once again be required to prepare monthly financial statements required by Government Code Section 41004.

(D) The powers and duties of the director of finance include centralizing fiscal and accounting duties; controlling inventory; financial reporting; and ~~assisting in~~ budgeting.

(E) The director of finance shall promote, secure and preserve the financial and property interests of the city.

~~(F) The city manager may assign to the director of finance additional powers and duties not set forth herein.~~

**E. SEC. 2-176.1 is added to read as follows:**

SEC. 2-176.1. INTERNAL CONTROLS.

(A) The director of finance shall design, implement and oversee a system of internal controls to safeguard assets, ensure financial statement reliability, promote operational efficiency, and encourage compliance with applicable laws and city council directives. The city council may establish additional controls by resolution provided they do not undermine the plenary authority of the director of finance.

**Commented [AS6]:** Requires a system of internal controls to safeguard City assets and compliance with laws.

(B) The director of finance shall select and oversee an internal auditor who shall not be an employee of the city. The internal auditor shall be responsible for the following:

(1) Conducting internal control reviews, compliance audits and performance audits requested by the director of finance or the city council.

(2) Administering the city's whistleblower program.

**Commented [AS7]:** Requires City Treasurer to oversee an internal auditor that's independent of the City. Requires audits, including performance audits. Audits can be requested by the City Treasurer or the City. Requires a whistleblower program.

(C) In consultation with the city attorney, the director of finance shall report findings of malfeasance and criminal conduct to the city council and/or law enforcement officials.

**Commented [AS8]:** Requires criminal conduct be reported to authorities, not just swept under the rug.

**F. SEC. 2-176.2 is added to read as follows:**

**SEC. 2-176.2. FINANCIAL TRANSPARENCY.**

(A) The director of finance shall oversee the design and implementation of a financial transparency program that includes, but shall not be limited to, enabling public online review of city expenditures, including supporting invoices, purchase orders, submitted bids, and solicitations for bids and quotes.

**Commented [AS9]:** Requires online posting of invoices, bids and supporting documents.

(B) Each month the director of finance shall submit to the city clerk a financial report and shall file a copy with the city council. The financial report shall include at least the following components:

**Commented [AS10]:** Requires robust financial reporting on a monthly basis.

(1) Itemized statements of estimated monthly and fiscal year-to-date revenues and expenses with comparisons to budgets and historical amounts for significant governmental, proprietary and fiduciary funds.

(2) Itemized statements showing estimated changes in fund balances for significant governmental, proprietary and fiduciary funds.

(3) Itemized schedules presenting in descending order cash receipts and disbursements in excess of \$10,000.

(4) Additional schedules established by city council resolution.

**Commented [AS11]:** Additional reporting can be required by the City Council.

**G. SEC. 2-176.3 is added to read as follows:**

**SEC. 2-176.3. PERFORMANCE MEASUREMENTS.**

(A) For each department the director of finance shall establish performance measurements pertaining to the department's core functions, with no fewer than one performance measurement based on cost, one based on quality and one based on timeliness. The city council may establish additional performance measurements by resolution.

**Commented [AS12]:** Requires City Treasurer to develop performance metrics for each department.

(B) The director of finance shall cause the city's current and historical performance measurements to be published on a centralized location on the city's website in the form of dynamic interactive online dashboards.

**Commented [AS13]:** The city council can require additional performance metrics.

(C) Regularly, at least once each month, the director of finance shall submit to the city clerk a written report on the results of performance measurements, a copy of which shall be filed with the city council.

**Commented [AS14]:** Requires online posting of metrics and historical comparisons.

**Commented [AS15]:** Requires monthly performance reports also be reported to the City Council so that it appears on the agenda.

**H. SEC. 2-177 is repealed:**

**SEC. 2-177. BOND.**

~~The director of finance shall file with the city clerk a bond covering the faithful performance of his/her duties, in the penal sum of not less than \$20,000. The bond shall conform to the provisions of Chapter 3, Division 4, Title 1 of the Cal. Gov't Code. The premium on the bond shall be paid by the city.~~

**I. SEC. 2-179 is amended to read as follows:**

**SEC. 2-179. BUDGET.**

(A) Before the beginning of each fiscal year for which the city council has not adopted a budget, the ~~city manager~~ director of finance shall submit to the city council a proposed operations and capital budget for the following fiscal year or for more than one of the following fiscal years.

**Commented [AS16]:** The City Treasurer will propose the annual budget each year instead of the City Manager.

(B) At a minimum, the proposed budget shall include:

- (1) An itemized statement of estimated revenues from all sources for the year.
- (2) An itemized statement of proposed expenditures for each department and division.
- (3) A statement of the amount required for the payment of interest, amortization and redemption charges on the debt of the city.
- (4) Provision for contingent expense.
- (5) A general budget summary.
- (6) A budget statement outlining the proposed financial plan for the year.
- (7) The appropriations limit and the total annual appropriations subject to limitation as determined pursuant to Division 9 of Title 1 of the Cal. Gov't Code, commencing with Section 7900.

(C) The city council shall hold a public hearing on the proposed budget, at which all interested persons may be heard. At the conclusion of the public hearing, the city council may make changes to the proposed budget.

(D) The city council shall adopt a budget for the following fiscal year or for more than one of the following fiscal years. If the budget is not adopted on or before the beginning of such fiscal year, the proposed budget shall become effective without action by the city council.

(E) The city council may revise at any time an adopted budget or a proposed budget that became effective without action by the city council.

(F) Notwithstanding Section 9217 of the Election Code, the city council may amend this section without submission to the voters, so long as the amendment furthers the purposes and intent of this Act.

**Commented [AS17]:** The City Council will continue to be the body that approves and modifies budgets.

**Commented [AS18]:** The City Council can change the requirements of budget contents and when it is presented.

**SECTION 5. Broad Construction.**

a) The provisions of this act shall be liberally construed and broadly applied in order to effectuate its underlying purpose of providing the elected city treasurer with plenary authority to improve accountability and transparency of the city's finances, and to publicly divulge the performance of city departments to enhance their performance.

b) Where the provisions of this measure conflict with any provision in the Oxnard Municipal Code with respect to the subject matter governed by this measure, this measure shall apply.

**SECTION 6. Conflicting Ballot Measures.**

a) In the event that this measure and another measure or measures relating to the transparency and accountability of city finances and operations shall appear on the same citywide election ballot, the provisions of the other measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety and the provisions of the other measure or measures shall be null and void in their entirety. In the event that the other measure or measures shall receive a greater number of affirmative votes, the provisions of this measure shall take effect to the extent permitted by law.

b) If this measure is approved by voters but superseded by any other conflicting ballot measure approved by voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force of law.

**SECTION 7. Proponent Standing.**

The People of the City of Oxnard declare that the proponent(s) of this measure has a direct and personal stake in defending this measure and grant formal authority to the proponent to defend this measure in any legal proceeding, either by intervening in such legal proceeding, or by defending the measure on behalf of the people and the City in the event that the City declines to defend the measure or declines to appeal an adverse judgment against the measure.

In the event that the proponent is defending this measure in a legal proceeding because the City has declined to defend it or to appeal an adverse judgment against it, the proponent shall: act as an agent of the people and the City; be subject to all ethical, legal, and fiduciary duties applicable to such parties in such legal proceedings; and be entitled to recover reasonable legal fees and related costs from the City.

**SECTION 8. Severability.**

If any chapter, article, division, section, subsection, phrase, or clause of this measure is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this measure. The People of the City of Oxnard hereby declare that they would have passed this measure and each chapter, article, division, section, subsection, paragraph, sentence, phrase, clause or word thereof irrespective of the fact that any one or more chapter, article, division, sections, subsections, paragraphs, sentences, phrases, clauses or words be declared unconstitutional. To this end, the provisions of this measure are severable.