

City of Arts & Innovation

CHARTER REVIEW COMMITTEE AGENDA

Monday, December 19, 2011

5:30 p.m.

Mayor's Ceremonial Room

City Hall, 3900 Main Street

City Clerk's Office - 951-826-5557

MISSION STATEMENT

The City of Riverside is committed to providing high quality municipal services to ensure a safe, inclusive, and livable community

1. Chair Evans calls meeting to order
2. Oral communications from the audience - **Please Note:** *Individual audience participation is limited to 3 minutes. Please complete a speaker card and submit to the City Clerk.*
3. Approval of minutes for November 28, 2011
4. Internal auditor position - Section 700
5. Citizens' audit committee - Section 1406
6. Library Director qualifications - Sections 601 and 808
7. Park and Recreation Commission - Remove responsibility for maintenance of parkways, shrubs, and trees within street right-of-way - Section 809
8. Runoff Elections - Section 400
 - a. City Council
 - b. Mayor
9. Commission on Sustainability - Article VIII
10. Adjourn

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Agenda related writings or documents provided to the Committee are available for public inspection in the Office of the City Clerk, at www.riversideca.gov, and in the binder located in the meeting room while the Committee is in session.

Date: 12-19-2011

Item No.: 2

RECEIVED

DEC -9 2011

City of Riverside
City Clerk's Office

December 7, 2011

City of Riverside
Charter Review Committee
3900 Main Street, 7th Floor
Riverside, CA 92522

Chairman Thomas Evans and Members of the Committee:

During the November 28, 2011 Charter Review Committee meeting and during discussion about the Citizens Audit Committee and the internal audit position, Committee Vice Chair Maureen Kane questioned whether an audit procedure, either internal or external, would accomplish what was being requested, presumably a mechanism to assist the elected officials in making correct decisions, especially with respect to taxpayer and ratepayer funded spending.

In the last 10 years, the City has increased public wages and salaries more rapidly than the private sector, has increased pension benefits more than the apparent 35% (2.0% to 2.7%) for general employees and 50% (2.0% to 3.0%) for safety employees since they are retroactive, and has increased the enterprise fund contribution (electric and water) 28% or more. The latter two being additive to costs that are routinely increased themselves. The City and the Utility have had audits performed by outside auditors and I am sure that they have concluded, after the fact, that the City's and Utility's revenue and expense reporting was proper. Additional audits by internal auditors will not accomplish anything further.

To provide the elected officials with guidance from their constituency, the Committee should consider recommending the establishment of an independent wages, salaries, and benefits committee as I suggested at the Charter Review Committee meeting of October 17, 2011. My statement as of that date is attached. As an alternative, with broader scope, the Committee should consider recommending the establishment of an independent office akin to the California Legislative Analysts Office (the State's fiscal and policy adviser) to review the budget, including specific budget items such as increases in wage, salary, and benefits, implementation of new programs, and capital expenditures before any actions are taken and before any expenditures are made, not after, as would occur with an audit.

Sincerely,



Robert A. Krieger
2644 Vista de Victoria
Riverside, CA 92506

5110-39-CRC-L1

Attachment

CHARTER REVIEW COMMITTEE

To prevent the City Council from taking action in closed session contrary to recommendations of City management, including the City Manager and the Finance Director, with regard to wages, salaries, and benefits, particularly health and pension, to the detriment of the citizens of the City of Riverside, I suggest that you incorporate a provision in the Charter requiring the Council to establish an independent wages, salaries, and benefits committee consisting of seven or nine citizens of Riverside to publically review and then submit and recommend to the Council specific proposals for wages, salaries, and benefits.

The committee should be comprised of one councilman, one general employee, one safety employee, one management employee, the Finance Director or a substitute, and two to four private citizens, including a finance person or accountant. All members of the committee should be citizens of Riverside.

Having the committee publically propose the wages, salaries, and benefits eliminates the conflict of interest that the Mayor and Council have since they directly benefit from the wages, salaries, and benefits they establish. Further, they will not be able to buy votes with public money as they did in 2003 when they raised the pension contribution from 2.0% per year to 2.7% per year for general employees, a 35% per year increase, and to 3.0% per year for safety employees, a 50% per year increase, and lowered the required age of retirement to 60 years and 50 years, respectively, and made the benefits retroactive to the employees date of employment.

Robert A. Krieger
2644 Vista de Victoria
Riverside, CA 92506

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San Diego News

Mayor Calls For Refund Back Into Water, Sewer Funds

Audit Found Sloppy Bookkeeping, Inappropriate Charges

POSTED: 1:43 pm PDT August 7, 2006
 UPDATED: 6:07 pm PDT August 7, 2006



SAN DIEGO – Prompted by an audit that accused the city of sloppy bookkeeping, Mayor Jerry Sanders on Monday suggested the City Council refund more than \$1 million to San Diego's ratepayer-supported water and wastewater funds.

The company Mayer Hoffman McCann was retained to review financial transactions within the city's water and wastewater funds after a grand jury report questioned the city's use of inter-departmental contracts, known as service level agreements.

"I am pleased to announce that the auditors did not find any evidence of abuse of ratepayer funds or misuse of bond proceeds," Sanders said. "What the audits did find is sloppy bookkeeping and potentially inappropriate charges by the water and wastewater funds totaling \$1 million."



Millions of dollars that should have been used to pay for sewer and water system upgrades instead bought boats and popcorn machines.

The city charter mandates that fee-supported Water Department and Metropolitan Wastewater Department enterprise funds can only be used to enhance, maintain and improve the water and sewer systems.

Sanders said he convened a task force to further review the city's use of service level agreements and possibly eliminate the practice.

The agreements questioned by the grand jury have already been stopped, he said.

Among the money transfers from the Water Department to the general fund found in the audit were \$280,000 for construction of a day-care facility playground, \$238,475 for costs borne by the city's equal opportunity contracting program and \$79,629 for lobbying contract expenses.

Another \$254,302 came from the Wastewater Department to support the equal opportunity contracting program, according to the audit.

The grand jury called the city's practice of artificially inflating water and wastewater costs to subsidize the general fund for projects unrelated to water and sewer system a "hidden tax" on ratepayers.

Mayer Hoffman McCann looked into the use of increased revenues generated by water rate increases

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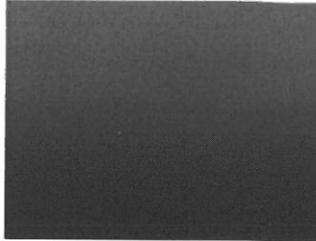
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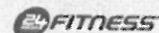
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in fiscal years 2003-05, and use of higher income from wastewater rate increases in fiscal years 2002-05, and use of proceeds from the 2003 Water Revenue Bond and 2004 Wastewater Revenue Bond, among other things.

The mayor also said he will implement tighter accounting controls for water and wastewater funds.

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- Exchange Student Says Host Father Sexually Assaulted Her
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CHARTER REVIEW COMMITTEE
MONDAY, NOVEMBER 28, 2011, 5:30 P.M.
LA SIERRA SENIOR CENTER
5215 LA SIERRA AVENUE, BUILDING B

MINUTES

PRESENT: Chair Tom Evans, Vice-Chair Maureen Kane and Members Benavidez, Karl Hicks, Brent Lee, Diana Medina (arrived at 6 p.m.), Jose Medina, Damien O'Farrell, Michelle Ouellette, William Perez, Michael Pope, David St. Pierre, Wendel Tucker, Sharon Tyrrell, Montgomery Van Wart, and Mary Van Doren (Alternate)

ABSENT: None

STAFF PRESENT: Colleen Nicol, Sherry Morton-Ellis, Susan Wilson, Susan Allen, Angie Banjarjian, Brent Mason, Sergio Diaz, Steve Earley, Belinda Graham, Cheryl Johannes, and David Wright

ALSO PRESENT: Judy Nichols, Linda Baker, Conrad Newberry, Lolita Barnard, Bob Stockton, Barbara Purvis, Kevin Dawson, Jim Perry, Scott Andrews, Gary Tate, Sandra Dente, Annette Beh, Sergio DeCarvalho, Christina Duran, Tom Schultz, Robert Krieger, Barry Johnson, Mary Humboldt, Jennifer Vaughn-Blakely, Bernie Titus, and others

Chair Evans convened the meeting at 5:30 p.m.

Deputy City Attorney Wilson discussed the meaning, purpose, and provisions of the Riverside Charter and the process for its amendment.

ORAL COMMUNICATIONS FROM THE AUDIENCE

Barbara Purvis spoke regarding the title of Library Director in Section 808. Kevin Dawson spoke regarding the naming of City facilities. Scott Andrews spoke regarding a salary commission, public utilities' fees and taxes, public works contract bidding on-line, and public employee pensions. Mary Humboldt spoke regarding the internal auditor, a citizens' audit committee, employee benefits, and public monuments.

APPROVAL OF MINUTES

It was moved by Member St. Pierre and seconded by Member O'Farrell to approve the minutes of November 7, 2011, as presented. Motion carried unanimously with Member Ouellette abstaining.

CITIZENS AUDIT COMMITTEE AND INTERNAL AUDITOR POSITION

Finance Director Mason presented staff's recommendation to retain an internal auditor reporting to the City Manager and the current process of review through the City Council Finance Committee.

Jennifer Vaughn-Blakely spoke in support of an internal auditor reporting to the City Council. Kevin Dawson spoke in support of a citizens' audit committee. Robert Melsh spoke in support of a citizens' audit committee and a City auditor reporting to the City Council.

Member Diana Medina arrived at this time.

Following discussion, it was moved by Member Perez and seconded by Member Benavidez directing staff to prepare Charter language providing for an internal City auditor reporting to the City Council and formation of a citizens' audit committee for review at the next meeting. The motion carried with Members Benavidez, Jose Medina, Van Wart, Evans, St. Pierre, O'Farrell, Perez, Diana Medina, and Pope voting yes and Members Hicks, Kane, Tucker, Tyrrell, Ouellette, and Lee voting no.

The City Clerk will provide City Council Finance Committee attendance by the public for the past year.

Member Benavidez left the meeting during the following item.

PUBLIC UTILITIES

Conrad Newberry, Jr., supports lowering of the level of General Fund Transfer. Bernie Titus and Bob Stockton favor Board of Public Utilities' approval of suspension or removal of the General Manager and that the General Manager report directly to the City Manager. Robert Krieger supports the General Manager reporting directly to the City Manager and lowering the level of General Fund Transfer.

Public Utilities General Manager Wright reported on the history and purpose of the General Fund Transfer and pending court decisions.

Following discussion, it was moved by Member Tucker and seconded by Member Kane to remove the General Fund Transfer from further consideration. Motion carried unanimously.

Following further discussion, it was moved by Chair Evans and seconded by Member Tucker to recommend to the City Council amendment of Section 1202(g) to read, "Approve or disapprove the appointment, suspension or removal of the Director of Public Utilities, who shall be the department head." Motion carried unanimously.

Following further discussion, it was moved by Member Tucker and seconded by Member St. Pierre to remove the Public Utilities Director reporting directly to the City Manager from further consideration. Motion carried unanimously.

Following further discussion, it was moved by Member Lee and seconded by Member Tucker to remove review of the Public Utilities Director salary every five years from further consideration. Motion carried unanimously.

PARK AND RECREATION COMMISSION

Barbara Purvis recommended that proposed changes to Section 809 be referred to the Park and Recreation Commission for review and recommendation.

Assistant City Manager Graham reported that the Park and Recreation Commission will consider the recommendation to remove responsibility for maintenance of parkways, shrubs, and trees within street right-of-way at an upcoming meeting.

Following discussion and without formal motion, the matter was continued to the meeting of December 19, 2011, pending a recommendation from the Park and Recreation Commission.

PUBLIC WORKS CONTRACT BIDDING

Finance Director Mason explained the intent of the proposed Charter language and current bidding practices.

Following discussion, it was moved by Member Perez and seconded by Member Tucker to recommend to the City Council the proposed amendments to Section 1109 regarding public works contract bidding as presented by staff. Motion carried unanimously.

ELECTIONS CYCLE

Following discussion, it was moved by Member Perez and seconded by Member Hicks to remove changes to the elections cycle from further consideration. The motion failed with Members Perez, Lee, Diana Medina, Van Wart, and Jose Medina voting yes and Members Hicks, Evans, Kane, O'Farrell, Ouellette, Pope, St. Pierre, Tucker, and Tyrrell voting no.

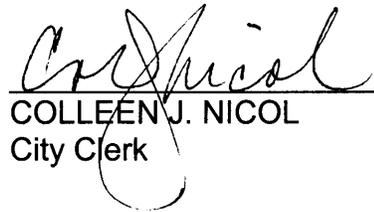
Following further discussion, motion was made by Member Tucker and seconded by Member Kane directing staff to prepare Charter language to provide for Mayor and City Council run-off elections 60 days following the general election. Motion carried unanimously with Members Lee and Perez voting no.

LIBRARY DIRECTOR

Chair Evans requested staff to prepare Charter language to provide that the Library Director be a certified librarian for consideration at the meeting of December 19, 2011.

The Charter Review Committee adjourned at 7:42 p.m.

Respectfully submitted,



COLLEEN J. NICOL
City Clerk



MEMORANDUM

City Manager/Finance

DATE: 12/15/2011

TO: CHARTER REVIEW COMMITTEE

FROM: PAUL C. SUNDEEN, ASSISTANT CITY MANAGER/CFO

CC:

RE: INTERNAL AUDITOR APPOINTMENT/REPORTING RESPONSIBILITY

SUMMARYRECOMMENDATION:

The Charter Review Committee ("CRC") has discussed a possible Charter amendment relative to the appointment and oversight of the Internal Audit function. Staff's recommendation to the CRC is no change to the appointment and reporting structure, but adding confirmation by the City Council of the appointment made by the City Manager. Additionally, periodic reporting to the Finance Committee of the results of its audits is recommended.

BACKGROUND:

The audit requirements of the City can be split into two separate functions – an external audit function and an internal audit function. The external audit function is mandated by State law and performs required financial audits in which they report as to whether the accounts of the City reasonably reflect the City's financial position. They are required to report to a body (currently the Finance Committee) regarding the outcome of their audit work. While the scope of their work is typically the same from one municipal organization to another, they are able to provide independent, financial audit services for any additional services deemed necessary by the Finance Committee and/or City Council.

The internal audit function is focused on performing audits that are either operational or compliance based. The objective is to find inefficiencies or instances of non-compliance and make recommendations to improve those conditions. Staff's recommendation is based on its belief that the internal audit function best serves the City's needs in the current organizational structural. It serves as a resource of the City Manager to identify areas for improvement as he endeavors to manage the City in the most cost effective and efficient manner. Under the current structure, the City Council can request the Internal Auditor to review any program or expenditure it believes merits attention.

The prospect of elevating the internal audit function to a Charter position appointed by the City Council has a likely outcome of growing the program, which would have a substantially greater cost, borne by the General Fund. More staffing of the internal audit function may be a positive direction, but its growth needs to be considered within the context of the full General Fund budget.

The following two options have been prepared by staff, based upon direction given by the Charter Review Committee at the November 28, 2011 meeting

OPTION A: Original proposal presented by City staff (modified to be appointed by and report to CC)

Sec. 700. Appointment of City Attorney, ~~and~~ City Clerk and City Auditor by Council; tenure.

In addition to the City Manager, there shall be a City Attorney, ~~and~~ a City Clerk and a City Auditor who shall be appointed by and serve at the pleasure of the City Council.

New: Sec. 705. City Auditor

There shall be a City Auditor appointed by the City Council who shall have power and shall be required to:

- (a) Supervise and administer the City's internal audit division.
- (b) Coordinate, plan, and perform financial and performance audits of City operations and functions as requested by the City Council or City Manager.
- (c) Plan, budget, and schedule audit assignments to ensure that audit objectives are met in accordance with generally accepted auditing standards.
- (d) Report on all findings in detail to the City Manager and in summary to the City Council's Finance Committee.

OPTION B: Sacramento model (appointed by CC, powers and duties set by ordinance)

Sec. 700. Appointment of City Attorney, ~~and~~ City Clerk and City Auditor by Council; tenure.

In addition to the City Manager, there shall be a City Attorney, ~~and~~ a City Clerk and a City Auditor who shall be appointed by and serve at the pleasure of the City Council. The powers and duties of the City Auditor shall be set by ordinance.

Examples of Powers and duties of the City Auditor (to be set forth in ordinance):

1. The City Auditor shall be a certified public accountant, a certified internal auditor, or have such other or additional qualifications as the City Council may establish by resolution. The City Auditor shall set the qualifications for subordinate staff.
2. By March 1st each year, the City Auditor shall submit an annual audit plan to the City Council for approval. The annual audit plan may be amended during the year with the approval of the City Council. The City Council may, by resolution, authorize a committee, charter officer, or an individual Councilmember with respect to the Councilmember's own office, to request additional audits.
3. Audits shall be conducted in accordance with standards as prescribed by City Council resolution.
4. The City Auditor shall prepare a written report of the results of each audit conducted and will be responsible for retaining a copy as a permanent record. The City Council may prescribe by resolution the manner of report preparation and presentation.
5. City departments, offices and employees shall provide the city auditor access to all sources of information, property, and personnel relevant to the performance of an audit, unless restricted or prohibited by law. This section shall not apply to the office of any elected official, unless that elected official requested the audit, of that official's own office.
6. No person shall directly or indirectly coerce or attempt to coerce the City Auditor relative to the City Auditor's examinations, audits, or the appointment or removal of any employee which is made by the City Auditor.

Date: December 2, 2011

From: Monty Van Wart
Charter Review Committee Member

To: Charter Review Committee

RE: Internal Audit Functional Reporting and Citizen's Audit Committees

Dear Charter Committee Colleagues:

I write to you as we move toward our deadline for completing our tasks. Perhaps the largest issue still in front of us is regarding the possibility of turning the internal auditor into being a charter officer and adding a citizen's audit committee. While I have personal preferences on the issue which I will voice in our deliberations, I am concerned that the issue has become unclear. The following is an understanding of the landscape of this issue as a public administration generalist.

Rationale for Independent Review of Financial Functions. At its heart, the critical issue of concern is the accounting principle of separation of duties to ensure that financial execution and review are not overseen by the same person. Size of the operations plays an important role here. For example, if the agency is composed of a dozen people, the receipts must be done by one clerk and the deposits by another. The issue of separation of duties applies not only to the prevention of fraud, but also in order to the assurance that financial management is accessible to external review and consideration to ensure that financial policies are being properly and prudently executed even where there is no intent for fraud or gross mismanagement. As organizations become more complex, however, the separation of financial duties is often placed in different divisions or agencies, and the measures to ensure that the policy board or legislative body have direct access to fiduciary correctness outside normal administrative reporting channels becomes even more important. For example, in a complex organization like the federal government, there is the independent General Accountability Office (3000+ personnel) that reports to Congress, as well as 73 Inspectors General who are nominated by the President, as well as internal audit functions in larger agencies. Many jurisdictions have independently elected officials who have an audit function as their prime responsibility or as a part of a portfolio of responsibilities (e.g., combined treasurer-auditor and comptroller-auditor functions are common). Generally speaking, separation is considered greatest when the auditor is elected, moderate when the auditor reports to the policy body/legislative body, and weakest when it reports to the executive officer or an administrative subordinate of the executive officer.

Background for the Interest on an enhanced audit position. The public's heightened interest in independent audit functions has grown in both the private and public sector, but for differing reasons. On the private sector side, a series of major financial scandals led to the passage of Sarbanes-Oxley Act of 2002 which strengthened both external and internal audit controls for publicly traded companies. Problems of insufficient separation of functions and audit independence led to massive fraud, oversights, and claims of executive ignorance. On the public sector side, the California scandals in Bell and Vernon have touched a national nerve recently, as have the international public finance concerns in Europe. The Orange County default (1994) was also unusual, and it reminded the public and bond markets that sovereign accounts can default. Although the public's concern for public sector accounting transparency has increased tremendously, there has been little concrete evidence beyond a very limited number of cases that public sector auditing failures have been frequent or widespread. Exceptions

include the Department of Defense with its enormous and highly political contract budget and large federal programs such as occurs in bogus Medicare billings. Of course, the public's concern can be considered its own rationale and the bar for transparency and fiduciary compliance in the public agencies is exceedingly high because the stakes are so important and long-term.

Functional roles: There are a number of functional roles, some of which can be disaggregated or combined. Those roles include:

1. External auditor: this is required by law. While the scope of the audit may vary and sometimes may be expanded, it looks at fiscal soundness in general, as well as financial controls. Enterprise funds are often subject to a separate audit. This is essentially a high-level, after-the-fact function, as well as a confirmation of system integrity at a global level. Detailed analysis of the audit function must be separately commissioned and is unusual. This function (review of the CAFR: Comprehensive Annual Financial Report) must be functionally separate and independent.
2. Internal audit: internal audit may be limited to financial investigation, but frequently includes performance reviews as well. It looks at ongoing operations on either a cyclical basis or based on requests from the legislative body or the administration due to policy changes or perceived problems. It is sometimes separately elected (e.g., Los Angeles or Oakland). It sometimes reports to the legislative body (e.g., the General Accountability Office whose head is the Comptroller General of the U.S., and cities such as San Diego and San Jose) and sometimes to the administration (e.g., cities of Fresno and Riverside). Sometimes the functions of tax collections and payroll are combined with auditing (e.g., State Controller or County of Riverside Auditor-Controller).
3. Audit and finance committee functions are various and can be disaggregated or combined, according to structural preferences of the jurisdiction. In the City of Riverside, these functions are combined under the Finance Committee, a standing Council Committee function.
 - a. Companies and public sector entities are required to have independent audit committees to select, task, monitor, and review the findings of the external auditor. In the public sector, these external audits are largely restricted to the review of the CAFR and enterprise funds.
 - b. Organizations have committees that review internal audit functions that are relatively detailed and technical in nature.
 - c. Organizations have committees that review upcoming and ongoing budget expenditures.
 - d. Organizations have committees that look at performance and policy reviews.
 - e. Sometimes organizations have citizen boards and commissions that review finances and audit functions (e.g., City of New Haven's Financial Review and Audit Commission and the City of Irvine's Finance Commission). This is generally a duplicative function that is meant to add citizen input and transparency into a technical area. While not very common, it is not rare.

In my opinion, **the major issue is choosing among the following options:**

1. Do we want to consider the view of some that it is time for increased independence and/or outside review of the financial audit function? If so, the four major options being considered by us at this point are:
 - a. To make the auditor a charter officer reporting to the Council or the Finance Committee with primarily financial and performance responsibilities, but other responsibilities as well that are assigned by Council.

- b. To provide a charter citizens' Audit Committee.
- c. To provide both a charter auditor officer and an audit.
- d. To provide neither a charter auditor officer or citizens' audit committee.

In my opinion, **the following issues are not a significant part of the discussion:**

- 2. The Council's Finance Committee will be largely unaffected by either an internal auditor reporting to the Council or an additional citizen review committee. Indeed, the Finance Committee's oversight of the internal audit function would be structurally strengthened by making the internal auditor a charter officer.
- 3. Enlargement of staffing or duplication for a charter auditor officer. There need be no additional staffing since an internal audit function with sufficient staffing already exists for a city the size of Riverside. It would essentially be a transfer of functional responsibilities from the executive branch to the legislative branch as is commonly done in this area.
- 4. Precedent for charter auditor. The bulk of the larger cities in California and indeed the nation have moved to an independent auditor, either by election or Council appointment. For example, the City of Modesto moved to a council-appointed from a management-appointed auditor in 2008. This does not imply the City of Riverside must or should take this step; it is only to say it would be in line with the national trend and part of a growing common practice.

Appendix:

Principal CA Cities		Auditor reporting status	
	Name		
1	Los Angeles	3,792,621	Elected
2	San Diego	1,307,402	Audit Committee (Council Committee)
3	San Jose	945,942	Council
4	San Francisco	805,235	Council (Controller)
5	Fresno	494,665	<i>City Manager</i>
6	Sacramento	466,488	Council
7	Long Beach	462,257	Elected
8	Oakland	390,724	Elected
9	Bakersfield	347,483	<i>City Manager/Finance (also have treasurer)</i>
10	Anaheim	336,265	<i>City Manager (also have treasurer)</i>
	Riverside	303,871	<i>City Manager/Finance Director</i>
	Stockton	291,707	Council
	Modesto	201,165	Council
	Berkeley	112,580	Elected

Sources: Memorandum from Cheryl Johannes to Paul Sundeen (July 28, 2011) and additional review of city websites by author.

Proposal for Appointed City Auditor:
Submitted by Study Review Committee

Appointment of City Auditor

The City Council shall appoint the City Auditor who shall serve at its pleasure. The City Auditor shall be certified according to standards comparable to a Certified Public Accountant or a Certified Internal Auditor at the time of appointment.

Powers and Duties

The City Auditor shall have the following powers and duties:

- 1) Conduct or cause to be conducted annual post audits of all the fiscal transactions and accounts kept by or for the City. Such audits shall include but not be limited to the examination and analysis of fiscal procedures and the examination, checking and verification of accounts and expenditures. The audits shall be conducted in accordance with generally accepted auditing standards and accordingly shall include tests of the accounting records and other auditing procedures as may be considered necessary under the circumstances. The audits shall include the issuance of suitable reports of examination so the Council and the public will be informed as to the adequacy of the financial statements of the city.
- 2) Conduct performance audits, as assigned by Council. A “performance audit” means a post audit which determines with regard to the purpose, functions and duties of the audited agency all of the following:
 - a) Whether the audited department, office or agency, is managing or utilizing its resources, including public funds, personnel, property, equipment and space in an economical and efficient manner.
 - b) Causes of inefficiencies or uneconomical practices, including inadequacies in management information systems, internal and administrative procedures, organizational structure, use of resources, allocation of personnel, purchasing policies, and equipment.
 - c) Whether the desired results are being achieved.
 - d) Whether objectives established by the Council or other authorizing body are being met.
- 3) Conduct special audits and investigations, as assigned by Council. “Special audits and investigations” mean assignments of limited scope, intended to determine:
 - a) The accuracy of information provided to the Council.
 - b) The costs and consequences of recommendations made to the Council.
 - c) Other information concerning the performance of City Departments, Offices or Agencies as requested by the Council.

Revised 12/06/11

- 4) The City Auditor shall have access to, and authority to examine any and all documents including but not limited to books, accounts, internal memoranda, writings and tapes, reports, vouchers, correspondence files and other records, bank accounts, money and other property of any City department, office or agency, whether created by the Charter or otherwise, with the exception of the office of any elected official.

It is the duty of any officer, employee or agent of the City having control of such records to permit access to, and examination thereof, upon the request of the City Auditor or his or her authorized representative. It is also the duty of any such officer, employee or agent to fully cooperate with, and to make full disclosure of all pertinent information.

- 5) Prepare and submit to the Council quarterly reports of the City Auditor's activities and findings in the immediately preceding three calendar months, together with any recommendations to improve the administration of the City.
- 6) Perform other auditing functions, consistent with other provisions of this Charter, and prepare and submit such other reports, as may be assigned by the Council.

Power of Appointment

The City Auditor may appoint and prescribe the duties of the professional, technical and clerical employees employed in the Office of the City Auditor; provided, however, that the City Auditor shall not appoint to any position any business associate or any person related to him or her or to the City Manager or to any member of the Council by blood or marriage within the third degree, except that the foregoing prohibition against nepotism may be waived by a vote of at least two-thirds (2/3) of the members of the Council if the Council finds that the proposed appointment is in the interest of the City. All such appointees shall serve at the pleasure of the City Auditor in the unclassified service; and shall serve under such terms and conditions, salaries and benefits as are similar to other unclassified employees;

Neither the Council nor any of its members shall in any manner dictate the appointment or removal of any such officer or employee whom the City Auditor is empowered to appoint, but the Council may express its views and fully and freely discuss with the City Auditor anything pertaining to the appointment and removal of such officers and employees.

Citizens Audit Committee

There shall be a Citizens Audit Committee composed of seven to nine volunteer Riverside residents with financial expertise and no financial ties to the City. Committee members shall be selected by the City Council and report to the Internal Auditor. The Committee shall meet quarterly and shall have the power to review and comment on the internal Auditor's reports to the City Council and to make recommendations for future reports.

The Internal Auditor and the Citizens Audit Committee shall be appointed no later than December 31, 2012

From: Joan Donahue [mailto:donahue.joan@att.net]
Sent: Thursday, December 15, 2011 8:40 AM
To: Nicol, Colleen
Subject: Comments/CRC/Internal Independent Auditor



December 15, 2011

Hi Colleen -

Could you please forward this information to the Charter Review Commission.

Our League sent a few questions to League of Women Voter's Presidents in cities that employ auditors who report to city councils, seeking their League's assessment of those offices. The cities include [San Jose](#), [Sacramento](#), [Long Beach](#), and [Oakland](#). I'll tell the Committee more about their comments at the next CRC meeting on Monday.

Attached are remarks from the City Auditors of [Berkeley](#) and [Stockton](#). Berkeley's auditor is elected, Stockton's is appointed by the City Council.

All of these City Auditors answer to their City Councils and this is key - the Institute of Internal Auditors' guide, [The Role of Auditing in Public Sector Governance](#), lists "organizational independence" as the first component in effective public sector auditing.

We hope Committee Members will take a moment to check out the differences between [Riverside's Auditor's Office](#) and the [process](#) and [reporting](#) of the City of Stockton, which is typical of cities who employ an Auditor who reports to the City Council.

We greatly appreciate the Committee's emphasis on gauging the public's interest in issues, as logically, those with the most interest should move forward. However, there are trends outside Riverside that are proving popular and advantageous to local government operations and we hope the Committee will consider moving a recommendation like this one forward, as well.

As I recall, Council Member Davis stated in his interview with the Committee that he supported this change in our Auditor's reporting line, while Council Members Bailey and Melendrez suggested it might warrant further consideration.

Thank you,

Joan Donahue, President
League of Women Voters Riverside
(951) 686-0562
donahue.joan@att.net

----- Original Message -----

From: [Ann Marie Hogan](#)

To: 'Judd & Sherry Smith'

Cc: ahogan@cityofberkeley.info

Sent: Sunday, December 11, 2011 3:23 PM

Subject: RE: LWV Riverside/Berkeley City Government Question

I am delighted to learn that Riverside is considering improving the independence of their existing audit function. This should help the office become more effective, and, if enshrined in the City Charter, or at least in municipal code, will help prevent some future City Manager from eliminating the office (which often happens with auditors who can be hired and fired by the City or County Manager).

Government Audit Standards are issued by the U.S. Comptroller General and the Government Accountability Office - GAO, the legislative audit arm of Congress - and they are very specific about the necessity to ensure independence.

As it happens, I am on the Advocacy Committee for the Association of Local Government Auditors (ALGA). Back when I was chairing the committee I made two presentations to the San Diego City Council to help them decide on ballot language when they were advised (by outside auditor/investigators) that their audit function should be changed so that it could follow Government Audit Standards and be more independent.

I am still the contact for California for the committee, and so I'd be happy to make sure that we write a letter to the League and/or the Charter Review committee, and also to send a speaker.

You can learn more about ALGA on their [web site](#) This [brochure](#) is also helpful.

See the [GAO](#) and the "yellow book" (our audit standards).

In answer to the Riverside's League questions:

Did Berkeley create its independent auditor's office because of a specific incident or trend? If there was a problem, has it been corrected or alleviated by the independent office?

The Berkeley Auditor was set up in the original City Charter - it's the oldest Charter position in Berkeley. It was set up originally as a Controllorship function, with all checks and all contracts to be signed by both City Manager and City Auditor.

In the early seventies (or so) performance auditing was established at the federal government level, and because local governments were starting to get a lot of federal grants and so were in need of much more oversight, cities such as Berkeley began retrofitting their existing "audit" functions to start doing actual audits.

There was no "right to audit" clause in the Charter, the Council put a measure on the ballot in 1998. Section 61 of the City Charter contains both the old "controllership" language and the new language.

Do citizens trust the office to provide accurate and unbiased reports and analysis?

I believe they do. Especially since we issued our report on unfunded pension liabilities, even those stakeholder groups who are historically very hostile to City staff and suspicious of their statements have publicly expressed confidence in our work.

Do you think the office improves transparency? Efficiency?

There's no question that there is increased transparency because my reports go to Council and are posted on the web site (unlike most reports of auditors who report to management).

I try to do some efficiency-oriented audits each year, some fraud-prevention work, and some "Transparency" work such as the pension benefits audit and the streets audit. I'm presenting my annual report to Council on Tuesday, and it talks about what we accomplished last year.

My [website](#) has recent reports.

Do citizens feel comfortable working with the office and bringing forward any complaints about fiscal management?

Well, I do get many complaints and suggestions! If I count up the citizen audit suggestions and complaints and add them to the list of audit suggestions from City staff, it's in the hundreds.

Ann-Marie Hogan
City Auditor
City of Berkeley
2180 Milvia Street, 3rd floor
Berkeley, CA 94705
(510) 981-6750

(more)

From: Mike Taylor [mailto:Mike.Taylor@stocktongov.com]
Sent: Wednesday, December 14, 2011 4:38 PM
To: Joan Donahue
Subject: Re: Riverside, CA/Office of Independent Auditor Proposal

Joan,

I'm honored that you would ask for my comments about changes to your City's charter to create a City Council appointed City Auditor. Hopefully my input will be of use to you and the City.

Following are my comments on the questions you have raised, along with a few additional thoughts.

When Stockton created your office in 1994, was it because of a reaction to problems with auditing or was the Council looking to generally improve its City government?

Your question is a bit of a twist on the usual question. People usually want to know if the office was created following a major fraud or other scandal. The answer to that is no.

For some years before our office was created, there was an audit function in the Finance Department with two auditors. Originally, their work focused on auditing for revenue (e.g. business license, transient occupancy tax, etc.). At some point, the Finance Director had them stop doing revenue audits and moved to something like internal audits.

Because his office was doing audits, the Finance Director was able to persuade the City Council to make him a City Council appointee in order to create independence between auditing and the City Manager. With turnover in the City Manager position, the new City Manager proposed returning Finance to City Manager control and creating a City Auditor position that would report to the City Council.

Do citizens trust the office to provide accurate and unbiased reports and analysis?

As far as I know, they do. Certainly their elected representatives do. The local press and the civil grand jury trust our work and have been complimentary.

Also, our office undergoes a peer review every three years, as required by Government Auditing Standards. Auditors from around the country audit our procedures and examine samples of our audit work to determine if we are following the standards. Their audit of our office adds credibility to the reports we issue.

Do you think the office improves transparency? Efficiency?

We do improve transparency. Our reports are public documents and they are discussed in public meetings. Many of our findings point out the need for improved transparency, and we track findings until corrective action is taken.

Much of our work is directed at improving efficiency. When we recommend improvements in internal control, it is not to add a layer of bureaucracy. Good internal controls reduce cost by reducing risks and errors that are costly to correct. A good example of work directed at efficiency would be our audits in the Library system.

Do citizens feel comfortable working with the office and bringing forward any complaints about fiscal management?

On this point, an office structure like Berkeley will outshine ours. We don't have all that much contact with the general public. We work primarily with their elected representatives. I also worked in Roanoke, Virginia where the audit structure matched the Stockton organization. The same was true there.

Our office did engage the public concerning the City's budget and budget priorities two years ago. Working with students from UOP, citizens participated in focus groups, and we conducted a broad based on-line survey. We had good citizen participation.

Additional comments:

Creating or significantly modifying an audit function following a financial scandal is not the best timing. It can give the appearance that the function is only there to catch people stealing or doing very bad things. Employees and management are much more on guard, so the effectiveness of the audit function can be lessened.

The last line of your proposed audit charter refers to "Internal Auditor." As you are proposing to structure the function, the auditor would not be an internal auditor, as defined by Government Auditing Standards. Internal auditors report to management. A reporting relationship to the City Council is considered an external auditor.

You may also want to consider requiring a super majority vote of the City Council to fire the City Auditor. My work here has not been impacted by the fact that it only takes 50% plus one to fire me, but having a super majority requirement could strengthen the appearance of independence.

If you have any other questions, or need additional information, please feel free to contact me. Due to furloughs and holidays, our offices will be closed from December 21 until January 3. I'll probably be checking messages from time to time, but not on a regular basis.

Best of luck,
Mike
Mike Taylor, City Auditor
City of Stockton
mike.taylor@stocktongov.com
(209) 937-8918



MEMORANDUM

City Manager/Finance

DATE: 12/15/2011

TO: CHARTER REVIEW COMMITTEE

FROM: PAUL C. SUNDEEN, ASSISTANT CITY MANAGER/CFO

CC:

RE: EXTERNAL AUDITOR COMMITTEE

SUMMARYRECOMMENDATION:

The Charter Review Committee ("CRC") has discussed a possible Charter amendment relative to the creation of an Audit Committee to serve as the initial point of reporting for the City's external auditors regarding the outcome of their audit of the City's accounts on an annual basis. Staff's recommendation to the CRC is that there is insufficient benefit derived from the creation of such a committee. The current practice of reporting to the City's Finance Committee is an open process during which all interested parties can attend, ask questions and comment, as desired.

BACKGROUND:

Throughout the CRC's deliberations the suggestion has been made on several occasions that "an additional set of eyes is always a good thing," with the thought that a "Citizens' Audit Committee" would be a positive addition to the City's current committee structure. Staff agrees that greater financial transparency results in better credibility with the public it serves. However, it believes that any benefit achieved by the addition of a Citizens' Audit Committee is equally available through the current structure of the Finance Committee serving as the Audit Committee when needed.

The current structure is consistent with how the private sector establishes their audit committees. Private companies create Audit Committees as a subset of the full Board of Directors; private citizens are not brought in to serve in this capacity. Further, the current structure allows a committee member to bring any individual they believe would be helpful to adequately evaluate the report of the external auditors. Lastly, the public is able to attend the current meetings and hear first-hand the findings of the external auditors. All are able to receive the various reports issued by the external auditors.

The following new section has been prepared by staff, based upon direction given by the Charter Review Committee at the November 28, 2011 meeting

New: Sec. 1406. Citizens Financial Audit Review Committee.

In November, and every two years thereafter, the City Council shall appoint a Citizens Financial Audit Review Committee. The committee shall have the power and duty to:

- (a) Review the final audit and report submitted by the City's independent auditor.
- (b) Hold public meetings to review that final audit and report.
- (c) Present a final report to the Finance Committee of the City Council within 180 days of the committee's appointment by the City Council with any recommendations as to the independent audit. It may, in its discretion, make interim reports to the City Council.

FINANCE COMMITTEE MEETINGS 2010-11

<u>Meeting Date</u>	<u>Public Attendance</u>
11-10-2010	3+
12-08-2010	5+
02-09-2011	0
03-09-2011	5
04-13-2011	9
05-11-2011	2
06-15-2011	4
07-13-2011	11+
08-10-2011	2
09-14-2011	5+
10-12-2011	4
11-16-2011	10+

g:\clerk\bdcomm\charter review committee\2010-11\fcmeetings

It was also discussed by the Park and Recreation Commission that the Public Works Department could convene a separate citizen’s panel or board to provide additional direct citizen oversight of trees within street right-of-way. The cost for a separate citizen’s commission, which would entail support staff as well as volunteer recruitment, supplies, and facility needs, is estimate to range between \$10,000 to \$15,000 annually depending on the scope of responsibilities, level of support required, and frequency of meetings.

During the discussion, there was general consensus among members of the Park and Recreation Commission that the Public Works Department was doing an excellent job of maintaining trees in street right-of-way and that the proposed changes would align the City Charter with assigned responsibilities. Members of the Commission also generally agreed that it is the role of the Charter Review Committee and not the Park and Recreation Commission to ultimately determine whether the proposed changes should be recommended to the City Council. Following discussion, a motion was made to receive and file a report regarding the proposed changes to section 809 of the City Charter. All members who were present, including Chairperson Berg and members Inaba, Leibe, Macias, Moore, Poulsen, Ritzau, and Kallinger were in favor of the motion to receive and file report.

During the last five years there have been no major issues regarding maintenance of street trees. With implementation of 311 Call Center and the hiring of a full-time arborist, the City is able to quickly and effectively respond to any concerns that citizens may have regarding trees within street right-of-way. For these reasons, and to better align the City Charter with assigned responsibilities for tree maintenance, the City Manager’s Office recommends the proposed changes to section 809 of the City Charter as attached.

FISCAL IMPACT:

There is no fiscal impact associated with the proposed changes to section 809 of the City Charter.

Submitted by: Scott C. Barber, City Manager

Attachment: Proposed changes to section 809 of the City Charter

Sec. 809. Park and Recreation Commission.

There shall be a Park and Recreation Commission which shall have the power and duty to:

(a) Act in an advisory capacity to the City Council in all matters pertaining to parks, and recreation, ~~parkways and street trees~~.

(b) Consider the annual budget for parks, and recreation, ~~parkways and street tree~~

purposes during the process of its preparation and make recommendations with

respect thereto to the City Council and the City Manager.

(c) Assist in the planning of parks and recreation programs for the inhabitants of the City, promote and stimulate public interest therein, and to that end solicit to the

fullest extent possible the cooperation of school authorities and other public and

private agencies interested therein.

(d) Establish policies for the acquisition, development and improvement of parks

and playgrounds and for the planting, care and removal of trees and shrubs in all

parks and, ~~playgrounds and streets~~, subject to the rights and powers of the City Council.

(Effective 12/27/1995)

addresses this issue.

A change of the Mayor runoff to September creates a potential for voter confusion. Following the June primary, voters will continue to receive political mailers related to both the Mayor and Presidential elections. Mail ballot materials for the Mayor Election will reach voters beginning August 15th. Sample ballot materials for the polling place Presidential November election will be mailed mid-September, very near the Mayor all-mail ballot election. Voters will participate in separate elections in June, September, and November. Although similar issues may be experienced for August City Council run-off elections, the level of political activity and complexity of ballots is far greater in Presidential years.

OPTIONS:

1. Make no change. Retain the current November runoff election date for Councilmembers in odd-numbered years and Mayor in Presidential election years.
2. Change both runoff dates. Conduct City Council runoff elections on the last Tuesday in August of odd-numbered years and conduct Mayor runoff elections on the second Tuesday following the first Monday in September, beginning in 2016.
3. Change only the City Council runoff date. Conduct City Council runoff elections on the last Tuesday in August of odd-numbered years and retain current Mayor runoff election date of November of Presidential election years.

FISCAL IMPACT:

The Registrar of Voters is preparing a cost analysis of the options presented which will be provided to the Committee as soon as the information is available, at or before the meeting.

Attachments: ROV correspondence
 Draft Charter language

Nicol, Colleen

From: Spencer, Rebecca <RAMartine@co.riverside.ca.us>
Sent: Wednesday, December 14, 2011 1:57 PM
To: Nicol, Colleen
Cc: Verjil, Kari
Subject: Riverside Charter - Election Dates

Hello,

For the **City Council run-off elections** we would like to recommend an election date of the **last Tuesday in August of each odd year**. The last Tuesday in August of each odd year is an established mail ballot election date pursuant to Elections Code 1500. We have 4 special districts that currently hold their governing board member elections on that date so there would be some cost savings due to cost sharing among the jurisdictions. Below is some information regarding the timeline:

- The 2013 City Council election will be held on June 4, 2013. If that is a stand alone mail ballot election we should be able to certify that election on June 5, 2013.
- Candidates are legally allowed to request a recount within 5 days after certification which would make the deadline June 10, 2013. Our office is legally given 7 days to prepare for the recount which means the recount must begin no later than June 17, 2013. Recounts usually take at least 1 week to complete, which means everything should be complete by June 24, 2013.
- The ballots must go in the mail 29 days before the election so if the run-off election were scheduled for August 27, 2013 that means the ballots must go in the mail on July 29, 2013. This gives us approximately 35 days to create ballots in English and Spanish for the run-off election, type set new candidate statements in English and Spanish for the run-off election, and get everything ready with all of our vendors to get ballots in the mail on July 29, 2013.
- Please also take into consideration at that time of the year we are working with other jurisdictions that hold their elections on the last Tuesday in August. We are also working on preparations for the November election because that nomination period ends on August 9, 2013.
- If the last Tuesday in August is not preferable to your city then we would also be willing to work with the third Tuesday in August. The later in August the better, so that we can get all of the ballots to the printer on time and in the mail on time. The reason we are suggesting the last Tuesday in August is because there would be some cost savings.

For the **Mayor run-off elections** we would like to recommend an election date of **the second Tuesday following the First Monday in September**. Below is some information regarding the timeline:

- The 2016 Mayor election will be held on June 7, 2016. Since that is a consolidated statewide election it usually takes us the full 28 days to certify the election which makes the deadline July 5, 2016.
- Candidates are legally allowed to request a recount within 5 days after certification which would make the deadline July 11, 2016. Our office is legally given 7 days to prepare for the recount which means the recount must begin no later than July 18, 2016. Recounts usually take at least 1 week to complete, which means everything should be complete by July 25, 2016.
- The ballots must go in the mail 29 days before the election so if the run-off election were scheduled for September 13, 2016 that means the ballots must go in the mail on August 15, 2016. This gives us approximately 21 days to create ballots in English and Spanish for the run-off election, type set new candidate statements in English and Spanish for the run-off election, and get everything ready with all of our vendors to get ballots in the mail on August 15, 2016.
- Please also take into consideration at that time of the year we are working on preparations for the November Presidential Election which requires an enormous amount time and resources.

- Holding the Mayor run-off election earlier in August would not be preferable due to the extra certification time that is needed after the June Presidential Primary Election.

I also wanted to confirm that all of these run-off elections would be held by all mail ballot. The above analysis was based on all mail ballot elections, so if polling place elections are to be considered then we would need to re-evaluate.

Last but not least I would just like to mention that generally speaking we prefer elections to be held on established election dates listed in Elections Code 1000 and 1500 and to be consolidated as much as possible due to workload and cost savings. That being said, we will certainly do our best to accommodate your requests and respect the unique circumstances for your city. Please let me know if you need anything else.

Rebecca Spencer
Riverside County Registrar of Voters
Assistant Registrar of Voters
(951)486-7210 Fax (951)486-7272
RAMartine@co.riverside.ca.us

Be sure to follow the Registrar of Voters on [Facebook](#) and [Twitter](#), so you can receive election updates.

RIVERSIDE CITY CHARTER

ARTICLE IV. CITY COUNCIL AND MAYOR.

Sec. 400. Enumerated; number, term and manner of election; wards.

(a) The elective officers of the City shall consist of a City Council of seven members, elected from wards, and a Mayor elected from the City at large, at the times and in the manner provided in this Charter, who shall serve for a term of four years and until their respective successors qualify. The terms of all officials, so elected, shall be deemed to have commenced on the fifth Tuesday following the general municipal election.

(b) The members of the City Council shall be elected by wards by the registered voters of the respective wards only. One member of the City Council shall be elected by each ward, and only the registered voters of each ward shall vote for the member of the City Council to be elected by that ward. In those wards where there are more than two candidates, only a candidate receiving a majority of the total votes cast for the office shall be declared elected.

(c) If in an election for a member of the City Council for any ward, ~~or for the office of Mayor,~~ no candidate receives a majority of the total votes cast for the office, the City Council shall immediately upon the determination of that fact, call a special election to be held on the ~~last first~~ Tuesday ~~following the first Monday~~ of ~~August~~ ~~November~~ of that same year. The two candidates receiving the highest number of votes for the office in the general municipal election shall be declared the candidates for the special election. (Effective 1/5/2007)

(d) If in an election for Mayor, no candidate receives a majority of the total votes cast for the office, the City Council shall immediately upon the determination of that fact, call a special election to be held on the second Tuesday following the first Monday in September of that same year. The two candidates receiving the highest number of votes for the office in the general municipal election shall be declared the candidates for the special election.

~~(de)~~ Officials elected at the general municipal election shall take office on the second Tuesday following completion of the canvass, but in no event later than the fifth Tuesday following the general municipal election. Officials elected at any other election shall take office on the second Tuesday following completion of the canvass, but in no event later than the fifth Tuesday following the election.

~~(ef)~~ The qualifications of candidates and electors and the procedure governing general municipal elections shall apply to any special election called pursuant to this section and the notice of election shall be published at least thirty days prior to the date of such special election. (Effective 1/6/2003)

~~(fg)~~ Notwithstanding the above, an election shall be held on June 5, 2007, for the purpose of electing members of the City Council from Wards 1, 3, 5, and 7 for terms expiring in June 2011, or until their successors are elected and seated. (Effective 1/5/2007)

~~(gh)~~ Notwithstanding the above, an election shall be held on June 2, 2009, for the purpose of electing members of the City Council from Wards 2, 4, and 6 for terms expiring June 2013, or until their successors are elected and seated. (Effective 1/5/2007)

~~(hi)~~ Notwithstanding the above, an election shall be held on November 3, 2009, for the purpose of electing the Mayor for a term expiring June 2012 or until their successor is elected and seated. (Effective 1/5/2007)

(j) Notwithstanding the above, if on June 5, 2012, no candidate for Mayor receives a majority of the votes cast for the office, the City Council shall immediately upon the determination of that fact, call a special election to be held on November 6, 2012. The two candidates receiving the highest number of votes for the office in the general municipal election shall be declared the candidates for the special election.



Charter Review Committee

Commission on Sustainability

December 19, 2011

Creation of a Commission on Sustainability

- Route 5 of Seizing our Destiny is recommending to the charter review committee to propose to City Council the creation of a Commission on Sustainability to be incorporated into the City's Charter
- Other cities have taken similar steps for a commission's creation
- The establishment of a commission and its incorporation in the charter will cement Riverside's position of regional leadership while maintaining a defined role and taking the city to new heights



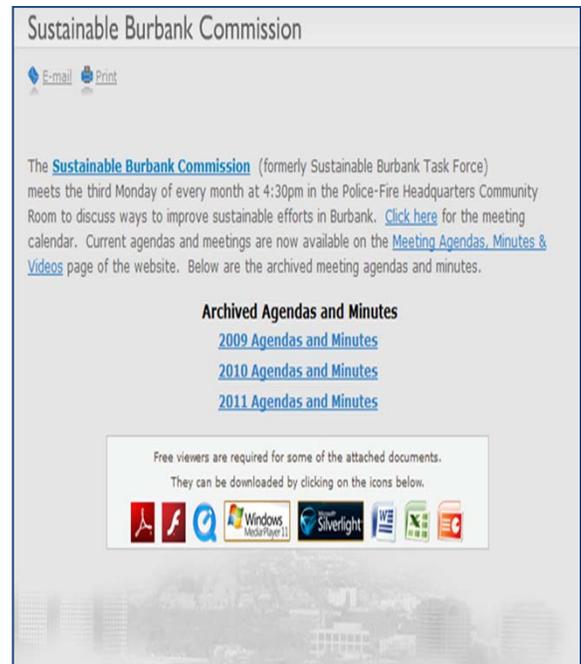
Other Cities

- **Encinitas**
- **Huntington beach**
- **Palm Springs**
- **La Mesa**
- **Sunnyvale**
- **Sacramento**
 - Regional
 - Surrounding cities
 - Municipal utility
- **Burbank**
 - Reasonably applicable



Burbank

- **Similarities:**
 - Municipal Utility
 - Previously had a taskforce
 - Multiple departments involvement
 - Good attendance
 - Two council members' participation



- **Differences:**
 - Smaller community (100K nighttime)
 - Day time population doubles (200K daytime)
 - Housed in Public Works
 - Behind our initiatives



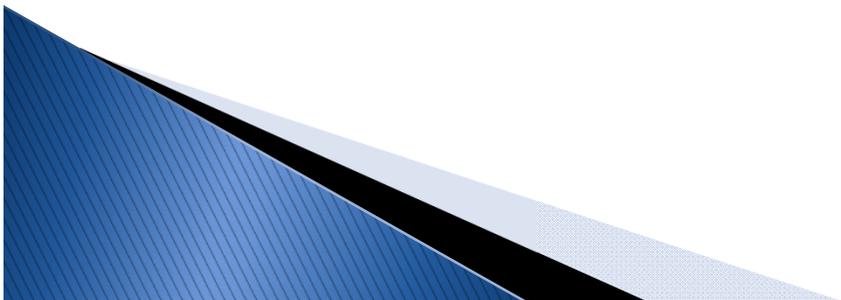
Case Study – Burbank

- **Six residents**
 - No particular jurisdiction

- **Three members at large**
 - Resident or non-resident
 - Member of real estate or,
 - Member of business community or,
 - Member of faith

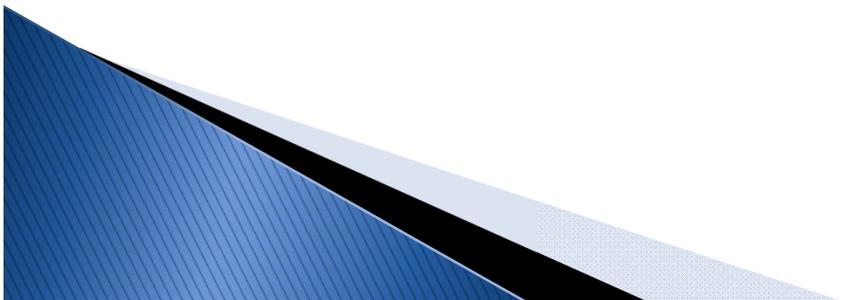
- **Seven non-voting members**
 - Planning board, utilities, school, airport, chamber of commerce, youth board

- **Similar layout but not consistent with Riverside's commission structure**



Other Examples

- Other Commissions are not in Charter
- Some cities do not have any commissions in their charter
 - Most are not relevant to our situation
- Ours shows FULL commitment to the purpose
- Calls on Riverside to maintain its leadership role
- Ensures the drive and initiative



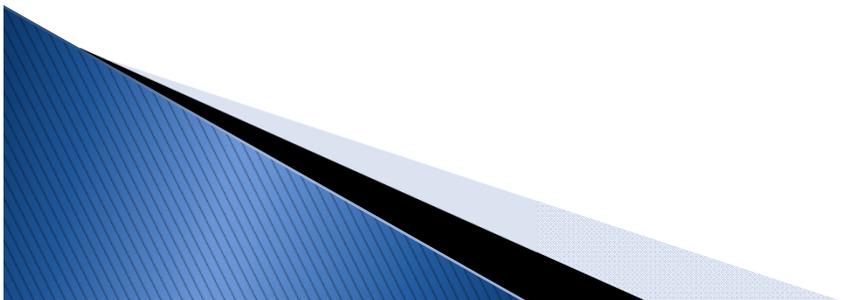
Why Riverside is Different

- **Started in 2005**
 - Clean and Green Taskforce
 - Sustainable Policy Statement
- **First Green Action Plan**
 - 34 of 38 initiatives complete
 - Monitored by the Green Accountability Performance Committee (40 members)
- **Recognition and Partnership with the Department of Conservation**
 - Second Green Action Plan
 - First Emerald City
 - “Greenest of the Green”
 - Broader Focus



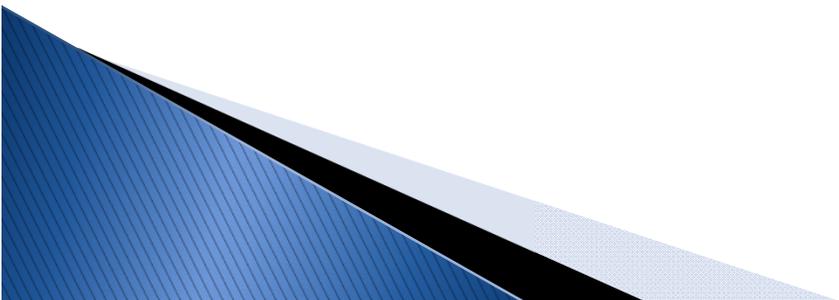
Riverside is Further Ahead

- Riverside's floor is every other city's ceiling
- Other cities' commissions on sustainability are not 100% applicable to Riverside in either format or scope
- Different and more difficult challenges
- Progressive city looking at the economic advantages (beyond simple solutions)
- Requires advisory commission providing input to City Council and collaboration with community groups



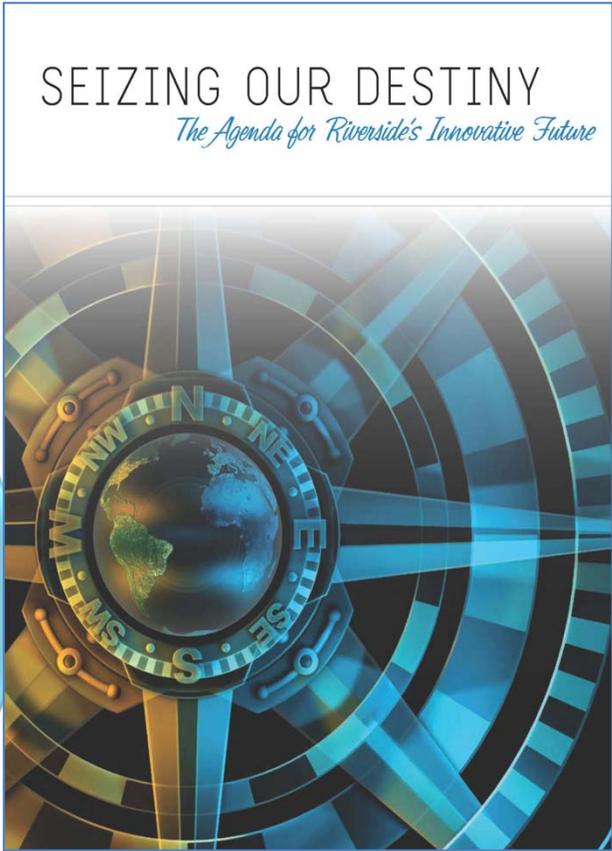
Sustainability Matters

- Green is increasingly the only “good” story
 - Future of U.S., California and County economies
- It is why we are here – Seizing Our Destiny
- Economic development activity
- Relocation incentives – ED Rate
- National League of Cities showcase
- Newsweek – Top 3 “Can-Do” Cities
- Popular Science Magazine – Green Cities
- **Earned recognition and attention that would go missing if not permanently incorporated**



Community Participation and Empowerment

Seizing Our Destiny showcases the community's vision for the future of Riverside and highlights our next steps toward this goal



Riverside promotes an outstanding quality of life for all through intelligent growth



Taskforce is Not Enough

- A Commission continues Riverside's role as a leader
- Currently, GAP Committee only serves at the pleasure of the Mayor
- Charter integration results from community approval and support, rather than the uncertainty of elected officials
- Commission formalizes sustainability into the City's DNA
- Continues innovation and recognition
- Establishes purpose, relation to other commissions
- Other commissions/staff may be asked to participate for input and insurance of no overlap
- **An opportunity to showcase the community's sustainability vision for the future of Riverside**



Commission Structure

- Consistent with other Riverside commissions
 - Seven members, one from each ward
 - Two at-large members

- Compliant with Sec. 800–805 in the City Charter

- Commission will define:
 - Additional members
 - Number of meetings
 - Chair and vice-chair



Director Luther

Mayor Loveridge

CoolCalifornia.org
GOVERNMENT • UNIVERSITY • NGO PARTNERSHIP

Local Government **Case Study**

City of Riverside, California

Riverside: An Emerald City
To further Riverside's commitment to an environmentally stable future, the Clean and Green Sustainable Riverside Action Plan was developed. Successful implementation of the Action Plan will ensure sustainable growth while preserving the health of the local environment for generations.

Riverside has a climate commitment to achieve the U.S. Conference of Mayors target to reduce greenhouse gas (GHG) emissions 7% below 1990 levels by 2012. In February 2009, Riverside was praised as one of the greenest cities in the state by California Department of Conservation Director Bridgett Luther when she officially designated Riverside as the first "Emerald City."

Riverside's participation in the Emerald City pilot program, in coordination with the Green Action Plan, focuses on: energy efficiency and conservation; greenhouse gas emission reduction efforts and air quality measures; waste reduction and recycling; urban design; urban nature; water efficiency, conservation, and recycling; and healthy communities. With the commitment of the Mayor and City Council, City staff and the business and residential communities, Riverside is becoming a clean, green and sustainable community.

"It is time for Riverside to take the lead as a sustainable city. With the community's involvement, we can, and should become a clean and green city and an example of what's possible."
-Ron Loveridge, Mayor of Riverside

The City of Riverside (shown above) adopted the Clean and Green Sustainable Riverside Action Plan in 2007 to reduce greenhouse gas emissions.

Green Actions Snapshot

- Adopted Clean and Green Sustainable Riverside Action Plan, January 2007
- Greening power supply with renewable energy sources, 50% by 2013
- Increasing recycled water for agriculture and irrigation use, 2008
- Adoption of environmentally preferable purchasing policy, March 2009
- Implementing green building policy, Feb. 2009

Environmental Benefits

Actual/Measured:

- Since 1999, Riverside Public Utilities customers saved enough kilowatt hours (kWh) of electricity equivalent to taking 23,691 cars off the road
- 87 million kilowatt hours of electricity saved by community use of fluorescent light bulbs

Projected/Future:

- More than 5 billion gallons of recycled water used annually by 2015

Estimated Yearly Greenhouse Gas Emission Reductions

- 34,800 metric tons CO₂E from lighting retrofits

Municipal Facilities Greenhouse Gas Emissions
Riverside's GHG emissions inventory found that in 1990 its municipalities released 39.6 metric tons of CO₂E. The City anticipates a release of 42.1 metric tons of CO₂E in 2012. This data is from a City study completed in 2008.

Year	Metric Tons of CO ₂ E
1990	39.6
2000	42.6
2007	43.9
2012	42.1

Commission on Sustainability

Purpose:

- Formally integrate years of city and community efforts
- Update and make recommendations to City Council on matters of sustainability as it pertains to matters of city economic, environmental and regional advantage.
- To monitor and update the progress of the City's Green Action Plan
- Act in an advisory capacity to the City Council to all matters regarding the further integration of sustainability into the community
- Maintain regional leadership as a destination for businesses and residency



Companies Think Differently

Great businesses do things differently and look at environmental as well as economic factors

–Harvard Business Review

WAL★MART®



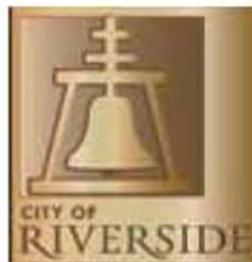
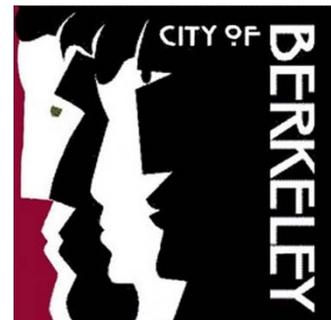
DELL™



HONDA



Cities Think Differently



City of Arts & Innovation



Why in the Charter – Summary

- The Commission's existence is not based on political prerogatives but is instead engrained into the City's culture led by the community
- The Commission will seize the opportunity to plan for the future and provide the full commitment for long term economic and environmental sustainability
- The Commission will earn recognition and attention that would go missing if not permanently incorporated
- An opportunity to showcase the community's sustainability vision for the future of Riverside

**The First Commission of the
21st Century for Riverside**



Section 811 – Commission on Sustainability

Draft Proposed Language

December 2011

Section 811 – Creation and Purpose

- The Commission on Sustainability would advise the Mayor and City Council on matters of sustainability as it pertains to environmental stewardship, economic development, and regional advantages as a means of pursuing a higher quality of life.

Section 811 – Powers and Duties

- The powers and duties of the Commission shall be as follows:
 - To act in an advisory capacity to the City Council on all matters pertaining to sustainability, environmental mitigation/enhancement, and sustainable economic development;
 - To assemble information on issues and their solutions for sustainability through all available means including public hearings;

Powers and duties (cont'd)

- To be empowered on its own initiative to make recommendations to the City Council on all matters within its purview;
- To act to facilitate coordination between existing and proposed programs for community and economic sustainability;
- To carry out such studies as may be assigned to it by the City Council; and,
- To, from time to time, report to the Mayor and City Council its findings.

Powers and duties (cont'd)

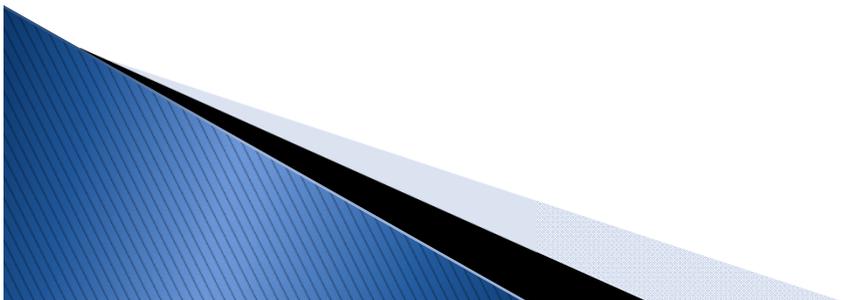
- Nothing contained in this section shall be construed as vesting the Commission, or any member thereof, with supervisory powers over the actions or duties of City employees or the operations of City Departments, or other Boards or Commissions

Contact Information

Seizing our Destiny Route 5: Commission on Sustainability

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 - rstockton@rickengineering.com





CHARTER REVIEW COMMITTEE

ARTICLE	SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
I		<i>Incorporation and Succession</i>	No proposed changes	N/A	N/A
II		<i>General Powers of City</i>	No proposed changes	N/A	N/A
III		<i>Form of Government</i>	No proposed changes	N/A	N/A



CHARTER REVIEW COMMITTEE

ARTICLE	SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
IV	400	City Council and Mayor	<p>Issue: Timing of Run-Off Elections</p> <p>Positions:</p> <ul style="list-style-type: none"> - No change to current language mandating that run-off election be held 180 days after June election - Shorten run-off period to 60 days after June election, except for mayoral election, which will be held in _____ <p>Recommendation: Shorten run-off period to 60 days after June election, except for mayoral election, which will be held in _____</p> <p>Vote:</p>	Substantive	



CHARTER REVIEW COMMITTEE

ARTICLE	SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
V		Elections	No proposed changes	N/A	N/A



CHARTER REVIEW COMMITTEE

ARTICLE	SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
VI	601	<p><i>City Manager</i></p> <p>Powers and Duties</p>	<p>Issue: Whether to change certain titles in Charter to reflect new titles</p> <p>Positions:</p> <ul style="list-style-type: none"> - No changes to current titles - Change title of "Controller" to <i>Chief Financial Officer/Treasurer</i>; replace the word "Treasurer" with <i>City Auditor</i>; change "librarian" to <i>Library Director</i>. <p>Recommendation: Change titles</p> <p>Vote: 13-0</p>	Non-substantive	None
	601(c)	<p><i>Powers and Duties</i></p>	<p>Issue: Whether to expand RPU Board authority to approval not only of appointment, but also <u>suspension</u> and <u>removal</u> of RPU Director.</p> <p>Positions:</p> <ul style="list-style-type: none"> - No changes to current authority of the Board - Expand RPU Board authority to approval not only of appointment, but also <u>suspension</u> and <u>removal</u> of RPU Director. 	Substantive	None



CHARTER REVIEW COMMITTEE

ARTICLE SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
601	<i>Powers and Duties</i>	<p>Recommendation: Expand RPU Board authority to approval not only of appointment, but also <u>suspension</u> and <u>removal</u> of RPU Director</p> <p>Vote: 15-0</p> <p>Issue: Whether to eliminate the City Manager's authority to approve or disapprove the appointments or removals of employees of the two other Charter officers, the City Clerk and the City Attorney</p> <p>Positions:</p> <ul style="list-style-type: none"> - No changes to current authority - Eliminate the authority of the City Manager to approve or disapprove all proposed appointments and removals of subordinate employees of the City Clerk and the City Attorney. <p>Recommendation: Eliminate the authority of the City Manager to approve or disapprove all proposed appointments and removals of subordinate employees of the City Clerk and the City Attorney.</p> <p>Vote: 12-1</p>	Substantive	None



CHARTER REVIEW COMMITTEE

ARTICLE	SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
VII		<i>Officers and Employees Generally</i>			
	704,705	Controller, Treasurer	<p>Issue: Whether to change certain titles and listed duties in Charter to reflect new titles and duties</p> <p>Positions:</p> <ul style="list-style-type: none"> - No changes to current titles and duties - Change title of "Controller" to <i>Chief Financial Officer/Treasurer</i> and add listed duties of Controller to the listed duties of the <i>Chief Financial Officer/Treasurer</i>. <p>Recommendation: Change title of "Controller" to <i>Chief Financial Officer/Treasurer</i> and add listed duties of Controller to the listed duties of the <i>Chief Financial Officer/Treasurer</i></p> <p>Vote: 13-0</p>	Non-Substantive	None



CHARTER REVIEW COMMITTEE

ARTICLE	SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
VIII		Appointive Boards and Commissions			
	808(e)	Board of Library Trustees	<p>Issue: Whether to change certain title of "Librarian" to <i>Library Director</i></p> <p>Positions:</p> <ul style="list-style-type: none"> - No changes to current title - Change title of "ibrarian" to <i>Library Director</i>. <p>Recommendation: title of "ibrarian" to <i>Library Director</i>.</p> <p>Vote: 13-0</p>	Non-Substantive	None



CHARTER REVIEW COMMITTEE

ARTICLE	SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
IX		Personnel Merit System	No proposed changes	N/A	N/A
X		Retirement	No proposed changes	N/A	N/A



CHARTER REVIEW COMMITTEE

ARTICLE SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
XI	<p><i>Fiscal Administration</i> Budget, Independent Audit</p>	<p>Issue: Whether to modify requirements to provide hard copies of certain documents to City officials; require certain documents (budget, external audit) be posted on the internet</p> <p>Positions:</p> <ul style="list-style-type: none"> - No changes to current requirements - Delete requirement to provide hard copies of certain documents to City officials, require certain documents (budget, external audit) be posted on the internet <p>Recommendation: Delete requirement to provide hard copies of certain documents to City officials, require certain documents (budget, external audit) be posted on the internet</p> <p>Vote: 13-0</p>	Non-substantive	Minimal positive impact to General Fund
1109	Public Works Contracts	<p>Issue: Whether to change advertisement of opportunities for bids for public works contracts from the newspaper to electronic means (internet).</p> <p>Positions:</p>	Substantive	Minimal positive impact to General Fund



CHARTER REVIEW COMMITTEE

ARTICLE SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
		<ul style="list-style-type: none"> - No changes to current requirements - Change advertisement of opportunities for bids for public works contracts from the newspaper to electronic means (internet) <p>Recommendation: Change advertisement of opportunities for bids for public works contracts from the newspaper to electronic means (internet)</p> <p>Vote: 15-0</p>		



CHARTER REVIEW COMMITTEE

ARTICLE	SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
XII	1202(g)	Department of Public Utilities	<p>Issue: Whether to expand RPU Board authority to include not only approval of appointment, but also <u>suspension</u> and <u>removal</u> of RPU Director.</p> <p>Positions:</p> <ul style="list-style-type: none"> - No changes to current authority of the Board - Expand RPU Board authority to include not only approval of appointment, but also <u>suspension</u> and <u>removal</u> of RPU Director. <p>Recommendation: Expand RPU Board authority to include not only approval of appointment, but also <u>suspension</u> and <u>removal</u> of RPU Director</p> <p>Vote: 15-0</p>	Substantive	None



CHARTER REVIEW COMMITTEE

ARTICLE	SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
XIII		Franchises	No proposed changes	N/A	N/A
XIV		Miscellaneous			
	1403	Charter Review Committee	<p>Issue: Whether to delete obsolete language and adjust the dates for the appointment of the next committee from February 2004 to February 2019.</p> <p>Positions:</p> <ul style="list-style-type: none"> - No changes to current Charter language - Adjust the dates for the appointment of the next committee from February 2004 to February 2019 <p>Recommendation: adjust the dates for the appointment of the next committee from February 2004 to February 2019</p> <p>Vote: 13-0</p>	Non-Substantive	None



CHARTER REVIEW COMMITTEE

ARTICLE SECTION	TITLE	ISSUES	SUBSTANTIVE/ NON-SUBSTANTIVE CHANGES	FISCAL IMPACT
Misc.	Various	<p>Various changes and clarifications to correct words, to delete obsolete language, to reflect current practices, and eliminate reference to taxes no longer being collected.</p> <p>Issue: Whether to insert the word "accessible" before "website" throughout the Charter.</p> <p>Positions:</p> <ul style="list-style-type: none"> - No changes to current Charter language - Insert the word "accessible" before "website" throughout the Charter <p>Recommendation: insert the word "accessible" before "website" throughout the Charter</p> <p>Vote: 13-0</p>	Non-substantive	None
	Various		Non-substantive	None