

REQUEST FOR CHARTER REVIEW COMMISSION ACTION

MEETING DATE(S): 02/02/2010

SUBMITTED TO: HB Charter Review Commission

SUBMITTED BY: Mark D. Bixby, Charter Review Commissioner *MDB*

SUBJECT: Add charter language to give greater public oversight of long-duration contracts

Statement of Issue: To create greater public oversight over city contracts by requiring contracts of duration greater than ten years to be approved by ordinance subject to referendum, and requiring contracts of duration greater than twenty five years to be approved by a majority of electors of the city.

Recommended Action: Motion to:

Add new Huntington Beach charter language as follows:

No contract or lease or extension thereof for a longer period than ten years shall be valid unless said contract, lease or extension be made or approved by ordinance which shall be subject to referendum. The City Council shall not have the power to make or authorize any contract or lease or extension thereof for a longer period than twenty-five years unless said contract, lease or extension be approved by a majority of the qualified electors of the City voting on such question at any election. A contract, lease or extension for a longer period than twenty-five years shall be valid without such elector approval if it provides for the acquisition by the City at the end of such period of the real or personal property so leased or contracted for. This Section shall not apply to any franchise granted pursuant to the provisions of this Charter or to any contract for the furnishing, or acquisition of the products, commodity or services of any public utility.

Alternative Action(s):

1. Increase the threshold for requiring contract approval by ordinance to something greater than ten years.
2. Increase the threshold for requiring contract approval by the electors to something greater than twenty five years.

REQUEST FOR CHARTER REVIEW COMMISSION ACTION

MEETING DATE(S): 02/02/2010

Analysis:

Long-duration contracts warrant extra oversight by the public to help ensure that such contracts are in the best economic interest of the city and its taxpayers.

Downey charter section 518 requires that contracts greater than ten years in duration be approved by ordinance so that the public can have the right of referendum to overturn contracts that are not in the best interest of the city.

Newport Beach charter section 420 requires that contracts greater than twenty five years in duration be approved by a majority of the electors of the city.

My proposal is a “mashup” of both of these charter sections, and retains the exclusions for franchise contracts and public utility contracts. Franchise and utility contracts tend to be the contracts with the longest durations, and thus excluding these contracts from my proposal greatly reduces the number of contracts subject to these restrictions.

I am willing to consider alternative duration thresholds. It is my intent that the ordinance-required threshold be triggered infrequently, and the election-required threshold be triggered rarely.

References:

- Downey charter section 518 (ten year threshold) - http://www.downeyca.org/city_charter.pdf
- Newport Beach charter section 420 (twenty five year threshold) - <http://www.codepublishing.com/CA/NewportBeach/html/NewportBeachCH.html#04.420>