

CITY OF SEBASTOPOL

RESOLUTION NUMBER 6802-2026

A Resolution of the City Council of the City of Sebastopol Amending and Restating Resolution No. 6713-2025 Establishing a Standing Enterprise Fund Oversight Committee to Add a Certified Public Accountant Member

WHEREAS, the City of Sebastopol City Council operates several Enterprise Funds, including but not limited to the Water Fund and the Wastewater Fund, which are financed and operated in a manner similar to private businesses, with the objective of recovering the costs of providing goods or services to the public primarily through user charges; and

WHEREAS, the City Council has recognized the importance of effective oversight of these Enterprise Funds to ensure financial sustainability, accountability, and transparency in their management; and

WHEREAS, the City Council has received multiple communications from community members expressing concerns regarding the governance of these funds and the need for greater financial oversight; and

WHEREAS, the City Council desires to create a standing Enterprise Fund Oversight Committee to provide ongoing, structured oversight and to offer recommendations to the City Council regarding the financial health and long-term planning of the City's Enterprise Funds; and

WHEREAS, the establishment of such a committee aligns with the City Council's adopted goal of ensuring transparency in the management of public funds and improving governance practices; and

WHEREAS, on November 4, 2025, the City Council adopted Resolution No. 6713-2025 establishing the Enterprise Fund Oversight Committee, and the City Council now desires to amend and restate Resolution No. 6713-2025 to temporarily increase the membership of the Committee from five (5) to six (6) members for one year and to add a member who is a Certified Public Accountant.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sebastopol that Resolution No. 6713-2025 is hereby amended and restated in its entirety, and the Enterprise Fund Oversight Committee is hereby established as a standing committee, with the following structure and responsibilities:

1. Establishment. There is hereby established the City of Sebastopol Enterprise Fund Oversight Committee.

2. Composition and Qualifications. The Committee shall be composed of no more than six (6) members who are at least 18 years of age, reside or have a business in Sebastopol, and have one of the following qualifications:

- a) One member of the City Council
- b) At least one person who owns or is a representative of a business in the City of Sebastopol City limits
- c) At least two people who are residents of the City of Sebastopol and actively engaged in City governance (such as active engagement with the Council)
- d) At least one person who has expertise in accounting, auditing, or another financial field regardless of residency within city limits.
- e) At least one person who is a Certified Public Accountant (CPA), currently licensed and in good standing with the California Board of Accountancy, regardless of residency within city limits.

3. Application/Recruitment Process: Whenever there are vacancies on the Oversight Committee, the Lead Staff Department shall advertise an invitation for individuals to apply to serve on the committee. Notice of any vacancies will be advertised in the Press Democrat and on the City's website and social media outlets. The applications received shall be reviewed to meet selection criteria and shall be submitted to the full City Council for appointment.

4. Duties. The Committee shall act in an advisory capacity to the City Council and no express authority or power to act on behalf of the City is hereby delegated. To carry out its stated purpose, the Committee shall perform the following duties:

- a) Reviewing Annual Budgets and Financial Reports: The Committee will analyze the financial health of the Enterprise Funds, ensuring that budgets and financial statements reflect accurate and sustainable practices.
- b) Analyzing Rate Studies and Rate Adjustment Proposals: The Committee will evaluate proposed rate changes, including providing recommendations on cost allocation methods to ensure fairness and financial viability.
- c) Evaluating Long-Term Financial Planning and Capital Improvement Needs: The Committee will assess capital improvement plans (CIP), master plans, and long-term financial forecasts related to Enterprise Fund operations, ensuring that projects are properly prioritized and funded and that master planning efforts align with Enterprise Fund financial sustainability.
- d) Engage with the public and other stakeholders to ensure that the community's interest and concerns are reflected in the Committee's recommendations.
- e) Such other duties as assigned by the City Council.
- f) Shall submit an annual report to the Council in early June before the next fiscal year budget is adopted.

5. Staff Liaison: Engineering/Public Works Director will be the lead staff department and will provide staffing support for the committee. Administrative Services Director will also provide support to the committee. Documents shall be provided by staff to the Committee a minimum of two weeks prior to the Committee meeting.

6. The Committee meetings shall be in compliance with the Ralph M. Brown Act. All members may be required to complete financial disclosure forms (Form 700) Statements of Economic Interest.

7. The Terms shall be two years; expiring on January 31st with the ability to renew for an additional two years. Notwithstanding the foregoing, the members appointed to fulfill the requirement for Certified Public Accountant (CPA) shall serve a term of one (1) year. Members shall serve at the pleasure of the City Council.

8. Vacancies other than by the expiration of a term shall be filled by appointment for the unexpired portion of said term, in the same manner as original appointments are made.

9. Regular meetings shall be held semi-annually in March and September. Additional meetings may be held as necessary.

10. A quorum of the Committee shall consist of a minimum of three (3) members. A quorum must be present in order for the Oversight Committee to hold a meeting.

11. The Officers of the Committee shall be a Chairperson and Vice-Chairperson, who shall be selected by the membership for a one (1) year term. The Chairperson shall preside at all meetings.

12. The City Manager is directly to bring this resolution back to the City Council in fall of 2027 for further review and direction prior to the termination of member terms in January 2028.

The above and foregoing Resolution was duly passed, approved and adopted at a meeting by the City Council on the 6th day of October, 2026.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

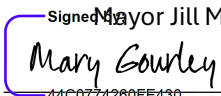
Ayes: Councilmembers Carter, Hinton, Zollman, Vice Mayor Maurer and Mayor McLewis

Noes: None

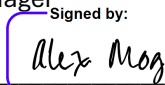
Absent: None

Abstain: None

APPROVED:  Signed by:
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ATTEST:  Signed by:
44C0774260FE430...

Mary C. Gourley, City Manager

Approved as to Form:  Signed by:
66BDB79D572A4EB...
Alex Mog, City Attorney