

Appendix A

Charter of the Downtown Oceanside PBID Governing Committee

Adopted December 10, 2019

A. Purpose. The Downtown Oceanside PBID Governing Committee (PGC) shall provide strategic direction and oversight, make recommendations to the MSO Board, and take action pursuant to delegated authority, on matters pertaining to the Downtown Oceanside Property and Business Improvement District (DTOPBID). The PGC will be responsible for implementing the DTOPBID District Management Plan. The PGC shall possess the authority to manage DTOPBID assessment funds and full decision-making authority regarding DTOPBID programs. The PGC and MSO staff shall be responsible for day-to-day management of the DTOPBID.

B. Membership. The Committee shall consist of up to nineteen (19) members, constituted as follows:

- The MSO Executive Director serving in an ex officio capacity
- The Chair of the MSO Board serving in an ex officio capacity
- Up to ten (10) members who represent a property in the Commercial category
- Up to two (2) members who represent a property in the Public category
- Up to two (2) members who represent a property in the Condo category
- Up to one (1) member who represents a property in the Religious category
- Up to two (2) additional non-voting advisory members who bring specific professional expertise to the committee

C. Appointment. Except for ex officio members, all members of the Committee, and those chosen to serve as Chair and Vice Chair, shall be approved by the Board.

D. Term. Unless otherwise specified by action of the Board, voting members of the Committee, other than ex officio members, shall be appointed for a term of three years, subject to reappointment, in order to facilitate the development of expertise needed to provide effective oversight of the DTOPBID. Advisory members may serve for such terms as recommended by the Board and shall not be subject to any term limits.

E. Special Requirements for Members. All members other than ex officio and advisory members shall own and/or represent a property owner that is assessed by the DTOPBID.

F. Ex-officio and Advisory Members. Ex-officio and advisory members shall not vote. Ex-officio and advisory members shall not be included in the count when determining the number needed for a quorum and shall not be counted when determining if a quorum is present.

G. Quorum. The presence of a majority of directors entitled to vote at any meeting of the PGC shall constitute a quorum for the transaction of business. Every act or decision taken by a majority of committee members present and voting at a meeting, duly held at which a quorum was present, shall be regarded as an act of the PGC.

H. Meetings. The PGC will meet regularly according to a schedule and at a place determined by the PGC. A special meeting may be called by the Chair, the Executive Director or any five committee members. Notice of a special meeting shall include the purpose, time and place of the special meeting, and shall be delivered personally, by phone or by email at least twenty-four hours prior to the meeting.

I. Removal of Members. If any member misses more than two consecutive meetings or misses one-third of the regularly scheduled meetings in a one-year period, the PGC may declare that member's seat vacant. In the case of extenuating circumstances, the committee may grant special consideration.

J. Officers. Annually, at the April Meeting, the PGC shall elect a Chair and Vice-Chair. All committee members except the Executive Director, the MSO Board Chair, and the advisory members are eligible to serve as Chair or Vice-Chair. The Chair and Vice-Chair shall serve for a two-year term to commence immediately upon election and end upon the election of a replacement.

K. Responsibilities of the Chair. The Chair shall be subject to the control and supervision of the committee. The Chair shall generally preside over meetings and supervise the activities and affairs of the committee. The Chair may enter into discussions and vote at meetings. The Chair shall have powers and duties as prescribed by the committee.

L. Responsibilities of the Vice-Chair. The Vice-Chair shall serve as the Chair if for some reason the Chair is unable to serve. The Vice-Chair may preside over meetings in the absence of the Chair. The Vice-Chair may have other powers and duties from time to time as prescribed by the committee.

M. Removal of Officers. The Chair or Vice-Chair may be removed, with or without cause, by a majority of the voting members in office at that time, at any regular or special meeting of the committee.

N. Delegated Authority Over Transactions. The Committee shall have plenary authority to approve the following DTOBID business transactions, which shall require no further action or authorization from the MSO Board or any other committee:

- business transactions primarily arising from or serving the programs or services of the DTOBID.

O. Funds. All receipts of funds from the City of Oceanside pursuant to the DTOBID shall be paid into the general operating fund of Main Street Oceanside, Inc. and shall be disbursed only as authorized by the PGC for operation, management and other activities of the DTOBID. No expenditure shall be authorized unless there are sufficient DTOBID funds available for the purpose of said expenditure.

P. Financial Records. Main Street Oceanside will keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the DTOBID, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statement. The books of account shall be open to inspection by any committee member with reasonable advance notice.

Q. Budget. Prior to the operating year, the Committee shall deliver to the Board in writing an annual budget. The budget shall remain consistent with the Management District Plan.

R. Expenditures. All expenditures during the year shall be within the framework of the budget unless authorization is given by the MSO Board.

S. Fiscal Year. The fiscal year of the DTOBID shall be from January 1 to December 31.

T. Annual Report. The PGC shall prepare an annual report to the Board at the end of each year of operation for presentation to the City Council pursuant to Streets and Highways Code §36650. The annual report is a prospective report for the upcoming year and must include:

1. Any proposed changes in the boundaries of the DTOPBID or in any benefit zones or classification of property within the district;
2. The improvements, maintenance, and activities to be provided for that fiscal year;
3. The estimated cost of providing the improvements, maintenance, and activities to be provided for that fiscal year;
4. The method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year;
5. The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
6. The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this Plan.

U. Reporting. The Committee shall deliver to the Board the following reports, which may be in writing, on at least an annual basis:

- The strategic plan and budget, presented to the Board for review
- A report on the status of all programs of the DTOPBID

V. Brown Act and Public Records Compliance. The DTOPBID is a private entity and may not be considered a public entity for any purpose, nor may members of the MSO Board of Directors, PGC, or staff be considered to be public officials for any purpose. The DTOPBID is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The DTOPBID must act as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the MSO Board of Directors at which actions related to the PGC and DTOPBID are heard, discussed, or deliberated; meetings of the PGC; and meetings of certain other committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act.

W. City of Oceanside Reporting and Audit Requirements. Per City of Oceanside Policy Number 200-09, adopted 6-17-09, the Downtown Oceanside PBID will be required to submit quarterly financial reports in accordance with the format provided by the Financial Services Department. The quarterly financial report shall demonstrate, at a minimum, how the City funds were expended. Receipts must be made available upon request, and retained for a minimum of four years. In addition to the quarterly financial reports, the DTOPBID will be required to submit a year-end report, along with an independent audit performed by a third-party certified public accounting firm. Neither the members of the Board of Directors of the DTOPBID, nor its employees, shall be financially interested in any agreement funded in whole or in part by City funds. All contracts with the DTOPBID shall require mandatory compliance with this policy, and the DTOPBID's failure to comply shall be a basis of termination of the contract by the City and a loss of all funding.

X. Amendments to Charter. This Charter may be amended by the MSO Board of Directors at any time in conformance with the intent and stated purpose of the DTOPBID and the Management District Plan. PGC may recommend amendments to this charter which are subject to the approval of the MSO Board of Directors.

Y. All members of the PBID Governing Committee shall be governed by the Main Street Oceanside By Laws including but not limited to Article XI: Indemnification and Standard of Care, Article XII: Nondiscrimination, and Article XIII: Conflict of Interest Policy.

CERTIFICATE

The undersigned Secretary of the Board of Directors of Main Street Oceanside, Inc., a California corporation, hereby certifies that attached hereto is a true copy of the Charter of the Downtown Oceanside PBID Governing Committee duly adopted on December 10, 2019 by the Main Street Oceanside Inc. Board of Directors.

Secretary

Date