

promote fair and open competition among suppliers, and to ensure good internal controls exist to prevent unnecessary or duplicative expenditures of public funds.

The Commission considered two alternatives: (1) recommend elimination of the Section and rely on the City's existing codes, policies, and administrative procedures to establish purchasing roles and responsibilities, or (2) recommend no change. Appendix O provides the background information the Commission used in forming its recommendation.

Recommendation: No Change to Charter Section 1106

The Commission recommends that Charter Section 1106 be unchanged.

8. Misdemeanor Penalties

Section 1404 of the City's Charter only sets forth the maximum penalties that could be imposed for violations of the City's Charter. However, it does not reflect maximum penalties for violations of the City's ordinances. The Commission considered two alternatives: (1) recommend an amendment to Section 1404 to allow the City to exercise maximum flexibility to legislate and determine the appropriate maximum punishment that could be sought for a violation of the City's Charter or an ordinance, or (2) recommend no change. Appendix P provides the background information the Commission used in forming its recommendation.

Recommendation: Amend

The Commission recommends that Charter Section 1404 be amended to allow for flexibility in the establishment of misdemeanor penalties.

III. Policy Matters

The following recommendations pertain to matters in the Charter or an initiative measure that may warrant a review and update for policy reasons.

1. City Council Vacancies

Charter Section 403 provides the process by which a vacancy on the City Council is filled, giving the City Council the option to either appoint a qualified person within 30 days or cause an election to fill such a vacancy. This policy issue was first raised to determine whether the Charter section should be amended to clarify the application of term limits for Council members appointed to complete a partial vacated term. However, Section 1.32.020 of the NBMC clarifies term limits for such appointees. Appendix Q provides the background information the Commission used in forming its recommendation.

Recommendation: No Change to Charter Section 403

The Commission recommends that Charter Section 403 be unchanged.

2. Restrictions on Oil Drilling

Oil well production and drilling activity have been ongoing on City and County land on and in the immediate vicinity of Banning Ranch for more than 50 years and prior to the enactment of the City's Charter. Over that period of time, many things have changed. In 2006, the voters approved a new General Plan which establishes goals for the re-use of Banning Ranch as either fully or mostly open space, the achievement of which will require changes in current oil drilling activity. In addition, productivity of oil wells and methods of oil extraction have changed since the Charter was enacted.

Charter Section 1401 prohibits new oil drilling within the City, including land annexed to the City, without a vote of the people ~~and imposes restrictions on certain types of drilling methods~~. The original Charter language is ambiguous with regard to the scope of activities that are allowed to continue oil production from an existing oil extraction area. This makes it difficult for the City to

move forward with consolidation of oil drilling on the Banning Ranch property to allow its reuse for either open space or development, or to implement new oil extraction techniques ~~such as water injection~~ on the City's own oil wells to increase revenue from them.

The Commission considered three alternatives: (1) recommend no change, (2) recommend deletion of Section 1401, or (3) recommend that Section 1401 be amended to define geographic areas in which oil drilling may occur after the areas are annexed to Newport Beach. ~~The recommended Three~~ areas are recommended: the two City oil well sites and the two consolidation sites proposed for Banning Ranch (one of which is an existing City oil well site). The land area on which oil drilling could occur would be reduced from roughly 360 acres in use today to roughly 20 acres. Appendix R provides the background information the Commission used in forming its recommendation.

Recommendation: Amend Charter Section 1401

The Commission recommends that Charter Section 1401 be amended to designate certain geographic areas as the only locations in which new oil drilling may be allowed upon annexation to the land in Newport Beach, and to eliminate all other provisions with the exception of the three geographic areas.

3. Fundraising Requests from Chambers of Commerce

The City of Newport Beach provides financial assistance and dedicates thousands of hours of staff time each year in support of events, programs and activities to a number of community organizations. Included among the organizations that receive City assistance are the Newport Beach Chamber of Commerce and the Corona Del Mar Chamber of Commerce. However, the City is limited by NBMC Section 3.24.010 in the financial assistance it may provide to the Chambers. This section was added by voter initiative in 1955 and limits the amount of funds that may be appropriated by the City to the local chambers of commerce for promotion, publicity, advertising, and entertainment purposes to \$2,400 annually. This amount has never been adjusted for inflation.

The Commission considered two alternatives: (1) recommend the repeal of NBMC Section 3.24.010 and evaluate Chamber funding requests according to Council Policy and the NBMC language in effect at the time the request is made, or (2) recommend increasing the appropriation limit. Appendix S provides the background information the Commission used in forming its recommendation.

Recommendation: Repeal NBMC Section 3.24.010

The Commission recommends that Newport Beach Municipal Code Section 3.24.010 be removed and that Chamber of Commerce funding requests be evaluated on the same basis as requests from other community organizations according to Council policy and the Municipal Code language in existence at the time the request is made.