



City Council Agenda Item

City Council Meeting Date: June 21, 2022

TO: Honorable Mayor and City Councilmembers

FROM: Jeff Malawy, City Attorney
Jmalawy@awattorneys.com

SUBJECT: Consider Approving Amendments to Bylaws of the Lompoc Community Benefit Foundation to Change the Residency Requirements for Board Members Who Are Business Representatives and to Add Two Business Representative Alternates; Appoint Business Representatives and Alternates

Recommendation:

Staff recommends the City Council:

- 1) Consider whether to approve the amendments to the bylaws of the Lompoc Community Benefit Foundation as described in this report, subject to and effective upon approval by the Foundation; and
- 2) Appoint members of the Lompoc Community Benefit Foundation board of directors that represent businesses in the City and appoint alternates. If any reside outside City limits or are an alternate, appoint them subject to and effective upon approval of the above bylaws amendments by the Foundation.

Background:

The Lompoc Community Benefit Foundation (Foundation) was formed on August 20, 2021. The Foundation Bylaws¹ establish a seven-member board of directors composed of one City Council member, four City commissioners, and two business representatives. The business representatives are appointed by a majority vote of the City Council. To date, no business representatives have been appointed.

The Bylaws require that the business representatives shall represent “businesses located in the City of Lompoc,” and also requires that they “shall not be employees, commissioners, or elected officials of the City of Lompoc, and ... shall have their primary residence in the City of Lompoc. The business representatives shall be from different business sectors, as determined by the Lompoc City Council.”

¹ See Attachment 1 for the current Bylaws.

June 21, 2022

Amendment to Nonprofit Bylaws; Appointment of Board Members

Page 2 of 4

At the City Council meeting on June 7, 2022, the City Council requested that staff prepare an amendment to the Bylaws that would do the following:

1. Remove the requirement that business representatives live within City limits and provide instead that the representatives' primary residence must be within the 93436 zip code; and
2. Add a provision for the appointment of two alternate business representatives who will only sit on the board and vote during a meeting of the board if a regular business representative is not able to attend the meeting.

Any amendments to the Bylaws must be approved by the Foundation Board and approved by the City Council. If the City Council approves amendments tonight, the Council's approval will be subject to and effective only upon approval of the amendments by the Foundation Board.

Discussion:

Proposed Amendments to the Bylaws

The City Council may consider the following amendments to the Bylaws:

1. Article VII, Section 2(f) of the Bylaws shall be amended as follows (additions in **bold underline**; deletions in ~~strikethrough~~):
 - (f) Two representatives of businesses located in the City of Lompoc, who shall not be employees, commissioners, or elected officials of the City of Lompoc, and who shall have their primary residence in the **93436 zip code** ~~City of Lompoc~~. The business representatives shall be from different business sectors, as determined by the Lompoc City Council.
2. Article VII, Section 3 of the Bylaws shall be amended as follows (additions in **bold underline**):

Section 3. Appointment of the Board Members; **Alternates**.

 - (a) Councilmember Seat and Business Representative Seats. The persons holding the Councilmember Seat and Business Representative Seats shall be appointed by a majority vote of the City Council, and all vacancies of such seats shall be filled by appointment by a majority vote of the City Council.
 - (b) Commissioner Seats. The chairs of the Designated Commissions shall automatically be placed on the board of directors, without appointment, unless they provide written notice to the City Council

that they do not wish to serve on the board of directors. In the event (i) the chair of a Designated Commission does not wish to serve on the board of directors, or (ii) such person is removed from the board of directors by the City Council pursuant to Article VII, Section 4(d), or (iii) a Designated Commission does not have a chair, then the respective Designated Commission shall make a recommendation to the City Council of another commissioner from the same commission to serve on the board of directors. The City Council may then appoint the recommended commissioner to the board of directors by a majority vote. In the event the City Council votes not to appoint the recommended commissioner to the board of directors or no member of the Designated Commission wishes to serve on the board of directors, the City Council may then appoint any member of any City commission or any resident of the City of Lompoc to fill that Commissioner Seat. Vacancies of Commission Seats shall be automatically filled by the chair of the Designated Commission for that seat, or else as described in this subsection (b).

(c) Business Representative Alternates. The City Council may also appoint two alternates to fill the Business Representative Seats at meetings where a regular Business Representative is unable to attend. Alternates shall be appointed in the same manner as a Business Representative, shall be required to meet the same qualifications as a Business Representative, shall be subject to the provisions in Section 4 of this Article, and shall have the same powers, duties, and rights as a Business Representative when acting at a meeting of the Foundation where they are filling a Business Representative Seat.

If approved by the City Council, these amendments would be only become effective if and when they are approved by the Foundation's board of directors.

Appointment of Board Members and Alternates

The City Council may appoint business representative board members and alternates at this meeting.²

However, if the City Council appoints board members who do not live in Lompoc and/or appoints alternates, such appointments will only become effective if and when the amendments to the Bylaws are approved by the Foundation's board of directors.

Finally, staff recommends that the City Council designate one alternate as "Alternate 1" and the other as "Alternate 2," and direct that Alternate 1 will be the first person called to fill an absence of a business representative on the board and Alternate 2 will only be

² See Attachment 2 for completed applications.

June 21, 2022

Amendment to Nonprofit Bylaws; Appointment of Board Members

Page 4 of 4

called if Alternate 1 is not available or if both of the regular business representatives are unable to attend a meeting of the Foundation. This is not required by the Bylaws, but it will create a clear and simple procedure for filling absences at Foundation meetings.

Fiscal Impact:

The actions recommended in this report will not have any fiscal impact on the City.

Conclusion:

The proposed amendments to the Bylaws of the Lompoc Community Benefit Foundation will allow business representative board members to live outside of the City but within zip code 93436, and will allow for the appointment of alternates for the business representative seats on the Foundation's board of directors.

Respectfully submitted,



Jeff Malawy, City Attorney

- Attachments: 1) Current Bylaws
2) Completed Applications for Appointment