



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1532

Agenda Date: 6/3/2026

Agenda #: 25.

DATE: June 3, 2026

TO: Honorable Mayor and City Councilmembers

FROM: City Clerk's Office

TITLE: PROPOSED BALLOT MEASURE TO AMEND THE OCEANSIDE CITY CHARTER TO CONFORM PREVAILING WAGE AND FAIR COMPETITION PROVISIONS FOR PUBLIC WORKS CONTRACTS WITH STATE LAW RELATING TO GRANT FUNDING AND FINANCIAL ASSISTANCE

RECOMMENDATION

Staff recommends that the City Council adopt a resolution: 1) Submitting a ballot measure to the qualified electors of the City of Oceanside for general municipal election on Tuesday, November 3, 2026, proposing an amendment to the Oceanside City Charter to conform prevailing wage and fair competition provisions for public works contracts with state law; 2) Authorizing ballot arguments in favor of the measure; and 3) Directing the City Attorney to prepare an impartial analysis.

BACKGROUND AND ANALYSIS

On May 20, 2026, Mayor Sanchez and Deputy Mayor Joyce brought forward a Councilmember item to provide direction to staff regarding a potential City Charter amendment/clean-up measure for placement on the November 3, 2026 ballot, "for the purposes of ensuring state grants qualification and to be consistent with state law." The City Council voted 4-1 (Weiss - no) in support of this direction to staff. This item brings forward a draft resolution for such ballot initiative and supporting actions for the City Council's consideration (Attachment 2).

Under California law, cities are classified as either general law cities or charter cities. General law cities derive their authority from statutes enacted by the California Legislature and operate primarily under state law. Charter cities, by contrast, operate pursuant to a locally adopted charter authorized under the California Constitution's "home rule" provisions, which provide greater local control over municipal affairs, subject to applicable state law governing matters of statewide concern.

On June 8, 2010, the voters of Oceanside approved Proposition K and elected to become a charter city. The Oceanside City Charter was certified and recorded by the California Secretary of State on July 9, 2010 (Attachment 1).

Although the Oceanside City Charter is relatively brief, Article 3 establishes fiscal and operational policies related to economic development, public contracting, and labor requirements, including

provisions addressing prevailing wage requirements and the use of a project labor agreement (PLA) on public projects.

After the Charter was adopted in 2010, the State passed laws including Senate Bill 7 (SB 7) enacting Labor Code Section 1782, and Senate Bill 922 (SB 922) and Senate Bill 829 (SB 829) adding Public Contract Code Sections 2500 through 2503, restricting the ability of local governments to exempt themselves from state laws governing prevailing wage and fair competition on public works projects without risking the loss of state funding and financial assistance in support of a public works project.

The City has been able to maintain its “qualified” status with the state for public works funding based on long-standing interpretations that the state laws and the City Charter can be reconciled. To be clear, the City has continuously paid prevailing wage on public works projects under the existing Charter and consistent with state law. As well, the City has understood that it retained the ability to enter into a PLA consistent with the Public Contract Code. The City Attorney confirmed with the City’s ongoing eligibility for state funding with the Department of Industrial Relations in writing in 2014 and the City has not been disqualified from any state funding as of this date.

As such, the proposed amendments consist of updates to make sure the City Charter matches current state law governing grant funding eligibility, and provisions to clarify the City Council’s authority related to PLAs. The proposed amendments to Section 301 and 302 of the City Charter will resolve any ambiguities that may continue to exist regarding prevailing wage requirements. The proposed amendments to Section 303 will clarify the City Council’s ability to use or require contractors to enter into a Project Labor Agreement with clear taxpayer protections. Together, these amendments allow the City Council to better ensure that the City will not be disqualified in the future from receiving state funding for public works projects. Thus, an action to amend the provisions of Article 3 of the Charter would be appropriate.

Other charter cities in San Diego County, including Chula Vista, have made similar clean-up updates to remove old language, avoid confusion, and make sure their charter provisions clearly reflect current law and continued eligibility for state funding.

FISCAL IMPACT

The San Diego Registrar of Voters estimates the cost of placing a measure on the ballot will cost between \$95,000 to \$125,000. This amount will be charged to Elections and Political Reporting account 120123101.5305 which has a budget of \$269,164 for FY 2026-27; therefore, sufficient funds are available.

There is no direct on-going fiscal impact from this action. Voter approval of the proposed initiative would make more certain the continuation of state funding for city public works projects.

COMMISSION OR COMMITTEE REPORT

Not applicable.

CITY ATTORNEY'S ANALYSIS

Pursuant to California Elections Code Section 9225 and Government Code Section 34458, the City Council may place a proposed charter amendment before the voters at a statewide general election. The Council may do so by adopting a resolution submitting the proposed amendment to the electorate for consideration. Any amendment to the City Charter becomes effective only upon approval by a simple majority (50% +1) of Oceanside voters and subsequent filing with the California Secretary of State.

Prepared by: Zeb Navarro, City Clerk
Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Oceanside City Charter
2. Draft Resolution