

June 25, 2007

To: Honorable Mayor Gayle McLaughlin
Members of the City Council

From: Finance, Administrative Services and Economic Development Committee

SUBJECT: SUMMARY
Finance, Administrative Services and Economic Development Committee
Thursday, June 14, 2007, 9:00 a.m.

Attendance: Present: Members Lopez, Viramontes, and Rogers
Absent: Member Butt

FINANCE, ADMINISTRATIVE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

On motion of Councilmember Viramontes, seconded by Councilmember Sandhu, all items marked with an asterisk (*-) were approved by the unanimous vote of the Committee.

Discuss and consider the results of the needs assessment and strategic plan for the Information Technology Department performed by SC Consulting.

- Leslie Knight, Human Resources Director, gave an interview.
- Steve and Carol Steinbracker, SC Consulting, gave a PowerPoint presentation of the results of the needs assessment and strategic plan.
- Councilmember Viramontes stated there was no recommendation on funding.
- Steve Steinbraker stated funding will be recommended when an executive governance committee is established.
- Rogers asked if there was an idea of the additional funding needed to fund positions to implement recommendations.
- James Goins, Finance Director, answered they are currently in the process of negotiating.

OUTCOME:

The results of the needs assessment and strategic plan were accepted and will be forwarded to the full Council for review.

Recommend to the City Council approval of a contract with Gregory B. Bragg & Associates, Inc., to serve as the City's Third Party Administrator ("TPA") of workers' compensation claims for fiscal Years 2007-08, 2008-09, and 2009-10, in the amounts of \$595,000 for Fiscal Year 2007-08, \$625,000 for fiscal Year 2008-09, and \$655,000 for fiscal Year 2009-10.

- Leslie Knight, Human Resources Director, gave an overview of the item. She stated that after an extensive evaluation and interviewing process, the interview panel recommended Gregory B. Bragg & Associates, Inc., to serve as the City's Third Party Administrator (TPA) of workers' compensation claims. Susan Wright, Susan Rights and Associates, gave a presentation of the process.
- Councilmember Viramontes stated there was a consultant that had a relationship with one of the finalist.
- Leslie Knight stated all business with that consultant was suspended until the final decisions were made.
- Councilmember Viramontes suggested that applicants or clients sign a conflict of interest statement.
- A motion was made by Councilmember Viramontes to start the interview process over again.
- Chair Rogers asked how long Buckeye would continue to handle current claims if the process is started over.
- Leslie Knight answered a minimum of 90 days.
- Councilmember Lopez seconded the motion to start the interview process over.
- Chair Rogers suggested that the final interview team be reassembled, bring in two additional firms, and go through a full interview.
- A substitute motion was made by Councilmember Viramontes to assemble a new interview panel, have each panelist sign a conflict of interest form, interview the five lowest bidders that fit the minimum criteria of using our filing format and who have public experience, i.e., (JT2, Braggs, Northern Claims Management, AIMS, and CMI), and give them new interview questions.
- Chair Rogers asked how long that process would take.
- Susan Wright answered 60 to 90 days.
- Leslie Knight suggested to re-interview CMI and Braggs and add four other firms to be interviewed.
- Rogers suggested using the current interview panel and have all panelist sign a conflict of interest statement, throw out the conflicting document and develop a new document.

OUTCOME:

The Finance Committee voted unanimously to redo interview questions, use the same interview panel and have each panelist sign a conflict of interest statement.

Receive and review (1) a report on updated salary surveys for Local 1021, Local 21, Local 188, RFMA, RPOA, RPMA, and Exempt and Confidential Management; and (2) recommend for City Council approval a more comprehensive salary plan for classifications in the Exempt and Confidential Management Group.

- Leslie Knight, Human Resources Director, gave an overview of the item and introduced Jeff Rothman, principal resources consultant w/renny sloan consultant, who gave a presentation of the salary surveys. The report is strictly informational.

- Speakers were: Pamela Covington, Juanita Taylor.
- A motion was made by Councilmember Viramontes, to approve all six recommendations by staff and request staff correct discrepancy on gardener classification, electrical supervisor, personnel analysis, and sr. civil engineer to bring them up to classification.
- Leslie Knight suggested that the assistant city manager bring back something that reflexes the discussion to the full Council on June 19, 2007.
- A substitute motion was made by Councilmember Viramontes, to approve recommendations by the staff for the exempt and confidential management and request staff follow-up for future resolution on the other positions for the City Council.
- Chair Rogers seconded the motion with a friendly amendment to direct City Staff to review the areas where we are having trouble hiring employees and bring back recommendations for salary or benefit increases to solve the problem. The amendment was not accepted.

OUTCOME:

The Finance Committee approved the recommendations by the staff for the exempt and confidential management and requested staff follow-up for future resolutions on the other positions for the City Council. Chair Rogers abstained on the vote.

****-Recommended authorizing staff to call for construction bids for the 2007-08 Pavement Rehabilitation Projects.***

****-Recommended an amendment to the existing construction management services contract with Harris & Associates, Inc. to include the services for the 2007 Pavement Rehabilitation Projects which would increase the contract value by \$760,000 for a total amount of \$1,510,000.***

****-Recommended to the City Council for approval the expenditure of \$127,845 which represents Richmond's share of the 2007-08 West Contra Costa County Transportation Advisory Committee (WCCTAC) Fiscal Year Budget.***

****-Recommended to the City Council approval for the expenditure of budgeted FY 2006/07 Equipment Replacement funds to purchase 24 police cars at a cost of \$598,739.52.***

Review and recommend to the Housing Authority Board of Commissioners and Agency Board policy direction regarding two policy alternatives for use of the Fire Training site. The policy alternatives are: (1) authorize the Housing Authority to continue negotiations with the Redevelopment Agency, McCormak Baron Salazar, and EM Johnson Interest to execute agreements for the acquisition and development of the Fire Training site or (2) authorize staff to retain the Fire Training site for its current use and to identify alternative resources for the necessary capital improvements to support this effort.

OUTCOME:

Item held over for June 19, 2007, meeting.

Recommend for approval by the Board of Commissioners adoption of a resolution authorizing the Executive Director of the Housing Authority to enter into a purchase agreement with R.F. Associates to sell 1329 -1335 Garvin Street for \$165,000.

OUTCOME:

Item held over for June 19, 2007, meeting.

****-Recommended that the City Council adopt a resolution amending the Trust Indenture of the 2005 Pension Obligation Bonds to provide for adjustment of certain terms of the Series 2005B-1 Bonds and the Series 2005B-2 Bonds that would apply following their respective Full Accretion Dates (as defined in the Indenture), including but not limited to, changes that would result in fixed rather than variable interest rates paid by the City.***

Recommend that the City Council review and accept the Joint Powers Financing Authority's Component Financial Statements for the Year Ended June 30, 2006.

OUTCOME:

On motion of Councilmember Viramontes, seconded by Chair Rogers, accepted the Joint Powers Financing Authority's Component Financial Statements by the unanimous vote of the committee.

Recommend that the City Council review and accept the City's July 1, 2005, Post-Retirement Benefit Program Actuarial Valuation Report, which calculates the City's Annual Required Contribution (ARC) and annual cost of Other Post Employment Benefits (OPEBs).

- The Finance Department gave an overview of the item.
- A motion was made by Councilmember Viramontes to adopt and participate in the PERS retiring benefit health trust fund assuming all earnings go into payroll liabilities.
- Councilmember Lopez asked what the annual investment in the trust for over 30 years would be.
- The Finance Staff answered, the first year would be \$3.5 million and ongoing will be based on our workforce and retirees.
- Councilmember Lopez stated she would like a more detailed report before she could support.

- A substitute motion was made by Chair Rogers to have the Finance Committee approve the item in concept and bring it to the full Council agenda to have all questions answered.

OUTCOME:

The Finance Committee approved the item in concept and will bring it to the full Council agenda to have all questions answered.

Receive a presentation from Sacramento Advocates regarding potential local impacts of the State of California budget and infrastructure bond measures.

This item was not heard - No action taken.

****-Authorized forwarding of the resolution establishing Capital Improvement Projects Administrative Procedures to the full Council for adoption.***

Discuss creating a private right of action to enforce graffiti abatement laws concerning large property owners immediately adjacent to Interstate freeways where they enter Richmond.

OUTCOME:

Item held over for June 19, 2007, meeting.

Discussion of ways to provide better and increased services through finding new revenue sources, obtaining organizational efficiencies, and redirecting existing sources of funding.

None.

OPEN FORUM/PUBLIC COMMENT

None.

The meeting adjourned at 12:01p.m. to meet again on Tuesday, June 19, 2007, at 8:30 a.m.