

September 17, 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
Tuesday, September 11, 2007, 12:25 p.m.

Attendance: Present: Chair Rogers and Members Lopez, Viramontes, and Butt
Absent: None

**FINANCE, ADMINISTRATIVE SERVICES AND ECONOMIC DEVELOPMENT
COMMITTEE**

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

Discuss & consider recommending that the Agency Board adopt a resolution authorizing the Executive Director to execute a contract amendment with PES Environmental, Inc. in an amount not to exceed \$270,000, for a total contract amount of \$1,255,180, to complete remediation of Marina Bay "Area T"

Discuss & consider recommending that the City Council award a construction contract for the 2007 Pavement Rehabilitation Area A to Top Grade Construction in the amount of \$5,397,778

Discuss & consider recommending that the City Council award a construction contract for the 2007 pavement Rehabilitation Area B to Bay Cities paving and Grading, Inc. in the amount of \$1,911,793.40

Acknowledge for filing purposes, receipt of the City of Richmond's Memorandum on Internal Control Structure for the year ending June 30, 2006, and, management's response to these comment

Discuss & consider recommending that the City Council approve an amendment to the existing contract with Maze & Associates Accountancy Group in the amount of \$456,470 for completion of all audit work and other requisite financial reports for the fiscal year ending June 30, 2007, and any other audit-related work, upon request of the Finance Director, that may be required during fiscal year 2007-2008. The total amount of the contract, encompassing three years of audit services, will increase to \$1,405,722.

- Councilmember Lopez commented that she has noticed repeat findings on the audits regarding adjustments of journal entries, which can be noted as a material weakness in a final audit and suggested that staff receive training and that there be some close monthly monitoring.

Discuss & consider recommending that the City Council approve the Master Fee Schedule in accordance with Chapters 2.34.040 and 13.25.020 of the Richmond Municipal Code

Discuss & Consider recommending that the City Council approve a five-year contract with Tyler Technologies for software configuration, data hosting, and end user-training services for the City's Enterprise Resource Planning (ERP) system. The annual payment for each of the five years of the contract will be \$644,200, for a total cost of \$3,221,000

Discuss & consider recommending that the City Council approve a contract with CRW in the amount of \$524,500 to configure and install CRW's TRAKiT permitting, inspections and business license software, and to provide associated training for City Staff

Discuss & consider recommending that the City Council approve a contract amendment with the Government Finance Officers Association (GFOA) to assist the City with its Enterprise Resource Planning system implementation in an amount not to exceed \$193,500, for a total contract amount of \$373,140

Discuss & consider recommending that the City Council place three performance audit firms on the panel of internal audits and award contracts with each proposed member of the pool for an amount not to exceed \$150,000 each to conduct performance audits. The three firms are: Kevin W. Harper, CPA, Moreland and Associates, Inc. and blueCONSULTING, Inc. Recommend approval of a contract with Kevin W. Harper, CPA for an amount not to exceed \$150,000 to conduct and audit the Public Works Department, which includes Parks & Landscaping, Streets, Facilities Maintenance, Equipment and Paratransit

Discuss & consider recommending that the City Council direct staff to work with the Goldman School of Public Policy (Goldman School) to conduct a study to review existing ordinances and policies that are designed to reduce the City's impact on the environment and provide recommendations for making the City's operations more sustainable. The study will also include education and outreach recommendations encouraging Richmond residents and businesses to adopt sustainable practices

ITEM REMOVED

Discuss & consider measures to limit minor's exposure to billboards advertising alcohol (This item was removed for discussion to a later date)

ITEMS DISCUSSED

Discuss and consider recommending that the City Council approve a proposed contract amendment with Shute, Mihaly & Weinberger, LLP to provide legal services to complete the EIR process for the Chevron Hydrogen and Energy Renewal Project by increasing the contract amount by \$97,000 to a total of \$192,000, and authorize the addition of Shute, Mihaly & Weinberger to the consultant list

a. Consider other directions to staff to include additional expertise in the Chevron project EIR process – Councilmember Jim Rogers 620-6581.

- Planning Director, Richard Mitchell, presented the report. The cost of the proposed amendment will be reimbursed from Chevron as part of their application fee. This would allow staff to spend funds deposited by Chevron Products Company for the cost of preparing the Environmental Impact Report for the Chevron Hydrogen and Energy Renewal Project.
- If the matter is appealed, there will need to be preparation of responses to comments and Final Environmental Impact Report, draft findings, conditions of approval, Mitigation Monitoring and Reporting Program, conditional use permit, review of staff reports and resolutions prior to presenting to Planning Commission and City Council, additional research, drafting related to responding to comments on the FEIR, appeal to City Council, response to public Records Act requests, and attendance at City meetings.

OUTCOME:

On motion of Councilmember Viramontes, seconded by Councilmember Lopez recommended approval of the contract.

Councilmember Rogers recommended that there be an RFP prepared to bring addition expertise in matters in order to determine what process Chevron uses in its refining processes, and what types of mitigation can be performed.

Discuss & consider recommending to the City Council approval of adoption of a resolution appointing Bond and Disclosure Counsel and a Financial Advisor; Recommend authorizing the Finance Director to seek proposals from investment banking and other financial firms to provide financing of certain Port Terminal and related improvements in connection with the proposed expansion of the Auto Warehousing Corporation operation to accommodate importation of Honda Automobiles; Recommend directing the Finance Director and Port Director to present the selected financing package to the City Council for review and approval at a future council meeting

- Jim Matzorkis, Port Director, stated that the Port of Richmond and Auto Warehousing Company seek to expand their customer base and vehicle

throughput volumes at the automobile distribution operation at the Point Potrero Marine Terminal. The Port received a commitment letter from American Honda Motors indicating their interest in relocating their Northern California and Southwest Region automobile distribution to Richmond.

- The estimated gross revenue from American Honda is \$4.35 million for a fifteen year term. The gross revenue minimum annual guarantee for the fifteen years is \$65.25 million.
- The estimated cost of capital improvements to accommodate new Auto Warehousing business is \$16 million.
- The proposed distribution plan is to import a minimum volume of 145,000 vehicles through the Port of Richmond.

OUTCOME:

Councilmember Viramontes suggested that staff be authorized to acquire additional surrounding properties if needed for this project. Chair Rogers asked that Mr. Matzorkis return to the Committee regarding hiring an outside consultant with specific expertise in how to prepare projects in an environmentally appropriate manner. On motion of Chair Rogers, seconded by Councilmember Viramontes referred the matter to the full City Council.

Discuss & consider a Fairness Fund to provide public financing for candidates to respond to independent campaign hit pieces

- Chair Rogers stated that independent committee hit pieces can influence Richmond elections by defeating candidates who stand up to powerful special interests, or discouraging candidates from advocating issues that they believe may upset them. There is no financial impact at this time.
- Councilmember Lopez stated that she thinks that the recently adopted campaign funding should be tried first before implementing this proposed fairness fund.

OUTCOME:

Chair Rogers asked that this matter be continued to a future Finance Committee agenda.

Status report from the Housing Authority on progress of a site specific security plan for all senior sites to include physical enhancement, recommended level of security, and modifications to management procedures

- Tim Jones, Housing Authority Director, stated that all the items of concern that were brought up have been addressed except for the submission of the designated

housing plan to HUD and the site specific security plan. Mr. Jones submitted the proposed security contract recommendation to the committee.

OUTCOME:

Mr. Jones will return to the committee with future updates on the progress of matters pertaining to security senior sites.

Discuss & Consider recommending to the City Council adoption of an ordinance adding Chapter 2.35 to the Richmond Municipal Code to establish a fee in the amount of 5% of a State Video Franchise Holders' gross revenues, payable as rent to operate within the public right-of-way, a fee in the amount of 1% of video service providers' gross revenues to support public, educational and governmental access programming, and to establish a schedule of penalties for breach of customer service standards, in accordance with the Digital Infrastructure and Competition Act of 2006

- Sue Hartman, I.T. Director, stated that “Digital Infrastructure and Video Competition Act of 2006”, which became effective January 1, 2007, requires cities that currently franchise cable television services to take certain actions to require state cable television franchisees to provide the same level of benefits as the local franchisee.

(Councilmember Viramontes left the meeting)

OUTCOME:

A motion was made by Chair Rogers seconded by Councilmember Butt to recommend approval to the full City Council.

Discuss & consider recommending to the Redevelopment Agency Board the adoption of a resolution approving a Loan Agreement in the amount of \$1.2 million and an Easement Agreement, by and between the Richmond Community Redevelopment Agency and the Richmond Police Activities League, for the construction of gymnasium improvements and the provision of a public recreation easement for use of the gymnasium located at 234-22nd Street

- This action is funded in the 2007-2012 Agency capital budget line item “PAL gymnasium. The loan is forgivable provided that the PAL does not default, and that they continuously own the property and operate the improvements in accordance with the loan agreement and with the Easement Agreement.

OUTCOME:

A motion was made by Councilmember Lopez, seconded by Chair Rogers, recommended approval to the full City Council.

OPEN FORUM/PUBLIC COMMENT

None.

ADJOURNED

The meeting adjourned at 1: 32 p.m.