

October 20, 2008

**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  
Friday, October 17, 2008, 9:20 a.m.

**Attendance:** Present: Chair Viramontes and Member Rogers. (*There was not a quorum present*).

Absent: Members Butt and Lopez

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

*Discuss & consider recommending approval to establish a pool of performance audit firms to include Macias Consulting Group, Kevin W. Harper, CPA & Associates, Matrix Consulting Group, and MGT of America, Inc. to the internal audit program And approval to contract with each member of the pool for an amount not to exceed \$150,000*

- Belinda Mitchell, Senior Accountant, stated that during the past two years, the City has effectively utilized professional services for independent reviews of City operations as part of its ongoing internal audit program.
- The Finance Department entered into a competitive process of selection to establish a pool of internal auditors for conducting internal audits for the Fiscal Year 2008-09. Eight firms responded to the Request for Qualifications.

**OUTCOME:**

Chair Viramontes and Member Rogers recommended approval and moved the item to the full City Council.

*Discuss & consider recommending that the Agency Board adopt a resolution Approving an amendment to the contract with Richmond Main Street Initiative, Inc. (RMSI) for program management services, increasing the contract amount by \$96,500, from \$112,500 to \$209,000, and extending the term to June 30, 2009*

- Janet Johnson, Project Manager for the Main Street Program, stated the amendment is being requested so that events and programs can continue to be conducted.

OUTCOME:

Chair Viramontes and Member Rogers recommended approval and moved the item to the full City Council.

***Review of the Check Register***

- Chair Viramontes asked for clarification regarding a Youth Together payment and several PayPal payments on the September 24, 2008 Check Register, which the Finance Department will research.

***Update on Fiscal Policy***

- James Goins, finance Director, stated that the City's credit rating is A+ and the Wastewater Bonds just got upgraded to AA- . There have been reductions on return on investments due to the state of the economy presently.

***Review of the City's Investment and Cash Balance Report for the month of July 2008***

- Tracey Lovely, Investment Analyst, stated that the Federal Home Loan Bank, Fannie Mae, and Freddie Mac are all guaranteed by the Government and there is no risk to the City with these investments.

***Discuss & consider recommending that the City Council approve a contract with Muller & Caulfield Architects (M&C) to provide architectural, engineering and Construction support services for the retrofit at 2705 Macdonald Avenue to house the Employment & Training Department in an amount not to exceed \$281,893 with a term from November 1, 2008, through June 30, 2010***

*Everett Jenkins, Asst. City Attorney, asked that an item concerning the purchase of an emergency generator for the Police Department be added as Item B-2.*

- Sal Vaca, Employment & Training Director, stated that in coordination with the City's Civic Center renovation, the City is retrofitting the recently purchased building at 2705 Macdonald Avenue to accommodate the Employment & Training Department.
- The proposed contract includes space programming and design documents through construction documents and providing construction support services during the bidding and construction process. Staff conducted a request for Qualifications and solicited submittals from architectural and engineering firms off of the City's On-Call list.
- Chair Viramontes asked Mr. Vaca to ensure that the contractor has a valid contractor's license.

OUTCOME:

Chair Viramontes and Member Rogers recommended approval and moved the item to the full City Council.

***Consider recommending purchase of an emergency generator and authorizing a contract with Michael Brown Electric Company to install the generator***

- Janet Schneider, Administrative Chief, stated that diesel generator at the Police Department was purchased under the Emergency Procurement Authority, which means that Federal GSA was used to purchase the emergency generator in August 2008. Staff is also requesting that the committee approve a contract with Michael Brown Electric Company to install the generator, which will arrive on November 10<sup>th</sup>.

OUTCOME:

Chair Viramontes and Member Rogers recommended approval and moved the item to the full City Council.

***Acknowledge receipt of the City of Richmond Single Audit Report for the fiscal year ended June 30, 2007***

- Chair Viramontes asked for clarification on material weakness 07-07 regarding Quarterly Expenditure Reports, Program Expenditures and Cash Management. Belinda Mitchell, Finance Department, the State rescinded the City's Fiscal Agent responsibility for the California Department of Education – 21<sup>st</sup> Century Community Learning Center grant, which was for Afterschool Programs. The State gave the responsibility back to the school district. The Finance Department is continuing to research the payment history and for what years they should be allocated to.

OUTCOME:

Chair Viramontes asked that a report be made to the Finance Committee during Mid-Year review explaining how this matter will be resolved and how all grant reimbursements will be handled.

***Discuss & consider (1) approval of the Emergency Grant Program guidelines and application and (2) provide direction to staff regarding the implementation of an administrative grant review process***

- LaShonda Wilson, Management Analyst, City Manager's Office, stated that as part of the fiscal year 2008/2009 budget, the City Council funded an emergency grant program for non-profit organizations serving the Richmond community who

are experiencing extreme short-term financial difficulties. The City Council approved specific criteria for the program and allocated \$100,000. Organizations are only eligible to receive a grant once every five years and grants can only be used for one-time, programmatic-related expenses.

- The proposed process is that grant proposals will be reviewed first by City Manager's Office staff and then staff will make the funding recommendation to the City Manager, who will make the final determination regarding grant funding. The review process will take a maximum of 14 days from the date that the City receives the proposal and the proposer receives notification of the decision. If an organization is awarded funding, the City Manager's Office will contact the Finance Department to distribute the grant funds. It will take Finance approximately 10 business days to release the funds.

**OUTCOME:**

The Committee requested that the City manager's Office present modifications to the City Council regarding the Emergency Grant Program guidelines to reflect that the applications go to the entire City Council first for a recommendation and then to the City Manager's Office will perform due diligence and assure that the organization meets the City's grant criteria. The City Manager will review each application and can deny the funding if the requirements are not met.

**OPEN FORUM/PUBLIC COMMENT**

There were no public speakers

**ADJOURNED**

The meeting adjourned at 10:13 a.m. to meet again on Friday, November 7, 2008.