

May 22, 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
Monday, May 14, 2007, 9:15 a.m.

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

FINANCE, ADMINISTRATIVE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

Review and recommend the financing plan to issue approximately \$76 million in Redevelopment Agency tax increment bonds, and recommend to the City Council, the Agency Board and the Joint Powers Financing Authority that the Redevelopment Agency authorize staff to take appropriate actions to facilitate issuance of these bonds.

- Steve Duran, Community Economic Development, gave an overview of the item.
- Member Viramontes stated that nearly 54 percent of all tax increments that are earned in the City in the Redevelopment area come from the Harbor area. This information is important for the General Plan Committee to know. Member Viramontes had concerns about debt service.
- John Knox, Org Carrington, stated projects formed before January 1994, are subject to a total increment cap. Meaning the total amount that can be collected from those areas for the total life of the redevelopment plan. When the cap is reached, there is a dip in the cap increment. The other areas that were formed after January 1994 will pick up and start generating revenue. The bond documents have a prevision that requires you to measure every year how much is left under the cap and how much future debt service you have. If you begin running out of cap money before you run out of debt service, money must be put into escrow. This is a standard covenant for tax increment and financing.
- Member Lopez asked when will there be a discussion on what projects would be funded and would there be a deadline associated after the bonds are issued.
- Steve Duran replied that the discussion would take place with the budget.
- Member Lopez asked when the bonds would be issued.
- John Knox replied the bonds would be issued 30 days after the budget approval.

OUTCOME:

On motion of Member Viramontes, seconded by member Lopez, recommended item to the City Council, the Agency Board and the Joint Powers Financing Authority that the Redevelopment Agency.

Review and approve a contract for facility and beach park maintenance services at Point Molate with Forster & Kroeger in the amount of \$257,600 and for a term extending through June 2008.

- Tony Morris, Parks and Landscaping Superintendent gave an overview of the item.
- Member Lopez asked why only one contractor submitted a bid.
- Tony Morris replied, his guess is contractors were not familiar with the project site and the work.
- Member Viramontes asked has there been any conversation with SEIU about the outside contracting of this work.
- Tony Morris replied, it is a temporary situation and they did not want to hire a full-time park staff only to lay them off when the developer decided to make their option final.

OUTCOME:

On motion of Member Viramontes, seconded by Member Lopez, approved the contract with Forster & Kroeger.

Review and approve: a resolution (1) authorizing the issuance, sale and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed \$55,000,000 in tax exempt bonds, plus up to \$16,000,000 in taxable bonds, for the purpose of making a loan to provide financing for a multifamily rental housing project known as Crescent Park Apartments Project, (2) determining and prescribing certain matters relating thereto, and (3) approving and authorizing the execution of related documents, agreements and actions.

- Lisa Hamburger gave an overview of the item.
- Lynn Berard, Project Manager, EAH, Inc., was available to answer questions and thanked the Committee for their support.

OUTCOME:

On motion of Member Viramontes, seconded by Chair Rogers, approved the item.

Review and authorize the execution of a contract with Mack5 for Civic Center Phase 1B Project Management Services in an amount not to exceed \$1,715,864.

- Steve Duran gave an overview of the item.

OUTCOME:

On motion of Member Viramontes, seconded by Chair Rogers, authorized the execution of the contract.

Discuss the Port of Richmond’s Strategic Business Plan, provide direction to staff as appropriate, and authorize staff to present the Strategic Plan at a City Council Study Session.

- Jim Matzorkis, Port Director, gave an overview of the item.
- Bill Robbins, Principle and Owner of Trans Development, presented a PowerPoint presentation of the plan.
- Jim Matzorkis presented a PowerPoint presentation of the financial prospective of the business plan.
- Member Viramontes asked what would be the best vehicle for the City to choose to run the Port.
- Cindy Marsh CFO replied that the City could start with modernization and have the Port run like a modern business and then move toward commercialization.
- Chair Rogers asked how many Port jobs are being held by Richmond residents.
- Jim Matzorkis didn’t know specifically. Member Viramontes stated Jim Bates had information which showed the current employee payroll for the Port at 1,200 and he received new information which may take the count to 1,600.
- Member Viramontes stated that terminal five and six should be made part of the working Port as part of the long term plan going forward.
- Chair Rogers stated a meeting should be set up with the Parks and Recreation Department to discuss any potential issues that may arise due to proposed changes.

OUTCOME:

A motion was made by Member Viramontes, seconded by Member Lopez, to have a City Council Study Session to discuss a long term strategic plan to incorporate making terminals five and six part of the working Port and direct staff to set up a meeting with the Parks and Recreation Department prior to the study session.

A second motion was made by Member Viramontes, seconded by Chair Rogers to move forward with strategic infrastructure sponsorship, accept the short-term plan on products for the Port, land side integration, and conclude automotive strategy.

Review and approve a modification to the scope of services for Zucker Systems to assist with implementation of 127 recommendations included in its “Operations and Service Levels Work Flow Study” for the Planning and Building Services Department. The proposed modification will increase the contract amount by \$79,500 to a total of \$159,400.

- Rich Mitchell gave an overview of the item.
- Member Viramontes asked if the staff could maintain the changes that are made in the department long-term without the consultant staff being there.

- Rich Mitchell replied, changes are implemented as they occur.

OUTCOME:

On motion of Member Viramontes, seconded by Member Lopez to approve.

Review and approve a sole source contract with New Fields, Inc. for sediment testing work for the Port of Richmond in an amount not to exceed \$170,135.

OUTCOME:

On motion of Member Viramontes, seconded by Member Lopez to approve this item.

Discuss and direct staff to incorporate an annual budget for four part-time City Council Public Policy Interns within the City Council budget beginning July 1, 2007.

- Member Lopez gave an overview of the item.

OUTCOME:

On motion of Member Lopez seconded by Member Viramontes, to approved the item with the following understandings: Human Resources along with the City Council will conduct a City Council Member orientation and a separate intern orientation, Human Resources will handle advertising of the positions, Human Resources will conduct interviews along with Councilmembers, Councilmembers will handle supervision of interns and will coordinate with Trina, one Councilmember will sign payroll documents, Councilmembers will conduct evaluations, and interns will use Councilmembers offices.

Discussion of ways to provide funding sources for 24-hour security at Housing Authority senior housing complexes.

- Member Viramontes gave a brief overview.
- Tim Jones, Housing Authority Director, gave an overview of the item and presented costs analysis for 24-hour security at all Housing Authority senior housing complexes.

OUTCOME:

The Finance Committee was not able to approve for lack of a quorum. Member Viramontes will place this item on the City Council Agenda for Tuesday, May 29, 2007.

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:

Member Lopez requested the Finance Department provide an update on the Budget Calendar. Andrea Miller provided updated budget calendars to the committee. She gave an update of Fiscal Year 2008 preparation calendar as follows: Budget hearings of proposed budgets of all departments have been concluded, Finance has attended three community budget meetings and presented a budget fax handout, two additional community budget meetings are scheduled for Monday, May 14, 2007, at 7:00 p.m. at the Community Service Building, Conference Room 1, 330 25th St., and Thursday, May 24, 2007, at 7:00 p.m., with Fairmed, at Sojourner Truth Church located at 2621 Shane Drive. Also departmental budget narratives have been submitted to the city manager for review, the City Council has met to review strategic goals for the City, and the Finance Department staff is finalizing the revenue and expense projections for the operating and capital improvement plan budget. Budgets are scheduled to be presented to the City Council on Tuesday, June 5, 2007, hoping for a decision on Tuesday, June 19, 2007, and adoption of the budget by City Council on Tuesday, June 26, 2007.

The meeting adjourned at 1:45 p.m. Next meeting scheduled for Monday, June 4, 2007, at 9:00 a.m.