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**MAKING GOVERNMENT WORK BETTER COMMITTEE**  
**Meeting Report**  
**May 19, 2005**

Members Present: Chair Chuck Reed, Vice-Chair Linda J. LeZotte, Councilmember David Cortese

Members Absent: Councilmember Ken Yeager

Staff Present: Kay Winer, Danielle Kenealey, Jennifer Carlino, Jerry Silva, Eduardo Luna, Jim McBride, Scott Johnson, David Persselin, Andy Heath, Larry Lisenbee, Barbara Goldstein, John Cannon, Abe Andrade, Marsha Lynch, Cecil Lawson, Joe Horwedal, Kevin Briggs

Guest: None

The meeting was convened at 1:30 p.m.

**a. City Fleet-Special purpose vehicles, SUV's, Passenger Vans (Auditor)**

Jerry Silva, City Auditor stated that the recommendation was that the Fleet Management Division of General Services review the City's Fleet and Specialized Vehicles to determine the most cost effective complement of vehicles. The Administration has prepared a policy which states the City Manager's Office will review each department's list of vehicles and approve those that meet the definition of "Special Purpose". These vehicles will be excluded from the minimum mileage utilization standard. Additionally, on an annual basis, the Manager's Office will review the list to make sure that the vehicles that do not meet the standard are still required. The Department is currently working on this list.

Kay Winer, Deputy City Manager added that General Services has completed much of this already.

Jim McBride, Acting Director, General Services stated that staff is currently reviewing requests. When a list of granted exemptions is complete it will be forwarded to the City Auditor.

Jerry added that the Auditor's Office would include this list in the next Auditor's Follow-up report.

Jennifer Carlino, Mayor's Office asked for the date of the next Follow-up report.

Jerry replied that the next report would be around October 2005.

**The Committee accepted the staff's report.**

**b. Public Art Project Allocation Process (Auditor)**

Jerry stated that there was one finding in this report, which was "Strengthening the Public Arts Program's Internal Controls Will Improve Fiscal Accountability and Program Effectiveness." He gave some background information and stated that there were 11 recommendations made and the administration has concurred with them.

Kay added that one of the first recommendations brought to the Administration's attention was that the full range of project per fiscal year was not submitted to the Arts Commission. This was not intentional and has already been rectified. The Arts Commission received the FY 2005-06 recommendations for public art projects (as well as those that are not eligible) last week. Council approved the Public Arts Master Plan in 2000. Updating the Master Plan was discussed during the Budget process. This will effectively address the audit finding by tightening up the definition of what's eligible and what is not as well as improving participation (as well as the way participants are counted) at the various workshops.

Vice-Chair Le Zotte asked if the Redevelopment Agency would be audited later?

Eduardo Luna, Supervising Auditor, City Auditor's Office replied that it was the City's Departments that were audited but the recommendations will be incorporated into Agency allocations.

Chair Reed requested that this be referred to the Agency for their consideration.

Vice-Chair Le Zotte added that the definition of the 2% allocation needs to include architecture that enhances the art. She feels it is important that architects be allowed to participate as artists.

Kay replied that the administration would need to discuss this up front with the Public Art operating department staff to ensure there is agreement at the beginning of the project.

Councilmember Cortese asked the reason for the miscount of meeting participants.

Barbara Goldstein, Public Art Director, Office of Cultural Affairs replied that during the second quarter meeting of 2004, staff mistakenly counted all meeting attendees

instead of just those who actually participated in the discussion and input. This was caught and corrected in the fourth quarter.

Councilmember Cortese stated that public noticing and outreach needs to be improved.

Chair Reed agreed and added that a critique needs to be done of the process and delivery model. In "art only" meetings, staff tends to outnumber public. He suggested the Internet could be used to improve public outreach and awareness and that it would be more cost effective than handing out fliers.

Jerry added that this issue was addressed in the audit. Current outreach efforts result in less than 1% of public participation.

Chair Reed stated that he would like it if Council set a budget for an art project and then stayed with it, regardless of scope changes. It does not make sense to change the budget at the end of the project.

Jerry replied that based on the comments, it appears that there isn't support for recommendation #3 which is to "Submit for City Council consideration a proposal to allow art allocations to be increased in the event of increased project budgets beyond a specific percentage or dollar amount".

Kay stated that the Animal Shelter project was unique in that there was a service delivery model change when 5 other cities became involved. This changed the scope and the budget for the project considerably as more money was coming in. But the art had already been designed and was waiting for installation.

Chair Reed asked how many projects now exceed the amount budgeted and the contingency reserve?

John Cannon, CIP Action Team, City Manager's Office replied that less than 1% of the projects exceed their scope.

Chair Reed suggested adding "beyond the contingency reserve" to recommendation #3

Vice-Chair Le Zotte agreed that the budget for a piece of art should be set in the beginning, based on the budget and the contingency, and not change.

Chair Reed stated that if an art project exceeds the contingency reserve then it should come back to Council for reconsideration.

Chair Reed suggested that the following recommendations be added to the motion:

1. Staff return to the Committee with a proposal that includes the ideas discussed for recommendation #3
2. The Service Delivery Model (including public outreach and participation) should be reviewed now that the audit is complete
3. The audit recommendations be forwarded to the Redevelopment Agency Rules Committee for consideration and response

Vice-Chair Le Zotte requested that staff review the 2% art allocation to see if it can be reduced when the architect is designing part of the building to enhance the public art in some way.

Barbara replied that her experience with other cities has led her to believe that this can be a dangerous precedent to set and it should be considered very carefully within the context of the Master Plan. When an architect is considered to be the artist for a project, the opportunity for other community voices and expressions can be lost.

Vice-Chair Le Zotte clarifies that she feels when the architect and the artist are working together to facilitate the artwork it needs to come out of the art budget.

Barbara stated that this is the current policy.

**The Committee accepted the staff's report with the following recommendations:**

1. **Staff return to the Committee with a proposal that includes the ideas discussed for recommendation #3**
2. **The Service Delivery Model (including public outreach and participation) should be reviewed now that the audit is complete**
3. **The audit recommendations be forwarded to the Redevelopment Agency Rules Committee for consideration and response**

c. **Northside Community Center (Auditor)**

**Deferred until June 2005.**

d. **Public Works Transportation Contract Cycles (Auditor)**

**Deferred until June 2005.**

e. **Environmental Services Department Laboratory (Auditor)**

**Deferred until June 2005.**

f. **Quarterly Debt Report (Finance)**

Scott Johnson, Director, Finance Department presented the Third Quarter Debt Report for FY 2004-05. He gave an overview of the City debt portfolio and issuance

history, the outstanding bonds issued by all agencies, the debt issuance and debt management activities during 3<sup>rd</sup> quarter and in progress and the Credit Rating (which remains at Aa1/AA+/AA+).

David Persselin, Debt Administrator, Finance Department gave an overview of the long-term (fixed) and short-term (variable) rates and the debt service coverage and indicators of debt capacity.

Councilmember Cortese stated that there should be a policy that sets and monitors any potential "danger". Ideally this monitor would trigger a report to Council.

Scott replied that this could be incorporated into regular reports. He added that the status reports could also indicate what the requirements are as well as fixed vs. variable rates.

Chair Reed added that he would like to see indicators that may have an adverse effect on the bond ratings.

Larry Lisenbee, Budget Director stated that there is a policy that if there is excess money at the end of the year, it goes into reserve.

Chair Reed suggests that staff look at existing policies to determine whether another reserve policy should be added in the future. He then asked if the City is on a cost recovery basis with the Multi Family Housing Revenue Bonds.

Scott replied that these Multi Family Housing Revenue Bonds are conduit debt that is issued on behalf of the developers. They are paid through the project. Housing and Finance administrative costs are reimbursed through an annual fee as well as a one-time fee.

Jennifer asked when the City receives its credit ratings.

David replied that credit ratings are usually received the first week of June.

Vice-Chair Le Zotte expressed concern that it appeared that the Airport and Housing are over the coverage requirements and the Redevelopment tax allocation is getting close to the coverage requirements.

Scott replied that he is not the right person to talk about the redevelopment agency, just because of the General Fund Commitments that the City has.

Kay added that Abe Andrade from the Redevelopment Agency is here and perhaps he can answer this question.

Vice Chair Le Zotte stated that she agreed with Councilmember Cortese's point about having a warning indicator to let us know when we are getting close to the coverage requirement. Her concern is that the next time Council sees this it will be at the point and then we're in trouble.

Councilmember Le Zotte agreed that the Agency has always been within the coverage. She was just looking at the coverage ratio. She asked if the Agency has ever been at 2 times the coverage?

Abe replied no, the Agency has never been that high. The highest has been about 1.48.

Chair Reed stated that this can be dealt with in the Budget Session in about 2 months from now when the Agency knows how much money there is.

Abe Andrade, Assistant Director, Redevelopment Agency replied that Agency staff will look at this and bring forth an analysis and summary report. The agency will address this during its budget discussion.

Councilmember Cortese requested that the indicators continue to be brought forward in future reports.

**The Committee accepted the staff's report.**

**g. Quarterly Investment Report (Finance)**

Scott gave an overview of the composition of the City's investment portfolio and cash balances by fund type as of March 31, 2005.

Andy Heath, Finance Department gave an overview of the monthly comparison of balances by fund type and the investment maturity versus net cash requirements as of March 31, 2005

**The Committee accepted the staff's report.**

**h. Customer Service Standard Update (Call Center)**

**Deferred until June 2005.**

**i. Major IT Project Update (Information Technology)**

Marsha Lynch, Supervising Applications Analyst, Information Technology Department gave a brief oral presentation of the new Customer Service Delivery Model. She stated that this model would allow each CSA to have representation at the IT Planning Board. This will ensure that all technology needs are met.

Councilmember Cortese asked what makes this new model different from the old one.

Marsha replied that projects across the City can be prioritized and funded properly and each CSA will have a voice.

Chair Reed asked how the CAD dispatch system was going.

Cecil Lawson, Program Manager, Police Department replied that it is going well. Staff is currently focusing on the wireless system that allows police officers to see where police cars are located at any given time. Staff is evaluating this system to determine whether it should be replaced or upgraded in the future. The system is stable with an upgrade being tested this week. If all goes well it will be deployed in the middle of the morning (a slower time for officers) until comfort level rises. Mapping is stable and is at the level of the previous system. Any requests that come in and any errors that are found are being resolved quickly. Overall the project is going very well.

Chair Reed asked when data on response times would be available.

Cecil replied that he would check and report back.

Jennifer asked what outreach has been done on the automated reporting system.

Cecil replied that the technical side of this project is going very well. Staff is taking "baby steps" to ensure that good change management is occurring at every stage. We are receiving feedback from officers and making modifications to the system.

Jennifer asked what the timeline is for the automatic vehicle location project.

Cecil replied that it has already been implemented.

Chair Reed asked for a status of the Geographic Information System Integration Plan (GIS).

Joe Horwedel, Deputy Director, Planning, Building and Code Enforcement stated that staff had received two awards for the work done on the GIS system.

Chair Reed asked if the joint effort with the County and the Water District is going well.

Kevin Briggs, Senior Civil Engineer, Public Works Department replied that it is going well and that both agencies are willing participants.

Jennifer asked what the timeline was for the orthorectified aerial photography.

Kevin replied that it is not moving forward at this time due to budget restrictions.

Chair Reed asked if the budget would allow this project to move forward.

Joe replied that staff is moving ahead with portions of it.

**The Committee accepted the staff's report.**

**j. Oral Petitions**

None

**k. Adjournment**

The meeting was adjourned at 3:55 p.m.

A handwritten signature in cursive script that reads "Chuck Reed".

**Chuck Reed, Chair  
Making Government Work Better Committee**