

**Questions to Piedmont City Council Audit Committee's Subcommittee
From League of Women Voters Task Force
June 15, 2010**

We have observed the Subcommittee's first two meetings, and have formulated some questions for the Subcommittee. The answers to these questions will help us make recommendations to the League of Women Voters regarding how the City's policies and processes should be formulated in the future.

Respectfully submitted,
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Conflict of Interest

In this case, the City engineer was an employee of the same outside engineering firm (Harris Engineers) that prepared the initial design and budget. Does the City have a conflict of interest policy regarding when or under what circumstances the City engineer must be independent (i.e., have no actual or perceived interest in the activities s/he is overseeing) of the City's outside engineering firm retained to perform design services?

Costs

The City's 2007 Underground Utility Formation Policy states, "No General Fund monies shall be used to assist in the formation of a private undergrounding district except direct costs associated with the assessment of city owned property located within a private undergrounding district and indirect costs for staff time required to process undergrounding applications." Does the City have a policy on use of General Fund monies for undergrounding districts that applies post-formation (i.e., for design and implementation of the district)? How does the City define "direct" and "indirect" costs? For the Piedmont Hills district, did the City pay direct or indirect costs associated with the district and not charge them to the district?

Roles and Responsibilities

What were the specific roles and responsibilities of City staff (e.g., City Clerk, Public Works, City engineer) with respect to the Piedmont Hills district? Is there a document that summarizes this? Did these roles and responsibilities change over time? At any time before or after the formation of the Piedmont Hills district, did the City Council inquire about City staff's roles and responsibilities? Who verified and audited the Piedmont Hills district overruns, and when was this done?

Risk Management

What were the factors used to determine the contingency for the Piedmont Hills project? What was the process for determining what should be included in the bid documents? Specifically, who decided to put zero for quantity of rock? Who reviewed and approved the bid documents? What was the process for writing the contract? What was the evaluation process for reviewing the bids; specifically, did anyone raise the issue that the hard rock bids were significantly unbalanced? Was the City engineer or any other department asked to review the bid results? Was there a policy or practice for the City engineer or other staff member to notify the Council of potential bid irregularities?

District Formation

We observed the City Council's painful decision to abandon the Sea View Hampton district, and the Council's concern regarding how divided the neighbors in this district were. Will the Council consider adopting a policy that would require informing residents – at the time they signed a petition expressing preliminary interest in forming a district – what percentage of favorable votes the Council would require in order to proceed with the district?

Subcommittee Process

What is the Subcommittee's anticipated timetable? How many meetings are expected, and when does the Subcommittee expect to provide the City Council with a work product?