

CITY COUNCIL AUDIT SUBCOMMITTEE

Regular Meeting Minutes for Wednesday, January 26, 2011

A Regular Session of the City Council Audit Subcommittee was held January 26, 2011, in the City Hall Council Chambers at 120 Vista Avenue. In accordance with Government Code Section 54954.2(a) the agenda for this meeting was posted for public inspection on January 21, 2011.

CALL TO ORDER Mayor Barbieri called the meeting to order at 7:30 p.m. with the Pledge of Allegiance.

ROLL CALL Present: Mayor Dean Barbieri, Vice Mayor John Chiang and Judge Ken Kawaichi (ret.)

Staff: City Administrator Geoff Grote, Interim City Clerk John Tulloch and Recording Secretary Chris Harbert

PUBLIC FORUM There were no speakers for the public forum.

APPROVAL OF MINUTES **Resolved**, that the City Council Audit Subcommittee approves as submitted its meeting minutes of July 21, 2011.
Moved by Chiang, Seconded by Kawaichi
Ayes: Barbieri, Chiang, Kawaichi
Noes: None
Absent: None

DRAFT FINAL REPORTS Mayor Barbieri announced that the purpose of tonight's meeting is the introduction of each subcommittee member's draft report covering the specific scope of work topics assigned to him at the May 13, 2010 meeting. Once presented, these drafts will be available on the City's website and at City Hall for public review and comment for at least a month. Thereafter, the reports will be consolidated into one final draft which will also then be subject to public review/comment and subcommittee consideration/approval at a future meeting. It was agreed that the Mayor and Interim City Clerk would prepare a cohesive, consolidation of the three independent drafts into a proposed Final Draft Report. The Mayor requested interested residents to e-mail their comments concerning the three drafts directly to the Interim City Clerk, rather than to individual subcommittee members, so that the e-mails can be shared within the subcommittee and included as part of the public record. He also added that given the on-going mediation sessions and pending litigation related to the Piedmont Hills Utility Undergrounding Project, the City's special legal counsel in this matter has reviewed the draft reports prior to their public release.

Each subcommittee member then presented an overview of his particular report, acknowledging the constraints imposed during their deliberations by the Brown Act and attorney-client and attorney-work product privileges.

Correspondence was received from: Rick Schiller, Oct. 26

Public testimony was received from:

George Childs urged that the subcommittee's final report include a strong recommendation that the City not serve as the contracting agent or project manager for utility undergrounding projects proposed by individual neighborhoods. Instead, these responsibilities should be borne by the neighborhood steering committees and/or utility companies.

Mike Savage concurred with Mr. Childs and requested that the final report emphasize that the City should never have been put in the position of being responsible for the cost overruns of the Piedmont Hills Project. He criticized the City Administrator and City Council for failing to protect the City from such a financial obligation.

Kathleen Quenneville voiced concern that the subcommittee has not been more diligent in expediting its review process, noting that it has been a year since the City was required to appropriate over \$2 Million from the General Fund to cover Piedmont Hills Utility Undergrounding Project cost overruns. She also urged that the subcommittee insure that its recommendations in the final report are feasible and legal, noting that some of the recommendations contained in the draft reports do not appear to be legally possible. She also suggested that the final report's recommendations be applicable to all large City projects, not just utility undergrounding projects.

Rick Schiller referenced his letter of October 26, 2010, in noting that the draft reports fail to address the issues raised in his letter, especially with regard to the unbalanced nature of Valley Utility's bid and naming the party or parties responsible for reviewing the bid's line items. He repeated his request that the City conduct an independent audit of the Piedmont Hills Utility Undergrounding Assessment District.

NEXT MEETING

The Committee agreed to tentatively schedule its next meeting for Tuesday, March 1, 2011.

ADJOURNMENT

There being no further business, Mayor Barbieri adjourned the meeting at 9:15 p.m.