

CITY COUNCIL AUDIT SUBCOMMITTEE

Regular Meeting Minutes for Tuesday, March 15, 2011

A Regular Session of the City Council Audit Subcommittee was held March 15, 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 March 11, 2011.

CALL TO ORDER Mayor Barbieri called the meeting to order at 7:35 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 January 26, 2011.
Moved by Kawaichi, Seconded by Chiang
Ayes: Barbieri, Chiang, Kawaichi
Noes: None
Absent: None

DRAFT FINAL REPORTS The City Administrator announced that following the January 26 meeting, the subcommittee's three draft final reports were made available for public review on the City's website as well as at City Hall. The purpose of tonight's meeting is to acknowledge receipt of the public comments received in response to these drafts and begin the process of determining what responses or inclusions each subcommittee member may wish to incorporate into their individual reports. Once the reports have been updated, the three documents will be forwarded to the Interim City Clerk for consolidation into a single Final Report. This consolidated Final Report will then be subject to public review/comment and subcommittee consideration/approval at a future meeting.

Correspondence was received from: Elizabeth Schultz; Rick Schiller; Piedmont Civic Association; The League of Women Voters Task Force (Alex Gunst, Mary Heller, Rob Hendrickson, Al Peters & Kathleen Quenneville); Neil Teixeira; A. Salloway; Leon Bloomfield; Dai Meagher

Public testimony was received from:

George Childs voiced support for the thoughtful analysis and useful conclusions contained in the League of Women Voters Task Force report, noted that the subcommittee's three draft reports fail to provide assurances that the problems encountered with the Piedmont Hills Utility Undergrounding Project will not occur in the future and reiterated his strong position that the City's role in future

utility undergrounding projects should be limited to four tasks: (1) form the underground district through the public hearing process; (2) institute the measures necessary to create the related assessment district; (3) determine what, if any, Rule 20(A) funding might be applied to a particular project; and (4) in an advisory capacity, refer the proponents/steering committee to the appropriate utility coordinators.

The subcommittee acknowledged the valuable input and suggestions contained in public testimony and correspondence responding to its draft reports. For ease of reference, Vice Mayor Chiang agreed to prepare a matrix of proposed recommendations to facilitate each subcommittee member's review and consideration of possible revisions to their individual drafts. Upon completion, he agreed to e-mail the spreadsheet to the Interim City Clerk for distribution to the entire subcommittee to assist in the individual report editing process. In addition, the Vice Mayor agreed, with information to be supplied by the City Administrator and Finance Director, to address in his report issues related to the use of Rule 20(A) and 20(C) funds. He also requested staff to provide him with the data Ms. Elizabeth Schultz requested in Paragraph #6 of her correspondence (*a chart quantifying the experience of past districts*). In preparing their final drafts, the subcommittee acknowledged the legal constraints imposed on the type of information/issues which can and cannot be addressed in the Final Report because of the City's pending litigation in connection with the Piedmont Hills Project. The City Administrator advised that the City's legal counsel reviewed the individual subcommittee member reports prior to their public release and the same process will be followed with regard to the consolidated Final Report. The subcommittee acknowledged the frustrations involved in finalizing a comprehensive Final Report within the legal limitations and restrictions imposed by pending litigation and attorney-client/attorney-work product privileges.

For the record, the City Administrator corrected a timeline error in the League of Women Voters Task Force Report concerning when City staff briefed the City Council regarding Piedmont Hills cost overruns. While the Task Force Report stated the briefing occurred in December, the City Administrator noted that staff and legal counsel advised the City Council of the cost overrun problem in closed session on November 2, 2009.

Mayor Barbieri requested each subcommittee member to e-mail his revised individual report to the Interim City Clerk by April 1st. The Interim Clerk will then prepare an Executive Summary and consolidate the three documents into a single Final Report by April 15. At which time the consolidated report will be circulated to the subcommittee and then made available for public review prior to the subcommittee's next meeting (early May) during which the Draft Final Report will be considered for approval and transmittal to the City Council.

ADJOURNMENT

There being no further business, Mayor Barbieri adjourned the meeting at 8:20 p.m.