

**City Council Governance Committee Meeting
Minutes**

Tuesday, May 22, 2007

2:00 p.m.

Media Briefing Room

Council Present:	Mayor Phil Hardberger, <i>Chair</i> Councilmember Richard Perez, <i>District 4</i> Councilmember Delicia Herrera, <i>District 6</i> Councilmember Art Hall, <i>District 8</i> Councilmember Kevin Wolff, <i>District 9</i>
Staff Present:	Sheryl Sculley, <i>City Manager</i> ; Pat DiGiovanni, <i>Deputy City Manager</i> ; Erik Walsh, <i>Asst. City Manager</i> ; Leticia Vacek, <i>City Clerk</i> ; Michael Bernard, <i>City Attorney</i> ; Deborah Klein, <i>City Attorney's Office</i> ; Troy Elliot, <i>Finance Assistant Director</i> ; Peter Zandoni, <i>Director of Budget</i> ; Pete Gonzalez, Jr., <i>City Auditor</i> ; Ben Gorzell, <i>Finance Director</i> ; Dennis Campa, <i>Director of Community Initiatives</i> ; Denis Cano, <i>Internal Auditor</i> ; Geraldine J. Garcia, <i>SAPD</i> ; ; Rudy Gonzalez, <i>SAPD</i> ; Rudy Nino, Jr., <i>Development Services</i> ; Bob Nordhaus, <i>City Attorney's Office</i>
Others Present:	G. Garcia, <i>San Antonio Express-News</i> ; Melanie Seale, <i>KPMG</i> ; John Kennedy, <i>KPMG</i> ; Bob Thompson, <i>Texas Towing Service</i> ; Bobby Perez, <i>Attorney</i>

CALL TO ORDER

Mayor Phil Hardberger called the meeting to order.

I. Approval of minutes from the meeting of April 18, 2007

Councilmember Perez made a motion to approve the minutes of April 18, 2007 as submitted. Councilmember Wolff seconded the motion. The motion carried unanimously.

II. ITEMS REQUIRING INDIVIDUAL BRIEFING(S)

- A. Discussion relating to the Comprehensive Annual Financial Report (CAFR). Presented by Ben Gorzell, Director, Finance Department; Pat DiGiovanni, Deputy City Manager

Ms. Sheryl Sculley spoke regarding the progress of the Comprehensive Annual Financial Report (CAFR). She stated that since last year, several issues have been addressed and much improvement has been made. She also stated that the CAFR will be completed in June with another update to the Governance Committee at that time.

Mr. John Kennedy, Partner, KPMG Consultants, addressed key issues waiting to be resolved and that the staff is working with a June 2007 timeline. Improvements to the CAFER involve staff records, major turn-arounds and quality of records, while nine other comments still need to be addressed. He further noted that correction actions are planned for a tangible progress on the audit.

Mr. Ben Gorzell stated that some significant issues are the Management Letter, a corrective action plan and a timeline for implementing those actions. He stated that a departmental reorganization has recently been implemented. One goal is to take resources using SAP to the fullest extent possible and to retain key staff. He noted that it remains difficult to maintain an effective level of financial performance during this transition. He also noted that as each comment is addressed, he will bring back a corrective action plan to the Governance Committee.

Ms. Sculley stated that the reorganization of the Finance Department was necessary to be more effective in supporting the organization. Progress has been made to include moving the Finance Staff into a better working environment.

III. AGENDA PLANNING RELATED ITEMS

Consent Items – Presented by Erik J. Walsh, Assistant City Manager

- A. Consideration of a request by Councilman Roland Gutierrez, District 3, to expedite a review of the Texas Towing's performance under the existing Wrecker Service Contract for the purpose of extending the contract to its full term, and consider an additional option period based upon satisfactory performance.

Staff Recommendation: Complete review and report to Governance Committee

Councilmember Wolff made a motion to complete the review and report to Governance Committee. Councilmember Herrera seconded the motion.

Chief William McManus stated that a performance review has been implemented for the contract. He noted that as soon as the review is completed, a contract evaluation will be conducted at that time.

Mr. Erik Walsh presented information on the contract's last three-year extensions and a new three-year extension to be added to the contract. Mr. Walsh noted that the Performance Review will continue as part of the contract. Staff's recommendation would be to complete that review and come back to the Governance Committee.

Mr. Bob Thompson stated that the objective is to try to continue with the same quality and level of service that has been expected in the past 4-5 years with this contract. In order to do so, Texas Towing must move their operations from the current site to make way for the Haven for Hope Project. He noted that Texas Towing has to secure a future relocation site, which makes it

necessary to request expediting the contract extension. A three-year extension would allow Texas Towing to borrow funds to improve their future business site. The same conditions in the contract are requested as are on the current contract relating to the Performance Review, the SAPD Chief's review and recommendation and the approval to extend the contract. He also requested the same kind of mechanism for an additional three-year extension, resulting in an overall ten-year contract. He provided background on the original contract awarded to Texas Towing, and added that there are three years left in the current contract.

Mr. Walsh clarified that the three years on the remaining contract is contingent on the SAPD's Performance Review of the existing contract.

Mr. Thompson stated that the 54-month period review is scheduled for October, 2007. He requested for an identical review at an 84-month period. He noted that expediting an extension is the result of the Haven for Hope Project.

Ms. Sculley recommended completing staff's analysis and subsequent report on how to proceed. Chief McManus stated that the report would be completed in six weeks.

Mr. Thompson expressed concern with the timeline in that improvements must be made to their future business site while time was a major factor of the contract extension.

Ms. Sculley recommended said item be brought before the full Council by the June 28th meeting. Chief McManus stated a recommendation would be provided by that date.

Mayor Hardberger stated that a decision would be made upon completion of the report.

Councilmember Hall made a motion to study the issue and complete the review as recommended by June 28th. Councilmember Herrera seconded the motion. The motion carried unanimously.

- B. Consideration of a request by Councilman Chip Haass, District 10, relating to a street name for a section of Kings Crown West to Kings Crown, Cooke Chase, Putnam Pass and Mozley Rise, and to suspend the code requirement to have the City Council action no less than 45 days from the date the notice has been mailed.

Staff Recommendation: Refer to May 31st A Session for full Council Consideration

Councilmember Wolff made a motion to accept staff's recommendation to place said item on the May 31st City Council Agenda. Councilmember Perez seconded the motion. The motion carried unanimously.

- C. Consideration of a request by Councilman Roger Flores, District 1, related to rezoning procedures for the property located at 1411 North Flores Street, further described as Lot 16 (also known as Arbitrary Lot A15), Block 1, NCB 129.

Staff Recommendation: Refer to Planning Commission, if required, and Zoning Commission

Councilmember Wolff made a motion to accept staff's recommendation to refer said item to Planning Commission and Zoning Commission if necessary. Councilmember Perez seconded the motion. The motion carried unanimously.

- D. Consideration of a request by Councilman Roland Gutierrez, District 3, related to the initiation of rezoning procedures for properties located within City Council District 3 in order to reclassify property currently inappropriately zoned for industrial, commercial and multi-family land uses.

Staff Recommendation: Refer to Planning Commission if required, and Zoning Commission.

Councilmember Wolff made a motion to accept staff's recommendation to refer said item to Planning Commission and Zoning Commission if necessary. Councilmember Perez seconded the motion. The motion carried unanimously.

IV. Executive Session

There were no Executive Session items to be discussed.

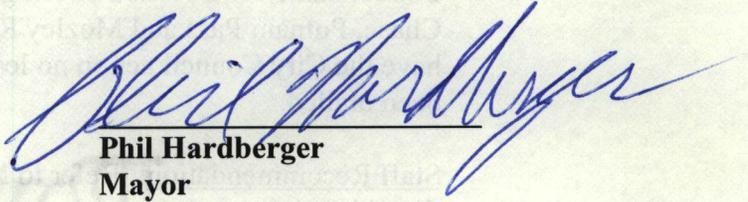
V. Consideration of items for future meetings

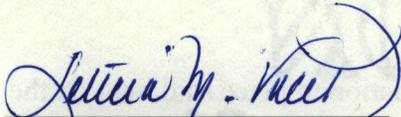
Mr. Walsh stated that no items were pending.

VI. Adjourn

There being no further discussion, the meeting was adjourned at 2:32 pm.

ATTEST:


Phil Hardberger
Mayor


Leticia M. Vacek
City Clerk