



Public Works Department

**Summary Minutes**  
**REGULAR MEETING**  
**OF THE**  
**CITIZEN STREET OVERSIGHT COMMITTEE**

**Monday, September 27, 2010, 7:00 p.m.**  
**El Cerrito City Hall**  
Hillside Conference Room  
10890 San Pablo Avenue

**Roll Call** at 7:05 p.m.

Present: Committee Members Thomas Miller, Ozselcuk, Al Miller

Absent: Committee Members Kessler

Other Attendees: Staff Liaison Jerry Bradshaw

**1. Staff Liaison Report**

Staff Liaison Bradshaw did the following:

- Passed out the auditor's Agreed Upon Procedures Report, which conformed to the modifications approved by the Committee at the January 2010 meeting.
- Passed out a new publication about the Ralph M. Brown Act.
- Presented a copy of the Measure A Street Improvement mailer that went to all residences in town that includes a map showing a summary of work completed over the life of Measure A.
- Passed out a brochure by the SFEP highlighting the El Cerrito Greenstreets Project which included rain gardens along two sections of San Pablo Avenue, and gave a briefing about how these ground-breaking rain gardens work.
- Gave a briefing about Measure R, the City's current ballot measure to increase the local sales tax by one half percent for 7 years to supplement declining revenues during the current economic downturn. The City's "Budget In Brief" letter was made available to Committee members.
- Presented the slide show that the City Council saw in June summarizing the street improvement work that began in 2007 and was just concluding in the fall of 2010. Approximately 80% of all streets in town will have been resurfaced. The program also included 43 storm drain locations comprising 3% of the Measure A Program costs and

nearly 400 curb ramps comprising 9% of the Measure A Program costs – much less than the projected 15%. The City also has a separate ongoing CIP project that will continue to install ramps throughout town based on access needs.

A map showing the street segments that are not yet improved to the “Good” condition category revealed only a handful of streets. Balra was the only street still in the “Very Poor” category, but that was omitted deliberately due to an EBMUD water line replacement project. It is hoped that this work may still be done in 2010 depending on coordination issues with EBMUD.

Staff will present a new pavement condition report to the City Council on October 18. The most recent pavement condition data has not been received yet, but it will be presented at the next Committee meeting.

- Updated the Committee about term limits for committee members – Of the four current committee members, two members’ terms will expire in January 2011: Liz Oszelcuk and Thomas Miller. Both were provided with applications in case they wished to re-apply. The other two members’ terms run until January 2012. The City Clerk will advise of the procedure for all who apply, but she hopes to conclude the interview process by December 2010 in order to fill the vacancies that occur in January 2011.

## **2. Comments from the Public**

Thomas Miller, speaking as a member of the public, stated that progress on the Street Program has been outstanding.

## **3. Approval of Minutes**

The draft minutes were lengthy at 5 pages, and Chair Miller thanked staff for their efforts in preparing them. Liaison Bradshaw stated that the meeting discussions contained many salient points that help define the Committee’s work, and it was his pleasure to document it.

Committee member Thomas Miller was disturbed by the information on Page 3 at top (referencing Section 3.f of the Agreed Upon Procedures) that states that Measure A funds can be diverted to purposes other than streets. His role on the Committee was to ensure that the opposite happened. Chair Al Miller pointed out that the remainder of the paragraph clarified that this is not allowed in the ordinance, and the bond covenants do not override the enabling ordinance. A further reading of the Report also stated that this clause applied only to bond proceeds – not the ongoing Measure A revenues. Additionally it applied only to funds left over after the “project” is complete, but the bond proceeds will be completely spent in the first few years with none remaining. Therefore it is a moot point.

Committee member Thomas Miller also expressed concern that the Measure A goes on forever, and once the streets are fixed, it should end. The large amount of funding needed to bring the streets back to good condition won’t be required to maintain the streets at that level into the future. Liaison Bradshaw concurred, but also explained that while the annual revenue from Measure A is relatively constant, the City elected to issue bonds that would require

approximately 60% of the annual proceeds over the next 30 years to be used for debt repayment. Only the remaining 40% annually would be available for the ongoing maintenance. This aligns with Committee member Thomas Miller's argument of needing massive funding early on and much less funding into the future. When the bonds are paid back in 30 years, the City will have to re-evaluate the funding and maintenance strategies. Committee member Thomas Miller stated that he just had his 90<sup>th</sup> birthday in August, and when the 30 years rolls around he will look at this very carefully.

No corrections to the minutes were requested.

**Action taken:** Approve minutes. M/S Thomas Miller / Ozselcuk. Approved unanimously.

#### 4. **Review Fiscal Year 2009-10 Expenditures and Revenues**

Liaison Bradshaw handed out an 8-page listing of expenditures. He reviewed the format of the list. It was similar to the previous year's listing although much longer since it was a full year of activity.

Having the Committee review the draft expenditures list prior to the audit will help ensure that the auditor's work can be done efficiently and address any questions or concerns of the Committee.

On Page 4-1 are general revenues. The sales tax receipts come to approximately \$1.3 million. Question: Were there any revenues from bonds? Answer: No, they all came in 2008. Other miscellaneous revenues included rent paid by Avila Project Management and street moratorium fees. (When utilities and property owners who must excavate in streets that have been paved recently enough be under an excavation moratorium, an extra fee is charged to restore the pavement surface. Those fees are deposited into the Street Improvement Fund to perform the restoration work.)

Non-Measure A revenues are not technically subject to review by the Committee, but since they are comingled and will be spent on Measure A-eligible work, they can be comingled. They are a "dilution" of Measure A – not a "pollution".

Expenditures begin on Page 4-2. There are expenses paid to Maze & Associates, the City's auditors who are auditing the whole City. Question: Why do they show up in Measure A? Answer: The charges from Maze represents only their work to perform the Agreed Upon Procedures Report, which is specific to Measure A. Measure A did not pay for their general audit work for the City.

Question: Why are we paying Comcast? Answer: Comcast provides the phone and internet services to the modular building that houses Avila Project Manager, the Measure A managers.

Sub-project 1 pertains to general program expenses such as management, rent on the modular buildings, Ninyo & Moore (testing engineers). Ninyo & Moore expenses were unusually high

in 2009; partially due to some problems with materials furnished by International Surfacing Systems and Gallagher & Burke that required additional testing and consultations.

On Page 4-4 begin the project-specific expenses. 2009 projects begin with sub-project 8, which was the AR Cape Seal. Avila Project Management expenses reflect the intensity of the oversight and design work that had to occur for this large sub-project. In particular, the storm drain repairs under the roadway had to be designed “on the fly” and modified as field conditions were warranted. Avila is paid on an hourly basis since their scope of work cannot be determined ahead of time. Overall, the soft costs (design, contract administration, program management and construction oversight and inspections) was forecast to be under 20% of construction costs overall. The most recent projects actually came in at approximately 24%, but that is due to the much-lower construction cost – not higher soft costs.

This project includes an expense to Terra Nova for a replacement sewer lateral. This came about after the City’s pavement contractor was unable to quickly repair a residential sewer lateral the was broken, and the City hired a sewer contractor to repair it and back-charge the paving contractor.

On page 4-5 is sub-project 9, the Rubberized Asphalt Overlay.

Sub-projects 10 and 11 are underway (in 2010), but the contractors had no expenses prior to June 30<sup>th</sup> (the end of the fiscal year under review). This expense listing only shows the design and early management costs.

On page 4-6 is the last of Project C3027, which is where the primary Measure A work is contained. After that begins a few special projects (C3037, C3048 and C3061) that have federal funds mixed in. On the very bottom of Page 4-6 is a revenue entry of \$600,000 that is a reimbursement from the federal grant for the 2009 RAC Overlay project (C3048). The last project is the ill-fated Stimulus II program that Congress never passed. Local agencies were advised that projects needed to be “shovel ready” in order to be eligible, but the funds never materialized. El Cerrito spent \$139,000 getting ready with no work to show for it. Those expenses are not necessarily wasted since the project will need to be built sooner or later.

The bottom lines show much more expense than revenue, which reflects the City spending down the balance of bond proceeds. By the close of fiscal year 2010-11, the balance will be nearly zero, and the program will begin its pay-as-you-go phase.

One thing missing from the listing is the \$738,000 expense for the annual debt payment.

The committee discussed the complexity of the Measure A program: the enabling ordinance, the annual work plan authorized by the City Council, contracts awarded by Council, the documentation of the actual work done each year, and the Committee’s requirement to approve expenditures. In particular, there was discussion on being able to produce documentation (a paper trail) to demonstrate to a casual observer that the Measure A Program flows from the Council’s direction through the actual work done and the Committees review and approval of the expenditures. Committee member Ozselcuk suggested that a flow chart exhibiting these

relationships be created to help citizens understand the Program. Liaison Bradshaw stated that he would take a look at developing such a flow chart.

#### **5. Future Agenda Items and Meeting Schedule**

Liaison Bradshaw reviewed the regular meeting schedules and the rationale for those dates. These are based on the fiscal year, which ends on June 30<sup>th</sup>. Staff typically needs until mid- to late-August to close out the year's fiscal activity, and a few more weeks to be prepared to issue any reports. The Committee chose to set the first meeting of the year on the 4<sup>th</sup> Monday in September in order to receive staff's presentation of the year's fiscal activity.

The City's auditors do not begin their work until late October, and it can take at least a month to receive their audit reports putting it in the start of the holiday season. Based on that, the Committee chose to review that audit report on the 4<sup>th</sup> Monday in January to ensure that the audit is complete and clear of the holiday season. This would allow for the Committee to have staff's presentation of fiscal activity as well as the independent auditors Agreed Upon Procedures Report before making their annual determination of compliance.

Finally, the Committee established another meeting between the September and January meetings in case questions arose at the September meeting that needed to be addressed prior to the last meeting in January. The 2<sup>nd</sup> Monday in November was selected, although it was anticipated that the November meeting could be cancelled if it was not needed.

**Action taken:** Cancel the November 2010 meeting. M/S Thomas Miller / Ozselcuk.  
Approved unanimously.

The next regular meeting is January 24, 2011.

#### **6. Adjourned** at approximately 9:10 p.m.