107-2282019-002

Agenda Item **No. 5(c)**
Meeting of July 16, 2019

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Authorizing the Executive Director to enter into a Memorandum of Understanding with the City and County of San Francisco Controller's Office for financial systems, accounting, and audit support, in an amount not to exceed $245,000 for Fiscal Year 2019-2020

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure as Successor Agency to the San Francisco Redevelopment Agency ("OCII") seeks to enter into a Memorandum of Understanding ("MOU") with the Controller's Office of the City and County of San Francisco in the amount of $245,000 for the Fiscal Year ("FY") 2019-20. The MOU services are allowable within Redevelopment Dissolution Law and the proposed amount is consistent with the proposed Fiscal Year 2019-20 OCII budget, and with the administrative allowances included in the Department of Finance-approved ROPS 2019-20.

Staff recommends approval of a Memorandum of Understanding with the San Francisco Controller's Office to provide financial systems, accounting, and audit support for an amount not to exceed $245,000 for Fiscal Year 2019-20.

DISCUSSION

OCII uses the City of San Francisco's Financial Accounting and Management Information System ("F$P") to approve and document financial transactions. Sharing a financial information system with the City is beneficial as it eases the transfer of funds between OCII and the City and facilitates flow of information between OCII and its City partners, which include the Controller's Office, Mayor's Office of Housing and Community Development, and the Treasurer's Office.

Under the proposed MOU, services to be provided by the Controller's Office include:

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

415 749 2400

www.sfocii.org

- **Financial Systems Access**. The Controller will provide OCII with access to the City's Financial System, Procurement System, and Reports and Analytics ("F$P"), through the SF Employee Portal and the Budget System, along with associated system support and maintenance services.

- **Staff Support**. The Controller will provide staff support during high workload periods at OCII (such as year-end close) and for special and complex accounting issues such asset transfers or sales.

- **Audit Support.** The Controller will procure, concomitant with the City's procurement process, independent audit services to support completion of OCII's Comprehensive Annual Financial Audit ("CAFR"). The Controller shall work with OCII to include the scope and cost of OCII's CAFR within its contract with the independent auditor.

The cost of these proposed services is $245,000, which is equivalent to the amount of the FY 2018-19 MOU between OCII and the Controller and is consistent with amounts contained in the Commission approved Fiscal Year 2019-20 OCII budget, and the administrative allowances included in Department of Finance-approved ROPS 2019-20. Implementation of the MOU is dependent upon the approval of the Fiscal Year 2019-20 OCII budget by the Board of Supervisors.

Enabling Law

The services are allowable under Redevelopment Dissolution Law pursuant to Health and Safety §34177.3(b), which authorizes successor agencies to create enforceable obligations for operations, including hiring staff, acquiring necessary professional administrative services and procuring insurance. Enforceable obligations are defined to include "[c]ontracts or agreements necessary for the administration or operation of the successor agency, in accordance with this part…" Cal. Health & Safety Code § 34171 (d)(1)(F).

California Environmental Quality Act

Approval of this Memorandum of Understanding is not a "Project" subject to environmental review pursuant to the California Environmental Quality Act ("CEQA") because it is an administrative activity of government that will not result in direct or indirect physical changes in the environment, per CEQA Guidelines § 15378 (b)(5).

Requested Action

Staff seeks the Commission's authorization and approval of a Memorandum of Understanding with the San Francisco Controller's Office to provide financial systems, accounting, and audit support for an amount not to exceed $245,000 for Fiscal Year 2019-20.

(Originated by Rosa Torres, Accounting Supervisor)

Nadia

Nadia Sesay
Executive Director