

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

**RESOLUTION NO. 17-2015
Adopted April 7, 2015**

**AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A
MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN FRANCISCO
OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE AND
THE CITY AND COUNTY OF SAN FRANCISCO CONTROLLER'S OFFICE
FOR FINANCIAL SYSTEMS, ACCOUNTING AND AUDIT SUPPORT, IN AN
AMOUNT NOT TO EXCEED \$185,000 FOR FISCAL YEAR 2015-16**

- WHEREAS, Redevelopment Dissolution Law, Cal. Health & Safety Code § 34177.3 (b), authorizes successor agencies to create enforceable obligations for winding down of the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, 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, including, but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition, and agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134;” Cal. Health & Safety Code § 34171 (d)(1)(F); and,
- WHEREAS, Section 34177(j) of the California Health and Safety Code authorizes the successor agency to include in its administrative budget “[p]roposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity;” and
- WHEREAS, OCII uses the City and County of San Francisco’s financial accounting and management information system known as “FAMIS,” which is operated by the City and County of San Francisco Controller’s Office (“Controller’s Office”), which allows for OCII’s to carry out its accounting operations with strong internal controls and to meet its financial reporting responsibilities; and,
- WHEREAS, The Controller’s Office provides financial transaction review services to OCII as an extra level of internal controls and accounting support during an as-needed basis during times of high workload requirements, such as year-end financial close and during annual audits; and,
- WHEREAS, There are economies of scale for OCII to use the same independent financial auditor as the City so that the testing of the FAMIS financial system can be accomplished for both agencies at the same time; and,

WHEREAS, Funding to support the Memorandum of Understanding for the period of July 1, 2015 through June 30, 2016 is contained within the Fiscal Year 2015-16 budget consistent with the administrative budget and in the OCII's Recognized Obligations Payments Schedule 2015-16A, Line 4 submitted to Department of Finance and approved by OCII's Oversight Board on February 23, 2015; and

WHEREAS, Implementation of the MOU is contingent upon the associated expenditure authority being included in OCII's approved Fiscal Year 2015-16 budget; and

WHEREAS, Approval of the attached Memorandum of Agreement is not a "Project," as defined by the California Environmental Quality Act ("CEQA") Guidelines Sections 15378(b)(4) and 15378(b)(5). Actions related to the proposed Grant Agreement will not independently result in a physical change in the environment are not subject to environmental review under CEQA; now, therefore, be it

RESOLVED, That the Executive Director is hereby authorized to enter into a memorandum of understanding between the City and County of San Francisco, through its Controller, and the Successor Agency, substantially in the form of the Memorandum of Understanding, to provide financial systems, accounting and audit support for OCII for an amount not to exceed \$185,000 for the period July 1, 2015 through June 30, 2016.

Exhibit A: Memorandum of Understanding between the San Francisco Office of Community Investment and Infrastructure and the City and County of San Francisco Controller's Office.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of April 7, 2015.



Commission Secretary

MEMORANDUM OF UNDERSTANDING
Between the San Francisco Office of Community Investment and Infrastructure and the
City and County of San Francisco Controller's Office,
Fiscal Year 2015-16

This memorandum of understanding ("MOU") is entered into between the Office of Community Investment and Infrastructure, acting as the Successor to the San Francisco Redevelopment Agency ("OCII"), and the City and County of San Francisco Office of the Controller ("Controller's Office") for the period of Fiscal Year ("FY") 2015-16.

Under Redevelopment Dissolution Law, successor agencies may enter into contracts "to conduct the work of winding down the redevelopment agency, including hiring staff, [and] acquiring necessary professional administration services (Cal. Health & Safety Code, Section 34177.3(b)).

This MOU is made in recognition of the need for specialized services to OCII in the areas of financial systems, audits and accounting support. Funding to support this MOU is consistent with the administrative budget, and in the OCII's Recognized Obligations Payments Schedule 2015-16A, Line 4 submitted to Department of Finance and approved by OCII's Oversight Board on February 23, 2015.

OCII and the Controller's Office agree as follows:

Services to be Provided by the Controller's Office

1. Access to the City's Financial Analysis and Management Information System ("FAMIS"), Executive Information System data warehouse ("EIS") and budget system ("Budget System"), along with associated system support and maintenance services.
2. Financial transaction review services by Controller accounting staff for selected transactions that may include journal entries, vendor set-up requests, and other entries processed through FAMIS, as determined by agreement between the Controller's Office and the OCII Deputy Executive Director for Finance and Administration. These review services are intended to ensure an additional level of fiscal controls to ensure that financial transactions are properly carried out within approved budgets and in accordance with OCII policies and procedures. OCII will be responsible for providing Controller review staff with documentation to establish the budgetary controls, policies and procedures to be applied during the review of financial transactions.
3. Limited term accounting staff support during especially high workload periods at OCII (such as during year-end close) and for special and complex accounting issues such as refunding bond accounting and assets transfer or sale.
4. Procurement of independent audit services to support completion of OCII's Comprehensive Annual Financial Audit (CAFR). Since OCII uses the City's Financial System (FAMIS), there are significant economies of scale for OCII to use the same independent financial auditor as the City so that the testing of the financial system can be accomplished for both Agencies at the same time. The Controller shall work with the contractor and OCII to include the scope and cost of OCII's CAFR within its contract with the independent auditor.

Not-to-Exceed Budget

The OCII and the Controller’s agree that services provided under this work order shall not exceed \$185,000 for FY 2015-16, unless an amendment to this budget is approved by both parties. This figure excludes any external auditor work billed directly to OCII. This budget estimate for FY 2015-16 is arrived at as follows:

- i. Accounting Review Services and Systems Maintenance \$ 54,000
- ii. Staff support during year-end close, ~295 hours @ ~\$85/hr \$ 30,000
- iii. Independent audit services to support completion of OCII’s CAFR \$ 101,000

Total FY 15-16	\$185,000
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Reporting and Billing

Prior to engaging independent auditors for work to be performed under this work order, the Controller’s Office shall consult with the OCII on the scope and budget for services provided and shall receive approval from OCII for the scope and budget prior to the auditors being authorized to proceed with their work. Any changes in scope or budget shall also be authorized only after approval is received from OCII.

The Controller’s Office shall submit an invoice to OCII on a semi-annual basis, by January 21 for the actual cost of services provided during the period of the prior July 1- December 31, and by July 31 for services provided during the period of the prior January 1 – June 30, not to exceed the budgeted amount for the fiscal year. The invoice shall describe the services provided and include sufficient information to determine the methodology used to determine the costs.

The OCII will pay invoices or notify the Controller’s Office of any questions regarding the invoice within 30 days of receipt.

Work Order Amendments or Termination

This MOU scope and/or budget may be amended by mutual agreement of both parties. This MOU may be terminated by either party with 30 days notice, subject to OCII payment of applicable Controller’s Office costs incurred through the termination date.

This MOU has been entered into on the date(s) below.

Office of Community Investment and Infrastructure Tiffany Bohee, Director	Date
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Controller’s Office Ben Rosenfield, Controller	Date
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Authorized by Successor Agency Resolution No. _____
Adopted _____