

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 22-2018


Adopted May 1, 2018

**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 2018-2019**

- 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...” Cal. Health & Safety Code § 34171 (d)(1)(F); and,
- WHEREAS, OCII uses the City and County of San Francisco’s financial accounting and management information system known as “F\$P,” which allows for OCII to carry out its accounting operations with strong internal controls and to meet its financial reporting responsibilities; and,
- WHEREAS, The City and County of San Francisco Controller’s Office (“Controller’s Office”), operates F\$P; and,
- WHEREAS, The Controller’s Office provides accounting review services to OCII for additional internal controls, accounting support during year-end close, and specialized accounting services; and,
- WHEREAS, There are economies of scale for OCII to use the same independent audit services as the City so that the testing of the financial system can be accomplished for both organizations at the same time; and,
- WHEREAS, Approval 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); and,
- WHEREAS, Funding to support the Memorandum of Understanding for the period of July 1, 2018 through June 30, 2019 is contained within the Fiscal Year 2018-2019 budget, consistent with the administrative budget and the State Department of Finance in OCII’s Recognized Obligation Payments Schedule 2018-2019, Lines 1 and 411; 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, which is attached to this Resolution, to provide financial systems, accounting, and audit support for OCII in an amount not to exceed \$245,000 for the period July 1, 2018 through June 30, 2019.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of May 1, 2018.



Commission Secretary

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, Fiscal Year 2018-2019

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 2018-2019

This Memorandum of Understanding ("MOU") is entered into between the Office of Community Investment and Infrastructure, acting as the Successor Agency 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") 2018-2019.

Under Redevelopment Dissolution Law, successor agencies are separate public entities from cities and counties (Cal. Health & Safety Code Section 34173(g)) and 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 OCII's need for specialized services for financial systems, audits, and accounting support, including dedicated staff. Funding to support this MOU is consistent with its authority under state law and the administrative budget. Implementation of the MOU is contingent upon the approval of the FY 2018-19 ROPS and budget.

OCII and the Controller's Office agree as follows:

Services to be Provided by the Controller's Office

1. **Systems Access and Accounting Review Services.** Access to the City's Financial System, Procurement System and Reports and Analytics through the SF Employee Portal, and budget system ("Budget System"), along with associated system support and maintenance services. 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 the system, 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 and 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. In addition, OCII shall have access to legacy systems (FAMIS and EIS) in order to access historical data similar to the access provided to City departments.
2. **Staff Support.** Staff support during high workload periods at OCII (such as year-end close) and for special and complex accounting issues such as refunding bond accounting and transfer or sale of assets.
3. **Independent Audit Services.** Procurement of independent audit services to support completion of OCII's Comprehensive Annual Financial Audit (CAFR). Since OCII uses the City's Financial Systems, 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 entities 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.

Payment to be provided under OCII's Not-to-Exceed Budget

FY 18-19

The OCII and the Controller agree that services provided under this work order shall not exceed \$245,000 for FY 2018-19, 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 2018-19 is arrived at as follows:

i. Systems Access and Accounting Review Services	\$ 60,000
ii. Staff Support	\$ 54,000
iii. Independent Audit Services	\$ 131,000
Total FY 18-19	\$ 245,000

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 1 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. Quarterly progress billings may be paid by mutual agreement. 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.

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 day notice, subject to OCII payment of applicable Controller's Office costs incurred through the termination date.

Implementation of the MOU is contingent upon associated expenditure authority being included in OCII's approved Fiscal Year 2018-19 budget.

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

Office of Community Investment and Infrastructure
Nadia Sesay, Executive Director

Date



Controller's Office
Ben Rosenfield, Controller

4.4.18

Date

Authorized by Successor Agency Resolution No. _____
Adopted _____