

**IBA Recommended Changes to SEDC Operating Agreement/Bylaws**

	<b>IBA Recommendations</b>	<b>Preliminary Audit Committee Comments</b>	<b>Preliminary Rules Committee Comments</b>	<b>Mayor's Office Responses</b>
A	GOVERNANCE-Consider creating an additional SEDC Board position and appoint the Redevelopment Agency's Deputy Director to serve as City representative/ voting member to this Board. This is suggested in lieu of the Mayor's proposal to add two new members, one representing the Mayor's Office and one representing the City Council, to avoid the "compatibility of office" issue. (Addresses Audit Rec. #1)	Requested and received legal opinion on governance structure issues between City, CCDC and SEDC. City Attorney suggests appointing a member of the City's administration to the Board as a means to strengthen oversight.	Consider "ad hoc" rather than voting representative on Board.	
B	BOARD EXPERTISE- Recommend SEDC bylaws be changed to require 2-3 SEDC Board members to have specific expertise e.g. Finance, Real Estate, Law. (IBA rec.,not an Audit rec.)		Expertise needs to balance with community representation. Require training rather than experience.	
C	EXECUTIVE HIRING- Recommend City Council and Mayoral representatives serve on a panel with SEDC Board to participate in recruitment, interviewing and appointing the SEDC Executive. Amend SEDC bylaws to require Agency confirmation of the appointee. Currently, the SEDC Board has sole authority to hire the Executive. (IBA rec., not an Audit rec.)	Consider creating 3 member hiring panel- 1 Councilmember, 1 Mayor rep., 1 SEDC Board rep., Councilmember would not vote during Agency confirmation of appointee. City Attorney further suggested that the same process could be used for CFO and term limits could be set. Annual performance and bonus review by Council in closed session and dismissal of CEO upon pleasure of and initiation by Council. Committee also requested the incorporation of the hiring/firing issue into CCDC audit.	Consider Housing Commission model for hiring CEO.	
D	POLICIES/PROCEDURES- Require the development of policies/procedures for personnel, finance, budget, expenditure allowances, purchasing, ethics, recordkeeping; and adherence to them. If no policy, City policy will apply. Require systematic review and update to remain current with best practices. Require Board to approve all such policies. Those impacting the Agency's authority shall be approved by the Agency upon recommendation by the Board. (Addresses Audit rec's. #1,8,10,11,12,13,14,15,18, 29)			
E	CFO REVIEW OF FISCAL POLICIES- Require SEDC to review all fiscal and budget policies with the City's CFO and solicit the CFO's input prior to SEDC Board approval, but not require approval of said policies by the City's CFO as recommended in Audit. (Partially addresses Audit rec. #17)			
F	BUDGET PROCESS- Require SEDC to adhere to the City's budget process including financial parameters and guidelines, timelines, format and information. Prior to Agency approval, recommend that Financial Management perform a line item review, comment and critique, and ensure that requested revision revisions are made or, if not made, FM to report deviations to the Agency during SEDC budget review. (Addresses Audit Rec's. 1, 20, 21,22)			

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G	CITY REIMBURSEMENTS-Recommend that the Corporation's CFO submit requests for reimbursement of eligible expenses for Board approval prior to the request being made to the City Comptroller's Office. (IBA rec., not an Audit rec.)	CFO regularly report to Board on reimbursements but not review every request in advance of submission to City.		
H	BOARD TRAINING- Require that on a routine basis, the Board will receive training that shall, at a minimum, cover the Board's fiduciary responsibilities, redevelopment trends and best practices, and redevelopment-related finance. Require attendance at all training to remain on the Board. (Addresses Audit rec. #7)			
I	PUBLIC INFORMATION - Require SEDC to provide certain key documents and information to the public via their website including Board agendas and related backup reports and documents; current adopted budget; annual financial reports, Corporation bylaws and policies. (IBA rec., not Audit rec.)			
J	STRATEGIC PLAN-Require SEDC to develop a multi-year strategic plan that reflects the needs of the community as determined through extensive community outreach and lines up with the vision of the City. (Addresses Audit Rec. #28)	Review Strategic Plan with the Council upon development and report back to LU&H on an annual basis.		
K	SEDC AUDIT COMMITTEE- (Not addressed in Audit or IBA Recommendations.) This item was raised in Rules Committee.		Requested Audit Committee to consider requiring SEDC to create an Audit Committee. Requested Auditor to make recommendations to ensure CFO has appropriate financial controls in place.	
L	DOCUMENT REVIEW - Require SEDC to allow City to inspect all corporate documents without advance notice (City Attorney suggestion).			
M	PERFORMANCE AUDITS - Require regular Performance Audits paid for by the Corporation (City Attorney Suggestion).			
N	CITY- City shall be responsible for promptly filling vacant and/or expired Board positions. (IBA rec. not Audit rec.)			
O	CITY- City shall be responsible for providing direction to SEDC on financial guidelines, information and format of the budget to be submitted by the Corporation. (IBA rec., not Audit rec.)			
P	CITY -Consider the Budget and Finance Committee convene as a Subcommittee of the Redevelopment Agency to review the proposed budget in advance of the Agency's review and adoption. (IBA rec., not Audit rec.)			

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ATTACHMENT

<b>IBA Recommendations</b>		<b>Preliminary Audit Committee Comments</b>	<b>Preliminary Rules Committee Comments</b>	<b>Mayor's Office Responses</b>
Q	CITY- Chief Financial Officer's quarterly financial status report to the City Council to include SEDC's financial status and pertinent project area data. Format to be developed by the City in consultation with the Corporation's CFO. SEDC to meet City timelines and information needs. (IBA rec., not Audit rec.)			
R	CITY - Create Redevelopment Committee (Not addressed in Audit or IBA Recommendations). This item was raised at Rules Committee.		Clarify roles of LU&H and Rules Committees in redevelopment matters. Consider creating a new Committee for all redevelopment issues.	