

**City of Culver City, California
Agenda Item Report**

Meeting Date: 03/14/2011		Item Number: <u>JC-1</u>	
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Approval of an Amendment to the Memorandum of Understanding with the Downtown Business Association for Maintenance Services in Downtown Culver City for Fiscal Year 2011/2012.			
Contact Person/Dept.: Glenn Heald/CDD Todd Tipton/CDD		Phone Number: 310.253.5752 310.253.5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail, Telephone, and In-Person Meeting) Downtown Business Association (03/03/11, 03/04/11, and 03/07/11); (E-Mail) Meetings and Agendas – City Council & Redevelopment Agency (03/10/11).			
Department Approval: Sol Blumenfeld: (03/09/11)		City Attorney Approval: Carol Schwab (by H. Baker) (03/10/11) Agency General Counsel: Murray Kane: (03/09/11)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (03/10/11)		City Manager/ Executive Director Approval: John M. Nachbar (03/10/11)	
<u>RECOMMENDATION:</u> Staff recommends the City Council and Redevelopment Agency Board (Agency Board) approve an Amendment to the existing Memorandum of Understanding (MOU) with the Downtown Business Association (DBA) for general maintenance services in downtown Culver City (Downtown) for the period of July 1, 2011 through June 30, 2012 (Attachment No. 1). <u>BACKGROUND:</u> In 2008 the City Council and Agency Board approved a one-year MOU whereby the DBA would provide certain maintenance services in Downtown. Amendments were subsequently approved for fiscal years 2009/2010 and 2010/2011. The City Council and Agency Board are now asked to approve an Amendment for fiscal year 2011/2012. No changes are proposed to the terms of the MOU. <u>DISCUSSION:</u> The MOU with the DBA is advantageous to the City and Agency because it shifts oversight and accountability for the management of downtown maintenance services to the businesses directly affected by those services while also allowing for the potential of additional services at no cost to the City or Agency. The DBA			

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sub-contracts with a maintenance provider for services previously performed or contracted out by the City and Agency (Attachment No. 2). The City and Agency reimburse the DBA using funds budgeted to perform those maintenance services either in-house or through contract services. The funding appropriated by the City Council and Agency Board under Sections B(3), B(4), C(1) and C(2) of the MOU, is transferred to the DBA on a monthly basis. Upon satisfaction of all maintenance requirements of the MOU, the DBA uses any remaining funds to enhance existing services and to fund additional maintenance and beautification efforts. The Amended MOU denotes the responsibilities of each party.

The DBA continues to work with downtown businesses and property owners to provide additional maintenance services in downtown. In addition to those services required by the MOU, the DBA provides the following services at no cost to the City or Agency, as funding permits:

- Daily sidewalk sweeping and litter pick up including street curbs, gutters, alleys, tree wells and planters; and,
- Daily cleaning of all benches, bicycle racks, parking meters and mailboxes.

Staff believes it is in the best interest of the City, the Agency, and the DBA to continue the MOU for Fiscal Year 2011-2012. In the event the MOU becomes disadvantageous to any of the parties, it may be terminated upon 30 days written notice. If the MOU is terminated for any reason, the DBA is required to return funds for any unperformed duties.

If the MOU is terminated, it will be necessary for the City and Agency to reinstate maintenance services. This would likely occur through a Request for Proposal (RFP) process. The RFP process would likely take 60-90 days to complete. While undertaking the RFP process, the City and Agency may enter into a temporary contract with a maintenance service provider to prevent an interruption of services.

If the Governor's proposal to eliminate redevelopment agencies results in the loss of Agency funding for this MOU, staff will present for consideration by the City Council a revised MOU commensurate to the available funding.

FISCAL ANALYSIS:

The City and Agency currently reimburse the DBA up to \$122,100 annually for maintenance services specified in the Amended MOU. This is the amount the City and Agency would spend to perform these same services either in-house or through contracted services in the absence of the MOU with the DBA. If the City

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Council and Agency Board approve the proposed Second Amendment to the Amended MOU, during fiscal year 2011/2012 the City will transfer to the DBA a total of \$54,540 and the Agency will transfer a total of \$67,560. These amounts will be programmed into the proposed Fiscal Year 2011/2012 budgets.

Given the current uncertainty created by the Governor's proposal to eliminate redevelopment agencies, it also recommended the City Council adopt a motion authorizing the City Manager/Executive Director to pre-pay the remainder of the amounts due the DBA for Fiscal Year 2010/2011 and for Fiscal Year 2011/2012.

ATTACHMENTS:

1. Proposed Second Amendment to the Amended MOU for Fiscal Year 2011-12.
2. Matrix describing maintenance services to be provided in Downtown.

MOTION:

That the City Council:

1. Approve an Amendment to the Amended Memorandum of Understanding with the Downtown Business Association for maintenance services in downtown Culver City at a cost not to exceed \$54,540 for Fiscal Year 2011-2012 and extending the term of the Amended MOU to June 30, 2012; and,
2. Authorize the City Manager to pre-pay the remainder of the amounts due the DBA for Fiscal Year 2010/2011 and for Fiscal Year 2011/2012; and,
3. Authorize the City Attorney to review/prepare the necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City.

AND

That the Agency Board:

1. Approve an Amendment to the Amended Memorandum of Understanding with the Downtown Business Association for maintenance services in downtown Culver City at a cost not to exceed \$67,560 for Fiscal Year 2011/2012 and extending the term of the Amended MOU to June 30, 2012 ; and,
2. Authorize the Executive Director to pre-pay the remainder of the amounts due the DBA for Fiscal Year 2010/2011 and for Fiscal Year 2011/2012; and,

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3. Authorize the Agency General Counsel to review/prepare the necessary documents; and,
4. Authorize the Executive Director to execute such documents on behalf of the Agency.