

REPORT

**To the Honorable Mayor and City Council
From the City Manager**

March 14, 2005

Subject

Adopting Administrative Policy No. 36

Recommendation

It is recommended that the City Council approve a resolution that adopts Administrative Policy No. 36 which extends authority to the City Manager to do the following: 1) enter into certain agreements under which the City is providing a service, 2) execute certain membership agreements, 3) execute certain multi-year lease and tenancy agreements, and, 4) execute certain fiscal agent agreements.

Background

In November 2002, the City Council adopted an ordinance that established, among other matters, the limits of contracts that the City Manager may enter into without Council approval and the limits of general liability claims and workers' compensation claims that the City Manager may settle without Council approval.

Since that time staff, has become aware of several other business transactions where the approval of which is not defined. By default, each of these items must be submitted to Council. These items along with staff's recommendation for the limits under which the City Manager may execute such agreements are as follows:

Membership Agreements – It is recommended that the City Manager be authorized to execute agreements, such as the City's membership in the League of California Cities, where the dues do not exceed \$60,000 per year.

Multi-Year (and agreements less than one year) Lease Agreements – It is recommended that the City Manager be authorized to enter into agreements, such as leases for storage of City records, office space, or leases of personal property, where the annual lease payments do not exceed \$60,000.

Agreements Where the City is Providing a Service – Periodically the City has the opportunity to provide services, such as Human Resources training or Information Technology support, to other parties. In situations where the total annual revenues the City will generate by way of such agreements do not exceed \$200,000 per year, it is recommended that the City Manager be authorized to enter into these agreements without Council approval.

Fiscal Agent Agreements – The City acts as the fiscal agent for Redwood City 2020 and administers grants and service agreements on behalf of Redwood City 2020. It is recommended that the City Manager be authorized to enter into fiscal agent agreements whenever the revenue does not exceed \$300,000 or the expenditures do not exceed \$100,000.

6.3.A-2

The City Attorney has recommended that should the Council be in agreement with these recommendations, the authority be provided by way of a Council-adopted administrative policy (attached for your review).

Alternative

The Council may elect not to extend the authority for the above transactions to the City Manager. Doing so will require staff resources to bring these items to Council for approval and may, particularly in the case of revenue generating opportunities, result in the City not being able to take advantage of such opportunities if there is a brief time period in which the City needs to respond to the prospective client.

Fiscal Impact

If adopted, this administrative policy will provide savings in paper and supplies costs due to the reduction in staff reports being submitted to the City Council. Additionally, staff time will be made available for other uses and the City will be less likely to lose an opportunity to provide services to another agency due to the requirement of obtaining Council approval.



Brian Ponty
Director of Finance and Financial Planning



Edward Everett
City Manager

Attachment:
Proposed Administrative Policy No. 36

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY ADOPTING ADMINISTRATIVE POLICY NO. 36 TO AUTHORIZE STAFF SIGNATURE AUTHORITY FOR AGREEMENTS WHERE THE CITY SERVES AS A FISCAL AGENT FOR A SEPARATE ENTITY; PROVIDES SERVICES; IS A TENANT OR A LESSEE; OR WHEN THE CITY ENTERS INTO OR RENEWS CERTAIN ORGANIZATIONAL MEMBERSHIP AGREEMENTS

WHEREAS, the City of Redwood City ("City") currently provides services to a variety of public and private entities; and

WHEREAS, the City enters into lease and tenancy agreements where the City is lessee or a tenant; and

WHEREAS, the City serves as Fiscal Agent for Redwood City 2020 and in its fiscal agent capacity is required to sign revenue and expenditure agreements on behalf of Redwood City 2020; and

WHEREAS, the City enters into or renews membership agreements with third party entities; and

WHEREAS, pursuant to the Redwood City Municipal Code, the City Manager is authorized to sign, among other things, professional service agreements in the amount of sixty thousand (\$60,000) or less without City Council approval; and

WHEREAS, the City Manager cannot, without City Council authorization, execute agreements where the City is providing a service, where the City is a tenant or a lessee, where the City is serving as the fiscal agent of a separate entity, or where the City is entering into membership agreements or renewals with a third party entity; and

WHEREAS, the City Council desires to authorize the City Manager and Department Heads to execute certain agreements where the City is providing a service, where the City is a tenant or a lessee, where the City is serving as the fiscal agent of a separate entity or where the City is entering into membership agreements or renewals with a third party entity.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDWOOD CITY THAT:

1. City of Redwood City Administrative Policy No. 36 related to signature authorization for certain agreements, which is attached hereto as Exhibit "A" and incorporated herein by reference, is hereby adopted.
2. That this Resolution will be effective upon adoption.

EXHIBIT A

ADMINISTRATIVE POLICY

NUMBER: 36
EFFECTIVE:

SUBJECT: SIGNATURE AUTHORIZATION POLICY

Purpose: To authorize City staff signature authority for agreements where the City serves as a fiscal agent for a separate entity, provides services, is a tenant or lessee; or when the City enters into or renews certain organizational membership agreements.

Policy

A. Expenditures

1. **Annual Organization Membership Agreements and Renewals**
 - a. **Membership Agreements.** The City Manager or his/her designee is authorized to execute membership agreements and renewals for organizations where the dues of which do not exceed sixty thousand dollars (\$60,000) per agreement year.
 - b. **Examples.** Examples of such agreements include, but are not limited to, membership with the League of California Cities or the Peninsula Policy Partnership.

2. **Multi-Year Lease Agreements where City is the Lessee**
 - a. **Multi-Year Lease Agreements.** Where the City is the lessee, the City Manager or his/her designee is authorized to execute multi-year lease agreements of up to and including sixty thousand dollars (\$60,000) per agreement year.
 - b. **Examples.** Examples of such agreements include, but are not limited to, storage leases for City records, office space leases and leases of personal property.

3. Tenancy Agreements of Less One Year where City is the Lessee

- a. Tenancy Agreements of Less than One Year. Where the City is the tenant, the City Manager or his/her designee is authorized to execute tenancy agreements of less than one year in the amount of up to and including sixty thousand dollars (\$60,000) per agreement.
- b. Examples. Examples of such agreements include, but are not limited to, office space leases.

B. Revenues

1. Agreements Where City is Providing a Service

- a. City Manager Authority. The City Manager or his/her designee is authorized to execute agreements of up to and including two hundred thousand dollars (\$200,000) per agreement per year with public and private entities where the City is providing a service.
- b. Department Head Authority. City Department Heads are authorized to execute agreements of up to and including ten thousand (\$10,000) per agreement per year with public and private entities where the City is providing a service.
- c. Examples. Examples of such agreements include, but are not limited to, Information Technology Service Agreements, Human Resource Training Agreements and Fleet Maintenance Service Agreements.

C. Fiscal Agent Agreements

1. Fiscal Agent Agreements

- a. Revenue Agreements. The City Manager or his/her designee is authorized to execute revenue agreements of up to and including three hundred thousand dollars (\$300,000) where the City is serving as the fiscal agent for a separate entity and is signing on that entity's behalf.
- b. Expenditure Agreements. The City Manager or his/her designee is authorized to execute expenditure agreements of up to and including one hundred thousand dollars (\$100,000) where the City is serving as the fiscal agent for a separate entity and is signing on that entity's behalf.
- c. Examples. Examples of such agreements include, but are not limited to, Redwood City 2020 Grant Agreements and Redwood City 2020 Service Agreements.