MINUTES OF THE

LEGISLATIVE REVIEW COMMITTEE – FINANCE, INTERNAL AUDIT, ENGINEERING/CIP & MANAGEMENT SERVICES

2ND FLOOR CITY COUNCIL CHAMBERS
THURSDAY, JANUARY 26, 2012
1:16 P.M. – 2:43 P.M.

The following members of the Committee were present:

Representative Carl L. Robinson (Chair)
Representative Michiel R. Noe
Representative Steve Ortega
Representative Eddie Holguin Jr.

1. Call to order and introductions.

Action Taken: The meeting was called to order by Chair Carl Robinson at approximately 1:16 p.m

2. Approval of Minutes for the Finance, Internal Audit, Engineering/CIP & Management Services meeting of September 29, 2011.

Summary: Representative Robinson presented the minutes of the September 29, 2012 LRC meeting (pp. 1-5).

Action Taken: Representative Ortega moved to approve the minutes. Motion seconded by Representative Noe and approved unanimously.

3. Discussion and action regarding amending Section 2.92.070 of the Ethics Ordinance regarding the requirements relating to board and commission member financial disclosure filings, to include revising the provision that members of the boards and commissions that only have advisory duties file only upon appointment or reappointment or when required to report a significant change as provided in Section 2.92.070 A 5. [City Manager's Office, Joyce A. Wilson, (915) 541-4844].

Summary: Joyce Wilson, City Manager, gave a presentation related to financial disclosure filings for members of City advisory boards and commissions. It was recommended that board and commission members only need file financial disclosures upon appointment, reappointment or when there has been a significant change to the information they are required to disclose.

There are nearly 400 volunteers participating in the various boards and committees and it takes City Clerk two months to send notices out. There is not a lot of value in the time taken to follow up with board/commission members to fill out the form.

Ten boards and commissions (Actually 9 Listed) that have some type of decision making authority.

1. Building and Standards Commission
2. City Plan Commission
3. Civil Service Commission
4. Construction Board of Appeals
5. Ethics Review Commission
6. Historic Landmark Commission
7. Parks and Recreation Board
8. Public Service Board
9. Zoning Board of Adjustment

Members of these boards and commissions with decision making authority would submit an affidavit that no substantial change has occurred to their information required for disclosure. A random sample of the board/commission member records could be audited to insure compliance. This would be far less significant in terms of time and energy. The city manager asked LRC members to approve recommendations presented so she could bring these proposed changes to the Ethics Ordinance to back to City Council. The proposed changes would save hundreds of hours of staff time.

Representative Robinson agreed in principle with the recommendations presented by the City Manager, but wanted to make sure that all advisory boards, non-advisory boards, and all the membership were accounted for. Representative Robinson agreed with Ms. Wilson's recommendations citing a similar process at the Veteran's administration regarding changes to information required by VA. No significant changes resulted in no additional paperwork requirements for the VA members.

Representative Noe was comfortable with the recommended changes to the Ethics Ordinance as long as the City required an affidavit there is no change to the information required for disclosure.

Ms. Wilson indicated board/commission members would have access to their forms online and there would be an update feature the board members could use to update their records. The onus would be on the individual members to keep their records current and the City to periodically audit the board members paperwork to make sure records were being updated appropriately. For boards and commissions with more than an advisory function, individual members would complete an affidavit that there was no change annually and this could be done at a regular meeting of that board. These non-advisory board affidavits could be audited periodically as well.

Representative Noe stated he was satisfied that City Attorney's office review and ethics commission review satisfied all legal requirements related to these proposed changes.

The City Manager indicated she had requested a list of all decision making boards and commissions, and non-advisory boards and commissions and their membership from Municipal Clerk and City Attorney's Office. She indicated that they would verify the list of non-advisory boards and their members prior to bringing these changes to City Council for approval.

Representative Ortega asked if the statutory rules for conflict of interest apply to these boards that have decision making authority. Elaine Hengen, Senior Assistant City Attorney indicated that yes they would. The members of these boards would be under requirements of the City Ethics Ordinance and Chapter 171 of the [Texas] Local Government Code

Action Taken: Representative Ortega moved to approve changes to Section 2.92.070 of the City's Ethic Ordinance, regarding financial disclosure of members of City boards and commissions, contingent upon all members of City boards and commissions be accounted for. Motion was seconded by Representative Noe and approved unanimously.

4. Discussion and action on the City's Debt Management Policy. [Dr. Mark Sutter, Comptroller, (915) 541-4014].

Summary: Dr. Mark Sutter, Comptroller, gave a presentation on the City's Debt Management Policy to include minor administrative changes as recommended by the Financial Services Department.

Representative Ortega asked if the City's maximum debt service rate, based on 27 cents/$100 of assessed valuation, makes sense as opposed to a percent value as set by State law [10% of total assessed valuation or approximately $2.9 Billion].

Dr. Sutter replied that value is obtained by setting different types of limits. The ability of the community to support debt is shown by the assessed valuation percentage, but it's also important to know the tax that is levied based on the debt service rate. The City's current limit for debt service (23 cents/$100) is well within its maximum limit for debt service as set by the City Debt Management Policy; the City's more confining limit [27/$100 of assessed valuation]. Dr. Sutter mentioned the Council could impose a more stringent debt limit than what was mandated by the State, but did not recommend adjusting the current limit of 10% of total assessed valuation at this point.

Representative Robinson – Asked for a report on City debt issuances with maturities over 15 years. Dr. Sutter- indicated a report could be provided to Council to see what City debt is outstanding over 15 years.

Action Taken: Representative Ortega moved to forward the City's Debt Management Policy, including administrative changes, to City Council as a whole. The motion was seconded by LRC Chair Robinson and was approved unanimously.

5. Discussion and action concerning a presentation by Mr. Frederick Dalbin regarding City sanction of alternatives to LEED certification to include Green Globes. [Representative Steve Ortega, (915) 541-4108].

Summary: Representative Steve Ortega began by noting that the City has a policy that new buildings are to be built to LEED silver standards. Representative Ortega then introduced Mr. Fredrick Dalbin, of Wright and Dalbin Architects, Inc. who made a presentation on Green Globes certification.

Mr. Dalbin indicated that he was not affiliated with Green Globes in any way. Mr. Dalbin gave a presentation on the Green Globes rating system for building remodels and new construction. Green Globes was presented as an alternative to LEED certification. Green Globes according to Mr. Dalbin is easier to use for designers than LEED.

Representative Robinson asked how Green Globes is compared to other systems. He asked Mr. Dalbin if Green Globes was cheaper or was he presenting Green Globes as an alternative to LEED. Mr. Dalbin indicated that the user would get the same project using either rating system. Green Globes is a much more user friendly system. The online tool is very helpful and provides instant results for designers. The cost for construction on specific projects should not change; Green Globes is just easier to use. It's more of a user friendly system. You get the same results. Mr. Dalbin stated that the City should allow itself to look at this option to LEED certification.

Representatives Ortega and Robinson requested that Mr. Howell, the City's sustainability Manager, comment on Mr. Dalbin's presentation. Mr. Howell reported that LEED is a good quality product. LEED is a very rigorous system to implement but there is a very high bar of accountability and review. It does ensure that you get a good product. There is a very high bar of accountability and approval as you go through the LEED system. It does ensure you get a good quality product. Green Globes has done an excellent job of creating a user friendly database that is supposed to yield the same quality product. There is lots of overlap in the two certification programs. The main difference between LEED and Green Globes is how the process is administered.

The City has built three LEED certified buildings. LEED certification does involve significant time and expense in the paperwork process in getting building approved. The Green Globes process is easier, but if the design team on a project was not exceptional the LEED process would force the designer to yield higher quality building.

The City has spent four years of effort figuring out LEED. There are a lot of private firms in town who have spent time and resources in getting LEED certified. The City has pushed design firms towards LEED certification for the last four years. If the City staff had to recommend a program it would probably be LEED for the reasons mentioned, but they would not be against the Green Globes rating system.

Representative Robinson followed with the question has there been a comparative analysis of the efficiency of LEED versus Green Globes. Mr. Howell mentioned a study had been done by The University of Minnesota and studies from other Cities indicate that Green Globes and LEED are comparable systems. This is predicated on having a good design team. If you had a less than average design team the LEED would be the way to go because City staff believes that the LEED requirements would force average design teams to produce a better building.

Representative Ortega asked if it matters which system we use. Mr. Howell replied that what the City has learned in the last four years is that it does matter. A design team comes in and says here is what we are going to give you. City staff aren't experts on the minutia of design, but they know the LEED checklist and what they want in terms of a completed project. The City knows enough about the LEED system to communicate to designers what they want to get out of a LEED certified building

Representative Robinson recognized Mr. Dalbin and his team as very good, but what wanted to know what happens if the project has a poor design team. Mr. Howell mentioned that with LEED City staff knows enough to force an average designer to produce a great building based on the training City staff has received and the experienced with the LEED buildings constructed to date.

Representative Holguin requested to hear from the Cities Engineering Department regarding the benefits of Green Globes versus LEED. Sam Rodriguez, Engineering Division Manager, indicated that Engineering had met with Mr. Howell prior to this meeting and given him the responses that he had provided for this LRC meeting thus far. Allowing Green Globes at this point would be like starting over with green building design.

Representative Holguin asked about cross training staff on Green Globes since the systems were similar. Mr. Holguin didn't see the reason for resistance to Green Globes if either system would result in a great product. Sam Rodriguez indicated that due to the training and experience his staff had LEED was the preferred certification system. However, becoming proficient with Green Globes was doable as well. Representative Noe stated it seems like both systems were comparable, Green Globes was just easier to use.

Representative Noe asked about the learning curve for staff with Green Globes. Sam Rodriguez stated that the level of the 3rd party check provided by LEED is most important to the City. LEED is more complicated, but a better value to the City. There is big value in cumbersome review. The LEED process helps ensure that the building is going to meet the objectives City staff has for it.

Mr. Dalbin indicated sated that Green Globes uses forms provided by each architect making the review process simpler. There is an impression that Green Globes is not as stringent as LEED because of the difficulty of filling out the LEED forms. There are a lot of LEED AP's out there that are not trained architects/engineers. The project is what is important. The rating system is not going to make the project better.

Representative Robinson asked Mr. Howell if the City went to Green Globes how long would it take to implement. Mr. Howell stated there would not be a delay. City staff would have to review Green Globe certification requirements to get familiar with them, but he didn't believe there would be a delay.

Representative Ortega asked if the LRC was considering Green Globes because of Mr. Dalbin's request only or are other practitioners doing Green Globes as well.

Mr. Dalbin indicated that the clients want Green Globes. The local chapter of the LEED group is struggling [not much activity]. The rating system is not what is important. Green Globes is so easy to use that anyone can use it. It's still a team process like LEED you just don't have the bureaucracy behind it that is supposed to make it a better project.

Mr. Howell stated that in order to allow use of Green Globes then the City Ordinance would have to be changed. A determination would have to be made when to use Green Globes versus LEED.

Representative Ortega recommends staff come back to City Council as a whole with several options for this type of building certification. There may be other certification systems out there. The other issue is how we bid projects. How does the use of a particular certification system effect the City's bidding process.

Mr. Howell stated that the City picks designers based on their qualifications so the green certification probably wouldn't affect the selection process for design professionals. As far as the rating systems go Green Globes and LEED are equal. Mr. Howell indicated that staff could bring back proposals to the Council for review. To his knowledge LEED and Green Globes are the two most widely used building certification systems.

Representative Ortega asked staff to come back to council with a formal staff evaluation and options for the council as a whole. Representative Robinson wanted staff to proceed with caution. Representative Robinson noted that Council has only heard from Mr. Dalbin and Green Globes. Representative Robinson stated that he wanted to hear from everyone; all sides must be heard on these issues.

Representative Ortega requested staff dialog with stakeholders in the development community before coming back to Council. Mr. Robinson asked how long staff would need prior to coming back to Council with their findings and recommendations.

Sam Rodriguez-recommended that staff contact the contractor community and come back to council in two to three months.

Action Taken: Representative Ortega made a motion to direct staff to dialog with stakeholders within the contractor community regarding their recommendations and

feedback on LEED and Green Globes, and present their findings to the City Council in (90) ninety days. The motion was seconded by LRC Chair Robinson and approved unanimously.

6. **Adjournment**. The meeting was adjourned at 2:43 p.m.

APPROVED AS TO FORM:

Carmen Arrieta-Candelaria
Chief Financial Officer

2-14-12
Date