



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE: Policy of the City Council of the City of Sausalito to authorize the City Manager to administratively execute the leases at MLK as long as the leases: have been reviewed and recommended for approval by the OMIT City Council Committee; the City Attorney opines that the leases are consistent with Municipal Code; and, the leases are within rent ranges designated for each class of facility.

RECOMMENDED MOTION: Move to adopt a policy of the City Council of the City of Sausalito to authorize the City Manager to administratively execute the leases at MLK as long as the leases: have been reviewed and recommended for approval by the OMIT City Council Committee; the City Attorney opines that the leases are consistent with Municipal Code; and, the leases are within rent ranges designated for each class of facility.

DISCUSSION

After discussions with the City Council during the April 6, 2010 City Council Closed Session, staff has revised this staff report to be consistent with the direction provided to staff during that meeting. Staff has added the following two internal control mechanisms to be enacted before the City Manager can administratively execute leases:

1. The leases have been reviewed and recommended for approval by the OMIT City Council Committee;
2. The City Attorney opines that the leases are consistent with Municipal Code

Currently, the City Council not only sets policy for managing the commercial use of the MLK facilities, but also administratively executes each lease for all MLK units. In order to improve efficiency by separating policy direction from administration, increase transparency and to hold management accountable for operations and results, the City Council desires to authorize the City Manager to administratively execute the leases at MLK within the following parameters: the leases have been reviewed and recommended for approval by the OMIT City Council Committee; the City Attorney opines that the leases are consistent with uses and definitions of Municipal Code; and, the leases are within rent ranges designated annually for each class of facility.

The City Council will accomplish oversight of management's execution of policy in the following manner:

1. Annually, through the budget process, the City Council will:
 - a. Adopt rent ranges for each class of units within the MLK facility;
 - b. Review the projected occupancy, rents by unit and total revenues to be generated; and,

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- c. Evaluate property management, operations and, facility maintenance plans, capital improvement needs, and debt service.
2. Quarterly, the City Council will receive, review and comment on:
 - a. An Occupancy Report detailing compliance with Municipal Code and that rented units are within adopted rent ranges
 - b. A Financial Report detailing fiscal results from operations;
 - c. A Property Management Report that focuses on facility condition.
3. Monthly, the City Council's OMIT Committee will review day-to-day operations and fiscal results with the City Manager, City Attorney, the City's Property Manager and the City Finance Director.

FISCAL IMPACT

There will be improved cash flows, increased revenues from more timely execution of leases and reduced expenses, labor savings and administrative efficiencies realized through the improved procedures.

OMIT/STAFF RECOMMENDATIONS

Staff recommends that the City Council of the City of Sausalito adopt a policy that authorizes the City Manager to administratively execute the leases at MLK as long as the leases: have been reviewed and recommended for approval by the OMIT City Council Committee; the City Attorney opines that the leases are consistent with Municipal Code; and, the leases are within rent ranges designated for each class of facility.

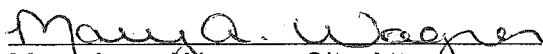
RECOMMENDED MOTION

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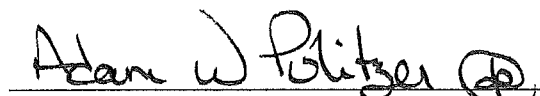
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