

Commissioner Provided Items

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Sports Complex Recommendation and Audit Update on Motions Around Sports Complex

Submitted by Dave Chennault

Finance Commission

9/17/26

Updated Recommendation on CEQA related Studies – Payment Updated

Recommendation 1 – CEQA First, No Agreements Until Complete

Background

- **HBSC Proposed Changes** — HBSC Partners has proposed significant upgrades and operational changes.
- **CEQA Requirements** — Because the Sports Complex sits atop a former county landfill with an aging methane management system, most proposed changes will require CEQA review.
- **CEQA Timeline** — CEQA can take **3 months to over a year**, or longer.
- **City Oversight** — Community Development team, with C&L and Legal, is leading the CEQA process.

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Recommendation

- **Do not execute any agreements, contracts, or MOUs until CEQA is fully completed** and the City understands what is permissible and at what cost.
- **City should negotiate with HBSC Partners to determine who will fund all CEQA-related costs - scope, studies, environmental services. Determining the amount each entity will pay to complete the necessary studies will be the responsibility of the City Council and will be a point of negotiation should the project move forward.**

Updated Recommendation on Audit

Oversight of the Audit and Options to Conduct the Audit

The Finance Commission has identified two options for conducting the audit. The City Council should determine which option to pursue and direct staff to cooperate fully with the audit process, including providing requested information and assisting in obtaining any necessary information from HBSC Partners, regardless of the option selected.

Option 1: Contract with an independent external auditing firm to conduct the audit.

Option 2: Direct three members of the Finance Commission to conduct the audit.

Regardless of the option selected, a final report containing the audit findings and recommendations will be prepared and presented to the City Council.

While City staff would be responsible for facilitating the procurement and payment process if an external auditor is retained under Option 1, staff support in coordinating, facilitating, and gathering information for the audit will be required under either option. The Finance Commission will retain responsibility for the overall direction and oversight of the audit, including establishing the scope of work, defining deliverables, reviewing audit results, and presenting the final report and recommendations to the City Council and the public.