



DATE: May 4, 2011

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **AMENDMENT 1 IN THE AMOUNT OF \$10,750 TO THE AGREEMENT WITH LANCE, SOLL & LUNGHARD, LLP, FOR COMMUNITY DEVELOPMENT COMMISSION SPECIAL AUDIT SERVICES**

SYNOPSIS

Staff recommends that the City Council approve Amendment 1 in the amount of \$10,750 to the Professional Services Agreement with Lance, Soll & Lunghard, LLP, which retained the firm as the City's auditors for the fiscal years ended 2010, 2011 and 2012, for Community Development Commission special audit services as requested by the City, and authorize the City Manager to execute the amendment.

BACKGROUND

On May 5, 2010 the City Council approved a Professional Services Agreement in the amount of \$152,190 with Lance, Soll & Lunghard, LLP, which retains them as the City's auditors for fiscal years ended 2010, 2011 and 2012.

Amendment 1 contains \$5,500 for re-performing the June 30, 2010 Community Development Commission (CDC) audit and re-preparing the CDC State Controllers Report (SCR) and accompanying Housing & Community Development (HCD) forms for the same time period. It also contains \$5,250 for preparing the SCR and HCD forms for the subsequent two fiscal years.

ANALYSIS

Past SCR and HCD reports, submitted by the City, have identified all housing programs as administrative costs of the CDC. Those reports as submitted to the State need to be corrected to reflect the administrative expense attributable to the Redevelopment Agency only, and remove all housing programs other than the twenty percent Redevelopment Agency Set-Aside. This contract will provide for the correction of the 2010 State Controllers Report (SCR) and accompanying Housing & Community Development (HCD) report. In addition, it will secure the services of Lance, Soll & Lunghard, LLP, for future reporting for the CDC.

Preparation of future SCR and HCD forms will be outsourced to Lance, Soll & Lunghard, LLP. The audit firm has significant experience and the technical qualification

to prepare these mandated forms, and will complete them in conjunction with the annual audit.

FISCAL IMPACT

The cost of Amendment 1 is \$10,750, of which \$5,500 will be funded from 300010591.5305 this fiscal year. Funding for subsequent years will be included in future CDC operating budgets.

COMMISSION/COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced document has been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

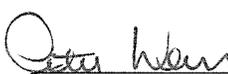
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PREPARED BY:



Teri Ferro
Director of Financial Services

SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Kathy Baker, Redevelopment Manager
Michelle Skaggs-Lawrence, Deputy City Manager



VB
MS

CITY OF OCEANSIDE
AMENDMENT 1 TO
PROFESSIONAL SERVICES AGREEMENT

PROJECT: COMMUNITY DEVELOPMENT COMMISSION SPECIAL AUDIT SERVICES

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment"), dated May 5, 2010 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and Lance, Soll & Lunghard, LLP, hereinafter designated as "CONSULTANT."

RECITALS

WHEREAS, City and Consultant are the parties to that certain Professional Services Agreement dated May 5, 2010, hereinafter referred to as the "Agreement", wherein Consultant agreed to provide certain services to the City as set forth therein;

AMENDMENT

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Scope of Work will include the following key tasks as identified on the proposal dated March 14, 2011 (attached):
 - a. Re perform the audit of the June 30, 2010 Community Development Commission Financial Statements.
 - b. Re prepare the June 30, 2010 Community Development Commission State Controllers Report (SCR) and the accompanying Housing and Community Development (HCD) forms.
 - c. Prepare the annual Community Development Commission State Controllers Report (including HCD forms) for the fiscal years ending June 30, 2011 and 2012.
2. Compensation for this scope of work shall not exceed \$10,750 as follows:

a. Re perform 6/30/2010 audit	\$3,000
b. Re prepare 6/30/2010 SCR & HCD forms	\$2,500
c. Prepare 6/30/2011 SCR & HCD forms	\$2,500
d. Prepare 6/30/2012 SCR & HCD forms	\$2,750
3. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

COMMUNITY DEVELOPMENT COMMISSION SPECIAL AUDIT SERVICES

SIGNATURES. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures on the dates set forth below.

Lance, Soll & Lunghard, LLP
By: 
Name/Title
Date: 3/30/11

CITY OF OCEANSIDE
By: _____
Peter A. Weiss, City Manager
Date: _____

By: _____
Name/Title
Date: _____
95-2700123
Employer ID No.

APPROVED AS TO FORM:

City Attorney

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.

California Acknowledgment Form

State of California }
County of ORANGE } ss.

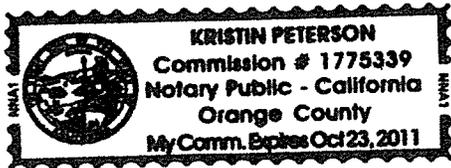
On MARCH 30, 2011 before me, KRISTIN PETERSON, NOTARY PUBLIC,
(here insert name and title of the officer)
personally appeared RICHARD KIKUCHI

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Seal

WITNESS my hand and official seal.



Kristin Peterson

Signature of Notary

Optional Information

To help prevent fraud, it is recommended that you provide information about the attached document below.

This is not required under California State notary public law.

Document Title: AMENDMENT # 1 TO PROFESSIONAL SVC. AGMT. # of Pages: 2

Notes



CERTIFIED PUBLIC ACCOUNTANTS

Brandon W. Burrows, CPA
David E. Hale, CPA, CFP
A Professional Corporation
Donald G. Slater, CPA
Richard K. Kikuchi, CPA
Susan F. Matz, CPA
Shelly K. Jackley, CPA
Bryan S. Gruber, CPA

March 14, 2011

Ms. Teri Ferro, Director of Financial Services
City of Oceanside
300 No. Coast Hwy
Oceanside, CA 92054

Dear Teri:

Per the request from your Community Development Department, we have prepared this quote to:

- Re perform the audit of your June 30, 2010 Community Development Commission Financial Statements,
- Re prepare your June 30, 2010 Community Development Commission State Controllers Report and also the accompanying HCD Forms,
- Prepare your annual Community Development Commission State Controllers Report (including the HCD forms) for the fiscal years ending June 30, 2011 and 2012,

Our fees for these services will be based on the actual time spent at our quoted hourly rates, plus travel and other out-of-pocket costs such as report reproduction, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to this engagement. Please see **Appendix A** for a summary of proposed fees.

Lance, Soll & Lunghard, LLP looks forward to continue to provide quality services to the City of Oceanside. Please sign below to acknowledge your acceptance of this agreement and return to my attention. Should you or any other representative of the City of Oceanside have additional questions regarding this agreement, please do not hesitate to contact Rich Kikuchi, Partner at (714) 672-0022.

Very truly yours,

Teri Ferro, Director of Financial Services

Date

Appendix A

**Oceanside Community Development Commission
Lance, Soil & Lunghard, LLP - Quote for Audit Services**

Reperform 6/30/2010 Audit	\$ 3,000
Prepare 6/30/2010 SCR and HCD Forms	2,500
Prepare 6/30/2011 SCR and HCD Forms	2,500
Prepare 6/30/2012 SCR and HCD Forms	<u>2,750</u>
Total	<u>\$ 10,750</u>