



DATE: August 31, 2011

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **AMENDMENT 2 IN THE AMOUNT OF \$4,250 TO THE AGREEMENT WITH LANCE, SOLL & LUNGHARD, LLP, FOR PREPARATION OF THE COMMUNITY DEVELOPMENT COMMISSION STATEMENT OF INDEBTEDNESS**

SYNOPSIS

Staff recommends that the City Council approve Amendment 2 in the amount of \$4,250 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 preparation of the Community Development Commission Statement of Indebtedness (SOI) 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.

On May 4, 2011 the City Council approved Amendment 1 for \$10,750 to re-perform the June 30, 2010 Community Development Commission (CDC) audit and re-prepare the CDC State Controllers Report (SCR) and accompanying Housing & Community Development (HCD) forms for the same time period. It also called for preparation of the SCR and HCD forms for the subsequent two fiscal years.

Amendment 2 in the amount of \$4,250 is for the preparation of the CDC Statement of Indebtedness for Tax Year 2012 (due September 30, 2011) and Tax Year 2013 (due September 30, 2012).

ANALYSIS

Section 33675 of the California Health and Safety Code requires all redevelopment agencies to file an annual Statement of Indebtedness report with their County Auditor no later than October 1st.

Due to the complexity of the State law, especially in light of recently adopted AB x1 27 pertaining to the continuation of redevelopment agencies, it is critical that the SOI accurately reflect all of the Commission's redevelopment debt. Lance, Soll & Lunghard, the City's audit firm, has significant redevelopment experience and the technical qualification to prepare these mandated forms.

FISCAL IMPACT

The cost of Amendment 2 is \$4,250, of which \$2,000 will be funded from Accounting Professional Services 220000101.5305 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

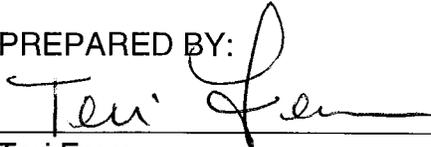
The referenced document has been reviewed by the City Attorney and approved as to form.

INSURANCE REQUIREMENTS

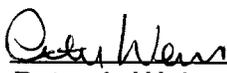
The City's standard insurance requirements have been and will continue to be met.

RECOMMENDATION

Staff recommends that the City Council approve Amendment 2 in the amount of \$4,250 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 preparation of the Community Development Commission Statement of Indebtedness (SOI) as requested by the City, and authorize the City Manager to execute the amendment.

PREPARED BY:


Teri Ferro
Director of Financial Services

SUBMITTED BY:


Peter A. Weiss
City Manager

REVIEWED BY:

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



CITY OF OCEANSIDE
AMENDMENT 2 TO
PROFESSIONAL SERVICES AGREEMENT

PROJECT: COMMUNITY DEVELOPMENT COMMISSION - PREPARATION OF STATEMENT OF INDEBTEDNESS

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 August 10, 2011 (attached):
 - a. Prepare the Community Development Commission's annual Statement of Indebtedness for the Tax Years 2012 (due September 30, 2011) and 2013 (due September 30, 2012).
2. Compensation for this scope of work shall not exceed \$4,250 as follows:
 - a. SOI Preparation Tax Year 2012 \$2,000
 - b. SOI Preparation Tax Year 2013 \$2,250
3. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

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

**COMMUNITY DEVELOPMENT COMMISSION – PREPARATION OF
STATEMENT OF INDEBTEDNESS**

executed by setting hereunto their signatures on the dates set forth below.

Lance, Soll & Lunghard, LLP

By: *[Signature]* / Partner
Name/Title

Date: 3/11/11

By: _____
Name/Title

Date: _____

95-2700123
Employer ID No.

CITY OF OCEANSIDE

By: _____
Peter A. Weiss, City Manager

Date: _____

APPROVED AS TO FORM:

[Signature]
City Attorney

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.

California Acknowledgment Form

State of California
County of ORANGE } ss.

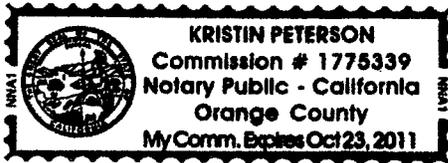
On August 11, 2011 before me, KRISTIN PETERSON, NOTARY PUBLIC
(here insert name and title of the officer),
personally appeared RICHARD KIKUCHI

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: _____ # of Pages: _____

Notes

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: *AK [Signature]*
Name/Title

Date: 3/20/11

By: _____
Name/Title

Date: _____

95-2700123
Employer ID No.

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

Date: 5-6-11

APPROVED AS TO FORM:

John P. Mull
City Attorney

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.

California Acknowledgment Form

State of California }
County of ORANGE } ss.

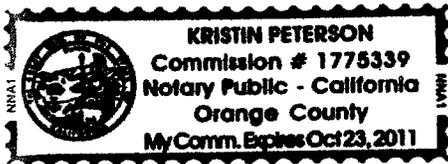
On MARCH 30, 2011 before me, KRISTIN PETERSON, NOTARY PUBLIC,
(here insert name and title of the officer)
personally appeared RICHARD KIKUCHI

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 S.C. AGREEMENT # of Pages: 2

Notes



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/2/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Liberty Company Insurance Brokers, Inc. CA Lic# 0D79653 111 Pacifica Suite #220 Irvine CA 92618	CONTACT NAME: Kathy Jesser PHONE (A/C, No, Ext): (949) 777-0570 FAX (A/C, No): (866) 294-8475 E-MAIL ADDRESS: kjesser@libertycompany.com PRODUCER CUSTOMER ID #: 00071557																				
	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A:</td> <td>Continental Casualty Company</td> <td>20443</td> </tr> <tr> <td>INSURER B:</td> <td>Transportation Insurance Co</td> <td>20494</td> </tr> <tr> <td>INSURER C:</td> <td></td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Continental Casualty Company	20443	INSURER B:	Transportation Insurance Co	20494	INSURER C:			INSURER D:			INSURER E:			INSURER F:	
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INSURER E:																					
INSURER F:																					
INSURED Lance Soll & Lunghard LLP 203 N. Brea Blvd., #203 Brea CA 92821																					

COVERAGES **CERTIFICATE NUMBER:** CL114101947 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			CNP4025915835	4/1/2011	4/1/2012	EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 4,000,000
							PRODUCTS - COMP/OP AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY			CNP4025915835 OWNED AUTOS EXCLUDED	4/1/2011	4/1/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						\$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS						\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR			CUP4025915933	4/1/2011	4/1/2012	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$ 1,000,000
	<input type="checkbox"/> DEDUCTIBLE						\$
	<input checked="" type="checkbox"/> RETENTION \$ 10,000						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC402591883 CALIFORNIA WORK COMP	4/1/2011	4/1/2012	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
	As required by written contract						E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Re: Operations of the Named Insured as on file with the insurance carrier. Certificate Holder is Additional Insured as respects General Liability per SB300120A. Primary-Non/Contributory wording (GL) per SB146932-D. Waiver of Subrogation (GL) per SB300022-B.

CERTIFICATE HOLDER City of Oceanside Financial Services Dept Attn: Carolyn Bunt 300 N. Coast Hwy Oceanside, CA 92054	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Rick Butts/KJESSE
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