



DATE: May 1, 2013

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **AMENDMENT 4 IN THE AMOUNT OF \$61,950 TO THE AGREEMENT WITH LANCE, SOLL & LUNGHARD, LLP, FOR PREPARATION OF THE ANNUAL STREET REPORT AND SPECIAL DISTRICT REPORTS AND EXTENDING THE TERM OF THE AGREEMENT FOR ONE ADDITIONAL YEAR TO PROVIDE AUDIT SERVICES**

SYNOPSIS

Staff recommends that the City Council approve Amendment 4 in the amount of \$61,950 to the Professional Services Agreement with Lance, Soll & Lunghard, LLP, for the preparation of the Annual Street Report and Special District Reports and extend the term of the agreement one additional year to provide audit services; 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. The Professional Services Agreement contained an option to extend the agreement two one-year periods.

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.

On August 31, 2011, the City Council approved Amendment 2 in the amount of \$4,250 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).

On May 16, 2012, the City Council approved Amendment 3 in the amount of \$55,252 for the preparation of the Annual Street Report for the fiscal year end 2012 and a one-year extension of the agreement to provide audit services for the year ended June 30, 2013.

Amendment 4 is for the preparation of the Annual Street Report (\$3,000) and Special District Reports (\$2,500) for the year ended June 30, 2013 and to extend the agreement for one year to provide audit services for the year ended June 30, 2014 (\$56,450).

ANALYSIS

Street Report

Section 2151-5 of the Streets and Highways Code requires all incorporated cities to submit to the California State Controllers Office the Annual Street Report by October 1 of each year. Information from these reports is compiled and published in the Streets and Roads Annual Report, which summarizes the funds made available to and expended by local agencies for construction, maintenance, and other street and road-related activities.

In order to protect current and future funding for streets and roads, it is critical that the Annual Street Report accurately reflect the funding and expenditures for all qualifying construction, maintenance, and road-related activities. Lance, Soll & Lungard, LLP, has the experience and technical qualification to prepare the Annual Street Report.

Special District Reports

Section 1113.1 of the California Code of Regulations requires that the Public Financing Authority and Small Craft Harbor District prepare an annual report as directed by the California State Controller's office. Lance, Soll & Lungard, LLP, has the experience and technical qualification to prepare the Special District reports.

Audit Services

Lance, Soll & Lungard, LLP, has satisfactorily provided audit services to the City over the past three years. Extending the contract an additional year will provide continuity of services and provide greater efficiencies for completing the year-end audit. The services to be performed and fee structure remain unchanged from the original agreement. The Director of Financial Services has reviewed the agreement to provide audit services and recommends that the contract be extended an additional year.

FISCAL IMPACT

The cost of Amendment 4 is \$61,950 and will be funded in the Accounting section of the Finance operating budget account 220000101.5305 for the fiscal year ended June 30, 2014.

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.

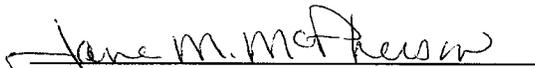
INSURANCE REQUIREMENTS

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

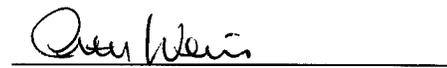
RECOMMENDATION

Staff recommends that the City Council approve Amendment 4 in the amount of \$61,950 to the Professional Services Agreement with Lance, Soll & Lunghard, LLP, for the preparation of the Annual Street Report and Special District Reports and extend the term of the agreement one additional year to provide audit services; and authorize the City Manager to execute the amendment.

PREPARED BY:


Jane M. McPherson
Accounting Manager

SUBMITTED BY:

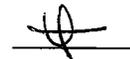

Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Lawrence, Deputy City Manager



Teri Ferro, Financial Services Director



CITY OF OCEANSIDE
AMENDMENT 4 TO
PROFESSIONAL SERVICES AGREEMENT

PROJECT: PREPARATION OF ANNUAL STREET REPORT, SPECIAL DISTRICT REPORTS AND ONE YEAR EXTENSION OF 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 quote dated March 6, 2013 (attached):
 - a. Prepare the Annual Street Report for the fiscal year ended June 30, 2013
 - b. Prepare the Special District Reports for the fiscal year ended June 30, 2013
 - c. Extend one year the performance of the financial audit of the City of Oceanside as outlined in the "Proposal to Provide Professional Auditing Services" dated February 22, 2010.

2. Compensation for this scope of work shall not exceed \$61,950 as follows:
 - a. Annual Street Report Preparation for June 30, 2013 \$ 3,000
 - b. Special District Reports Preparation for June 30, 2013 \$ 2,500
 - c. Audit Services for the year ending June 30, 2013 \$56,450

**PREPARATION OF ANNUAL STREET REPORT AND ONE YEAR
EXTENSION OF AUDIT SERVICES**

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

Lance, Soll & Lunghard, LLP

CITY OF OCEANSIDE

By: Bryan Geuber, Partner
Name/Title

By: _____
Peter Weiss, City Manager

Date: 4/8/13

Date: _____

By: _____
Name/Title

Date: _____

APPROVED AS TO FORM:

95-2700123
Employer ID No.

John P. Hull
City Attorney

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

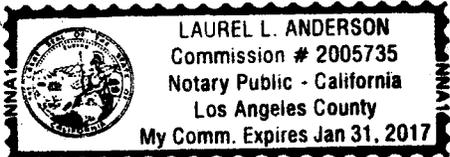
State of California

County of Los Angeles }

On April 8, 2013 before me, Laurel L. Anderson, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Bryan Gruber
Name(s) of Signer(s)

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.

WITNESS my hand and official seal.

Signature Laurel L. Anderson
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: City of Oceanside Amend ment 4 to Professional Service Agreement

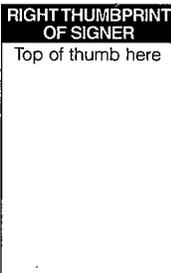
Document Date: _____ Number of Pages: 2

Signer(s) Other Than Named Above: Peter Weiss, City Manager

Capacity(ies) Claimed by Signer(s)

Signer's Name: Bryan Gruber

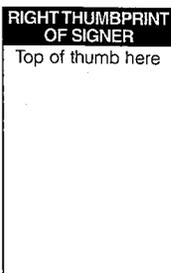
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: Lance Soll & Lunghard, LLP

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____



CERTIFIED PUBLIC ACCOUNTANTS

- David E. Hale, CPA, CFP
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

Brandon W. Burrows, CPA, Retired

March 6, 2013

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

Dear Teri:

Per your request we have prepared a summary of our contract with the City of Oceanside for 2013 with additional services added as requested and a quote for services for 2014. Please see attached **Appendix A** for our current and proposed fees. The services to be performed, fee structure and billing methods would remain unchanged from our original agreement.

Lance, Soll & Lunghard, LLP looks forward to continue to provide quality services to the City of Oceanside. Please sign below and acknowledge your acceptance of this agreement and return to my attention. Should you are any other representative of the City have additional questions regarding this agreement, please do not hesitate to contact Bryan Gruber, Partner at (704) 672-0022.

Very truly yours,

Lance, Soll & Lunghard, LLP

Signature

Date

Appendix A

City of Oceanside
Lance, Soll & Lunghard, LLP – Quote for Audit Services

	<u>FY 2013</u>	<u>FY 2014</u>
City	\$26,564	\$26,564
Successor Agency	5,324	5,324
CDC Audit	4,200	4,200
Single Audit	6,170	6,170
Small Craft Harbor District – Audit	3,481	3,481
Small Craft Harbor District – SCR Report	1,250	1,250
Building Authority – Audit	3,481	3,481
Financing Authority – Audit	3,481	3,481
Financing Authority – SCR Report	1,250	1,250
Cardroom Revenue Audit	3,749	3,749
City Street Report	<u>3,000</u>	<u>3,000</u>
	<u>\$61,950</u>	<u>\$61,950</u>