City of Culver City, California

City Council Agenda Item Report

Meeting Date: 10/9/06	Item Number: _C-6_____
AGENDA ITEM: .Approve an Amendment to the Current Agreement for AK & Company to Provide SB90 Mandate Claiming Services for Fiscal 2006-07	
Contact Person/Dept.: Mary V. Noller , Budget & Finance	Phone Number: 310-253-6012
Fiscal Impact: Yes [X] No []	General Fund: Yes [X] No []
Public Hearing: [ ] Action Item: [ ]	Attachments: [ ]
Public Notification: Master Notification List (10/04/2006)	
Department Approval: Marlee Chang, 10/03/06	City Manager Approval: Jerry B. Fulwood (10/04/06)
City Controller Approval: Marlee Chang, 10/03/06	

RECOMMENDATION:

Staff recommends City Council approve an amendment to the current agreement for AK & Company to perform filing of State Mandated cost reimbursement service.

BACKGROUND:

The Constitution of the State of California provides for the reimbursement of costs incurred by local agencies and school districts for programs mandated by the State. Costs mandated by the State means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

The 2006-07 State budget contains $296,000,000 in funding for current and prior reported state mandated programs costs. This funding, resulting from the voter approval of Proposition 1A in November 2004, ensures that the City of Culver City will again receive much needed mandate funding in Fiscal 2006-07. In fiscal 2005-06 the City received approximately $155,000 in reimbursement funding; this mainly included reimbursements for prior fiscal years in which the State did not reimburse local governments.

In order to obtain a portion of this funding in March 2007, the City of Culver City must begin the process necessary to file for reimbursement of fiscal 2005-06 actual mandated activities as well as fiscal 2006-07 estimated mandated activities. There are also twenty-one (21) new test claims pertaining to local government that are tentatively scheduled to be heard by the Commission on State Mandates this fiscal year. It is anticipated by our consultant that only four, at most, of these claims may apply to Culver City. Since the Commission has not yet reviewed all of the test claims, it is possible that none will be approved for claiming in fiscal 2006-07. Also, in order for a claim to be filed, its threshold for reimbursement must be at least $1,000 for a fiscal year. The test claims currently being reviewed may allow us to go back at least five to six years for reimbursement.

The City's current contract with AK & Company for $7,750 has been expended. In order to quickly begin the process of filing for fiscal 2006-07 including the potential additional claims, staff would like to amend the current agreement to allow for this additional work. During the last year AK & Company has been invaluable in assisting the City with the filing of mandated claims, and continues to keep staff up-to-date on current legislative activities. Our consultant has over fourteen years of experience, and in addition to Culver City, has filed claims on behalf of over 60 southern California cities.

FISCAL ANALYSIS:

The proposed cost of the amendment to the current agreement with AK & Company is $2,550 and a fixed fee of $1,000 for each new mandate in which Culver City may file. The total amount for fiscal 2006-07 will not surpass $6,550. There is adequate money appropriated in the Budget & Finance Division budget to pay for these services in fiscal 2006-07.

MOTION:

That the City Council:

1. Approve an amendment to the current agreement for AK & Company to provide professional services for State Mandated cost reimbursement preparation services for current approved mandates for an amount not to exceed $6,550; and

2. Authorize the City Attorney to prepare any necessary documents; and

3. Authorize the City Manager to execute the contract on behalf of the City.