

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 12/15/08		Item Number: C-6	
AGENDA ITEM: Approval of an Amendment to the Existing Professional Services Agreement with AK & Company to Provide SB 90 State Mandated Claiming Services for Fiscal Year 2008-09.			
Contact Person/Dept.: Mary V. Noller, Budget Manager		Phone Number: 310.253.6012	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Public Notification: Master E-Mail Notification List (12/17/08);			
Department Approval: Jeff Muir (12/16/08)		City Attorney Approval: Carol Schwab (by H. Baker) (12/17/08)	
Fiscal Impact Review: Jeff Muir (by M. Noller) (12/17/08)		City Manager Approval: Jerry B. Fulwood (12/17/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve an amendment to the existing professional services agreement with AK & Company to provide filing of state mandated cost reimbursement services. <u>BACKGROUND:</u> 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. In fiscal year 2005-06 the City received approximately \$155,000 in mandated cost reimbursements. The City received approximately \$55,000 in fiscal 2006-07, and final estimates for fiscal 2007-08 are \$8,374. These amounts include reimbursements for prior fiscal years in which the state did not reimburse local governments due to limited funding sources. The low estimate in fiscal 2007-08 also stems from the state not fully funding this program during this fiscal year, and discontinuing Open Meetings reimbursements the last few years, which was the City's largest mandated reimbursement. Since Culver City has kept up with the filing of claims on an annual basis, it ensures the City receives these monies once the State is able to fund it, even on prior owed years.			

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DISCUSSION:

During the last few years AK & Company has been invaluable in assisting the City with the filing of mandated claims, and they continue to keep staff up-to-date on current related legislative activities. Our consultant has over sixteen years of experience, and in addition to Culver City, has filed claims on behalf of over 60 southern California cities. The hands-on experience and oversight employed by our consultant is significant in enabling Culver City in capturing all monies due it from this process. As mentioned previously, the State has not always been able to fully fund these mandates annually, but with our keeping up with the reimbursements on an annual basis we are able to receive the funding when the State is able to fund the program.

The consultant's location is also very beneficial and enables her to regularly attend Commission on State Mandates meetings on a regular basis, which are held in Sacramento. We are able to literally obtain up-to-the-hour news as decisions that may or may not affect us are made. There are a handful of pending New Claims that are being discussed this fiscal year for approval, but only one or two would be viable claims to Culver City. A claim must reach a \$1,000 reimbursement threshold in order for a city to file, and most new claims being considered would not reach this threshold for Culver City, or even apply to the City.

An amendment to the current contract for AK & Company is being requested so there is no gap in the state mandated cost reimbursement claims for this fiscal year.

FISCAL ANALYSIS:

The proposed cost of the amendment to the current agreement with AK & Company is \$4,650 and a variable fee of no less than \$375 and no more than \$2,000 or 25% of the total value of all claim years filed, whichever is less, per each mandate in which Culver City may file. The total amount for fiscal 2008-09 will not exceed \$7,500. There is sufficient funding appropriated in the Finance Administration & Budget Division budget to pay for these services in fiscal 2008-09.

MOTION:

That the City Council:

1. Approve an amendment to the existing professional services agreement for AK & Company to provide State Mandated cost reimbursement preparation services for current approved mandates for an amount not-to-exceed \$7,500; and.

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2. Authorize the City Attorney to review/prepare the necessary documents; and
3. Authorize the City Manager to execute such documents on behalf of the City.