

**City of Culver City, California
Agenda Item Report**

Meeting Date: 11/30/09		Item Number: <u>C-2</u>	
CITY COUNCIL 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 2009-10.			
Contact Person/Dept.: Mary V. Noller/ Finance Department		Phone Number: 310-253-6012	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Meetings and Agendas – City Council (11/25/09); (Telephone) AK & Company (11/25/09).			
Department Approval: Mark Scott (11/24/09)		City Attorney Approval: Carol Schwab (by H. Baker) (11/24/09)	
Chief Financial Officer Approval: Mark Scott (by M. Noller) (11/24/09)		City Manager Approval: Mark Scott (11/25/09)	
 <u>RECOMMENDATION:</u> Staff recommends that 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 services in an existing program. Over the last four fiscal years the City has received approximately \$225,200 in mandated cost reimbursements, the majority of which was received in fiscal 2005-06 and 2006-07. This amount includes reimbursements for prior fiscal years in which the state did not reimburse local governments due to limited funding sources. Fiscal years 2007-08 and 2008-09 saw lower amounts due to the fact the state did not fully fund this program during those years. The discontinuance of Open Meetings reimbursement the last few years also contributed to the reduction, but reports			

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currently state this mandated cost may be reinstated for reimbursement in the near future.

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.

DISCUSSION:

During the past few years AK & Company has been invaluable in assisting the City with the filing of state mandated claims, and they continue to keep staff up-to-date on current related legislative activities. Our consultant has over twelve years experience and responsibility for the timely submission of local government mandated cost reimbursement claims, and over twenty-seven years with City, County and Special Districts in general. 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 a fixed fee of \$4,650 and a variable fee of no less than \$400 and no more than \$2,000 or 20% of the total value of all claims years filed, whichever is less, per each mandate in which Culver City may file. The total amount for fiscal 2009-10 will not exceed \$7,500. There is sufficient funding appropriated in the Finance Administration & Budget Division budget to pay for these services in fiscal 2009-10.

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Agenda Item Report

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 additional amount not-to-exceed \$7,500 (aggregate of \$35,800); and,
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.