



# City of Rialto

## Legislation Text

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For City Council Meeting [February 12, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Sean Grayson, Interim City Administrator

FROM: Jessica Brown, Finance Director

Request City Council to Authorize of Purchase Order Change Notice (2019-0926) with Rahban CPA & Consulting in the amount of \$35,000 to Provide Accounting Services in the Finance Department for Fiscal Year 2018/19 for a total Purchase Order of \$85,000 and Approve **Budget Resolution No. 7470.**

**(ACTION)**

### **BACKGROUND:**

Beginning in fiscal year 2017-18 and into 2018-19, the Finance Department (Department) has experienced significant staff turnover. This combined with a decrease of four positions over the last five years has resulted in key financial tasks not being completed thus affecting 2018-19 accounting reconciliations.

On September 25, 2018 Council approved a \$50,000 Purchase Order with Sharon Rahban CPA & Consulting to assist with the completion of 2017-18 bank reconciliations and journal entry review. In January 2019, Sharon Rahban CPA & Consulting completed the bank reconciliations for 2017-18.

### **ANALYSIS/DISCUSSION:**

In January 2019, the Department's only Accountant position became vacant. Additionally, due to unforeseen circumstances regarding the timely completion of the 2017-18 audit, additional staff resources are required to support the 2017-18 yearend close and audit. The Department seeks to continue utilizing the consulting firm to complete 2018-19 bank reconciliations and analysis to ensure the City's financial records are up-to-date and accurate.

The contract services provided by Rahban CPA & Consulting, attached, will mainly assist the Finance Department by providing specific catch up work relating to bank reconciliations in 2018-19. Additional services provided on an as needed basis will include financial report preparation, grant reporting, and audit preparation.

### **ENVIRONMENTAL IMPACT:**

Pursuant to Section 15378 of the California Environmental Quality Act, the proposed request is not a project. A 'Project' means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include the creation of government funding mechanisms or other

government fiscal activities that do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment or Organizational, or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

**GENERAL PLAN CONSISTENCY:**

This action is consistent with Guiding Principle 3A in the General Plan:

*Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.*

**LEGAL REVIEW:**

The City Attorney has reviewed and approved this staff report

**FINANCIAL IMPACT:**

Operating Budget Impact

The total cost associated with the approval of this item for the Purchase Order Change Notice is \$35,000 for a total Purchase Order amount of \$85,000. The temporary contract services are \$85.00 per hour for a Staff Accountant and \$125 per hour for a Certified Public Accountant, as specified in the quote from Rahban CPA & Consulting. An appropriation of General Fund reserves is necessary in account number 010-500-2151-2011. Resolution 5169 set General Fund reserves at a minimum level of 50% of the operating budget. The appropriation lowers General Fund reserves to 35% from 36% defined during the 2018-19 budget process.

Capital Improvement Budget Impact

There is no impact on the Capital Improvement Budget.

Licensing

Prior to execution of the Professional Service Agreement/Purchase Order/Construction Contract, the vendor shall submit a business license application and pay a Business License tax at the rate of \$104.00, as well as Administration and State fees.

**RECOMMENDATION:**

Staff recommends that the City Council Authorize a Purchase Order Change Notice (2019-0926) with Rahban CPA & Consulting in the amount of \$35,000 to Provide Accounting Services in the Finance Department for Fiscal Year 2018-19 for a total Purchase Order of \$85,000 and approve the Budget Resolution.