



# City of Rialto

## Legislation Text

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**File #:** CC-19-887, **Version:** 2

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For City Council Meeting September 10, 2019

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

FROM: Jessica Brown, Finance Director

Request City Council to Authorize a Purchase Order Change Notice (2020-0818) with Rahban CPA & Consulting in the amount of \$40,000 to Provide Audit Accounting Services in the Finance Department, increasing the Purchase Order to a total of \$55,000.

**(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 City accounting reconciliations.

In September 2018, Rahban CPA & Consulting (Consultant) was retained to assist the Department with 2017-18 bank reconciliations and journal entry review. In February 2019, the City Council approved a purchase order change notice expanding the Consultant's scope of work to include 2018-19 as well.

### **ANALYSIS/DISCUSSION**

The City Council approved the addition of two Accountant positions for the Department in the 2019-20 budget and the positions are currently being recruited for. During this transitional period before the Department can fill all its current vacancies, the Department is requesting the continued support by the Consultant for the 2018-19 bank reconciliations, journal entry reviews, and subsequent training for the Department's accountants once all positions are filled.

During the last 9 months, the Department has made significant progress in closing out 2017-18, catching up in 2018-19, and starting fresh in 2019-20. The requested services by the Consultant would ensure that this progress isn't lost and will keep the Department moving forward and meeting expected deadlines.

### **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 supports 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 \$40,000 for a total Purchase Order amount of \$55,000. 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. These services will be funded through salary and benefit savings as a result of budgeted vacant positions.

#### **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 (2020-0818) with Rahban CPA & Consulting in the amount of \$40,000 to Provide Accounting Services in the Finance Department for a total Purchase Order of \$55,000.