



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JUNE 20, 2023

DEPARTMENT: FINANCE

FROM: MARK ROBERTS, DIRECTOR OF FINANCE

TITLE: PROFESSIONAL SERVICES AGREEMENT WITH MV CHENG & ASSOCIATES, INC. FOR ACCOUNTING, FINANCIAL REPORTING, AND OTHER FINANCE-RELATED SERVICES

RECOMMENDED MOTION:

Staff recommends the City Council approve a resolution:

- 1) authorizing the City Manager to execute a professional services agreement with MV Cheng & Associates, Inc. (“MV Cheng”) for accounting, financial reporting, and other finance-related services for a not-to-exceed amount of two hundred thousand dollars (\$200,000), and
- 2) approving payment of \$1,645 to MV Cheng for the cost of services previously provided to the City.

BACKGROUND:

Several positions have been vacant in the Department of Finance over the past two years, and, currently, one-half of the department’s senior staff positions, i.e., the professionals and supervisors/managers primarily responsible for the City’s accounting, financial reporting, and budget functions, are vacant. It is imperative the Department of Finance have sufficient resources to perform these functions, to ensure timely and accurate completion of accounting entries and adjustments, to avoid errors and unnecessary delays in the completion of the City’s annual audit and preparation of its financial statements, and to train staff. To acquire the resources needed, the City entered into an agreement with MV Cheng on July 22, 2022. The not-to-exceed amount of the agreement was one hundred thousand dollars (\$100,000) and was signed by the City Manager, as the amount is within his approval authority. However, the cost of services received totaled one hundred one thousand six hundred forty-five dollars (\$101,645). Since the total cost exceeds the contract limit and the City Manager’s authority by one thousand six hundred forty-five dollars (\$1,645), Council approval of the additional amount is required. In addition, approval of a new agreement is requested, so the services may continue to be received until Finance’s senior staff positions have been filled and adequately trained.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

Adoption of the recommended resolution achieves the Council 2022-2025 Strategic Goal of Effective Government.

DEPARTMENTAL COORDINATION:

Preparation of this staff report was accomplished with the assistance of the City Attorney's Office.

FISCAL AND SUSTAINABILITY IMPACT:

MV Cheng & Associates' consulting fees will be based upon hourly rates for actual work performed, in accordance with the following schedule:

<u>Staff Allocation</u>	<u>Hourly Rate</u>
Level 1 Consultant	\$150
Level 2 Consultant	\$125

ATTACHMENTS:

Professional Services Agreement with MV Cheng & Associates, Inc.
Resolution