



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: APRIL 23, 2024

DEPARTMENT: FINANCE

FROM: SELINA ANDREWS, ASSISTANT FINANCE DIRECTOR

TITLE: SECOND AMENDMENT TO THE AGREEMENT WITH
ACCOUNTANCY CORPORATION, DBA MAZE & ASSOCIATES
FOR ACCOUNTING SERVICES

RECOMMENDED MOTION:

A motion to approve a resolution authorizing the Interim City Manager to negotiate and execute a Second Amendment to the Professional Services Agreement with Accountancy Corporation, dba. Maze and Associates for accounting services to increase the maximum compensation from \$75,000 to \$200,000 and add one additional one-year option to extend the term.

EXECUTIVE SUMMARY:

The City contracted with Maze and Associates to address capacity issues within the Finance Department. Maze and Associates is a unique consultant and was carefully selected due to their governmental accounting experience working with numerous other municipalities across California. Through this engagement, the City is able to complete the year-end close process, address multiple annual audits, and continue to document desk procedures for business continuity. In collaboration with the Human resources Department, the Finance Department hopes to fill its two vacant Senior Accountant positions in the coming months.

BACKGROUND:

At the close of FY 2021-22, the Finance Department experienced an overwhelming number of changes in key management and highly technical positions. The Finance Director, Assistant Finance Director, Accounting Manager, Senior Accountant, and Management Analyst positions were all vacant within months of one another. Further complicating the lack of staffing was an increase in volume and complexity of governmental financial reporting due to new accounting pronouncements issued by the Governmental Accounting Standards Board.

While the City has been successful in recruiting professionals to fill the Assistant Finance Director, Accounting Manager, and Management Analyst, two Senior Accountant positions remain vacant. The effects of the ongoing vacancies and recent recruitments, which take time to train and onboard, continue to impact routine reconciliations, year-end, annual audits, and day to day operations. To help mitigate this, the City is recommending the continued use of consultants through Maze and Associates to assist with highly technical and complex reconciliations.

On January 3, 2024, the City entered into a Professional Services Agreement with Maze and Associates for accounting services to assist with the close of Fiscal Year 2022-23 and the preparation of the audit. Given that the City had not yet filled its Senior Accountants positions, the City entered into a First Amendment with Maze and Associates on April 10, 2024, to include additional technical staffing and extend the term through October 31, 2024.

Continuing the use of the consultant is critical to increase capacity while the department attempts to fill vacancies during its busiest times with the close of the prior year, annual audits, and the development of the FY 2024-25 budget.

CEQA CONSIDERATION:

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

STRATEGIC PLAN INITIATIVE:

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

DEPARTMENTAL COORDINATION:

This staff report was coordinated with the City Manager's Office and City Attorney's Office.

FISCAL AND SUSTAINABILITY IMPACT:

Funds are available and appropriated in 1000.20.2031.

ATTACHMENTS:

Resolution