



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JANUARY 14, 2025
DEPARTMENT: FINANCE
FROM: SELINA ANDREWS, FINANCE DIRECTOR
BY: ABE PEDROZA, ACTING ASSISTANT FINANCE DIRECTOR
TITLE: FOURTH AMENDMENT TO THE AGREEMENT WITH ACCOUNTANCY CORPORATION, DBA MAZE & ASSOCIATES FOR ACCOUNTING SERVICES

RECOMMENDED MOTION:

A motion to approve a resolution authorizing the City Manager to execute a Fourth Amendment to the Professional Services Agreement with Accountancy Corporation, dba. Maze and Associates for accounting services to increase the compensation by \$400,000 for a new not to exceed amount of \$800,000.

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 increase capacity to complete the year-end close process and address multiple annual audits on an as needed basis while addressing vacancies.

BACKGROUND:

In recent years, 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 Finance Director, Senior Accountant and Management Analyst, the Assistant Finance Director and Accounting Manager 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.

On April 10, 2024, the City amended the Agreement with Maze and Associates to include additional technical staffing and extend the term through October 31, 2024.

April 30, 2024, the City entered into a Second Amendment with Maze and Associates to increase the maximum compensation and to add the option to extend the term through October 31, 2025.

August 6, 2024, the City entered into a third amendment with Maze and Associates to increase the maximum compensation and to exercise the option to extend the term through October 31, 2025.

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 mid-year budget. Moving forward as the department gets closer to full staffing levels, the consultant will be utilized on an as needed basis for the fiscal year 2025 audit. Staff is requesting authority to increase the maximum amount to be paid to the consultant to ensure business continuity in the event that technical accounting positions remain unfilled.

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).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

Yes.

STRATEGIC PLAN INITIATIVE:

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

DEPARTMENTAL COORDINATION:

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

FISCAL AND SUSTAINABILITY IMPACT:

Amounts expended in the current fiscal year will be dependent on department needs and any requirements beyond June 30, 2025 will be included as part of the FY 2025-26 proposed budget.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)
1000	20.2031-63.5900	Professional Services	\$210,668.50	\$400,000	119	8/6/24; 23047

ATTACHMENTS:

Resolution