

RESOLUTION NO. 2016-19

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA
APPROVING AMENDMENT NO. 2 EXTENDING THE AGREEMENT BETWEEN CITY OF
MARINA AND MANN URRUTIA NELSON CPA OF SACRAMENTO, CALIFORNIA, FOR
INDEPENDENT AUDITOR SERVICES, AUTHORIZING SUBSEQUENT MINOR
CHANGES IF NECESSARY WITH CITY ATTORNEY APPROVAL, AUTHORIZING CITY
MANAGER TO EXECUTE AGREEMENT ON BEHALF OF CITY SUBJECT TO FINAL
REVIEW AND APPROVAL BY THE CITY ATTORNEY AND AUTHORIZE THE
FINANCE DIRECTOR TO MAKE THE NECESSARY ACCOUNTING AND BUDGETARY
ENTRIES

WHEREAS, On May 17, 2011, the City Council and Agency Board adopted Resolutions 2011-83 and 2011-14 MRA, respectively, approving agreement between the City of Marina, Marina Redevelopment Agency and Mann Urrutia Nelson CPA of Sacramento, California, for independent auditor services, and

WHEREAS, On October 15, 2013, the Council adopted Resolution 2013-145, amending the contract to extend services, and

WHEREAS, Given the new financial, human resources and payroll systems implementation in 2015, it would be effective for the current auditors Mann Urrutia Nelson CPA firm (“MANN”) to conduct the financial audits, and

WHEREAS, Exhibit A of the agreement is amended to reflect MANN preparation of the financial statements, and

WHEREAS, Exhibit B of the agreement is amended to reflect the additional service period and compensation.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Marina do hereby:

1. Approve Amendment No. 2 amending services and extending agreement between the City of Marina and Mann Urrutia Nelson CPA of Sacramento, California, for independent auditor services (**EXHIBIT “A”**),
2. Authorize subsequent minor changes if necessary with City Attorney approval,
3. Authorize City Manager to execute agreement amendment on behalf of City subject to final review and approval by the City Attorney, and
4. Authorize the Finance Director to make the necessary accounting and budgetary entries.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of February 2016 by the following vote:

AYES: COUNCIL MEMBERS: Amadeo, Brown, Morton, O’Connell, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

**AMENDMENT NO. 2
TO AGREEMENT FOR INDEPENDENT AUDIT SERVICES**

This Amendment no. 2 (“Amendment”) to the Agreement for Independent Audit Services (“Agreement”) by and between the City of Marina, a municipal corporation (“City”) and Mann, Urrutia, Nelson CPA., a professional corporation (“Auditors”) is made and entered into as of the ____ day of _____ 2016.

In consideration of the mutual promises contained herein, City and Auditors agree that the Terms and Conditions set forth herein are incorporated into the Agreement for Independent Audit Services between City and Auditors dated May 17, 2011, and later modified via Amendment No. 1. Only the provisions of the numbered sections of said Agreement which are being modified hereby are included in this Amendment, and all other terms and conditions of said Agreement shall remain unchanged.

Terms & Conditions

- 1. Exhibit A of the Agreement is hereby amended to include:
“10. Prepare City financial statements including footnotes.”
- 2. Exhibit B of the Agreement is hereby amended to include the additional service periods and compensation as follows:

EXHIBIT B-1 – Summary of the fixed fee (including out-of-pocket expense) for performing the audit engagement for the City of Marina:

FEES FOR SERVICES

	FY15/16	FY16/17	FY17/18	FY18/19
Audit of the Financial Statements for the City *	\$29,080	\$34,800	\$34,800	\$34,800
Single Audit	\$1,200	\$1,200	\$1,200	\$1,200
Audit of the Financial Statements of the Successor Agency to the Marina Redevelopment Agency	\$1,500	\$1,500	\$1,500	\$1,500
Audit of the Financial Statements for Abrams Park **	\$0	\$6,150	\$0	\$6,150
Audit of the Financial Statements for Preston Park **	N/A	\$6,150	N/A	\$6,150
Total All Inclusive Maximum Price	\$31,780	\$49,800	\$37,500	\$49,800

* It is understood that Mann, Urrutia, Nelson CPAs will prepare City financial statements.

** It is understood that Mann, Urrutia, Nelson CPAs will prepare and issue special-purpose financial statements for Abrams park and Preston Park per the required 24-month audit cycles.

All other aspects of this Agreement will remain unchanged.

IN WITNESS WHEREOF, Auditors and the City by their duly authorized representatives, have executed this Agreement on the date first set forth above at Marina, California.

CITY OF MARINA

MANN, URRITIA, NELSON, CPAS

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST: (Pursuant to Reso. 2016 - ____)

City Clerk

APPROVED AS TO FORM

City Attorney

RECEIVED

Risk Manager

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of February 17, 2016

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2016-
APPROVING AMENDMENT NO. 2 AMENDING SERVICES AND
EXTENDING THE AGREEMENT BETWEEN CITY OF MARINA AND
MANN URRUTIA NELSON CPA OF SACRAMENTO, CALIFORNIA,
FOR INDEPENDENT AUDITOR SERVICES, AUTHORIZING
SUBSEQUENT MINOR CHANGES IF NECESSARY WITH CITY
ATTORNEY APPROVAL, AUTHORIZING CITY MANAGER TO
EXECUTE AGREEMENT ON BEHALF OF CITY SUBJECT TO FINAL
REVIEW AND APPROVAL BY THE CITY ATTORNEY, AND
AUTHORIZE THE FINANCE DIRECTOR TO MAKE THE NECESSARY
ACCOUNTING AND BUDGETARY ENTRIES**

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2016- approving Amendment No. 2 amending services and extending agreement between the City of Marina and Mann Urrutia Nelson CPA of Sacramento, California, for independent auditor services,
2. Authorize subsequent minor changes if necessary with City Attorney approval, and;
3. Authorize City Manager to execute agreement amendment on behalf of City subject to final review and approval by the City Attorney, and;
4. Authorize the Finance Director to make the necessary accounting and budgetary entries.

BACKGROUND:

On May 17, 2011, the City Council and Agency Board adopted Resolutions 2011-83 and 2011-14 MRA, respectively, approving agreement between the City of Marina, Marina Redevelopment Agency and Mann Urrutia Nelson CPA of Sacramento, California, for independent auditor services. On October 15, 2013, the Council adopted Resolution 2013-145, amending the contract to extend services.

ANALYSIS:

Given the new financial, human resources and payroll systems implementation in 2015, it would be effective for the current auditors Mann Urrutia Nelson CPA firm (“MANN”) to conduct the financial audits. They have an in-depth knowledge of the City’s financial reporting and procedures, and would be most prepared to conduct this audit. Exhibit A of the agreement is amended to reflect MANN preparation of the financial statements. Exhibit B of the agreement is amended to reflect the additional service period and compensation. With the above, MANN audit service fees remain less than other costs proposals received in the 2011 bid process.

FISCAL IMPACT:

Should the City Council approve this request, the total fixed fee (including out-of-pocket expense) for performing the audit engagement are as follows:

	FY15/16	FY16/17	FY17/18	FY18/19
Audit of the Financial Statements for the City *	\$29,080	\$34,800	\$34,800	\$34,800
Single Audit	\$1,200	\$1,200	\$1,200	\$1,200
Audit of the Financial Statements of the Successor Agency to the Marina Redevelopment Agency	\$1,500	\$1,500	\$1,500	\$1,500
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Audit of the Financial Statements for Preston Park **	N/A	\$6,150	N/A	\$6,150
Total All Inclusive Maximum Price	\$31,780	\$49,800	\$37,500	\$49,800

* It is understood that Mann, Urrutia, Nelson CPAs will prepare City financial statements including footnotes.

** It is understood that Mann, Urrutia, Nelson CPAs will prepare and issue special-purpose financial statements for Abrams park and Preston Park per the required 24-month audit cycles.

All other aspects of this Agreement will remain unchanged.

CONCLUSION:

This request is submitted for City Council consideration and possible action.

Lauren Lai, CPA
Finance Director
City of Marina

REVIEWED/CONCUR:

Layne P. Long
City Manager
City of Marina