

# AGREEMENT BETWEEN THE CITY OF REEDLEY AND DAVID WELLHOUSE & ASSOCIATES, INC. FOR PREPARATION AND FILING OF CLAIMS FOR STATE MANDATED COST REIMBURSEMENT

This agreement by and between the CITY OF REEDLEY, a municipality of the State of California, hereinafter referred to as "CITY", and DAVID WELLHOUSE & ASSOCIATES, INC., a California corporation, hereinafter referred to as "CONSULTANT".

Whereas, CITY desires to engage the services of a consultant to prepare and file claims for State Mandated Cost Reimbursement, and CONSULTANT has been selected to perform said services, now, therefore, it is agreed by CITY and CONSULTANT as follows:

1. **Claims To Be Filed.** CONSULTANT shall prepare and file with the State Controller's Office on behalf of CITY, the following state mandated cost (SB 90) claims during the 2012-2013 fiscal year.

**A. February 2014 Annual Claims for fiscal year 2012-2013 actual claims to be prepared and filed on or before February 18, 2014 as required by the State Controller's Claiming Instructions.**

Domestic Violence Arrests & Victim Assistance -Chapter 698 & 702, Statutes of 1998

Brendon McGuire Act - Chapter 391, Statutes of 1988

Rape Victims Counseling Center Notices - Chapter 999, Statutes of 1991

Domestic Violence Arrest Policies and Standards - Chapter 246, Statutes of 1995.

Threats Against Police Officers - Chapter 1249, Statutes of 1992

Health Benefits for Survivors of Peace Officers and Firefighters - Chapter 1120/96

Peace Officer Procedural Bill of Rights - Chapter 465, Statutes of 1976

Administrative License Suspension - Chapter 1460, Statutes of 1989

Peace Officer Personnel Records - Chapter 741, Statutes of 1994

False Reports of Police Misconduct - Chapter 590, Statutes of 1995

California Public Records Act - Chapter 982, Statutes of 2000 & 2001

Identity Theft - Chapter 956, Statutes of 2000

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Local Government Employee Relations - Chapter 901, Statutes of 2000

Crime Victim's Domestic Violence Incident Reports - Chapter 1022, Statutes of 1999

**B. California Public Records Act - fiscal year 2001/2002 through 2011/2012 actual claims to be filed on or before February 28, 2014 as required by the State Controller's Claiming Instruction No. 2013-24.**

CITY acknowledges that CONSULTANT does not warrant that claims will be filed for all of the mandates listed in Section 1. CONSULTANT shall only prepare and file claims for those mandates listed in Section 1 in which the CITY has reimbursable costs.

The claims and services described in this Section 1 shall hereinafter be referred to as "PROJECT".

CONSULTANT hereby designates Renee Wellhouse, or other delegated representative, to be sole contact and agent in all consultations with CITY during the performance of services as stated in PROJECT.

**2. Time For Performance.** CONSULTANT shall file all claims in accordance with the State Controller's claim filing deadline contained in the applicable State Controller Claiming Instructions.

**3. Compensation.**

A. CITY agrees to pay CONSULTANT a fixed fee in the amount of \$4,500.00 for services provided under Section 1A. of PROJECT, upon receipt of CONSULTANT'S invoice, after submission of claims as required by the State Controller's Claiming Instructions.

B. CITY agrees to pay CONSULTANT up to \$3,000.00 depending on the number of claims filed for fiscal year 2001/2002 - 2012/2013 for services provided under Section 1B of PROJECT. The fee is due upon receipt of CONSULTANT'S invoice after submission of claims as required by the State Controller's Claiming Instructions.

**4. Method Of Payment.** CITY agrees to pay said fixed fees for services provided under Section 1A and 1B of PROJECT upon receipt of CONSULTANT'S invoice, after submission of claims as required by the State Controller's Claiming Instructions. City further agrees to pay CONSULTANT'S invoice within 15 days of receipt.

**5. City Assistance.** CITY shall assign a staff coordinator to work directly with CONSULTANT in the performance of this agreement. CITY shall provide CONSULTANT with requested information in a timely manner, pursuant to PROJECT. CITY represents and warrants that all financial documents and other information provided are accurate and correct. CONSULTANT shall not be liable for claims that are not filed or incorrectly filed due to inaccurate or untimely data.

6. **Disposition Of Documents.** CONSULTANT shall furnish to CITY copies of all claims filed with the State within 30 days after filing. CONSULTANT shall, upon written request, make copies of work papers available to CITY. CITY acknowledges that all such workpapers are the property of CONSULTANT, and may not be disclosed to any third party, provided however that such workpapers may be disclosed to appropriate governmental authorities for audit purposes. CONSULTANT shall be entitled to retain copies of all data prepared.

7. **Not Obligated To Third Parties.** CITY shall not be obligated or liable hereunder to any party other than CONSULTANT.

8. **Insurance.** CONSULTANT shall carry, maintain and keep in full force and effect, a policy of comprehensive general liability and automotive liability insurance in an amount not less than \$1,000,000 aggregate applying to bodily injury, personal injury, and property damage.

9. **Independent Contractor.** CONSULTANT is, and shall be, acting at all times in the performance of this agreement as an independent contractor. CONSULTANT shall secure at its expense, and be responsible for, any and all payments of taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for CONSULTANT and its officers, agents and employees.

10. **Consultant Assistance If Audited.** Upon notice of audit, CONSULTANT shall make available to CITY and state auditors claim file information, and provide assistance to CITY in defending claims submitted.

11. **Consultant Liability If Audited.** All work required hereunder shall be performed in a good and workmanlike manner. Any disallowance of claims by the State Controller's Office or other state agencies is the responsibility of CITY.

12. **Indirect Costs.** CONSULTANT shall make every effort to prepare departmental Indirect Cost Rate Proposals for claims submitted, provided CITY financial information and departmental costs support such rates. CONSULTANT may utilize the ten percent (10%) indirect cost rate allowed by the State Controller if financial information and departmental costs do not support a higher rate.

13. **Termination Of Agreement.** CITY may terminate CONSULTANT'S services hereunder with cause, whether or not services under PROJECT are fully complete. CITY shall do so by giving written notice to CONSULTANT, specifying the effective date thereof, at least fifteen (15) days before the effective date of such termination.

14. **Return of Signed Agreement.** CONSULTANT shall be under no obligation to prepare and file claims unless the executed Agreement is received by mail or email of the City's

intention to continue our services and received by CONSULTANT by **December 17, 2013**.  
CONSULTANT may extend this deadline on a case by case basis.

15. **Entirety.** The foregoing set forth the entire Agreement between the parties.

**CONSULTANT:  
DAVID WELLHOUSE & ASSOCIATES, INC.,  
a California corporation**

By: 

Date: November 13, 2013

**Renee M. Wellhouse  
President**

**CITY:  
CITY OF REEDLEY,  
a municipality of the State of California**

By: 

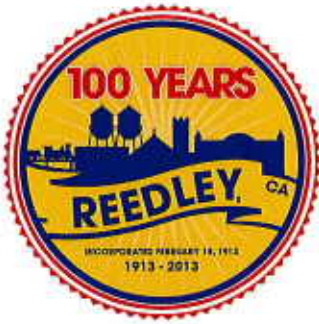
Date: 12/2/13

Name: Nicole R. Zieba

Title: City Manager

Phone: (559) 637-4200 ext. 211





# REEDLEY CITY COUNCIL


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- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing
- Receive/Review

ITEM NO:   1  

DATE: 11/26/2013

TITLE: APPROVAL OF THE ANNUAL CONSULTING AGREEMENT WITH DAVID WELLHOUSE & ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED \$7,500 FOR PREPARATION AND FILING OF CLAIMS FOR STATE MANDATED COST (SB 90) REIMBURSEMENT

SUBMITTED: Paul A. Melikian, Director of Finance & Administrative Services 

APPROVED: Nicole R. Zieba, City Manager 

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## RECOMMENDATION

Request Council approval of the attached consulting agreement with David Wellhouse & Associates, Inc. in an amount not to exceed \$7,500 for preparation and filing of claims for State mandated cost reimbursements for fiscal year 2012-13.

## EXECUTIVE SUMMARY

State law (SB90) provides for reimbursement of costs incurred by local agencies for various State-mandated services, such as Domestic Violence Arrests & Victim Assistance, Identity Theft, and Rape Victims Counseling Center Notices. The remainder of State mandated services that claims will be filed for are detailed in the attached consulting agreement. New for this year is that the City can now submit claims for the California Public Records Act mandate. The mandate, which goes back to fiscal year 2001-02 through 2012-13, allows for reimbursement for the development of policies and procedures and training of employees on this mandate. It also allows for the time taken to respond to all record requests, both verbally and by written notice, and the time it takes to produce the requested documentation. The staff time associated with compiling and extraction necessary to produce the disclosable records, as well as responding to the individual requesting the documentation is reimbursable.

The City has historically paid \$4,500 to David Wellhouse & Associates for the preparation and filing of SB 90 claims; however this cost covers all time associated with preparation of claims for the current year only, since claims are filed annually. Given that the City can now file claims for California Public Records Act going back up to 12 years, the consultant may be paid up to \$3,000 in addition compensation for getting the City caught up in claims for this mandate. As this is still very new to everyone, it is unknown how many claims the City has enough documentation on file to support going back this far (12 years), or exactly what types of information requests are reimbursable. The consultant will be advising staff over the next few months so that eligible claims with sufficient documentation can be prepared and filed with the State by the February 28, 2014 deadline.

Depending upon the number of eligible claims found, staff will negotiate with the consultant on the additional compensation for their services, not to exceed \$3,000, for total compensation of not to exceed \$7,500. After the City has caught up on its past California Public Records Act claims, future claims for this mandate will be covered under the normal annual consultant fee of \$4,500.

Report to the City Council

Approval of a Consulting Agreement with David Wellhouse & Associates for filing SB90 Claims

November 26, 2013

### **BACKGROUND**

The City has historically contracted with David Wellhouse & Associates, Inc. to prepare and file the reimbursement claims on the City's behalf. The latest State budget appropriated \$50,096,000 for payment of mandates filed from fiscal years 2004-05 through 2011-12. Receipt of prior year SB90 reimbursements is difficult to project, and amounts in recent years have dwindled, therefore no revenue was estimated in the 2013-14 Adopted Budget. Currently the State owes the City of Reedley \$740,619 for prior year claims, as detailed in the attached report from the State Controller's Office.

### **FISCAL IMPACT**

The City has historically paid \$4,500 for the consultant to prepare and file the claims. This amount is paid annually from an offset of prior year SB 90 claims received this fiscal year. For instance, last fiscal year, the City received \$18,291 in SB90 reimbursements from prior year claims, which was more than sufficient to cover the consulting services cost of \$4,500 - and generate \$13,791 of net revenue to the General Fund. The additional cost of not to exceed \$3,000 for past California Public Records Act claims will also be covered by reimbursement revenue, and will have no impact to the General Fund. That is, staff estimates that sufficient revenue will be received from the State in 2013-14 to again cover the cost of filing claims this year. No new appropriations are needed for this Agreement.

### **PRIOR COUNCIL ACTIONS**

On January 8, 2013, the City Council ratified a consulting services agreement with David Wellhouse & Associates, Inc. for preparation and filing claims for the 2012-13 year.

### **ATTACHMENT**

Proposal / Consulting Agreement

State Controller's Office Report of Approved, Outstanding Claims for Reedley

November 6, 2013

Mr. Paul Melikian  
Director of Finance & Administrative Services  
City of Reedley  
845 'G' Street  
Reedley, California 93654

***Re: Proposal For February 2014 Annual State Mandated Cost Claiming Services (SB90)***

Dear Mr. Melikian:

It is time to prepare for the filing of the City of Reedley's February 2014 annual state mandated cost claims. The latest state budget appropriated \$50,096,000.00 for payment of mandates filed from 2004/2005 through 2011/2012. This year's budget suspended the Identity Theft mandate for fiscal year 2013/2014 but the City can still submit a claim for this claiming cycle.

The City can now submit claims for the California Public Records Act (CPRA) mandate. This mandate received a lot of media attention at the conclusion of this year's state budget. It was slated to be suspended for fiscal year 2013/2014, but because of the attention it received, the suspension was withdrawn. It is ironic that this mandate was given so much attention regarding the suspension, especially since the City was unable to claim for the mandate until now. In any event, the state has issued claiming instructions for the California Public Records Act mandate and the claims are due on February 28, 2014. The mandate, which goes back to fiscal year 2001/2002 through 2012/2013, allows for reimbursement for the development of policies and procedures and training of employees on this mandate. It also allows for the time taken to respond to all record requests, both verbally and by written notice, and the time it takes to produce the requested documentation. The staff time with compiling and extraction necessary to produce the disclosable records as well as responding to the individual requesting the documentation is reimbursable.

The current budget continues to include the suspension of the following mandates: Open Meetings Act, Absentee Ballots, Mandate Reimbursement, and Local Recreational Areas: Background Screenings as well as the following mandates in the Police and Fire Departments.

## **Police Department**

Animal Adoption - Chapter 752, Statutes of 1998

DNA Database - Chapter 467, Statutes of 2001

False Reports of Police Misconduct - Chapter 590, Statutes of 1995

AIDS/Search Warrant, - Chapter 1088, Statutes of 1988

Photographic Record of Evidence - Chapter 875, Statutes of 1985

Stolen Vehicle Notification - Chapter 337, Statutes of 1990

Sex Offenders: Disclosure by Law Enforcement Officers (Megan's Law) Chapter 485, Statutes of 1998

Law Enforcement Sexual Harassment Training - Chapter 126, Statutes of 1993

Elder Abuse Law Enforcement Training - Chapter 444, Statutes of 1997

Sex Crime Confidentiality - Chapter 36, Statutes of 1994

## **Fire Department**

Fire Safety Inspections of Care Facilities - Chapter 993, Statutes of 1989

SIDS Training for Firefighters - Chapter 1111, Statutes of 1989

## ***Commission Set Aside Programs***

The Commission set aside Parameters and Guidelines for the following programs:

Investment Reports - Chapter 783, Statutes of 1995

Misdemeanors: Booking & Fingerprinting - Chapter 1105, Statutes of 1992

Regional Housing Needs

Two-way Traffic Signal Communication

Due to the suspension of the above mandates in the 2012/2013 State Budget Act, they are not funded for the 2012/2013 fiscal year. Therefore, the City is no longer required to follow the requirements of the mandates listed above. This is due to the provisions of the 2012/2013 State Budget Act, as well as, Government Code Section 17581 which states that the Legislature may put a 0 (zero) appropriation in the State Budget for a recognized state mandated program. When this is done, it makes that statute suspended and optional to the City for that fiscal year. The programs above, which were set aside by the Commission, are also no longer reimbursable.



## *Costs of Services*

David Wellhouse & Associates, Inc. will prepare and file the City of Reedley's February 2014 claims. These claims are for fiscal years **2012/2013** actual claims for a fixed fee of \$ 4,500.00. Our fee for the preparation and filing of the City's February 2014 claims includes all time and expenses necessary to prepare and file the City's claims. This fixed fee is due upon the submission of claims to the State Controller's Office on or before February 18, 2014.

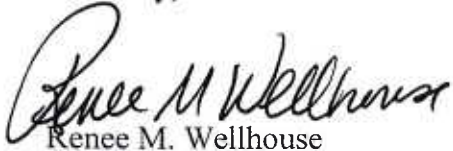
David Wellhouse & Associates, Inc. will prepare and file the City of Reedley's California Public Records Act (CPRA) claims. These claims are for fiscal year **2001/2002, 2002/2003, 2003/2004, 2004/2005, 2005/2006, 2006/2007, 2007/2008, 2008/2009, 2009/2010, 2010/2011, 2011/2012** for a fixed fee of \$ 3,000.00. As always, our fee includes all time and expenses necessary to prepare and file the City's claims. This fixed fee will be due upon the submission of claims to the State Controller's Office on or before the deadline of February 28, 2014 as set forth in the State Controller's Claiming Instructions.

As in years past, I look forward to working with you and City staff this year. I hope to make this year as easy as possible for you and City staff. With the possibility of new City staff, there always will be questions. Should anyone have questions, please have them contact me by telephone or e-mail, even if they feel it is a small issue, I can help explain the details of the process and make their data collection much easier.

Enclosed, please find two copies of the proposed Agreement for the preparation of the City's claims. **Please sign both copies and return one copy of the Agreement by December 17, 2013. Please keep the second copy for your files.**

Should you have any questions, please contact me at (916) 797-4883. Thank you for your past support and consideration of this proposal.

Sincerely,



Renee M. Wellhouse

President

Enclosures: