



COUNTY OF HUMBOLDT

Legislation Text

File #: 21-608, **Version:** 1

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:

Agreement Amendment with Macias, Gini & O'Connell, LLP and Supplemental Budget (4/5 vote required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve and authorize the Chair of the Board to execute, the attached amendment to the professional services agreement (Attachment 1) with Macias, Gini & O'Connell, LLP (MGO) in the amount of \$500,000 for financial advisory services; and
2. Adopt the attached supplemental budget (Attachment 3) in the amount of \$100,000 for fiscal year (FY) 2020-21 in the County Administrative Office - Management and Budget Team (CAO-MBT) budget unit 1100-103 (4/5 vote required).

SOURCE OF FUNDING:

General Fund

DISCUSSION:

At the Dec. 8, 2020 Board of Supervisors Meeting, your Board approved a Professional Services Agreement with Macias, Gini & O'Connell, LLP (MGO) to provide interim financial advisory services. These services included:

- Working with state agencies on extended cost report due dates in order to claim county central service charges.
- Long-range financial planning as a result of central service charge losses, or other revenue losses.
- Working with staff to address the Auditor-Controller's (AC) concerns over the distribution methodology for utility charges.
- Assisting with the development of the internal service fund charges for fiscal year 2021-22.
- Developing and implementing financial strategies for resolving fiscal problems; provide

direction, support, and advice to department/agency representatives and other officials regarding fiscal problems.

- Addressing audit findings from the Single Audit Report Year Ended June 30, 2019, and any future findings.
- Developing financial policies.
- Participate in the Auditor-Controller's Office (ACO) staffing study, in collaboration with Human Resources.
- And other financial related tasks that work to improve the county's financial position and internal controls.

MGO provided an update on the services performed under this contract to your Board on March 16, 2021. Through further discussions with the County Administrative Office, Human Resources, Treasurer Tax Collector's Office and the Auditor-Controller's Office, the good of the organization would benefit from a contract amendment to extend the term of the agreement to June 30, 2022 and increase the amount by \$500,000 in order to increase the scope of services. These additional services include:

- Act in the capacity of the County's Chief Financial Officer (CFO) through direction from the County Administrative Officer (CAO) and assist with the transition and knowledge transfer upon appointment of the county's permanent CFO.
- Perform financial and/or accounting related tasks to assist the county to improve the county's financial position, internal controls and efficiency measures.
- Evaluate business procedures and processes, internal controls, opportunities for improvements, and assist in identifying and implementing operational efficiencies.
- Conduct functional and/or operational risk assessments, as requested by the CAO.
- Assist the county in evaluating and responding to Redevelopment Agency and Successor Agency financial and accounting issues.
- Provide analysis and assist in the development of documentation of business processes and internal controls for post-implementation of the county's new ADP HR-Payroll system.
- Evaluate and assess the county's bank reconciliation process and assist the ACO and the Treasurer-Tax Collector's Office (TTCO) in performing bank reconciliations, including providing observations and recommendations to streamline and/or implement operational efficiencies and/or enhance internal controls.
- Evaluate and assess the county's process relating to the county's banking activities, receipts of county funds and investment activity and assist the ACO and the TTCO in performing reconciliations between the TTCO's system and the county's finance enterprise system maintained by the ACO, of the related activity, including providing observations and recommendations to streamline and/or implement operational efficiencies and/or enhance internal controls.
- Provide assistance as requested by and assigned by the ACO.
- Perform additional services to the ACO to assist in the office's operational responsibilities, as assigned by the AC.

- Provide oral status reports to the Board of Supervisors on a quarterly basis.

FINANCIAL IMPACT:

The original professional services agreement is for \$250,000. There are \$48,712.05 in funds available from the original contract. However, it is not anticipated this will not cover the remainder of the fiscal year and therefore a supplemental budget in the amount of \$100,000 is recommended. General Fund fund balance is available to accommodate this request. In addition, a \$400,000 General Fund contribution will be included in the fiscal year 2021-22 budget for the CAO-MBT to complete the additional scope of work contained in today's agreement amendment.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing community-appropriate levels of service .

OTHER AGENCY INVOLVEMENT:

Not applicable.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Not applicable.

ATTACHMENTS:

1. Amendment to Macias, Gini & O'Connell, LLP Professional Services Agreement
2. Original Macias, Gini & O'Connell, LLP Professional Services Agreement
3. Supplemental Budget

PREVIOUS ACTION/REFERRAL:

Board Order No.: H-3

Meeting of: 12/08/20

File No.: N/A