



Solano Local Agency Formation Commission

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Staff Report

DATE: April 11, 2016

TO: Local Agency Formation Commission

FROM: Elliot Mulberg, Executive Officer

SUBJECT: **Financial and Payroll Services**

Staff Recommendation

- 1) Direct staff to renegotiate an agreement for financial and payroll services with the Auditor's Office.
- 2) Or authorize the Executive Officer to sign a contract with the City of Vacaville for an amount not to exceed \$14,400 for financial, payroll and human resource services and \$7,300 for setup charges.

Background:

Over the past year a number of issues have arisen with the implementation of MOU with the Auditor's office. They were enumerated in a previous staff report. After reviewing the past history it appears they are related to the contract and its lack of specificity.

As a result of those issues staff researched alternate service providers. It was stated that the alternate provider should be another government agency familiar with government finance and accounting procedures. Staff contacted and received a draft contract from the City of Vacaville. The City of Vacaville provides payroll services for the Solano Transportation Authority so they have experience providing services for other government agencies.

At its March 21 meeting the Commission decided to continue item 7A on financial services pending a meeting with the Auditor. The Commission held that meeting on March 29. The issues were discussed, but no action was taken. The discussion identified situations of uncertainty and misinterpretation of the current agreement. If the problems were due to the

agreement then it should be revised to more clearly identify roles, responsibilities, expectations and legal requirements of the parties.

Recommendation:

The Commission should direct staff to:

- 1) Renegotiate an agreement with the County auditor for FY 2016-17.
- 2) Alternatively, authorize staff enter into a contract for financial and payroll services with the City of Vacaville for an amount not to exceed \$14,400 and a setup fee of \$7,300.