



**REPORT TO CITY COUNCIL**

**DATE:** JANUARY 25, 2017  
**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**FROM:** GREG RAMIREZ, CITY MANAGER   
**BY:** CHRISTY PINUELAS, DIRECTOR OF FINANCE   
**SUBJECT:** APPROVAL OF AMENDMENT TO CONSULTANT SERVICES AGREEMENT WITH LANCE, SOLL, LUNGHARD, LLP FOR AUDIT SERVICES

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The purpose of this item is to seek City Council approval for the City to extend an agreement for consultant services with Lance, Soll, Lunghard, LLP, to provide auditing services to the City, the Agoura Hills Calabasas Community Center and the Successor Agency. Finance staff is requesting the approval of an extension to the existing agreement of three years.

Lance, Soll, Lunghard, LLP, has been providing audit services to the City, the Successor Agency and the Agoura Hills Calabasas Community Center for the past three years. The original contract considered one three-year extension of the contract. The audits have been performed in a timely manner, and the firm has offered considerable expertise in reviewing internal controls and in explaining recent pronouncements. The proposed fees are as shown in Exhibit A and are 8.9% higher due to new requirements imposed by GASB 68, which requires extensive testing of retirement plan costs.

	Current Annual Fee	Proposed Annual Fee
City Audit*	\$24,145	\$26,250
State Controller Report	2,010	2,050
Community Center*	5,530	6,450
Single Audit (as needed)	4,010	4,100
<b>Total</b>	<b>\$33,695</b>	<b>\$38,850</b>

\*Includes GASB 68 pension testing

City staff has been pleased with the work performed by Lance, Soll, Lunghard, LLP, in the past, and is confident that the firm will continue to provide high quality services.

This proposed amendment to the agreement has been reviewed by the City Attorney and approved as to form.

## **RECOMMENDATION**

Staff recommends the City Council approve the agreement with Lance, Soll, Lunghard, LLP.

Attachment: Amendment to Agreement (Exhibit A)

WITH THE CITY OF AGOURA HILLS

NAME OF CONSULTANT: Lance, Soll & Lunghard, LLP

RESPONSIBLE PRINCIPAL OF CONSULTANT: Attn: Bryan S. Gruber

CONSULTANT'S ADDRESS: 203 N. Brea Blvd., Suite 203  
Brea, CA 92821

CITY'S ADDRESS: City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, CA 91301  
Attn: City Manager

PREPARED BY: Christy Pinuelas

COMMENCEMENT DATE: February 1, 2015

TERMINATION DATE: February 1, 2020

CONSIDERATION: Amendment Amount: \$116,550  
Total Contract Price \$187,940  
Not to Exceed: \$ 38,850 /yr

**FIRST AMENDMENT TO AGREEMENT BETWEEN  
CITY OF AGOURA HILLS AND LANCE, SOLL, LUNGHARD, LLP**

THIS FIRST AMENDMENT is made and entered into as of February 1, 2017, by and between the City of Agoura Hills, a municipal corporation (hereinafter referred to as "City"), and Lance, Soll & Lunghard, LLP, a Limited Liability Partnership (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This Amendment is made with the respect to the following facts and purposes:

a. On February 1, 2015, the City and Consultant entered into that certain Agreement entitled "Agreement for Consultant Services between the City of Agoura Hills and Lance, Soll & Lunghard, LLP", in the amount of seventy-one thousand three hundred ninety dollars and zero cents (\$71,390.00).

b. The parties now desire to extend the term of the agreement to February 1, 2020, increase the payment in the amount of one-hundred sixteen thousand five hundred fifty dollars and zero cents (\$116,550.00), and to amend the Agreement as set forth in this Amendment.

2. Section One of the Agreement entitled "**TERM**" is hereby amended to read as follows:

"This Agreement shall remain and continue in effect until tasks herein are completed, but in no event later than February 1, 2020 unless sooner terminated pursuant to the provisions of this Agreement."

3. Section Four of the Agreement entitled "**PAYMENT**" at paragraph "a" is hereby amended to read as follows:

"The City agrees to pay Consultant monthly, in accordance with the payment rates and schedules and terms set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B, other than the payment rates and schedule of payment, are null and void. The First Amendment amount shall not exceed one hundred sixteen thousand five hundred fifty dollars and zero cents (\$116,550.00), for additional audit work for a total Agreement amount of one hundred eighty-seven thousand nine hundred forty dollars and zero cents (\$187,940.00)."

4. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have caused this First Amendment to Agreement to be executed the day and year first above written.

**CITY OF AGOURA HILLS**

\_\_\_\_\_  
Denis Weber,  
Mayor

ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues, MMC  
City Clerk  
Date Approved by City  
Council \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Candice K. Lee,  
City Attorney

**CONSULTANT**

Lance, Soll & Lunghard, LLP  
203 N. Brea Blvd. Suite 203  
Brea, CA 92821  
(714)872-0022  
Bryan.Gruber@lslcpas.com

By: BGL

Print Name: BRYAN GRUBER

Title: PARTNER

By: [Signature]

Print Name: Richard Kikuchi

Title: Partner

[Signatures of Two Corporate Officers Required]

## ATTACHMENT A

*Attached hereto and incorporated herein is the additional scope of work and associated cost as provided by the Consultant.*



CPAs AND ADVISORS

December 15, 2016

Christy Pinuelas  
Director of Finance  
City of Agoura Hills

Dear Ms. Pineulas,

As you are aware, our contract with the City of Agoura Hills for auditing services expired with the fiscal year ending June 30, 2016. Over the past two years, we have provided the City with auditing and accounting services which included:

- Performed a financial audit of the basic financial statements of the City of Agoura Hills. These financial statements were included within a Comprehensive Annual Financial Report (CAFR) and met all the requirements necessary to receive the Government Finance Officers Association Award for Excellence in Financial Reporting.
- Performed a financial audit of the Agoura Hills Calabasas Community Center.
- Prepared Annual State Controller Report.
- Performed (if required) a single audit of your federal grants.

We have made it an absolute priority to provide the City of Agoura Hills with the best service available and we would like to continue to provide this level of service to the City. Since we are familiar with your accounting system, we will be able to perform an efficient and effective audit under current audit standards, which will benefit the City with continuity of firm personnel and minimal disruption to City staff during the audit.

We would like to propose to exercise the three option years in our original agreement in order to provide continuous and uninterrupted auditing services to the City. As a part of our services, LSL CPAs will continue to provide extensive Governmental Accounting Standards Board (GASB) assistance to the City throughout the year.

Please see the attached Appendix A for our proposed fees for the next three years. The services to be performed, fee structure and billing methods would remain unchanged from our original agreement.



Again, LSL CPAs looks forward to continue to provide quality services to the City of Agoura Hills. Please sign below to acknowledge your acceptance of this agreement and return to my attention. Should you or any other representative of the City have additional questions regarding this agreement, please do not hesitate to contact Bryan Gruber, Partner at (714) 672-0022.

Very truly yours,

*Lance, Soll & Lingham, LLP*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



City of Agoura Hills  
LSL CPAs – Quote for Audit Services

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	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
City Audit *	\$26,250	\$26,250	\$26,250
State Controller Report	2,050	2,050	2,050
Community Center *	6,450	6,450	6,450
Single Audit	<u>4,100</u>	<u>4,100</u>	<u>4,100</u>
Total	\$38,850	\$38,850	\$38,850

\* Includes GASB 68 pension testing.