



SPECIAL CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY MEETING AGENDA

**December 1, 2022
6:00 PM**

The Mission of the City of Coalinga is to provide for the preservation of the community character by delivering quality, responsive City services, in an efficient and cost-effective manner, and to develop, encourage, and promote a diversified economic base in order to ensure the future financial stability of the City for its citizens.

Notice is hereby given that the City Council will hold a Special Meeting, on December 1, 2022 in the City Council Chambers located at 155 West Durian, Coalinga, CA. Persons with disabilities who may need assistance should contact the City Clerk at least 24 hours prior to this meeting at 935-1533 x113. Anyone interested in translation services should contact the City Clerk at least 24 hours prior to the meeting at 935-1533 x113.

The Special Meeting will begin at 6:00 p.m. and the agenda will be as follows:

1. CALL TO ORDER

1. Pledge of Allegiance
2. Changes to the Agenda
3. Council's Approval of Agenda

2. AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS (NONE)

3. CITIZEN COMMENTS

This section of the agenda allows members of the public to address the City Council on any item within the jurisdiction of the Council. Members of the public, when recognized by the Mayor, should come forward to the lectern, identify themselves and use the microphone. Comments are normally limited to three (3) minutes. In accordance with State Open Meeting Laws, no action will be taken by the City Council this evening and all items will be referred to staff for follow up and a report.

Citizen Comments submitted in writing to the City Clerk by 5:00pm on the day of the City Council meeting shall be distributed to the City Council and included in the record,

however they will not be read.

4. PUBLIC HEARINGS (NONE)

5. CONSENT CALENDAR

1. Authorize City Manager to Approve the Engagement Letter Received from Price Paige & Company for Consulting Services related to the Preparation of Fiscal Year 2021-2022 Audit

6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS (NONE)

7. ANNOUNCEMENTS

1. City Manager's Announcements
2. Councilmembers' Announcements/Reports
3. Mayor's Announcements

8. FUTURE AGENDA ITEMS

9. CLOSED SESSION (NONE)

10. CLOSED SESSION REPORT

Closed Session: A "Closed" or "Executive" Session of the City Council, Successor Agency, or Public Finance Authority may be held as required for items as follows: personnel matters; labor negotiations; security matters; providing instructions to real property negotiators; legal counsel regarding pending litigation; and protection of records exempt from public disclosure. Closed session will be held in the Administration Building at 155 W. Durian Avenue and any announcements or discussion will be held at the same location following Closed Session.

11. ADJOURNMENT

STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: Authorize City Manager to Approve the Engagement Letter Received from Price Paige & Company for Consulting Services related to the Preparation of Fiscal Year 2021-2022 Audit

Meeting Date: December 1, 2022

From: Marissa Trejo, City Manager

Prepared by: Mai Vang, Financial Services Director

I. RECOMMENDATION:

Staff recommends approval of the engagement letter received from Price Paige & Company to assist with the preparation of the Fiscal Year 2021-2022 Audit.

II. BACKGROUND:

The City has previously used Price Paige & Company as the external auditor. Since 2018, Price, Paige & Company has been providing consulting services to assist with audit prep.

III. DISCUSSION:

Additional assistance is needed in the Finance Department to prepare and complete the audits in an expeditious manner to minimize the risk of losing grant funding.

Professional consulting services include the following:

1. Price Paige will assist the City in the year-end close of its financial records for the year ended June 30, 2022 by analyzing and preparing reconciliations of the following balance sheet and income statement balances in reparation for the City's external financial statement audit:
 1. Cash and investments held by fiscal agents
 2. Capital Assets
 3. Long-term Debt
 4. Governmental receivables related to the City's grants
 5. Successor Agency Fund Reconciliation
2. For the items listed above, will provide all journal entries necessary to ensure that the City's trial balance reconciles to the supporting audit schedules.
3. Will serve as a liaison with the City's external auditors for any inquiries directly related to the balance sheet and income statement items listed above.
4. Will assist the City with the preparation of its Successor Agency's 20-21 Prior Period Adjustment (PPA) and 23-24 Recognized Obligation Payment Schedule.

5. Will provide the City with additional consultation, including training of accounting personnel, as agreed upon with City management. The scope, timing, and extent of the additional consultation will be discussed prior to the commencement of any work.

IV. ALTERNATIVES:

None at this time.

V. FISCAL IMPACT:

Total amount of the proposal is a not to exceed amount of \$38,320, where \$13,180 is additional consulting as listed in item 5.

Fees for the services for the year ending June 30, 2023 will be as follows:

Consulting Services, as listed in items 1-4	\$25,140
Additional Consulting, as listed in item 5 (hourly, not to exceed)	\$13,180
Total	\$38,320

Of the \$38,320 total, approximately \$10,000 was budgeted and \$28,320 was not budgeted. However, with this additional cost and the training provided, this should reduce or eliminate the ongoing annual cost of approximately \$10,000, saving us money in the longrun.

101	406	88030	20%
107	422	88030	3%
150	751	96501	5%
150	752	96502	5%
150	753	96503	5%
501	406	88030	15%
502	406	88030	15%
503	406	88030	15%
504	406	88030	2%
820	610	88030	15%
			100%

ATTACHMENTS:

File Name	Description
 20221118_-_Consulting_Engagement_Letter_2022.pdf	Engagement Letter - Agreement



November 18, 2022

Marissa Trejo, City Manager
City of Coalinga
155 W. Durian Avenue
Coalinga, California 93210

Dear Marissa:

This letter confirms the engagement of Price Paige & Company by the City of Coalinga, California (the "City") as of and for the year ended June 30, 2022, for professional consulting services as described below:

- 1) We will assist the City in the year-end close of its financial records for the year ended June 30, 2022 by analyzing and preparing reconciliations of the following balance sheet and income statement balances in preparation for the City's external financial statement audit:
 - a. Cash and investments held by fiscal agents
 - b. Capital Assets
 - c. Long-term Debt
 - d. Governmental receivables related to the City's grants
 - e. Successor Agency Fund Reconciliation
- 2) For the items listed above, we will provide all journal entries necessary to ensure that the City's trial balance reconciles to the supporting audit schedules.
- 3) We will serve as a liaison with the City's external auditors for any inquiries directly related to the balance sheet and income statement items listed above.
- 4) We will assist the City with the preparation of its Successor Agency's 20-21 Prior Period Adjustment (PPA) and 23-24 Recognized Obligation Payment Schedule.
- 5) We will provide the City with additional consultation, including training of accounting personnel, as agreed upon with City management. The scope, timing, and extent of the additional consultation will be discussed prior to the commencement of any work.

All workpapers or other documents used by us during this engagement will be maintained in segregated files, and such originals and all copies will be returned to you upon the completion of our engagement.

Electronic Data Communication and Storage and Use of Third-Party Service Provider

In the interest of facilitating our services to the City, we may communicate by facsimile transmission, send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to the City may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation and document management software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to

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tel 559.299.9540

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keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require all of our third-party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors, and consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

Engagement Administration, Fees and Other

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

It is our policy to keep records related to this engagement for a minimum of seven years after the report release date.

Our fees for the above services for the year ending June 30, 2023 will be as follows:

Consulting Services, as listed in items 1-4	\$ 25,140
Additional Consulting, as listed in item 5 (hourly, not to exceed)	<u>13,180</u>
Total	<u>\$38,320</u>

Our fees are based on expected hours required to perform the service at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your consulting engagement. Our billing rates are reviewed annually and, where appropriate, adjusted for any increases due to inflation and other factors. We will issue a monthly billing statement for the work completed in that month. Payments for services are due when rendered and interim billings may be submitted as work progresses and expenses are incurred. Our fee estimate is based on anticipated cooperation from your personnel and assumption that unexpected circumstances will not be encountered. If significant time is necessary, we will discuss it with you before we incur additional costs. The fees for these services will be billed at the hourly billing rate for the individual involved, plus out-of-pocket expenses.

If any dispute pertaining to our work product arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

All work will be suspended if your account becomes 90 days past due. No work will be resumed until your account is fully paid. You acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services. Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

If information becomes known that would make our continued involvement in this engagement inappropriate, or parties involved change, we reserve the right to withdraw from this engagement. In addition, we will refuse to perform any requested act that we deem a violation of law, public policy, or our professional ethical standards, and may, as a result, withdraw from the engagement without penalty.

In no event will our firm be liable for incidental or consequential damages resulting from our performance on this engagement, even if we have been advised of the possibility of such damages.

If these terms are in accordance with your understanding and meet with your approval, please return a signed copy via email or regular mail at your earliest convenience. This agreement will become effective when you return the signed copy to us.

If the need for additional services arises, our agreement with you will need to be revised. It is customary for us to describe these revisions in an addendum to this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joshua Giosa".

Joshua Giosa, CPA
Price Paige & Company

RESPONSE:

This letter correctly sets forth the understanding of the **City of Coalinga, California**.

Management Signature

Title

Date