



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MARCH 17, 2020**

FROM: FINANCE DEPARTMENT **WARDS: ALL**

SUBJECT: FIRST AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT FOR ASSESSMENT ENGINEER SERVICES WITH WEBB MUNICIPAL FINANCE, LLC. TO INCORPORATE ADDITIONAL PROGRAM SUPPORT SERVICES, INCREASE COMPENSATION BY \$146,600.00 FOR A TOTAL AGREEMENT AMOUNT OF \$522,331.00, MODIFY TERM TO MARCH 31, 2022 AND CHANGE ORDER AUTHORITY OF 20% OR \$104,466.20 FOR A TOTAL EXPENDITURE AMOUNT NOT TO EXCEED \$626,797.20 – SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$33,000 FOR FISCAL YEAR 2019/20

ISSUES:

Approve the First Amendment to the Professional Consultant Services Agreement for Assessment Engineer Services with Webb Municipal Finance, LLC to incorporate additional program support services, increase the agreement compensation by \$146,600.00 for a total Agreement amount of \$522,331.00, and amend the agreement term to March 31, 2022; authorize a change order authority of 20% or \$104,466.20 for a total expenditure amount not to exceed \$626,797.20; and approve a supplemental appropriation of \$33,000 for Fiscal Year 2019/20.

RECOMMENDATIONS:

That the City Council:

1. Approve the First Amendment to the Professional Consultant Services Agreement for Assessment Engineer Services with Webb Municipal Finance, LLC to incorporate additional program support services, increase the agreement compensation by \$146,600.00 for a total agreement amount of \$522,331.00, and amend the agreement term to March 31, 2022;
2. Authorize a change order authority of 20% or \$104,466.20 for a total expenditure amount not to exceed \$626,797.20;
3. Approve a supplemental appropriation in the amount of \$33,000 from the Special Deposits Fund to the General Fund; and
4. Authorize the City Manager, or designee, to execute the First Amendment to the Professional Consultant Services Agreement with Webb Municipal Finance, LLC., including the ability to make minor and non-substantive changes.

BACKGROUND:

On July 25, 2017, the City Council approved a Professional Consultant Services Agreement (Agreement) with Webb Municipal Finance, LLC (formally known as Albert A. Webb) for a term of five (5) years, in the amount of \$375,731 with a 20% change order authority for an amount not to exceed \$450,877.20. Under the terms of the agreement, Webb Municipal Finance, LLC (Webb) provides Assessment Engineer Services and prepares the levy for the Street Light Assessment District, City Library Services Parcel Tax, Community Facilities Districts, Landscape Maintenance Districts, and Assessment Districts.

Webb works with City staff to research parcel exceptions, monitor delinquencies, and prepare formation and bond sale tables and taxing documents. Webb has been an integral component of the levy process and works with City staff to submit exception free information to the Riverside County Assessor's Office. Under the current agreement, Webb also assists City staff with gathering information necessary to file State debt and special district reports. They prepare continuing disclosure reports for all Special District debt in compliance with SEC Rule 15c2-12.

DISCUSSION:

The City would like to engage Webb to provide program management services for City Assessment Districts and Community Facility Districts (CFD). The additional scope of work will free staff to focus on analysis, City and RPU debt administration, financial reporting and disclosure, and additional legislative reporting requirements. In addition, Webb would be engaged to review and update all assessment district splits and apportionments which is a requirement of the Municipal Improvement Act of 1913 (Streets & Highways Code §10000 et seq.) and will allow the City to recover any eligible assessment payments that may be outstanding.

Staff is also researching formation of a Citywide CFD to help offset the cost of additional residential development. The scope within the amendment includes the preparation of a fiscal impact analysis, which would be the basis for establishing a Citywide CFD rate. As part of this fiscal impact analysis, Webb will review the additional cost to provide services to future developments throughout the City. This would allow the City to recover any additional costs incurred related to new development, such as public safety services and maintenance of various public improvements, including streets, storm drains, open space and parks.

Within the amended scope of services, Webb will act as a liaison between developers, property owners, the County Recorder's Office, and City staff. This will help to ease the burden on City staff related to routine administration of current districts. Staff will also be able to focus on developing a more proactive approach to land secured debt issuance, administration, and equitable recovery of costs related to services that provide a private benefit. For new district formations, Webb will prepare Rate and Method of Apportionments, and prepare boundary maps using their team of GIS Specialists in compliance with the Mello-Roos Act of 1982.

The Finance Department is requesting to modify the term of the agreement in order to correctly align it with the timing of the preparation of engineer reports and levying services that Webb provides. The process for gathering data and preparing the engineer reports will typically begin in April of any given year, with final approved totals being submitted to the County Assessor's Office in August. These amounts will then be used for the Riverside County property tax rolls for the December and April installments. Similarly, the ongoing support that Webb currently provides regarding disclosure and reporting requirements begins in April and concludes in March of the

following year. Thus, it would be most logical for the agreement expiration with Webb to follow this same timeline.

FISCAL IMPACT:

The total fiscal impact of this amendment is \$146,600 spread over three fiscal years with \$89,600 being paid from Community Facility and Assessment Districts and \$57,000 being paid by the General Fund.

The additional cost to the City is for Webb's Fiscal Impact Analysis (\$10,000), the Citywide CFD formation (\$20,000), and approximately 40% (\$27,000) of the monthly support services for the remainder of this agreement. This will be spread over three years. The City portion to be paid from the General Fund will utilize funds on hand in the Special Deposit Fund, 0000720-225087, in the amount of \$33,000 in FY19/20. The remaining annual amount of \$24,000 required for future fiscal years will be included during budget development for those years.

Prepared by: Heidi Schrader, Debt and Treasury Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Carlie Meyers, Deputy City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment: First Amendment to Professional Consultant Services Agreement with Webb Municipal Finance, LLC