

Council/Agency Meeting Held: _____	City Clerk's Signature _____
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: 4/4/2005	Department ID Number: CA 05-09

**CITY OF HUNTINGTON BEACH
REQUEST FOR CITY COUNCIL ACTION**

2005 MAR 25 P 2:33
 CITY CLERK
 CITY OF
 HUNTINGTON BEACH, CA

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: *Penelope Cullbreth Graft*
 PENELOPE CULBRETH-GRAFT, CITY ADMINISTRATOR

PREPARED BY: *JM*
 Jennifer McGrath, City Attorney/Daniel Villella, Finance Officer

SUBJECT: Approve Amendment No. 2 to an Agreement with Moreland & Associates, Inc. for Property Tax Refund Claims Processing and Customer Service and Authorize the Appropriation of \$70,000 from the Property Tax Override Refund Fund to Fund the Amendment

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: A second contract amendment with Moreland & Associates is requested to continue the processing of property tax refund claims and to complete the transition of these duties over to City staff. An additional appropriation of \$70,000 is requested from the Property Tax Override Fund to fund the amendment.

Funding Source: Property Tax Override Refund Undesignated Fund Balance (Fund 707 – Fiscal Impact Statement attached).

Recommended Action:

1. Approve a second amendment to the agreement with Moreland & Associates for Property Tax Refund Claims Processing and Customer Service and authorize the City Administrator to execute the agreement.
2. Authorize the appropriation of \$70,000 from the undesignated Property Tax Override Refund Fund (707) balance to the Property Tax Override Refund expense account 70730101.69365 (contractual services) to fund the amendment to the agreement.

Alternative Action(s):

Do not approve the amendment and instruct staff on how to proceed.
 Do not approve the requested appropriation of funds in whole or in part and instruct staff on how to proceed.

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REQUEST FOR ACTION

MEETING DATE: 4/4/2005

DEPARTMENT ID NUMBER: CA 05-09

Analysis: On February 2, 2004, Council approved an agreement with Moreland & Associates of Newport Beach to assist in the processing of property tax refund claims related to the *Howard Jarvis Taxpayers Association case versus the County of Orange*. At the time, based on preliminary scoping discussions, staff estimated the total cost of the project could range between \$250,000-\$500,000 depending on the volume of claims. The initial agreement with Moreland was established at a not-to-exceed amount of \$250,000. However, very early into the project, a number of issues arose that made it clear that additional funds would be needed. These included substantial work in order to establish a means to verify claims electronically with the County's property tax database. Also, a number of claims still required manual verification, necessitating that Moreland staff spend significant additional resources. On September 7, 2004, Council approved an amendment to the Moreland agreement for an additional \$350,000, bringing the total for the project to \$600,000.

On January 18, 2005, staff provided a report updating Council on the project. At that time, it was noted that Moreland's contract had reached the not-to-exceed amount of \$600,000 and that additional funds would need to be provided to secure their services through a transition of the processing of the few remaining claims over to City staff. At the time, Moreland provided an estimate of nearly \$80,000 to complete the remaining claims through April 2005 and train City staff on the property tax database. With the recent turnover of key staff assigned to the project, current staff met with Moreland to discuss the project and the request for additional funds. Staff was able to negotiate a fee of slightly less than \$70,000, which will carry the program through June 2005, bring billings up to date and transition the project management over to City staff.

Environmental Status: Not applicable.

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	Contract Amendment No. 2 with Moreland & Associates
7	2.	Fiscal Impact Statement

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ATTACHMENT #1

AMENDMENT NO. 2 TO AGREEMENT BETWEEN THE CITY
OF HUNTINGTON BEACH and MORELAND & ASSOCIATES, INC.,
FOR PROJECT MANAGER ASSISTANCE PROCESSING
PROPERTY TAX OVERRIDE REFUNDS

THIS AMENDMENT NO. 2 is made and entered into by and between the CITY OF HUNTINGTON BEACH, a California municipal corporation, hereinafter referred to as "City", and MORELAND & ASSOCIATES, INC., a California corporation, hereinafter referred to as "Consultant."

WHEREAS, City and Consultant are parties to that certain agreement, dated February 2, 2004, entitled "Professional Services Contract Between the City of Huntington Beach and Moreland & Associates, Inc. for Project Manager Assistance Processing Property Tax Override Refunds," which agreement shall hereinafter be referred to as the "Original Agreement," and

WHEREAS, the Original Agreement was amended by Amendment No. 1 to the Agreement, entered into on October 22, 2004, which modified the not to exceed amount set forth at Section 4 of the Original Agreement, entitled "Compensation," to a total of Six Hundred Thousand Dollars (\$600,000.00), and,

The original timeline to complete the processing of property tax override refunds, as set forth in Exhibit "A" to the Original Agreement, contemplated the Consultant completing its work by September, 2004, including: (i) turning over to the City the database the Consultant created, and (ii) training City staff to process any remaining and future claims. However, the City has extended that timeline and now wishes to complete the project by June 30, 2005, and

City and Consultant wish to amend the Original Agreement and Amendment No. 1, the processing of property tax override refunds,

NOW, THEREFORE, it is agreed by City and Consultant as follows:

1. Section 4 of the Original Agreement entitled "Compensation," is hereby amended to read as follows:

In consideration of the performance of the services described herein, City agrees to pay Consultant on a time and materials basis at the rates specified in Exhibit "B", a fee including all costs and expenses, not to exceed Six Hundred Seventy Thousand Dollars (\$670,000.00.)

2. Consultant will turn over and City shall accept the processing of property tax override refunds, including the database created by a Consultant, by June 30, 2005. In order to accomplish this objective, Exhibit "A" to the Original Agreement is modified to provide for the following transition schedule during January through June 2005:

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Processing Refund Claims -- January-June 2005

1. Consultant shall continue to process all refund claims and appeals on an as-needed basis through June 30, 2005.

Transition Phase – May-June 2005

1. Consultant (through its subcontractor, DCSE) turns over property tax database to City.
2. Consultant to train designated City staff on database and customer service.
3. Exhibit "B" to the Original Agreement is amended to establish the following hourly fee schedule for the period of January 1, 2005 – June 30, 2005:

	<u>Rate</u>
Customer Service Manager	\$75
Project Management	
Partner	\$95
Managers	\$75
Computer Support	
Manager	\$120
Programmer	\$90

4. Except as specifically modified herein, all other terms and conditions of the Original Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized offices on _____, 2005.

MORELAND & ASSOCIATES, INC.
a California corporation

CITY OF HUNTINGTON BEACH,
a municipal corporation of the State
of California

By: *Kathryn Beseau*
KATHRYN BESEAU
print name

C. J. Jones
Director of Administrative Services

ITS: (circle one) Chairman/President/
Vice President

APPROVED AS TO FORM:

AND

BY: *Michael Moreland*
MICHAEL MORELAND
print name

Jennifer M. Galt
City Attorney *3/24/05*

ITS: (circle one) Secretary/Chief/
Financial Officer/Asst. Secretary-
Treasurer

REVIEWED AND APPROVED:

Jenelope Cullum
City Administrator

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ATTACHMENT #2



CITY OF HUNTINGTON BEACH

INTERDEPARTMENTAL COMMUNICATION

To: Penelope Culbreth-Graft, City Administrator

From: Dan Villella, Finance Officer

Subject: FIS 2005 – 11 Approve Amendment No. 2 to an Agreement with Moreland & Associates, Inc. for Property Tax Refund Claims Processing and Customer Service and Authorize the Appropriation of \$50,000 from the Property Tax Override Refund Fund to Fund the Amendment

Date: March 21, 2005

As required by Resolution 4832, this Fiscal Impact Statement has been prepared for "Approve Amendment No. 2 to an Agreement with Moreland & Associates, Inc. for Property Tax Refund Claims Processing and Customer Service and Authorize the Appropriation of \$50,000 from the Property Tax Override Refund Fund to Fund the Amendment".

If the City Council approves this action (total appropriation \$70,000), the estimated unreserved Property Tax Refund fund balance at September 30, 2005 will be reduced to \$1,729,000.

Dan Villella,
Finance Officer

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CW

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
3-8-04

PRODUCER
PHILIP B. ROBINSON INSURANCE
2081 BUSINESS CENTER DR. # 200
IRVINE, CA 92612 9494749300

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
MORELAND & ASSOCIATES
1201 DOVE ST # 680
NEWPORT BEACH, CA 92660
949-221-0025

INSURER A: AMERICAN STATES INSURANCE CO.
INSURER B: PHILADELPHIA INDEMNITY INS CO.
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EBL GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC	02B0769819	3-26-04	3-26-05	EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMPROP AGG \$1,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> MIXED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	02B0769819	3-26-04	3-26-05	COMBINED SINGLE LIMIT (EA accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$	01CT001899	3-26-04	3-26-05	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	01WC925745	4-1-04	4-1-05	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER EL EACH ACCIDENT \$1,000,000 EL DISEASE - EA EMPLOYEE \$1,000,000 EL DISEASE - POLICY LIMIT \$1,000,000
B	PROFESSIONAL	PHSD058662	4-1-04	4-1-05	1,000,000

APPROVED AS TO FORM:
Jennifer McGrath 3/12/07
JENNIFER McGRATH, City Attorney

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
CPA * IF CANCELED FOR NONPAYMENT 10 DAY NOTICE WILL BE GIVEN SPECIAL FORM
CITY, ITS OFFICERS, ELECTED OR APPOINTED OFFICIALS, EMPLOYEES, AGENTS, AND VOLUNTEERS ARE NAMED AS ADDITIONAL INSURED

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CERTIFICATE HOLDER
CITY OF HUNTINGTON BEACH
2000 MAIN STREET
HUNTINGTON BEACH, CA 92648

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
AUTHORIZED REPRESENTATIVE *[Signature]*

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LEFT
BLANK**