



CITY OF ORLAND STAFF REPORT

MEETING DATE: December 3, 2024

TO: Honorable Mayor and City Councilmembers

FROM: Pete Carr, City Manager

SUBJECT: **Services Agreement for CPA Advisor** (Discussion/Action)

BACKGROUND:

In lieu of an in-house full-time public accountant or finance director, the City of Orland has for many years engaged a certified public accountant (CPA) knowledgeable with municipal finance on a contract as-needed basis. This cost-effective arrangement ensures a CPA oversees the City's monthly accounting, analyzes financial reports, assists with budgeting, and prepares the City for its annual outside financial audit. The annual expense to the City is typically \$30,000-40,000.

The City's current CPA, Roy Seiler, will be retiring from active practice in January 2025. Mr. Seiler provides similar services to Corning and Biggs.

ANALYSIS:

City management staff has been working for several months, in concert with Corning and Biggs, and with the consultative guidance of Mr. Seiler, to identify a suitable replacement CPA service. Our objective has been to find an affordable common provider, preferably located in our region, while acknowledging that many of the services can now be provided remotely. Familiarity with Tyler Systems would be a big plus.

There are many firms interested, but most are located out of State and/or are price-prohibitive. Few firms specialize in small cities and districts. After an exhaustive search and many interviews, we have identified three suitable top candidates: RGS, JJACPA and LSL.

RGS is Regional Government Services, a non-profit joint-powers authority (JPA) with a bench of distributed providers in NorCal and statewide, a wide range of services, many clients both cities and special districts. RGS is established to provide cost-effective services to local government. RGS would be almost entirely remote, bills hourly based on a \$106-\$216/hr rate schedule, and estimates annual expense to be \$21,400.

JJACPA is a private firm with one office in Fort Bragg and one in the Bay Area, thus a smaller bench of accountants but is currently providing financial audit services for Corning. JJACPA provides most of its service on site with daily billing based on hourly rates x 8 hours. Their offer to Orland is \$2400/mo for typical months + extra for budgeting and audit prep, or a flat \$3200/mo, thus we estimate \$28,800 to \$38,400.

LSL is a private firm with four offices in California including one in Sacramento, and one in Texas. It has a strong bench of accountants with experience primarily in larger jurisdictions. LSL provides most of its service remotely with hourly billing based on a \$110-\$420/hr rate schedule. They estimate services for Orland would likely total \$8000-12,500 per month (\$96k - \$150k/year).

All three firms have good references and Tyler familiarity.

Attachments: Proposals from each firm are provided separately to each Council member.

RECOMMENDATION:

Authorize City Manager to enter an agreement with RGS for financial advising services and execute a contract not to exceed \$24,000 annually.

FISCAL IMPACT OF RECOMMENDATION:

None. The up to \$12,000 expense this fiscal year is offset by budgeted services already being provided by R.Seiler. Up to \$24,000 next fiscal year, which would be less than this year.