



CITY OF MENIFEE

SUBJECT: Agreement Amendment with Spicer Consulting Group, for Special District Annexation and Formation Services for Fiscal Year 2022/2023

MEETING DATE: November 2, 2022

TO: Mayor and City Council

PREPARED BY: Kristen Jensen, Financial Analyst

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Approve and authorize the City Manager to execute Amendment No. 1 to an On-call Professional Services Agreement with Spicer Consulting Group to provide special district annexation services for Fiscal Year 2022/2023, increasing the agreement by \$75,100 for a total agreement not-to-exceed amount of \$100,000.

DISCUSSION

Following completion of a competitive Request for Proposal (RFP) solicitation for comprehensive financial consulting services, the City Council awarded a Professional Services Agreement (PSA) to Spicer Consulting Group (SCG) for special district administration services for Fiscal Year (FY) 2022/2023 and authorized the City Manager to extend the services for four additional one-year periods at the February 16, 2022, City Council meeting. The services provided through special district administration include, but are not limited to, the following:

- Annual Engineer's Reports & Annual Reports
- Database Integrity
- Special Tax Rate Calculations
- Assessment rates
- Levy Information / Data Collection
- Annual levy preparation and submittal
- Compliance with Proposition 218
- City Council Meeting preparation and Presentations
- Delinquency Monitoring
- Respond to Property Owner Questions
- Internet site for Property Owners and City Employees

- Annexation Services for future annexations
- Bond Issuance Services
- Other On-Call Services for Finance, Planning, Community Services, and Public Works Departments

Multiple City departments utilize services provided through SCG, and as such, separate agreements and funding sources are established for services based on each department's need. The Public Works Engineering Division utilizes SCG to assist in the process of annexing new developments into the City's existing maintenance community facility districts (CFDs). Annexation into CFDs is a standard condition of approval for all new developments and establishes an ongoing revenue source for proper maintenance of public infrastructure and amenities established as part of the development.

On July 1, 2022, staff administratively entered into an agreement with SCG for special district administration services related to annexations. The Agreement was established in a total not-to-exceed amount of \$24,900 and was executed under the City Manager's signatory authority. It is important to note that costs related to annexation services provided by SCG are fully offset through developer deposits received specifically for the CFD annexation process.

In the first three months of FY 2022/2023, five separate maintenance CFD annexations have been completed and three additional developments are in active review for annexation. Due to the number of annexations expected in FY 2022/2023, an amendment to the current PSA with SCG is necessary to increase the agreed compensation amount by \$75,100 and adjusting the total not-to-exceed compensation from \$24,900 to \$100,000.

STRATEGIC PLAN OBJECTIVE

Safe and Attractive Community

FISCAL IMPACT

There is no fiscal impact related to approval of this item. Funding for the amended agreement total not-to-exceed amount of \$100,000 is available through FY 2022/2023 in the general fund Engineering Division operating budget account no. 100-4551-52825 (Professional Services - Recoverable). Costs related to annexation services provided by SCG are fully offset through developer deposits collected specifically for these services.

ATTACHMENTS

1. Agreement
2. Amendment No. 1