



January 26, 2016

TO: LOCSO Board of Directors
FROM: Renee Osborne, General Manager
SUBJECT: **Agenda Item 11G – 1/5/2017 Board Meeting**
Adopt Resolution Accepting the Proposal from Robert Stilts, CPA for Bookkeeping/Accounting Services

President
Marshall E. Ochylski

Vice President
Jon-Erik G. Storm

Directors
Charles L. Cesena
Vicki L. Milledge
Louis G. Tornatzky

General Manager
Renee Osborne

District Accountant
Warmerdam CPA Group

Unit Chief
Scott M. Jalbert

Battalion Chief
Josh Taylor

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DESCRIPTION

Adopt a resolution approving the updated cost proposal from Robert Stilts for bookkeeping/accounting services for the Los Osos Community Services District and direct staff to enter into an agreement with Mr. Stilts on a month to month basis.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution 2018-05 accepting Robert Stilts, CPA to provide bookkeeping/accounting services for the District and direct staff to enter into a month to month agreement beginning February 1, 2018, at a \$5,000 monthly flat rate.

DISCUSSION

As part of the goal of the Board and the General Manager to decrease Admin cost allocations, bookkeeping duties are being outsourced. An RFP was sent out to all local Certified Public Accountants on December 12, 2016. The Board accepted Mr. Stilts’s proposal for \$3,600 a month (flat rate).

In the past 6 months, there have been adjustments to accounting and bookkeeping duties and procedures. Mr. Stilts has submitted a requested increase of \$1,400 monthly for a total of \$5,000 a month to cover the staff time that the additional workload has impacted his office.

Attached, is Mr. Stilts’s updated proposal, proposed District contract, and Resolution 2018-05 to accept Robert Stilts, CPA’s proposal. Staff requests Board approval to accept the proposal and to allow District Counsel and General Manager to enter into an agreement with Mr. Stilts effective February 1, 2018, with services on a month to month basis.

Attachments

RESOLUTION NO. 2018-05

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
ACCEPTING THE PROPOSAL FROM ROBERT STILTS, CPA
FOR ACCOUNTING AND BOOKKEEPING SERVICES**

WHEREAS, California Government Code Section 61060(g) allows the Board of Directors of a community services district to contract for professional services, including but not limited to accounting and bookkeeping services that fit the needs of the District; and

WHEREAS, the Los Osos Community Services District Board of Directors (Board) does hereby desire to secure the services of a qualified firm to provide bookkeeping and accounting services beginning on February 1, 2018, and

WHEREAS, the Board has accepted the recommendation of the General Manager to retain the services of Robert Stilts, CPA.

NOW, THEREFORE, BE IT RESOLVED that the Los Osos Community Services District Board of Directors does hereby accept the proposal from Robert Stilts, CPA, attached hereto as Exhibit A; and

BE IT FURTHER RESOLVED, that the Board is directing District Counsel and the General Manager to enter into a Consulting Agreement on behalf of the District and that the contract must be consistent with the Request for Proposals and subject to approval of District Counsel.

On the motion of Director _____, seconded by Director _____,
and on the following roll call vote, to wit:

Ayes: _____
Nays: _____
Absent: _____
Conflicts: _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 1st day of February 2018.

Vicki L. Milledge
President, Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Renee Osborne
General Manager and Secretary to the Board

Roy A. Hanley
District Legal Counsel

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into this 1st day of February, 2018, by and between the LOS OSOS COMMUNITY SERVICES DISTRICT, a political subdivision of the State of California, formed and operating in accordance with California Government Code Section 61000 et seq., hereinafter referred to as "District" and ROBERT STILTS, CPA, hereinafter referred to as "Consultant".

RECITALS

WHEREAS, District desires to obtain services from Consultant as specified in Section 1; and

WHEREAS, Consultant is duly licensed, qualified and equipped to perform said services for the benefit of District; and

WHEREAS, the performance of such services by Consultant has been determined by District to be in the public interest.

NOW, THEREFORE, District and Consultant agree as follows:

1. **Scope of Work.** District engages the services of Consultant as an independent contractor to perform the work and render the services described in Consultant's Proposal to District received January 26, 2016 attached hereto as Exhibit A (hereinafter referred to as the "Work"), which is incorporated herein by this reference. The Work is generally described as follows: serve as contract accountant and bookkeeper.

Consultant shall (a) provide all labor, equipment, material, supplies, advice, consultation, analysis, administration, and preparation of policies, procedures and documents required or necessary to properly, competently and completely perform the Work; (b) determine the method, details and means of doing the Work; and (3) perform the Work in a manner commensurate with the highest professional standards of qualified and experienced personnel in Consultant's field.

2. **Payment.** In exchange for the Work, District shall pay to Consultant \$5,000.00 per month for the provided scope as defined in Exhibit A. For additional and out of scope work, as requested by District, District will pay the hourly rates as defined in page 5 of Exhibit A. District will pay, upon invoice, within thirty (30) days.

3. **Term.**

A. This Agreement shall take effect on the above date and shall continue in effect until completion of the Work to the satisfaction of District unless sooner terminated as provided below.

B. This Agreement may be terminated by either party, at will, upon thirty days written notice.

C. In the event of such termination, District shall pay to Consultant as full payment for all services performed and all expenses incurred under this Agreement, in an amount which bears the same ratio to the total fee otherwise payable under this Agreement as the services actually rendered hereunder by Consultant bear to the total services necessary for the full performance of the Work.

4. **Ownership of Documents.** Every document prepared by Consultant under this Agreement shall be the exclusive property of District. By this Agreement, Consultant transfers all of its right, title and interest in such documents to District. To the extent any document prepared under this Agreement constitutes a copyrightable work, the Work under this Agreement shall be considered a work for hire and by this Agreement Consultant shall be deemed to transfer all rights, title and interest in the copyrightable work to District, including the exclusive copyright. Documents prepared by Consultant under this Agreement shall not be provided by Consultant to any other person without District's prior written approval.

5. **Compliance with Laws.** Consultant shall perform the Work in compliance with all applicable federal, state and local laws and regulations regarding safety of persons and property and their protection from damage, injury or loss, including applicable Cal-OSHA regulations. Consultant also shall possess and maintain all permits, licenses and certificates that may be required for it to perform the Work. Consultant shall comply with all laws and regulations as required by local, state and federal agencies regarding nondiscrimination including, but not limited to, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination Employment Act of 1967, and the California Fair Employment and Housing Act. The Consultant is aware of the District's anti-harassment policy and agrees to abide by the policy, practices and procedures set forth and established by the District.

6. **Indemnification.** Consultant agrees to defend, indemnify and hold District, its elected officials, officers and employees harmless from any and all claims, damages, losses or liabilities to the extent caused by the negligent acts, errors, or omissions of Consultant in the performance of services under this Agreement. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist to the parties to this Agreement.

7. **Insurance.**

A. **Types and Limits.** Consultant, at its sole cost and expense, shall procure and maintain for the duration of this agreement the following types and limits of insurance:

<u>Type</u>	<u>Limits</u>	<u>Scope</u>
Commercial Public Liability and Property Damage	\$1,000,000 per occurrence	at least as broad as ISO CG 0001
Automobile Liability	\$1,000,000 per accident	at least as broad as ISO CA 0001, code 1 (any auto)
Workers' Compensation Employers' Liability	as required by State Law	

B. **Other Requirements.** The public liability, property damage and automobile liability insurance furnished by Consultant shall name District as an additional insured and shall directly protect, as well as provide the defense for District, its officers, agents and employees as well as Consultant, and its agents, and employees, if any, from all suits, actions, damages, losses or claims of every type and description to which they may be subjected by reason of or resulting from Consultant's operations in the performance of the Work pursuant to this Agreement, and all insurance policies shall so state. Said insurance shall also specifically cover the contractual liability of Consultant. Said insurance shall also specify that it acts as primary insurance and District's insurance shall not contribute with Consultant's insurance. If Consultant fails to maintain such insurance, District may declare a default in the performance of this Agreement and exercise the remedies specified in Section 5 of this Agreement.

C. Consultant shall be permissibly self insured or shall carry full workers' compensation coverage for all persons employed, either directly or through subcontractors, in carrying out the Work contemplated by this Agreement and in accordance with the Workers' Compensation Act contained in the Labor Code of the State of California. If Consultant fails to maintain such insurance, District may declare a default in the performance of this Agreement and exercise the remedies specified in Section 5 of this Agreement.

D. Consultant agrees to furnish a certificate or certificates substantiating the fact that it has taken out the insurance set forth above for the period covered by the Agreement and all endorsements substantiating coverage of District and its agents and employees as additional insureds. All insurance is to be placed with insurers with a current A.M. Best rating A:VII or better unless otherwise accepted in writing by District.

Each such certificate shall bear an endorsement precluding the cancellation or reduction in coverage of any policy covered by such certificate before the expiration of thirty (30) days after District shall receive notification of such cancellation or reduction.

8. **Independent Contractor.** The parties hereto agree that at all times during the term of this Agreement Consultant, Consultant's employees and agents hired to perform services pursuant to this Agreement are independent contractors and are not agents or employees of District. Consultant shall have control over the means, methods, techniques, sequences, and procedures for performing and coordinating the Work required by this Agreement. District shall have the right to control Consultant only insofar as the result of Consultant's services rendered pursuant to this Agreement. If, in the performance of this Agreement, any third parties are employed or contracted by Consultant, such employees or subcontractors shall be entirely and exclusively under the direction, supervision and control of Consultant. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or contract shall be determined by Consultant, and District shall have no right or authority over such persons or the terms of their employment or contract.

Therefore, neither Consultant or any third persons employed by or contracted by Consultant to perform services pursuant to this Agreement shall be entitled to workers' compensation benefits from District should Consultant or any of its employees or contractors sustain an injury in the course of performing services specified in this Agreement. Furthermore, neither Consultant nor any third persons or contractors employed by Consultant shall be entitled to any other benefits payable to employees of District. Consultant hereby agrees to defend and hold District harmless from any and all claims that may be made against District based on any contention by any third party that an employer/employee relationship exists or that a contractual relationship exists between District and that third party by reason of this Agreement.

Consultant represents that it, and its employees and contractors, if applicable, are properly licensed and will remain so during the progress of the Work contemplated by this Agreement.

9. **Entire Agreement.** This writing and the documents incorporated herein by reference represent the sole, entire, exclusive and integrated contract between the parties concerning the Work, and supersedes all prior oral and/or written negotiations, representations or contracts. Each party to this Agreement acknowledges that no representations or promises have been made by any party hereto which are not embodied herein, and that no other agreement or promise not contained in this Agreement or in the incorporated documents shall be valid or binding. This Agreement may be amended only by a subsequent written contract approved and executed by both parties.

10. **Successors and Assignment.** This Agreement shall bind and inure to the benefit of the heirs, successors and assigns of the parties; however, Consultant shall not subcontract, assign or transfer this Agreement or any part of it without the prior written consent of District.

11. **No Waiver of Rights.** Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default. No payment by District to Consultant shall be considered or construed to be an approval or acceptance of any Work or a waiver of any breach or default.

12. **Severability.** If any part of this Agreement is held to be void, invalid or unenforceable, then the remaining parts will nevertheless continue in full force and effect.

13. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California.

14. **Notice.** Any notice, invoice or other communication that is required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail addressed as follows:

District: Los Osos Community Services District
2122 9th Street, Suite 102
Los Osos, CA 93402
Attention: District General Manager

Consultant: Robert Stilts, CPA
1398 Los Valley Road, Suite E
Los Osos, CA 93402

Any party may change its address by notifying the other party of the change in the manner provided above.

16. **Attorneys Fees.** In the event of litigation between the parties, or if a party becomes involved in a litigation because of wrongful acts of the other party, the prevailing or innocent party shall be entitled to an award of reasonable attorneys fees from the other party. The prevailing party will be entitled to an award of attorneys fees in an amount sufficient to compensate the prevailing for all attorneys fees incurred in good faith.

LOS OSOS COMMUNITY SERVICES DISTRICT

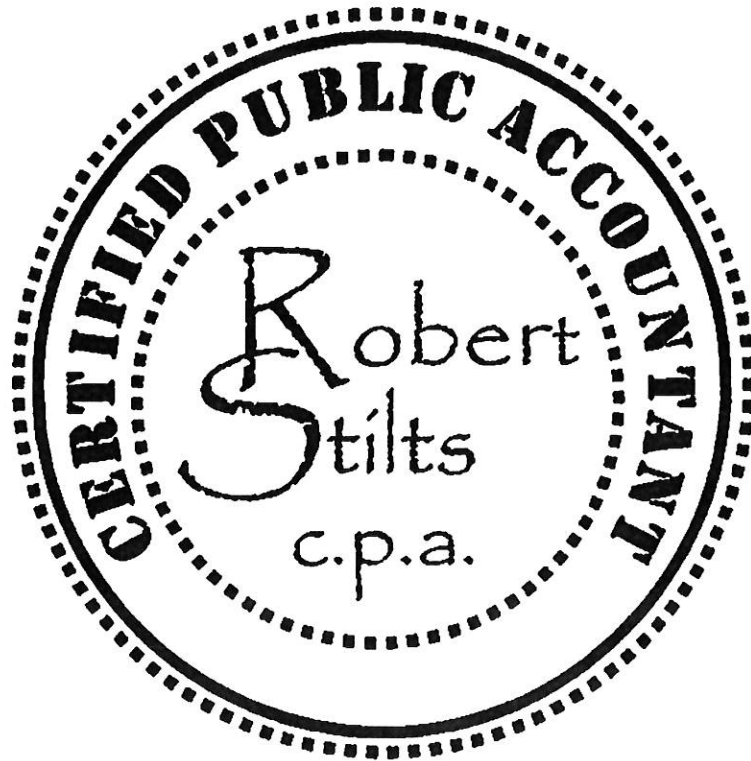
By: _____ Date: _____

Renee Osborne, General Manager

CONSULTANT

By: _____ Date: _____

Robert Stilts, CPA



Los Osos Community Services District Proposal

Robert Stilts, CPA

1398 Los Osos Valley Road, Suite E, Los Osos, CA, 93402

(805) 528-4181

License 76591

FEIN 06-1693234

Robert Stilts, CPA
1398 Los Osos Valley Road, Suite E
Los Osos, CA 93402
(805) 528-4181

Re: LOCSD Accounting Services Proposal

Dear Los Osos Community Service District Board of Directors,

I am very pleased with the opportunity to present my proposal to provide continued bookkeeping and accounting services to the Los Osos Community Services District. I am prepared to continue my coordination with LOCSD personnel to provide a range of services from general support, to the monthly and annual preparation of financial statements outlined below:

A. Regular Monthly Basis

- Processes Accounts Payable and Cash Disbursements. Responsible for processing approved vendor invoices for payment, prepares warrants for signatures, and prepares Accounts Payable reports and basic transactions.
- Prepares periodic statistical and financial reports and records insuring proper classification and distribution of budgeting and cost accounting data.
- Verifies the accuracy of journal and ledger postings and makes adjusting entries when necessary, and incorporate water revenues and budget adjustments.
- Inputs payroll reporting/expenses from payroll service into financial statements.
- Prepares journals, transfers, and other accounting/financial documents.
- Reconciles District bank statements.
- Records County tax revenues.
- Prepares the following items for to be included in the Board's agenda packet: the warrant report, balance sheets, Revenue and Expenditure reports, and written Financial report.
- Gathers, assembles, tabulates, posts, proofs, extends balances and summarizes complex financial and statistical data.

B. Annual Basis:

- Establish Fiscal Year Gann Appropriations Limit for adoption by resolution.
- Prepares 1099s
- Prepares reports for District Auditor once a year from the list below.
 - a. General ledgers for the entire fiscal year and the general ledger from July 1 to the date of the audit.
 - b. Trial balance as of June 30.
 - c. Schedule of revenues and expenses by function for fiscal year ended June 30.
 - d. AP list (list of items that make up the accounts payable balance as of June 30).
 - e. Reconciled bank statements.
 - f. Any other requested information not completed by in house staff.

h. Prepares other required reporting as necessary.

C. General Support:

- Provide assistance to District staff as needed.
- Provide assistance, guidance, and suggestions to the District to improve internal control procedures.
- Attend Finance Advisory Committee meetings and Board meetings, as needed.

This proposal is specifically tailored to LOCSD's accounting requirements. I believe this position can be most effectively carried out by the firm experienced in providing accounting services for Los Osos Community Service District over the last year. The flat monthly rate for services within the provided scope will be \$5,000, beginning February 1, 2018. This offer is a firm and irrevocable offer for 120 days.

Please feel free to contact me with any questions that you may have regarding the proposal. I look forward to continuing my professional relationship with your organization.

Sincerely,

Robert Stilts

Robert Stilts, CPA