



Staff Report

RESOLUTION AMENDING FY 2009 BUDGET (MID-YEAR REVIEW)

Honorable Chair and Board Members:

Summary

Staff presented the financial status and Mid Year Budget Adjustments to the City Council at the meeting of March 10, 2009. At this meeting, staff met with Council in a study session and presented a draft resolution for consideration. Subsequent to that study session, staff identified additional adjustments required for Economic Development activities and acquisition of properties being approved by Council in Closed Sessions.

At the conclusion of the meeting, staff was directed to bring back the resolution for adoption. Attached is the resolution for the Board's action.

Background

Annually, the Agency prepares an analysis of the current year budget at the six month mid point. This analysis is called the "Mid Year Review". The purpose of the Mid Year Review is to discuss the financial results of the organization and suggest corrective action in the event expectations differ from results.

Discussion

Financial reports and budget adjustments were fully discussed at the last meeting. The adjustments requested are inserted as part of this Resolution.

General Plan/Vision Statement

No impact.

Fiscal Impact

The appreciations will increase for capital projects of Emmett House, land acquisition and Economic Development for \$579,470, \$900,000 and \$250,000, respectively, and for ERAF payments for \$477,238.

Public Contact

Posting of City Council agenda. The Finance Commission has been informed of this meeting.

Recommendation

Adopt the resolution adjusting the fiscal year 2008-2009 budget as presented in the Resolution.

Alternatives

1. Take no action.
2. Direct staff to take other corrective measures.

Attachments

- A. Resolution

Respectfully submitted,

Thomas Fil
Finance Director

Jack R. Crist
Executive Director

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REDEVELOPMENT AGENCY RESOLUTION NO. _____

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BELMONT
AMENDING THE FISCAL YEAR 2009 BUDGET AND APPROVING A REVISION TO
REVENUE AND SUPPLEMENTAL APPROPRIATION**

WHEREAS, the Redevelopment Agency (“the Agency”) requires additional funding for expenditures identified hereto; and,

WHEREAS, the Agency finds that it is necessary to augment the budget for those expenditures; and,

WHEREAS, there is undesignated fund balances available to cover the augmentation; and,

WHEREAS, the following accounts require adjustment to address the variances as a result of not being included in the regular budget process; and,

| EXPENDITURES | | | | |
|---------------------|----------------|----------------------|------|----------------------------|
| Fund | Account # | Description | Ref. | Amount Increase (Decrease) |
| 822 | 4633-9519-9020 | Emmett House | 1 | \$579,470 |
| 822 | 4633-9541-9020 | Land Acquisition | 2 | 900,000 |
| 822 | 4633-9560-9030 | Economic Development | 3 | 250,000 |
| 841 | 4637-8588 | ERAF Payments | 4 | \$477,238 |
| | | TOTAL | | \$2,206,708 |

| SUMMARY EFFECT ON FUNDS | | | | |
|--------------------------------|--------------|------------------------------|----------------------------------|--|
| Ref. | Fund | Revenues Increase (Decrease) | Expenditures Increase (Decrease) | Net Change on Fund Balance Increase (Decrease) |
| 1, 2, 3 | 822 | | \$1,729,470 | (\$1,729,470) |
| 4 | 841 | | \$477,238 | (\$477,238) |
| | TOTAL | | \$2,206,708 | (\$2,206,708) |

| REFERENCES | |
|-------------------|--|
| No. | Explanation |
| 1 | Increase budget \$579,470 for Emmett House Reconstruction project. |
| 2 | Increase budget \$900,000 for land acquisition. |
| 3 | Increase budget \$250,000 for Economic Development project. |
| 4 | Increase budget \$477,238 for RDA ERAF payments. |

WHEREAS, the above explanations are provided in support of the budget adjustments, and

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Belmont hereby amends the Fiscal Year 2009 Budget per fund as reflected above.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Redevelopment Agency of the City of Belmont at a regular meeting thereof held on April 14, 2009 by the following vote:

AYES, DIRECTORS: _____

NOES, DIRECTORS: _____

ABSTAIN, DIRECTORS: _____

ABSENT, DIRECTORS: _____

Secretary, Redevelopment Agency

APPROVED:

Chair, Redevelopment Agency

**ADDITIONAL SERVICES AMENDMENT NO. 2 TO
AGREEMENT FOR PROFESSIONAL SERVICES**

This document constitutes the Additional Services Amendment No. 2 entered into as of the _____ day of _____, 2009, to the Professional Services Agreement entered into as of the 17th day of May, 2004 by and between the City of Belmont hereinafter called "CITY" and Alliant Insurance Services, Inc., hereinafter called "CONSULTANT". (See Exhibit A)

RECITALS

This Additional Services Amendment is entered into with reference to the following facts and circumstances:

- A. CITY desires to amend the provisions of the Professional Services Agreement for \$82,400 for FY10, \$84,872 for FY11, and \$87,388 for FY12. The scope of work in this request is listed in Exhibit A
- B. CONSULTANT is desirous of these changes as well.

Based upon the foregoing Recitals the CITY and CONSULTANT agree to the terms of additional services set forth in Exhibit A.

- C. All other terms and conditions of the Agreement shall remain in force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Additional Services Amendment to be executed on the date first above written by their respective officers duly authorized in that behalf.

DATED: _____

DATED: _____

CITY OF BELMONT

CONSULTANT

City Manager

DATED: _____

DATED: _____

APPROVED AS TO FORM

APPROVED AS TO FUNDING

City Attorney

Finance Director

Scope of Services

1. Services. CONSULTANT agrees to provide the following requirements and to provide the following services to the satisfaction of CITY's Finance Director for the placements as described:
 - a. CONSULTANT shall assign Daniel J. Howell, Senior Vice President as the principal to the account. Any changes to the principal or Account Officer personnel require the advance written authorization of CITY.
 - b. CONSULTANT's assigned Account Officer personnel shall have a minimum of five (5) years of brokerage experience.
 - c. Provide comprehensive brokerage services for the policies and types of insurance listed herein.
 - d. Help identify and evaluate the CITY exposure to various risks and analyze the CITY's insurance needs.
 - e. Develop and recommend insurance programs designed to protect the CITY and implement strategies to effectively market and negotiate those programs.
 - f. Assist with the underwriting process and preparation of insurance specifications.
 - g. Provide thorough analysis and comparison of quotes and terms and conditions of coverage.
 - h. Upon CITY approval, purchase insurance from primary and excess insurance markets, surplus lines brokers, and risk financing pools.
 - i. Prepare manuscript insurance policies and endorsements where required.
 - j. Provide policy review and verification upon receipt of policies and provide policy interpretation and assistance in resolution of coverage issues.
 - k. Provide brokerage claims services for claims involving CITY purchased insurance, including coordination of claims and facilitation of settlements.
 - l. Prepare analyses of CITY's insurance premiums.
 - m. Prepare an insurance coverage summary for each policy of insurance purchased by the CITY.
 - n. Attend meetings at CITY and prepare presentations as may be requested by Finance Director
 - o. Provide risk management consulting services as requested and agreed upon by CITY and CONSULTANT.
 - p. CONSULTANT will meet quarterly with CITY's Third Party Claims Administrator to review status of claims and determine if any notifications to carriers are required.
 - q. Perform Risk Assessment Study in Year 1 of Agreement Amendment after agreed upon scope of services and cost approved by CITY.
 - r. Perform Liability Actuarial Study in Year 1 of Agreement Amendment after agreed upon scope of services and cost approved by the CITY.

2. Schedule. CONSULTANT agrees to prepare an annual service calendar that describes the timing of the services, products and deliverables to be provided under this Agreement. CITY's Finance Director shall approve the annual service calendar and any amendments

thereto, and CONSULTANT agrees to perform this Agreement as described in the annual service calendar.

3. Compensation. Effective July 1, 2009 to June 30, 2012, as compensation to CONSULTANT for services rendered hereunder, CONSUTANT shall receive for Core Placements as total compensation amounts not to exceed those shown in the table below and agreed upon amounts for Additional Placements as described herein.

| Payment Date | Core Placements | Worker's Compensation |
|---------------------|------------------------|------------------------------|
| July 1, 2009 | \$38,625 | \$43,775 |
| July 1, 2010 | \$39,784 | \$45,088 |
| July 1, 2011 | \$40,977 | \$46,411 |
| July 1, 2012 | Optional, TBD | Optional, TBD |
| July 1, 2013 | Optional, TBD | Optional, TBD |

Compensation described herein includes compensation for all time and expense for services described in this Agreement. Risk Review and Actuarial Services will be a pass through cost to CONSULTANT with no mark up subject to Finance Director approval of the proposed consultant, scope of work and cost.

It is understood and agreed by the parties that some Core Placements may generate commission to CONSULTANT and the parties acknowledge that such commission compensation shall be offset from the total compensation for Core Placements described herein. CONSULTANT shall provide annually prior to the anniversary of this Agreement an accounting of all commissions paid to CONSUTANT for placements described herein.

It is understood and agreed by the parties that CITY may elect to participate in programs with entities which CONSUTANT has established agreements for compensation. If CITY elects to participate in such programs, CONSULTANT shall earn compensation as established in compensation agreements with such programs. CONSULTANT shall provide an accounting for such program compensation along with the accounting described in the paragraph above.

4. New Placements. If new services or new coverage placements not described in Exhibit C are developed, CONSULTANT shall negotiate equitable compensation with Finance Director. CITY shall not be liable to compensate CONSULTANT for new services or new coverage placements without prior agreement from Finance Director.

5. Taxes and Fees, Indirect Income and use of Intermediaries

- a. Surplus Lines Fees and Taxes. In certain cases, placements made by CONSULTANT on behalf of ITY may require the payment of surplus lines assessments, taxes and/or fees to state regulators, boards or associations. Such assessments, taxes and/or fees will be charges to CITY and identified separately on invoices covering these placements. CONSULTANT shall not be responsible for the payment of any such fees, taxes or assessments except to the extent such taxes or fees have been collected by the CONSUTANT from the CITY.
 - b. Use of Intermediaries. When it is necessary or appropriate, the CONSULTANT may utilize services of intermediaries to assist in marketing the CITY's programs. These intermediaries may be affiliates of the CONSULTANT or unrelated intermediaries. Compensation for the placement of insurance through intermediaries is not subject to the compensation provisions of this Agreement even though the intermediaries utilized by the CONSULTANT receive compensation based upon premiums paid by the city.
6. Schedule of Insurance Placements. CITY hereby agrees to name CONSULTANT as CITY's Broker of Record for placement of the following insurance coverages:

Core Placements included in service fee:

1. Public Entity Liability (including general, auto, public officials and employment practices liability)
2. Workers' Compensation
3. Property
4. Earthquake
5. Boiler & Machinery
6. Fine Arts

Additional Placements compensated as agreed when placed:

7. Crime
8. Miscellaneous Property
9. Builders Risk (Course of Construction)
10. Special Events
11. Surety Bonds
12. Vehicle Physical Damage Coverage
13. Other, as requested by CITY