

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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FROM: MICHAEL TUERPE, Project Manager

TO: LOCAL AGENCY FORMATION COMMISSION



SUBJECT: Agenda Item #7: Consideration of Contract with County of San Bernardino Auditor-Controller/Treasurer/Tax Collector for Continued Payroll and Accounting Services

RECOMMENDATION:

Staff recommends that the Commission continue the consideration of the new contract with the County Auditor for payroll and accounting services to the February 19, 2014 hearing.

BACKGROUND:

In June 2013, the County notified LAFCO that changes in payroll reporting in the Internal Revenue Code as a result of the Affordable Care Act require the establishment of a payroll reporting relationship (in this case the relationship between the County and LAFCO). At the July hearing, the Commission directed the Executive Officer to negotiate a contract with the County for payroll reporting and accounting services and obtain its own federal and state identification numbers. By November the County had not finalized a draft contract for Commission review, and at the November hearing the Commission continued the consideration to the January 2014 hearing.

As of the date of this report, the County still has not finalized a draft contract. Therefore, LAFCO staff cannot provide a draft contract for Commission review. The Assistant Auditor has assured LAFCO staff that payroll services will continue in the same manner as before and it will continue to deposit and pay LAFCO's payroll taxes as LAFCO's "reporting agent", using LAFCO's separate Federal and State Employer Identification Numbers.

CONCLUSION:

Staff will continue to work with Auditor staff on the new contract and provide that document to LAFCO Legal Counsel as soon as possible to allow for his review prior to the February hearing. Staff will continue to work with the County to ensure that payroll reporting and accounting services take place appropriately and that any questions on the proposed contract are provided to the County expeditiously. Staff recommends that the Commission continue this matter to the February 19, 2014 hearing for consideration.