

MINUTES of a regular meeting of the Board of Directors of the Redevelopment Agency of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, at 3:50 P.M. on April 1, 2008.

PRESENT Jon Harrison, Chairperson
Pat Gilbreath, Vice Chairperson
Mick Gallagher, Boardmember
Pete Aguilar, Boardmember
Jerry Bean, Boardmember

ABSENT None

STAFF N. Enrique Martinez, Executive Director; Daniel J. McHugh, Agency Attorney; Steven H. Dukett, Interim Redevelopment Agency Director; Michael Reynolds, Agency Treasurer; and Lorrie Poyzer, Agency Secretary

JOINT MEETING - REDEVELOPMENT AGENCY AND CITY COUNCIL

Auditing Services Agreement - Finance Director Kundig reviewed the process for auditing services for the City of Redlands and the Redevelopment Agency of the City of Redlands. Mrs. Gilbreath moved to approve the second amendment to the agreement for professional auditing services with Mayer Hoffman McCann, P.C. authorizing an optional fourth and fifth year of auditing services beginning with the audit for fiscal year 2007-2008, and authorized the Chairperson to execute, and the Secretary to attest to, the document on behalf of the Agency. Motion seconded by Mr. Gallagher and carried unanimously. (Also see City Council minutes for April 1, 2008.)

NEW BUSINESS

Minutes - On motion of Mrs. Gilbreath, seconded by Mr. Gallagher, the minutes of the regular meeting of March 18, 2008, were approved as submitted.

COMMUNICATIONS

Meeting Attendance - In compliance with Government Code Sections 53232.2 and 53232.3, there were no reports forthcoming from Boardmembers.

PUBLIC COMMENTS

None forthcoming.

ADJOURNMENT

There being no further business, the Board of Directors' meeting of the Redevelopment Agency adjourned at 3:52 P.M. The next regular meeting will be held on April 15, 2008.

Secretary

SECOND AMENDMENT TO AGREEMENT FOR AUDITING SERVICES

This Second Amendment to Agreement to furnish Consulting Services for Professional Auditing Services ("Second Amendment") is entered into on this 15th day of April, 2008 ("Execution Date"), by and between the City of Redlands ("City"), and Mayer Hoffman McCann, P.C. ("Contractor"), on the other hand, with regard to the following:

RECITALS:

WHEREAS, on or about the 17th of May, 2005, City entered into an Agreement for Professional Auditing Services ("Original Contract") with Mayer Hoffman McCann P.C. ("Contractor") for independent audit service to City. Said contract was amended on May 2, 2006.

SECTION 1. RECITALS

WHEREAS, the American Institute of Certified Public Accountants have issued Statements on Auditing Standards #104-111 referred to as the Suite of Risk Assessment Auditing Standards and Statement on Auditing Standard #114 pertaining to "Communication with those in Governance" and these standards commence for the City of Redlands fiscal year ended June 30, 2008 and subsequent years and require the Contractor to expand the scope of audit documentation to prevent material misstatements. SAS #114 requires enhanced Communication with those in Governance (City Council).

WHEREAS, the City desires to exercise the option for the Contractor to perform audit services for fiscal years ended June 30, 2008 and 2009 as set forth in the original contract dated May 17, 2005. Said compensation for fiscal years ended June 30, 2008 and 2009 would be as follows:

	<u>2008</u>	<u>2009</u>
Audit of the City, GANN Limit Review, SAS #112 Letter/SAS #114 Communication, SAS #104-111 Risk Standards Expanded Scope, A-133 Single Audit (One Major Program)	\$43,168	44,515
Financial and Compliance Audit of Redevelopment Agency (SAS #104-111 Risk Standards Expanded Scope)	<u>7,235</u>	<u>7,497</u>
	<u>\$50,403</u>	<u>52,012</u>

SECTION 2. FULL FORCE AND EFFECT.

Except as expressly modified herein, all other terms and conditions of the Original Agreement and Amendment #1 shall be and remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed by its duly authorized representatives on the day and year first written above.

MAYER HOFFMAN McCANN P.C.
(CONTRACTOR)

By Michael A. Harrison
Michael A. Harrison
Shareholder
2301 Dupont Drive, Suite 200
Irvine, CA 92612

CITY OF REDLANDS
a California Municipal Corporation

By Jon Harrison
Jon Harrison - Mayor

ATTEST:

By: Lorrie Poyzer
Lorrie Poyzer - City Clerk

APPROVED AS TO FORM:

By Daniel J. McHugh
Daniel J. McHugh - City Attorney

Date 4 April 2008