



<b>Committee:</b> Finance Committee	<b>Date:</b> 1/25/2022
<b>Common Council Item Number:</b> ID# 22-3435	<b>Date:</b> 2/1/2022
<b>Submitted By:</b> Bridget M. Souffrant, Finance Director	<b>City Administrator Approval:</b> Kevin Lahner, City Administrator
<b>Finance Department Review:</b> Bridget M. Souffrant, Finance Director BMS	<b>City Attorney's Office Review:</b> Brian Running, City Attorney
<b>Subject:</b> Review and Act on a recommendation to execute an audit contract with Baker Tilly, LLP for audit years 2022 through 2024.	

**Details:**  
 The City has a long-standing audit relationship with Baker Tilly, LLP with the last RFP taking place in 2015 and the City selecting Baker Tilly as the auditing firm. The City's current audit contract ends with the 2021 audit year, so we are in need of a new audit contract with Baker Tilly, LLP. It is not common for entities to switch auditing firms as consistency creates efficiency. We are very happy with our audit team and Baker Tilly, LLP as a whole. Not only do they assist us during the audit process, but they also are available should we have questions throughout the year. Based on the turnover in the Finance Department and the release and audit requirements of American Rescue Plan Act funds, it is Staff's recommendation that our auditing firm remain the same for continuity. The Water Utility and Transit Utility are in agreement with moving forward with a contract with Baker Tilly, LLP.

We requested a three-year contract from Baker Tilly, LLP, the breakdown in pricing is as follows:

	<u>City</u>	<u>Water</u>	<u>Transit</u>	<u>Sewer</u>	<u>Total</u>	<u>% Increase</u>
<b>2022</b>	44,620	11,500	11,700	8,275	76,095	5.18%
<b>2023</b>	44,620	11,800	12,050	8,275	76,745	0.85%
<b>2024</b>	46,835	12,100	12,410	8,450	79,795	3.97%

**Options & Alternatives:**  
 Option 1: Approve the audit contract and pricing as shown.  
 Option 2: Direct staff to seek a shorter-term contract.  
 Option 3: Direct staff to seek request for proposals for audit firms.



**Financial Remarks:**

The audit fees are split between four main areas.

The general City portion is charged to Fund 100, Org 1570, Object 52130 (Funding – Tax Levy).

The sewer portion is Fund 603, Org 7380, Object 52130 (Funding - Sewer Revenues).

The Transit portion is not in the City Financial System (Funding – 20% Tax Levy).

The Water Utility is not in the City Financial System (Funding – Water Revenues).

**Executive Recommendation:**

The City Administrator recommends Option 1 for the selection of Baker Tilly, LLP for the City audit.