



Takoma Park City Council Meeting – June 15, 2016 Agenda Item 2

Voting Session

Single Reading Ordinance Authorizing Execution of a Contract with CohnReznick LLP for Preparation of the City's Comprehensive Annual Financial Report

Recommended Council Action

Approve Ordinance

Context with Key Issues

As required by both Section 821 of the Charter of the City of Takoma Park and State law, an independent audit is conducted of the City's basic financial statements on an annual basis. The City is responsible for the preparation of its financial statements and uses the services of a Certified Public Accounting firm to assist with the preparation of these statements.

In 2012, contracts with Lindsey and Associates and CohnReznick LLP were authorized to prepare the Comprehensive Annual Financial Report (CAFR) and perform the annual audit, respectively. Each contract could be renewed for up to five years for this service. For this fifth year, the City Manager and the Finance Director would prefer to not renew the contract with Lindsey and Associates and instead use CohnReznick to aid in the preparation of the CAFR. The CAFR is prepared in September and October each year, for submission to the State by October 31.

There is little time to issue a Request for Proposals for the work to be done this fall, and it is desirable to issue a Request for Proposals for both financial activities at the same time, as they are often done by the same firm. A new request for proposals for preparation of the CAFR and performing the audit will be issued later this year, with the intention of having contracts that may be renewed for up to five years.

City staff have been pleased with the services of the staff of CohnReznick LLP; they are responsive, accurate and thorough. CohnReznick LLP has proposed to assist with the CAFR preparation for a fee of \$13,500. \$20,000 was budgeted for this work in the FY17 City Budget.

Council Priority

Fiscally Sustainable Government

Environmental Impact of Action

No impact

Fiscal Impact of Action

A savings of \$6,500 from the amount allocated for these services in the FY17 Budget

Attachments and Links

Draft Ordinance

Introduced by:

**CITY OF TAKOMA PARK, MARYLAND
ORDINANCE NO. 2016-**

**AUTHORIZING EXECUTION OF A CONTRACT
FOR PREPARATION OF THE CITY'S
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

WHEREAS, Annotated Code of Maryland, Article 19, Section 37 requires all Maryland local governments to file annual financial reports with the Department of Legislative Services; and,

WHEREAS, the City Manager and Finance Director recommend using CohnReznick, LLP to prepare the City's FY 16 Comprehensive Annual Financial Report, rather than renewing the contract with Lindsey & Associates for the fifth year of a five-year period; and

WHEREAS, the City Manager has identified the retention of CohnReznick, LLP as appropriate for sole source procurement given the lack of adequate time for a Request for Proposal process before work to prepare the FY 16 Comprehensive Annual Financial Report must begin; and,

WHEREAS, CohnReznick, LLP is already retained by the City to perform the annual audit of the City's financial statements and has performed those duties thoroughly, accurately and responsively, has also assisted the City in the past year in work associated with the preparation of the Comprehensive Annual Financial Report; and regularly assists other governments in the preparation of Comprehensive Annual Financial Reports as part of its services; and

WHEREAS, CohnReznick, LLP has proposed to perform the work for \$13,500, which is less than the amount budgeted for the work in FY17; and

WHEREAS, the City will issue a Request for Proposals for this work and for the work of performing the annual audit in FY 17 with the intention of retaining one or two firms for a new five-year period, renewable on an annual basis contingent on the City's satisfaction with the firm's performance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The City Manager is hereby authorized to enter into a one-year contract with CohnReznick, LLP for the preparation of the FY 16 Comprehensive Annual Financial Report.

SECTION 2. This ordinance shall become effective upon adoption.

Adopted this XX day of June, 2016 by Roll Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT:

.