



## Takoma Park City Council Meeting – June 14, 2017 Agenda Item 2D

### **Voting Session (Consent Agenda)**

Single Reading Ordinance Awarding a Contract for Preparation of the City's Comprehensive Annual Financial Report and Audit Services

### **Recommended Council Action**

Approve the 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 on the City's basic financial statements annually. The auditors' responsibility is to express an opinion on these financial statements based on their review. The City is responsible for the preparation of its financial statements. In this regard, the City has used the services of a Certified Public Accounting firm to assist with the preparation of its financial statements. The previous contracts for these services were awarded in 2012 and covered the audits and financial statement preparation for fiscal years 2012 through 2016.

Staff issued a combined Request for Proposal for the preparation of the City's Comprehensive Annual Financial Report (CAFR) and for the audit of the City's financial statements for fiscal year 2017 with the option to provide these services for four subsequent fiscal years. Copies of the Request for Proposal were mailed and/or e-mailed to prospective bidders on January 9, 2017. Announcement of the City's call for proposals was also posted on the City's website.

Of the four proposals received, staff recommends the retention of CohnReznick LLP. This firm has a large Government Services Practice and was established in Washington, D.C. 98 years ago. It has performed similar audit services for several Maryland counties and cities as well as for a number of governmental entities outside of Maryland. The proposed engagement staff possesses the required qualifications including many years of relevant experience in performing similar services for governmental entities. This firm has satisfactorily prepared the City's CAFR for FY16 and has performed similar services for other local governments.

### **Council Priority**

Fiscally Sustainable Government

### **Environmental Impact of Action**

We do not believe this Council action will have an environmental impact.

### **Fiscal Impact of Action**

The total fee proposed by CohnReznick LLP for the fiscal year 2017-2021 audit is \$178,510. The total fee for the preparation of the Comprehensive Annual Financial Report for fiscal year 2017-2021 is \$47,500.

**Racial Equity Impact of Action**

We do not believe this Council action will disproportionately impact any particular group.

**Attachments and Links**

- Ordinance Authorizing Execution of a Contract for Services to Perform the Annual Audit of the City's Financial Statements and Prepare the Comprehensive Annual Financial Report

**CITY OF TAKOMA PARK, MARYLAND**

**ORDINANCE NO. 2017-**

**AUTHORIZING EXECUTION OF A CONTRACT FOR SERVICES TO PERFORM  
THE ANNUAL AUDIT OF THE CITY'S FINANCIAL STATEMENTS AND PREPARE  
THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

WHEREAS, the City Charter, Article VIII, Section 821 and the Annotated Code of Maryland, Article 40 require an annual audit of the financial records of the City; and

WHEREAS, in accordance with City procurement procedures, staff solicited proposals for the audit of the City's financial statements and preparation of the comprehensive annual financial report; and

WHEREAS, in response to the City's solicitation, four proposals were received; and

WHEREAS, staff recommends the retention of CohnReznick LLP to perform the annual audit of the financial records of the City and prepare the comprehensive annual financial statement for a 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 proposal received from CohnReznick LLP Certified Public Accountants to perform the audit of the City's financial statements for a five-year term beginning with fiscal year 2017 is accepted, with the cost of each year as follows:

Fiscal Year 2017 Audit	\$33,910
Fiscal Year 2018 Audit	\$34,800
Fiscal Year 2019 Audit	\$35,700
Fiscal Year 2020 Audit	\$36,600
Fiscal Year 2021 Audit	\$37,500

SECTION 2. The proposal from CohnReznick LLP Certified Public Accountants to prepare the City's comprehensive annual financial report for a five-year term beginning with fiscal year 2017, for the total amount of FORTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$47,500), is accepted.

SECTION 3. The City Manager is hereby authorized to enter into a five-year contract with CohnReznick LLP for said services.

SECTION 4. This ordinance shall become effective upon adoption.

Adopted by the Council of the City of Takoma Park, Maryland, this XX day of June, 2017 by roll-call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: