



Takoma Park City Council Meeting – June 2, 2021 Agenda Item 4

Work Session

Single Reading Ordinance Authorizing the Extension of a Contract with CohnReznick LLP

Recommended Council Action

Consider the ordinance.

Context with Key Issues

The City's five-year contract with CohnReznick LLP ends after their completion of the audit and preparation of the Comprehensive Annual Financial Report (CAFR) for the current fiscal year. The City Manager and Finance Director recommend extending the contract for two years before issuing a Request for Proposals for a new five-year contract. The work provided by CohnReznick LLP has been of very high quality and done in a timely manner. The request to extend the services rather than immediately issue a Request for Proposals is due to the special circumstances of this year: the constrained staff capacity due to the COVID-19 pandemic, the transition in the City Manager position, and the expectation of significant funds from the American Rescue Plan Act (ARPA). It is much easier to work with an auditor that is familiar with our organization during these challenging times.

Funds for the services are in the FY 22 Budget.

Council Priority

Mitigate the Impact of COVID-19 on the Community and City Operations
Fiscally Sustainable Government

Environmental Considerations

There are no environmental considerations related to the extension of the contract.

Fiscal Considerations

The cost of the audit will be \$37,500 for FY22 and \$38,400 for FY23. The cost of preparing the Comprehensive Annual Financial Report will be \$9,900 for FY22 and \$10,100 for FY23.

Racial Equity Considerations

There are no known racial equity considerations regarding the use of CohnReznick LLP for auditing and financial report services.

Attachments and Links

- Draft Single Reading Ordinance Authorizing the Contract Extension

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2021-

**AUTHORIZING EXTENSION OF THE CONTRACT WITH COHNREZNICK LLP
FOR SERVICES TO UNDERTAKE 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 in 2017; and

WHEREAS, after evaluation of the proposals, the committee recommended the retention of CohnReznick LLP to perform the annual audit of the financial records of the City and preparation of the comprehensive annual financial statement, renewable on annual basis contingent on the City's satisfaction with the firm's performance; and

WHEREAS, in 2017, the Takoma Park City Council adopted Ordinance 2017-32 which authorized the City Manager to enter into a five-year contract with CohnReznick LLP for said service which ends after work associated with Fiscal Year 2021; and

WHEREAS, the services provided by CohnReznick LLP have been of high quality and provided in a timely manner; and

WHEREAS, given the additional constraints brought on by the COVID-19 pandemic, the transition to a new City Manager, and the anticipated receipt of significant American Rescue Plan Act (ARPA) funds, there is interest in extending the five year contract by two years without going out for a Request for Proposals for auditing and financial services; and

WHEREAS, CohnReznick LLP submitted an addendum to the contract on April 26, 2021 to continue the performance of said service for a two-year period.

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

SECTION 1. The addendum to the contract received from CohnReznick LLP Certified Public Accountants to perform the audit of the City's financial statements for a two-year term beginning with fiscal year 2022 is accepted, with the cost of each year as follows:

Fiscal Year 2022 Audit	\$37,500
Fiscal Year 2023 Audit	\$38,400

SECTION 2. The addendum received from CohnReznick LLP Certified Public Accountants to prepare the City's comprehensive annual financial report for a two-year term beginning with fiscal year 2022 is accepted, with the cost of each year as follows:

Fiscal Year 2022 CAFR	\$ 9,900
Fiscal Year 2023 CAFR	\$10,100

SECTION 3. The City Manager is hereby authorized to enter into a two-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, 2021 by roll-call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: