



**CONSENT CALENDAR**

**Agenda Item # 6**

**AGENDA REPORT SUMMARY**

**Meeting Date:** March 9, 2021

**Subject:** Contract Amendment: Ongoing Accounting Services

**Prepared by:** Jon Maginot, Deputy City Manager

**Approved by:** Brad Kilger, Interim City Manager

**Attachment(s):** None

**Initiated by:**

Staff

**Previous Council Consideration:**

None

**Fiscal Impact:**

The total contract amount for Council approval is \$195,400. These funds will come from the General Fund and in general, are offset by salary savings when vacancies arise within the Administrative Services Department (currently, the Administrative Services Department has three vacancies touching the Finance Division: Administrative Services Director, Financial Services Manager and Accounting Technician). The City has expended \$68,680 for this contract thus far.

**Environmental Review:**

Not applicable

**Policy Question(s) for Council Consideration:**

- Does the Council wish to amend the contract with Eide Bailly to provide additional ongoing accounting services?

**Summary:**

- The City currently has an agreement with Eide Bailly to provide ongoing accounting services
- A contract amendment is needed to allow Eide Bailly to continue providing ongoing accounting services when dealing with vacancies within the Finance Division

**Staff Recommendation:**

Authorize the Interim City Manager to execute a contract amendment with Eide Bailly LLP in an amount not to exceed \$126,720 (total contract amount of \$195,400) for ongoing accounting services

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**Reviewed By:**

City Manager

BK

City Attorney

JH

Finance Director

JM

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**Subject:** Contract Amendment: Ongoing Accounting Services

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**Purpose**

To amend the contract with Eide Bailly LLP for ongoing accounting services

**Background**

On November 7, 2019, the City entered into a contract with Eide Bailly LLP for ongoing accounting services, including assisting with year-end closing entries, reconciling account statements to the City's general ledger, drafting financial statements and implementing additional procedures and controls to the City's accounting functions. The City has utilized these services from time-to-time as the need has arisen due to vacancies within the Finance Division.

**Discussion/Analysis**

To date, the City has expended \$68,672.50 for this contract. In order to continue utilizing these ongoing accounting services, it is recommended that the City Council approve a contract amendment to extend the contract. This amendment will continue to provide the City with assistance in performing general accounting functions. These functions include assisting the City with:

- Preparing month-end and year-end closing journal entries, schedules and financial reports
- Preparing monthly bank and investment statement reconciliations
- Preparing other various reconciliations as directed and related journal entries
- Drafting Comprehensive Annual Financial Report
- Documenting recommended changes to procedures and accounting practices
- Implementing additional procedures and controls

These services will fall outside of the agreement with Eide Bailly for financial consulting services.

Much like the City contracts with consultants in the Community Development and Engineering Services Departments for as needed plan checking and/or inspection services, this contract provides the City with the ability to utilize the expertise of Eide Bailly as needed. This will allow the City to continue to address accounting needs as they arise. This contract amendment will also provide the City ongoing support needed once the financial consulting services agreement concludes.

As the City fills vacancies within the Finance Division and begins to perform these functions internally, it is anticipated that the services provided under this contract will not need to be utilized as frequently. However, should vacancies or absences occur, the City will have the ability to utilize this agreement as needed.

The contract amendment provides for a not to exceed amount of \$42,240 for the remainder of FY 2020/21 and \$84,480 for FY 2021/22.



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### **Options**

1) Approve the proposed contract amendment

**Advantages:** Extending the contract will allow the City to utilize the services of Eide Bailly for ongoing accounting services

**Disadvantages:** None identified

2) Do not approve the proposed contract amendment

**Advantages:** None identified

**Disadvantages:** The current contract with Eide Bailly will terminate and the City will not be able to utilize the ongoing accounting services provided by Eide Bailly

### **Recommendation**

The staff recommends Option 1.