



MAYOR AND COUNCIL COMMUNICATION

DATE: 1/15/2013  
**CONSENT**  
ITEM #: 15  
**MOTION** Regular Agenda

**AGENDA ITEM:** Approval of New Audit Firm  
**SUBMITTED BY:** Cathy Bendel, Finance Director  
**REVIEWED BY:** Dean Zuleger, City Administrator

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**SUMMARY AND ACTION REQUESTED:** The City Council is respectfully asked to approve the acceptance of the attached proposal for Professional Audit Services from Smith Schafer & Associates and enter into a three year contract for services covering 2012, 2013 and 2014.

**BACKGROUND INFORMATION:** As directed by the City Council on November 20, 2012, an RFP was issued to obtain competitive quotes for the year-end audit services. Eight firms expressed interest and of those, two proposals were reviewed in depth by the City Administrator and the Finance Director; Abdo Eick & Meyers, LLP and Smith Schafer & Associates LTD. As anticipated, both firms proposed an annual average rate significantly lower than the actual 2011 costs; a 12% proposed reduction by Abdo Eick & Meyers, LLP and a 26% proposed reduction by Smith Schafer & Associates.

**RECOMMENDATION:** Although both firms are extremely professional and competent, it is recommended that the City Council approve moving the annual contract for audit services to Smith Schafer & Associates for the audit periods of 2012-2014. This will allow for a cost savings of \$21,000 over the three year contract period as well as providing for a fresh review by a new firm.

**“Move to approve the three year annual audit contract to Smith Schafer and Associates beginning with year-end 2012”**

**ATTACHMENTS:**

1. Proposal for Audit Services – Abdo, Eick & Meyers LLP
2. Proposal for Audit Services – Smith Schafer & Associates, LTD