

Finance Committee
April 5, 2021
6:00 p.m. - City Hall Council Chambers

Chairman Ptak called the meeting to order at 6:00 p.m.

ROLL CALL:

Present: Alderman Ptak, Alderman Demes, Alderman Lavieri, Alderman Jeppson, Alderman Herndon

Excused Absence: None

Others Present: Alderman Reynolds, Alderman Bacidore, Alderman Crane, Deputy Clerk Brent Bader, Finance Director John Duncan, Attorney Jim McPhedran

A quorum was present.

The minutes of the Finance Committee held on March 22, 2021 were unanimously approved by the Committee by voice vote after a motion from Alderman Lavieri and a second by Alderman Jeppson. Each and every alderman has a copy.

Alderman Demes questioned a charge on page 2 of the Paid Invoices under the Street Department totaling \$1,221.42. It appears to be for items ordered and paid through the Elan Bank credit card to a vendor listed as OCCOUTDOORSOnline.org. Chairman Ptak was unable to locate the invoice to confirm what the charges were for, so Finance Director Duncan will look into the charge further and report back to Alderman Demes.

Alderman Lavieri asked if the city was close to making the final payment of sales tax rebate money to Becks. Finance Director Duncan said that payments are made several times a year to Beck's and at this time we have paid \$248,000 of the \$600,000 committed to Beck's in sales tax rebates. The rebate was part of an agreement made with Beck's some years ago.

In regard to an auditor for the City of La Salle, Finance Director Duncan stated that it is his recommendation to hire Hopkins and Associates, CPA's based out of Granville, as auditor for the City for fiscal year ending April 30, 2021.

Director Duncan explained that the city had used the same audit firm for many years, Jay Mickow CPA PC based out of Princeton. When Mr. Mickow passed away several years ago, his partner Monica Robbins took over the practice. At this time, she is moving on. Mr. Duncan explained that when a firm takes on audit accounts for municipalities you subject yourself to a peer review. Much more is required to do the peer review. Since we are her only customer that is a municipality, she no longer wants to perform the audit for the city. However, she is willing to continue to provide other services such as assistance with the annual treasurer's report, annual budget appropriations and review of other financial reports. Currently our relationship with Robbins is about \$40,000 per year, but the audit piece accounts for \$27,000-\$35,000 depending if we need a single audit or not. A single audit is required if the city takes in \$750,000 or more in Federal Grant money. Mr. Duncan said it is great that we receive grant money, but it does cost more to do the audit. Mr. Duncan said on average our audits have run around \$30,000.

Mr. Duncan said he sought input regarding other auditing firms and reached out to other municipalities about our size to see if they were happy with their auditor. Mr. Duncan said he concluded from that

input that given the short amount of time we are dealing with, Hopkins and Associates seemed to be a great option. He continued by saying that the firm handles about 40 local municipalities. They are familiar with cities of our size and having a peer review if needed is not an issue. When some others sought bids for their audit, using Peru as an example, low bids came in at \$28,000-\$30,000, with high bids upwards of \$60,000. At the high end were bids from big firms like Baker Tilly. Mr. Duncan said he had hoped Baker Tilly would have been an option for us because of their relationship with Civic Systems. Civic Systems is owned by Baker Tilly and is the software we use in the Finance office. Mr. Duncan said he thought they would have been more reasonable, but that was not the case.

Mr. Duncan said he is recommending that we take the Hopkins contract for this year. Next year we will have more time to seek other bids if we so choose. Mr. Duncan indicated that the \$30,000 rate we were given is extremely reasonable. He was unsure if we would require a single audit this year, but with the monies received through the Cures and Cares Act, it may be a possibility. The fee for a single audit is an additional \$3,500.

Chairman Ptak asked if it would make sense to have just one accountant and auditor in one firm versus Robbins doing one portion and Hopkins doing the audit portion.

Mr. Duncan explained that for reasons of independence, the audit and accounting should be done by two separate entities.

Mr. Duncan said there is the possibility that we may want to have a longer relationship with Hopkins as they are reputable, priced reasonably, and have a good understanding of local municipalities. Chairman Ptak wondered if the fact that they have 40 municipalities would slow things down for our city. Mr. Duncan said they have many people working for them and we would work together to establish a timetable that is agreeable to both parties in order for deadlines to be met.

The committee was in favor of recommending the hiring of Hopkins and Associates as auditor for fiscal year ending April 30, 2021.

Attorney McPhedran confirmed that when it comes to professional services such as auditors and engineers, a formal bidding process is not required. He said that the law recognizes there are other factors that play into choosing these type of services aside from price and therefore the bidding process is not required.

Mr. Duncan said Monica Robbins was extremely easy to work with, but it is always good to have an extra set of eyes looking at financial reports.

There were no further questions or comments from the public.

The meeting was adjourned at 6:17 p.m.



Carrie Brown, City Clerk