

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: June 23, 2014

BIS 14-200

File: TMP-2014-00386

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO RENEW THE AGREEMENT BETWEEN THE CITY AND MCGLADREY LLP FOR AN ADDITIONAL TWO (2) YEAR TERM (FINAL OPTIONAL RENEWAL) TO PROVIDE FINANCIAL AUDITING SERVICES IN AN ESTIMATED TOTAL AMOUNT OF \$552,500.00.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient resources are identified /available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

The Financial Services Department desires to contract with a certified public accounting firm to audit the City's financial statements for the fiscal years ending September 30, 2014 through 2015.

The City Commission authorized the execution of an agreement between the City and McGladrey LLP (formerly McGladrey & Pullen, LLP) for the purpose of auditing and reviewing the financial records by Resolution R-2009-202 for the City for the fiscal years ended September 30, 2009 through 2011 providing for an option to renew for two (2) additional two (2) year periods at the option of the City Commission, and amended by Resolution R-2009-376 to include a 2 year audit of the CRA districts (Beach CRA and Downtown CRA) covering fiscal years 2008 and 2009, and separate CRA audits (Beach CRA and Downtown CRA) to be conducted for fiscal years 2010 and 2011.

On July 18, 2012, the agreement between the City and McGladrey LLP was amended by

Resolution R-2012-221 to extend the agreement for the initial two year period to cover audits for fiscal years 2012 and 2013, including separate CRA audits.

The professional services provided by McGladrey LLP to the City during the first three years of this contract and the initial two year extension period have met or exceeded the City's expectations. Therefore, the Director of Financial Services recommends a renewal for the final additional two (2) year period for an estimated total amount of \$552,500.00. This amount represents the same estimated fee for the two year extension as the fee for the initial two year extension and includes the total for the City and both CRA districts.

In addition, audits of the CRA districts (BCRA and DCRA) will be continued for the same 2 year period with no increase in the current fee structure. The current annual fee structure includes \$31,500.00 for the Beach CRA and \$15,750.00 for the Downtown CRA.

Funding for this agreement has been partially provided in the fiscal year 2014 audit services accounts appropriated in several City and CRA funds, with the balance subject to appropriation in subsequent years' budgets.

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