



City of Hudson, Ohio

Staff Report With Text

File #: 20-17 **Version:** 1 **Name:**

Type: Resolution **Status:** Passed

File created: 2/11/2020 **In control:** City Council

On agenda: 2/18/2020 **Final action:** 2/18/2020

Title: A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES CONTRACT WITH CIUNI & PANICHI, INC. FOR THE PREPARATION OF THE CITY'S 2019 ANNUAL FINANCIAL STATEMENTS.
Brief Description: This is a contract with an accounting firm to assist staff in the preparation of the 2019 annual financial statements.

Sponsors: Craig Shubert

Indexes: Finance - General

Code sections:

Attachments: 1. Resolution No. 20-17

Date	Ver.	Action By	Action	Result
2/18/2020	1	City Council	approved on the consent agenda	Pass

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES CONTRACT WITH CIUNI & PANICHI, INC. FOR THE PREPARATION OF THE CITY'S 2019 ANNUAL FINANCIAL STATEMENTS.

Brief Description: This is a contract with an accounting firm to assist staff in the preparation of the 2019 annual financial statements.

Legislative History

None

Purpose & Explanation

The City's annual financial statements are required to be reported on an accrual basis. This is a contract with an accounting firm to assist staff in preparation of those statements and related notes to the financial statements. The City has always used this service as it is deemed the most efficient approach in preparing our statements for audit.

Our 2019 statements will include Governmental Accounting Standards Board (GASB) Nos. 68 and 75 which are the reporting requirement for pensions. In summary, local governments are required to report their share of the net pension liability on the balance sheet. This requires additional calculations and disclosures in our statements. In addition, we are required to report Other Post-Employment Benefits (OPEB) which includes reporting our share of the unfunded liability for retiree health care.

New for 2019 implementation are GASB 83 - *Certain Asset Retirement Obligations* (AROs)

Examples of AROs are the wells at the water plant as well as the new brine well. We need to determine if there is a legally enforceable liability associated with the retirement of the asset and report the value of that

liability.

Also new for 2019 is GASB 84 - *Fiduciary Activities*. This requires evaluation of our fiduciary funds to determine proper reporting and disclosures under the new standard. Our current fiduciary funds are those in which the City holds assets for others but we do not exercise control such as the library levy proceeds or the school district's share of the income tax.

The estimated costs are as follows:

Financial statement preparation	\$28,400
GASB 68/75 Supplemental Data	\$ 3,400
GASB 83 implementation	\$ 1,500
GASB 84 implementation	<u>\$ 1,500</u>
Total	<u>\$34,800</u>

Legal Authority for Proposed Legislation

Pursuant to Charter Section 6.04, Contracts & Purchasing:

Competitively bid and advertised for two consecutive weeks; bid tab attached: [Yes/No/NA]

Joint or Cooperative Purchase Program

☒ Professional Services

Other [provide explanation]

Fiscal Impact

☒ Currently Budgeted

Supplemental Appropriation Required

Appropriation Not Required

Does this legislation require use of an emergency clause?

Yes [if so, explain why]

☒ No

Timing Considerations

Staff requests passage of this legislation on consent agenda to allow the timely preparation of our annual financial statements.

Suggested Action

Staff recommends approval of the contract with Ciuni & Panichi, Inc. for the preparation of City's 2019 annual financial statements.

Submitted by,

Jane Howington, City Manager

Jeff Knoblauch, Asst. City Manager/Finance