

ORDINANCE NO. 23-179

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF AGREEMENT BETWEEN THE AUDITOR OF STATE, CITY OF SANDUSKY, AND REA & ASSOCIATES, INC., OF NEW PHILADELPHIA, OHIO, FOR AUDITING SERVICES FOR THE FISCAL YEARS 2023-2027; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, the Auditor of the State of Ohio relies on the assistance of and contracts with Independent Public Accountants (IPA) to satisfy their obligation to perform statutorily required audits of each public office in Ohio; and

WHEREAS, the Auditor of State, City of Sandusky, Erie County, and Rea & Associates, Inc. entered into a Memorandum of Agreement on March 25, 2011, for the purposes of auditing and subsequently executed a five (5) year Extension Agreement that expired on December 31, 2019; and

WHEREAS, IPA firms are typically limited to auditing entities for no more than ten (10) consecutive years, however, the City received a waiver for an additional one (1) year extension for fiscal year 2020; and

WHEREAS, the State of Ohio Auditor’s office performed the City’s audit for fiscal years 2021 and 2022 and has released the City to have future audits performed by an IPA again for years 2023 through 2027; and

WHEREAS, the Auditor of State issued a Request for Proposals (RFP) on July 11, 2023, to conduct the City’s audit for fiscal periods January 1, 2023 through December 31, 2027, in which six (6) proposals were received and evaluated by the State of Ohio and the City and based upon their score, Rea & Associates was selected as the most advantageous to the Auditor of State and City to perform the audits; and

WHEREAS, the cost of the auditing services will be paid with General Funds (50%), Water Funds (25%), and Sewer Funds (25%) and is detailed as follows:

<u>Fiscal Year</u>	<u>Annual Fee</u>
2023	\$54,000.00
2024	\$55,800.00
2025	\$54,720.00
2026	\$56,430.00
2027	\$58,140.00
Total	\$279,090.00

WHEREAS, this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order to immediately execute and forward the Memorandum of Agreement to the Auditor of State by the deadline of August 29, 2023; and

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WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of Municipal Departments, including the Finance Department, of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio, finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. The City Manager is authorized and directed to enter into a Memorandum of Agreement between the Auditor of State, City of Sandusky, and Rea & Associates, Inc. for auditing services for the fiscal periods January 1, 2023 through December 31, 2027, a copy of which is marked Exhibit "A" and is attached to this Ordinance and is specifically incorporated as if fully rewritten herein, together with such revisions or additions thereto as are approved by the Law Director as not being substantially adverse to the City and as being consistent with carrying out the terms of this Ordinance.

Section 2. The City Manager and/or Finance Director is authorized and directed to expend funds to Rea & Associates, Inc. of New Philadelphia, Ohio, in the amount of \$54,000.00 for FY 2023, \$55,800.00 for FY 2024, \$54,720.00 for FY 2025, \$56,430.00 for FY 2026, and \$58,140.00 for FY 2027 for a total amount **not to exceed** Two hundred Seventy-Nine Thousand Ninety and 00/100 Dollars (\$279,090.00).

Section 3. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 4. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 5. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its

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adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.



RICHARD R. BRADY
PRESIDENT OF THE CITY COMMISSION



ATTEST:

CATHLEEN A. MYERS
CLERK OF THE CITY COMMISSION

Passed: August 28, 2023

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPACorrespondence@ohioauditor.gov
(800) 282-0370

MEMORANDUM OF AGREEMENT

This agreement is entered into as of the ____ day of _____, _____, by and between _____ an independent public accountant (IPA), **KEITH FABER**, Auditor of State of Ohio (Auditor) and _____, _____ County (Public Office) WITNESSETH:

Whereas, the Auditor of State on _____, issued a Request for Proposals for an engagement related to _____, including any components and other requirements stated in the Request for Proposal, pursuant to Sections 117.11 and _____, Revised Code, for fiscal periods _____.

Whereas, IPA responded to the Request for Proposals with a formal proposal wherein they indicated their willingness to perform the engagement related to the Public Office in accordance with the items and conditions set forth in the Request for Proposals; and

Whereas, the Auditor of State, in consultation with the Public Office, has determined the IPA has submitted the proposal most advantageous to the Auditor and Public Office;

NOW, THEREFORE, IPA and Public Office do mutually agree as follows:

1. This Memorandum of Agreement, the Request for Proposals, the Proposal of the IPA and any written documents supplementing, amending, or incorporating the Request for Proposal, the Proposal of the IPA, and the Memorandum of Agreement constitute the integrated written agreement of the parties, to be known as the "Contract";
2. The IPA shall, in consideration of the payments specified in the Proposal, and subject to the requirements of the Contract, perform the specified engagement related to the Public Office;
3. Public Office will provide the IPA with such payments, services, and support as are specified in the Request for Proposals; and
4. The Auditor will provide the IPA with such services and support as are specified in the Request for Proposals; and
5. If applicable, pursuant to the agreement of the parties a subcontractor with respect to the Contract will be as stated below. Further, pursuant to the RFP Terms of Engagement and this Contract, the IPA shall be and remain solely responsible to the Public Office and Auditor for the acts the IPA performs or faults of any subcontractor and of any subcontractor's officers, agents or employees, who are deemed to be agents or employees of the IPA to the extent of the subcontract. Each subcontractor shall jointly and severally agree that neither the Public Office nor the Auditor is obligated to pay or to be liable for the payment of any sums due the subcontractor.

Subcontractor Name _____

Address _____

Number of Hours

Rate Per Hour

Total Subcontract

IN WITNESS WHEREOF, Auditor, Public Office and IPA have executed this agreement.

Legislative Authority or Designee for

Date

Date

APPROVAL:

Compliance, Auditor of State
Office of **KEITH FABER, Auditor of State of Ohio**
In Accordance with Sections 117.11 & _____ Revised Code
(Not valid unless approved by AOS Representative)

Date

EXHIBIT "A"

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPA_Correspondence@ohioauditor.gov
(800) 282-0370

Certification of Compliance with Procurement Requirements

This is to certify that, to the best of my knowledge and belief as the appropriate official of the _____, we have complied with all applicable federal, state and local procurement requirements in the selection of the firm _____ to perform the audit of the _____, which is the subject of the accompanying contract.

Date

EXHIBIT "A"