
MEMORANDUM



TO: Mayor Walker and Councilors
FROM: M McPherson, City Administrator
SUBJECT: **Authorize Execution of a Service Contract with Abdo Financial Solutions**
DATE: August 23, 2022

Background:

The City has been without a Finance Director since March 4, 2022. The day-to-day financial activities are being handled by Accountant Hodge and myself. However, there are questions that come up that neither of us can answer, so having an outside financial service provider would be beneficial.

Abdo Financial Solutions provided audit preparation services to the City. We found the staff to be knowledgeable, timely and easy to work with. It made sense to ask them to provide a proposal for the following:

1. Up to 8 hours per month of either phone or email question & answers regarding proper financial procedures.
2. Assistance in calculating the preliminary levy increase.
3. Assistance as needed with monthly reconciliation, likely responding to questions regarding journal entries.
4. Assistance with all of the required annual forms – levy certification, etc.
5. Preparation and assistance with personnel cost increases for wages, step increases, health insurance, etc. Steve and Tracy used a very complicated excel spreadsheet; this would need to be updated twice (or some form of calculations made) – first for the preliminary levy calculation and second for the final levy certification.

They have provided the attached proposal for the Council's consideration. The monthly cost for providing the service is \$2,040. Service can be in person or remote; the new version of our finance software is very lovely to work in, and as it is hosted in the cloud, there is little need to access the City's server.

In preparation for the 2023 budget, I have also requested an estimate of these ongoing costs as well as a cost for audit preparation assistance.

Recommendation:

Staff recommends that the City Council authorize execution of the agreement with Abdo Financial Solutions to begin September 1, 2022 and ending December 31, 2022.