

RESOLUTION NO. 2022-19

**RESOLUTION APPOINTING PAULY, ROGERS, AND COMPANY,
THE CITY AUDITOR FOR THE FISCAL YEAR ENDING JUNE 30, 2022
THROUGH THE FISCAL YEAR ENDING JUNE 30, 2024**

WHEREAS, State law requires the City's financial statements to be audited by a qualified independent auditor; and

WHEREAS, the Forest Grove City Charter specifies the City Auditor shall be appointed by the City Council; and

WHEREAS, the current auditors, Singer Lewak, LLP, have performed the audit for the last eleven years and periodic replacement of auditors is in accordance with the Government Finance Officers Association recommended best practice; and

WHEREAS, finding new auditors is very difficult due to high demand for services, fewer qualified firms due to staff retention, and not enough auditors; and

WHEREAS, staff obtained a three-year proposal from a local firm with an established record of performing municipal audits; and

WHEREAS, staff is recommending that the Council agree to appoint Pauly, Rogers, and Co., P.C. to be the City Auditor.

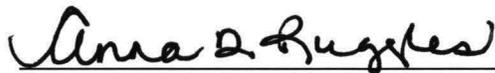
NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1: The City Council appoints Pauly, Rogers, and Co., P.C. to be the City Auditor for the fiscal years ending June 30, 2022 through June 30, 2024.

Section 2: The City Council authorizes the City Manager or designee to sign a contract for services to perform the City's annual audit to comply with State law.

Section 3: This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 21st day of March, 2022.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 21st day of March, 2022.



Peter B. Truax, Mayor



A place where families and businesses thrive.

CITY RECORDER USE ONLY:	
AGENDA ITEM #:	F. 3.
MEETING DATE:	03/21/2022
FINAL ACTION:	RESO 2022-19

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

MEETING DATE: March 21, 2022

PROJECT TEAM: Paul Downey, Assistant City Manager/Finance Director

SUBJECT TITLE: Resolution to Appoint City Auditor

ACTION REQUESTED:

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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X all that apply

ISSUE STATEMENT:

The Forest Grove City Charter specifies the City Council appoint the City Auditor. The City’s current auditor, Boldt, Carlisle, & Smith, LLC, (BCS), now called Singer Lewak LLP, has been the City’s Auditor for the past eleven years. Staff is recommending that Pauly, Rogers, and Co., P.C. be appointed to be the City Auditor for the fiscal years ending June 30, 2022 through June 30, 2024. A resolution has been prepared for Council consideration.

BACKGROUND:

The Council appointed the current auditors to a one-year extension last year with the stipulation that staff would issue a request for proposal (RFP) for the next three-year cycle for an audit firm. Staff was preparing the RFP and discovered the market for municipal auditors is extremely tight as one firm is in the process of stopping doing audits and other auditors are not taking on new clients and/or not retaining current clients due to staff retention issues.

The City spoke to two other cities who were having trouble getting potential auditors to even respond to them. Our current auditor is not retaining clients due to staffing retention. Since the City has been with our current auditors for eleven years and we told them that the City would be doing an RFP, the City’s current auditor assumed the City would be changing auditors and planned to not retain the City as a client. After some discussion, our current auditor agreed to retain the City as a client and to do the audit for the next two years with an option for a third year if the Council would reappoint them.

While staff was waiting for a decision from our current auditor as to whether they would retain the City as a client, in an effort to assure the City had an auditor in the event the current Auditor did not retain the City as a client, City staff reached out to a nearby firm, Pauly Rogers, which has a

well-established record of performing municipal audits, to see if they would consider submitting a proposal. Pauly Rogers was the City's auditor when Paul Downey, Assistant City Manager / Finance Director, started in 1999. Pauly Rogers said they would submit a proposal only because the City is local. The City prepared an abbreviated RFP to which the firm responded. Staff reviewed the proposal and is recommending that Pauly Rogers be appointed as the City Auditor for the next three years.

FISCAL IMPACT:

The proposed fee is in line with the current audit fee so there will be no additional fiscal impact to the City.

STAFF RECOMMENDATION:

Staff recommends the City Council approve the attached resolution appointing Pauly, Rogers, and Co., P.C to be the City Auditor for the fiscal years ending June 30, 2022 through June 30, 2024.

ATTACHMENT(s):

Resolution Appointing the City Auditor for Fiscal Year Ending June 30, 2022, through the Fiscal Year Ending June 30, 2024

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Peter B. Truax, Mayor

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MEETING DATE:	<u>03/21/2022</u>
FINAL ACTION:	<u>RESO 2022-19</u>

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *March 21, 2022*

PROJECT TEAM: *Paul Downey, Assistant City Manager/Finance Director*

SUBJECT TITLE: *Resolution to Appoint City Auditor*

ACTION REQUESTED:

<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Order	<input checked="" type="checkbox"/>	Resolution	<input checked="" type="checkbox"/>	Motion	<input type="checkbox"/>	Informational
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