

**Village of Mapleton**  
**FINANCE COMMITTEE MEETING MINUTES (Approved)**

Mapleton Village Hall, 8524 Main St

September 6, 2018

6:00 pm

**A. Call to Order by Mike Beecham at 6:01 pm**

**B. Pledge of Allegiance**

**C. Roll Call:** Mike Beecham, Chair; Liz Rensch, and Rodney Smith  
Also attending: Pat Briggs, Clerk; Treasurer, Peggy Stidham

**D. Subjects**

- a. Selection of Auditing Firm for the Village

**Russ Rumhold, Gorenz & Associates**

Mr. Rumhold explained that his firm currently audits 70+ school districts and several municipalities as well as having a decent tax practice also. There are five (5) Partners and twenty-five (25) employees. He mentioned that the villages of Brimfield and Princeville are several of the villages they handle audits for.

Mike Beecham asked about separating the cost between the General Fund and the Water Fund and asked if the villages they audit also have this separation. Mr. Rumhold stated that they do. Liz asked if we had to do a Gatsby Audit and Rhonda said it was only required for a big water project and now IEPA handles all that. Russell asked if every fund was a separate Quickbooks account and was told yes. There was a discussion about charges for the audit and he explained that there would be a cap not to exceed \$150/hour. He explained that the initial year there would be probably a minimum of 70 hours – 10,500 but it would not exceed \$15,000 as it shouldn't be over 100 hours. He did state, however, that if they get into the audit and find that the records are a disaster they might stop and have to refigure the cap if they aren't auditable.

Liz asked if he had seen the audit and he responded that he had. She also asked about his firm coming up with the report us and he said they would do so. He explained that they will start from scratch this year. He was asked about communications with the village and he said that the hourly rate doesn't apply to quick phone calls, but if they have to do major research there might be an additional charge. He also said that if they have suggestions or improvements he would definitely bring it up. He said the first year would probably require being on site to begin with and after that it would be really fast. Rhonda Hodges explained that the previous auditor was only in the office for a day and a half at the last audit.

Mike Beecham explained that Trustees are checking reconciliation reports/bank statements and asked if they should continue doing so or if Rhonda Hodges, as consultant to the treasurer could do that. Rhonda said that would be a waste of money to have her check on the treasurer, that someone else should be viewing the reconciliation.

Mr. Rumhold explained that the previous auditor most likely won't share the information with the new auditor. They might share some things, but not all things. He stated that if they have the depreciation schedule that it is on their proprietary system so they don't have to share it. He was asked what was the soonest they could start the audit if selected and he said they are in the process of reports for Schools currently so October or November would be the soonest and an extension would need to be requested. He said going forward it would be when we are ready to close. Rhonda stated it would probably be June or July, as soon as the bank is reconciled most everything will be done on June 31<sup>st</sup>. It's not an accrual system so it isn't that complicated.

He said they could give us a draft proposal if we would like that as well. Mr. Rumhold was thanked for taking the time to meet with us and we would get back to him after the September 13<sup>th</sup> Board Meeting.

**Adam Pulley, CLA Connect**

He explained that he is a principal of Clifton Carson Allen. He explained that his department does mostly villages, cities and school district audits, that it is government year-round. He stated that the Peoria office has 50-60 years' experience with local governments and

the firm is now national, which gives good resources if they are needed. He said his Team cares about what they are doing, that they chose to work with government. He explained that they view timeliness, communication and being comfortable with calling and asking questions essential for their clients. He said he was more interested in what the village is looking for.

Mike Beecham explained that we got pretty lucky with our previous auditor. Liz asked which small villages they currently do audits for and he stated Havana and Lewistown, who was a new client last year and they had to get an extension to get them through the Dec due date due to problems with the records. The second year, they got it done in late May, early June. He said they also do audits for Gridley and El Paso and they work with both large and small municipalities. Liz asked if he had seen our report and he had looked through it. She asked if he could give a cap. Mr. Pulley said that the initial audit would be capped at \$20,000 and knew that would be at the higher end and that it didn't surprise him. He explained that his firm might not be the right fit if it is just a price check for the village, but if we are wanting a quality audit and a partner going forward they would provide that.

Mike explained that we're looking for someone to work well with. Adam said that they too have audit software that they have to put things into but that is included in the price quoted. However, if we start getting into the audit and the records are not in good shape, or we run into several errors in the last year's report that would up the cost. Adam stated that an extension this year would be necessary but could start mid-October time frame. Liz asked if they could lower the cap of \$20,000. Adams said they could come down to \$17,000 and he thought they could unless there were problems. Mike asked if they charged if we called them for help. Adam said they rarely charge for phone calls unless there is a lot of research involved. Mike asked about an hourly rate and Adam explained they work with a blended rate, depending on experience of \$130 to \$150 but that hourly rates rarely come into play.

Mike stated that while cost matters, interaction and quality are really important as well. Adam suggested the board contact Amanda Woodruff, City Manager in Lewistown for a recommendation. There was further discussion about separating the cost of the audit between the General Fund and the Water Fund and asked if they could provide a

breakdown. He explained that normally it is one invoice and the village can allocate it as needed, or they could separate it. Liz stated that it has always been allocated between the two. There were no further questions so Mr. Pulley was thanked for his time and he left the meeting.

**Attorney Charges -**

Mike stated that this was discussed and cleared some up at the last board meeting, but there is a big issue on the table. A demolition is being pursued that has been continued in court and has cost the village a lot of money so far when it is clear that the village will never be able to recoup the money spent so it isn't worth continuing. He explained that we're working on cutting back on attorney costs, and what has been spent and what is going to be billed to us because we're going to have the property appraised and a contractor to look at it. Mike stated that he felt the village has more important things to spend the money on and that we should cut the losses. Mark Brining thinks we should pursue it. Liz closed made a motion to close the open meeting and go to executive session and was seconded by Mike Beecham. A voice vote was all ayes by the committee members.

**E. EXECUTIVE SESSION pursuant to Section 2(c)(1) of the Open Meetings Act for purposes of discussing the employment, discipline, performance, or dismissal of specific employees of the Village.**

- a. Selection of Auditor for the Village
- b. Attorney

**F. Closed Executive Session at 6:55 pm.**

**G. Returned to Open Session at 6:57 pm**

Present were: Mike Beecham, Chair; Liz Rench and Rodney Smith.

**H. Additional Business - None**

**I. Adjourn Open Session**

Mike Beecham motioned that the meeting be closed and Rodney Smith seconded. All committee members voted Yes. Meeting adjourned at 6:57 pm.

Approved by the Board of Trustees on September 13, 2018