

Sylvania City Council
January 4, 2016

7:15 p.m.
Organizational Meeting

7:30 p.m. Council Meeting
Agenda

1. Roll call.
2. Pledge of Allegiance to the United States of America led by Mrs. Westphal.
3. Additions to the agenda.
4. Approval of the meeting minutes of December 21, 2015.
5. Proposed Ordinance No. 1-2016, Approving the offer to purchase from Sylvania Properties, LLC, to purchase City's real estate located at 6430 Longfellow Road.
6. Proposed Ordinance No. 2-2016, Authorizing Donald J. Schonhardt & Associates, Inc. to assist in preparation of the city's 2015, 2016 & 2017 Basic Financial Statements.
7. Service Director Kevin Aller's report on Northbrook Court Improvement Project; and authorize the clerk to advertise for bids.
8. Committee reports.
9. Committee referrals.

Information

None.

Minutes of the Meeting of Council
December 21, 2015

The Council of the City of Sylvania, Ohio met in regular session on December 21, 2015 at 7:30 p.m. with Mayor Craig A. Stough in the chair. Roll was called with the following members present: Katie Cappellini, Mark Frye, Doug Haynam, Sandy Husman, Mark Luetke, Jason Mishka, Mary Westphal (7) present; absent: (0)	Roll call: All present.
Mr. Luetke led the Pledge of Allegiance to the United States of America.	Pledge of Allegiance.
Mayor Stough stated that Council will now consider agenda item 3.	
Requests were made for the following additions to the agenda:	
12. Council's appointment to the Sylvania Community Services for 2016. 10a. Schedule Streets Committee meeting-King Road Speed.	Approval of the agenda as amended.
Mr. Haynam moved, Mrs. Westphal seconded to approve the agenda as amended; roll call vote being: Cappellini, Frye, Haynam, Husman, Luetke, Mishka, Westphal (7) yeas; (0) nays. The motion carried.	
Mayor Stough stated that Council will now consider agenda item 4.	
Mrs. Westphal presented the December 7, 2015 minutes. Mrs. Westphal moved, Mr. Luetke seconded, that since the Mayor, members of Council, and others had been furnished copies of these minutes prior to this meeting, Council dispense with the reading of these minutes at this time, and the journal of the minutes of the regular meeting of December 7, 2015 be approved; roll call vote being: Frye, Haynam, Husman, Luetke, Mishka, Westphal, Cappellini, (7) yeas; (0) nays. The motion carried.	Approval of the December 7, 2015 minutes.
Mayor Stough stated that Council will now consider agenda item 5.	
Mrs. Westphal moved, Mr. Luetke seconded to set the 2016 Organizational Meeting for January 4, 2016 at 7:15p.m. Roll call vote being: Frye, Haynam, Husman, Luetke, Mishka, Westphal, Cappellini, (7) yeas; (0) nays. The motion carried.	Set 2016 Organization Meeting 1/4/16 at 7:15p.m.
Mayor Stough stated that Council will now consider agenda item 6.	
Mrs. Westphal presented and read aloud by title only, proposed Ordinance No. 83-2015, a written copy of same having been previously furnished to each member of Council, "To make certain adjustments to account allocations within the fund appropriations for the Fiscal year ending December 31, 2015; and declaring an emergency."; Mrs. Westphal moved, Mr. Luetke seconded, that Council dispense with	Ordinance No. 83-2015, "...adjustment to appropriations year ending

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December 21, 2015

the Second and Third Readings of said Ordinance; roll call vote being: Haynam, Husman, Luetke, Mishka, Westphal, Cappellini, Frye, (7) yeas; (0) nays. The motion carried. 12/31/15..."

Mrs. Westphal moved, Mr. Haynam seconded, that Ordinance No. 83-2015 be enacted as an emergency measure as declared therein; roll call vote being: Husman, Luetke, Mishka, Westphal, Cappellini, Frye, Haynam, (7) yeas; (0) nays. The motion carried.

Mayor Stough stated that Council will now consider agenda item 7.

Service Director's report on ODOT Agreement No. 19408 was placed on file. Mr. Frye presented and read aloud by title only, proposed Ordinance No. 84-15, a written copy of same having been previously furnished to each member of Council, "Authorizing the Mayor and Director of Finance of the City of Sylvania, Ohio, to enter into a Memorandum of Agreement between the State of Ohio Department of Transportation and the City of Sylvania for the Maintenance of US23 within the city limits; and declaring an emergency."; Mr. Frye moved, Mrs. Husman seconded, that Council dispense with the Second and Third Readings of said Ordinance; roll call vote being: Luetke, Mishka, Westphal, Cappellini, Frye, Haynam, Husman, (7) yeas; (0) nays. The motion carried. Ordinance No. 84-2015, "Authorizing ...Agreement with ODOT ...US23 within City limits...."

Mr. Frye moved, Mrs. Westphal seconded, that Ordinance No. 84-2015 be enacted as an emergency measure as declared therein; roll call vote being: Mishka, Westphal, Cappellini, Frye, Haynam, Husman, Luetke, (7) yeas; (0) nays. The motion carried.

Mayor Stough stated that Council will now consider agenda item 8.

Mrs. Westphal moved, Mr. Haynam seconded to approve the Ohio Liquor License transfer from Karam Enterprises, Inc., dba Baradas Restaurant to Karam Enterprises, Inc., dba Damascene Grill at 5834 Monroe St., Sylvania, Ohio 43650. Roll call vote: Westphal, Cappellini, Frye, Haynam, Husman, Luetke, Mishka, (7) yeas; (0) nays. The motion carried. Approval of liquor license transfer from Baradas to Damascene Grill, 5834 Monroe St.

Mayor Stough stated that Council will now consider agenda item 9.

Mrs. Westphal moved, Mr. Luetke seconded, to confirm Mayor Stough's appointment of Bradford James to the Civil Service Commission for a term commencing January 1, 2016, and expiring on December 31, 2021. Roll call vote being: Cappellini, Frye, Haynam, Husman, Luetke, Mishka, Westphal, (7) yeas; (0) nays. The motion carried. Brad James appt. to Civil Service Commission.

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Mayor Stough stated that Council will now consider agenda item 10.

Mr. Frye set a Street Committee meeting for Tuesday, January 19, 2016 at 6:15p.m. to discuss the request from Lucas County to adjust the speed on King Road within the City limits. Street Com. mtg. 1/19/16, 6:15p.m.

There being no business for agenda item 11, Mayor Stough stated that Council will now consider agenda item 12.

Mrs. Westphal moved, Mr. Haynam seconded to re-appoint Mark Luetke to the Sylvania Community Services for a one year term commencing January 1, 2016. Roll call vote being: Frye, Haynam, Husman, Luetke, Mishka, Westphal, Cappellini, (7) yeas; (0) nays. The motion carried. Mark Luetke re-appointed to SCS for 2016.

Mrs. Westphal moved, Mrs. Husman seconded that this meeting adjourn; all present voting yea (7); (0) nays. The motion carried and the meeting adjourned at 7:51 p.m. Adjournment.

Clerk of Council

Mayor

ORDINANCE NO. 1-2016

APPROVING THE OFFER TO PURCHASE OF SYLVANIA PROPERTIES, LLC, TO PURCHASE THE CITY'S REAL ESTATE LOCATED AT 6430 LONGFELLOW ROAD, SYLVANIA, OHIO AT A SALE PRICE OF \$10,000.00; AUTHORIZING THE MAYOR AND THE DIRECTOR OF FINANCE TO ACCEPT SAID OFFER TO PURCHASE ON BEHALF OF THE CITY OF SYLVANIA; DETERMINING SAID REAL ESTATE TO BE NO LONGER NEEDED FOR MUNICIPAL PURPOSES; AND DECLARING AN EMERGENCY.

WHEREAS, Sylvania Properties, LLC have submitted an Offer to Purchase said real estate known as 6430 Longfellow Road from the City of Sylvania for a total purchase price of Ten Thousand Dollars (\$10,000.00) payable in cash, which Offer to Purchase is now on file with the Clerk of this Council.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Sylvania, Lucas County, Ohio, _____ members elected thereto concurring:

SECTION 1. That this Council hereby finds and determines that the real estate located at 6430 Longfellow Rd., Sylvania, Ohio is no longer needed for any municipal purpose.

SECTION 2. That the Offer to Purchase, submitted by Sylvania Properties, LLC in the amount of Ten Thousand Thousand (\$10,000.00) for the purchase of the property located at 6430 Longfellow Rd., Sylvania, Ohio, is hereby approved and the Mayor and Director of Finance be, and they hereby are, authorized to accept said Offer to Purchase on behalf of this City.

SECTION 3. That the method, manner, consideration and procedure for the sale of said City owned real estate is hereby determined to be as set forth herein and as approved by this Ordinance and it is hereby determined that the sale of said real estate as hereby approved complies with those requirements.

SECTION 4. That the Mayor and Director of Finance be, and they hereby are, authorized to execute and deliver a Warranty Deed for said premises prepared by the Director of Law and they are hereby authorized to so any and all things necessary and incidental, all under the supervision of the Director of Law.

SECTION 5. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 6. That the Clerk of Council is hereby directed to post a copy of this Ordinance in the Office of the Clerk of Council in the Municipal Building pursuant to ARTICLE III, Sections 11 and 12, of the Charter of this City.

SECTION 7. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety, property and welfare and for the further reason that this City must act on the purchase agreement or lose the benefits thereof and therefore this Ordinance should be effective forthwith. Provided this Ordinance receives the affirmative vote of five (5) or more members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force thirty (30) days after it is approved by the Mayor or as otherwise provided by the Charter.

Vote dispensing with the second and third readings: Yeas _____ Nays _____

Passed, _____, 2016, as an emergency measure.

ATTEST:

President of Council

Clerk of Council

APPROVED:

APPROVED AS TO FORM:

Mayor

Director of Law

Date

ORDINANCE NO. 2 -2016

AUTHORIZING AN AGREEMENT BETWEEN DONALD J. SCHONHARDT & ASSOCIATES, INC. AND THE CITY OF SYLVANIA WHEREBY SAID FIRM WILL ASSIST THE CITY IN PREPARATION OF ITS 2015, 2016 AND 2017 BASIC FINANCIAL STATEMENTS (BFSs) IN COMPLIANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AT COSTS NOT TO EXCEED \$13,500 FOR 2015, \$13,500 FOR 2016, AND \$13,500 FOR 2017 PLUS MILEAGE FOR EACH YEAR; AUTHORIZING THE MAYOR AND DIRECTOR OF FINANCE TO SIGN THE AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EMERGENCY.

WHEREAS, Ordinance No. 99-96, passed on September 4, 1996, accepted the proposal of Donald J. Schonhardt & Associates, Inc. to assist the City of Sylvania in preparing its 1996 and 1997 General Purpose Financial Statements (GPFSS) in compliance with Generally Accepted Accounting Principles (GAAP) at a cost of not to exceed Twenty Thousand Two Hundred Fifty Dollars (\$20,250.00); and,

WHEREAS, Ordinance No. 103-98, passed September 9, 1998, authorized an agreement between Donald J. Schonhardt & Associates, Inc. and the City of Sylvania to assist the city in preparation of its 1998, 1999 and 2000 General Purpose Financial Statements (GPFSS) in compliance with Generally Accepted Accounting Principles (GAAP) as Comprehensive Annual Financial Reports (CAFRs) at a cost of not to exceed \$20,250 plus mileage for each year; and,

WHEREAS, Ordinance No. 96-2001, passed September 18, 2001, authorized an agreement between Donald J. Schonhardt & Associates, Inc. and the City of Sylvania to assist the city in the preparation of its 2001 and 2002 General Purpose Financial Statements (GPFSS) in compliance with Generally Accepted Accounting Principles (GAAP) as Comprehensive Annual Financial Reports (CAFRs) at a cost of not to exceed \$20,950 plus mileage for each year; and,

WHEREAS, Ordinance No. 67-2003, passed October 6, 2003, authorized an agreement between Donald J. Schonhardt & Associates, Inc. and the City of Sylvania to assist the city in the

preparation of its 2003, 2004 and 2005 General Purpose Financial Statements (GPFSS) in compliance with Generally Accepted Accounting Principles (GAAP) as Comprehensive Annual Financial Reports (CAFRs) at costs not to exceed \$25,400 for 2003, \$16,500 for 2004 and \$13,000 for 2005, plus mileage for each year; and,

WHEREAS, Ordinance No. 88-2006, passed September 6, 2006, authorized an agreement between Donald J. Schonhardt & Associates, Inc. and the City of Sylvania to assist the city in the preparation of its 2006, 2007 and 2008 General Purpose Financial Statements (GPFSS) in compliance with Generally Accepted Accounting Principles (GAAP) as Comprehensive Annual Financial Reports (CAFRs) at costs not to exceed \$12,500 for 2006, \$12,500 for 2007 and \$12,500 for 2008, plus mileage for each year; and,

WHEREAS, Ordinance No. 80-2009, passed August 17, 2009, authorized an agreement between Donald J. Schonhardt & Associates, Inc. and the City of Sylvania to assist the City in the preparation of its 2009, 2010 and 2011 General Purpose Financial Statements (GPFSS) in compliance with Generally Accepted Accounting Principles (GAAP) as Comprehensive Annual Financial Reports (CAFRs) at costs not to exceed \$12,500 for 2009, \$12,500 for 2010 and \$12,500 for 2011, plus mileage for each year; and,

WHEREAS, Ordinance No. 70-2012, passed December 17, 2012, authorized an agreement between Donald J. Schonhardt & Associates, Inc. and the City of Sylvania to assist the City in the preparation of its 2012, 2013 and 2014 General Purpose Financial Statements (GPFSS) in compliance with Generally Accepted Accounting Principles (GAAP) as Comprehensive Annual Financial Reports (CAFRs) at costs not to exceed \$12,500 for 2012, \$12,500 for 2013 and \$12,500 for 2014, plus mileage for each year; and,

WHEREAS, the Director of Finance has recommended the acceptance of the agreement and proposal of Donald J. Schonhardt & Associates, Inc. to assist the City in preparation of its

2015, 2016 and 2017 Basic Financial Statements (BFSs) in compliance with Generally Accepted Accounting Principles (GAAP) and has recommended the same to the Mayor and Members of Council; and,

WHEREAS, the contract and proposal of Donald J. Schonhardt & Associates, Inc. which sets forth the additional procedures and work necessary to the preparation of Basic Financial Statements and outlines the goals sought to be achieved by such reports is attached hereto as "Exhibit A."

NOW, THEREFORE BE IT ORDAINED by the Council of the City of Sylvania, Lucas County, Ohio, _____ members elected thereto concurring:

SECTION 1. That the proposal of Donald J. Schonhardt & Associates, Inc. signed by said consultant on December 16, 2015, for assisting this City in the preparation of its 2015, 2016 and 2017 Basic Financial Statements, incorporated in the contract for management consulting services by Donald J. Schonhardt & Associates, Inc., which is now on file with the Clerk of this Council, be, and it hereby is, approved. The cost for the 2015 Basic Financial Statement is not to exceed Thirteen Thousand Five Hundred Dollars (\$13,500.00) exclusive of mileage allowance reimbursement. The cost for the 2016 Basic Financial Statement is not to exceed Thirteen Thousand Five Hundred Dollars (\$13,500.00) exclusive of mileage allowance reimbursement. The cost for the 2017 Basic Financial Statement is not to exceed Thirteen Thousand Five Hundred Dollars (\$13,500.00) exclusive of mileage allowance reimbursement. The Mayor and Director of Finance be, and they hereby are, authorized to enter into the agreement for management consulting services with Donald J. Schonhardt & Associates, Inc. in the form and substance of the agreement attached hereto.

SECTION 2. That the Director of Finance of this City be, and he hereby is, authorized to draw his warrant or warrants for the purposes of said agreement hereby authorized to the extent of the appropriation to the respective accounts to which appropriation has hereinabove been made upon proper voucher or vouchers therefore duly approved by the Mayor.

SECTION 3. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4. That the Clerk of Council is hereby directed to post a copy of this Ordinance in the Office of the Clerk of Council in the Municipal Building pursuant to ARTICLE III, Section 12, of the Charter of this City.

SECTION 5. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety, property and welfare and for the further reason that this City needs immediate professional accounting services to assist in preparing its 2015, 2016 and 2017 Basic Financial Statements (BFSs) in compliance

with Generally Accepted Accounting Principles (GAAP) and implementation of the preparation of the BFS should commence forthwith in order to meet the reporting deadlines. Provided this Ordinance receives the affirmative vote of five (5) or more members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force thirty (30) days after it is approved by the Mayor or as otherwise provided by the Charter.

Vote dispensing with the second and third readings: Yeas _____ Nays _____

Passed, _____, 2016, as an emergency measure.

President of Council

ATTEST:

APPROVED AS TO FORM:

Clerk of Council

Director of Law

APPROVED:

Mayor

Date

CONTRACT
for
MANAGEMENT CONSULTING SERVICES

This Contract is made and entered into this _____ day of _____, 20____, by and between Donald J. Schonhardt & Associates, Inc., 5307 Franklin Street, Hilliard, Ohio 43026-1409, hereinafter referred to as the "Consultant" and the City of Sylvania, Ohio, 6730 Monroe Street, Sylvania, Ohio 43560-1948 acting through the Director of Finance as authorized by Ordinance No. _____ passed by City Council on _____ 20____, hereinafter referred to as the "City".

Whereas, the Consultant provides assistance to local governments in the development of improved accounting and financial management information systems; and

Whereas, the City desires to retain the Consultant to provide assistance in the preparation of the 2015 GAAP basis annual financial report; and

Whereas, the City has reviewed the services to be provided by the Consultant and has authorized the services identified in the proposal to the City, dated December 16, 2015, which is attached hereto as Appendix I and is hereby made a part of this Contract, as if fully rewritten herein.

Now, Therefore, in consideration of the mutual covenants and obligations contained herein, the parties hereto agree as follows:

Scope of Services (Section I)

The Consultant shall provide accounting and financial management consulting services to the City in accordance with the Proposal to the City developed by the Consultant and dated December 16, 2015, a copy of which is attached hereto as Appendix I and incorporated by reference into this Contract as if fully rewritten herein.

The City acknowledges through acceptance of this section that the contract may cover a multi-year term as specified by the number of years designated below. Each annual financial report prepared under the terms of a multi-year contract will be prepared according to the scope of services outlined in this contract at the hourly rates and maximum contract amounts specified in Appendix I.

# of years	signature	Title
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Term of Agreement (Section II)

The term of this Contract shall begin upon the signing of the contract document by authorized agents of the parties to the Contract and shall remain in force until the work identified in Appendix I is completed by the Consultant or the Contract is canceled by either party according to the terms of Section IV of this Contract titled "Termination".

Compensation (Section III)

Fee: City agrees to pay to the Consultant an hourly rate (including travel time) plus mileage for management consulting services. The total amount billed for management consulting under the defined scope of services shall not to exceed the amounts specified in Appendix I for each report year as designated in Section I (excluding an allowance for mileage reimbursement).

Termination (Section IV)

The City may terminate this Contract at any time upon the following:

- Thirty (30) days written notice of termination presented at the principal place of business of the Consultant, located at 5307 Franklin Street, Hilliard, Ohio 43026-1409.
- Payment in full of all outstanding invoices for work rendered by Donald J. Schonhardt & Associates, Inc. prior to termination.

Consultant may terminate this Contract by reason of the breach of any term of this Contract or in the event that the City fails to pay all invoices according to the terms of the Contract, or the Consultant is or becomes insolvent or a party to any bankruptcy or receivership proceeding or any similar action affecting the affairs or property of the Consultant. Upon thirty (30) day written notice by the Consultant to the City, City shall pay all outstanding Donald J. Schonhardt & Associates, Inc. invoices.

Limitation of Liability - Breach of Contract (Section V)

The City agrees that regardless of the form of action, Donald J. Schonhardt & Associates, Inc. liability for damages shall not exceed the total amounts paid to Donald J. Schonhardt & Associates, Inc. under the terms of this Contract. This shall be the City's exclusive remedy. No action, regardless of form, arising out of a claim of breach of this Contract may be brought by either party more than one year after the date of the alleged breach.

General Provisions (Section VI)

This Contract shall be governed by the laws of the State of Ohio.

This Contract contains the complete and exclusive statement of the agreement between the parties and supersedes all prior discussions, proposals, oral or written, and all other communications between the parties relating to the subject matter of this Contract.

No amendment to this Contract shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

All notices hereunder shall be in writing and shall be deemed to have been given when mailed by certified mail, return receipt requested to the address of the parties first written above or by delivering in person to either party.

General Provisions (Section VI) (Continued)

This Contract may be executed in one (1) or more copies, each of which shall be deemed an original.

Each party has the power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each party has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it and agrees to be bound by it.

If any provision of this Contract is determined to be invalid or unenforceable, the remaining provisions of this Contract shall not be affected thereby and shall continue to be binding upon the parties and shall be enforceable as though the invalid or unenforceable provisions were not contained herein.

No term or provision shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the party claiming to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether expressed or implied, shall not constitute a consent to or waiver of or excuse for any other different or subsequent breach.

In witness whereof, the parties hereto have executed this Contract on the date and place first indicated above.

City of Sylvania, Ohio
6730 Monroe Street
Sylvania, Ohio 43560-1948

Approved As to Form:

By: _____
Title: _____

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

P.O. # _____

Donald J. Schonhardt & Associates, Inc.
5307 Franklin Street
Hilliard, Ohio 43026-1409

By: Roy O. Porter
Roy O. Porter, CPA
Executive Vice President
Date: 12/16/15

Appendix I

***Proposal to the
City of Sylvania, Ohio***

for
**CONSULTING SERVICES
FOR
THE PREPARATION OF
ANNUAL FINANCIAL REPORT**

Prepared by
Donald J. Schonhardt & Associates, Inc.
5307 Franklin Street
Hilliard, Ohio 43026-1409
(614) 876-2020

December 16, 2015

EXECUTIVE SUMMARY

Overview

The City of Sylvania, Ohio (City) has completed the preparation of their 2014 Basic Financial Statements (BFS) with the assistance of our firm. Mr. Toby Schroyer, Director of Finance, is currently in the process of planning for the preparation of the City's 2015 BFS. He has requested that we prepare a proposal to provide technical accounting and management oversight assistance in the preparation of a 2015 BFS. As an integral part of the preparation process, we will utilize **CAFR-Unlimited™** software.

The preparation of a GAAP basis financial report involves extensive management planning and control to insure that all of the necessary tasks are accomplished in a timely and efficient manner. In addition to the routine responsibilities that often impact the availability of staff resources to assign to a major project, implementation of new Governmental Accounting Standards Board (GASB) pronouncements have made it increasingly more difficult to insure that all of the necessary reporting requirements have been met.

Since our primary service to the public sector is the preparation of GAAP basis financial reports, we have made a commitment to continuing education for all of our staff members. We participate in Government Finance Officers Association (GFOA) and Association of Government Accountants (AGA) sponsored seminars to ensure that our staff is knowledgeable about all current and proposed governmental financial reporting requirements. We will continue to work to ensure that our clients are made aware of these changes and how the changes will impact current and future financial reports. Finally, since we work with over eighty (80) different public sector entities to prepare GAAP basis financial reports, our staff is exposed to a variety of methods which may be used by City staff to improve the efficiency of the report preparation process. We have not wavered from our commitment to provide the highest quality public sector financial and accounting services at a reasonable cost.

We believe that Donald J. Schonhardt & Associates, Inc. (DJS&A), is in a unique position to meet the City's request for assistance because of our hands-on experience in public sector finance; our on-going assistance to other public sector entities that are required to prepare GAAP basis financial reports and our prior assistance to the City in the preparation of numerous Basic Financial Statements. The individuals who will assist the City have in excess of seventy (70) years of public sector finance and accounting experience and continue to work with over eighty (80) public sector entities (municipalities, counties, villages, townships, special districts and school districts) throughout the State of Ohio to prepare GAAP basis annual financial reports.

We recognize the significance of our continued association with the City of Sylvania and are prepared to commit the necessary resources to assure the highest level of service.

Timing

On or before May 29, 2016, the City will be required to do the following: 1) submit their 2015 Basic Financial Statements to the Auditor of State and 2) input selected data from the unaudited statements into the Auditor of State's Annual Financial Data Reporting System (AFDRS). Both processes must be completed to meet statutory requirements.

This proposal includes DJS&A time to review proposed audit adjustments and make mutually agreed upon material audit adjustments (if any), but **does not** include time to cover continual meetings with the auditors throughout the audit process or time to make immaterial, nonsubstantive changes to the narrative or format of the report. We have also included additional time necessary to put the basic financial statements into a PDF file format so that our clients may comply with the State Auditor's electronic filing requirement.

Upon execution of a contract, DJS&A will provide a schedule to the City consisting of target dates and milestones for certain activities throughout the project. Adherence to dates published in the above referenced schedule is imperative to insure the timely completion of the Basic Financial Statements (BFS).

Engagement Approach

Donald J. Schonhardt & Associates, Inc., will be responsible for providing on-going management and technical accounting assistance on a regular basis throughout the report preparation process. Such assistance will include but is not limited to the following:

- Regular discussions with City staff to review completed documentation, discuss data collection and recording criteria and examine the status of the report preparation process.
- Answer questions as they arise and discuss the rationale for specific data collection activities and how they can be accomplished most efficiently.
- Review and comment on the information developed for the conversion and review the applicability of the data in the presentation of the GAAP basis financials.

The additional work required for development of a Comprehensive Annual Financial Report (CAFR) to submit to the GFOA for consideration in the Certificate of Achievement for Excellence in Financial Reporting is not included as part of this proposal.

Professional Fees

It is our policy to estimate fees at an amount which is highly competitive, but which will enable us to provide responsive service of the highest quality. We base our fees on the time spent by personnel assigned to an engagement at hourly rates which are commensurate with the training and experience of those assigned to the project. We know that our hourly rates are extremely competitive and substantially less than those charged by other accounting and consulting firms that may not possess the actual hands-on experience of our staff. Management oversight and technical assistance will be billed at an hourly rate of \$110.00 per hour (including expenses) for work performed **plus** travel time and mileage at the rate of \$0.50 per mile.

Professional Fees (Continued)

In order to contain costs and pass the savings on to our clients, we are prepared to offer the same level of services identified in this proposal for preparation of a 2016 and 2017 BFS at the same annual fee quoted for the 2015 BFS preparation. We will freeze this rate and annual contract amount with the signing of a multi-year contract not to exceed three (3) consecutive report years. This fixed rate is contingent upon the City's agreement that the scope of work will remain the same for this and the subsequent years and that no significant change in accounting policies and/or procedures is anticipated which will potentially alter the required level of service. We are confident that you will agree that such cost containment measures provide both current and long-term benefits to the City.

The multi-year contract option is included on the contract document and requires an appropriate approval signature on the line provided which will designate the term of the contract. We hope that you are able to take advantage of this opportunity so that we may continue to provide you with the highest quality of service at the best possible price.

Our fee to provide management and technical oversight in the report preparation, as outlined in the Summary of Work to be Performed (excluding an allowance for mileage reimbursement) will be:

<u>Report Year</u>	<u>Report Fee</u>
2015	\$13,500
2016	13,500
2017	13,500

The amount that will be billed to the City of Sylvania for the project is as noted in the table above (excluding an allowance for mileage reimbursement). The hourly rate quoted above will not increase during the term of the contract. The proposal is a maximum not to exceed bid for the scope of services defined by this proposal, the City will not pay more than the amount noted above provided the scope of services does not change.

Billing

Our practice is to bill in monthly installments covering the period worked on the engagement. Billings are due and payable upon receipt.

SUMMARY OF WORK TO BE PERFORMED

The objective of this engagement is to provide management, technical and accounting assistance, to the City in the preparation of their 2015 BFS. It is anticipated that the engagement will be completed by May 29, 2016. The engagement consists of the following:

Management overview, technical assistance, documentation, review and analysis of reversing and adjusting entries and preparation of one copy of the original BFS which is suitable for preparing additional copies as required by the City.

An outline is provided below which indicates the major components of the project. The outline is not intended as a comprehensive work plan, but rather an overview of the services to be provided.

Management overview, technical and accounting assistance and limited data collection activities.

- Assess current records related to the BFS and identify alternative approaches for record keeping and suggest formats for future data collection which will improve the efficiency of data collection.
- Organize and document in journal form all reversing entries.
- Post reversing entries to **CAFR-Unlimited™**
- Identify major subsidiary detail required to assemble accrual oriented statements (i.e. payables, receivables, capital asset detail, vacation/sick leave balances, etc.)
- Identify source of information and appropriate collection criteria for detailed information identified in the above task.
- Modify software applications to incorporate new funds and/or fund reclassifications that have occurred during the last fiscal period.
- Provide for centralized collection, organization and summarization of detail required for accrual adjustments.
- Utilize existing software models to input the data collected for aggregation and presentation.
- Download ending cash balance, receipt and disbursement figures from ASCII II file or Microsoft Excel® file into **CAFR-Unlimited™**.

SUMMARY OF WORK TO BE PERFORMED

(Continued)

- Execute various tasks required for accumulation of detailed financial information to be used in the preparation of the BFS.
- Continuously monitor adherence to task assignments and adjust resources where necessary to satisfy deadlines.
- Obtain original and final budget amounts for major funds.
- Post adjusting accounting entries to CAFR-Unlimited™ to develop the trial balance.
- Identify and eliminate appropriate interfund activity.
- Make final determination of major funds.
- Identify program revenues.
- Collect information to categorize net assets.
- Prepare reconciliation between government-wide financial statements and fund based financial statements.
- Prepare statement formats for all required financial information including all basic financial statements, including notes thereto, and required supplementary information.
- Prepare Statement of Cash Flows for all proprietary fund types.
- Assist in the preparation of Management's Discussion and Analysis (MD&A).
- Provide draft copy of BFS along with supporting workpapers to the City's auditors.
- Make mutually agreed upon changes/corrections to the financial section as a result of the audit.
- Finalize statement preparation formats for the BFS and prepare one (1) final printed version of the report suitable for making copies as required by the City.
- Provide the BFS to the City as a PDF file for submission to the Auditor of State to meet electronic filing report requirements. (The PDF file will be provided after all necessary audit changes and reviews by the City's auditors in order to avoid changes to the PDF file.)



DEPARTMENT OF PUBLIC SERVICE

KEVIN G. ALLER, PE DIRECTOR

January 4, 2016

To: The Mayor and Members of Sylvania City Council

Re: **Northbrook Court Improvements Project**

Dear Mr. Mayor and Council Members:

Bidding documents for the above-mentioned project are now complete and ready for bidding.

This project consists of removing existing concrete pavement and curb and replacing full depth with asphalt pavement and new curb. Additional improvements include replacing the existing 6" water line with a new 8" water line and storm sewer replacement.

The estimated cost of the project is \$335,351 with construction scheduled to begin in the spring of 2016. 49% of the construction cost is being paid by a grant through the Ohio Public Works Commission (OPWC). Construction is to be completed by Memorial Day.

We would request that the Clerk of Council be authorized to advertise for bids.

Sincerely,

Kevin G. Aller, P.E.

Director of Public Service