

RESOLUTION NUMBER: 6654-2025

CITY OF SEBASTOPOL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AUTHORIZING A BUDGET AMENDMENT FOR THE PROFESSIONAL AUDITING SERVICES WITH CHAVAN AND ASSOCIATES

WHEREAS, the City of Sebastopol is legally required by the Government Accounting Standards Board (GASB) to issue annual financial reports that are audited by an external audit firm; and

WHEREAS, in April 2017, Badawi and Associates was selected as the City's external auditor through a Request for Proposals (RFP) process. The City entered into a contract with Badawi and Associates on April 4, 2017, for a duration of three years, with an option to extend for an additional two years. The City exercised this option, extending the contract until June 30, 2021; and

WHEREAS, in 2021, further extended contract until 2024 due to lack of capacity for new RFP; and

WHEREAS, on August 15, 2024, the City of Sebastopol issued a request for proposals (RFP) for for a new auditor; and

WHEREAS, the City issued a second RFP on October 7, 2024, and reached out to smaller audit firms, urging them to submit proposals. These firms cited capacity issues as the reason for not submitting proposals; and

WHEREAS, after thorough discussion, the Budget Committee expressed concerns that the new pricing structure might be too burdensome for the City. The options considered were:

1. Contacting the current auditor to explore the possibility of a 1-year audit contract instead of the existing 3-year contract with 2 optional years.
2. Following up with the previously contacted firm to see if they are willing to submit a proposal.
3. As the Administrative Services Director scheduled to attend the California Society Municipal Finance Officers' conference the week of February 18, 2025, to potentially solicit more audit firms to submit proposals during the exhibit hall sessions.

WHEREAS, based on the evaluation of all four proposals, staff considers and recommends Chavan & Associates, LLP to be the best available choice as the auditor for the City of Sebastopol for the next 3 years, with 2 optional years. This recommendation is based on their competitive pricing in municipal auditing; and

WHEREAS, the FY24-25 adopted budget for audit services was \$25,000 based on actual expenses for recent audits; and

WHEREAS, the new audit firm cost is \$29,000, which requires a budget adjustment of \$4,000 in account 100-14-01-4220, bringing the total contract to \$29,000.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol does hereby approve a budget amendment of \$4,000 identified in the account listed 100-14-01-4220.


The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 4th day of March, 2025, by the following vote:

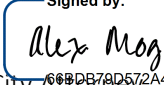
I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Ayes: Councilmembers Carter, Hinton, Maurer, Mayor Zollman
Noes: None
Absent: Vice Mayor McLewis
Abstain: None

APPROVED: 
Stephen Zollman, Mayor

ATTEST: 
Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: 
Alex Mog, City Attorney