

TO: Robert Kuntz

FROM: Denise Keller

DATE: October 21, 2013

RE: Auditing Services

Our three year contract with our current auditing firm, Kerber, Eck & Braeckel, LLP (KEB), ended with the audit of our 2012 financial statements. These auditors were selected through an RFP process and have provided excellent service to the City.

Our policy regarding professional services states that an engagement can be extended for two additional years after the initial three year term has been completed. KEB has been solicited for a proposal to extend their services for one additional year.

Their fees for the first three years were \$15,000, \$15,500, and \$16,000 plus \$2,200 for the single audit which was required in 2012 but will not be required for 2013. KEB submitted a bid of \$17,250 for the audit of the 2013 financial statements, which is an increase of 7.8% over the base cost paid for 2012.

Further direction is requested.