

Town of Beacon Falls
Board of Finance Special Meeting
June 30, 2020 at 6:30 PM
via ZOOM

Members Present: Chairman T. Pratt, Vice Chairman S. Leeper, J. Carroll, L. Hutvagner, K. Brennan

Members Absent: D. Fennell

Others Present: Finance Manager N. Nau and one member of the public.

Chairman T. Pratt called the meeting to order at 6:32 PM and led the assembled in the Pledge of Allegiance.

Public Comment: There were no comments from the public.

Discussion and Action on RFP 20-5 Professional Auditing Services:

Chairman T. Pratt asked Finance Manager N. Nau to review the RFP process for RFP 20-5 Professional Auditing Services which was bid through the Bonfire system. N. Nau explained that RFP 20-5 went live on June 4th, questions were due on June 11th and there were no questions submitted, and the bid closed on June 18th. J. Carroll, T. Pratt, and Treasurer W. Roderigo and E. Schwarz reviewed the draft of the bid prior to posting. There were two submissions: Mahoney Sabol, our previous auditor, and King King & Associates, which is a good-sized government audit firm.

N. Nau noted that the RFP was advertised, with a system which uses commodity codes, on the Town website, through DAS website, GFOA, and in the newspaper, to get the word out. The RFP then goes into the evaluation phase with criteria which is graded by the reviewers. Grading had 4 criteria; Adherence to Instructions, Qualifications – Previous Experience, Qualifications - Ability to Achieve Objective, Fee Proposal. N. Nau referenced the attached Executive Summary of RFP 20-5 from the Bonfire System for the results. J. Carroll, T. Pratt, and W. Roderigo, N. Nau and E. Schwarz graded the submissions and the scores were averaged and weighted.

Mahoney Sabol was not the lowest bidder; King King was lower by a small margin. N. Nau's summary of Mahoney Sabol is that the firm had a more complete package and their presentation was thorough and clear. N. Nau completed reference checks on both firms and she received positive references for both firms. There was a comment on King King that extensions were needed for audit filings.

N. Nau believes that King King is up and coming in the field of government audits. They have 16 towns and related school/transit districts. However, at this time she is hesitant to switch for a small savings, given the Town's good experience with Mahoney Sabol and their timely service.

T. Pratt noted that he took some time to research King King and he had positive feedback. His concern is the smaller size of the firm and the need for timeliness. King King would be coming in without prior knowledge which could require additional time. N. Nau noted that there is opportunity cost of getting a new firm acquainted with us, especially during COVID. T. Pratt would like to keep an eye on this firm for the future, but he would lean towards not making a change at this time.

J. Carroll asked if the Town has had extensions in the past 5 years. J. Carroll noted that extensions are not an issue for him, as they are common. The Town has had extensions over the past 5 years with Mahoney Sabol. If King King has great ratings from the 9 towns that it currently audits, he based his

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grading on that. N. Nau noted that retainage of prior business is another question for King King. J. Carroll added that with the RFP processes that towns utilize, changing audit firms is not unusual.

N. Nau noted that Mahoney Sabol had 95 points out of 100 and King King had 87.6 points.

L. Hutvagner agreed, given that Beacon Falls is late in the bidding process and we are in COVID 19, a new auditor would need to get acquainted with the Town, which is currently more difficult to do. A Federal Audit is not normally required for Beacon Falls, so we can subtract that dollar amount from bottom line on both quotes. Mahoney Sabol has many towns and many staff members. King King has a few towns and a few staff members. This year with a bond issue imminent, it is important for rating agencies to see a timely audit.

N. Nau mentioned that King King received a very favorable reference from our neighbor Town of Oxford, who noted that filing extensions are often caused by the town rather than the auditor.

S. Leeper has been impressed with Mahoney Sabol and he believes bringing someone new in for a small savings at this time is not advised.

K. Brennan reviewed the Executive Summary and he agreed that Mahoney Sabol's presentation has been favorable over the past 2 years. He believes it is a great idea that we reevaluate King King in the future. He pointed out opportunity costs associated with a new firm would warrant staying with Mahoney Sabol.

E. Schwarz was asked to weigh in and she concurred with N. Nau's assessment.

L. Hutvagner made a motion to hire Mahoney Sabol & Co. LLP as auditor for the 2019-2020, 2020-2021, and 2021-2022 fiscal years at the rates submitted under RFP-20-5, Professional Auditing Services. S. Leeper seconded the motion. All ayes.

N. Nau noted that First Selectman G. Smith was an advisor on the RFP with access to view and follow the entire process.

Adjournment: S. Leeper made a motion to adjourn the meeting at 6:57 PM. K. Brennan seconded the motion. All ayes.

Respectfully Submitted,

Erin Schwarz

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Finance Office