



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE; Adopt resolution authorizing the City Manager to execute an agreement with Macias, Gini & Company LLP to audit the City's financial records for the next five years beginning fiscal year ending June 30, 2003 (\$77,400) (FIN)

MEETING DATE; July 16, 2003

PREPARED BY; Finance Director

RECOMMENDED ACTION: By motion action, the City Council authorize the City Manager to enter into an agreement with Macias, Gini & Company, LLP to audit the City's financial records for the next five years beginning the fiscal year ending June 30, 2003.

BACKGROUND INFORMATION: The contract with KPMG LLP, our current auditing firm, expired upon the completion of the audit of fiscal year ending June 30, 2002. The Council authorized staff to go out for bid in January 2003. On May 27, 2003, the City received 3 bids for the Financial Audit.

The proposals were carefully reviewed and rated by a committee comprised of four people that included one Council member, a finance professional, the Finance Director and the Accounting Manager.

Interviews were conducted for the following bids:

MOSS, LEVY & HARTZHEIM	\$54,840
MACIAS, GINI & COMPANY LLP	77,400
KPMG LLP	105,200

Based on the criteria and interviews, the committee recommends that the Council accept the bid proposed by Macias, Gini & Company LLP.

FUNDING: Current Operating Budget.

Vicky McAthie
Vicky McAthie
Finance Director

APPROVED: _____

H. Dixon Flynn
H. Dixon Flynn -- City Manager



Macias, Gini & Company LLP
CORPORATE FINANCIAL ADVISORS AND
MANAGEMENT CONSULTANTS

City of Lodi



**Macias, Gini &
Company** LLP
Presentation Outline
June 3, 2003

Introductions

- Ernie Gini, Partner – 29 years of experience
- Scott Brunner, Director – 15 years
- Kevin Starkey, Manager – five years
- Debbie Chan, Senior – five years



Macias, Gini & Company
Specialized Public Administration and
Management Consultants

Background of the Firm

- Established in 1987 & headquartered in Sacramento
- Partners Grew up in "Big Four" Firms
- Our Principal Focus is the Public Sector
- National Recognition for Industry Leadership



Macías, Gini & Company

Accounting, Auditing, Assessments and
Financial Statement Preparation

Experience With Similar Audits

- Serving large cities such as Los Angeles, San Jose, and Sacramento
- Serving small cities
 - Stockton since 2001 (GASB 34 & CAFR – CSMFO & GFOA)
 - Modesto from 1993 to 2002 (GASB 34 & CAFR – GFOA)
 - Galt since 2001 (CAFR – CSMFO & GFOA)



Macias, Gini & Company
Accounting, Auditing, Tax, and
Management Consultants

Experience With Similar Audits (continued)

- Serving small counties
 - Solano since 2000 (GASB 34 & CAFR – GFOA – just received notice of receipt of certificate on first attempt)
- City Segments
 - CAFR (including Gann and Lodi Financing Corp compliance)
 - Single Audit
 - TDA & CDBG

GASB 34

Experiences

- Extensive training leading up to implementation
- Helped numerous clients implement
- Recommend/provide clients tools to assist in their implementation
 - Spreadsheet aid
 - GFOA checklist



Macias, Gint & Company
Chartered Accountants and
Government Consultants

Why Should You Choose Our Firm?

- Fresh Perspective – we serve many governments who were formerly audited by national firms (see attached)
- Depth at All Levels
- Staff Continuity
- Dedicated to Serving Governments - Year-round
Focus on Public Sector



Macias, Gini & Company LLP
Certified Public Accountants and
Management Consultants

Attachment 1

SUMMARY OF CLIENTS FORMERLY AUDITED BY NATIONAL FIRMS

<u>Client</u>	<u>GFOA Certificate</u>	<u>Prior Auditor</u>	<u>Reference</u>	<u>Title</u>	<u>Phone</u>
City of Stockton	•	Deloitte & Touche	Ms. Janet Salvetti	Finance Officer	(209) 937-8360
City of Sacramento	•	KPMG	Mr. Gus Vina	Finance Director	(916) 808-7138
City of Foster City	•	KPMG	Mr. Ricardo Santiago	Finance Director	(650) 286-3266
City of Modesto	•	Deloitte & Touche	Mr. Robert Stout	Finance Director	(209) 577-5370
City of San Jose	•	KPMG	Mr. Gerald Silva	City Auditor	(408) 277-4601
City of Santa Rosa	•	Deloitte & Touche	Mr. Bruce McConnell	Accounting Ofcr	(707) 543-3140
Contra Costa Transportation Authority		KPMG	Mr. Robert McCleary	Executive Director	(925) 938-3970
County of Contra Costa	•	KPMG	Mr. Kenneth Coreoran	Auditor-Controller	(925) 646-2161
County of Fresno	•	Deloitte & Touche	Mr. Gary Peterson	Auditor-Controller	(559) 488-3496
County of Orange	•	Ernst & Young	Mr. David Sundstrom	Auditor-Controller	(714) 834-2450
County of Placer		Coopers & Lybrand	Ms. Gloria Counts	Assistant County Executive Officer	(530) 889-4030
County of Riverside	•	Ernst & Young	Mr. Anthony Bellanca	Auditor-Controller	(909) 955-3800
County of Sacramento	•	Ernst & Young	Mr. Mark Norris	Director of Finance	(916) 874-6705
County of San Mateo	•	KPMG	Mr. Robert Adler	Deputy Controller	(650) 363-4891
County of Santa Clara	•	KPMG	Mr. David G. Eledge	Controller-Treasurer	(408) 299-2541 ext. 143
County of Solano		KPMG	Ms. Simona Padilla-Schulton	Assistant Auditor-Controller	(707) 421-6287
County of Sonoma	•	Arthur Andersen	Mr. Mark Walsh	Assistant Auditor-Controller	(707) 365-3288
County of Tuolumne		Deloitte & Touche	Mr. Tim Johnson	Auditor-Controller	(209) 533-5551
Metropolitan Transportation Commission		Deloitte & Touche	Ms. Dean Hunter	Accounting Manager	(510) 464-7790
Peninsula Corridor Joint Powers Board	•	Deloitte & Touche	Mr. Roger Contreras	Chief Financial Officer	(650) 508-6200
Sacramento Municipal Utilities District		Price Waterhouse	Mr. Cary Nerhaway	Controller	(916) 732-5577
Sacramento Housing and Redevelopment Agency	•	Deloitte & Touche	Mr. Satoshi Matsuda	Director of Administrative Services	(916) 440-1340
San Mateo County Transit District	•	Deloitte & Touche	Mr. Roger Contreras	Chief Financial Officer	(650) 508-6200
Santa Clara Valley Water District	•	KPMG	Ms. Sharon Thompson	Chief Financial Officer	(408) 265-2600

City of Lodi

RESOLUTION NO. 2003-133

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE AN
AGREEMENT WITH MACIAS, GINI & COMPANY LLP TO
AUDIT THE CITY OF LODI FINANCIAL RECORDS FOR
THE NEXT FIVE YEARS BEGINNING FISCAL YEAR
ENDING JUNE 30, 2003

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute an agreement with Macias, Gini & Company LLP to audit the City of Lodi Financial Records for the next five years beginning fiscal year ending June 30, 2003.

Dated: July 16, 2003

I hereby certify that Resolution No. 2003-133 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 16, 2003, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Howard, and Land
NOES: COUNCIL MEMBERS – None
ABSENT: COUNCIL MEMBERS – Mayor Hitchcock
ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk