



March 9, 2020  
Council Meeting of March 17, 2020  
Subject: Contract Extension – Auditing Services

The Honorable Mayor  
and  
Members of the City Council

City Council is requested to consider extending the City’s contract with Vredeveld & Haefner, LLC for auditing services. The current contract covered Fiscal Years 2015-2019. Vredeveld & Haefner has offered to extend the contract for a period of five years with no fee increase in first year and very moderate fee increases over the following four years.

Staff has been pleased with the firm’s performance the past five years. Finance Director Mike Huston and I recommend approval of the contract extension.

A resolution is attached for City Council’s consideration.

Respectfully submitted,

Mark C. Meyers  
City Administrator

Attachment

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the contract for auditing services between the City of Norton Shores and Vredeveld & Haefner, LLC of Grand Rapids, MI, is hereby extended for a five-year period as outlined in the following schedule.

ANNUAL AUDIT

FY-2020	\$12,750
FY-2021	\$13,000
FY-2022	\$13,250
FY-2023	\$13,500
FY-2024	\$13,775

SINGLE AUDIT (IF NECESSARY)

\$3,000

At a regular meeting of the City Council of the City of Norton Shores, held at the Norton Shores Branch Library, 705 Seminole Road, on the 17th day of March 2020 the foregoing resolution was moved for adoption by

Ayes:

Nays:

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Shelly Stibitz, City Clerk



## Vredeveld Haefner LLC

CPAs and Consultants  
10302 20<sup>th</sup> Avenue  
Grand Rapids, MI 49534  
Fax (616) 828-0307

Douglas J. Vredeveld, CPA  
(616) 446-7474  
Peter S. Haefner, CPA  
(616) 460-9388

December 27, 2019

Mike Huston, Finance Director  
City of Norton Shores  
4814 Henry Street  
Norton Shores, MI 49441

We appreciate working with you and thank you for the opportunity to provide this proposal to continue our services!

We understand the scope of the work to be a financial audit of your financial statements in accordance with generally accepted auditing standards.

We propose the following fees for the years ended June 30:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Audit of Financial Statements	\$12,750	\$13,000	\$13,250	\$13,500	\$13,775

You are a valuable client to our firm and we desire to continue working with you. In exchange for a multi-year commitment, we have kept our 2020 fee at the same level as the 2019 audit fee with inflationary increases of approximately 2.0% thereafter. In addition, we will absorb the cost of new standards to be implemented over the next five years. These new upcoming standards include new accounting for fiduciary activities, accounting for leases, and new debt disclosures to name a few.

Fees are based on standard hourly rates plus out-of-pocket costs (such as travel, report reproduction, postage etc.) and our estimate of the time required for completion of the audit. Our fees are based on the presumption that the City's accounting records are reasonably adjusted and auditable. Any additional services requested to assist the City will be discussed in advance with appropriate City personnel and once agreed to, will be billed at our standard hourly rates.

We look forward to continuing to serve as the as the independent Certified Public Accountants for the City of Norton Shores. This proposal is a firm and irrevocable offer for audits for the years ending June 30, 2020 through 2024. We would be happy to answer any questions on any aspect of our firm, our capabilities or this proposal. Feel free to call Doug or Peter with any questions you may have.

Thank you for considering Vredeveld Haefner LLC.

Sincerely,  
Vredeveld Haefner LLC

Douglas J. Vredeveld, CPA, CGFM  
Partner