

TAB 2

POINT PAPER

CRA Compliance Audit Additional Expenses

Problem: The most recent invoices received from the Bryant, Miller, Olive Law Firm would, if paid in full, exceed the previously agreed upon not-to-exceed amount of \$10,000 without prior written approval.

Background:

On April 20, 2009, the CRA Board voted to authorize the Mayor to execute an agreement with Susan P. Churuti of Bryant, Miller, Olive Law Firm for the performance of a compliance/legal audit of the CRA. On April 27, 2009, an engagement letter was sent from Bryant Miller Olive P.A. in which a not-to-exceed amount of \$10,000 without prior written approval was agreed upon.

To date, the City has paid two invoices totaling \$5,598.10. Additional invoices totaling \$6,932.91 have been received which consist of billing thru June 30, 2009. If paid in full, the total expenses of \$12,531.01 would exceed the pre-approved amount of \$10,000. In order to process the invoices for payment, an increase of at least \$2,531.01 would need to be approved. Staff would recommend an increase of \$5,000 allowing for potential unbilled July invoices.

Alternatives:

1. Do nothing.
2. Approve an increase of \$5,000 to the not-to-exceed cost of the CRA compliance audit, enabling current and potential future invoices to be paid.

Recommendation: Staff recommends alternative #2

Budget Impact: The overall CRA budget will not be affected. Any increase will be funded from existing budget lines in the FY09 budget.