



City of Broken Arrow

Request for Action

File #: 18-658, **Version:** 1

Broken Arrow Economic Development Authority
Meeting of: 06-04-2018

Title:

Consideration, discussion, and possible directive regarding the Contract for Economic Development services between the Broken Arrow Economic Development authority (BAEDA) and the Broken Arrow Economic Development Corporation (BAEDC) and authorization for the City Manager to execute a professional services agreement between BAEDA and Crawford Associates, P.C. for an audit of contractually expended funds pursuant to the BAEDA and BAEDC contract

Background:

On July 21, 2009, the BAEDA began contracting with the BAEDC for economic development services for BAEDA. The current contract is in effect from July 1, 2015 until June 30, 2018 and provides that on or before the 30th day of each month.

The Contract provides that BAEDA has the right to annually cause an audit by an independent auditor to be made of the records of the BAEDC to the extent that they involve directly or indirectly the expenditure of funds appropriated to the BAEDC by BAEDA pursuant to the agreement. The Contract also provide that the books of accounts and related invoices are the property of the BAEDC. However, such records are open to the inspection of BAEDA or the City upon responsible notice.

Recently Broken Arrow City Manager Michael Spurgeon and officials from the Chamber and EDC discussed the renewal of the Contract. Pursuant to the Records and Audit provision of the Contracts and in order to provide maximum transparency on city funds, the City Manager recommends that BAEDA enter into a professional services agreement for an independent audit pursuant to the Records and Audit provision of the Contract. Staff recommends that Crawford & Associates be retained for completion of this audit. Crawford & Associates has experience in completing audits of this nature and have also been used by the City for audits, management reports and employee training.

It should be noted that completing the audit and negotiations for a new agreement are anticipated to take longer than June 30, 2018. As a result, a short extension of the current agreement may be required. The Authority will be updated and/or asked to take possible action at the June 18, 2018 meeting.

Cost: Not to exceed \$25,000.00

Funding Source: General Fund - General Government

Requested By: Norman Stephens, Economic Development Coordinator

Approved By: Michael L. Spurgeon, City Manager

Attachments: Crawford Associates, P.C. Professional Services Agreement

Recommendation:

- 1) Provide directive regarding the contract for Economic Development Services between BAEDA and BAEDC.
- 2) Approve and authorize execution of a professional service agreement with Crawford and Associates, P.C. for an audit pursuant to the BAEDA and BAEDC contract.