

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda
BIDS AND PROPOSALS

To: President and Village Board of Trustees
FROM: William T. Lichter, Village Manager
DATE: April 18, 2005 Agenda Date: May 5, 2005
TITLE: Pension Fund Accounting Services

SUBMITTED BY: Leonard J. Flood, Director Of Finance

RESULTS:

Date Bids Were Published: N/A.....Date Bidding Closed: N/A
Total Number of Bids Received.....N/A
Total Number of Bidders Meeting SpecificationsN/A
Bid Security RequiredYes No
Performance Bond RequiredYes No
Were Any Bids WithdrawnYes No
If yes, explain:
Waiver of Bids Requested?Yes No
If yes, explain:
Award Recommended to Lowest Responsible BidderYes No
If no, explain:

BACKGROUND/RECOMMENDATION:

Staff recommends that the Village Board waive bids and authorize the Director of Finance to sign an engagement letter for Pension Fund Accounting Services for FYE 2006-2008 in accordance with the proposal of Lauterbach & Amen dated March 15, 2005 (attached). Lauterbach & Amen are the Village Auditors and have provided Pension Fund Accounting Services to the Village since 1998. There is no cost increase for these services in FYE 2006 over the current fiscal year. Subsequent years' increases will be \$180 or 3.46% in FYE 2007 and \$190 or 3.53% in FYE 2008.

Has Recommended Bidder Worked for Village Previously Yes No
If yes, was quality of work acceptable Yes No
Was item bid in accordance with Public Act 85-1295? Yes No
Waiver of bids - Public Act 85-1295 does not apply Yes

REVIEW (as needed):

Finance Director XX Leonard J. Flood Date 04/18/05
Village Manager XX W. T. Lichter Date 4/25/05

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 Noon, Wednesday, prior to the Board Agenda distribution.

March 15, 2005

Leonard J. Flood, Director of Finance
Village of Lombard
255 E. Wilson Avenue
Lombard, Illinois 60148-3931

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and the limitations of the services we will provide for the Lombard Police and Firefighters' Pension Funds for the years ended May 31, 2006, 2007 and 2008.

We will perform the following services:

1. We will compile from information you provide, monthly Treasurer's reports including annual and interim balance sheets, statement of revenues, statement of expenses, schedule of investment holdings, and paid bills report for the years ended May 31, 2006, 2007 and 2008. We will not audit or review such financial statements. Our report on the interim financial statements is presently expected to read as follows:

We have compiled the accompanying balance sheet of the Lombard Police and Firefighters' Pension Funds as of [month end date] and the related statements of revenues and expenses for the month then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

If for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

2. We will provide monthly accounting services including: post the cash receipt and cash disbursement journals; reconcile all bank accounts; account for all investment transactions; post the general ledger; issue vendor and benefit checks; maintain vendor and benefit payment history; and maintain contributions by member. In addition we will prepare the Illinois Division of Insurance report, the year-end auditor's work papers, and the annual 1096 and 945 payroll tax returns and 1099R's for the calendar years ended December 31, 2005, 2006 and 2007. All transactions will be recorded utilizing the chart of accounts established by the Illinois Division of Insurance. Account coding for transactions is self-evident based upon the chart of accounts established. It is our understanding that the transactions posted, along with the monthly Treasurer's reports will be approved by the Board at the regularly scheduled Board Meetings.

3. We will process benefit and vendor disbursements. A list of the scheduled pension benefit increases for each calendar year will be provided to the Pension Board for approval. All benefits are calculated in accordance with State Statutes and are based upon the pension benefit calculation schedules prepared for each beneficiary and approved by the Pension Board. We will disburse to the pensioners the gross pension benefit amounts indicated on the list provided for the applicable twelve-month benefit period. Any other amendments or changes to the gross benefits will require written authorization from the Pension Board. Vendor checks will be issued upon the written instruction and authorization by the Board and will be forwarded to the Board for signature.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

Our fees for the above services will be as follows:

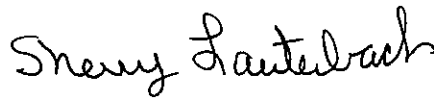
Services Provided	For the Fiscal Year Ended May 31,					
	2006		2007		2008	
	Police	Firefighters'	Police	Firefighters'	Police	Firefighters'
Monthly Accounting	\$730 Per Month	\$730 Per Month	\$750 Per Month	\$750 Per Month	\$775 Per Month	\$775 Per Month
Illinois Department of Insurance Compliance Report	\$875	\$875	\$915	\$915	\$950	\$950
Preparation of Year End Auditor's Work Papers	\$730	\$730	\$750	\$750	\$775	\$775
Payroll Tax Returns & 1099R's	\$265	\$265	\$275	\$275	\$285	\$285

Monthly accounting services will be billed on a monthly basis and the additional services will be billed as completed.

Please indicate your acceptance of the above understanding by signing below. A copy is enclosed for your records. If the Village's needs change during the year, the nature of our services can be adjusted appropriately. Likewise, if you have special projects with which we can assist, please let us know.

Cordially,

LAUTERBACH & AMEN, LLP



Sherry Lauterbach, Partner

RESPONSE:

This letter correctly sets forth the understanding of the Village of Lombard, Illinois:

Accepted by: _____

Title: _____

Date: _____