



City Council Meeting Agenda

Tuesday, February 24, 2026

6:00 p.m. – Work Session Meeting

7:00 p.m. – City Council Regular Meeting

EXECUTIVE SESSION – to immediately follow the Regular Meeting (CLOSED TO THE PUBLIC)

Welcome! This meeting will be a hybrid (in-person & Zoom) Meeting. However, if you are not feeling well, please stay home and take care of yourself.

The public is strongly encouraged to relay concerns and comments to the Council in one of five ways:

- **Pre-register** using the online form here:

<https://www.mcminnvilleoregon.gov/citycouncil/webform/public-comment-card> (Registration **OPENS** at **5:00 p.m.** on the day the agenda is posted, **one week before the meeting** and **CLOSES** at **12:00 p.m. the day BEFORE** the meeting // (Any form submitted outside this window will not be addressed);

- **Written comments** may be submitted to the City Recorder Team any time up to **12:00 p.m. the day BEFORE** the meeting and mailed to (McMinnville City Hall, c/o City Recorder Team, 230 NE Second Street, McMinnville, OR, 97128);
- **Digital comments (email)** may be submitted to the City Recorder Team any time up to **12:00 p.m. the day BEFORE** the meeting to CityRecorderTeam@mcminnvilleoregon.gov;
- Fill out a **physical public comment card** found at McMinnville City Hall; any time up to **12:00 p.m. the day BEFORE** the meeting, but **not before 5:00 p.m.** on the day the agenda is posted for the following week;
 - Attend **in person** and fill out a public comment card.

You can live broadcast the City Council Meeting on cable channels Xfinity 11 and 331, Frontier 29 or webstream here:

mcm11.org/live

CITY COUNCIL WORK SESSION & CITY COUNCIL REGULAR MEETING:

You may join online via Zoom Webinar Meeting:

<https://mcminnvilleoregon.zoom.us/j/81252486570?pwd=nKvQFUR5hMF5CYW6btWvikAjt0Sbks.1>

Or you can call in and listen via Zoom: 1-253- 215- 8782

Webinar ID: 812 5248 6570

6:00 PM – WORK SESSION MEETING – VIA ZOOM AND SEATING AT CIVIC HALL

1. CALL TO ORDER
2. WASTEWATER MASTER PLAN
3. ADJOURNMENT OF WORK SESSION

7:00 PM – REGULAR COUNCIL MEETING – VIA ZOOM AND SEATING AT CIVIC HALL

1. CALL TO ORDER & ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. INVITATION TO COMMUNITY MEMBERS FOR PUBLIC COMMENT –

The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. The Mayor may limit comments to 4 minutes per person for a total of 32 minutes. The Mayor will read the names of comments emailed to City Recorded and then call on anyone who has signed up to provide public comment.

4. CONSENT AGENDA

- a. Consider **Resolution No. 2026-08**: A Resolution appointing volunteers to the City’s Landscape Review Committee and Historic Landmarks Committee.
- b. Consider **Resolution No. 2026-10**: A Resolution appointing a volunteer to the Airport Commission.
- c. Consider **Resolution No. 2026-11**: A Resolution authorizing the City Manager to execute a contract, in a form acceptable to the City Attorney, with Talbot, Korvola & Warwick, LLP for \$292,100 for audit services.

5. WARD 3 VACANCY ANNOUNCEMENT/DISCUSSION

- a. Consider **Resolution No. 2026-12**: A resolution declaring a vacancy on the City Council and announcing the advertisement for qualified persons for appointment to fill the Ward 3 vacancy.

6. ADVICE/ INFORMATION ITEMS

- a. Reports from Councilors on Committee & Board Assignments
- b. Department Head Reports
- c. January 2026 Cash and Investment Report (in packet)

7. ADJOURNMENT OF REGULAR MEETING

**CITY COUNCIL EXECUTIVE SESSION – IMMEDIATELY FOLLOWING THE CITY COUNCIL REGULAR MEETING
(NOT OPEN TO THE PUBLIC)**

1. CALL TO ORDER

2. **EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(e)**: To conduct deliberations with persons you have designated to negotiate real property transactions.

3. ADJOURNMENT OF EXECUTIVE SESSION

From: [Mayor Kim Morris](#)
To: [Claudia Cisneros](#)
Subject: Fw: Adam Performance
Date: Tuesday, February 10, 2026 12:32:04 PM

Please share with council.

Thank you
Kim

Get [Outlook for iOS](#)

From: John C. Dietz <jcd@mc-power.com>
Sent: Monday, February 9, 2026 4:08:27 PM
To: Mayor Kim Morris <kim.morris@mcminnvilleoregon.gov>
Subject: Adam Performance

This message originated outside of the City of McMinnville.

Kim,

As a partner with the city, I have seen a positive change working with Adam. Staff is being held accountable as well as accomplishing tasks. The relationship has improved greatly over the last 6 months. I believe what the city needs is someone who understands working with staff and partners, not necessarily someone who has a piece of paper and is unknown.

John C. Dietz
General Manager
McMinnville Water and Light
503-472-6158
jcd@mc-power.com

From: [Zack Geary](#)
To: [Claudia Cisneros](#)
Subject: Fw: McMinnville Pickleball Club
Date: Tuesday, February 17, 2026 3:03:41 PM
Attachments: [We sent you safe versions of your files.msg](#)
[City Council Letter, MPC Board \(1\).pdf](#)

From: Mac Pickleball Club [REDACTED]
Sent: Monday, February 16, 2026 12:36 PM
To: Adam D. Garvin <adam.d.garvin@mcminnvilleoregon.gov>; Mayor Kim Morris <Kim.Morris@mcminnvilleoregon.gov>
Cc: Sal Peralta <Sal.Peralta@mcminnvilleoregon.gov>; Chris Chenoweth <Chris.Chenoweth@mcminnvilleoregon.gov>; Daniel Tucholsky <Daniel.Tucholsky@mcminnvilleoregon.gov>; Zack Geary <Zack.Geary@mcminnvilleoregon.gov>; Jessica Payne <Jessica.Payne@mcminnvilleoregon.gov>; Scott Cunningham <Scott.Cunningham@mcminnvilleoregon.gov>
Subject: McMinnville Pickleball Club

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Hello, Mayor Morris and City Council Members,

The McMinnville Pickleball Club is pleased to share a letter drafted by our Board highlighting the need for additional pickleball facilities in our growing community. Please find the attached letter for your review. We look forward to the opportunity to collaborate with you soon.

Sincerely,

The Mac Pickleball Club



Dear Mayor Morris and McMinnville City Council Members,

We respectfully request that the City of McMinnville pursue the development of additional pickleball courts to meet the growing needs of our community. Continued pursuit of passing the Rec Bond Measure is a high priority for our club, and we are committed to supporting the city as planning moves forward.

Pickleball participation in McMinnville has rapidly outgrown the number of courts currently provided. The existing courts experience consistently high utilization rates, demonstrating strong community demand and maximizing the City's return on its infrastructure investment.

As McMinnville continues to grow, demand for pickleball has increased even further. Pickleball is now the fastest-growing sport in the United States. Many surrounding communities, with smaller populations than McMinnville's, have already expanded their court offerings beyond what is currently available here. Our local participation reflects this trend; the McMinnville Pickleball Club alone has over 328 members, and many additional community members participate informally.

Noise concerns from neighbors near the current court location have restricted playable hours, further limiting access. In addition, past requests for lighting and court coverage have been denied. Relocating or expanding courts to a more suitable site would help address these concerns while allowing for future enhancements.

Pickleball strongly aligns with McMinnville's community priorities, including inclusive and accessible recreation, efficient use of public resources, preventive health and wellness, and expanding park and recreation offerings in response to demonstrated community demand. Pickleball courts represent a relatively small infrastructure investment with an outsized return supporting

physical health, mental well-being, social connection, and community engagement across age groups.

As a low-impact sport, pickleball is accessible to people of all abilities. Research consistently highlights its benefits for heart health, strength, balance, coordination, and proprioception. Because the game is fun, easy to learn, and welcoming to players of all skill levels, participants are more likely to continue playing in the long term, thereby maximizing lasting health benefits. The sport's social nature encourages interaction and relationship-building, fostering a sense of belonging.

Pickleball also encourages youth to get outside and engage in physical activity away from screens, requires minimal equipment to get started, and creates a welcoming space where people from diverse ages, abilities, ethnicities, and socioeconomic backgrounds play together.

We appreciate the City Council's continued commitment to supporting a healthy, connected, and vibrant McMinnville. We respectfully ask that the City explore opportunities for new pickleball courts in a location that better supports long-term sustainability, expanded access, and future growth. We would welcome the opportunity to collaborate, provide additional information, or participate in community discussions as planning moves forward.

Thank you for your time and thoughtful consideration.

Sincerely,

The Mac Pickleball Club





STAFF REPORT

DATE: February 24, 2026
TO: Adam Garvin, Interim City Manager
SUBMITTED BY: Heather Richards, Community Development Director
WRITTEN BY: Evan Hietpas, Acting Planning Manager
SUBJECT: Resolution No. 2026-08, Committee Appointments

1. A Resolution appointing volunteers to the City's Landscape Review Committee and Historic Landmarks Committee.

Report in Brief:

This is the consideration of Resolution No. 2026-08 appointing volunteers to the City's Landscape Review Committee and Historic Landmarks Committee.

Background:

The City of McMinnville has many boards, commissions, and committees and that support the City's work on a volunteer basis. The City Council makes annual appointments and also fills vacancies as they may arise during the year.

According to the City's Unified Board & Committee Appointment Policy, the City solicits applications by advertising the vacancies in the News Register, social media, City website, and other communication opportunities. The applications are then reviewed and interviews are conducted. All eligible applicants are invited to interview. Interview panels consisted of the City staff liaison, the City Council liaison for the committee, the sitting Chair or Vice-Chair of the Committee, and the Mayor. Following the interviews, the interview panels make recommendations to the City Council for appointments.

Additional information about the commissions and committees and the vacancies is also posted on the City website at <https://www.mcminnvilleoregon.gov/bc>.

Discussion:

There is one vacancy on each of these Committees. The vacancies were advertised in the News Register on December 8th, 12th, 15th, and 19th, and they were advertised on social media, the City website, and the City’s e-newsletter. Applications were accepted from December 1, 2025, to December 31, 2025.

- **LANDSCAPE REVIEW COMMITTEE:** One new 3-year term, expiring December 31, 2028

RECOMMENDED COMMITTEE APPOINTEE: CARLY BAUGHMAN

2.33.030 - Membership.

A. *Number of Members.* The Landscape Review Committee shall be composed of five members.

B. *Residency.* Members shall reside in the McMinnville Urban Growth Boundary. A majority of members shall reside within the city limits. The common council can appoint a member to the committee who does not reside in the Urban Growth Boundary if it is determined that the member brings significant value to the purpose of the committee.

C. *Representation.* Individual seats are not geographically designated. Common council members, planning commissioners, and water and light commissioners shall not serve as Landscape Review Committee members.

D. *Appointments.* The common council will appoint the committee members.

E. *Terms.* All terms are for three years commencing with January of each year.

F. *Removal.* A committee member may be removed by the common council for misconduct, nonperformance of duty, or three successive unexcused absences from regular meetings. The committee may, by motion, request that a member be removed by the appointing body. If the appropriate governing body finds misconduct, nonperformance of duties or three successive unexcused absences from regular meetings by the member, the member shall be removed.

G. *ex officio Members.* One ex officio youth (21 years of age and under) may be appointed by the common council, to serve a three year term. The ex officio youth shall not be a voting member. (Ord. 5028 §3, 2017).

- **HISTORIC LANDMARKS COMMITTEE:** One new 4-year term, expiring December 31, 2029

RECOMMENDED COMMITTEE APPOINTEE: GRAHAM MANDELL

2.34.030 - Membership.

A. *Number of Members.* The Historic Landmarks Committee shall be composed of five members.

B. *Residency.* Members shall reside in the McMinnville Urban Growth Boundary. A majority of members shall reside within the city limits. The common council can appoint a member to the committee who does not reside in the Urban Growth Boundary if it is determined that the member brings significant value to the purpose of the committee.

C. *Representation.* Individual seats are not geographically designated. Common council members, planning commissioners, and water and light commissioners shall not serve as Historic Landmarks Committee members.

D. *Appointments.* The common council will appoint the committee members. The council will strive to appoint members with historic preservation experience or knowledge.

E. *Terms.* All terms are for four years commencing with January of each year. All members may serve two consecutive four-year terms. Members who have served two full terms may be reappointed to the Historic Landmarks Committee after a four-year hiatus from the committee.

F. *Removal.* A committee member may be removed by the common council for misconduct, nonperformance of duty, or three successive unexcused absences from regular meetings. The committee may, by motion, request that a member be removed by the appointing body. If the appropriate governing body finds misconduct, nonperformance of duties or three successive unexcused absences from regular meetings by the member, the member shall be removed.

G. *ex officio Members.* One ex officio youth (21 years of age and under) may be appointed by the common council, to serve a three year term. The ex officio youth shall not be a voting member. (Ord. 5035, 2017).

Attachments:

1. Resolution No. 2026-08

Fiscal Impact:

There is no fiscal impact to the City of McMinnville associated with this decision.

Alternatives:

1. **Alternative 1 [Staff Recommendation]:** Adopt the attached resolution appointing the new committee members.
2. **Alternative 2:** Reject the recommended appointments and direct staff to start a new recruitment process.
3. **Alternative 5:** The Council may consider any other alternative not presented by staff.

RESOLUTION NO. 2026-08

A Resolution appointing volunteers to the City’s Landscape Review Committee and Historic Landmarks Committee.

RECITALS:

Whereas, the City of McMinnville has a Landscape Review Committee and Historic Landmarks Committee, made up of volunteers; and

Whereas, the City Council is responsible for making appointments.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON as follows:

- 1. The City Council appoints the following volunteers to the following Committees:

LANDSCAPE REVIEW COMMITTEE:
(One new 3-year term)

Carly Baughman _____

Term Expires December 31, 2028

HISTORIC LANDMARKS COMMITTEE:
(One new 4-year term)

Graham Mandell _____

Term Expires December 31, 2029

- 2. This Resolution and the appointment shall take effect immediately upon passage.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 24th day of February 2026 by the following votes:

Ayes: _____

Nays: _____

Approved this 24th day of February 2026.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder



STAFF REPORT

DATE: February 24, 2026
TO: Adam Garvin, Interim City Manager
SUBMITTED BY: Geoff Hunsaker, Public Works Director
WRITTEN BY: John Paskell, Airport Manager
SUBJECT: Airport Commission Appointment

1. Resolution 2026-10, Confirming the Mayor's appointment of a volunteer to the Airport Commission

Report in Brief:

Resolution 2026-10 appoints one applicant to fill the vacancy on the Airport Commission.

Background:

The Airport Commission had one vacancy effective December 31, 2025 as a term expired. Staff posted the vacancy in accordance with the City's Unified Appointment Policy, and one application was received from a resident who had applied the year prior but was not selected at that time. On February 4, 2026 the applicant was interviewed by a panel consisting of the Airport Manager, Airport Commission Chair, and City Council Liaison. All three are recommending the appointment to the Mayor.

Discussion:

None

Attachments:

1. Resolution 2026-10

2. Application Details – Andrew Kondor

Fiscal Impact:

None

Alternatives:

Alternative 1 [Staff Recommendation]: Adopt the attached Resolution confirming the Mayor's appointment of one applicant to the Airport Commission.

Alternative 2: Reject the attached Resolution. Staff would readvertise the vacancy.

Alternative 3: The Council may consider any other alternative not presented by staff.

RESOLUTION NO. 2026-10

A Resolution confirming the Mayor’s appointment of a volunteer to the Airport Commission.

RECITALS:

WHEREAS, the City of McMinnville has an Airport Commission made up of volunteers; and

WHEREAS, the City Council is responsible for making appointments and reappointments; and

WHEREAS, an interview panel has recommended one candidate for appointment; and

WHEREAS, the Mayor seeks to appoint the recommended candidate and seeks Council’s confirmation.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The City Council confirms the Mayor’s appointment of the following volunteer to the Airport Commission:
 - Andrew Kondor (Full term) Expires December 31, 2029
2. This resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Council of the City of McMinnville at a regular meeting held the 24th day of February 2026 by the following votes:

Ayes: _____

Nays: _____

Approved this 24th day of February 2026.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

ANDREW KONDOR

[REDACTED] (Ward 1)
McMinnville, OR 97128

Applying to serve on: Airport Commission

Background:

7 years in the USCGR; 16 years in the ORANG / MBA, with Distinction Grantham University, July 2021 / 2020 Industry Champion - The Business Strategy Game (a competition-based global strategy simulation);

A.A.S. Education & Training Management Community College of the Air Force, April 2018;

A.A.S. Information Management Community College of the Air Force, October 2013;

B.S. Architecture: Project Management, Dean's List Portland State University, March 2006;

A.A. Architectural Drafting Technology Palomar Community College, June 2002;

A.A. General Education Palomar Community College, June 2002;

A.A. Liberal Arts and Sciences Palomar Community College, June 2001

My family and I have lived here for nearly 2 years, and we intend on making this our home as our daughter loves it here and her grandparents recently moved here as well. I believe that MMV is extremely valuable to the community and should be managed as such. I would like to serve this community in a meaningful capacity, just as I have served this country for the last 23 years and I believe that I have the right education and training to do so on the airport commission.

Andrew Joseph Kondor



STAFF REPORT

DATE: February 24, 2026
TO: Adam Garvin, Interim City Manager
SUBMITTED BY: Katie Henry, Finance Director
SUBJECT: Contract for Auditing Services

1. Resolution No. 2026-11, A Resolution authorizing the City Manager to execute a contract, in a form acceptable to the City Attorney, with Talbot, Korvola & Warwick, LLP for \$292,100 for audit services

Report in Brief:

The City issued a Request for Proposal (RFP) for Audit Services on November 10, 2025, and received five proposals by the December 16 deadline. The evaluation group, made up of the audit committee and 2 staff members, scored all proposals. After deliberation, review of references, and evaluation of scoring, the Audit Committee chose to issue an Intent to Award Notice in favor of Talbot, Korvola & Warwick, LLP (TKW).

Background:

The City issued the RFP because the contract with its current audit firm ended with the FY2024-25 audit cycle. The audit firm proposers were evaluated based on factors such factors as firm qualifications, specific audit approach, and project understanding.

The contract includes annual audit services and production of the financial statements for both the City and the McMinnville Urban Renewal Agency. Federal single audit services for the City are also included in the contract and will be charged only for those years in which a federal audit is required.

Discussion:

The resolution proposes authorizing the City Manager to sign a contract with TKW. The contract will be a not to exceed contract for three years from FY2025-26 to FY2027-28 with the option for additional annual extensions.

Attachments:

1. RFP Scoring tabulation
2. RFP Audit Services Final

3. TKW Proposal for Audit Services
4. Resolution No. 2026-11 Audit Services Contract TKW

Fiscal Impact: This contract replaces an existing contract and is part of ongoing operational expenses. Total amount for the initial three-year contract is \$292,100, as detailed below.

	2026	2027	2028
City of McMinnville			
Audit ACFR	\$ 65,500	\$ 68,800	\$ 72,300
Single Audit*	7,000	7,400	7,800
McMinnville URA			
Audit Financial Statements	7,500	7,900	8,300
Total Audit Fees	\$ 80,000	\$ 84,100	\$ 88,400
<i>*Includes 1 major program; \$5,000 for each additional major program in FY26</i>			
Financial Statement Assistance			
City ACFR	\$ 9,000	\$ 9,500	\$ 10,000
URA Financial Statements	3,500	3,700	3,900
	\$ 12,500	\$ 13,200	\$ 13,900

Alternatives:

Alternative 1 [Staff Recommendation]: Adopt the attached resolution authorizing a contract with TKW.

Alternative 2: Direct Staff to negotiate for a longer term of five years and go to the market again at that time. This could eliminate flexibility should the City decide to bring portions, such as financial statement preparation, in house.

Alternative 3: Reject the attached resolution. The current contract with Merina and Co has ended. Rejecting the current resolution would result in the City falling out of compliance with State and Federal guidelines.

Alternative 4: The Council may consider any other alternative not presented by staff.

Scoring Summary

	HENRY	PAYNE	MORRIS	GRETZON	MAXFIELD	Total	Ranking					
REDW												
Project Understanding	15	14	14	13	15							
Proposed Work Plan and Timeline	35	35	33	30	35							
Qualifications and Experience	50	40	50	50	35							
	89	0	97	93	85	364	4	3	3	5	4	3.75
Singer Lewak												
Project Understanding	15	12	14	15	15							
Proposed Work Plan and Timeline	35	20	33	30	33							
Qualifications and Experience	50	40	48	50	40							
	72	0	95	95	88	350	5	5	5	4	3	4.25
TKW												
Project Understanding	15	14	15	15	15							
Proposed Work Plan and Timeline	35	35	33	35	33							
Qualifications and Experience	50	50	50	50	45							
	99	0	98	100	93	390	1	1	1	1	1	1
Aldrich												
Project Understanding	15	11	15	15	14							
Proposed Work Plan and Timeline	35	25	33	35	33							
Qualifications and Experience	50	45	49	50	45							
	81	0	97	100	92	370	3	4	3	1	2	2.5
Baker Tilly												
Project Understanding	15	14	14	15	14							
Proposed Work Plan and Timeline	35	35	34	35	32							
Qualifications and Experience	50	45	50	48	38							
	94	0	98	98	84	374	2	2	1	3	5	2.75



REQUEST FOR PROPOSALS

PROFESSIONAL SERVICES

AUDIT SERVICES

NOVEMBER 5, 2025

Address Proposals to:

City of McMinnville
Attn: Katie Henry
230 NE Second Street
McMinnville, OR 97128

Proposals due: Tuesday, December 16, 2025, at 2:00 PM, Pacific Time

Proposals must be **emailed** to katie.henry@mcminnvilleoregon.gov

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Request for Proposals

The City of McMinnville, Oregon (the “City”) is requesting Proposals in order to select a qualified consultant to provide professional services for Audit Services (“Project”). Consultants are invited to demonstrate their experience and qualifications in performing work directly related to the services required by responding to this **Request for Proposals (RFP)**. The anticipated negotiated fee for this Project is expected to exceed \$100,000; therefore, Proposals will be evaluated in accordance with the qualifications based selection procedures of OAR 137-048-0220. This Project does does not involve federal funds. If federal funds are involved, special federal requirements are contained within the attached draft Professional Services Agreement and must be carefully reviewed and complied with.

I. Project Description

The City is seeking a qualified consultant to provide audit services of the financial statements of the City of McMinnville, Oregon, and its one blended component unit for three consecutive years, beginning fiscal year 2025-26 through, and including 2027-28. The City’s fiscal year runs July 1 – June 30.

II. Scope of Work

The following is a proposed Scope of Work for a financial auditor.

Term of Service

The contract resulting from this RFP shall have an anticipated date of final completion December 31, 2028. However, the City may amend the resulting contract for up to five annual extensions.

Task 1 – Annual Comprehensive Financial Report – City of McMinnville

The City prepares an Annual Comprehensive Financial Report (ACFR), consistent with generally accepted accounting principles (GAAP), in full compliance with the pronouncements of the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB), and including disclosures required by State regulations.

The purpose of the auditors’ examination is to audit and express an opinion on the fairness of presentation, in accordance with GAAP, of the general-purpose financial statements taken as a whole. The additional information section of the ACFR will be examined “in relation to” the general-purpose financial statements.

The audit firm, as part of the audit, shall perform an evaluation of the internal accounting controls and communicate any weaknesses and recommendations as required in the ACFR and in a separate letter to management.

The audit firm shall have conducted an examination of, and have issued its opinion on, the financial statements, including auditor's comments and disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations, no later than December 15 after the close of each fiscal year ending June 30. Each year the audit firm will propose a testing, document review and production schedule in order to meet this deadline which will be reviewed by and agreed to by the City.

Task 2 – Basic Financial Statements – Urban Renewal Agency

The City prepares basic financial statements for the URA. The purpose of the auditors' examination is to audit and express an opinion on the fairness of presentation, in accordance with GAAP, of the general-purpose financial statements taken as a whole.

The deadline for the completion of the audit of the basic financial statements for the component unit is no later than December 15 after the close of the fiscal year ending June 30. URA specific items will be included in the above noted audit schedule.

Task 3 – Report on the Single Audit – City of McMinnville

A report on the results of a single audit of the City's grants as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) will be included as a component of the ACFR document. City staff will prepare the Schedule of Federal Financial Assistance.

The City anticipates single audits will not be required every year for the City but should never be a factor for the URA.

The audit firm will provide advice to the City regarding any discrepancies in the City Financial policies to comply with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) or other relevant federal awards requirements.

Task 4 – Communication to the Governing Body

The audit firm shall prepare, in letter form, a Communication to the Governing Body to include recommendations for management. The Communication to the Governing Body shall include any findings, observations, opinions, comments or recommendations, relating to internal control, accounting systems, data processing, compliance with laws, rules and regulations, and any other matters that come to the attention of the audit firm during the course of the examination and, in the opinion of the audit firm, warrant the attention of management. Such recommendations shall not be construed as special or

additional studies and shall be limited to those recommendations usually associated with the study of internal control systems and procedures as a part of an examination of financial statements. The Communication to the Governing Body and management's written responses shall be discussed with City officials prior to publication. The audit firm will prepare copies of the final report to the City following the same schedule as for the ACFR.

Task 5 – Other Required Services

The selected audit firm shall provide a variety of technical assistance throughout the term of the Contract. This assistance shall include answers to accounting, reporting or internal control questions; and assistance and guidance in implementing GASB pronouncements and updating reporting standards.

The audit firm will be asked to provide recommendations to the City to better utilize technology and update practices to add transparency, improve operational efficiency, strengthen internal controls and minimize negative environmental impacts due to its activities.

Materials and sets of working papers developed during the Contract term will be maintained for a minimum of five (5) years from the date of the audit reports, at the auditor's expense, and will be made available for examination by authorized representatives of the federal audit agency, Oregon Secretary of State, the U.S. General Accounting Office, and the City.

In addition, the firm shall respond to the inquiries of successor auditors and allow successor auditors to review work papers related to matters of accounting significance and internal control.

Audit firm management or other representatives will be present at meetings of the Audit Committee and City Council when matters regarding the audit or related reports are discussed. Meetings with individual city councilors or managers may also be requested.

III. Minimum Qualifications

To be considered for award of the contract for this Project, each Proposer shall demonstrate the following minimum criteria as part of their Proposal.

1. Proposer must be properly licensed for public practice as an independent auditor and be qualified as a municipal auditor
2. Proposer shall demonstrate a minimum of five (5) years' experience providing the types of services described within the Scope of Work of this Request for Proposals for public agencies.

3. Proposer shall not have a record of substandard workmanship, as verified by the City by communication with licensing authorities, former clients and references, and other means as the City deems appropriate.
4. Audit firm must meet the independent standards of the GAO Standards for Audit of Government Organizations, Programs, Activities, and Functions, Latest Revision.

IV. Proposal Requirements

Proposers shall prepare and submit Proposals in accordance with the requirements stated within this RFP. Adherence to these requirements will ensure a fair and objective analysis of submitted Proposals. Proposals should provide a clear, concise description of the Proposer's capabilities to satisfy the requirements of this RFP. Emphasis should be placed on completeness, brevity, and clarity of content. Failure to comply with or complete any part of the RFP may result in rejection of the Proposal. The ability to follow these instructions demonstrates attention to detail.

Proposal Format

Proposals shall be typewritten with a standard body text font (e.g. Calibri, Times New Roman, Garamond) of at least 11-point. Proposers shall submit one (1) electronic copy of the proposal via e-mail in a single pdf file.

Proposals shall be organized in accordance with the listed Proposal contents and shall not exceed 15 total pages. Supporting Information, as defined below, shall be provided in a separate section at the end of the Proposal, and not counted in the page limit requirements. A front cover sheet and one-page table of contents are not counted in the page limit requirements.

Proposals exceeding the specified number of pages or text font size may be considered non-responsive and the Proposal may be rejected. Pages exceeding the maximum page limit may not be reviewed.

Introductory Letter

The introductory letter should address the consultant's willingness and commitment, if selected, to provide the services offered and a description of why the Proposer believes it should be selected.

The letter shall be addressed to the City's Project Manager and include the name of the firm, as well as the printed name, title, telephone number, and email address of

the officer authorized to represent the consultant in any correspondence, negotiations, and signing of any contract that may result. Include the address of the office that will be providing the service and the project manager's name, title, telephone number, and e-mail address. The Proposer's federal and state tax ID numbers and the state of incorporation, if applicable, shall also be included. The letter must be signed by the Proposer, if an individual, or by a legal representative of the Proposer's entity, authorized to bind the entity in contractual matters.

The letter of interest shall specifically stipulate the following statements:

"Proposer has received and examined, as part of the Proposal, Addenda No. __ through __. Proposer accepts all terms and conditions contained in the Request for Proposal and the Professional Services Agreement, except as otherwise specifically noted as an Exception in the Proposal."

"The submitted Proposal is valid for a period of ninety (90) days from the time and date Proposals are due."

"All materials and documents acquired or produced by the consultant in conjunction with the resulting contract shall be delivered to and become property of the City of McMinnville, without restriction or limitation of future use."

Project Understanding

Proposals shall demonstrate the consultant's understanding of the Project by providing a clear and concise description of the Project, discussion of the anticipated primary issues and milestones, and identification of key stakeholders, based on the information provided in the RFP.

Project Approach

Proposals shall clearly define the tasks and activities necessary to meet the objectives outlined in the Scope of Work of the RFP. Each Proposer should demonstrate knowledge of the type of work requested, ability to solve the anticipated Project issues, and ability to offer innovative ideas. Proposer's ability to expeditiously complete the work should be made evident. The Proposal should include the following:

1. Describe how Proposer would carry out the major activities of the audit in context with the Scope of Work. Provide a comprehensive management plan that the Proposer intends to follow. Illustrate how the plan will serve to coordinate and accomplish the Work defined in this RFP.

2. Describe Proposer's approach and methodology for preparing project cost estimates, including the services being solicited by the RFP.
3. The work plan should include audit milestones, schedules, time estimates (in hours) for each significant segment of the audit and the staff level to be assigned.
4. Also include a work plan and description of any additional data collection or work that your firm performs in the first year with new local government audit clients. Attach examples of any tools or forms your firm will use for this process.
5. Identify Proposer's specific team members, including key sub-consultants, and resources assigned to each task and activity of the RFP.
6. Describe Proposer's approach to complete the tasks and activities of this RFP in a timely manner and control costs.
7. Describe Proposer's approach to unanticipated issues that may arise during the Project.
8. Describe Proposer's quality assurance and quality control procedures to be implemented on this Project.

Proposer's Experience

Proposals shall provide a brief work history of consultant's and any key sub-consultant's projects entailing the same type of work being requested. Emphasis should be placed on local projects for public agencies where possible. The Proposal should include the following:

1. Describe the consultant's and key sub-consultant's firm size, office locations, and relevant capabilities and resources to be utilized on this Project.
2. Describe consultant and key sub-consultants' work experience that correspond with the Project needs, as identified in this RFP.
3. Provide at least three (3) examples of projects completed by Proposer for public agencies within the last five (5) years that best characterize Proposer's experience with the work being requested, work quality, and cost control, describing each by Audit Services, type, location, and date.
 - Include the public agency name and the name, address, telephone number, and email of the current contact person for each project, where possible.
 - Identify what role, if any, each team member who is proposed for this City Project (see Project Team Experience, below) played in each listed project.

- Identify original and final contract costs for each listed project. Explain any cost overruns and corrective actions taken.
4. Please also include the following documents (redacted or generic forms used by your firm are acceptable) as part of your Proposal (*note: these do not count toward your page count*):
- sample(s) of a recent audit testing preparation list for a similar local government
 - sample(s) of a recent audit calendar (testing dates, document production deadlines, anticipated filing dates) for a similar local government
 - sample(s) of a recent engagement letter for a similar local government

Project Team Experience

Proposals shall identify the team to be assigned to the Project by name, describing each member's qualifications and experience with completed projects relative to the requested services, including expertise regarding all tasks associated with the Scope of Work. Each Proposal should include the following:

1. Identify by name and title the project principal, project manager, key staff, and any sub-consultants or subcontractors to be assigned to this Project.

Describe education, training, qualifications, registrations, certification, and relevant individual work experience of all key personnel, including sub-consultants, to be assigned to this Project.

2. Identify the Project roles and responsibilities of all key personnel.
3. Describe any attributes or expertise of key personnel uniquely situated for the requested services.
4. Describe the extent of principal and project manager involvement.
5. Describe current and anticipated assignments and location of key personnel, including percentage of time devoted to other projects during performance of this Project.

Project Schedule

Proposals shall include a proposed Project schedule identifying the duration and completion date of all tasks and milestones. The schedule should reflect the anticipated final completion date stated in the Scope of Work. If the schedule extends beyond the final completion date, the Proposal should include an explanation as to why the work cannot be completed within the proposed timeframe stated in the Scope of Work.

Supporting Information

Supporting materials may include graphs, full resumes, other references, charts, sample documents, and photos. However, pertinent information should be covered in the body of the Proposal. Supporting Information will not count toward the page limit, but brevity is encouraged. If there is no additional information to present in the Supporting Information, then state: *"There is no additional information we wish to present."*

V. Proposal Submission

Proposers shall submit an electronic Proposal by email to Katie Henry, katie.henry@mcminnvilleoregon.gov with "Request for Proposals – Audit Services," in the subject line. Proposals must arrive in the inbox at the email address above by **2:00 p.m., Pacific Time, on Tuesday, December 16, 2025**. Late Proposals, faxed Proposals, or hard copy proposals will not be accepted.

VI. Proposal Evaluation and Selection

A Selection Review Committee of at least three members will be appointed to evaluate the Proposals received. Each committee member will independently evaluate each Proposal in accordance with the criteria stated in the Proposal Requirements section of this RFP.

The City may also seek expert advice to help review Proposals. Advisors to the Selection Review Committee may attend evaluation meetings and consultant presentations, evaluate the Proposals, and lend any such expertise to the process as requested by the City. However, any such person that is contacted by the City for their expert advice shall not, from first being contacted until the RFP process is completed or otherwise brought to an end, have communications with any Proposers regarding their Proposals or the RFP process.

At any point during the evaluation process, the City is permitted to seek clarification of any Proposal.

Written Evaluation

Based on their evaluation, each member of the Selection Review Committee will score each Proposal according to the following scoring criteria. Each member will rank, in descending order, each Proposal by total score.

EVALUATION CRITERIA

Criteria	Maximum Score
Introductory Letter	Required
Project Understanding	15
Project Approach and Management	35
Proposer's Experience and Qualifications	50
Project Schedule	Required
Total	100 Points

In addition to the above weighted scoring criteria, feedback from references provided will also be considered and may be determinative in the selection process. References will not be scored but will be considered and may be a deciding factor.

Interview Evaluation

If determined to be necessary or desirable by the City, finalists from the written evaluation may be invited to participate in an additional interview evaluation process. The number of finalists will be determined by the Selection Review Committee. The interview evaluation process will provide an opportunity for Proposers to make a presentation to clarify their Proposal and for the Selection Review Committee to ask additional questions related to the Proposal and Scope of Work. The City will notify finalists of the interview evaluation time and location and allow for a reasonable period of time for finalists to prepare presentations.

After the interviews, each member of the Selection Review Committee will re-evaluate and re-score each finalist interviewed according to the Evaluation Criteria. Each member will rank, in descending order, each interview by total score.

Successful Proposer Determination

The Proposer with the highest overall ranking, as determined by the Selection Review Committee, shall be identified as the Successful Proposer. Depending on the number of Proposers and the point spread among Proposals, the Selection Review Committee may determine that an interview evaluation is needed to determine the Successful Proposer. Those Proposers selected for interviews will be based on the Proposals with the highest overall ranking.

If interviews are conducted, the Successful Proposer will be determined based on the adjusted post- interview score and ranking in accordance with the Evaluation Criteria.

The Proposer with the highest overall adjusted ranking, as determined by the Selection Review Committee, shall be identified as the Successful Proposer.

The City reserves the right to perform additional investigations of any Proposer, including communication with licensing authorities, former clients and references, and other means as the City deems appropriate, and may reject any Proposal upon finding a record of Proposer's substandard workmanship.

The Selection Review Committee shall determine the final ranking of Proposers, and the Committee's decision is final. Upon determination of the Successful Proposer and performance of additional investigations, the City will issue a Notice of Intent to Award letter notifying all Proposers of the City's selection of a Successful Proposer and protest procedures.

The City reserves the right to negotiate a final contract that is in the best interest of the City. With regards to the Professional Services Agreement, the City will only negotiate those provisions that were noted as Exceptions in the Proposal. The City will attempt to reach a final agreement with the Successful Proposer. The City may, in its sole discretion, terminate negotiations and reject the Proposal in the event agreement cannot be reached. The City may then attempt to reach final agreement with the next highest ranked Proposer, and so on with the remaining Proposers, until an agreement is reached. In the alternative, the City may at any time elect to reject all Proposals and begin the RFP process over.

After the City has reached final agreement with the Proposer, the Selection Review Committee will make a recommendation to the McMinnville City Council for contracts over \$100,000. The McMinnville City Council will then make the final contract award decision.

Award Protest

A Proposer believing to have been adversely affected or aggrieved by the selection of the Successful Proposer may submit a protest to the City in accordance with OAR 137-048-0240. The protest must be in writing and submitted by email to:

Katie.henry@mcminnvilleoregon.gov

Award protests shall include "Audit Services – Award Protest" in the subject line. The written protest must be received by the City no later than seven (7) calendar days after the date the Notice of Intent to Award letter was issued. The protest should demonstrate that all higher ranked Proposers failed to meet the requirements of the

RFP or are not qualified to perform the services described in the RFP. Protests received after the submittal deadline will not be considered.

No contract associated with the RFP will be awarded until any protests have been resolved. The City will evaluate and resolve all award protests submitted before the deadline within a reasonable time following receipt of the protest. The City will promptly issue a written decision on the protest to the Proposer who submitted the protest. If the City's written decision on the protest results in a change to the RFP, the City shall cancel the Notice of Intent to Award, revise the RFP documents accordingly, and solicit new Proposals. The City's decision regarding the protest is final and concludes the administrative appeals process.

VII. Schedule

The following is the anticipated timeline for receiving and evaluating Proposals and awarding a contract to the most qualified firm or individual. This schedule is subject to change as additional time is needed, and all times listed are Pacific Time.

Advertise Request for Proposals	Wednesday, November 5, 2025
RFP Change Request Deadline	Tuesday, December 2, 2025, 5:00 p.m.
RFP Question Submission Deadline	Tuesday, December 2, 2025, 5:00 p.m.
Addenda Issuance Deadline	Tuesday, December 9, 2025
Proposals Due	Tuesday, December 16, 2025, 2:00 p.m.
Evaluation of Proposals Complete	Tuesday, January 13, 2026
Interviews Scheduled (<i>if required</i>)	Week of January 19, 2026
Notice of Intent to Award	Week of January 26, 2026
Award Protest Deadline	Tuesday, February 10, 2026, 5:00 p.m.
City Council Award	Tuesday, February 24, 2026, 7:00 p.m.
Notice of Award	Wednesday, February 25, 2026

VIII. Pre-Proposal Meeting

There will be no pre-submittal meeting or site visit scheduled for this RFP.

IX. RFP Documents

The Request for Proposals (RFP) documents may be obtained from the City's DEMANDSTAR on the City of McMinnville website under Business > Bids & Requests for Proposals, [City of McMinnville Procurement – Bids & RFPs | DemandStar](#)

X. Project Manager

The City's Project Manager shall be the sole point of contact for all questions, concerns, and protests. The Project Manager for this Project is:

Katie Henry, Finance Director

503-434-2350

katie.henry@mcminnvilleoregon.gov

XI. RFP Questions

Proposers shall direct all questions regarding RFP documents in writing by email to:

Katie Henry, Finance Director, katie.henry@mcminnvilleoregon.gov

All questions shall include "Audit Services – RFP Questions" in the subject line and be received by **5:00 p.m., Pacific Time, on Tuesday, December 2, 2025**. Additionally, responses will be posted on the City's website by Monday, December 8, 2025, at 5:00 pm to share clarifying information with all potential Proposers.

Access to the City's Project Manager for telephone calls, emails, or other communication will be unrestricted during the RFP preparation period up until **5:00 p.m., Pacific Time, on Tuesday, December 02, 2025**. During this time, Proposers are encouraged to ask as many questions as needed to prepare a viable Proposal. Questions received after **5:00 p.m., Pacific Time, on Tuesday, December 02, 2025** will not be addressed.

For the sake of fairness, Proposers are not to contact any City staff or official other than the Project Manager concerning this RFP. Contact with any other City staff or official concerning this RFP will be grounds for disqualification.

Proposers are hereby notified that verbal communication may not be relied upon as official communication concerning this RFP. Only answers to those questions responded to by the Project Manager via email or by written addendum may be relied upon.

XII. General RFP Information

Changes to the RFP Solicitation by Addenda

The City reserves the right to make changes to the RFP by written addendum. All addenda shall have the same binding effect as though contained in the main body of the RFP and Scope of Work.

Addenda, clarifications, and notices will be distributed through the City's online plan holder system. Potential proposers are responsible for ensuring contact information is registered correctly and that email updates are being received. It is in the best interest of potential proposers to check the website periodically to ensure all updates are received. The City is not responsible for failure of proposers to receive notifications.

No addenda will be issued later than **December 9, 2025**, except by an addendum, if necessary, postponing the date for receipt of Proposals or withdrawing the RFP altogether. Each Proposer is responsible for obtaining all addenda prior to submitting a Proposal and shall acknowledge in the Proposal receipt of each addendum as part of the Proposal. Failure to acknowledge receipt of all addenda as part of the Proposal may result in rejection of the Proposal.

Confidentiality

All information submitted by Proposers shall become and remain the property of the City and, as such, is considered public information and subject to disclosure pursuant to the Oregon Public Records Act, except such portions of the Proposals for which the Proposer requests exception from disclosure as being proprietary information exempt from disclosure, consistent with Oregon law. If a Proposal contains any information that is considered a trade secret under ORS 192.501(2), each sheet of such information must be marked with the following legend:

"This data constitutes a trade secret and shall not be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192."

Identifying the Proposal in whole as a trade secret is not acceptable. Failure to identify a portion of the Proposal as a trade secret shall be deemed a waiver of any future claim of that information as a trade secret. Nondisclosure of documents or any portion of a document submitted as part of a Proposal may depend upon official or judicial determinations made pursuant to the Oregon Public Records Law.

The City will make available to any person requesting information through the City processes for disclosure of public records, any and all information submitted as a

result of this RFP not exempted from disclosure without obtaining permission from any Proposer to do so after the Notice of Intent to Award has been released.

The City accepts no liability for the inadvertent or unavoidable release of any confidential information submitted. If a public record request is made for material marked as proprietary, the City will attempt to notify the impacted Proposer prior to the deadline for release of the material but will not defend against any legal challenge for release. Therefore, claims arising out of any public record request for such information shall be at the Proposer's sole expense, if the Proposer wishes to deny or withhold the information.

Cancellation

The City reserves the right to cancel this RFP or the contract award at any time before execution of the contract by both parties, if cancellation is deemed to be in the best interest of the City. In no event shall the City have any liability for the cancellation of a contract award.

Late Proposals

All Proposals that are not received by the Proposal Due Date and Time will not be considered and will be returned unopened to the Proposer. Physical mailed or faxed Proposals will not be accepted. Delays due to mail and/or delivery handling, including but not limited to delays within the City's internal distribution systems, do not excuse the Proposer's responsibility for submitting the Proposal to the correct location by the Proposal Due Date.

Disputes

In case of any doubt or differences of opinion as to the items or services to be furnished hereunder, or the interpretation of the provisions of the RFP, the decision of the City shall be final and binding upon all parties.

Proposer Certifications

By the act of submitting a Proposal in response to this RFP, the Proposer certifies that:

1. Proposer has carefully examined all RFP documents, including the draft Professional Services Agreement (attached as Attachment A), all addenda, and all other attachments, fully understands the RFP intent, is able to perform all tasks as described in the Scope of Work of this RFP, and the Proposal is made in accordance therewith. Except as otherwise noted as part of the Proposal, Proposer certifies that Proposer is ready, willing, and able to comply with all terms of the attached Professional Services Agreement.

2. Proposer is familiar with the local conditions under which the work will be performed.
3. The Proposal is based upon the requirements described in the RFP, without exception, unless clearly stated in the response.
4. Proposer accepts all of the terms of the City's Professional Services Agreement and warrants that Proposer will fully meet all of the insurance requirements contained therein. If Proposer wishes to amend or modify any terms of the Professional Services Agreement, such amendment or modification must be stated in particularity in the Proposal. Proposed changes to the draft Professional Services Agreement not stated at the time of Proposal submission will not be considered. Changes stated will be considered but may not be agreed upon by the City for contract award. If the City does not agree with such noted changes, Proposer may withdraw the proposed change or the entire Proposal and the City may elect to award to the next highest ranked Proposer.
5. Proposer certifies, and in the case of sole proprietorship, partnership, or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of Proposer's knowledge and belief, no elected official, employee, or person whose salary is payable in whole or part by the City has a direct or indirect financial interest in the Proposal, or in the services to which it relates, or in any of the profits thereof, other than as fully described in the Proposer's response to this solicitation.
6. Proposer has examined all parts of the RFP, including all requirements and contract terms and conditions thereof, and if its Proposal is accepted, the Proposer shall accept the contract documents thereto, unless substantive changes are made in same without the approval of the Proposer.
7. Proposer, if an individual, is of lawful age; is the only one interested in this Proposal; and no person, firm, or corporation, other than that named, has any interest in the Proposal, or in the proposed contract.
8. Proposer has quality experience providing the types of services and duties as described within the Scope of Work of this RFP.

Proposer shall also certify Proposer's state of residence.

Nondiscrimination

By the act of submitting a Proposal in response to this RFP, the Proposer certifies, under penalty of perjury, that ***the Proposer has not discriminated, and will not discriminate, against minorities, women, emerging small business enterprises, or business***

enterprises that are owned or controlled by or that employ a disabled veteran in obtaining any required subcontracts.

Competition

Prospective Proposers are encouraged to comment, either with their Proposals or at any other time, in writing, on any specification or requirement within this RFP which the Proposer believes will inordinately limit competition.

RFP Protests and Change Requests

A prospective Proposer may protest anything contained in the RFP documents and request a supporting change to any provision, specification, or contract term contained in the RFP documents by submitting a written email to:

Katie Henry, Finance Director katie.henry@mcminnvilleoregon.gov

All change requests shall include "Audit Services – Change Request" in the subject line and be received, in writing by email, by **5:00 p.m., Pacific Time, on Tuesday, December 2, 2025**. Each request for change must specify the provisions, specifications, or contract terms of the RFP in question and contain reasons for the requested change and any proposed changes.

All protests shall include "Audit Services – RFP Protest" in the subject line and be received, in writing by email, by **5:00 p.m., Pacific Time, on Tuesday, February 10, 2026**. Each protest must specify the provisions, specifications, or contract terms of the RFP in question and contain reasons for the protest.

The City will evaluate and resolve all protests and related change requests received before the listed time and date due within a reasonable time following receipt of the protest. The City will issue a written decision on the protest to the Proposer who submitted the protest. Changes that are accepted by the City shall be issued in the form of an addendum to the RFP.

Proposal Liability

Proposers responding to this RFP do so solely at their expense, and the City is not responsible for any Proposer expenses associated with the RFP. By proposing, Proposers agree that doing so is at their own risk and the City shall have no liability related thereto. Finalists invited to participate in interview evaluations are responsible for scheduling and paying for their own travel arrangements. The City is not liable for any cost incurred by a Proposer in protesting any portion of the RFP documents or the City's selection decision.

City Requests for Clarification, Additional Research, and Revisions

The City reserves the right to obtain clarification of any portion of a Proposal or to obtain additional information necessary to properly evaluate a particular Proposal. Failure of a Proposer to timely respond to such a request for additional information or clarification may result in a finding that the Proposer is non-responsive and consequent rejection of the Proposal.

The City may obtain information from any legal source for clarification of any Proposal. The City need not inform the Proposer of any intent to perform additional research in this respect or of any information thereby received.

The City may perform, at its sole option, investigations of any Proposer. Information may include, but shall not necessarily be limited to, current litigation and contracting references. All such documents, if requested by the City, become part of the public record and may be disclosed accordingly.

The City reserves the right to request revisions of any Proposal after the date and time due and before award for the purpose of obtaining best and final offers.

Rejection of Proposals

The City reserves the right to reject any or all irregularities or omissions in Proposals submitted in response to this RFP to the extent it is determined to be in the best interest of the City to do so. Furthermore, the City reserves the right to reject any or all Proposals or portions thereof submitted in response to this RFP. Proposals may be rejected for one or more of the following reasons, including but not limited to:

1. Failure of the Proposer to adhere to one or more of the provisions established in the RFP.
2. Failure of the Proposer to submit a Proposal in the format specified herein.
3. Failure of the Proposer to submit a Proposal within the time requirements established herein.
4. Failure of the Proposer to adhere to ethical and professional standards before, during, or following the Proposal process.
5. Failure to provide information that is specifically requested in this RFP.

The City may reject any Proposal not in compliance with all prescribed public procurement procedures and requirements and may reject for good cause any or all Proposals upon a finding by the City that it is in the public interest to do so.

Modification or Withdrawal of Proposal by Proposer

A Proposal may not be modified, withdrawn, or canceled by the Proposer following the time and date the Proposals are due. Proposals submitted early may be modified or withdrawn only by notice to the City, at the Proposal submittal location, prior to the time and date the Proposals are due. Such notice shall be submitted to the Project Manager, in writing, executed and signed by a duly authorized representative of the firm/individual submitting the Proposal. All such communication shall be so worded as not to reveal the contents of the original Proposal.

Withdrawn Proposals may be resubmitted and must be received by the time and date the Proposals are due, provided that they are then fully in conformance with the RFP.

Duration of Proposal

Proposal prices, terms, and conditions shall be firm for a period of at least ninety (90) days from the time and date Proposals are due. Proposals shall not be subject to future price escalation or changes of terms during the ninety (90) day period.

Local and Federal Requirements

The City of McMinnville intends to select a consultant in accordance with OAR 137-048-0220 and the City's municipal code. Selection of a consultant under this process is not a guarantee of a contract award, nor is the award of a contract for any portion of the Work a guarantee of award of a contract for any subsequent work. All work is subject to budgetary and funding constraints of the City of McMinnville.

The selected consultant shall comply with all federal, state, and local laws, regulations, executive orders, and ordinances applicable to the work under this contract, including, without limitation, the provisions of: (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659.425; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations.

The selected consultant is subject to the Oregon Workers Compensation Law and shall comply with ORS 656.017, which requires the provision of Workers Compensation coverage for all employees working under this contract. The City of McMinnville's programs, services, employment opportunities, and volunteer positions are open to all persons without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age, marital status, disability, or political affiliation.

Attachment A

Sample Professional Services Agreement

Attachment B

Supporting Information

For prior year financial information, please find financial reports at
<https://www.mcminnvilleoregon.gov/finance/page/financial-reports>

For City Budget information, please go to
<https://www.mcminnvilleoregon.gov/finance/page/budgets>



City of McMinnville, Oregon

Proposal for Audit Services

RFP-2025-01-0-2025/KH

December 16, 2025



Daniel A. Miley, Partner
Talbot, Korvola & Warwick, LLP
14945 SW Sequoia Parkway, Suite 150
Portland OR 97224
dmiley@tkw.com
(503) 274-2849
www.tkw.com

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Your peace of mind is our passion.

December 16, 2025

City of McMinnville
Attn: Katie Henry, Finance Director
230 NE Second Street
McMinnville, Oregon 97128

Thank you for the opportunity to submit Talbot, Korvola & Warwick, LLP's ("TKW", "Proposer") proposal to provide independent auditing services to the City of McMinnville, Oregon and the McMinnville Urban Renewal Agency, a blended component unit of the City (collectively, the "City") for the three-year period commencing with the fiscal year ending June 30, 2026, with the options to renew for up to five additional one-year terms. You will find our expressed intentions and the details of our approach to serving you efficiently and cost-effectively in the attached document to help you assess our qualifications.

We approach every audit as if it were being done for our own company. As such, you will receive an audit of the highest quality, clearly communicated, and priced fairly, whose results will give you the confidence and peace of mind to make sound business decisions for the City. You can rely on our advice and knowledge throughout the year to help mitigate risk and develop solutions if issues arise. We commit to providing you with an audit experience that is thorough, comprehensive, clearly communicated, and provides you with the information needed to make the best decisions for the City.

Required Statements

- Proposer has received and examined, as part of the Proposal, Addenda, No. 1 through Responses to Questions - 2. Proposer accepts all terms and conditions contained in the Request for Proposal and the Professional Services Agreement, except as otherwise specifically noted as an Exception in the Proposal.
- The submitted Proposal is valid for a period of ninety (90) days from the time and date Proposals are due.
- All materials and documents acquired or produced by the consultant in conjunction with the resulting contract shall be delivered to and become property of the City of McMinnville, without restriction or limitation of future use.

We appreciate the opportunity to bring you this information. TKW is an LLP registered in the state of Oregon and our EIN is 93-0954337. As a partner, I am entitled to represent TKW, empowered to submit the bid, and authorized to sign a contract with the City on behalf of TKW. Please let us know if you need any additional information or have any questions. I can be reached at 14945 SW Sequoia Parkway, Suite 150, Portland, OR, 97224; by phone at (503) 274-2849; or email at dmiley@tkw.com.

Sincerely,

A handwritten signature in blue ink that reads "Daniel A. Miley".

Daniel A. Miley, Partner
dmiley@tkw.com
(503) 274-2849



PROJECT UNDERSTANDING

Talbot, Korvola & Warwick, LLP (TKW)'s understanding of the project includes audits of the Annual Comprehensive Financial Report (ACFR) for the City of McMinnville, Oregon (the City) and the basic financial statements of the McMinnville Urban Renewal Agency (the Agency) under auditing standards generally accepted in the United States of America, the *Minimum Standards for Audits of Oregon Municipal Corporations* as prescribed by the Secretary of State, and if applicable, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and prepare Independent Auditor Reports under those standards. Additionally, if control deficiencies are found as part of the audit's evaluation of internal controls, these will be communicated to management.

If required, TKW will audit the City's expenditures of federal awards under the provisions of the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and prepare the required Independent Auditor Report.

As part of the audit, TKW will prepare letters to City Council and the Urban Renewal Agency Board with required communications to those charged with governance. These communications may include audit findings, observations, comments, and/or recommendations relating to accounting practices, information technology, internal controls, laws and regulations that came to our attention as part of the audit process. These will be reviewed with City management prior to being published.

Other services required include the following:

- Provide technical assistance and guidance regarding accounting (including implementation on new GASB pronouncements), financial reporting, internal controls, and other related operational matters.
- Retain audit documentation for a minimum of five years and will be made available to federal, state, and local government agencies as authorized by laws and regulations.
- Respond to inquiries of successor auditors and allow successor auditors to review audit documentation of significant accounting matters, subject to City authorization and certain acknowledgements to be made by the successor auditors.
- Attend Audit Committee and City Council meetings when matters regarding audit or related reports are discussed.

Throughout the audit process, TKW will work with the City's stakeholders, including the City's management and governing bodies to:

- Obtain an understanding of the City's operations, leadership, and systems;
- Establish clear paths of communication;
- Design and implement an effective and efficient audit of your financial statements, and of compliance if necessary, based on our understanding and risk assessment of the City and the Agency;
- Issue the required reports and letters; and
- Communicate audit related matters.



PROJECT APPROACH

Our approach to the City's audit is designed with significant partner and senior manager involvement in the planning stage and during initial audit procedures related to the assessment of significant audit risks, and the development of procedures in response to those risks. This investment of resources ensures that the most experienced members of your engagement service team develop the audit plan. Dan Miley, Partner will direct the engagement. Colleen Belford, Senior Manager will coordinate and manage the engagement. Julie Fahey, Partner will provide quality control report review. Our field team will communicate with City finance personnel throughout fieldwork to discuss the audit process and any questions that have arisen.

Our audit approach is specifically tailored to the City. We listen to your team and update our understanding of the internal and external factors that drive your operations. That understanding, coupled with what we know about your internal control structure, drives our planning of the audit. We will use the information to assess risk, develop specific procedures to support our conclusions, and ultimately, form our opinions on the financial statements and related compliance.

In updating our understanding, assessing risks associated with the audit, and tailoring our audit programs we will consider a number of factors, including:

- The overall state of economic conditions and regulatory requirements and our evaluation of their effect on the City;
- The accounting, auditing and business environment challenges unique to the City, as they may have a significant impact on our understanding of your operations;
- Our evaluation of information technology operations and the related accounting and reporting systems;
- Our analytical review of interim financial and other information to assist in the possible revision of our scope and relative emphasis of our audit procedures; and
- Our evaluation of the control environment in which specific internal controls are expected to function.

Prior to commencing the audit, we would expect to meet with management to start planning the engagement. During those discussions, we will also inquire about fraud or related party transactions as required by professional standards and ask if there are any areas of concern or interest that should be the subject of our attention during the engagement. Following completion of our audit, we will again meet with management and the Audit Committee and report back on those items raised in the initial meeting, as well as any findings or recommendations we may have as a result of our audit.

Understanding of Internal Controls

Our team will document our understanding of your operations, business processes and the internal control structure. We assess not only the internal characteristics, but external factors that affect the City's financial condition and operations, for example, changes in the local economy and legislative issues. From that understanding, we identify significant accounts and classes of transactions and assess the risks associated with each. For each of those significant accounts, the audit team identifies and reviews documentation of key controls within your structure and then evaluates those controls as to the effectiveness of their design. A walk-through of each key control validates our understanding of the control and its design in meeting the relevant control objectives.



Our team evaluates the controls in place and determines the most efficient and effective methods to gain the audit evidence needed to support our opinion on your financial statements – either to rely upon and test controls, employ substantive procedures to balances and transactions, or some combination of the two. That evaluation and design of procedures is again reviewed prior to performance, to ensure a thorough and efficient audit during final fieldwork.

Based on our understanding of your control structure and operating environment, we will assess the risks that a material misstatement of the financial statements may occur. This assessment considers risks inherent to the City, risks that controls may not be effective, and the risk that our procedures may not detect a misstatement if it occurs. That overall risk assessment, including review of relevant information systems, becomes the basis for our audit procedures.

Sampling

Our sampling approach both for tests of controls and substantive testing of balances or classes of transactions incorporates statistical sampling when appropriate considering population size and makeup, as well as judgmental sampling methods when statistical methods are not efficient or applicable. Our sample sizes are determined based on our assessment of inherent and control risk, according to Firm policies and professional standards, and are designed to be representative of the population being sampled.

Analytical Procedures

Analytical procedures are employed in the preliminary phase of the audit to assist in planning and in the initial assessment of risk of material misstatement, as part of substantive procedures applied to significant accounts and transactions, and in the final review of the financial statements, all in accordance with professional standards. We form and document expectations with respect to analytics, and then inquire about and investigate significant variances or those which are outside of our expectations based on our understanding of the City and its operations.

Determining Laws and Regulations

TKW will review provisions of federal, state and local ordinances, as well as bond covenants, contracts, administrative rules and other regulations that may apply to the City. We will read City minutes and organizational documents in addition to any grant requirements (if applicable). TKW has created a custom audit program to test compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The results are reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting on an Audit of Financial Statements Performed in Accordance with *Oregon State Regulations*.

ACFR Review

Our team in the field will articulate your report to the trial balance and lead schedules. Dan and Colleen will review the statements for completeness, accuracy, and consistency with prior years and will also compare your statements with the GFOA checklist for conformance with those requirements. Julie will perform a “cold” technical review that includes a review the statements for technical conformity with GAAP and all relevant standards, as well as readability.



Electronic Tools and Technology Utilized in the Audit

Our audit software optimizes forms and checklists to facilitate our risk-based approach. We use software to support the efficient and effective use of audit procedures. This software allows us to import a population of transactions or account balances and quickly identify characteristics of the population. Our team uses this software to stratify populations, identify major transactions and possible duplicate transactions, recalculate certain balances, test aging reports, select samples for tests of controls and substantive testing of balances or classes of transactions, and for other tests. We also have tools that allow us to automate the process of matching financial records to supporting documentation. Software helps us leverage your financial systems and data to be more efficient and helps identify specific data points to aid in your management information needs as well as ours.

TKW offers the use of a secure portal with an embedded “prepared by client” list for our clients. See [Appendix A](#) for a sample audit testing preparation request list. This enables a safe exchange of files and workpapers between the City and TKW. It allows larger files to be transmitted than is possible over email, and it allows all team members for both the City and TKW to view and use the shared files concurrently thus eliminating redundancies and duplication of effort. Essentially it allows for a safe and efficient exchange of information for the City.

Proposed Work Plan and Activities

We expect to accomplish the City’s audit fieldwork in two distinct phases; interim and final. Interim fieldwork will consist primarily of planning and consideration of the City’s internal control structure, as well as performance of procedures related to the City’s federal programs under the Uniform Guidance, when applicable. This work will set the stage for completing our risk assessments and provide the foundation for final fieldwork.

Final fieldwork will begin after the City’s records for the year are closed. During this visit, we will perform tests of controls and substantive procedures as necessary based on our risk assessments and to support our opinions on the financial statements and compliance. We will complete any remaining work on federal programs, and prepare all reports and deliverables so as to meet deadlines for reporting to the Audit Committee, City Council, Secretary of State, GFOA and, when applicable, those related to filing under the Uniform Guidance.

The table outlines the proposed segmentation and work plan of audit procedures and level of staff assigned to each segment of the City’s audit engagement.

Audit Area	Work Plan	Assigned Personnel
Engagement planning	Meet with management, the Audit Committee, and/or City Council members to discuss the audit and preparation of schedules; determine audit scope; prepare detail time budgets; other engagement planning matters.	Partner, senior manager and senior



Audit Area	Work Plan	Assigned Personnel
Review and evaluation of systems and controls	Document our understanding of the systems through preparation of internal control narratives and completion of internal control questionnaires. Walk through controls to verify our understanding. Assess risks of material misstatement (RMM). Tailor audit procedures after correlating to RMM. Test operating effectiveness of internal controls.	Senior manager, senior and staff
Engagement administration, examination of account balances and other possible audit procedures	Cash and investments. Review and verify bank reconciliations; confirm bank accounts and investment balances. Review footnote disclosures.	Senior and staff
	Receivables. Verify receivables through confirmation, review of subsequent receipts, tests of controls over property taxes, and analytically review balances and corresponding revenue accounts.	Senior and staff
	Capital assets, leases, SBITAs. Examine material additions and retirements and perform an analytical review of depreciation/amortization. Other substantive procedures as determined necessary. Review reconciliation and footnotes.	Senior and staff
	Accounts payable, accrued liabilities, and unavailable revenue. Perform search for unrecorded liabilities, examine supporting documentation for significant accounts and perform comparative reviews with prior year balances for significant changes.	Senior and staff
	Long-term debt (including lease and subscription payables). Review debt agreements for compliance, agree payments to maturity schedules, confirm balances and review computation of accrued interest payable.	Senior and staff
	Other assets, liabilities, PERS net pension liability, other post-employment benefits liability, compensated absences, deferred outflows and inflows of resources, and net position. Review account balances and compare to prior year-end balances, substantiate all unusual or significant accounts. Agree PERS and OPEB balances to underlying reports. Review and analyze classifications of net assets, and related restrictions of fund balances.	Senior and staff
	Revenues and expenditures. Confirm certain revenues with third parties, substantive tests of selected revenue and expenditure transactions and analytically review revenues and expenditures.	Senior and staff



Audit Area	Work Plan	Assigned Personnel
	Compliance. Identify major federal financial assistance programs and test for compliance with applicable provisions; includes obtaining control understanding, review of major program grant agreements and reporting, as applicable.	Senior and staff
	Oregon Local Budget Law. Review compliance with budget laws. Agree to the financial statements.	Senior and staff
	Oregon Minimum Standards. Test compliance with provisions.	Senior and staff
	Other procedures. Review minutes, update permanent data files, confirm with legal representation, administrative matters.	Senior and staff
	Exit conference, consultations, engagement wrap-up.	Partner, senior manager and senior
Financial statements and other deliverables	Review the City’ Annual Comprehensive Financial Report, Agency’s Financial Statements, other financial reports, and financial statement disclosure checklists. Agree footnotes to underlying records. Prepare opinions, report required by Oregon state regulations, single audit reporting, required communications, and other deliverables.	Partner, quality control reviewer, senior manager and senior
Management letter	Prepare initial drafts and discuss with relevant personnel, as applicable.	Partner, senior manager and senior
Presentation	Presentation to Audit Committee and/or City Council.	Partner

First Year Procedures

TKW will reach out to the City’s prior auditor for required inquiries and review of workpapers that support significant account balances. There may be additional inquiries of management to ensure that TKW’s understanding of the City is accurately documented and our audit software is optimized to appropriately address risks that we have identified.

Communication is Important

We will address your business needs and are available to you as a technical resource. More than just reacting to your requests, our team of assurance professionals will be proactive in identifying opportunities for organizational improvement and to enhance your comfort and security in the City’s compliance efforts.

TKW is experienced in providing constructive suggestions and comments to clients, specifically noting improvements in accounting controls, financial processes, and administrative procedures. TKW often orally communicates these recommendations and may issue a management letter of recommendations. TKW will review this letter with management to ensure understanding and applicability of recommendations and give you the option of including a response to any findings.



Identification of Unanticipated Issues

We feel the best approach to the audit relationship is based on open communication to encourage the sharing of pertinent information and reducing the chance of surprises from either side. We believe in giving you as much control over the process as possible in order to manage through to effective completion. We will work with you to identify and define scenarios during the audit planning and agree on the approach and fees for those scenarios. To keep the audit on schedule, we will set mutually agreed upon deadlines, both intermediate and long-term, and check in regularly to follow-up.

Use of City Personnel

TKW expects City personnel involvement in the audit to include time for answering questions, providing a trial balance, updating internal control documentation, furnishing electronically agreed upon workpapers, providing reconciliations, pulling supporting documentation for sample selections, and to be available for any other inquiries and questions. We expect this time commitment to be consistent with your experience with prior audits of the City. We know that City personnel maintain full workloads and assignments in addition to the audit process. We make every effort to minimize our disruption to your already full schedule and incorporate efficiency into the audit process.

Fees

The all-inclusive maximum fees for fiscal years 2026 through 2028 based on the estimated hours to complete your engagements are listed below.

	2026	2027	2028
City of McMinnville			
Audit ACFR	\$ 65,500	\$ 68,800	\$ 72,300
Single Audit*	7,000	7,400	7,800
McMinnville URA			
Audit Financial Statements	7,500	7,900	8,300
Total Audit Fees	<u>\$ 80,000</u>	<u>\$ 84,100</u>	<u>\$ 88,400</u>
<i>*Includes 1 major program; \$5,000 for each additional major program in FY26</i>			
Financial Statement Assistance			
City ACFR	\$ 9,000	\$ 9,500	\$ 10,000
URA Financial Statements	3,500	3,700	3,900
	<u>\$ 12,500</u>	<u>\$ 13,200</u>	<u>\$ 13,900</u>

This all-inclusive maximum price includes all direct, indirect and out-of-pocket expenses associated with performing our service, including travel, printing and other expenses of an overhead or administrative nature. The fees include an approximate 25% discount on our hourly rates and are specifically offered to the City based on our commitment and investment in a long-standing relationship and efficiencies gained as a result of our familiarity with cities and their operations and will in no way compromise the quality of your engagement. Fees for services requested in subsequent years reflect inflationary rate increases to offset labor and technology cost increases anticipated to be approximately 5% per year.



The fees shown above are relative to performing the audit engagement as described in your RFP and assumed your books and records will be ready for audit and minimal audit adjustments will be required. If accounting assistance is required to reconcile accounts, we'll discuss the issues with you, and additional fees may be billed separately, at our current hourly rates. Additionally, our fee estimate discussed herein is based on accounting and professional standards that exist and are applicable as of the date of this proposal. To the extent that future accounting or professional standards require modification to our audit approach, procedures, scope of work, etc., we'll advise you of such changes and the impact on our fee proposal. If we're unable to agree on the additional fees, if any, that may be required to implement standards that are required to be adopted, we reserve the right to withdraw from the engagement, regardless of the stage of completion.

Work Beyond the RFP

We do not charge by the call. When you have questions about operational, accounting or tax matters, we encourage you to pick up the phone. If the item involves complex technical issues that require research and for which we may need to charge a fee, we will inform you before undertaking the project. If it is something that can be answered without additional work, we will do so and you will not be billed.

In the event that circumstances disclosed by the audit indicate that more intensive and detailed examination is required, in addition to what would be sufficient under normal circumstances, we shall provide all pertinent facts relative to the extraordinary circumstances, together with our estimate of the additional services to the City. Any fees relating to such extensions of examination procedures are to be considered as additional fees subject to negotiation and are not included within the scope of services to be performed under the original contract.

If it should become necessary for the City to request TKW to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and TKW. Any such additional work agreed to shall be performed at the current rates in place at the time the work is performed. Our hourly rates for 2026 are below.

2026 Hourly Rates		
Engagement Partners	\$	430
Engagement Senior Manager		315
Engagement Senior		205
Engagement Staff		170
Clerical/Support Staff		140
Other		110

Most Recent Peer Review

TKW has participated in the AICPA quality (peer) review program since its inception. Firms may receive a peer review rating of “pass”, “pass with deficiencies”, or “fail”. Our latest letter, issued August 1, 2024, resulted in a peer review rating of “pass”, with no findings or comments. The review included several government audit engagements, reflective of our practice. Our triennial peer review reports dating back to June 2003 also resulted in no deficiencies or findings. A copy of our most current peer review report is [Appendix E](#).



PROPOSER'S EXPERIENCE

Expertise in Government Auditing and Accounting

TKW has been providing assurance, tax and business advisory services in Oregon since we first began serving the Bonneville Power Administration in 1987. As a firm of certified public accountants properly licensed to practice in Oregon (Firm #474), we devote approximate 80% of our assurance services directly to auditing and reporting on the operations of the public sector – cities, counties, community colleges, special districts, and school districts. We are proud to be one of a very limited number of local firms in Oregon who have chosen to continue performing municipal audits. In addition to expertise in audits, reviews, compilations, and agreed-upon procedures engagements, our assurance team also provides management assistance and support to local governments.

Our team members specialize yet work seamlessly across departmental lines to provide the best overall service to meet client needs, whether in business assurance, consulting or tax preparation. Our tax team is also available to assist with taxable payroll and benefits issues, consideration of public/private partnerships, or other needs you may have. All of our 30+ team members work at our single office in Portland, Oregon.

AICPA Governmental Audit Quality Center

TKW has held a membership in the Governmental Audit Quality Center (“GAQC”), sponsored by the AICPA, since the Center’s inception in 2003. The GAQC was developed to provide support and a community for member firms that are committed to best practices and quality governmental audits. It provides a forum to gain access to resources on your behalf, including the latest developments in accounting, auditing and the various rules and regulations that affect government audits; periodic updates on current issues through news alerts and webcasts; and an online forum for member interaction and information sharing.

Local Government Involvement

TKW holds memberships and actively participates in the Government Finance Officers Association (“GFOA”), the Oregon Government Finance Officers Association (“OGFOA”), and the League of Oregon Cities. Dan Miley, your engagement partner, serves as the current Chair of the Oregon Society of Certified Public Accountants (“OSCPA”) Governmental Accounting and Auditing Strategic Committee.

GFOA Certificate of Achievement

We have been instrumental in helping our clients seek or maintain the GFOA Certificate of Achievement for Excellence in Financial Reporting. Many of our clients have received the award for thirty or more consecutive years. We understand the requirements of the program, have relationships directly with the GFOA, and apply their standards in our review of your financial statements. Our team uses the GFOA checklists in all relevant engagements to help ensure technical accuracy and completeness to the standards of these established programs. We are available to answer your questions and help with technical issues related to your Annual Comprehensive Financial Report.

Your engagement partner, Dan Miley, and your engagement quality reviewer, Julie Fahey, serve on the GFOA’s Certificate of Achievement Program’s Special Review Committee, where they review Annual Comprehensive Financial Reports for compliance with the GFOA certificate.



TKW's Experience with Oregon Budget Law

As auditors of numerous Oregon governmental organizations, we have developed an extensive knowledge of the provisions of Oregon Local Budget Law. We use a Firm-developed checklist to make sure our team reviews and tests the City's compliance with these provisions. We keep current with any proposed revisions or changes to Oregon Local Budget Law.

New Accounting Pronouncements

Based on our experience and work in serving governmental entities, our involvement and education with the GAQC, the GFOA and OGFOA, the OSCPA, and resources provided by Aprio, we are able to leverage our expertise and help the City implement new standards. It is common for us to create a template related to the implementation of certain accounting pronouncements and to share that template with our clients for their use. We proactively assist our clients to understand and implement new pronouncements. Dan, Julie, and other members of management at TKW often present at OGFOA conferences and local Finance Officers Group meetings introducing new accounting pronouncements and tools for implementation. We are available throughout the year to provide guidance on various accounting and reporting issues and questions as they arise.

Experience and Knowledge in Performing Audits in Conformance with Uniform Guidance

Many of our municipal clients are required to have audits of their federal programs under Uniform Guidance, in accordance with OMB. We approach these engagements conservatively and within the standards set by *Government Auditing Standards* as well as the appropriate OMB Guidance. We will identify federal programs for testing using a risk-based approach. For each major program selected, we will identify the respective compliance requirements applicable to the City.

We develop our comprehensive programs for the audit of federal major programs under Uniform Guidance incorporating current guidance under the OMB Compliance Supplement. These programs integrate risk assessments, control and compliance tests, conclusions and documentation of findings as required.

Our approach is risk-based and can be summarized as follows:

1. We evaluate the City as a low or high-risk auditee.
2. We evaluate your Schedule of Expenditures of Federal Awards for purposes of identification and selection of major programs to be tested.
3. We identify the direct and material compliance requirements of each major program selected, and document our understanding of controls over the respective compliance requirements.
4. We test controls over compliance to support our assessment of control risk for purposes of determining the extent of required compliance testing.
5. We test compliance with requirements of each major program and form the required conclusions.
6. We report on internal controls over compliance and compliance with requirements, citing any findings as required.

Our testing of compliance with specific requirements of federal programs involves sampling. Our sample sizes are determined based on the attributes of the populations as defined, our assessment of control risk and our judgment as to risk of noncompliance that may be material to either the financial statements or to a particular federal program. Samples will be drawn so as to be representative of, and relevant to the



particular compliance requirement being tested. We reference current AICPA guidance for sampling in a compliance environment as appropriate, along with Firm policies and auditor judgment.

If and when findings are noted, we will discuss them with management in advance and formally report in writing to the City Council or their representatives as part of the Single Audit Reporting Package. We will present all Single Audit reports upon completion of the engagement.

We have performed audits of federal programs for more than 30 years and have incorporated the changes in standards and approach over the years to provide the most effective, efficient services to our clients. TKW is committed to ensuring that the City remains current on new standards and guidance as it relates to single audit.

References

TKW has extensive experience in the audits of cities in the state of Oregon. We have listed below three current city clients. We invite you to contact them to discuss the level of quality audits and customer service they have received while working with us.

City and URA	Contact & Info	Involvement of Key Team Members	2024 Contract and Final Costs
City of Lincoln City, Oregon including Lincoln City Urban Renewal Agency 801 SW Highway 101 Lincoln City, OR 97367	Debbie Bridges, Finance Director dbridges@lincolncity.org (541) 996-1206	Colleen Belford, Audit Engagement Senior Manager	Contract: \$102,010 Final: \$102,010
City of Sandy, Oregon including Sandy Urban Renewal Agency 39250 Pioneer Blvd. Sandy, OR 97055	Tyler Deems, City Manager tdeems@ci.sandy.or.us (503) 826-1079	Colleen Belford, Audit Engagement Senior Manager Dan Miley, Assistance in Drafting ACFR	Contract: \$67,650 Final: \$67,650
City of Sherwood, Oregon including Sherwood 2021 Renewal Agency 22560 SW Pine St. Sherwood, OR 97140	David Bodway, Finance Director bodway@sherwoodoregon.gov (503) 625-4248	Dan Miley, Audit Engagement Partner	Contract: \$84,500 Final: \$84,500

Supporting Information

Refer to [Appendix A](#) for a recent audit testing preparation list for an audit of a city in Oregon.

Refer to [Appendix B](#) for a recent audit calendar for an audit of a city in Oregon.

Refer to [Appendix C](#) for a recent engagement letter of a city in Oregon.



PROJECT TEAM EXPERIENCE

Key Personnel

The people selected for your audit engagement team will provide the City with extensive experience, knowledge, and commitment. Each member has a diverse set of talents that complements each other and a history of comprehensive accounting and advisory services. Dan will be your project principal as engagement partner. Colleen will be your project manager, the main contact for resolving complex issues, backed by the support of our core group of auditors. Details for each individual, including CPA license number, municipal license number, professional affiliations, background and experience, can be found in his or her resume in [Appendix D](#).

- **Dan Miley**, partner, CPA (#14036), licensed municipal auditor (#1587), MBA, has worked as a management analyst for a medium sized county in Oregon and has audited governments in Oregon for the past 13 years. He will oversee all aspects of the audit process and be actively involved in providing consultation and review throughout the year and in presenting to your Audit Committee, City Council or representatives. He is a member of the AICPA and the OSCPA. Dan is currently serving as chair of the OSCPA's Governmental Accounting and Auditing Strategic Committee and is part of the GFOA Certificate of Achievement Program's Special Review Committee, which reviews Annual Comprehensive Financial Reports by governmental entities for compliance with the GFOA Certificate.
- **Colleen Belford**, senior manager, CPA (#14424), licensed municipal auditor (#1683), will be your primary contact throughout the audit, providing first-line review and supervision of the fieldwork. Colleen has over 16 years of accounting and auditing experience. She is a member of the AICPA, the OSCPA, and Financial Executives International.
- **Julie Fahey**, partner, CPA (#8949), licensed municipal auditor (#1393), CFE, CGMA, will provide quality control report review on the City's reports and file to ensure technical standards are met. She has 25 years of experience in governmental accounting and auditing and brings a wealth of experience to help resolve complex accounting and reporting issues in a constructive, service-oriented manner. She has served numerous cities, counties, and special districts. Julie is a member of the AICPA and OSCPA. She serves on the OGFOA's Education Committee and is part of the GFOA Certificate of Achievement Program's Special Review Committee, which reviews Annual Comprehensive Financial Reports of governmental entities for compliance with the GFOA Certificate.

All our auditors meet or exceed the required training hours required by Government Auditing Standards, and our auditors all have undergraduate degrees or post-baccalaureate certificates in accounting from accredited universities.

During fieldwork, the senior manager, in-charge, and audit staff are dedicated to your engagement. They are not scheduled on any other client so they can be focused on completing your audit within the agreed timeline. Additionally, all our audit team members are local to Portland, Oregon and the surrounding metro area.

Subconsultants/Subcontractors

We do not anticipate using any subconsultants or subcontractors as part of the engagement team.



PROJECT SCHEDULE

Practical Approach to Meeting Deadlines

TKW's planned audit schedule is proactive and allows a degree of flexibility if unforeseen issues arise during the performance of the audit. If there are circumstances disclosed by the audit that indicate a more intensive and detailed examination is needed, those procedures and timing will be discussed with you as the audit progresses. With each of our engagements, we ensure that our capacity is a solid match with your reporting and filing requirements. TKW's team will meet with management prior to the audit to clearly set expectations and understand the City's goals for fieldwork, timelines, communications and deliverables. We will then adjust schedules and/or resources as necessary to ensure goals are achieved and your expectations are met or exceeded. We commit to providing a quality audit, well within the stated schedule. We recognize the need for flexibility as the year end often arrives with surprises. As each of our team members perform governmental audits, we have the capacity, expertise, and experience to meet agreed upon completion dates.

Milestones

TKW's team will meet with management prior to the audit to clearly set expectations and understand the City's goals for fieldwork, timelines, communications, and deliverables. As shown in the table below, we plan to complete our consideration of internal controls, risk assessments, and engagement planning during preliminary fieldwork in June, or as mutually agreed upon. Substantive procedures will be performed during final fieldwork in October, or as mutually agreed upon.

Activity	Expected Timing
Pre-audit meeting with City personnel to discuss the audit plan and agree upon schedule.	April/May
Perform interim work consisting of internal control documentation, test of controls, review of board minutes, and Uniform Guidance testing, as applicable.	June (1 week)
Perform final substantive work of the City's audit and complete Uniform Guidance testing, as applicable.	October (2 weeks + wrap-up)
Meet with City Finance staff.	November
Issue City's Annual Comprehensive Financial Report and Agency's Financial Report, including reports, required communications, and other reports, management letters as applicable.	End of November
Present audit results to the Audit Committee and/or City Council.	December/January



CONCLUSION

TKW continues to be a leader in public accounting services to local governments of all sizes throughout Oregon. We are confident that TKW is well-suited to help you meet your goals. Several factors set us apart from our competitors, including:

We are attentive. Our size and capacity will give you the extra attention that larger firms cannot match and we have access to resources that smaller firms do not have. For you, this means more personalized service and higher quality results. Outside of the typical engagement needs, your entire TKW team will be available throughout the year to answer questions and work with you to get prompt responses and solutions, initiate dialogue around new pronouncements or check in to discuss information that is relevant to the City's goals.

We are local. We operate almost exclusively within the State of Oregon and will always be available to meet with your staff onsite, as needed, to address accounting treatment or best practices; to discuss timelines and approach; to have conversations with departments; and to review financial reporting suggestions and edits. We are happy to respond on evenings and weekends via email, calls or in person to help you achieve and move forward with your tasks and projects, all at no additional cost to you.

We listen. Our approach to solutions isn't to just give you a quick answer. We will listen to you to fully understand the challenge, identify options, and then work to find the best possible solution to that challenge. We believe that this collaboration brings better results and a stronger mutual understanding.

We know cities. TKW has direct city experience for over twenty years. In addition, we are very familiar with Oregon Budget Law and GFOA reporting requirements.

We embrace diversity. At TKW, diversity and equality are important principles we live by every day. Unlike many public accounting firms, our firm is 50% women-owned and the majority of our managers are female. Like the clients we serve, each of our employees' unique backgrounds contributes important knowledge and perspective to every engagement.

Our commitment to community extends beyond our own. We believe in supporting the initiatives of our clients and the communities they work in. Each year we volunteer our time to assist with client-sponsored projects, such as unpacking and organizing books for the City of Hillsboro library or pulling weeds or collecting and donating to the clothing drive for the Parent Teacher Association for the Portland Public School District. We support veterans by providing supplies for active-duty service members through Operation Freedom and Soldier's Angels. We also volunteer our time in our local communities to help feed the hungry in Oregon, through philanthropic participation with Hunger Fighters of Oregon, the Oregon Food Bank, and the Sunshine Division.

Your TKW audit team is completely invested in the success of the City's annual audits, and we will address each aspect of the process with the highest level of customer service and integrity. We will do what is needed to meet your goals and timelines. And we will deliver on our promise because at:



Your peace of mind is our passion.

Supporting Information

Appendix A

Sample Audit Testing Preparation List

Category	Subcategory	ID	Name
Interim			
	General		
		1	Signed Engagement Letter
		2	Interim General ledger detail for fiscal year under audit
		3	Interim Trial Balance for fiscal year under audit
		4	Any changes in funds or classes
		5	Manual JE listing for fiscal year under audit
		6	Listing of all council members (in place at FYE)
		7	Updated Internal Control Understanding Docs
		8	Organization chart
		9	Employee handbook
		10	SOC Reports
		11	All available legal invoices related to the fiscal year under audit
		12	Any new lease agreements, significant contracts, etc.
	Cash and Bank		
		13	Fiscal year end bank reconciliations (June 30) including detail (outstanding check lists, etc.) - All bank accounts
		14	Bank statements for all accounts—all months in the CY under audit, and all subsequent months available during fieldwork
		15	For each bank account — copy of the last check of YE and the first check of next year
		16	LGIP statements for all accounts for all months in the year under audit
		17	Electronic copy of the check register starting 7/1 for the CY under audit to the most recent date available
		18	Bank transfers (if applicable) for last week of the CY under audit and first week of the next year
		19	New Bank account numbers, if any

Receivables/Revenue

- 20 Listing of UB adjustments to date
- 21 Resolution or policy outlining UB adjustment limits
- 22 Resolution approving fees/rates for the CY under audit. Please identify at which meeting it was approved
- 23 Vendor change report
- 24 PO Listing for fiscal year
- 25 P-card transaction listing for fiscal year
- 26 Listing of new purchase cards issued during the fiscal year

Budget

- 27 Budget roll forward (original + supplemental budget + appropriation transfers)
- 28 Copy of supplemental budgets & appropriation transfers
- 29 Copy of the fiscal year under audit & the next fiscal year's budgets for City, URA
- 30 Budget committee listing including term expirations
- 31 Fiscal year under audit & the next fiscal year's budget compliance files (publications, supplemental budgets, etc)
- 32 Budget to actual

Payroll

- 33 Listing of fiscal year under audit pay dates
- 34 Actual FTE by Funds and Department for prior and current fiscal year

- 35 List of employees hired during the fiscal year under audit
- 36 List of employees terminated during the fiscal year
- 37 List of employees with pay rate changes during the fiscal year

Single Audit

- 38 Preliminary Schedule of expenditures of federal awards

Oregon Minimum Standards

- 39 Schedule of insurance and fidelity bond coverages in effect for fiscal year

General

- 40 Electronic trial balance - as of 6/30, for the current year under audit

- 41 GL detail to sort for manual JE testing - 7/1 - 6/30, for the current year under audit
- 42 Cash flow support and reconciliation for enterprise funds
- 43 Response(s) to PY ACFR Comments
- 44 GASB 34 Reconciliation Workpapers
- 45 BTA Budget to GAAP Reconciliation/Crosswalk
- 46 Draft ACFR
- 47 Disclosure Checklist

Cash and Bank

- 48 Bank statements for all accounts—subsequent months not already provided at interim
- 49 Electronic copy of check register at the beginning of the fiscal year under audit - most recent date available

Investments

- 50 Listing of all investments held at year end that ties to the TB (items to include: name, CUSIP, level, date purchased, maturity date, face value, market value, accrued income, investment type, gain or loss, leveling category, and credit rating)
- 51 Year-to-date investment statement for each investment account (preferably a text-recognized editable format)

Capital Assets and Intangible Assets

- 52 Capital assets and accumulated depreciation lead schedule by category (including beginning balances, additions, deletions, and ending balance) for governmental activities and business - type activities at FYE
- 53 Detail listing of capital asset additions by fund for the fiscal year
- 54 Detail listing of capital asset dispositions by fund for the fiscal year
- 55 Capital Assets to Capital Outlay Reconciliation
- 56 Calculation of investments in capital assets net of related debt
- 57 Detail of commitments (Commitments footnote support)
- 58 Fiscal year under audit lease support

Receivables/Revenue

- 59 Franchise Fee Revenue Lead
- 60 Excel detail of utility bills by month for the fiscal year under audit and UB Billing Summary
- 61 Property Taxes Receivable schedule with reconciliation of collections to revenue
- 62 Detail of infrastructure and developing fees received during the FY

- 63 Determination of Allowance for Doubtful Accounts Memo, if update during the current year under audit
- 64 Master fee schedule for prior and current fiscal year
- 65 Court Recon prior-current year spreadsheet detailing court fines allocation

- 66 Other Receivables Detail spreadsheet for other receivables at fiscal year end
- 67 Street Utility: Basis of charged fees for Commercial, Multi Family and Residential (ESUs and EDUs)
- 68 Water Consumption by User Class spreadsheet
- 69 Sewer: number of EDUs for Commercial, Multi Family, and Residential customers for prior year and current year under audit
- 70 Storm: number of ESU's for current year under audit

Interfund

- 71 Interfund transfers schedule including the purpose for all transfers
- 72 Interfund loan schedule including the purpose for the ending balance (if applicable)
- 73 Council resolutions authorizing interfund loans (if applicable)

Payables

- 74 Accounts payable detail by fund at June 30, for current year under audit

- 75 Accrued liabilities account detail at year end
- 76 Deposits payable listing at year end
- 77 Retainage payable at year end

Debt

- 78 Schedule of long term debt transactions (beginning balance, increases, decreases and ending balance for each debt instrument) for the year ended under audit
- 79 Schedules of future debt service requirements by issue including both principal and interest
- 80 Schedule of interest payable at fiscal year end
- 81 Detail of any loans that were borrowed and re-paid during the FY, as well as details on any debt that was authorized but not yet incurred.

- 82 Arbitrage schedule per city's consultants
- 83 Copies of new bond agreements, notes payable agreements, and other long-term debt instrument agreements including resolutions approving the transactions.

Payroll

- 84 Payroll registers for fiscal year (including the pay periods that cross fiscal year end)
- 85 Compensated Absences by Fund and Department for prior and current fiscal year
- 86 Listing of Employees in OPSRP or PERS
- 87 Minutes approving any across-the-board wage increases or decreases during the period

GAS 75 - OPEB

- 88 GASB 75 OPERS RHIA
- 89 GASB 75 Individual Employer Schedules
- 90 GASB 75 Implicit Subsidy
- 91 GASB 75 Milliman Actuary Report

GAS 68 - PERS

- 92 GASB 68 Workbook
- 93 RSI and Footnotes
- 94 Most Recent PERS actuarial report
- 95 Total Gross Salaries Submitted to PERS Report for 7/1 to 6/30, for the current year under audit (obtained from PERS) - includes a listing of City employees with gross earnings, PERS contributions, and subject salary.

Fund Balance

- 96 Fund balance rollforward
- 97 GASB 54 Fund Balance Support
- 98 Net Position Support

Leases & SBITAs

- 99 Listing of all leases and SBITAs
- 100 New lease and SBITA agreements
- 101 Lease schedule for GASB 87 Leases and SBITA schedule for GASB 96 SBITAs

- 102 GASB 87/96 threshold/materiality determination

Appendix B

Sample Audit Calendar

SAMPLE CITY AUDIT CALENDAR

	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Dates
Engagement letter issued and signed	2 hours							Early June
Pre-audit meeting with City personnel to discuss the audit plan and agreed-upon schedule	2 hours							Early June
City to upload responses to initial interim requests, including interim Trial Balance and General Ledger detail								June 15 th – July 15 th
Perform Interim Fieldwork consisting of internal control documentation, test of controls, and other procedures		120 hours						July 15 th – July 20 th
Planning communications to those charged with governance		2 hour						July 21 st – Aug 15 th
City to upload responses to initial requests for year-end, including final Trial Balance and final General Ledger detail								Aug 15 th – Sep 15 th
Perform final audit field work, including URA audit, and Single Audit, if applicable				210 hours				Sept 15 th – Sept 27 th
Follow up on remaining audit issues					65 hours			Sept 30 th – Oct 18 th
Prepare City and URA financial statements				20 hours	50 hours			Sept 30 th – Oct 18 th
Issue auditor’s report, management rep letter and additional required communications						5 hours		Nov 15 th – Nov 22 nd
Draft presentation and present audit results to the Audit Committee and City Council							6 hours	Dec 9 th – Dec 13 th
Submission of the Annual Comprehensive Financial Report and Annual Financial Report							2 hours	Dec 9 th – Dec 13 th

Appendix C

Sample Engagement Letter



Your peace of mind is our passion.

[REDACTED]

[REDACTED]

Attention: [REDACTED]

The Objective and Scope of the Audit of the Financial Statements

You have requested Talbot, Korvola & Warwick, LLP (“TKW”, “we”, “us”, or “our”), audit [REDACTED] (the “City”, “you”, or “your”) governmental activities, business-type activities, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2025, which collectively comprise the basic financial statements. You have also requested that we perform an audit of the basic financial statements of the [REDACTED], a blended component unit of the City, as of June 30, 2025. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter (“Engagement Letter”).

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (“GAAS”) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS. Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, based on an understanding of the entity and its environment, the applicable financial reporting framework, and the entity’s system of internal control, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider the entity’s system of internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of controls, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

We will also communicate to the City Council (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants ("AICPA").

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework
Management is responsible for:

1. Identifying and ensuring that the City complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, analysts, regulators, vendors, customers or others.

Management is responsible for the preparation of the required supplementary information ("RSI") which accounting principles generally accepted in the United States of America ("U.S. GAAP") require to be presented to supplement the basic financial statements.

The City Council is responsible for informing us of its views about the risks of fraud within the City, and its knowledge of any fraud or suspected fraud affecting the City.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with U.S. GAAP;
2. To evaluate subsequent events through the date the financial statements are issued. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;

3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
4. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;
 - b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of the audit in accordance with the proposed timeline;
 - c. Additional information that we may request from management for the purpose of the audit; and
 - d. Unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Engagement Letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Reporting

We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the City Council of the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the City's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

You have informed us that you intend to prepare an annual comprehensive financial report ("ACFR") and submit it for evaluation by the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program. Our association with other information in the ACFR consists of reviewing the ACFR based on the GFOA's financial statement checklist. The City's financial statements and auditor's report thereon, as contained in the ACFR, will be issued concurrently with the other schedules and information included in the ACFR. These schedules and information will be provided to TKW prior to the issuance of the documents and prior to the issuance of the auditor's report.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the City's books and records. The City will determine that all such data, if necessary, will be so reflected. Accordingly, the City will not expect us to maintain copies of such records in our possession.



The assistance to be supplied by City personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with [REDACTED]. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Fees and Costs

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from City personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

Our fees for this engagement are estimated to be [REDACTED]. If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Payment is due upon invoice delivery.

Fees incurred in excess of the agreed upon scope will be billed at an hourly rate as follows:

<u>Professional Level</u>	<u>Rate</u>
Partner	\$ 410
Manager/Senior Manager	305-315
Senior Associate/Supervisor	200-210
Associate	160
Intern	105
Administrative Staff	105

Invoices for our services pursuant to this Engagement Letter will be sent to: [REDACTED]

Use of Subcontractors and Third-Party Products

We may, in our sole discretion, use qualified third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose Confidential Information (as such term is defined below) to them. We may share your information, including Confidential Information, with these third-party service providers; provided that such recipients are bound by written obligations of confidentiality. You acknowledge and agree that our use of a third-party service provider may involve the processing, input, disclosure, movement, transfer, and storage of your information and data outside of our technology infrastructure. We will be responsible to you for the performance of our third-party service providers, solely as related to the services performed under this Engagement Letter, subject to all limitations and disclaimers set forth herein.

We also may provide services to you using certain third-party hardware, software, equipment, or products (collectively, “Third-Party Products” and each, individually, a “Third-Party Product”). You acknowledge that the use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by or on behalf of you to us, including Confidential Information and Personal Information, within the Third-Party Product’s infrastructure and not ours which may result in the access, transfer, disclosure, storage or processing of such information and data outside of the United States. You further acknowledge that the terms of use and service, including, but not limited to, applicable laws, set forth in the end-user license, end-user subscription agreement, or other end-user agreement for such Third-Party Product (collectively, “EULA(s)”) will govern all obligations the licensor of such Third-Party Product relating to data privacy, storage, recovery, security, and processing within such Third-Party Product’s infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein , and you acknowledge and agree that such City-provided data and information may be collected, processed, stored, and used by such licensors for benchmarking, analytics, marketing, and other business purposes in support of the Third-Party Product.

To the extent TKW gives the City access to a Third-Party Product in connection with the services contemplated herein, the City agrees to comply with the terms of any applicable EULA for such Third-Party Product, and the City shall be solely responsible for the improper use of a Third-Party Product or a violation of the applicable EULA for such Third-Party Product by the City or any user to whom the City grants access to such Third-Party Product. The City agrees to indemnify and hold TKW harmless from and against any claims, actions, lawsuits, proceedings, judgments, liens, losses, damages, costs, expenses, fees (including reasonable legal fees, expenses, and costs) and other liabilities relating to, or arising from or out of, the improper use of a Third-Party Product, or a violation of the terms of the applicable EULA for such Third-Party Product by the City or any user to whom the City grants access to such Third-Party Product.

You acknowledge that the use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, or maintenance. We will not be liable for any damages relating to such limitations, delays, delivery failures, interruptions, errors, or other problems. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from the use of a Third-Party Product.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of TKW. For the purposes of this Engagement Letter, the term “Audit Documentation” shall mean the confidential and proprietary records of TKW’s audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by TKW for the City under this Engagement Letter, or any documents belonging to the City or furnished to TKW by the City.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable TKW policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing the Access & Release Letter provided by TKW, without substantive modifications thereto. TKW reserves the right to decline a successor auditor’s request to review our Audit Documentation.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

Indemnification, Limitation of Liability, and Claim Resolution

Because TKW will rely on the City and its management and City Council to discharge the foregoing responsibilities, the City agrees to indemnify, hold harmless and release TKW and its partners, principals, officers, directors, employees, affiliates, subsidiaries, contractors, Subcontractors, agents, representatives, successors, or assigns from all third-party claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the City's management.

THE CITY AND TKW AGREE THAT NO CLAIM ARISING OUT, FROM, OR RELATING TO THE SERVICES RENDERED PURSUANT TO THIS ENGAGEMENT LETTER SHALL BE FILED MORE THAN TWO YEARS AFTER THE DATE OF THE AUDIT REPORT ISSUED BY TKW OR THE DATE OF THIS ENGAGEMENT LETTER IF NO REPORT HAS BEEN ISSUED. IN NO EVENT SHALL TKW OR THE CITY, OR ANY OF THEIR RESPECTIVE PARTNERS, PRINCIPALS, OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, SUBSIDIARIES, CONTRACTORS, SUBCONTRACTORS, AGENTS, REPRESENTATIVES, SUCCESSORS, OR ASSIGNS (COLLECTIVELY, THE "COVERED PARTIES" AND EACH, INDIVIDUALLY, A "COVERED PARTY"), BE LIABLE FOR THE INTERRUPTION OR LOSS OF BUSINESS, ANY LOST PROFITS, SAVINGS, REVENUE, GOODWILL, SOFTWARE, HARDWARE, OR DATA, OR THE LOSS OF USE THEREOF (REGARDLESS OF WHETHER SUCH LOSSES ARE DEEMED DIRECT DAMAGES), OR INCIDENTAL, INDIRECT, PUNITIVE, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR SIMILAR SUCH DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR A COVERED PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS ENGAGEMENT LETTER, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF THE COVERED PARTIES ARISING OUT OF, FROM, OR RELATING TO THIS ENGAGEMENT LETTER, OR THE REPORT ISSUED OR SERVICES PROVIDED HEREUNDER, REGARDLESS OF THE CIRCUMSTANCES OR NATURE OR TYPE OF CLAIM, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING FROM A COVERED PARTY'S NEGLIGENCE OR BREACH OF CONTRACT OR WARRANTY, OR RELATING TO OR ARISING FROM A GOVERNMENT, REGULATORY OR ENFORCEMENT ACTION, INVESTIGATION, PROCEEDING, OR FINE, WILL NOT EXCEED THE TOTAL AMOUNT OF THE FEES PAID BY THE CITY TO TKW UNDER THIS ENGAGEMENT LETTER. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS LIMITATION OF LIABILITY PROVISION SHALL, OR SHALL BE INTERPRETED OR CONSTRUED TO, RELIEVE THE CITY OF ITS PAYMENT OBLIGATIONS TO TKW UNDER THIS ENGAGEMENT LETTER.

Confidentiality

TKW and the City may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, TKW and the City agree as the recipient of such Confidential Information (the "Receiving Party") to keep strictly confidential all Confidential Information provided to it by the disclosing party (the "Disclosing Party") and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Engagement Letter. Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, TKW is permitted to disclose the City's Confidential Information to TKW's personnel, agents, Subcontractors, and representatives (collectively, the "TKW Parties" and each, individually, an "TKW Party") for the purpose of exercising its rights and fulfilling its obligations hereunder and to comply with applicable laws and professional, regulatory, and/or ethical standards.

"Confidential Information" means, information in any form consisting of: (i) any nonpublic information provided by the Disclosing Party, (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Engagement Letter. Without limiting the generality of the foregoing, the City acknowledges and agrees that Audit Documentation constitutes Confidential Information of TKW.

“Confidential Information” will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party’s possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; or (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Disclosing Party’s Confidential Information.

The Receiving Party will treat the Disclosing Party’s Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care.

Notwithstanding anything stated to the contrary in this Engagement Letter, the City consents to the TKW Parties using any information or data, including Confidential Information and Personal Information, provided by or on behalf of the City, or otherwise obtained by TKW, in connection with the services provided under this Engagement Letter, to provide the City with professional services under any other professional services agreement the City enters into or has entered into with an TKW Party; and (ii) those professional services provided by an TKW Party under another professional service agreement with the City, including to provide the services under this Engagement Letter to the City.

The City consents to the TKW Parties using Confidential Information and Personal Information provided by or on behalf of the City to: (i) improve the quality of our services and offerings; and/or (ii) develop or perform internal data analysis, business analytics or insights, or other internal insight generation. Information developed in connection with these purposes may be used or disclosed to current or prospective clients to provide services or offerings. The TKW Parties will not use or disclose such Confidential Information or Personal Information in a way that would permit the City or an individual to be identified by third parties without your prior written consent.

Data Protection Compliance

Prior to disclosing to an TKW Party or the granting of access to an TKW Party, you will identify in writing any personal, technical, or other data, information, or items provided or made accessible to an TKW Party pursuant to this Engagement Letter that may be subject to heightened protections under applicable statutes, regulations, governmental directives or guidance documents, or other legally binding standards relating to privacy, cybersecurity, export controls, controlled unclassified information, and/or data protection, and will ensure compliance with all such requirements. This includes, but is not limited to, protected health information pursuant to the Health Information Portability and Accountability Act of 1996 (“HIPAA”), classified or controlled unclassified information subject to the National Industrial Security Program Operating Manual (“NISPOM”) (which classified information shall not be provided to any TKW Party unless appropriate security clearances have been obtained prior to any such access), marked or unmarked controlled unclassified information (“CUI”) (subject to any provisions of the NISPOM, the Federal Acquisition Regulation (“FAR”) or any FAR supplement, DoD Instruction 5200.48, requirements of the National Archives and Records Administration, or those of the General Services Administration or any other federal government agency), unclassified nuclear technology pursuant to 10 C.F.R. Parts 110 and 810, and exports controlled by the NISPOM, or the Defense Federal Acquisition Regulation Supplement (“DFARS”), data, information, or items subject to the Export Administration Regulations (“EAR”), or International Traffic in Arms Regulations (“ITAR”) controlled data. Unless otherwise expressly agreed upon and specified in writing by TKW and the City, you shall not disclose to an TKW Party, or provide any TKW Party access to, such data, information, and items, and you shall be responsible for the handling of all such data, information, and items in connection with the performance of the services requested hereunder, including, but not limited to, the scrubbing, de-identification, de-aggregation, protection, encryption, transfer, movement, input, storage, migration, deletion, copying, processing, and modification of such data.

Personal Information

As used herein, the term “Personal Information” means any personal information or data, as may be defined by applicable privacy, data protection, or cybersecurity laws, that directly or indirectly identifies a natural person.

Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have. We are permitted to use all such Personal Information to perform our obligations and exercise our rights under this Engagement Letter.

You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to an TKW Party of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

To the extent the California Consumer Privacy Act and California Privacy Rights Act, including as amended or replaced, and the associated regulations (“CCPA”), are applicable, TKW is a “Service Provider” for the City as such term is defined by the CCPA. Limited to the applicability of this paragraph, the terms “Personal Information” (or “PI”) and “Consumer” shall have the same meaning as such terms are defined by the CCPA. The City may disclose PI to the TKW Parties solely for: (i) a valid and specific business purpose as specified in this Engagement Letter; and (ii) to perform the services in this Engagement Letter. For any PI disclosed to TKW by the City, or obtained or accessible by an TKW Party on the City’s behalf under this Engagement Letter, we will not (i) “sell” or “share” the PI (as those terms are defined by the CCPA); (ii) retain, use, or disclose PI for any purpose other than for the specific business purpose as specified in this Engagement Letter; or (iii) retain, use, or disclose the information outside of the direct business relationship between the parties unless to another service provider as a subcontractor, where the subcontractor meets the requirements for a “Service Provider” under the CCPA. At your written request, and at your cost, we shall reasonably assist you in addressing your obligations under the CCPA with regard to privacy rights requests related to your PI held by us, directly resulting from our business relationship with you. We reserve the right to decline such a request where, as determined in our sole discretion, the request for our assistance could violate or impair a Consumer’s (as that term is defined by the CCPA) rights under the CCPA or another applicable law or regulation, or professional and/or ethical obligation. We certify that we understand and will comply with the requirements enumerated in (i), (ii), and (iii) above.

Retention of Records

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Engagement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards or to exercise our rights under this Engagement Letter. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Engagement Letter. We will not be liable to you for any loss, damage or expense arising out of or from, or relating to, such termination or suspension of our services.

Either party hereto may terminate this Engagement Letter for any reason upon fifteen (15) days' prior written notice to the other party. In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

Either party may terminate this Engagement Letter upon written notice if: (i) circumstances arise that in its judgment would cause its continued performance to result in a violation of law, a regulatory requirement, a legal process, a contractual obligation with a third party, applicable professional or ethical standards, or, in the case of TKW, our client acceptance or retention standards; or (ii) if the other party, or any director, executive, partner or principal thereof, is placed on a Sanctioned List (as defined herein), or if any director or executive of, or other person closely associated with such other party or its affiliate, is placed on a Sanctioned List (as defined below).

Neither TKW nor the City shall be responsible for any delay or failure in its performance resulting from acts beyond its reasonable control (each, a "Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Engagement Letter where our services are delayed more than 120 days by a Force Majeure Event; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Engagement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Engagement Letter without further obligation to you. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Engagement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Engagement Letter will no longer apply. In order for us to recommence work, the execution of a new Engagement Letter will be required.

The parties agree that those provisions of this Engagement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Engagement Letter.

Miscellaneous

We may mention your name and provide a general description of the engagement in our client lists and marketing materials.

The City agrees that it will not include our reports or otherwise associate us with any public or private securities offering without first obtaining our consent. Therefore, the City agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering. Our association with an official statement is a matter for which separate arrangements may be necessary. The City agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. If, based on our review, we identify no material inconsistencies with our audit, or other misstatements of fact, we will promptly communicate in writing to the City that we do not object to the inclusion of our report in the offering documents. In the event our auditor/client relationship has been terminated when the City seeks such consent, we will be under no obligation to grant such consent or approval.

We agree that our association with any proposed offering is not necessary, providing the City agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The City agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

Talbot, Korvola & Warwick, LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Talbot, Korvola & Warwick, LLP also has not performed any procedures relating to this official statement or memorandum.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agree to compensate us for any additional costs incurred as a result of you employment of one of our partners, principals or employees.

Each party hereto affirms it has not been placed on a Sanctioned List (as defined below) and will promptly notify the other party upon becoming aware that it has been placed on a Sanctioned List at any time throughout the duration of this Engagement Letter. The City shall not, and shall not permit third parties to, access or use any of the deliverables provided for hereunder, or Third-Party Products provided hereunder, in violation of any applicable sanctions, laws or regulations, including, but not limited to, accessing or using the deliverables provided for hereunder or any Third-Party Products from any territory under embargo by the United States. The City shall not knowingly cause TKW to violate any sanctions applicable to TKW. As used herein "Sanctioned List" means any sanctioned person or entity lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the Consolidated Canadian Autonomous Sanctions List, the United Nations Security Council, the European Union, and the United Kingdom.

Any term of this Engagement Letter that would be prohibited by or impair our independence under applicable law or regulation shall not apply, to the extent necessary only to avoid such prohibition or impairment.

Notices

Unless otherwise expressly agreed upon by the parties in this Engagement Letter, all notices required to be given hereunder will be in writing and addressed to the party at the business address provided in this Engagement Letter, or such other address as such party may indicate by a notice delivered to the other party. A copy of any legal notice (e.g., any claimed breach or termination of this Engagement Letter) sent by the City to TKW shall also be sent to the following address: Talbot, Korvola & Warwick, LLP, 14945 SW Sequoia Parkway, Suite 150, Portland, OR 97224. Except as otherwise expressly provided in this Engagement Letter, notices hereunder will be deemed given and effective: (i) if personally delivered, upon delivery; (ii) if sent by registered or certified mail or by overnight courier service with tracking capabilities, upon receipt; and, (iii) if sent by electronic mail (without indication of delivery failure), at such time as the party that sent the notice receives confirmation of receipt, whether by read-receipt confirmation or otherwise.

Governing Law

This Engagement Letter, including, without limitation, its validity, interpretation, construction, and enforceability, and any dispute, litigation, suit, action, claim, or other legal proceeding arising out of, from, or relating in any way to this Engagement Letter, any provisions herein, a report issued or the services provided hereunder, will be governed and construed in accordance with the laws of the State of Oregon, without regard to its conflict of law principles, and applicable U.S. federal law.

Entire Agreement

This Engagement Letter constitutes the entire agreement between TKW and the City and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Engagement Letter, including any separate nondisclosure agreement executed between the parties.



If any term or provision of this Engagement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Engagement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

This Engagement Letter may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which taken together will constitute one and the same instrument. Each party agrees that any electronic signature of a party to this Engagement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect as a manual signature.

Acknowledgement and Acceptance

Each party acknowledges that it has read and agrees to all of the terms contained herein, including any exhibits, policies, schedules, and/or other documents expressly incorporated herein by reference or attached hereto. Each party and its signatory below represent that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

AGREED TO AND ACKNOWLEDGED BY:

Talbot, Korvola & Warwick, LLP

Daniel A. Miley, Partner

Confirmed on behalf of :

Mayor

Date

City Manager

Date

Finance Director

Date

Appendix D
Resumes



Dan joined TKW in 2013. Previously, Dan worked as a management analyst for a medium sized county in Oregon. Additionally, Dan has worked with clients in the governmental, manufacturing, distribution, and construction industries.

PRACTICE EXPERTISE

Dan is involved in all aspects of business assurance services for our government clients. His field work experience includes audit and review services in all areas of the financial statement, including testing and analytical aspects of the audit. Dan will also conduct research and provide technical support for emerging issues and revised accounting standards to ensure compliance. Above all, Dan will ensure your engagement is performed with as little disruption to your financial staff as possible.

INDUSTRY AFFILIATIONS AND SPEAKING ENGAGEMENTS

Dan keeps abreast of current accounting issues by serving as a member of the Government Finance Officers Association’s (GFOA) Certificate of Achievement Program’s Special Review Committee (reviewing ACFRs for compliance with the GFOA Certificate) and as the current Chair for the Oregon Society of Certified Public Accountants’ (OSCPA) Governmental Accounting and Auditing Strategic Committee. Further, he presents at OGFOA and OSCPAs conferences.

CONTINUING PROFESSIONAL EDUCATION

Dan’s continuing professional education for the past three years exceeds GAO Yellow Book standards.

GOVERNMENT CLIENTS SERVED INCLUDE:

- City of Beaverton*
 - Beaverton Urban Redevelopment Agency
- City of Hillsboro*
 - Hillsboro Economic Development Council
 - Hillsboro-Forest Grove – Beaverton – Tualatin Valley Water District
 - Joint Water Commission
 - Barney Reservoir Joint Ownership Commission
- City of Sandy*
 - Sandy Urban Redevelopment Agency
- City of Tigard
 - Town Center Development Agency
- City of Sherwood*
 - Urban Renewal Agency of the City of Sherwood, Oregon
- Multnomah Education Service District*
- North Marion School District*
- Portland Public Schools*

*Single Audit performed

- Post-baccalaureate, Accounting
Portland State University
- Master of Business
Administration,
Atkinson Graduate
School of Management
Willamette University
- Copenhagen Business School
- Bachelor of Science,
Criminal Justice,
Forensic Science
Weber State University
- Licensed CPA
Oregon #14036
- Licensed Municipal Auditor
Oregon #1587
- American Institute of
Certified Public Accountants
- Oregon Society of
Certified Public Accountants
- Government Finance Officers
Association Certificate of
Achievement Program’s Special
Review Committee
- Chair, Oregon Society of
Certified Public Accountants
Governmental Accounting and
Auditing Strategic Committee



Prior to joining TKW as an Audit Manager, Colleen was a Controller and led accounting teams in increasing the efficiency and effectiveness of financial transactions and reporting. Previous to working in industry, Colleen served as an Audit Manager at Ernst & Young and has over 16 years of experience in accounting. More than 7 years of this experience has been in public accounting. Her audit experience includes governmental, not-for-profit, real estate and pharmaceutical clients. She is a licensed CPA in Oregon, a licensed municipal auditor, and a member of the American Institute of Certified Public Accountants (AICPA), the Oregon Society of Certified Public Accountants (OSCPA) and Financial Executives International (FEI).

PRACTICE EXPERTISE

Within the audit team, Colleen plans and oversees audit engagements. Throughout the engagement she examines documents prepared by audit staff, reviews workpapers to determine any additional need for information, clarification or documentation, and helps guide the direction of the audit. She participates in issue resolution, helping to identify, review and resolve emerging issues. She brings excellent technical, time management, and teamwork skills. Colleen is an adept user of IDEA data mining software to extract data from financial systems to support the efficient and effective use of audit procedures.

Colleen graduated Summa Cum Laude from Northern Arizona University with both a Bachelor of Science in Accountancy and a Bachelor of Science in Business Administration, emphasizing Marketing.

CONTINUING PROFESSIONAL EDUCATION

Colleen’s continuing professional education for the past three years exceeds GAO Yellow Book standards.

GOVERNMENT CLIENTS SERVED INCLUDE:

- City of Lincoln City
 - Lincoln City Urban Renewal Agency
- Metropolitan Area Communications Commission
- Mount Hood Community College District Foundation
- Multnomah Education Service District*
- City of Sandy*
 - Sandy Urban Redevelopment Agency
- Tualatin Hills Parks and Recreation District
- Washington County, Oregon* and blended component units
- Washington County Consolidated Communications Agency

*Single Audit performed

Bachelor of Science,
 Accountancy
 Bachelor of Science, Business
 Administration
 Northern Arizona University

Licensed CPA
 Oregon #14424

Licensed Municipal Auditor
 Oregon #1683

American Institute of
 Certified Public Accountants

Oregon Society of
 Certified Public Accountants

Board Member,
 Financial Executives
 International



Julie joined TKW in 2004 after serving as an assurance supervisor in the Portland office of Grant Thornton LLP. With 25 years of experience in public accounting, she has directed all facets of audit engagements and has reviewed financial statement audits, reviews, compilations, internal control studies, and agreed upon procedures for a diverse clientele, including special districts, governments and not-for-profit organizations. She provides assurance services to clients with annual revenues in the \$5 million to \$2.5 billion range. She is responsible for the supervision of multiple engagements, directing staff, and reviewing work performed.

PRACTICE EXPERTISE

Julie provides a range of services to our clients, including business consulting. Julie is head of our Audit Department, oversees TKW’s internal inspection process and leads TKW’s recruiting efforts. She has also provided workpaper and report inspections for other public accounting firms. She will plan your engagement, examine documents prepared by financial staff, and review workpapers to determine the need for any additional information, clarification or documentation. Julie’s role for your engagement will be quality control reviewer responsible for reviewing your reports for compliance with professional standards.

INDUSTRY AFFILIATIONS AND SELECTED SPEAKING ENGAGEMENTS

Julie keeps abreast of current accounting issues by serving as a member of the Government Finance Officers Association’s Certificate of Achievement Program’s Special Review Committee (reviewing ACFRs for compliance with GFOA Certificate) and the local Oregon GFOA Education Committee. Further, she presents seminars to Oregon Finance Officer Group meetings and at OGFOA conferences.

CONTINUING PROFESSIONAL EDUCATION

Julie’s continuing professional education for the past three years exceeds GAO Yellow Book standards.

GOVERNMENT CLIENTS SERVED INCLUDE:

- City of Lincoln City
Lincoln City Urban Renewal Agency
- City of Sandy*
Sandy Urban Redevelopment Agency
- City of Tigard
Town Center Development Agency
- City of West Linn
- City of Milwaukie
- Port of Astoria*
- Tualatin Valley Fire and Rescue*
- Tualatin Hills Park and Recreation District* and Foundation
- Washington County, Oregon* and blended component units
- Housing Authority of Washington County*
- Washington County Consolidated Communications Agency

Bachelor of Science, Business Administration/Accounting
Portland State University

Licensed CPA
Oregon #8949

Licensed Municipal Auditor
Oregon #1393

Certified Fraud Examiner
License #604505

American Institute of Certified Public Accountants

Oregon Society of Certified Public Accountants

Association of Certified Fraud Examiners

Government Finance Officers Association Certificate of Achievement Program’s Special Review Committee

Oregon Government Finance Officers Association Education Committee

Chair, Audit Committee, Archdiocese of Portland

Administrative Council, Holy Trinity Catholic Church

*Single Audit performed

Appendix E

Peer Review Letter



Report on the Firm's System of Quality Control

To the Partners of
Talbot, Korvola & Warwick, LLP
and the Peer Review Committee of the Oregon Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Talbot, Korvola & Warwick, LLP (the firm) in effect for the year ended March 31, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Talbot, Korvola & Warwick, LLP in effect for the year ended March 31, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Talbot, Korvola & Warwick, LLP has received a peer review rating of *pass*.

The RBH Group, LLC

August 1, 2024

RESOLUTION NO. 2026-11

A Resolution authorizing the City Manager to execute a contract, in a form acceptable to the City Attorney, with Talbot, Korvola & Warwick, LLP for \$292,100 for audit services.

RECITALS:

WHEREAS, In November 2025, the City of McMinnville issued a Request for Proposals for Professional Audit Services; and

WHEREAS, In January 2026, the City’s Audit Committee evaluated the proposals received and determined that it is in the best interest of the City to contract with Talbot, Korvola & Warwick, LLP for professional audit services; and

WHEREAS, The City desires to contract with Talbot, Korvola & Warwick, LLP to provide professional audit services for fiscal years 2025-26 through 2027-28 with the option of providing audit services to the City for up to seven additional fiscal years.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The City Manager is authorized to execute a contract, in a form acceptable to the City Attorney, with Talbot, Korvola & Warwick, LLP for \$292,100 for audit services for three fiscal years, with the option of up to seven additional fiscal years.
2. This resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Council of the City of McMinnville at a regular meeting held the 24th day of February, 2026 by the following votes:

Ayes: _____

Nays: _____

Approved this 24th day of February 2026.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder



STAFF REPORT

DATE: February 24, 2026
TO: Adam Garvin, Interim City Manager
SUBMITTED BY: Claudia Cisneros, City Recorder and David Ligtenberg, City Attorney
SUBJECT: Ward Three Vacancy

1. Resolution No. 2026-12, A Resolution declaring a vacancy on the City Council and announcing the advertisement for qualified persons for appointment to fill the Ward 3 vacancy.

Report in Brief:

Councilor Jessica Payne formally submitted her resignation from the McMinnville City Council on February 09, 2026, effective immediately. Effective February 10, 2026 there will be a vacant seat for that Ward Three position.

Background:

The City Charter states that when a vacancy in an elective city office occurs, a temporary replacement shall be appointed by a majority vote of the council and that the term of the temporary replacement shall begin immediately upon their appointment and continue until a permanent replacement is elected at the next general election (Chapter VII – Vacancies in Office). The City Charter also requires a Council Member to reside in the ward from which they are appointed (Chapter III – Form of Government).

The current term for Councilor Payne’s Ward 3 seat expires December 31, 2026, and is currently up for election on November 3, 2026, for the next four-year term of January 2027 – December 2030. Because the next general election also represents the election for which this council seat is again open, there will be no permanent replacement. Rather, an appointed temporary replacement will remain seated until the next duly-elected representative from Ward 3 is seated.

Discussion:

Staff are seeking direction from the City Council on how they wish the current vacancy handled, and take a formal resolution action declaring the position vacant and announcing the advertisement for qualified persons for appointment.

Questions to Answer:

1. How does Council wish to address Ward 3 Vacancy?
 - a. To advertise for the position.
 - b. To advertise for the position but exclude anyone running for Ward 3 office for the current election cycle.
 - c. To leave the position vacant for the remainder of the year.¹
 - d. To hold the position vacant until November 3rd and consider asking the winning candidate to take office earlier than January 2027.²
 - e. Another appointment process as determined by Council.

2. If direction is to advertise for the position, what is the potential timeline Council wishes to take:
 - a. 2-week recruitment: March 9 – 20th – interviews at a special council meeting week of March 30th or April 6th with appointment the same evening or at the next regular meeting on April 14th.
 - b. 3-week recruitment: March 9 – 27th – interviews at a special council meeting week of April 6th or during the April 14th work session time slot with appointment the same evening or at the next regular meeting on April 14th.
 - c. 4-week recruitment: March 9 – April 3rd – interviews during the April 14th work session time slot, hold a special council meeting week of April 20th or April 28th work session time slot with appointment the same evening or at the next regular meeting on April 28th.

Attachments:

1. City of McMinnville Charter
2. Resolution No. 2026-12: A Resolution Declaring a Vacancy and Announcing the Advertisement for Qualified Persons for Appointment to Fill the Ward 3 Vacancy.
 - a. Exhibit A: Ward Map
3. PowerPoint Presentation

¹ Note that this option could be problematic in light of the Charter's language that such a replacement "shall" be appointed. Accordingly, this is not recommended by Staff.

² This option drives similar concerns to the option above.

Alternatives:

Alternative 1: Adopt the attached resolution declaring a vacancy and announcing the advertisement to fill the Ward 3 Vacancy and directing staff with the desired timeline.

Alternative 2: Reject the attached resolution and leave the position vacant until the next duly-elected Councilor from Ward 3 is seated.

Alternative 3: The Council may consider any other alternative not presented by staff.

CITY CHARTER

McMINNVILLE CHARTER OF 1971

To provide for the government of the City of McMinnville, Yamhill County, State of Oregon; and to repeal all charter provisions of the city enacted prior to the time that this charter takes effect, except those herein retained.

Be it enacted by the people of the City of McMinnville, Yamhill County, State of Oregon:

CHAPTER I

NAME AND BOUNDARIES

Section 1. TITLE OF ENACTMENT. This enactment may be referred to as the McMinnville Charter of 1971.

Section 2. NAME OF CITY. The City of McMinnville, Yamhill County, State of Oregon, shall continue to be a municipal corporation with the name "City of McMinnville."

Section 3. BOUNDARIES. The city shall include all territory encompassed by its boundaries as they now exist or hereafter are modified by a majority of voters. Unless mandated by State Law, any annexation, delayed or otherwise, to the City of McMinnville may only be approved by a prior majority vote among the electorate. (Ballot Measure 36-32, May 21, 1996).

CHAPTER II

POWERS

Section 4. POWERS OF THE CITY. The city shall have all the rights, powers, privileges, and immunities which the constitutions, statutes, and common law of the United States and of this state expressly or impliedly grant or allow municipalities, including those rights, powers, privileges, and immunities which a city can exercise upon specifically accepting them or upon being granted the power to exercise them by the people of the city or the legislature of the state, as fully as though this charter expressly stated each of those rights, powers, privileges, and immunities, and as though each of them had been specifically accepted by the city or granted to it by the people of the city or by the legislature of the state. The powers contained herein from previously enacted charter shall be deemed a part of the powers of the city. The city is further empowered to

assess, levy, and collect taxes of all types for any and all lawful municipal purposes.

Section 5. CONSTRUCTION OF THE CHARTER. In this charter no mention of a particular power, right, privilege, or immunity shall be construed to be exclusive or to restrict the scope of all powers, rights, privileges, or immunities which the city would have if the particular power was not mentioned. The charter shall be liberally construed to the end that the city may have all powers necessary or convenient for the conduct of its municipal affairs, including all powers that cities may assume pursuant to the laws and to the municipal home-rule provisions of the constitution of the State of Oregon.

Section 6. EXERCISE OF POWERS. All rights, powers, privileges, and immunities of the city shall be exercised in the manner prescribed in this charter, or, if the manner be not prescribed in this charter, then in the manner provided by ordinance or resolution of the council or the laws of the State of Oregon.

Chapter III

FORM OF GOVERNMENT

Section 7. POWER IN WHOM VESTED. The power and authority given to the municipal corporation of the City of McMinnville by this charter is vested in the mayor and council, and their successors in office, to be exercised in the manner hereinafter provided.

Section 8. COUNCIL. The council shall consist of six members, two from each ward of the city, and they shall hold office for the term of four years and until their successors are elected and qualified, and the elective term of such councilmen shall be so arranged that one councilman shall be elected from each ward of said city at each general biennial election. The official term of the Mayor shall be four years.

Section 9. COUNCILMEN. The councilmen in office at the time this charter is adopted shall continue in office, each until the end of his term of office as fixed by the charter of the city in effect at the time this charter is adopted. At each biennial general election after this charter takes effect, three councilmen shall be elected, each for a term of four years.

Section 10. MAYOR. At the next biennial general election after this charter takes effect, a mayor shall be elected for a term of four years, and at each alternate general election thereafter.

Section 11. APPOINTED ADMINISTRATIVE OFFICERS. Additional officers of the city shall be a municipal judge, a city recorder, a

city manager, a city attorney, a director of public works, a chief of police, a fire chief, a treasurer, and such other officers as the council deems necessary. Each of these officers shall be appointed and may be renewed by a majority of the council. The council may designate any appointive officer to supervise any other appointive officer except the municipal judge in the exercise of his judicial functions. (Res. No. 1978-47 §3(a)).

Section 12. SALARIES. The compensation for the services of each city officer and employee shall be the amount fixed by the council.

Section 13. QUALIFICATIONS OF ELECTIVE OFFICERS. No person shall be elected to, appointed to, or retained in an elective office of the city unless he is a qualified elector within the meaning of the state constitution and a resident of the city for twelve months immediately preceding his nomination. In addition to these qualifications, no person shall be elected to, appointed to, or retained in the office of council member unless he resides in the ward from which he is elected or appointed. The council shall be final judge of the qualifications and election of its own members, subject, however, to review by a court of competent jurisdiction. (Res. No. 1978-47 §3(b)).

Section 13A. WARDS. The city shall be divided by ordinance into three geographical areas representing as near as practical the same number of electors. Whenever the ward boundaries are reapportioned to comply with this section, the council members in office at that time shall not lose their qualification for office by reason of the boundary change and shall continue in office for the remainder of their terms unless otherwise disqualified. (Res. No. 1978-47 §3(c)).

Chapter IV

COUNCIL

Section 14. MEETINGS. The council shall hold a regular meeting at least once each month in the city at a time and place which it designates. It shall adopt rules for the government of its members and proceedings. The mayor upon his motion may, or at the request of three members of the council shall, by giving notice thereof to all members of the council then in the city, call a special meeting of the council for a time not earlier than 24 hours nor later than 96 hours after the notice is given. Special meetings of the council may also be held at any time by the common consent of all members of the council. Notice of all meetings held by the council shall be consistent with notice requirements for public meetings. (Res. No. 1978-47 §4(a)).

Section 15. QUORUM. A majority of members of the council shall constitute a quorum for its business, but a smaller number may meet

and compel the attendance of absent members in a manner provided by ordinance.

Section 16. RECORDS. The council shall cause minutes of its proceedings to be kept. Upon the request of any of its members, the ayes and nays upon any question before it shall be taken, and a record of the vote entered in the minutes. The council shall determine the manner in which withdrawals shall be made from the respective funds.

Section 17. PROCEEDINGS TO BE PUBLIC. No action by the council shall have legal effect unless the motion for the action and the vote by which it is disposed of take place at proceedings open to the public.

Section 18. MAYOR'S FUNCTIONS AT COUNCIL MEETINGS. The mayor shall be chairman of the council and preside over its deliberations. He shall have authority to preserve order, enforce the rules of the council, and determine the order of business under the rules of the council. He shall have a vote on all questions before the council in order to resolve a tie vote of the council members. (Res. No. 1978-47 §4(b)).

Section 19. PRESIDENT OF THE COUNCIL. At its first meeting after this charter takes effect and thereafter at its first meeting of each odd-numbered year, the council shall elect a president from its membership. In the mayor's absence from a council meeting, the president shall preside over the council. Whenever the mayor is unable to perform the functions of his office the president shall act as mayor, preside over council deliberations, have authority to preserve order, enforce the rules of the council, determine the order, determine the order of business under the rules of the council, and continue to vote as a councilman. (Res. No 1978-47 §4(c)).

Section 20. VOTE REQUIRED. Except as this charter otherwise provides, the concurrence of a majority of the members of the council present at a council meeting shall be necessary to decide any question before the council.

Chapter V

POWERS AND DUTIES OF OFFICERS

Section 21. MAYOR. The mayor shall appoint the committees provided by the rules of the council. After the council approves a bond for a city officer or a bond for a license, contract, or proposal, the mayor shall endorse the bond.

Within twenty-four hours after the adjournment of any council meeting, the city recorder shall present to the mayor all ordinances passed and adopted at the meeting. The mayor within five days of

receipt of an ordinance shall return it to the city recorder with or without the approval, or with his veto. If an ordinance is vetoed, the mayor shall attach a written statement explaining the reasons for his veto. Ordinances vetoed by the mayor shall be considered at the next meeting of the council, and the council may pass the ordinance over the veto by the affirmative vote of four of its members. The effective date of an ordinance passed over the mayor's veto shall not be less than fifteen days after the date of final passage.

Section 22. CITY MANAGER. The city manager shall have general supervision of the administrative affairs of the city and general control over all nonelective officers and employees of the city excepting those of the Water and Light Department and municipal judge, and shall perform such other duties as may be prescribed by the council. Before taking office, he shall give a bond in such amount and with such surety as may be approved by the council. The premiums on such bond shall be paid by the city.

Section 23. MUNICIPAL JUDGE. The municipal judge shall be the judicial officer of the city. If available, the municipal judge shall be a member of the Oregon State Bar in good standing or have a legal background or training satisfactory to the council. He shall hold within the city a court known as the municipal court for the City of McMinnville, Yamhill County, Oregon. The court shall be open for the transaction of judicial business at times specified by the council. All area within the city shall be within the territorial jurisdiction of the court. The municipal judge shall exercise original and exclusive jurisdiction of all crimes and offenses defined and made punishable by ordinances of the city and of all actions brought to recover or enforce forfeitures of penalties defined or authorized by ordinances of the city. He shall have authority to issue process for the arrest of any person accused of an offense against the ordinances of the city, to commit any such person to jail or admit him to bail pending trial, to issue subpoenas, to compel witnesses to appear and testify in court on the trial of any cause before him, to compel obedience to such subpoenas, to issue any process necessary to carry into effect the judgments of the court, and to punish witnesses and others for contempt of the court. When not governed by ordinances or this charter, all proceedings in the municipal court for the violation of city ordinance shall be governed by the applicable general laws of the state governing justices of the peace and justice courts.

Section 24. RECORDER. The recorder shall serve ex officio as clerk of the council, attend all its meetings unless excused therefrom by the council, and keep an accurate record of its proceedings. In the recorder's absence from a council meeting, the mayor shall appoint a clerk of the council pro tem who, while acting in that capacity, shall have all the authority and duties of the recorder.

Chapter VI

ELECTIONS

Section 25. REGULAR ELECTIONS. Regular city elections shall be held at the same time and place as the general state elections, in accordance with applicable state election laws. The recorder, pursuant to directions from the council, shall give at least 10 days notice of each regular and special city election by publishing notice thereof in a newspaper in general circulation throughout the city. The notice shall state the officers to be elected, the ballot title of each measure to be voted upon, and the time and place of the election. (Res. No. 1978-47 §5(a)).

Section 26. SPECIAL ELECTIONS. The council shall provide the time, manner, and means for holding any special election. The recorder shall give at least ten days notice of each special election in the manner provided by the action of the council ordering the election.

Section 27. REGULATION OF ELECTIONS. Except as this charter provides otherwise and as the council provides otherwise by ordinances relating to elections, the general laws of the state shall apply to the conduct of all city elections, recounts of the returns therefrom, and contests thereof.

Section 28. CANVASS OF RETURNS. In all elections held in conjunction with state and county elections, the state laws governing the filing of returns by the county clerk shall apply. The certified election results of the county clerk may be approved by the council in lieu of a canvass by the council in any election held in conjunction with a state or county election. In each special city election the returns therefrom shall be filed with the recorder on the day following, and not later than 5 days after the election, the council shall meet and canvass the returns. The results of all elections shall be made a matter of record of the proceedings of the council. The record shall contain a statement of the total number of votes cast at each election, the votes cast for each person and for and against each proposition, the name of each person elected to office, the office to which he has been elected, and a reference to each measure enacted or approved. Immediately after the canvass is completed, the recorder shall make and sign a certificate of election of each person elected and deliver the certificate to him within 1 day after the canvass. A certificate so made and delivered shall be prima facie evidence of the truth of the statements contained in it. (Res. No. 1978-47 §5(b)).

Section 29. TIE VOTES. In the event of a tie vote for candidates for an elective office, the successful candidate shall be determined by a public drawing of lots in a manner prescribed by the council.

Section 30/31. OATH OF OFFICE AND COMMENCEMENT OF ELECTIVE TERM. The term of office of a person elected in accordance with this charter

shall commence the first of the year immediately following the election and upon the elected candidate taking an oath or affirmation that said officer will support the constitution and laws of the United States and the State of Oregon and will faithfully perform the duties of the office. The oath or affirmation shall be administered at the first council meeting conducted in the year immediately following the election at which the elected officer is present. An incumbent shall continue in office until said oath or affirmation is administered. (Res. No. 1978-47 §5(c)).

Section 32. NOMINATIONS. Any qualified person may be nominated for an elective city office. Nominations shall be by petition specifying the position sought in a form prescribed by the council. Such petition shall be signed by not fewer than 50 electors from the ward in which the council person is a candidate and from the entire city for a candidate seeking the office of mayor. No elector shall sign more than one petition for each vacant position. If he does so, his signature shall be valid only on the first petition filed for the office.

The signature to a nomination petition need not all be appended to one paper, but to each separate paper of the petition shall be attached an affidavit of the circulator thereof, indicating the number of signers of the paper and stating that each signature appended thereto has been made in his presence and is the genuine signature of the person whose name it purports to be. With each signature shall be stated the signer's place of residence, identified by its street and number or other sufficient description.

All nomination papers comprising a petition shall be assembled and filed with the recorder as one instrument at a time which is in accordance with the election laws set by the State of Oregon. The recorder shall make a record of the exact time at which each petition is filed and shall take and preserve the name and address of the person by whom it is filed.

If the petition is not signed by the required number of qualified electors, the recorder shall notify the candidate and the person who filed the petition within 5 days after the filing. If the petition is insufficient in any other particular, the recorder shall return it immediately to the person who filed it, certifying in writing wherein the petition is insufficient. Such deficient petition may be amended and filed again as a new petition, or a substitute petition for the same candidate may be filed, within the regular time for filing nomination petitions.

The recorder shall notify an eligible person of his nomination, and such person shall file with the recorder his written acceptance of nomination in such form as the council may require, within 5 days of notification of nomination. Upon receipt of such acceptance of nomination, the recorder shall cause the nominee's name to be printed on the ballots. The petition of nomination for a successful candidate

at an election shall be preserved in the office of the recorder until the term of office for which the candidate is elected expires. (Res. No. 1978-47 §5(d)).

Chapter VII

VACANCIES IN OFFICE

Section 33. WHAT CREATES VACANCY. An office shall be deemed vacant upon the incumbent's death; adjudicated incompetence, conviction of a felony, other offense pertaining to his office, or unlawful destruction of public records; resignation; recall from office; or ceasing to possess the qualifications for the office; upon the failure of the person elected or appointed to the office to qualify therefor within ten days after the time for his term of office to commence; or in the case of a mayor or councilman, upon his absence from the city for 60 days without the consent of the council or upon his absence from meetings of the council for 90 days without like consent, and upon a declaration by the council of the vacancy.

Section 34. FILLING OF VACANCIES. When a vacancy in an elective city office occurs, a temporary replacement shall be appointed by a majority vote of the council. The term of office of the temporary replacement shall begin immediately upon his appointment and continue until a permanent replacement is elected at the next general election, but said election shall not occur less than 60 days after the office has been declared vacant or an individual appointed by the council. The newly elected council person shall take office at the first regular meeting of the council occurring subsequent to the election. The term of office of the elected replacement shall be the unexpired term of the elected predecessor. (Res. No. 1978-47 §6(a)).

Chapter VIII

ORDINANCES

Section 35. ENACTING CLAUSE. The enacting clause of all ordinances hereafter enacted shall be, "The City of McMinnville ordains as follows:"

Section 36. MODE OF ENACTMENT.

(1) Except as this section provides to the contrary, every ordinance of the council shall, before being put upon its final passage, be read fully and distinctly in open council meeting on two different days.

(2) Except as this section provides to the contrary an ordinance may be enacted at a single meeting of the council by unanimous vote of

all council members present, upon being read first in full and then by title.

(3) Any of the readings may be by title only (a) if no council member present at the meeting requests to have the ordinance read in full or (b) if a copy of the ordinance is provided for each council member and three copies are provided for public inspection in the office of the city recorder not later than one week before the first reading of the ordinance and notice of their availability is given forthwith upon the filing, by (i) written notice posted at the city hall and two other public places in the city; and(ii) advertisement in a newspaper of general circulation in the city. An ordinance enacted after being read by title alone may have no legal effect if it differs substantially from its terms as it was thus filed prior to such reading, unless each section incorporating such a difference is read fully and distinctly in open council meeting as finally amended prior to being approved by the council.

(4) Upon the final vote on an ordinance, the ayes and nays of the members shall be taken and recorded in the journal.

(5) Upon the enactment of an ordinance the recorder shall sign it with the date of its passage and his name and title of office, and within three days thereafter the mayor shall sign it with the date of his signature, his name and the title of his office.

Section 37. WHEN ORDINANCES TAKE EFFECT. An ordinance enacted by the Council shall take effect on the thirtieth day after its enactment. When the council deems it advisable, however, an ordinance may provide a later time for it to take effect, and in case of an emergency, it may take effect immediately.

Chapter IX

PUBLIC IMPROVEMENT

Section 38. CONDEMNATION. Any necessity of taking property for the city by condemnation for the water system or electrical generation and distribution system shall be determined by the Water and Light Commission pursuant to Chapter X of this charter. Any necessity of taking property for any other purposes for the city by condemnation shall be determined by the council and declared by a resolution of the council describing the property and stating the uses to which it shall be devoted.

Section 39. IMPROVEMENTS. The procedures for making, altering, vacating, or abandoning a public improvement shall be governed by the general ordinance or, to the extent not so governed, by the applicable general laws of the state. Action on any proposed public improvement, except a sidewalk or except an improvement unanimously declared by the

council to be needed at once because of an emergency, shall be suspended for six months upon a remonstrance thereto by the owners of two thirds of the property to be specially assessed therefor. For the purpose of this section "owner" shall mean the record holder of a legal title to the land, except that, if there is a purchaser of the land according to a recorded land sale contract or according to a verified writing by the record holder of legal title to the land filed with the city recorder, the said purchaser shall be deemed the "owner."

Section 40. SPECIAL ASSESSMENT. The procedure for levying, collecting, and enforcing the payment of special assessments for public improvements or other services to be charged against real property shall be governed by general ordinance.

Section 41. BIDS. A contract in excess of \$5,000 for a public improvement to be made by a private contractor shall be let to the lowest responsible bidder for the contract and shall be done in accordance with plans and specifications approved by the council. (Res. No. 1978-47 §7(a)).

Chapter X

WATER AND LIGHT COMMISSION

The Water and Light Commission is continued in existence.

Section 42. MEMBERSHIP AND QUALIFICATIONS. The mayor of the City of McMinnville shall ex officio be a member of the Water and Light Commission. In case of the absence of the mayor from the city, or his complete disability or disqualification to act, then during such absence, disqualification or disability, the president of the council shall ex officio act in place of the mayor as a member of the Water and Light Commission. In addition to the mayor, there shall be four members of the Water and Light Commission appointed by the mayor for a term of four years, whose appointments shall severally be approved by the council before any new commissioner shall enter upon the discharge of the duties of his office. The four commissioners in office at the date of the adoption of this provision shall serve out their respective terms, subject to removal as hereinafter provided. In case of a vacancy caused by death, removal or resignation, the mayor shall appoint a successor to fill such vacancy for the balance of the term, which appointment also shall be subject to confirmation by the council.

Section 43. REMOVAL OF COMMISSIONERS. The mayor, with the consent of the council, may remove any member of the Water and Light Commission for cause. No commissioner shall be removed, except upon written charges filed by the mayor with the clerk of the Water and Light Commission, a copy of which shall be served upon such

commissioner. A copy of such charges shall also be filed with the recorder of the City of McMinnville and brought before the council, together with the order of the mayor removing any such commissioner; and the question of whether or not such removal shall be sustained by the council shall be submitted to the council as any other city business is submitted to and considered by the council, and the question shall thereupon be submitted to the council in the following form:

"Shall the action of the mayor in removing _____, a member of the Water and Light Commission of the City of McMinnville, be sustained?"

If the majority of the membership of the city council shall vote in the affirmative, said removal shall be sustained, and said commissioner shall thereupon be out of office; otherwise, said removal shall not be sustained and said commissioner shall remain in office for the balance of his term, except in the case of death, disqualification or removal as herein provide.

Section 44. QUALIFICATIONS OF COMMISSIONERS. No person shall be appointed to the Water and Light Commission, or retain any such office, who does not fulfill the following requirements: He must be a citizen and resident of the City of McMinnville for at least one year, and a legal voter, and shall not have a financial interest adverse to the interests of the City of McMinnville in any manners over which the Water and Light Commission has jurisdiction. (Res. No. 1978-47 §8(a)).

Section 45. ORGANIZATION OF COMMISSION. The Water and Light Commission shall, at its first meeting in January in each year, elect from among the four appointed members thereof, a chairman, and shall also elect a clerk of the commission. At all meetings attended by the mayor he shall preside and in his absence, the president of the council shall preside. In case neither the mayor nor the president of the council is present at any meeting of the Water and Light Commission, the chairman shall preside, and if the chairman is also absent, then a chairman pro tem shall be appointed by the members present.

The Clerk of the Commission shall sign all minutes of all meetings, together with the officer who has presided at such meeting.

Section 46. EXECUTION OF CONTRACTS AND HANDLING OF FUNDS. All contracts and documents on behalf of the Water and Light Commission shall be signed by the mayor, or in case of his absence, disqualification, or disability, then by the president of the council, and shall be attested by the clerk of the commission. All funds coming under the jurisdiction of the Water and Light Commission shall be paid to the clerk of the commission, and a complete book account thereof shall be kept by the clerk of the commission, or employees of the commission under his direction. Said funds shall be paid by the

clerk of the commission to the city treasurer, who also shall keep a book account of all such funds.

Section 47. CLERK. The clerk of the Water and Light Commission shall serve during the pleasure of the Commission, and be subject to removal at any time and for any reason.

Before entering upon the duties of the office of clerk of the commission, the clerk shall take and file with the recorder of the City of McMinnville an oath of office to support and defend the constitutions and laws of the United States and of the State of Oregon, and faithfully to perform the duties of the office of clerk of the Water and Light Commission of the City of McMinnville, according to law, and shall also execute with a surety, satisfactory to the Water and Light Commission, and undertaking running for the benefit of the City of McMinnville for the faithful discharge of the duties and his office, and accounting for and paying over all money and property coming into his possession, which official undertaking shall be in such amount and upon such form as shall be required by the Water and Light Commission, and shall be signed by a surety company authorized to do a surety business in the State of Oregon, and shall be filed with the mayor.

Section 48. QUORUM. Three members of the commission shall constitute a quorum for the transaction of all business.

Section 49. MEETINGS. The Water and Light Commission shall hold a regular meeting at least once each month at a time and place to be fixed and publicly announced. Special meetings may be convened at any time upon such call and the giving of appropriate notice not less than 24 hours nor later than 96 hours after said meeting has been duly called and required notice given. Special meetings of the Water and Light Commission may also be held at the time by the common consent of all the members of the Water and Light Commission. Notice of all meetings held by the Water and Light Commission shall be consistent with notice requirements for public meetings. (Res. No. 1978-47 §8(b)).

Section 50. COMPENSATION. The Water and Light Commission shall have the authority to fix the compensation of the clerk and other employees of the Water and Light Commission and change same from time to time. Said Commission shall have the authority to employ a general manager and such superintendents, attorneys, bookkeepers, laborers, mechanics and other employees, as may be determined, and fix the compensation thereof, and discharge the same at pleasure, and for any reason.

Section 51. POWER OF COMMISSION. The Water and Light Commission shall have charge of the water works and the lighting plants of the city located within or without the city. Said commission shall have power and authority for and in behalf of the City of McMinnville to construct, erect, maintain, rebuild, repair or enlarge, manage,

operate, and control the water plant and electric light plants and system and to change the same and to that end to construct or purchase, keep, conduct, repair, rebuild, enlarge, and maintain water works and electric generating plants and system with all necessary plants or facilities of a character and capacity sufficient to furnish to the City of McMinnville and to the inhabitants thereof, as well as to other places and people desiring such service, whether within or without the corporate limits of the city, with such water and electric energy as may be called for, or required by any consumer, with the right reserved at all times to the City of McMinnville, acting through the Water and Light Commission, to withhold enlarging the plant and facilities within or without the City, or to extend the same, according to the sole judgment and discretion of said commission.

For the purposes of carrying into effect the provisions of this charter, said commission may acquire by purchase, condemnation or otherwise, for and on behalf of said city, and own and possess in the name of the city, such real estate and interest in real estate and personal property within and without the city limits of said city, as in the judgment of the commission may be deemed necessary or convenient.

In carrying on the management of said water and light system, said commission may, in enlarging the same, exercise its own judgment having in view the present and future requirements of said system, its customers present and prospective, within and without the corporate limits.

Power is also given to said commission to furnish electric energy for any useful purpose, and at any place or places. Said commission shall also have the power to construct such pole lines, transmission lines, and other devices within or without the corporate limits, as shall be necessary to carry out the powers herein granted, and may construct or otherwise acquire such buildings, power plants, dynamos, and other instrumentalities as may be necessary, convenient, or desirable to the complete equipment, enlargement, reconstruction, maintenance, and operation of a complete electric light or other lighting system.

The commission may contract with any individual, company, corporation, public or private utility, and the United States of America, through the Bonneville Administrator, or other agency, for the purchase of such electric power and energy as may be desirable and resell the same to the customers of the City of McMinnville in such manner and on such terms as said commission may prescribe. The commission may contract to sell electric power and energy to any individual, company, corporation, public or private utility as may be desirable in such manner and on such terms as said commission may prescribe. (Res. No. 1978-47 §8(c)).

Section 52. POWER TO CONDEMN. The Water and Light Commission shall have power to acquire by purchase, or otherwise, or by condemnation proceedings in the name of the City of McMinnville, all rights of way over the land of other persons or other property which may be necessary or convenient for dams, reservoirs, reserves, water sheds, pipe lines, electric lines, or other purpose for said water system and electric light system, whether within or without the corporate limits of said city; and said commission shall also have the power to extinguish all riparian rights which would otherwise interfere with the establishment and use of said water system or electric system. Where condemnation proceedings are necessary to acquire such property and rights, said proceedings shall be instituted by the commission in the name of the City of McMinnville as plaintiff, and shall be conducted in accordance with the provisions of the laws of the State of Oregon respecting condemnation proceedings by cities and other municipalities of the State of Oregon.

Section 53. POWER TO MAKE RULES. Said Water and Light Commission is hereby given the power and authority:

1. To make all needed rules and regulations for the conduct and management of the business delegated to said commission.

2. To establish rates for the use and consumption of water and electric energy furnished and sold by said commission.

3. To provide for the payment of water and electric rates, and to shut off such water and electric energy from any customer for nonpayment of rates, or for the violation of any rule or regulation established by the commission.

4. To do any other act or make any regulations necessary and convenient for the conduct of the business delegated to said commission, and for the due execution of the power and authority given said commission by this charter and not contrary to law.

Section 54. WARRANT INDEBTEDNESS. In order that said Water and Light Commission may carry on and control the business delegated to it by this charter, the Water and Light Commission is authorized to execute its warrants upon the city treasurer of the City of McMinnville, drawn on the water and lights funds in said treasury in excess of the current cash on hand, but not in an amount exceeding one half of the estimated annual income from the water and light department of said city. Warrants so drawn in excess of the cash on hand in the water and light funds shall be endorsed by the city treasurer "Not paid for want of funds," and shall bear interest not exceeding six percent (6%) per annum from the date of such endorsement until the date of payment, and shall be paid for the current receipts of said water and light department, and such warrant indebtedness shall not be considered or construed within the limitations of this charter respecting the municipal debt.

Section 55. ANNUAL ESTIMATE REPORT. The commission shall annually before the first day of July make a written estimate of the probable expense of maintaining and conducting the water plant and electric light system during the next ensuing year including the cost of any contemplated alterations, improvements, additions, or extensions, together with the probable amount necessary for the redemption of any unpaid warrants, together with the interest thereon, as well as the amount required for the payment of interest and maturing principal on any outstanding water and light bonds of the City of McMinnville; and shall thereupon ascertain and prescribe, as nearly as can be conveniently done, a water rate and electric current rate for such ensuing year, which will create a fund at least sufficient to meet all of said requirements, and in addition thereto the commission may include a further amount sufficient to create such fund as in the judgment of the commission may be desirable in the event of any contemplated additions, improvements, or extensions to such plants.

Section 56. ANNUAL REPORT OF RECEIPTS AND DISBURSEMENTS. The Water and Light Commission shall annually make a statement in duplicate containing a detailed report of its receipts and disbursements. The same, when so made, shall be signed by its chairman and attested by the clerk, and one copy thereof shall be filed with the recorder and the other filed with the clerk of the commission, and shall be preserved by and remain on file in each of said offices as public documents subject to inspection by all citizens of the City of McMinnville, and as a part of said report the commission shall include an inventory or statement of all the property, implements, and materials in its possession or control pertaining to the water works and the electric system, together with the condition and approximate value thereof

Section 57. CUSTODY OF PROPERTY AND BOOKS. The Water and Light Commission of the City of McMinnville shall be custodian of said water plant and electric system and of all property pertaining thereto, together with all books, papers, and accounts relating thereto, except that the oath of office of the clerk of said commission shall be filed with the recorder and the official bonds of said clerk, city treasurer, and the general manager shall be filed with the mayor of said city.

Section 58. BOND OF CITY TREASURER. The city treasurer of the City of McMinnville, as custodian of the water and light funds of said city, shall give such bond in addition to the bond now required for the other funds of said city in his possession as the commission shall require.

Section 59. DUTIES OF CITY TREASURER. All of the water and light funds of said city shall be kept by the city treasurer separate and apart from the other funds of the city, the water fund to be kept as one fund, and the light fund as another fund. The Water and Light

Commission shall determine the manner in which withdrawals shall be made from the respective funds under its jurisdiction.

Section 60. BOND OF GENERAL MANAGER. The general manager shall give an official undertaking running for the benefit of the City of McMinnville, in such amount and form as shall be required by the Water and Light Commission, to the effect that the general manager will account for, pay over, and deliver all money and property belonging to the City of McMinnville, which may come into his possession. Such undertaking shall be executed by a surety company authorized to do a surety business in the State of Oregon and shall be filed with the mayor.

The premium on the official bonds of the general manager, the clerk of the Water and Light Commission, and the bond of the city treasurer given in connection with the water and light funds shall be paid from the funds under the jurisdiction of the Water and Light Commission.

Section 61. FLUORIDATION. The Water and Light Commission of the City of McMinnville, Oregon, is hereby authorized and directed to provide the means for and proceed with the addition of appropriate amounts of fluorides to the municipal water supply of the City of McMinnville, Oregon. The equipment to be used by the Water and Light Commission for the above purposed and the method of distribution of fluorides shall be at all times subject to the regulations of the Oregon State Board of Health.

Section 61A. PUBLIC HEARINGS. The Water and Light Commission shall not establish or change its rate for either the use or consumption of water or electrical energy without first advertising and holding a public hearing. (Res. No. 1978-47 §8(d)).

Chapter XI

MISCELLANEOUS PROVISIONS

Section 62. BOARDS AND COMMISSIONS. The Water and Light Commission is continued in existence in accordance with this charter. All other boards and commissions are continued in existence at the pleasure of the council. The name, membership, powers, and duties of such boards and commissions shall be provided by ordinance.

Section 63. FIRE DEPARTMENT. The McMinnville Fire Department, consisting of voluntary and/or paid firemen, is continued in existence. The appointment of the fire chief shall also be approved by the fire department. The organization of the fire department, the executive committee thereof, the powers, and the duties thereof shall be provided by ordinances.

Section 64. DEBT LIMIT. Except by consent of the voters, the city's voluntary floating indebtedness shall not exceed \$100,000.00 at any one time. For purposes of calculating the limitation, however, the legally authorized debt of the city shall not be considered. All city officials and employees who create or officially approve any indebtedness in excess of this limitation shall be jointly and severally liable for the excess.

Section 65. TORTS. The provisions of Sections 30.260 to 30.000 (inclusive), Oregon Revised Statutes, as amended, shall govern and apply in connection with all claims against the city for alleged torts.

Section 66. EXISTING ORDINANCES CONTINUED. All ordinances of the city consistent with this charter and in force when it takes effect shall remain in effect until amended or repealed.

Section 67. CONTINUATION OF RIGHT AND LIABILITIES. No right or liability of the city existing at the time this charter takes effect shall be impaired or discharged by the adoption and enactment of this charter, except as this charter otherwise provides.

Section 68. BONDED INDEBTEDNESS. All outstanding general obligation bonds of the city shall continue to be general obligations of the city, though not specifically mentioned herein, and the council shall each year, at the time of making the annual tax levy for city purposes, include in such levy sums sufficient to be used jointly with other revenues, to pay the interest due on such outstanding bonds and to retire the principal thereof at maturity.

Section 69. REPEAL OF PREVIOUSLY ENACTED PROVISIONS. All charter provisions of the city enacted prior to the time that this charter takes effect, except as herein otherwise provided; are hereby repealed.

Section 70. PROVISIONS OF PRIOR CHARTER RETAINED. The following provisions of prior charter are hereby retained:

(a) Authorizing Special Tax Levy for Firemen's Compensation. The council may by ordinances prescribe such compensation for the officers and members of the fire department as may be just and reasonable; and in order to create a fund with which to pay such officers and members of the fire department for their services, the council shall have power and authority at the time of making the annual tax levy for municipal purposes to specially and additionally levy annually such an amount necessary for this purpose, but not to exceed three mills on each and every dollar's assessed valuation of taxable property in said city. Such levy shall be in addition to and in excess of the constitutional six (6) per cent limitation upon the city's tax levy. Said fund when so created shall not be used for any other purpose than that for which the same is by this section

provided. (Adopted by the people at a general primary election May 21, 1948.)

(b) Authorizing Special Tax Levy for Fire Equipment. It shall be the duty of the council to appropriate from time to time such sums of money as may be necessary to keep the present apparatus of the fire department in perfect working order and to add thereto engines, hose, hose carriages, and other necessary apparatus whenever the same may be required. It may also at such time as conditions may require appropriate such sums of money as may be necessary to build and furnish engine houses for the accommodation of said equipment. In order to create a fund with which to purchase new fire equipment and maintain the same, the council shall have power municipal purposes to specially and additionally levy annually such an amount necessary for this purpose, but not to exceed one-half mill each and every dollar's assessed valuation of taxable property in said city. Such levy shall be in addition to and in excess of the constitutional six percent (6%) limitation upon the citizens' tax levy. Said fund when so created shall not be used for any other purpose than that for which the same is created by this section. (Adopted by the people at a general election, November 4, 1952)

(c) Authorizing Special Tax Levy for Park Betterment. The council shall have power and authority to levy annually upon all the assessed valuation of the taxable property of the city a special tax not exceeding two mills for park betterment purposes, and such levy shall be in addition to and in excess of the constitutional six (6) percent limitation upon the city's tax levy, all of which shall be paid over to the treasurer and by him transferred to an account kept by him to be designated as the Park Betterment Fund, and each year as the taxes are levied and collected under the provisions of this section, and all moneys collected for rent of the municipal park grounds or received from donations for other park betterment purposes to said Park Betterment Fund. (Adopted by the people at a general primary election May 21, 1948)

Section 71. TIME OF EFFECT OF CHARTER. This charter shall take effect January 1, 1971.

Section 72. AMENDMENTS. Amendments to the charter may be proposed and submitted to the legal voters and qualified electors of the city by resolution of the council, but such proposed amendment shall be filed with the recorder for submission not later than 20 days before the election at which the same is to be voted upon, and no charter amendment shall become effective until it is approved by a majority of the votes cast thereon by the legal voters of the city.

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RESOLUTION NO. 2026-12

A Resolution declaring a vacancy on the City Council and announcing the advertisement for qualified persons for appointment to fill the Ward 3 vacancy.

RECITALS:

Whereas, on February 9, 2026 Councilor Jessica Payne provided her resignation, effective immediately; and

Whereas, the McMinnville City Charter states that when a vacancy in an elective city office occurs, a temporary replacement shall be appointed by a majority vote of the council, with such temporary replacement to remain until a permanent replacement is elected for the remainder of the term; and

Whereas, the term for the seat vacated by Councilor Payne will end on December 31, 2026; and

Whereas, the next general election will take place on November 3, 2026; and

Whereas, November 3, 2026, already being the appropriate election date for the natural term of this Council seat and therefore no time or opportunity exists for the election of a permanent replacement; and

Whereas, the term of the appointed temporary replacement shall therefore begin immediately upon their appointment and continue until seating of the next elected Councilor from Ward 3; and

Whereas, the Council announces to the citizens of the City of McMinnville the vacancy has occurred and applications for this position are being received from qualified persons to fill this position; and

Whereas, the Charter also requires this seat be held by a person from Ward 3; a map of the McMinnville City Council wards showing the location of Ward 3 is hereby attached as Exhibit "A" and by this reference incorporated.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. A City Council vacancy is declared for Ward 3, effective February 10, 2026.
2. The City Recorder's Office will receive applications for this position from qualified persons from Ward 3.

3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 24th day of February, 2026 by the following votes:

Ayes: _____

Nays: _____

Approved this 24th day of February, 2026.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

EXHIBITS:

- A. City of McMinnville Ward 3 Map

City of McMinnville Ward Boundaries

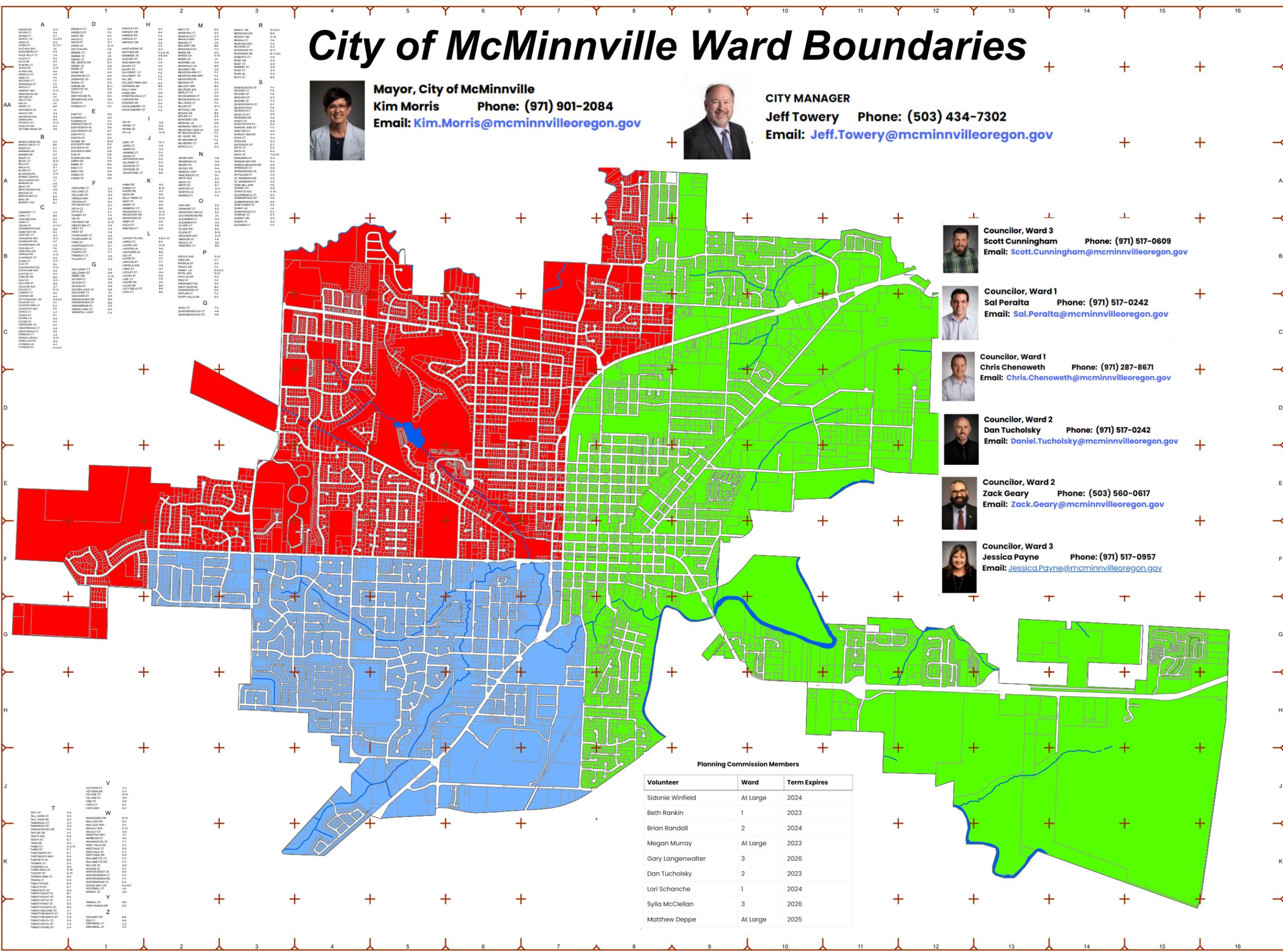


GEOGRAPHIC INFORMATION SYSTEM

Mayor, City of McMinnville
Kim Morris Phone: (971) 901-2084
 Email: Kim.Morris@mcminnvilleoregon.gov



CITY MANAGER
Jeff Towery Phone: (503) 434-7302
 Email: Jeff.Towery@mcminnvilleoregon.gov



Legend
Wards
■ Ward 1
■ Ward 2
■ Ward 3



1,000 500 0 1,000 2,000 Feet

February 2023

-  **Councilor, Ward 3**
Scott Cunningham Phone: (971) 517-0609
 Email: Scott.Cunningham@mcminnvilleoregon.gov
-  **Councilor, Ward 1**
Sal Peralta Phone: (971) 517-0242
 Email: Sal.Peralta@mcminnvilleoregon.gov
-  **Councilor, Ward 1**
Chris Chenoweth Phone: (971) 287-8671
 Email: Chris.Chenoweth@mcminnvilleoregon.gov
-  **Councilor, Ward 2**
Dan Tucholsky Phone: (971) 517-0242
 Email: Daniel.Tucholsky@mcminnvilleoregon.gov
-  **Councilor, Ward 2**
Zack Geary Phone: (503) 560-0617
 Email: Zack.Geary@mcminnvilleoregon.gov
-  **Councilor, Ward 3**
Jessica Payne Phone: (971) 517-0957
 Email: Jessica.Payne@mcminnvilleoregon.gov

Planning Commission Members

Volunteer	Ward	Term Expires
Sidonie Winfield	At Large	2024
Beth Rankin	1	2023
Brian Randall	2	2024
Megan Murray	At Large	2023
Gary Langenwalter	3	2026
Dan Tucholsky	2	2023
Lori Schanche	1	2024
Sylla McClellan	3	2026
Matthew Deppe	At Large	2025

For questions or additional information, please call (503) 434-7405.

City of McMinnville
 Engineering Department
 230 NE Second St
 McMinnville, OR 97128
 (503) 434-7312

Ward 3 Council Vacancy

February 24, 2026
Council Regular Meeting

Staff need direction from City Council how does Council wish to address Ward 3 Vacancy?

- Question 1 – How does Council wish to address Ward 3 Vacancy???
- a. To advertise for the position.
- b. To advertise for the position but exclude anyone running for Ward 3 office for the current election cycle.
- c. To leave the position vacant for the remainder of the year.
- d. To hold the position vacant until November 3rd and consider asking the winning candidate to take office earlier than January 2027.
- e. Another appointment process as determined by Council.

If Council chose to recruit; staff need direction on the timeline for recruitment, interviews, and appointment.

- Potential timelines discussion:
- Question 2 – How long of a recruitment period???
 - a. 2-week recruitment from March 9th to March 20th.
 - b. 3-week recruitment from March 9th to March 27th.
 - c. 4-week recruitment from March 9th to April 3rd.

Question 3 – Interviews at Special Council Meeting or Regular Council Meetings?

- a. 2-week recruitment – interviews at a special council meeting week of March 30th or April 6th.
- b. 3-week recruitment – interviews at a special council meeting week of April 6th or during the April 14th work session time slot.
- c. 4-week recruitment – interviews on April 14th work session time slot, hold a special council meeting week of April 20th, or April 28th work session time slot.

Question 4 – Appointment same night as interviews or following Council Meeting?

- a. 2-week recruitment – special council meeting week of March 30th or April 6th following meeting would be April 14th.
- b. 3-week recruitment – interviews at a special council meeting week of April 6th following meeting would be April 14th or during the April 14th work session time slot.
- c. 4-week recruitment – interviews on April 14th work session time slot regular meeting scheduled that evening, hold a special council meeting week of April 20th, or April 28th work session time slot; following meeting would be April 28th.



City of McMinnville

January 2026

CASH AND INVESTMENT BY FUND

FUND #	FUND NAME	GENERAL OPERATING		TOTAL
		CASH IN BANK	INVESTMENT	
01	General	\$2,101,222.36	\$15,802,284.84	\$17,903,507.20
05	Grants & Special Assessment	\$524.24	\$777,057.52	\$777,581.76
07	Transient Lodging Tax	\$349.95	\$68,000.00	\$68,349.95
08	Affordable Housing	\$827.11	\$1,418,304.00	\$1,419,131.11
10	Telecommunications	\$261.51	\$2,030.00	\$2,291.51
15	Emergency Communications	\$743.51	\$166,094.81	\$166,838.32
20	Street (State Tax)	\$726.18	\$1,588,102.17	\$1,588,828.35
25	Airport Maintenance	\$890.37	\$980,749.03	\$981,639.40
45	Transportation	\$349.02	\$6,104,494.92	\$6,104,843.94
50	Park Development	\$454.17	\$3,467,441.49	\$3,467,895.66
58	Urban Renewal	\$0.00	\$0.00	\$0.00
59	Urban Renewal Debt Service	\$793.32	\$1,786,948.47	\$1,787,741.79
60	Debt Service	\$801.96	(\$18,271.15)	(\$17,469.19)
70	Building	\$952.42	\$2,279,240.37	\$2,280,192.79
71	Stormwater Operations	\$0.00	\$0.00	\$0.00
72	Stormwater Capital	\$68.10	\$49,000.00	\$49,068.10
75	Wastewater Services	\$666.49	\$1,436,124.57	\$1,436,791.06
77	Wastewater Capital	\$348.63	\$32,010,103.65	\$32,010,452.28
80	Information Systems & Services	\$692.53	\$297,742.38	\$298,434.91
85	Insurance Reserve	\$424.12	\$312,290.54	\$312,714.66
CITY TOTALS		2,111,095.99	68,527,737.61	70,638,833.60

MATURITY

DATE	INSTITUTION	TYPE OF INVESTMENT	INTEREST RATE	CASH VALUE
N/A	Key Bank of Oregon	Checking & Repurchase Sweep Account	0.50%	\$2,111,095.99
N/A	State of Oregon	Local Government Investment Pool (LGIP)	4.16%	\$57,217,741.30
N/A	Umpqua Bank	Money Market Savings Account	3.71%	\$11,309,996.31
				<u>\$70,638,833.60</u>