

**Watertown City Council**

January 13, 2026

**Agenda Item:**           **Consultant Fees****Request for Action:**   **Approve 2026 Consultant Fees and Service Proposals****Employee/Dept.:**      **Dan Tolsma, Administration****Background:**

The City of Watertown relies heavily on consultants to provide professional services, most notably in the areas of legal, engineering, planning, and auditing. Below are the proposed fees from the City's consultants for the 2026 calendar year.

TerraMark (Planning):	Professional services provided to the city for general work items will be billed at the hourly rate of \$105.00/hour. Charges will be made based on a minimum increment of 1/4 hour. Professional services provided to the city for pass thru work items will be billed at the hourly rate of \$120.00/hour. Charges will be made based on a minimum increment of 1/4 hour.
Bolton & Menk (Engineering):	See attached.
Abdo Solutions (Audit):	See attached.
Campbell Knutson (Legal):	No changes.

**Recommendation:**

Staff recommend approving the consultant rates for 2026.

**Motion Type:**

Simple majority vote of members present.

**Requested Action/Motion:**

*"I move to approve consultant fees as proposed for 2026."*

**Attachments:**

Bolton & Menk 2026 Fee Schedule

Abdo Solutions 2026 Fee Schedule & Audit Proposal



Real People. Real Solutions.

2638 Shadow Lane  
Suite 200  
Chaska, MN 55318-1172

Ph: (952) 448-8838  
Fax: (952) 448-8805  
Bolton-Menk.com

December 3, 2025

City of Watertown  
Attn: Mr. Dan Tolsma, City Administrator  
309 Lewis Avenue S  
Watertown, MN 55388

RE: 2026 Professional Engineering Services

Dear Mr. Tolsma:

We are pleased to once again offer professional engineering services to the City of Watertown for 2026 in accordance with the attached Fee Schedule. We look back with great satisfaction on the important projects we have been able to complete with you and your staff at the direction of the City Council. I have every confidence that our long-term knowledge of your community and understanding of your needs coupled with cooperation and hard work will result in the continued advancement of the City's vision for its future.

It is also my pleasure to inform you we will continue offering the "municipal discount" for key staff members serving your City. This discount applies to day-to-day general engineering items and is intended to minimize the engineering impact on the General Fund budget. For your City, the municipal discount includes the following:

- Philip Schrupp - First 20 hours/month at \$75/hour
- Zac Remer - Unlimited hours at \$55/hour
- Various Clerical Staff - First 10 hours/month at No Charge

Further, we have not changed our fee for City Council meeting attendance or Planning Commission meeting attendance. We have also not changed our design fees for City projects. All of these fees have remained unchanged for well over 10-years. The fee structure items identified above reflect our continued commitment to provide you high quality and full service municipal engineering services with increasing value and efficiency.

Please review the attached information and contact me with any questions you may have. **We are committed to providing you with the superior service you expect and require as together we work to build a safe, sustainable and beautiful community.**

Respectfully Submitted,  
**Bolton & Menk, Inc.**

**Kreg J. Schmidt, P.E.**  
Vice President

# 2026 FEE SCHEDULE

The following fee schedule is based upon competent, responsible professional services and is the minimum, below which adequate professional standards cannot be maintained. It is, therefore, to the advantage of both the professional and the client that fees be commensurate with the service rendered. Charges are based on hours spent at hourly rates in effect for the individuals performing the work. The hourly rates for principals and members of the staff vary according to skill and experience. The current specific billing rate for any individual can be provided upon request.

The fee schedule shall apply for the period through December 31, 2026. These rates may be adjusted annually thereafter to account for changed labor costs, inflation, or changed overhead conditions.

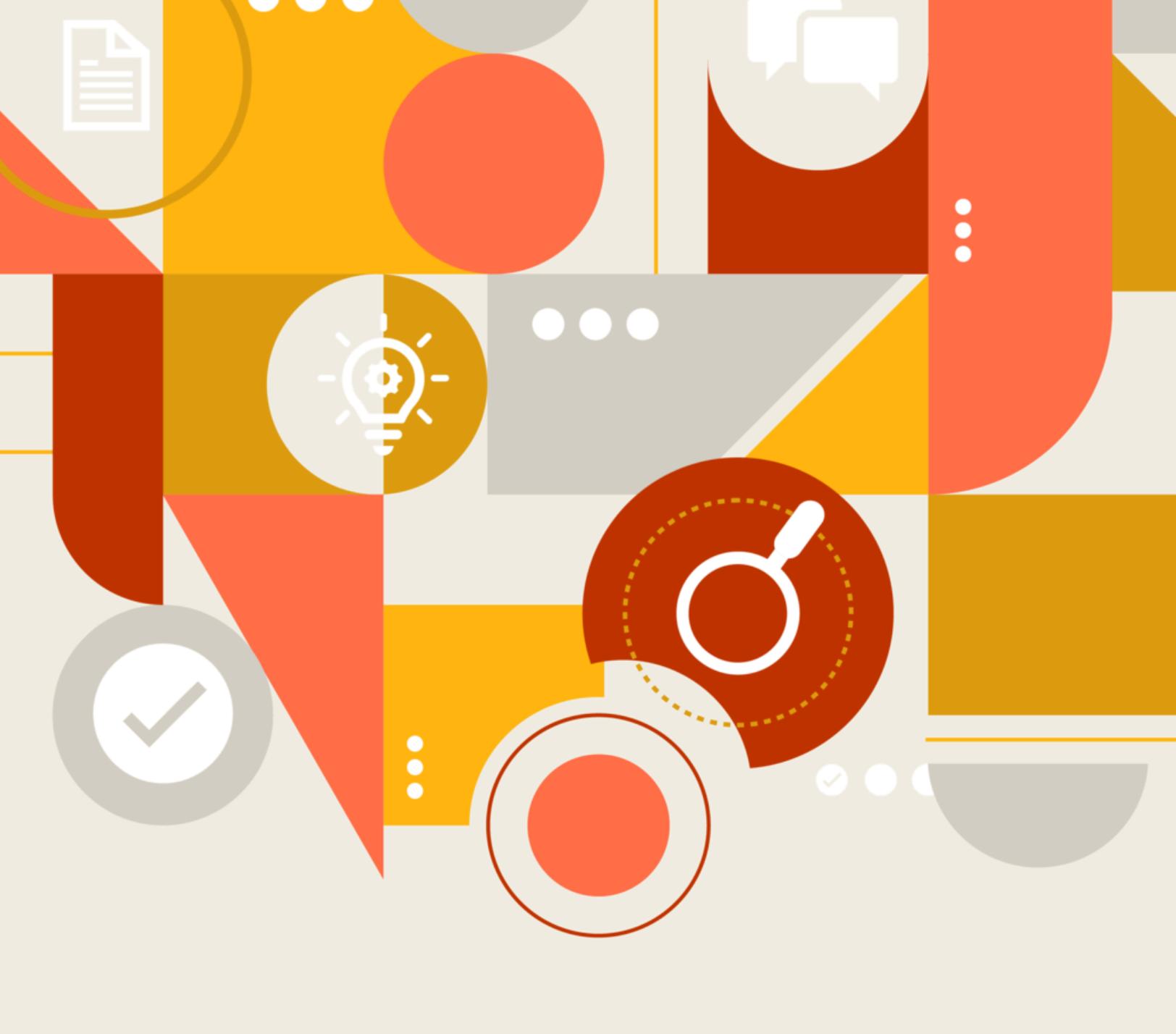
These rates include labor, general business, and other normal and customary expenses associated with operating a professional business. For projects with typical expenses and unless otherwise agreed, the above rates include vehicle and personal expenses, mileage, telephone, survey stakes, and routine expendable supplies; no separate charges will be made for these activities and materials. Expenses beyond typical project expenses, non-routine expenses, and expenses beyond the agreed scope of services, such as out of town travel expenses, long travel distances, large quantities of prints, extra report copies, outsourced graphics and photographic reproductions, document recording fees, outside professional and technical assistance, and other items of this general nature will be invoiced separately. Rates and charges do not include sales tax, if applicable.

EMPLOYEE CLASSIFICATION	2026 HOURLY BILLING RATE
Administrative	\$70-175
Technician	\$98-186
Survey Technician	\$112-202
Senior Technician	\$138-230
Construction Manager	\$162-228
Design Engineer	\$135-202
Graduate Engineer	\$125-190
Graduate Surveyor	\$145-202
Landscape Designer	\$128-178
Landscape Architect	\$156-185
Licensed Project Surveyor	\$190-237
Planner	\$120-181
Project Engineer	\$148-220
Project Manager	\$140-261
Senior Landscape Architect	\$154-269
Senior Planner	\$172-240
Senior Project Engineer	\$170-220
Senior Project Manager	\$190-290
Architect	\$160-276
Specialist*	\$100-216
Practice Expert**	\$125-349
Principal**	\$180-320
Senior Principal**	\$232-344
<b>Municipal Project Design Fee - Final Plans and Specifications (Well Defined Scope)</b>	6%
<b>Municipal Project Design Fee - Final Plans and Specifications (State Aid &amp; Federally Funded Projects)</b>	8%
<b>City Council/Planning Commission Meeting Attendance</b>	\$60.00/Meeting
GPS/Robotic Survey Equipment <sup>1</sup>	NO CHARGE
CAD/Computer Usage	NO CHARGE
Routine Office Supplies	NO CHARGE
Routine Photo Copying/Reproduction	NO CHARGE
Field Supplies/Survey Stakes & Equipment	NO CHARGE
Mileage	NO CHARGE

<sup>1</sup> No separate charges will be made for GPS or robotic total stations on survey assignments; the cost of this equipment is included in the rates for survey technicians.

\*Specialized role not classified above otherwise, incl. project communication, funding, etc.

\*\*Highly specialized and industry expertise unique to the market or area of discipline.



SERVICE PROPOSAL FOR

# City of Watertown

309 Lewis Ave S., Watertown, Minnesota 55388

December 05, 2025

[abdosolutions.com](http://abdosolutions.com) | Mankato, MN - Edina, MN - Scottsdale, AZ

**Abdo**  
Financial  
Solutions

Proposed by

**Victoria Holthaus, CPA, MPA**

Partner | Abdo

[victoria.holthaus@abdofs.com](mailto:victoria.holthaus@abdofs.com)

P 952.715.3069



Dan Tolsma, City Administrator  
City of Watertown  
309 Lewis Ave S.  
Watertown, Minnesota 55388

December 05, 2025

Dear Dan,

Thank you for the opportunity to submit this proposal to the City of Watertown, Minnesota (the City), for accounting services. Based on our past experience with cities of comparable size and complexity, we believe our structured contract with defined outcomes offered through Abdo Financial Solutions (Abdo FS), will provide the City with excellent financial services.

We are confident our solution will offer the City advanced insights, provide public finance guidance, and serve as an experienced partner to assist the City in accounting services. Our proposal is based on the needs of the City as laid out in the request for proposal and the experiences we have had working with other cities. This proposal outlines the scope of services we believe will address the needs of the City.

The term of this contract shall be from December 1, 2025 through December 31, 2027.

An Abdo FS representative will be in the City offices as necessary to perform responsibilities as noted on the Scope of Services page. Services will also be performed remotely as necessary.

The investment required for our services is indicated on the value page, and this quote remains valid for thirty (30) days. Please note that Abdo FS is independent of the City as defined by auditing standards generally accepted in the United States of America.

Abdo FS acknowledges the City has retained an independent registered municipal advisor (IRMA) to assist and advise the City in evaluating information relating to the issuance of municipal securities and/or municipal financial products. Abdo FS acknowledges the City will rely on advice from their IRMA. Abdo FS will have no recourse against the City or its IRMA, regarding action or inaction relating to evaluating, commenting on, or responding to financial projects or information received under this Agreement. Abdo FS acknowledges it is not the registered independent municipal advisor retained by the Municipal Entity Client.

Abdo FS would like to thank the City for the opportunity to propose on these services. We look forward to exceeding your expectations and continuing our long-term, mutually beneficial relationship.

Sincerely,

**Abdo Financial Solutions**

**Victoria Holthaus, CPA, MPA**

Partner | Abdo



# The current state

## WHAT WE HEARD

We understand the challenges you face as an organization with ever-changing regulations, financial standards, staffing changes, and council vision. Through our conversations, we understand these challenges to include:

- **Vacant Position:** Finance personnel have been helping to absorb the job responsibilities of vacant administrative positions. As a result, work in the finance department has become backed up.
- **Backlog of Bank Reconciliations:** Bank reconciliations are a crucial component to be completed prior to the close-out of the fiscal year in preparation for the annual audit. Due to other commitments, the City has experienced a backlog of completing the monthly bank and investment account reconciliations and needs assistance to get those caught up to date.
- **Availability for Audit Preparation:** The finance staff has requested assistance to prepare for the audit and assist with the related adjusting journal entries.

## CONSIDERATIONS AS YOU MOVE FORWARD

Given these challenges you're facing, we know that it can become overwhelming to grasp all the factors at play. Our team wants to ensure you have a pulse on all of these factors as you begin your search for solutions.

- Alleviate the burden of vacant positions by enlisting support from our experienced local government finance and accounting professionals. Our partnership with the City will ensure your accounting systems get back on track, and provide safeguards against future interruptions in workflow.
- By quickly addressing and resolving the backlog of monthly bank and investment account reconciliations, our experts will help bring accounts up to date efficiently. Ensuring your reconciliations are complete as part of your fiscal year close, to aid in a smooth audit process.
- Our team will provide dedicated support to assist with audit preparation, including organizing documentation, preparing for compliance requirements, and completing adjusting journal entries. This empowers your staff to be better equipped for a successful annual audit and ensures the City meet's its compliance obligation.
- To streamline the timeline and efficiencies in the completion of the monthly bank reconciliations, it is important for City staff to devote time to update the general ledger for utility billing and payroll module transactions, as well as post any unrecorded payments and withdrawals prior to the commencement of work.

# The path forward

## WHAT'S YOUR VISION?

**Let's build it together.** With knowledge and care, Abdo lights your path forward—illuminating opportunity and fueling your confidence to navigate the future. What do you envision for your future? We believe it could look something like this:

- Abdo Financial Solutions team can partner with the finance team to assist in training opportunities, as well as develop templates and guides to utilize which can reduce the adjustments needed at year-end. Through this collaboration, the City will be able to improve upon their financial reporting and reduce the timeline to complete their annual audits.

## EXPERTISE FOR YOUR CHALLENGES

In the government space, your organization faces unique challenges that require a specific understanding of government regulations and operations. Our team not only has experience working with governmental entities, but many came directly from city administration and finance offices, giving them a unique understanding of the challenges you face.



## Meet Tessa

**Tessa Beuning**  
Senior Manager

Tessa has direct experience supporting the City of Watertown. As lead on the City's bank reconciliation and audit preparation engagements for the past two years, Tessa is well equipped to lead a team of professionals to deliver high quality and expert advice for the City.



## The Abdo Difference

At Abdo, we believe in the importance of relationships. This core value is the foundation of our approach to delivering the best experience and outcomes for our clients. It's inherent in our people and the way we work.

We know that for our clients to be successful, it takes more than having experience and credentials – we take the time to listen to their unique motivations, goals, and challenges. We truly care about their journey and where their path leads.

[LEARN MORE ON OUR WEBSITE](#)

# Your Team

At Abdo, we believe that trust is a vital component in the success of our partnership. That trust requires an understanding of your needs and confidence in the expertise of your engagement team. That's why we've curated a team with relevant experience and first-hand knowledge of the challenges you face. Many of our advisors have worked in government finance offices for decades, cultivating the same experiences you currently face. This depth of understanding can lead to a comprehensive view of your challenges, potential cost reductions, and a quicker road to results.

## KEY CONTACTS

Key team members are briefly profiled below, with additional staff providing support as needed throughout the engagement.



### VICTORIA HOLTHAUS, CPA, MPA

**Partner**  
*victoria.holthaus@abdofs.com*  
**P** 952.715.3069

Vicki specializes in working with local governments and nonprofit agencies to strategize capital improvements, develop strategic long-range financial plans, and troubleshoot accounting and financial challenges. She also provides process evaluation and process improvement services for nonprofit and private sector clients.



### TESSA BEUNING

**Senior Manager**  
*tessa.beuning@abdofs.com*  
**P** 952.715.3027

Tessa joined the Firm in 2023, as a member of the Financial Solutions department. With over 18 years of experience, Tessa brings a wealth of knowledge to the Firm. She has experience working with cities, counties, school districts, nonprofits and municipal utilities. Prior to joining Abdo Financial Solutions, Tessa worked in government audit and was the Finance Director for the City of Melrose.



### AMBER CHURDIMSKY

**Senior Associate**  
*amber.chrudimsky@abdofs.com*  
**P** 952.715.3021

Amber joined the Firm's Financial Solutions department in 2021 and has a wealth of knowledge and experience in utility billing and customer service roles within local governments. She is highly trained and skilled in utility billing and special assessments and has provided customer service and training to internal and external clients.



### MICHEL GARCIA

**Associate**  
*michel.garcia@abdofs.com*  
**P** 480.808.2309

Michel joined Abdo in 2025 and has experience auditing for non-profit organizations as well as commercial entities, helping prepare the financial statements and experience with internal controls as well as current experience in governmental accounting, assisting in the preparation of accounts payable, budget preparation, quarterly reports, bank reconciliations, etc.



# Government Experience

You can have confidence in our years of experience performing consulting services, the quality of the accounting services we offer and our understanding of the unique challenges our clients face in the government space. Since 1963, we've served cities just like yours. With an unwavering commitment to streamlining processes, training staff, and finding technology-based solutions, we proudly offer excellence in governmental consulting and auditing. Out of our 250-strong, talented staff, over 60 team members are 100% focused on government clients, which include over 100 cities and other governmental entities. By serving cities across Minnesota, we have become experts in the nuances of how to best support your city. Our expertise affords you a consulting experience that is painless. We do this by communicating up front, coming fully prepared, and being available throughout the year to support you.

## PROCESS

Our methods are centered around incorporating technology to deliver unparalleled solutions for government organizations. In addition to our consulting experience, our firm expertly performs outsourcing for governments giving us a wealth of experience in a consulting role. We don't believe in a one-size-fits-all mentality. So together, we'll focus on the needs that are relevant to your city and provide the right services to meet them with a customized methodology based on your needs. We're focused on developing creative, customized solutions to help your city mitigate costs and boost efficiency.

## FOCUS

Through continuous training and growth opportunities, we've established an environment with a focus on serving government entities. We spend more than 100 hours training and onboarding to ensure success for our clients. We truly hope that you partner with us to light the path forward for your organization.

## OUR QUALIFICATIONS

- GFOA and MnGFOA Association members
- Government operations training
- Consulting services for over 100 cities
- We've assisted many municipalities in preparing for the GFOA's Certificate of Achievement for Excellence awards in financial reporting

**OUR FINANCIAL MANAGEMENT AND CONSULTING SERVICES INCLUDE:**

- Budget process development
- Capital improvement planning
- Cash flow analysis
- Cost containment processes
- Debt management plans
- ERP system consulting
- Federal and State relations/grant consulting
- Finance Director services
- Financial management plans
- Financial reporting and analysis
- Fleet: Operations and replacement rate analysis
- Interim accounting and financial services
- Internal control evaluation
- Long-term strategic planning
- Payroll processing
- Policy development
- Process flows and efficiencies
- Project management
- Quarterly and monthly reporting to management
- Reconciliations
- Software implementation
- Training
- Utility/fee analysis
- Year-end audit preparation and financial statement preparation



# Value

At Abdo FS, we are dedicated to assisting our clients in achieving their financial goals through comprehensive and personalized financial services. Our team of experienced professionals provide expert guidance in public finance.

SERVICES	ESTIMATED FEE
Bank Reconciliations	\$ 22,000
Audit Preparation	\$ 33,000
Client Training & Coding Templates	\$ 8,000

***\*Services will be billed hourly. Actual fees will vary from the estimates provided, based on the condition of the general ledger, and the responsiveness of City personnel.***

Our bill rates are subject to change on September 1st of each year.

This quote is valid for thirty (30) days.

# Scope of Services

ABDO FS CONTRACT TASK	CLIENT RESPONSIBILITY	FREQUENCY
<b>Cash and Investment Reconciliations</b>		
Complete bank reconciliations	Update transactions to general ledger from system and post any missing bank transactions prior to Abdo beginning reconciliations.	Monthly
Reconcile cash and investments to general ledger	Provide all supporting documentation and devote time for questions and data entry.	Monthly
Reconcile credit card statements	Code and post credit card transactions	Monthly
Adjust investment to market value and allocate interest to funds	Approve and post monthly investment interest and market value adjustments	Monthly
Review monthly to ensure timely and accurately balanced		Monthly
Verify bank has proper amount of collateral pledged as of 12/31/2025 and monthly thereafter	Provide monthly collateral statements from the bank	Monthly
<b>Audit Preparation</b>		
Prepare workpapers and gather support for the annual audit of the financial statements	Provide requested supporting documentation by agreed upon deadlines, and be available for related questions.	Annual
Provide proposed adjusting entries	Review, approve and post proposed adjusting entries.	Annual
<b>Client Training</b>		
Provide coding templates for frequently adjusted transactions	Devote time for training sessions, and begin using related templates.	One-time
Provide training on bank reconciliations	Devote time for training sessions and complete monthly bank reconciliations on timely basis.	Monthly
Review bank reconciliations prepared by City during transition and provide guidance.	Prepare monthly reconciliations by 15th day after month end.	Monthly
Provide and train on audit workpaper templates.	Devote time for training sessions	
Review client prepared workpapers during transition.	Prepare various workpapers and adjusting entries within agreed upon timelines.	

# Technology



We believe technology should enhance our service offerings, making our work less intrusive, our time with you more productive and everyone's data more secure. The use of technology in our accounting services enables us to streamline our processes and helps to automate certain functions of our work so we are able to spend more time analyzing our results and working directly with you.

Through the outbreak of COVID-19, our team has been able to seamlessly move to a completely remote work environment with no loss of productivity, cooperation, or communication. Since March 17, 2020, our staff has been successfully conducting remote accounting services using the latest video conferencing and secure file sharing technology. Through Zoom, Microsoft Teams, or whatever technology your city may use, our team will continue to work through normal procedures, including regular meetings with you to ensure effective collaboration with your team. Through SuraLink, you'll be able to see what documents have been uploaded, what documents are still needed, and keep track of important audit workpapers securely and easily.

We take the security of our client's data - and our own - very seriously. A number of systems are in place to ensure the safety of your city's data. We operate on a remote distributed infrastructure leveraging Microsoft's Cloud Platform Azure. This not only allows our staff to securely work from any computer, anywhere, any time, but also provides large-scale, cutting-edge technology and security for your data. Your data is housed in secure data centers that reside exclusively in the U.S. and not on laptops or local servers which could be stolen or misplaced. We continually provide security awareness training to our staff members to ensure they are good digital stewards of your data. In addition to this, we also consult bi annually with 3rd party security experts to conduct risk assessments and conduct annual penetration tests.

## IT ALSO MEANS:



All firm staff use dual authentication to ensure that every login to our remote environment is secure and authorized.



All data is saved on redundant servers and data centers so if one server fails, another immediately takes over with no data lost.



All data is backed up continually which means we always have an extra copy for safe-keeping.



All incoming emails, attachments, and embedded links are scanned for viruses prior to landing in our inbox, which allows us to operate with more protection from phishing emails, malware attacks, and other digital threats.

Our cloud platform, Azure, is globally trusted by companies and governments and has numerous security compliance standard they adhere to. Reports of these can be provided as requested.



# *An ongoing quest to be better, together*

## **OUR COMMITMENT TO DIVERSITY, EQUITY, & INCLUSION**

At Abdo, we recognize the need for continuous improvement in diversity, equity and inclusion initiatives throughout our firm and the accounting industry at large. We aim to build a firm that provides opportunities for people that are as diverse as the clients we serve. We believe that when we understand each other better, we grow better together.

Over the past several years, we have increased our efforts to promote diversity, equity, and inclusion within our firm and community through training opportunities, guest speakers, and cultural awareness activities. Our Diversity, Equity, and Inclusion Committee continues to implement new ideas, projects, and initiatives to move our firm forward through learning, understanding, and improving on these issues.

We continue to increase our number of women at the highest leadership level. We strive for continued growth in our ability to attract and retain women and people of color within our firm and we are working towards greater equity and diversity for all within our industry.

Abdo is committed to advancing the interest in accounting careers for students of color at both the high school and college level. In 2022, the firm was chosen as one of just ten firms in the nation to host an ethnic minority accounting student as part of the AICPA's PCPS George Willie Ethnically Diverse Student Scholarship and Internship Program. The recipient of this scholarship remains with the firm today as a senior associate in our tax department.

In order to build a more inclusive work environment, the firm has implemented diversity and inclusion education through partnering with expert speakers and trainers. Please let us know if you have any ideas on how we can improve diversity, equity, and inclusion at Abdo.



**59%**

*of our employees  
are female*



**56%**

*of our  
management level  
employees are  
female*



**18%**

*of our interns this  
year are people of  
color*

## ABDO DIVERSE SCHOLARSHIP & INTERNSHIP PROGRAM

Abdo was a proud co-sponsor of the AICPA PCPS George Willie Ethnically Diverse Student Scholarship & Internship, which allows 10 ethnically diverse accounting students the opportunity to be awarded internships with a firm that has been selected by the AICPA. Upon conclusion of this successful partnership, we were inspired to create our own DEI Sponsorship program, annually awarding a rising diverse accounting student a scholarship & internship.



## DEI Initiatives



### PARTNERSHIP WITH NABA

Abdo is proud to sponsor the Minnesota State University, Mankato Chapter of NABA (National Association of Black Accountants) Inc. NABA is committed to increasing the number of African Americans in the accounting and finance professions and to promoting their success. As a firm, we are invested in not only increasing diversity within our organization but support diversifying the industry as a whole. We are committed to providing guidance and mentorship along with financial support to this organization.



### GREATER MANKATO GROWTH DEI COLLABORATIVE

Abdo is a founding sponsor and member of Greater Mankato Growth's (the Mankato region's chamber of commerce) DEI Collaborative. This collaborative was formed to discuss what we could do as individuals, organizations, and the community to increase diversity and make our community a welcoming one. Together, we explored our individual biases, developed action plans to make a difference within our organization, and pledged to continue the work to make our community inclusive.

### CEO ACTION PLEDGE

We are proud signatories of the CEO Action Pledge, a pledge signed by CEOs from different sectors, sizes, and geographical area to support more inclusive workplaces. As part of this pledge, we work toward goals including DEI education and recruiting. We promise to have the difficult conversations and make our firm, and this industry—one that better reflects the communities we live and work.



### YWCA

We are committed to the continued support and advancement of women in our firm and in our communities. One of the ways we do this is through a partnership with YWCA Mankato, an organization whose mission is dedicated to eliminating racism, empowering women, and promoting peace, justice, freedom and dignity for all. We are proud sponsors of the Elizabeth Kearney Women's Leadership Program, Women's Leadership Conference, and Women of Distinction event.



### COMMUNITY INVOLVEMENT

Every year, we come together as a firm to participate in what we call a "Day of Action." This gives us an opportunity to give back to organizations within our communities that support underserved populations. You can catch us volunteering at a food shelf, building houses, or helping at an After School Program. In addition, the firm pledges 24 hours of VTO (Volunteer Time Off), for each employee to volunteer at the nonprofit of their choosing. We truly believe we are better, together.

# Why Partner with Abdo

## LIGHTING THE PATH FORWARD

In a world of ever-changing complexity, people need caring, empathetic and highly skilled professionals they can depend on to provide the right advice and solutions for them. Our clients seek growth and success, but also want security and confidence. For over 60 years, Abdo has provided insights for our clients to help them achieve their goals.

That same innovative spirit is also what has earned us the title of being one of the top accounting firms in the Midwest. Abdo is a better firm today because of the efforts we made to support a culture driven by our core values of growth, relationships, and teamwork.

With this foundation in place, we have successfully helped our clients identify and break through their own growth barriers. Every challenge they face is an opportunity for us to listen, understand and empower them with solutions and a plan to achieve their goals. It's fulfilling to serve as the catalyst that helps them overcome obstacles that block their progress.

When it comes to our working relationships, we are partners. We're confidants. We're the catalyst that sparks true business growth, providing guidance through every challenge and opportunity along the way.

## ABOUT ABDO

Abdo is a full-service accounting and consulting firm that delivers customized strategies and innovative solutions to help businesses, governments and nonprofits succeed. With more than 200 professionals and over six decades of experience, Abdo is ranked as one of the top accounting firms in the Midwest. It is a licensed CPA firm with offices located in Minneapolis and Mankato, Minnesota, and Scottsdale, AZ. Abdo's commitment to its clients is to gain in-depth knowledge of their unique challenges, opportunities, and needs. Through this consultative approach, Abdo partners with organization leaders to light the path forward to confidently reach their goals.

*"Listening to our clients' needs, understanding their challenges, and adjusting how we work together is key to our partnership with the people we serve."*

-- Steve McDonald, CPA | Managing Partner



# Appendix A

AGREEMENT FOR FINANCIAL SERVICES



# Agreement for Financial Services

THIS AGREEMENT, is made and entered into on December 05, 2025 by and between the City of Watertown, Minnesota (hereinafter referred to as the (“Client”), and Abdo Financial Solutions (hereinafter referred to as the “Contractor”).

## Articles of Agreement & Recitals

WHEREAS, the Client is authorized and empowered to secure from time to time certain professional services through contracts with qualified consultants; and

WHEREAS, the Contractor understands and agrees that:

1. The Contractor will act as an Independent Contractor in the performance of all duties under this Agreement. Accordingly, the Contractor shall be responsible for payment of all taxes, including federal, state and local taxes and professional/business license fees arising out of the Contractor’s activities;
2. The Contractor shall have no authority to bind the Client for the performance of any services or to obligate the Client. The Contractor is not an agent, servant, or employee of the Client and shall not make any such representations or hold himself/herself out as such;
3. The Contractor shall be the exclusive outsourced accounting service provider for the Client during the term of this Agreement;
4. The Contractor shall perform all professional services in a competent and professional manner, acting in the best interests of the Client at all times.
5. The Contractor shall not accrue any continuing contract rights for the services performed under this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, it is agreed as follows:

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals and agreement set forth above are hereby incorporated into this Agreement.

## ARTICLE II

### LIABILITY INSURANCE

**Section 1 Liability Insurance:** The Contractor shall obtain professional liability insurance, at their expense with liability insurance coverage minimums in the amount of \$2,000,000, which Contractor must secure and maintain during the term of this Agreement. Contractor will provide Client with proof of liability insurance coverage under this Agreement in writing upon request by the Client.

### ARTICLE III

#### DURATION OF THE AGREEMENT

**Section 1 Duration:** This Agreement shall commence upon date of execution by all parties and will remain in effect until December 31, 2027 unless earlier terminated as provided in Sections 2 and 3.

**Section 2 Client's Termination Rights:** The Client may terminate this Agreement upon sixty (60) days written notice in the event the Client determines in its sole discretion that it is not in the Client's best interest to continue using Contractor's services. The Client may terminate on ten (10) days written notice if the Contractor fails to perform its obligations under this Agreement.

**Section 3 Contractor's Termination Rights:** Contractor may terminate this Agreement upon thirty (30) days written notice to Client in the event Client does not pay Contractor compensation as required under Article 5, Section 9 within fifteen (15) days after invoice is received by Client. In the event of non-payment within thirty (30) days, Contractor shall give the Client an opportunity to cure the default by giving a notice of such non-payment and an additional five (5) days after the Client's receipt of the notice to remit such payment, prior to giving a notice of termination. Contractor can also terminate the Agreement with one hundred twenty (120) days written notice if the Contractor believes it is in its best interests to terminate the Agreement.

### ARTICLE IV

#### GENERAL

**Section 1 Authorized Client Agent:** The Client's authorized agent for the purpose of administration of this Agreement is the City Administrator. Said agent shall have final authority for approval and acceptance of the Contractor's services performed under this Agreement and shall further have responsibility for administration of the terms and conditions of this Agreement. All notices under this Agreement shall be sent to the person and address indicated below on the signature lines.

**Section 2 Amendments:** No amendments or variations of the terms and conditions of this Agreement shall be valid unless in writing and signed by the parties.

**Section 3 Assignability:** The Contractor's rights and obligations under this Agreement are not assignable or transferable.

**Section 4 Data:** Any data or materials, including, but not limited to, reports, studies, photographs, negatives, or any and all other documents prepared by the Contractor or its outside consultants in the performance of the Contractor's obligations under this Agreement shall be the exclusive property of the Client, and any such data and materials shall be remitted to the Client by the Contractor upon completion, expiration, or termination of this Agreement. Further, any such data and materials shall be treated and maintained by the Contractor and its outside consultants in accordance with applicable federal, state and local laws. Further, Contractor will have access to data collected or maintained by the Client to the extent necessary to perform Contractor's obligations under this Agreement. Contractor agrees to maintain all data obtained from the Client in the same manner as the Client is required under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 or other applicable law (hereinafter referred to as the "Act"). Contractor will not release or disclose the contents of data classified as not public to any person except at the written direction of the Client. Upon receipt of a request to obtain and/or review data as defined in the Act, Contractor will immediately notify the Client. The Client shall provide written direction to Contractor regarding the request within a reasonable time, not to exceed fifteen (15) days. The Client agrees to indemnify, hold harmless and defend Contractor for any liability, expense, cost, damages, claim, and action, including attorneys' fees, arising out of or related to Contractor's complying with the Client's direction. Subject to the aforementioned, Contractor agrees to defend and indemnify the Client from any claim, liability, damage or loss asserted against the Client as a result of Contractor's failure to comply with the requirements of the Act. Upon termination and/or completion of this Agreement, Contractor agrees to return all data to the Client, as requested by the Client.

## ARTICLE IV - CONTINUED

### GENERAL (CONTINUED)

**Section 5 Entire Agreement:** This Agreement is the entire agreement between the Client and the Contractor, and it supersedes all prior written or oral agreements. There are no other covenants, promises, undertakings, or understandings outside of this Agreement other than those specifically set forth. Any term, condition, prior course of dealing, course of performance, usage of trade, understanding, or agreement purporting to modify, vary, supplement, or explain any provision of this Agreement is null and void and of no effect unless in writing and signed by representatives of both parties authorized to amend this Agreement.

**Section 6 Severability:** All terms and covenants contained in this Agreement are severable. In the event any provision of this Agreement shall be held invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid terms or covenants were not contained herein, and such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 7 Contractor Fiscal Decision Waiver:** Contractor is responsible for providing the Client with timely and accurate financial recommendations and information that allows the Council the ability to make final financial decisions. Contractor will provide final financial recommendations but is not responsible for the final decisions made regarding financial matters.

**Section 8 Compensation:** The parties agree that the Contractor shall be paid compensation for the services provided hereunder, payable for work performed in accordance with this Agreement, based on the fees indicated on the Value page of this proposal. Additional fees will not be incurred without prior approval of the Client.

Initial invoice for anticipated first month fees will be sent within 10 days of the execution of this agreement. Monthly installment fees will be invoiced throughout the remainder of this Agreement. If the Agreement is for an hourly fee basis, invoices will be sent monthly.

**Section 9 Additional Services:** Should the Client request additional services in addition to the Contracted Services, the Contractor will provide the Client with proposed fees for the services to be provided. The Client shall provide a written or electronic confirmation prior to the proposed services implementation.

**Section 10 Outside Contractors:** It shall be the responsibility of Contractor to compensate any other outside consultants retained or hired by Contractor to fulfill their obligations under this Agreement and shall be responsible for their work and Contractor, by using outside contractors, shall not be relieved of its obligations under this Agreement.

**Section 11 Municipal Advisor:** Abdo FS acknowledges the Client may/has retained an independent registered municipal advisor (IRMA) to assist and advise the Client in evaluating information relating to the issuance of municipal securities and/or municipal financial products. Abdo FS acknowledges the Client will rely on advice from their IRMA. Abdo FS will have no recourse against the Client or its IRMA, regarding action or inaction relating to evaluating, commenting on, or responding to financial projects or information received under this Agreement. Abdo FS acknowledges it is not the registered independent municipal advisor retained by the Municipal Entity Client.

**Section 12 Equal Employment Opportunity:** Abdo, LLP and its subsidiary companies are committed to providing equal employment opportunities to all employees and applicants for employment without regard to any legally-recognized basis "protected class" including but not limited to: veteran status, uniform service member status, race, color, religion, sex, national origin, age, physical or mental disability, sexual orientation or marital preference, genetic information or any other protected class under federal, state, or local law.



# Appendix B

AGREEMENT FOR THE PROVISION OF  
PROFESSIONAL SERVICES



# Agreement for the Provision of Professional Services

WHEREFORE, this Agreement was entered into on the date set forth below and the undersigned, by execution hereof, represent that they are authorized to enter into this Agreement on behalf of the respective parties and state that this Agreement has been read by them and that the undersigned understand and fully agree to each, all and every provision hereof, and hereby, acknowledge receipt of a copy hereof.

**City of Watertown**

309 Lewis Ave S.  
Watertown, Minnesota 55388



SIGNATURE

Dan Tolsma

**Abdo Financial Solutions, LLC**

5201 Eden Avenue, Suite 250  
Edina, Minnesota 55436

A handwritten signature in black ink that reads "Victoria Holthaus".

**Victoria Holthaus, CPA, MPA**

Partner | Abdo

*December 05, 2025*