

Agreement for Financial Services

THIS AGREEMENT, is made and entered into on October 25, 2022 by and between the City of Princeton, Minnesota (hereinafter referred to as the "City"), and Abdo Financial Solutions LLC (hereinafter referred to as the "Contractor").

Articles of Agreement & Recitals

WHEREAS, the City 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 City for the performance of any services or to obligate the City. The Contractor is not an agent, servant, or employee of the City 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 City 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 City at all times.
5. The Contractor shall not accrue any continuing contract rights for the services performed under this contract.

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 City with proof of liability insurance coverage under this Agreement in writing upon request by the City.

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 June 30, 2023, unless earlier terminated as provided in Sections 2 and 3.

Section 2 City's Termination Rights: City may terminate this Agreement upon thirty (30) days written notice in the event the City determines in its sole discretion that it is not in the City's best interest to continue using Contractor's services. The City may terminate on ten (10) days written notice of 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 City in the event City does not pay Contractor compensation as required under Article 5, Section 9 within fifteen (15) days after invoice is received by City. In the event of non-payment within thirty (30) days, Contractor shall give City an opportunity to cure the default by giving a notice of such non-payment and an additional five (5) days after the City's receipt of the notice to remit such payment, prior to giving a notice of termination. Contractor can also terminate the Agreement with thirty (30) days written notice if the Contractor believes it is in its best interests to terminate the Agreement.

ARTICLE IV

GENERAL

Section 1 Authorized City Agent: The City'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.

ARTICLE IV (CONTINUED)

GENERAL - CONTINUED

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 City, and any such data and materials shall be remitted to the City 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 City to the extent necessary to perform Contractor's obligations under this Agreement. Contractor agrees to maintain all data obtained from the City in the same manner as the City 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 City. Upon receipt of a request to obtain and/or review data as defined in the Act, Contractor will immediately notify the City. The City shall provide written direction to Contractor regarding the request within a reasonable time, not to exceed fifteen (15) days. The City 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 City's direction. Subject to the aforementioned, Contractor agrees to defend and indemnify the City from any claim, liability, damage or loss asserted against the City 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 City, as requested by the City.

Section 5 Entire Agreement: This Agreement is the entire agreement between the City 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 City with timely and accurate financial recommendations and information that allows City 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.

ARTICLE IV – CONTINUED

GENERAL - CONTINUED

Section 8 City Employment of Contractor's Employees; The City acknowledges and agrees that Contractor's workforce, including employees assigned to staff the engagement provided for under this Agreement, constitutes an important and vital aspect of Contractor's business. In recognition of the foregoing and the harm that Contractor will suffer in the event of the loss of one or more of its employees, the City agrees that during the Term of this Agreement and for a period of six (6) months following the termination of this Agreement for any reason (the "Restrictive Time Period") the City shall not, directly or indirectly, on behalf of itself or any person, firm, corporation, association or other entity, (a) recruit, solicit, or assist anyone else in the recruitment or solicitation of, any of Contractor's employees to terminate their employment with Contractor and to become employed by or otherwise engaged with or by the City in any capacity independent of Contractor; (b) hire or engage any Contractor employee; or (c) otherwise encourage or induce any of Contractor's employees to terminate their employment with Contractor.

Notwithstanding the foregoing, Contractor may (but shall not be obligated to) consent to the City's recruitment, solicitation, employment or other engagement of a Contractor employee otherwise prohibited by this paragraph provided that (a) the City discloses to Contractor in writing its desire to recruit, solicit, employ or otherwise engage the Contractor employee independent of Contractor before engaging with the Contractor employee regarding any such potential relationship; (b) the City agrees to pay Contractor a Restrictive Covenant Exception Fee (as hereafter defined) in the event the Contractor employee becomes employed by or otherwise engaged with the City independent of Contractor; and (c) Contractor provides written consent to the City to engage with the Contractor employee regarding any such relationship. For purposes of this Agreement, the Restrictive Covenant Exception Fee shall be the greater of: (i) 150% of the annual contracted cost of Contractor's services under this Agreement in addition to the annual contracted cost paid or due Contractor hereunder; or (ii) 150% of the fees paid or due Contractor for services provided under this Agreement during the twelve (12) month period immediately prior to the termination of this Agreement or, in the event the Agreement has not been terminated, during the twelve (12) month period immediately prior to Contractor's provision of written consent to the City to engage in the recruitment, solicitation, employment or other engagement of a Contractor employee otherwise prohibited by this paragraph.

ARTICLE IV – CONTINUED

GENERAL - CONTINUED

Section 9 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 in Table 1 and under the attached scope of services. Additional fees will not be incurred without prior approval of the City.

Table 1

We at Abdo FS help cities achieve their financial goals.

Fees are based on the assumption and limitations outlined in the Scope of Services that follows. Below are the fees for our services.

AUDIT PREP SERVICES

<u>Services Period</u>	<u>Estimated Fee</u>
March 17, 2023 – June 30, 2023	\$ 25,000 - \$45,000

Audit preparation services to be billed on an hourly basis.

<u>Staff Level</u>	<u>Hourly Rate</u>
Associate	\$170
Senior Associate	205
Manager	265
Senior Manager	325
Partner	450

Travel will be invoiced at ½ the hourly rate and mileage at the standard IRS rate. Monthly installment fees will be invoiced throughout the contract.

This quote for both services is valid for thirty (30) days.

Section 10 Additional Services: Should the City request additional services in addition to the Contracted Services, the Contractor will provide the City with proposed fees for the services to be provided. The City shall provide a written or electronic confirmation prior to the proposed services implementation.

Section 11 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.

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.

We agree to the following services by checking the following boxes:

Service	City Agreement
Audit Preparation Services	<input type="checkbox"/>

City of Princeton
705 North 2nd Street
Princeton, Minnesota 55371

Name _____

Title _____

Name _____

Title _____

Date _____

Abdo Financial Solutions, LLC
5201 Eden Ave. Suite 250
Edina, Minnesota 55436

Name Jean D. Madann

Title Partner and President

Date October 25, 2022