



## FINANCE COMMITTEE MEETING AGENDA

MONDAY, APRIL 13, 2026 AT 5:30 PM

**MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094**

### 1. CALL TO ORDER

### 2. REVIEW AND APPROVE MINUTES

A. Finance Committee minutes from March 23, 2026

### 3. OPENING FOR PUBLIC COMMENT

*Each individual who would like to address the Committee will be permitted up to three minutes for their comments on agenda items only*

### 4. BUSINESS

A. Review and take action: Reclassification and Pay Grade Adjustment – Facilities Maintenance Technician

B. Discuss and take action: Engage BakerTilly for Audit Professional Services

C. Review and take action: Award contract for City Hall boiler plant replacement

D. Convene into closed session per Sec. 19.85(1)(c), Wis. Stats., to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility (R.S.)

E. Reconvene into open session

F. Review and take action: Hiring of Park and Rec Director

G. Convene into closed session per Sec. 19.85(1)(c), Wis. Stats., to consider employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility (2026 Compression Pay Methodology and Payments)

H. Reconvene into open session

I. Review and take action: 2026 Compression Payments

### 5. ADJOURNMENT

*Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at [cityclerk@watertownwi.gov](mailto:cityclerk@watertownwi.gov) phone 920-262-4000*

*A quorum of any City of Watertown Council, Committee, Board, Commission, or other body, may be present at this meeting for observing and gathering of information only*



## FINANCE COMMITTEE MEETING MINUTES

MONDAY, MARCH 23, 2026, AT 5:30 PM

**MUNICIPAL BUILDING COUNCIL CHAMBERS, 106 JONES STREET, WATERTOWN, WI 53094**

Finance Committee members present: Mayor Stocks, Alderpersons Berg (video), Lampe, Smith (arrived 5:37 during closed session)

Others present: Finance Director Stevens, Water Systems Manager Hartz, Fire Chief Reynen, Public Works Director Beyer, Maureen McBroom, Jeff Baum (WI Aviation)

1. Mayor Stocks called the meeting to order at 5:34 p.m.
2. The Finance Committee minutes from March 9 were presented. Ald. Lampe moved, seconded by Ald. Berg, to approve. Unanimously approved.
3. Ald. Lampe moves, seconded by Ald. Berg, to enter **closed session** per 19.85(1)(c) considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility" (**A.C.**) Unanimously approved through roll call vote.
4. After reconvening into open session, Ald. Lampe moved, seconded by Ald. Smith, to approve the **hiring of Alyssa Cahoon for Fire Department Deputy Chief** at G/S 175C. Approved unanimously.
5. Chief Reynen presented a request to approve the **ordering of a fire department engine** with anticipated delivery in 2029. A bid of \$1,353,513 for an E-One Cyclone Pumper was secured through Sourcewell Purchasing Cooperative pricing from Fire Service, Inc. Payment will not be required until delivery. An additional budget request will be incorporated into the regular 2029 budget cycle to outfit the truck with necessary equipment. A motion to approve was offered by Ald. Smith, seconded by Ald. Lampe, and unanimously approved.
6. Chief Reynen provided a memo explaining the price quotes for the final **tornado siren replacement**. The lowest bid submitted was for a different manufacturer from the rest of our sirens that's not compatible with the city's existing system. In light of a strong desire to maintain a standardized warning system from one service provider, and because this other company is not a certified service provider in our area (would have to purchase replacement parts from our current service provider at a markup), Chief Reynen is requesting the purchase and installation of siren head, poll, and radio connections be approved for the total of \$27,950 from Emergency Communication Systems (ECS). This amount was the budgeted amount. A motion to authorize this purchase was made by Ald. Lampe, seconded by Ald. Smith, and unanimously approved.
7. Chief Reynen presented a request to approve the ordering of a **cardiac monitor/defibrillator** from Zoll Medical Corp for \$54,358, the lower of the two bids received. This will allow the removal of a 2013 model (expected life of 8-10 years). This amount is less than the \$55,000 budget. A motion to place the order for Zoll X Series cardiac monitor/defibrillator was made by Ald. Lampe, supported by Ald. Berg, and unanimously approved.
8. The city established a goal in 2020 to replace all **lead service lines (LSL)** by 2030. The Water Systems Department began concerted implementation in 2021, building on work from 2018-2020. At the end of 2023, the Wisconsin DNR exhausted the prior private LSL replacement funding, and the city pursued new opportunities through the Bipartisan Infrastructure Law-funded LSL replacement program. Ald. Arnett joined the meeting via video to share the Public Works

Commission sentiment to treat all homeowners in a same fashion as the first 708 LSL replacements to afford 100% of the costs so that no partial sharing at 25%, 50%, or 75% was necessary with homeowners. The approved Public Works Commission resolution authorizes the **transfer of \$1,255,000 of excess Water Utility funds** into a special fund within the City's General Fund entitled the Private Lease Service Financial Assistance Project Fund. The resolution presented to Finance Committee would formerly accept the transfer, establish the special project fund [in Fund 24: Nonrecurring Grant Fund], and amend the 2026 budget to appropriate the funds for program use. Ald. Lampe moved to approve, seconded by Ald. Berg, and unanimously approved.

9. A resolution was presented for the council to approve the **acceptance of a \$100,000 grant for the completion of the Wilbur Street extension** between Elba St and N. Votech Drive from Dodge County. A motion was made by Ald. Smith, seconded by Ald. Berg, and unanimously approved.
10. Stormwater Utility staff presented a **request for approval to apply for funding** under the WI Department of Natural Resources (WDNR) Urban Nonpoint Source (UNPS) and Storm Water Grant Funding to partially fund (25%) a **new street sweeper**. A new sweeper is estimated to cost \$400,000 and will be included in the capital improvement plan for either 2027 or 2028, depending on the lead time of the equipment and grant period, if approved. Ald. Lampe moved, seconded by Ald. Smith, to approve the submission of the grant.
11. Current pavement conditions on **Airport runway 5/23** necessitate reconstruction work in the new few years. To facilitate and coordinate the completion of required studies and design for both the necessary reconstruction work and planned runway extension project, city staff are seeking approval to **apply for funding** under the federal Community Project Funding program through Congressman Fitzgerald's office for \$760,000. An award would need to be obligated (under contract) within twelve months of the award date. A motion to approve this request was made by Ald. Berg, supported by Ald. Smith, and unanimously approved.
12. A resident adjacent to Kolata Park (1514 Oconomowoc Ave) has requested **permission to utilize a portion of the site (approximately an acre) for a vegetable garden**. The Park, Recreation, and Forestry Commission and Plan Commission have both recently reviewed and approved a proposed lease agreement in exchange for mowing the parcel. Ald. Smith moved to approve the agreement, seconded by Ald. Lampe, and unanimously approved.
13. An addendum to the **Memo of Understanding** between the City of Watertown and the **Watertown Main Street Program (WMSP)** to expand the scope of services to organize and manage up to **five concerts at the Bentzin Family Town Square** during the 2026 calendar year was presented. WMSP will be paid \$2000 per concert from the Town Square Future Fund [26]. A motion to approve was made by Ald. Smith, seconded by Ald. Berg, and unanimously approved.
14. Ald. Lampe, seconded by Ald. Smith, moved to adjourn the Finance Committee at 6:22 p.m., and was carried by unanimous voice vote.

Respectfully submitted,

Mark Stevens, Finance Director

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.



*David Brower, Chief of Police*

**Date:** Thursday, April 9, 2026

**To:** Finance Committee

**From:** Chief Dave Brower

**RE:** Reclassification and Pay Grade Adjustment – Facilities Maintenance Technician

The purpose of this memo is to request Finance Committee approval for the reclassification and corresponding pay grade adjustment of the Maintenance Custodian position to Facilities Maintenance Technician.

Recently, the City experienced a vacancy in the Maintenance Custodian position following the employee's transition to another role within the organization offering increased compensation, along with other contributing factors. This transition provided an opportunity to evaluate the position's duties and overall structure.

Since contracting custodial services to ZBM, a significant portion of the general cleaning and routine custodial responsibilities previously assigned to this position have been eliminated. However, the job description had not been formally updated to reflect this operational change. In practice, the former employee had already been performing a greater share of skilled maintenance, repair, and facility-related work.

In response, the position has been reviewed and updated to more accurately reflect its current and intended responsibilities. The revised Facilities Maintenance Technician role places a stronger emphasis on building systems maintenance, troubleshooting, repairs, and preventative maintenance, aligning with the operational needs of the municipal building.

The updated job description and supporting documentation were submitted to McGrath Consulting for evaluation. Based on their analysis, McGrath Consulting recommends assigning this position to Pay Grade 130, an adjustment from its previous classification of Pay Grade 120.

This reclassification ensures:

- Alignment between job duties and title
- Competitive and appropriate compensation for the skill level required
- Improved ability to recruit and retain qualified candidates
- Consistency with the City's compensation structure

We request that the Finance Committee approve the reclassification of the Maintenance Custodian position to Facilities Maintenance Technician and adopt the recommended placement at Pay Grade 130.

**Attachments:** Old Job Description; New Job Description

# CITY OF WATERTOWN POSITION DESCRIPTION

This job description has been prepared to assist in the evaluation of various classes of responsibilities, skills, and working conditions. It indicates the kinds of tasks and levels of work difficulty generally required of positions given this job. The principal duties and responsibilities enumerated are all essential functions except for supplemental duties and responsibilities. Supplemental duties are described beginning with the word "May." This job description is not intended to limit or modify the right of any supervisor to assign, direct and control the work of employees. Nothing contained herein is intended or shall be construed to create or constitute a contract of employment between any employee or group of employees and the City. The City retains and reserves any and all rights to change, modify, amend, add to, or delete from any section of this description as it deems, in its judgment, to be proper.

**Date:** January 24, 1997  
**Revised:** December 9, 2002  
**Revised:** April 19, 2017  
**Revised:** June 10, 2021  
**Revised:** September 7, 2022  
**Reviewed:** January 17, 2025  
**Revised:** April, 8, 2026

**Title:** Facilities Maintenance Technician

**Department:** Police

**FLSA Status:** Nonexempt

## **General Summary:**

The Municipal Building provides services that are essential to the health, safety and wellbeing of our staff and the citizens they serve. The Facilities Maintenance Technician is a core team member responsible for maintaining a clean work environment. This position primarily works at the Municipal Building but may assist at the Senior Center and Health Department as needed.

Performs a wide variety of skilled building maintenance, repair, and facility operations work to ensure municipal buildings are safe, functional, and operational. This position emphasizes mechanical systems, preventative maintenance, and facility repair. The position also oversees contracted custodial services to ensure cleanliness standards are maintained.

## **Reporting Responsibilities:**

Work is performed under the direct guidance of the Assistant Chief of Police.

## **Specific Accountabilities:**

1. Diagnose, troubleshoot, and repair HVAC, plumbing, electrical, generator, and other building systems
2. Perform preventative maintenance and routine inspections of facility systems and infrastructure and documents in preventative maintenance program Iworq.
3. Monitor and maintain building automation and control systems
4. Maintain fire systems, generators, and related building infrastructure
5. Perform carpentry, drywall, painting, and general building repairs
6. Complete minor renovations, office reconfigurations, and fixture installations
7. Repair and maintain doors, ceilings, flooring, and structural components
8. Maintain inventory and condition of tools, equipment, and maintenance supplies
9. Track maintenance schedules and ensure timely completion of inspections and repairs
10. Maintain records of maintenance activities and system performance
11. Coordinate and oversee contractors for specialized maintenance, inspections, and repairs
12. Obtain quotes and ensure work is completed according to specifications and standards
13. Evaluate contractor performance and address deficiencies

14. Perform or assist with snow removal operations and hazard mitigation
15. Conduct exterior building inspections and perform minor grounds maintenance
16. Respond to after-hours building emergencies and urgent maintenance issues
17. Assess problems and implement immediate or temporary corrective actions
18. Oversee contracted custodial services to ensure cleanliness standards are met
19. Inspect work quality and coordinate cleaning needs based on facility usage
20. Address deficiencies with contracted service providers
21. Clean, sweep, vacuum, mop, and dust offices, meeting rooms, hallways, elevators, stairwells, kitchens, break rooms, lobby areas, conference rooms, and restrooms as needed
22. Collect garbage and recyclables and remove debris from building entrances, parking lots, sidewalks, and landscaped areas as needed
23. Follow disinfection and decontamination procedures when handling bodily fluids and other biohazards
24. Organize janitorial and general storage areas
25. Track janitorial supplies and request replacements as needed

**Required Knowledge, Skills and Abilities:**

High school graduation (or HSED equivalent), three (3) years of experience in building and grounds maintenance, including operation of light and some medium equipment, and working knowledge of building systems (HVAC, plumbing, electrical) and preventative maintenance practices. Experience with building automation systems (BAS) and coordinating or overseeing contractors preferred. Must possess a valid Wisconsin Driver license and good driving record. Must have the ability to successfully complete a pre-employment post offer physical to include drug and alcohol screen upon hire, and random drug and alcohol screens thereafter. Must provide the city with all information regarding previous employers drug and alcohol screens. Must have equivalent combination of education, experience and training that provides the following knowledge, skills and abilities.

- Working knowledge of building maintenance systems including HVAC, plumbing, and electrical
- Knowledge of preventative maintenance practices and facility operations
- Ability to diagnose mechanical and building system issues and implement solutions
- Working knowledge of carpentry, construction, and repair techniques
- Ability to interpret manuals, diagrams, and specifications
- Ability to maintain accurate maintenance records
- Ability to operate tools, equipment, and machinery safely
- Strong problem-solving skills and ability to work independently
- Ability to establish and maintain effective working relationships with staff, vendors, and the public
- Considerable knowledge of materials, methods, practices, techniques and equipment used in grounds and building maintenance.
- Ability to perform light to heavy physical tasks under varying weather conditions.
- Ability to remain drug and alcohol free while on the job.
- Ability to lift and carry up to 50 lbs.
- Knowledge of use and maintenance of industrial cleaning chemicals and equipment.
- Familiarity with basic landscaping and handyman practices.
- Attention to detail and conscientiousness.

Employee Acknowledgement: \_\_\_\_\_

Date: \_\_\_\_\_

Print

\_\_\_\_\_  
Signature

# CITY OF WATERTOWN POSITION DESCRIPTION

This job description has been prepared to assist in the evaluation of various classes of responsibilities, skills, and working conditions. It indicates the kinds of tasks and levels of work difficulty generally required of positions given this job. The principle duties and responsibilities enumerated are all essential functions except for supplemental duties and responsibilities. Supplemental duties are described beginning with the word "May." This job description is not intended to limit or modify the right of any supervisor to assign, direct and control the work of employees. Nothing contained herein is intended or shall be construed to create or constitute a contract of employment between any employee or group of employees and the City. The City retains and reserves any and all rights to change, modify, amend, add to, or delete from any section of this description as it deems, in its judgment, to be proper.

**DATE:** January 24, 1997  
 Revised: December 9, 2002  
 Revised: April 19, 2017  
 Revised: June 10, 2021  
 Revised: September 7, 2022

**Title:** Maintenance Custodian      **Department:** Police      **FLSA Status:** Nonexempt

## **General Summary:**

The Municipal Building provides services that are essential to the health, safety and wellbeing of our staff and the citizens they serve. The Maintenance Custodian is a core team member responsible for maintaining a clean work environment. This position primarily works at the Municipal Building but may assist at the Senior Center and Health Department as needed.

## **Reporting Responsibilities:**

Work is performed under the direct guidance of the Assistant Chief of Police.

## **Specific Accountabilities:**

1. Cleans, sweeps, vacuums, mops, dusts, etc. of offices, meeting rooms, hallways, elevators, stairwells, kitchens, break rooms, lobby areas, conference rooms, restrooms, etc.
2. Collects garbage and recyclables, picks up debris in and around the building's entrances, parking lots, landscaped areas, sidewalks, walkways, etc.
3. Follows disinfection and decontamination procedures when dealing with bodily fluids and other biohazards.
4. Organizes janitorial and general storage areas.
5. Tracks janitorial and other supplies and requests replacements when needed.
6. Strips and renews floor finishes, shampoos carpeting, treats stains on carpets and upholstery.
7. Removes snow and applies salt to sidewalks, entrances, parking lots, etc.
8. Sets up tables, chairs, and other items for events when requested.
9. Maintains property by landscaping, mowing, watering, trimming, etc.
10. Provides maintenance and minor repairs to plumbing, electrical, HVAC and other routine work.
11. Performs some repairs and maintenance of buildings by patching walls and doors, painting walls and trim, replacing fixtures and partitions, replacing damaged ceiling and floor tiles, and other general repairs.
12. Washes windows, screens, sills, woodwork, doors, desks, walls, and ceilings.
13. Responds to after hour emergencies.

**Required Knowledge, Skills and Abilities:**

High school graduation (or HSED equivalent), one year experience in the operation of light and some medium equipment and one year experience in basic grounds and building maintenance. Must possess a valid Wisconsin Driver license and good driving record. Must have the ability to successfully complete a pre-employment post offer physical to include drug and alcohol screen upon hire, and random drug and alcohol screens thereafter. Must provide the city with all information regarding previous employers drug and alcohol screens. Must have equivalent combination of education, experience and training that provides the following knowledge, skills and abilities.

- Considerable knowledge of materials, methods, practices, techniques and equipment used in grounds and building maintenance.
- Ability to interpret plans and specifications.
- The ability to read and follow written instructions and labels.
- Ability to keep accurate records.
- Ability to perform light to heavy physical tasks under varying weather conditions.
- Ability to understand and carry out instructions.
- Ability to remain drug and alcohol free while on the job.
- Ability to lift and carry up to 50 lbs.
- Ability to establish and maintain effective working relationships with supervisors, coworkers and the general public.
- Knowledge of building upkeep and repairs.
- Knowledge of use and maintenance of industrial cleaning chemicals and equipment.
- Familiarity with basic landscaping and handyman practices.
- Attention to detail and conscientiousness.



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January 5, 2026

Mr. Mark Stevens  
Finance Director/Treasurer  
City of Watertown  
106 Jones St  
PO Box 477  
Watertown, Wisconsin 53094

Dear Mr. Stevens:

Thank you for using Baker Tilly US, LLP (Baker Tilly, we, our) as your auditors.

The purpose of this letter (the Engagement Letter) is to confirm our understanding of the terms and objectives of our engagement and the nature of the services we will provide as independent accountants of the City of Watertown (Client, you, your).

### **Service and Related Report**

We will audit the basic financial statements of the City of Watertown as of and for the year ended December 31, 2025 through 2029, and the related notes to the financial statements. Upon completion of our audit, we will provide the City of Watertown with our audit report on the financial statements and supplemental information referred to below. If, for any reasons caused by or relating to the affairs or management of the City of Watertown, we are unable to complete the audit or are unable to or have not formed an opinion, or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to issue a report as a result of this engagement.

The following supplementary information accompanying the financial statements will also be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

- > Combining Fund Financial Statements
- > Utility Plant and Operating Schedules

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. © 2024 Baker Tilly Advisory Group, LP

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Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis, to supplement the City of Watertown's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. As part of our engagement, we will apply certain limited procedures to the City of Watertown's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- > Management's Discussion and Analysis
- > Budget Comparison Schedules
- > Pension - related schedules

Our report does not include reporting on key audit matters.

**Our Responsibilities and Limitations**

The objective of a financial statement audit is the expression of an opinion on the financial statements. We will be responsible for performing that audit in accordance with auditing standards generally accepted in the United States of America (GAAS). These standards require that we plan and perform our audit to obtain reasonable, rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. 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 GAAS will always detect a material misstatement when it exists. A misstatement is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user based on the financial statements. The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management and those charged with governance of their responsibilities. Our audit is limited to the period covered by our audit and does not extend to any later periods during which we are not engaged as auditor.

The audit will include obtaining an understanding of the City of Watertown and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to determine the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal controls or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control matters that are required to be communicated under professional standards.

We are also responsible for determining that those charged with governance are informed about certain other matters related to the conduct of the audit, including (i) our responsibility under GAAS, (ii) an overview of the planned scope and timing of the audit, and (iii) significant findings from the audit, which include (a) our views about the qualitative aspects of your significant accounting practices, accounting estimates, and financial statement disclosures; (b) difficulties encountered in performing the audit; (c) uncorrected misstatements and material corrected misstatements that were brought to the attention of management as a result of auditing procedures; and (d) other significant and relevant findings or issues (e.g., any disagreements with management about matters that could be significant to your financial statements or our report thereon, consultations with other independent accountants, issues discussed prior to our retention as independent auditors, fraud and illegal acts,

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and all significant deficiencies and material weaknesses identified during the audit). Lastly, we are responsible for ensuring that those charged with governance receive copies of certain written communications between us and management including written communications on accounting, auditing, internal controls or operational matters and representations that we are requesting from management.

The audit will not be planned or conducted in contemplation of reliance of any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be addressed differently by a third party, possibly in connection with a specific transaction.

### Management's Responsibilities

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

- > For the preparation and fair presentation of the financial statements and supplementary information in accordance with accounting principles generally accepted in the United States of America;
- > For the design, implementation, establishment, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and supplementary information that are free from material misstatement, whether due to fraud or error; and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met and;
- > To provide us with:
  - Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements and supplementary information such as records, documentation, and other matters;
  - Additional information that we may request from management for the purpose of the audit; and
  - Unrestricted access to persons within the City of Watertown from whom we determine it necessary to obtain audit evidence

You are responsible for the preparation of the supplementary information in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for (i) adjusting the basic financial statements to correct material misstatements and for affirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period under audit are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole, and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of your internal control over financial reporting that are reasonably likely to adversely affect your ability to record, process, summarize and report external financial data reliably in accordance with GAAP. Management is also responsible for identifying and ensuring that the City of Watertown complies with the laws and regulations applicable to its

Mr. Mark Stevens  
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activities.

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.

Management is responsible for informing us on a timely basis of the name of any single investor in you that owns 20% or more of your equity at any point in time. Management is also responsible for informing us on a timely basis of any investments held by you which constitutes 20% or more of the equity/capital of the investee entity at any point in time.

Baker Tilly is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the Act). Baker Tilly is not recommending an action to the City of Watertown; is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 158 of the Act to you with respect to the information and material contained in the deliverables issued under this engagement. Any municipal advisory services would only be performed by Baker Tilly Municipal Advisors LLC (BTMA) pursuant to a separate engagement letter between you and BTMA. You should discuss any information and material contained in the deliverables with any and all internal and external advisors and experts that you deem appropriate before acting on this information or material.

**Nonattest Services**

Prior to or as part of our audit engagement, it may be necessary for either Baker Tilly US, LLP or Baker Tilly Advisory Group, LP to perform certain nonattest services.

Nonattest services that we or Baker Tilly Advisory Group, LP will be providing are as follows:

- > Financial statement preparation
- > Compiled regulatory reports

None of these nonattest services constitute an audit under generally accepted auditing standards.

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Baker Tilly US, LLP and Baker Tilly Advisory Group, LP will not perform any management functions or make management decisions on your behalf with respect to any nonattest services provided.

In connection with our performance of any nonattest services, Baker Tilly US, LLP or Baker Tilly Advisory Group, LP agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services performed.
- > Evaluate the adequacy and results of the nonattest services performed.
- > Accept responsibility for the results of the nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

On a periodic basis, as needed, we will meet with you to discuss your accounting records and the management implications of your financial statements. We will notify you, in writing, of any matters that we believe you should be aware of and will meet with you upon request.

In addition to the audit services discussed above, we will compile the annual Financial Report Form to the Wisconsin Department of Revenue and the Public Service Commission Annual Report. See Addendums A and B attached, which are an integral part of this Engagement Letter.

#### **Other Documents**

If you intend to reproduce or publish the financial statements in an annual report or other information (excluding official statements), and make reference to our firm name in connection therewith, you agree to publish the financial statements in their entirety. In addition, you agree to provide us, for our approval and consent, proofs before printing and final materials before distribution.

If you intend to reproduce or publish the financial statements in an official statement, unless we establish a separate agreement to be involved in the issuance, any official statements issued by the City of Watertown must contain a statement that Baker Tilly is not associated with the official statement, which shall read "Baker Tilly US, 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. Baker Tilly US, LLP, has also not performed any procedures relating to this official statement."

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

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The documentation for this engagement, including the workpapers, is the property of Baker Tilly and constitutes Confidential Information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. Baker Tilly does not retain any original client records and we will return such records to you at the completion of the services rendered under this engagement. When such records are returned to you, it is the City of Watertown's responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that, upon the expiration of the documentation retention period, Baker Tilly shall be free to destroy our workpapers related to this engagement. If we are required by law, regulation or professional standards to make certain documentation available to regulators, the City of Watertown hereby authorizes us to do so.

**Timing and Fees**

Our estimated professional fees for these services will be as follows:

<u>Year</u>	<u>City</u>	<u>Utility</u>	<u>Totals</u>
2025	\$ 66,900	\$ 22,000	\$ 88,900
2026	69,000	22,750	91,750
2027	71,400	23,500	94,900
2028	73,800	24,250	98,050
2029	76,000	25,000	101,000

Invoices for these fees will be rendered each month as work progresses and are payable on presentation. Fees are payable upon presentation. A charge of 1.5 percent per month shall be imposed on accounts not paid within thirty (30) days of receipt of our statement for services provided. In accordance with our firm policies, work may be suspended if your account becomes thirty (30) days or more overdue and will not be resumed until the account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notice of termination, even if we have not completed our report. the City of Watertown will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. In the event that collection procedures are required, the City of Watertown agrees to be responsible for all expenses of collection including related attorneys' fees.

Our fee estimate is based on certain assumptions. Certain circumstances may arise during the course of our audit that could significantly affect the targeted completion date or our fee estimate, and additional fees may be necessary as a result. Such circumstances include but are not limited to the following:

- Changes to the timing of the engagement initiated by the City of Watertown, which may require the reassignment of our personnel.
- The City of Watertown's failure to provide all information requested by us (i) on the date requested, (ii) in the form acceptable to us, (iii) with no mathematical errors, and (iv) in agreement with the appropriate the City of Watertown records.
- Significant delays in responding to inquiries made of the City of Watertown personnel, or significant changes in the City of Watertown accounting policies or practices, or in the City of Watertown's accounting personnel, their responsibilities, or their availability.
- Significant delays or errors in the draft financial statements and necessary schedules prepared by the City of Watertown's personnel.
- Implementation of new general ledger software or a new chart of accounts by the City of Watertown.

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- Significant changes in the City of Watertown's business operations, including business combinations, the creation of new entities, divisions, or subsidiaries within the City of Watertown, significant new employment or equity agreements, or significant subsequent events. Certain business transactions or changes in business operations or conditions, financial reporting, and/or auditing standards may require us to utilize the services of internal or external valuation or tax specialists.
- New financing arrangements or modifications to existing financing arrangements, or significant new federal or state funding.
- Significant deficiencies or material weaknesses in the design or operating effectiveness of the City of Watertown's internal control over financial reporting identified during the audit.
- A significant level of proposed audit adjustments.
- Issuance of additional accounting or auditing standards subsequent to or effective for the periods covered by this Engagement Letter.
- Circumstances beyond our control.

For new business transactions or changes in business operations or conditions, financial reporting and/or auditing standards may require us to utilize the services of internal or external valuation or tax specialists. This includes matters such as business combinations, impairment evaluations, and going concern evaluation, among other potential needs for specialists. The time and cost of such services are not included in the fee estimate provided.

Revisions to the scope of our work will be communicated to you and may be set forth in the form of an "Amendment to Existing Engagement Letter." In addition, if we discover compliance issues that require us to perform additional procedures and/or provide assistance with these matters, fees at our standard hourly rates apply.

To the extent applicable, Baker Tilly's fees are exclusive of any federal, national, regional, state, provincial or local taxes, including any VAT or other withholdings, imposed on this transaction, the fees, or on Client's use of the Services or possession of the Deliverable (individually or collectively, the Taxes). All applicable Taxes shall be paid by Client without deduction from any fees owed by Client to Baker Tilly. In the event Client fails to pay any Taxes when due, unless prohibited by applicable law, regulations, or professional standards, Client shall defend, indemnify, and hold harmless Baker Tilly, its officers, agents, employees and consultants from and against any and all fines, penalties, damages, costs (including, but not limited to claims, liabilities, or losses arising from or related to such failure by Client) and will pay any and all damages, as well as costs, including but not limited, mediation and arbitration fees and expenses as well as attorneys' fees, associated with Client's breach of this section.

We may use temporary contract staff to perform certain tasks on your engagement and will bill for that time at the rate that corresponds to Baker Tilly staff providing a similar level of service. Upon request, we will be happy to provide details on training, supervision and billing arrangements we use in connection with these professionals. Additionally, we may from time to time, and depending on the circumstances, use service providers (e.g., to act as a specialist or audit an element of the financial statements) in serving your account. We may share Confidential Information about you with these contract staff and service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all contract staff and service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your Confidential Information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the

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sharing of your Confidential Information with the contract staff or third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such contract staff or third-party service providers.

To the extent the Services require Baker Tilly to receive personal data or personal information from Client, Baker Tilly may process, and engage subcontractors to assist with processing, any personal data or personal information, as those terms are defined in applicable privacy laws. Baker Tilly's processing shall be in accordance with the requirements of the applicable privacy laws relevant to the processing in providing Services hereunder, including Services performed to meet the business purposes of the Client, such as Baker Tilly's tax, advisory, and other consulting services. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which Baker Tilly or its Clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. Baker Tilly is acting as a Service Provider/Data Processor, as those terms are defined respectively under the CCPA/GDPR, in relation to Client personal data and personal information. As a Service Provider/Data Processor processing personal data or personal information on behalf of Client, Baker Tilly shall, unless otherwise permitted by applicable privacy law, (a) follow Client instructions; (b) not sell personal data or personal information collected from the Client or share the personal data or personal information for purposes of targeted advertising; (c) process personal data or personal information solely for purposes related to the Client's engagement and not for Baker Tilly's own commercial purposes; and (d) cooperate with and provide reasonable assistance to Client to ensure compliance with applicable privacy laws. Client is responsible for notifying Baker Tilly of any applicable privacy laws the personal data or personal information provided to Baker Tilly is subject to, and Client represents and warrants it has all necessary authority (including any legally required consent from individuals) to transfer such information and authorize Baker Tilly to process such information in connection with the Services described herein. Client further understands Baker Tilly US, LLP and Baker Tilly Advisory Group, LP will co-process Client data as necessary to perform the Services, pursuant to the alternative practice structure in place between the two entities. Baker Tilly Advisory Group, LP maintains custody of client files for both entities. By executing this Engagement Letter, you hereby consent to the transfer to Baker Tilly Advisory Group, LP of all your Client files, workpapers and work product. Baker Tilly Advisory Group, LP is bound by the same confidentiality obligations as Baker Tilly US, LLP. Baker Tilly is responsible for notifying Client if Baker Tilly becomes aware that it can no longer comply with any applicable privacy law and, upon such notice, shall permit Client to take reasonable and appropriate steps to remediate personal data or personal information processing. Client agrees that Baker Tilly has the right to utilize Client data to improve internal processes and procedures and to generate aggregated/de-identified data from the data provided by Client to be used for Baker Tilly business purposes and with the outputs owned by Baker Tilly. For clarity, Baker Tilly will only disclose aggregated/de-identified data in a form that does not identify Client, Client employees, or any other individual or business entity and that is stripped of all persistent identifiers. Client is not responsible for Baker Tilly's use of aggregated/de-identified data.

Baker Tilly has established information security related operational requirements that support the achievement of our information security commitments, relevant information security related laws and regulations, and other information security related system requirements. Such requirements are communicated in Baker Tilly's policies and procedures, system design documentation and contracts with customers. Information security policies have been implemented that define our approach to how systems and data are protected. Client is responsible for providing timely written notification to Baker Tilly of any additions, changes or removals of access for Client personnel to Baker Tilly provided systems or applications. If Client becomes aware of any known or suspected information security or privacy related incidents or breaches related to this agreement, Client should timely notify Baker Tilly via email at [dataprotectionofficer@bakertilly.com](mailto:dataprotectionofficer@bakertilly.com).

Any additional services that may be requested, and we agree to provide, may be the subject of a separate engagement letter.

With respect to this Engagement Letter and any information supplied in connection with this Engagement Letter and designated by the disclosing party (the "Disclosing Party") as "Confidential Information" either by marking it

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as "confidential" prior to disclosure to the receiving party (the "Recipient") or, if such information is disclosed orally or by inspection, then by indicating to the Recipient that the information is confidential at the time of disclosure and confirming in writing to the Recipient, the confidential nature of the information within ten (10) business days of such disclosure, or is information which a reasonable person would deem to be confidential based on the nature of the information and the circumstances surrounding its disclosure, the Recipient agrees to: (i) protect the Confidential Information in the same manner in which it protects its Confidential Information of like importance, but in no case using less than reasonable care; (ii) use the Confidential Information only to perform its obligations under this Engagement Letter; and (iii) reproduce Confidential Information only as required to perform its obligations under this Engagement Letter. This section shall not apply to information which is (a) publicly known, (b) already known to the Recipient, (c) disclosed to Recipient by a third party without restriction, (d) independently developed, or (e) disclosed pursuant to legal requirement or order, or as is required by regulations or professional standards governing the services performed. Subject to the foregoing, Baker Tilly may disclose Client's Confidential Information to its subcontractors and subsidiaries.

We may be required to disclose Confidential Information to federal, state and international regulatory bodies or a court in criminal or other civil litigation. In the event that we receive a request from a third party (including a subpoena, summons or discovery demand in litigation) calling for the production of information, we will promptly notify the City of Watertown, unless otherwise prohibited. In the event we are requested by the City of Watertown or required by government regulation, subpoena or other legal process to produce our engagement working papers or our personnel as witnesses with respect to services rendered to the City of Watertown, so long as we are not a party to the proceeding in which the information is sought, we may seek reimbursement for our professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

We may be required to disclose Confidential Information with respect to complying with certain professional obligations, such as peer review programs. All participants in such peer review programs are bound by the same confidentiality requirements as Baker Tilly and its employees. Baker Tilly will not be required to notify the City of Watertown if disclosure of Confidential Information is necessary for peer review purposes.

We would expect to continue to perform our services under the arrangements discussed above from year to year, unless for some reason you or we find that some change is necessary. We will, of course, be happy to provide the City of Watertown with any other services you may find necessary or desirable.

### **Resolution of Disagreements**

In the unlikely event that differences concerning services, fees, this Engagement Letter or any services subsequently provided to Client by Baker Tilly should arise ("Dispute(s)") that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the Dispute by mediation administered by the American Arbitration Association (AAA) under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation.

If mediation does not settle the Dispute, then the parties agree that the Dispute shall be settled by binding arbitration to be initiated by the party seeking damages or other permitted relief in any form (the "Claimant"). The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the services in Dispute is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the Arbitration Rules for Professional Accounting and Related Disputes of the AAA (the "Rules") as amended and effective February 1, 2015, except that no prehearing discovery shall be permitted unless specifically authorized by the arbitrator. Any issue concerning the extent to which the Dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the FAA and resolved by the arbitrators. The arbitration will be conducted before a panel of three (3) arbitrators, with experience in accounting and auditing matters or resolving accounting and auditing matters. In the thirty (30) days after the arbitration is initiated, the parties shall attempt to mutually agree on the three (3) arbitrators, including one arbitrator who will serve as chair of the panel, and all of whom may be selected from AAA, JAMS, the Center for Public Resources,

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or any other internationally or nationally-recognized organization mutually agreed upon by the parties. If the parties cannot agree on a panel of three (3) arbitrators within the thirty (30) day period, the three (3) arbitrators shall be selected according to Rules A-16(a) and (b) of the Rules except that the AAA shall send an identical list of fifteen (15) names to the parties to the arbitration. The arbitrator shall have no authority to award nonmonetary or equitable relief and will not have the right to award punitive damages or statutory awards. Furthermore, in no event shall the arbitrator have power to make an award that would be inconsistent with the Engagement Letter or any amount that could not be made or imposed by a court deciding the matter in the same jurisdiction. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Discovery shall be permitted in arbitration only to the extent, if any, expressly authorized by the arbitrators upon a showing of substantial need. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrators shall be equally divided by the parties. Both parties agree and acknowledge that they are each giving up the right to have any Dispute heard in a court of law before a judge and a jury, as well as any appeal. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. The arbitrators shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, including the contractual limitations set forth in this Engagement Letter, and shall have no power to decide the dispute in any manner not consistent with such limitations period. The arbitrators shall be empowered to interpret the applicable statutes of limitations subject to the choice of law provision set forth herein.

Our services shall be evaluated solely on our substantial conformance with the terms expressly set forth herein, including all applicable professional standards. Any claim of nonconformance must be clearly and convincingly shown.

#### **Limitation on Damages and Indemnification**

THE LIABILITY (INCLUDING ATTORNEY'S FEES AND ALL OTHER COSTS) OF BAKER TILLY AND ITS PRESENT OR FORMER PARTNERS, PRINCIPALS, AGENTS OR EMPLOYEES RELATED TO ANY CLAIM FOR DAMAGES RELATING TO THE SERVICES PERFORMED UNDER THIS ENGAGEMENT LETTER SHALL NOT EXCEED THE FEES PAID TO BAKER TILLY FOR THE PORTION OF THE WORK TO WHICH THE CLAIM RELATES, EXCEPT TO THE EXTENT FINALLY DETERMINED TO HAVE RESULTED FROM THE WILLFUL MISCONDUCT OR FRAUDULENT BEHAVIOR OF BAKER TILLY RELATING TO SUCH SERVICES. THIS LIMITATION OF LIABILITY IS INTENDED TO APPLY TO THE FULL EXTENT ALLOWED BY LAW, REGARDLESS OF THE GROUNDS OR NATURE OF ANY CLAIM ASSERTED, INCLUDING THE NEGLIGENCE OF EITHER PARTY. ADDITIONALLY, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY LOST PROFITS, LOST BUSINESS OPPORTUNITY, LOST DATA, CONSEQUENTIAL, SPECIAL, INCIDENTAL, EXEMPLARY OR PUNITIVE DAMAGES, DELAYS OR INTERRUPTIONS ARISING OUT OF OR RELATED TO THIS ENGAGEMENT LETTER EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

You and Baker Tilly are the only parties to this contract and are the only parties entitled to enforce its terms. Nothing in this contract gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons.

Because of the importance of the information that you provide to Baker Tilly with respect to Baker Tilly's ability to perform the services, you hereby release Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the services, that arise from or relate to any information, including representations by management, provided by you, its personnel or agents, that is not complete, accurate or current, whether or not management knew or should have known that such information was not complete, accurate or current.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement

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Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim or any other statutes of limitations or repose.

**Limitation of Municipal Liability**

Nothing contained within this Agreement is intended to be a waiver or estoppel of City or its insurer to rely upon the limitations, defenses, and immunities contained within Sections 345.05 and 893.80, Wis. Stats. To the extent that indemnification is available and enforceable, City or its insurer shall not be liable in indemnity, contribution, or otherwise for an amount greater than the limits of liability of municipal claims established under Wisconsin law.

**Public Records**

Baker Tilly understands and acknowledges that Client is subject to Wisconsin's Public Records Law and may be required to disclose certain public records when requested. Client will provide Baker Tilly with notification of and opportunity to redact any public records request for Baker Tilly's Confidential Information prior to release.

**Other Matters**

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

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Our dedication to client service is carried out through our employees who are integral in meeting this objective. In recognition of the importance of our employees, it is hereby agreed that the City of Watertown will not solicit our employees for employment or enter into an independent contractor arrangement with any individual who is or was an employee of Baker Tilly for a period of twelve (12) months following the date of the conclusion of this engagement. If the City of Watertown violates this nonsolicitation clause, the City of Watertown agrees to pay to Baker Tilly a fee equal to the hired person's annual salary at the time of the violation so as to reimburse Baker Tilly for the costs of hiring and training a replacement.

The services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation under federal, state or other type of law or regulation.

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms.

Baker Tilly Advisory Group, LP and its subsidiaries and Baker Tilly US, LLP, trading as Baker Tilly, are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agents and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

This Engagement Letter and any applicable online terms and conditions or terms of use "Online Terms" related to online products or services made available to City of Watertown by Baker Tilly ("Online Offering" constitute the entire agreement between the City of Watertown and Baker Tilly regarding the services described in this Engagement Letter and supersedes and incorporates all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. For clarity and avoidance of doubt, the terms of this Engagement Letter govern Baker Tilly's provision of the services described herein, and the Online Terms govern City of Watertown's use of the Online Offering. This Engagement Letter's provisions shall not be deemed modified or amended by the conduct of the parties.

The provisions of this Engagement Letter, which expressly or by implication are intended to survive its termination or expiration, will survive and continue to bind both parties, including any successors or assignees. If any provision of this Engagement Letter is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations arising under such provision, but if the remainder of this Engagement Letter shall not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected shall be enforced to the extent permitted by law or applicable professional standards.

If because of a change in the City of Watertown's status or due to any other reason, any provision in this Engagement Letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, commissions or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

This agreement shall be governed by and construed in accordance with the laws of the state of Wisconsin, without giving effect to the provisions relating to conflict of laws.

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We appreciate the opportunity to be of service to you.

If there are any questions regarding this Engagement Letter, please contact Andrea Jansen, the professional on this engagement who is responsible for the overall supervision and review of the engagement and determining that the engagement has been completed in accordance with professional standards. Andrea Jansen is available at 608 240 2338, or at [andrea.jansen@bakertilly.com](mailto:andrea.jansen@bakertilly.com).

Sincerely,

BAKER TILLY US, LLP

Enclosures

The services and terms as set forth in this Engagement Letter are agreed to by:

Robert Stocks  
Official's Name

\_\_\_\_\_  
Official's Signature  
Mayor  
Title

\_\_\_\_\_  
Date

## ADDENDUM A

We will perform the following services:

1. We will compile, from information you provide, the annual Financial Report Form to the Wisconsin Department of Revenue, for the year ended December 31, 2025 through 2029. Upon completion of the compilation of the annual Financial Report Form, we will provide you with our accountants' compilation report. If for any reason caused by or relating to affairs or management of the City of Watertown, we are unable to complete the compilation or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to submit the annual Financial Report Form to you as a result of this engagement.

Our report on the annual Financial Report Form of the City of Watertown is presently expected to read as follows:

Management is responsible for the Financial Report Form C for the year ended December 31, 2025 included in the accompanying prescribed form. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial report form C included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the Financial Report form C included in the prescribed form.

The Financial Report Form C included in the accompanying prescribed form is presented in accordance with the requirements of the Wisconsin Department of Revenue, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than this specified party.

### **Our Responsibilities and Limitations**

We will be responsible for performing the compilation in accordance with *Statements on Standards for Accounting and Review Services* established by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements. We will utilize information that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with GAAP.

Our engagement cannot be relied upon to disclose errors, fraud or other illegal acts that may exist and, because of the limited nature of our work, detection is highly unlikely. However, we will inform the appropriate level of management of any material errors, and of any evidence that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this Engagement Letter.

### **Management's Responsibilities**

The City of Watertown's management is responsible for the financial statements referred to above. In this regard, management is responsible for (i) the preparation and fair presentation of the Financial Report Form C included in the form prescribed by the Wisconsin Department of Revenue, (ii) designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Financial Report Form C, (iii) preventing and detecting fraud, (iv) identifying and ensuring that you comply with the laws and regulations applicable to its activities, and (v) making all financial records and related information available to us. Management also is responsible for identifying and ensuring that you comply with the laws and regulations applicable to its activities.

Management is responsible for providing us with the information necessary for the compilation of the financial statements and the completeness and the accuracy of that information and for making your personnel available to whom we may direct inquiries regarding the compilation. We may make specific inquiries of management and others about the representations embodied in the financial statements.

## ADDENDUM B

We will perform the following services:

2. We will compile, from information you provide, the Public Service Commission Annual Report, including the balance sheets of the Water Utility, an enterprise fund of the City of Watertown, as of December 31, 2025 and 2024 and additional years through 2029, and the related statements of income and retained earnings for the years then ended and the supplemental schedules as of and for the years ended December 31, 2025 and 2024 and additional years through 2029. Upon completion of the Public Service Commission Annual Report, we will provide you with our accountants' compilation report. If for any reason caused by or relating to affairs or management of the City of Watertown, we are unable to complete the compilation or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to submit the Public Service Commission Annual Report to you as a result of this engagement.

Our report on the Public Service Commission Annual Report of the City of Watertown is presently expected to read as follows:

Management is responsible for the balance sheets of the Water Utility, an enterprise fund of the City of Watertown, as of December 31, 2025 and 2024, and the related statements of income and retained earnings for the years then ended and the supplemental schedules as of and for the years ended December 31, 2025 and 2024 included in the accompany prescribed form. We have performed a compilation engagement in accordance with *Statements on Standards of Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements included in the prescribed form.

These financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Public Service Commission of Wisconsin, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Public Service Commission of Wisconsin and is not intended to be and should not be used by anyone other than this specified party.

### Our Responsibilities and Limitations

We will be responsible for performing the compilation in accordance with *Statements on Standards for Accounting and Review Services* established by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements. We will utilize information that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with GAAP.

Our engagement cannot be relied upon to disclose errors, fraud or other illegal acts that may exist and, because of the limited nature of our work, detection is highly unlikely. However, we will inform the appropriate level of management of any material errors, and of any evidence that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this Engagement Letter.

**Management's Responsibilities**

The City of Watertown's management is responsible for the financial statements referred to above. In this regard, management is responsible for (i) the preparation and fair presentation of the financial statements included in the form prescribed by the Public Service Commission of Wisconsin, (ii) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements, (iii) preventing and detecting fraud, (iv) identifying and ensuring that you comply with the laws and regulations applicable to its activities, and (v) making all financial records and related information available to us. Management also is responsible for identifying and ensuring that you comply with the laws and regulations applicable to its activities.

Management is responsible for providing us with the information necessary for the compilation of the financial statements and the completeness and the accuracy of that information and for making your personnel available to whom we may direct inquiries regarding the compilation. We may make specific inquiries of management and others about the representations embodied in the financial statements.



To: Finance Committee  
From: Mark Stevens  
Date: April 13, 2026  
RE: Audit Services

The City has utilized the audit services of Baker Tilly for many years. Their continued engagement provides meaningful benefits, including consistency in audit approach and a deep, long-standing understanding of the City's financial operations. I have been able to rely on the institutional knowledge of their primary audit team members, many of whom have worked with our accounting system longer than I have been employed here.

Baker Tilly is also one of the leading providers of audit services for Wisconsin governmental entities. Based on their expertise, historical familiarity, and the value of continuity, I did not pursue competitive proposals from other accounting firms.

The estimated professional fees for the following five years are:

Year	City	Utilities
2025	\$66,900	\$22,000
2026	\$69,000	\$22,750
2027	\$71,400	\$23,500
2028	\$73,800	\$24,250
2029	\$76,000	\$25,000

Because the total amount exceeds the City's \$50,000 threshold requiring approval beyond staff authority, I request that the Finance Committee approve entering into an engagement with Baker Tilly for audit services for the 2025–2029 period.

To: Finance Committee  
From: Mark Stevens  
Date: April 9, 2026  
RE: City Hall Boiler Plant Replacement

MSA Professional Services designed a replacement for the City Hall boiler plant, prepared bidding documents, and solicited proposals from qualified mechanical contractors. Bids were due today. Three were received. Our MSA engineer was complementary to all three companies that provided bids and feels that the pricing was close among the three. Unfortunately, he has been hearing of higher pricing in recent days. The lowest bid is approximately \$90,000 more than was estimated in early February when we last reported to you of the necessary replacement. The approved 2026 budget for City Hall capital improvements is \$652,426.

**Watertown City Hall Boiler Plant Replacement - 4/9/2026 Bid Opening**

Base Bid - Division 1 through 25	BB or CC	Base Bid
Butters-Fettig	BB	\$412,000.00
Total Mechanical	BB	\$420,000.00
J&H Heating	BB	\$466,900.00

**Request:**

To recommend to Council that Butters-Fettig Co., Inc. be awarded a contract for \$412,000 as the lowest responsible bid.

**RESOLUTION TO  
AUTHORIZE THE EXECUTION OF A CONTRACT FOR  
CITY HALL BOILER PLANT REPLACEMENT**

**SPONSOR: MAYOR STOCKS  
FROM: FINANCE COMMITTEE**

**WHEREAS**, the City Hall boiler plant has begun to fail, and one of the two 2-MM BTU boilers has been removed from service; and,

**WHEREAS**, the City engaged MSA Professional Services (Mequon, WI) to design a replacement system, prepare bidding documents, and solicit proposals from qualified mechanical contractors; and,

**WHEREAS**, three proposals were received and reviewed by the Finance Director and MSA-PS engineer, and Butters-Fetig Co., Inc. submitted the lowest responsible bid in the amount of \$412,000 [Others: \$420,000 and \$466,900];

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WATERTOWN, WISCONSIN:**

That the proper City Officials are hereby authorized to execute a contract with Butters-Fetig in accordance with the specifications contained in the bid document and the bid submitted.

That this Resolution shall be in full force and effect upon its passage and adoption.

	YES	NO
DAVIS		
LAMPE		
BERG		
BLANKE		
ARNETT		
MOLDENHAUER		
MAYOR STOCKS		
TOTAL		

ADOPTED April 21, 2026

\_\_\_\_\_  
CITY CLERK

APPROVED April 21, 2026

\_\_\_\_\_  
MAYOR