BOARD OF CITY COMMISSIONERS
SPECIAL MEETING

November 20, 2020

10:30 AM

WHEELER EVENT CENTER
103 NORTH WHEELER
SALLISAW, OK

A G E N D A

1. **Meeting called to order**

2. **Declaration of a quorum**

3. **Discuss and Consider Approval of Staff's Request to Waive Requirements for Three Quotations and Purchase one (1) 2020 Altec DM47B-AWD 47 ft. Digger Derrick from Altec Industries, Inc., St. Joseph, Missouri, in *Amount Not to Exceed* $245,000.00; and Authorized Staff to Purchase via a 48-Month Lease Purchase Agreement**

4. **Discuss and Consider Approval of Resolution 2020-38; *A Resolution Authorizing Execution of a Lease Purchase Agreement on Equipment***

5. **Discuss and Consider Approval of Amendment to Audit Engagement Agreement with FSW&B, CPA's PLLC, of Stillwater, Oklahoma in *Amount not to Exceed* $6,500.00 to Cover Additional Cost Related to Single Audit**

6. **Discussion and Update on COVID-19 and City Operations; and Possible Direction to Staff**

7. **Administrative Reports**

8. **Adjourn**

Posted:	**NOVEMBER 18, 2020**
Time:	**7:25 A.M.**
	Dianna Davis

AGENDA ITEM COMMENTARY

Meeting Date:	November 20, 2020
Board:	Board of City Commissioners
Subject:	Purchase of Altec Digger Derrick for Electric Department.

ITEM TITLE: Discuss and Consider Approval of Staff's Request to Waive Requirements for Three Quotations and Purchase one (1) 2020 Altec DM47B-AWD 47 ft. Digger Derrick from Altec Industries, Inc., St. Joseph, Missouri, in *Amount Not to Exceed* $245,000.00; and Authorized Staff to Purchase via a 48-Month Lease Purchase Agreement

INITIATOR: City Manager
Electric Superintendent

STAFF INFORMATION SOURCE: Altec
Sourcewell Cooperative Purchasing

BACKGROUND: The current front line digger derrick (unit #519) used in the electric department is in need of approximately $25,000 in repairs to the boom. It has come to the point this unit requires frequent maintenance in order to keep available for use. The unit is also in need of maintenance on the front end. The motor itself has over 10,000 hours on it.

This unit was purchased used in September of 2016 at a cost of $69,900. Plans were to replace this unit in the FY 2022 budget.

Staff would prefer to use the $25,000 needed for repairs, and utilize the funding for the purchase of a new unit. Staff has located Altec units on the lot in St. Joseph, MO. These units are ready for purchase, and Altec will add options that are needed by our electric crew. Delivery is approximately 30-60 days after order.

Per our purchasing policies, staff requests that we waive the three quote requirement and purchase a new Altec DM47B-AWD digger, with specified options, from Altec in St. Joseph, MO, in amount not to exceed $245,000.

EXHIBITS:
1. Altec DM47 Sourcewell Quote.Digger Derrick
2. Altec DM47B
3. Altec DM47B-2

KEY ISSUES:
1. Staff requests to purchase unit via a 48 month Lease Purchase agreement with a local bank. Estimated monthly payment is $5,313 per month/$63,747 per year.
2. Staff requests that all items/options in the quote, in sections A-C, be added to the purchase.
3. Pricing for the unit is provided by Altec via Sourcewell Competitive

Purchasing Alliance.

4. Staff sees no use to re-purpose the current digger given the condition it is in.

FUNDING SOURCE: Capital Improvement Fund 30, contingency and other unused line item funds.

RECOMMENDATION: Staff recommends that we waive the three quote requirement and purchase the recommend unit from Altec Industries in amount not to exceed $245,000, and authorize the unit to be purchased via a 48-month lease purchase agreement.

Altec Industries, Inc.

Quote Number: 637375
Opportunity Number: 1415232
Sourcewell Contract #: 012418-ALT
Date: 11/10/2020

Quoted for: City of Sallisaw
Customer Contact:
Phone: / **Email:**

Quoted by: Jeff Atkins
Phone: (816) 676-6649 / **Email:** jeff.atkins@altec.com
Altec Account Manager: Matt Griffin

REFERENCE ALTEC MODEL		**Sourcewell Price**
DM47B	**47' Digger Derrick**	**$197,960**

(A.) SOURCEWELL OPTIONS ON CONTRACT (Unit)

1	DM47B-AWD	All Wheel Drive	$13,582
2			
3			
4			

(A1.) SOURCEWELL OPTIONS ON CONTRACT (General)

1	MHW18	HYDRAULIC FRONT WINCH. 1-speed. 20,000 lb. (Bare Drum) Capacity, Bumper Package. Planetary Drive Winch with Extended Shaft to Curbside. Bumper Package Includes a Four-Way Roller, Gravel Guard, Access Door, Winch Dog, and Two (2) Tow Eyes. Winch Comes with 150' of 1/2" Cable with an Eye in One End. Air Controls are Located Inside the Cab and on the Front Winch.	$9,207
2			
3			
4			
5			
6			
7			
8			
		SOURCEWELL OPTIONS TOTAL:	$220,749

(B.) **OPEN MARKET ITEMS** *(Customer Requested)*

1	UNIT		
2	UNIT & HYDRAULIC ACC		
3	BODY		
4	BODY & CHASSIS ACC		
5	ELECTRICAL		
6	FINISHING		
7	CHASSIS		
8	OTHER		
		OPEN MARKET OPTIONS TOTAL:	$0

SUB-TOTAL FOR UNIT/BODY/CHASSIS: **$220,749**
Delivery to Customer: **$734**
TOTAL FOR UNIT/BODY/CHASSIS: **$221,483**

(C.) **ADDITIONAL ITEMS** (items are not included in total above)

1	SPOT6	Remote Spot Light, LED, Permanent Mount, With Wireless Dash Mounted Controls And Programmable Wireless Remote	$746
2	SPOT6	Remote Spot Light, LED, Permanent Mount, With Wireless Dash Mounted Controls And Programmable Wireless Remote	$746
3	RL	Rope Lighting in Tbox Compartments	$604
4	RADIO	RADIO REMOTE CONTROLS (Required with Platfrom)	$11,152

Pricing valid for 45 days

NOTES

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: Standard Altec Warranty for Aerials and Derricks - One (1) year parts warranty One (1) year labor warranty Ninety (90) days warranty for travel charges (Mobile Service) Limited Lifetime Structural Warranty. Chassis to include standard warranty, per the manufacturer.

TO ORDER: To order, please contact the Altec Account Manager listed above.

CHASSIS: Per Altec Commercial Standard

DELIVERY: No later than **30-60** days ARO, FOB Customer Location

TERMS: Net 30 days

BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

TRADE-IN: Equipment trades must be received in operational condition (as initial inspection) and DOT compliant at the time of pick-up. Failure to comply with these requirements, may result in customer bill-back repairs.

BUILD LOCATION: St. Joseph, MO


Altec


Altec

AGENDA ITEM COMMENTARY

Meeting Date:	November 20, 2020
Board:	Board of City Commissioners
Subject:	Lease Purchase Agreement

ITEM TITLE: Discuss and Consider Approval of Resolution 2020-38; *A Resolution Authorizing Execution of a Lease Purchase Agreement on Equipment*

INITIATOR: Electric Superintendent
City Manager

STAFF INFORMATION SOURCE: Electric Superintendent
City Manager

BACKGROUND: Approval of Resolution 2020-38 will allow staff to move forward with lease purchase paperwork on the digger derrick.

EXHIBITS: 1. 2020-38 Digger Derrick

KEY ISSUES: N/A

FUNDING SOURCE:

RECOMMENDATION: Approval of Resolution 2020-38.

RESOLUTION NO. 2020-38

A RESOLUTION AUTHORIZING EXECUTION OF A LEASE PURCHASE AGREEMENT ON EQUIPMENT

WHEREAS, the City of Sallisaw is in need of one (1), 47' Digger Derrick, and

WHEREAS, the City of Sallisaw has an opportunity to enter into a lease purchase agreement on one (1) 2020 Altec DM47B-AWD 47' Digger Derrick with Altec Industries, Inc., of St. Joseph, Missouri, in *amount not to exceed* $245,000.00 and does not desire to purchase said equipment with cash.

NOW, THEREFORE, BE IT RESOLVED by the Board of City Commissioners of the City of Sallisaw, Oklahoma:

That the City of Sallisaw, Oklahoma lease from Altec Industries, Inc., of St. Joseph, Missouri, according to the terms of a certain lease purchase agreement for a term of forty-eight (48) months, and renewable thereafter, with a purchase price *not to exceed* $ 245,000.00 set forth therein, one (1), 2020 Altec DM47B-AWD 47' Digger Derrick.

BE IT FURTHER RESOLVED, THAT THE SAID BOARD OF CITY COMMISSIONERS OF THE CITY OF SALLISAW, OKLAHOMA, finds, determines and declares that Ernie Martens, Mayor of the City of Sallisaw, be and he is hereby authorized and directed to execute said lease purchase agreement for the City of Sallisaw, Oklahoma.

PASSED AND APPROVED this 20th day of November 2020.

CITY OF SALLISAW, OKLAHOMA

____
Ernie Martens, Mayor

ATTEST:

____
Dianna Davis, City Clerk

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date:	November 20, 2020
Board:	Board of City Commissioners
Subject:	Amendment to Audit Engagement Agreement

ITEM TITLE: Discuss and Consider Approval of Amendment to Audit Engagement Agreement with FSW&B, CPA's PLLC, of Stillwater, Oklahoma in *Amount not to Exceed* $6,500.00 to Cover Additional Cost Related to Single Audit

INITIATOR: FSW&B, CPA's PLLC
Director of Finance

STAFF INFORMATION SOURCE: Director of Finance

BACKGROUND: Council approved audit engagement letters with FSW&B on March 9, 2020. At that time, it was not known that we would be subject to a Single Audit due to the amount of federal grant funds received. This amendment will provide for the Single Audit required. Staff is requesting amendment in an *amount not to exceed* $6,500.00.

EXHIBITS: 1. SA Engagement Letter Sallisaw

KEY ISSUES: We are required to conduct this Single Audit.

FUNDING SOURCE: General Fund

RECOMMENDATION: Approve Amendment to Audit Engagement Agreement with FSW&B, CPA's PLLC, of Stillwater, Oklahoma in *Amount not to Exceed* $6,500.00 for Single Audit.

FSW&B
CERTIFIED PUBLIC ACCOUNTANTS -PLLC

November 11,2020

To City Council and Management of the City of Sallisaw, OK

City of Sallisaw
P.O. Box 525
Sallisaw, OK 74955-0525

We are pleased to confirm our understanding of the services we are to provide City of Sallisaw, OK for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of City of Sallisaw, OK as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Sallisaw, OK'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 City of Sallisaw, OK'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 responses 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 U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.
2) Combined or Combining Fund Financial Statements
3) Budget to Actual Schedules
4) Statements of Pension Funding Progress

We have also been engaged to report on supplementary information other than RSI that accompanies City of Sallisaw, OK's financial statements. We will subject the following supplementary information 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 we will provide an opinion on it in relation to the financial statements as a whole:

1) Schedule of expenditures of federal awards.

205 W. McElroy Rd. Ste 1• Stillwater, OK 74075• Office: 405.624.9500• Fax: 405.624.7326
1300 Main St.•Woodward, OK 73801• Office: 580.256.6830• Fax: 580.756.4325

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to City Council of City of Sallisaw, OK. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Sallisaw, OK's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Sallisaw, OK's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on City of Sallisaw, OK's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We do not anticipate providing any non-attest services as part of our engagement. In the event that we do provide some non-attest services, those non audit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on December 1, 2020.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) 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 (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. 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 OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) 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 (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these 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 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 sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide twenty five copies of our reports to City of Sallisaw, OK; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of FSW&B CPAs-PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Oklahoma State Auditor or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of FSW&B CPAs-PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Oklahoma State Auditor. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 1, 2020 and to issue our reports no later than December 31, 2020. Derrel S. White, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $$24,150 for the audit and between $6,000 and $6,500 for single audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your 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 notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to City of Sallisaw, OK and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

FSW+B CPAs-PLLC

FSW&B CPAs-PLLC

RESPONSE:

This letter correctly sets forth the understanding of City of Sallisaw, OK.

Management signature: ______________________________

Title: ______________________________

Date: ______________________________

Governance signature: ______________________________

Title: ______________________________

Date: ______________________________

AGENDA ITEM COMMENTARY

Meeting Date:	November 20, 2020
Board:	Board of City Commissioners
Subject:	COVID-19 and City Operations

ITEM TITLE: Discussion and Update on COVID-19 and City Operations; and Possible Direction to Staff

INITIATOR: City Manager

STAFF INFORMATION SOURCE: City Manager
State of Oklahoma

BACKGROUND: Staff continues to monitor the COVID-19 situation in Sallisaw, Sequoyah County and the State of Oklahoma. Staff will provide any updates available during the meeting.

EXHIBITS:

KEY ISSUES:

FUNDING SOURCE: NA

RECOMMENDATION: Discussion and possible direction to staff.