

CITY OF COVE
REGULAR COUNCIL MEETING
July 1, 2025, at 7:00 p.m.
504 ALDER STREET
COVE, OR 97824

- **Call to Order**
- **Pledge of Allegiance**
- **Council Roll Call**
- **Additions/Changes to the Agenda**
- **Public Comment for Items on the Agenda-** 3 minutes per person; Must Sign the Speakers Roster
 - Community members may address issues observed on the agenda and may ask council for additions for consideration to be added to the current agenda.
- **Consent Agenda**
 - June 3, 2025, Council Minutes
 - Approval of Bills to Be Paid
- **Correspondence**
- **Old Business**
 - Ordinance Enforcement
 - Clean Up Day Follow Up
 - Student Councilor Scholarship Procedure
 - Beautification Initiative for the City of Cove
- **New Business**
 - Donation Requests:
 - Amber Parker
 - Cove Cherry Fair
 - Union County Chamber of Commerce Membership
 - CPA Letter of Understanding for Audit
- **City Recorder Report**
- **Public Works Director Report**
- **Mayor's Report**
- **Good of the Order**
- **Public Comment for Items Not on the Agenda-** 3 minutes per person; Must Sign the Speakers Roster
 - This is the place allowed for the public to comment on anything they wish to have addressed by council or discuss their feelings towards any matter before the council which is not already scheduled for discussion on the meeting agenda.
- **Suggestions for Future Workshops & Meeting Agendas**
- **Upcoming Meetings**
- **Adjournment**

To submit public comment in writing, or questions about accommodations for persons with disabilities please send an e-mail to cityadmin@cityofcove.org at least four (4) calendar days prior to the meeting. To join the meeting virtually from your computer, tablet, or smartphone see the link below:
<https://meet.goto.com/CityofCove>

You can also dial in using your phone:
United States (Toll Free): [1 877 309 2073](tel:18773092073)
United States: [+1 \(312\) 757-3129](tel:+13127573129)
Access Code: 566-891-733

**City Of Cove
Council Meeting Minutes
June 3, 2025**

Call to Order

Mayor Sherry Haeger called the regular session of the Cove Common Council to order at 7:00 p.m. located at City of Cove City Hall, 504 Alder St., Cove, Oregon, 97824. Remote access to the meeting was active.

Council Members Present: Council President Matt McCowan, Councilors Jason Hagey, Alexis Cannon, Shawn Parker and Youth Councilor Emma Carson.

Council Members Present Remotely: There were no councilors present remotely.

City Staff Present: City Recorder Lana Shira, Public Works Director Dave Johnson, and Billing Clerk Kerri McCowan.

City Staff Present Remotely: There were no city staff present remotely.

Council Members not Present: Councilors Eric Stone and Boss Parker.

City Staff not Present: All city staff were present.

Public Present: Kelly Skovlin, Dennis Nostrant, Union County Commissioner Jake Seavert, Carrie Hargrove, and Cheryl Hargrove.

Public Present Remotely: There was public present remotely. See City of Cove Meeting Info printout.

Pledge of Allegiance

The Pledge of Allegiance was led by Mayor Haeger.

Council Roll Call

Roll call was performed by Lana Shira, City Recorder. A quorum was determined to be present.

Additions/Changes to the Agenda

Animal Control Issues

Public Comment

Carrie Hargrove, 704 Foster Street, expressed that she and her sisters like to walk in the evenings, but within the last five years there has been a huge problem with dogs. Every week they have dogs charge them and they have had to use pepper spray. On Sunday they had three rottweilers charge them at home in their own driveway. She has contacted law enforcement, but she noted she is concerned for everyone in the community. She feels like the city needs to send out some kind of notification to dog owners within the city.

Consent Agenda

- May 6, 2025, Council Minutes
- May 22, 2025, Budget Committee Minutes
- Approval of Bills to Be Paid

A question was brought up about approval of the purchase of a trailer. Dave provided an explanation of the trailer purchase and the process he went through to find the trailer. He described the trailer as a flatbed, tandem axle to be used for transporting the jetter. It

was noted the purchase was approved in last year's budget. Lana explained why it needed to be in the current bills to be paid. Dave noted the bid came in less than he expected.

Motion: Council President McCowan moved to approve the purchase of the trailer that Dave found. Councilor Hagey seconded. Motion carried.

Motion: Council President McCowan moved to approve the Consent Agenda as presented. Councilor Cannon seconded. Motion carried.

Correspondence

No correspondence was presented at this meeting.

Old Business

- **Shut-Off Day Postponement Considerations**
Lana provided a verbal review of Section 7 of Ordinance 2-2017, An Ordinance Amending Billing and Payments of Water and Sewer Account, Section 11 of Ordinance No.1, Series 1981, and Eliminating Ordinance 1997-3. She noted that this gives the City Recorder discretion in cases of extreme hardship to retain or renew water service with an appropriate payment plan in place.
- **Property Tax Increase Associated with the Update of Union County Evacuation Maps**
Lana noted she emailed Nick Vora, Emergency Manager for Union County, regarding the question of whether property taxes were increased due to the update of the evacuation maps. She referred to his response and read it out loud noting the answer was no, it did not raise property taxes.
- **Clean Up Day Follow Up**
Lana reported there is no follow up because we have not gotten the bills and donations settled yet.

New Business

- **Award the Lower Reservoir Coating Project**
Dave reported bids were due last Thursday. He has received five bids. The low bid was around \$184,000. However, after Anderson Perry went through the bids they received some concerns from a paint coating supplier about the low bidder's experience. The next lowest bid was \$247,000. Because of the discrepancy in bid amounts they haven't recommended a bid yet, and they are going to ask the low bidder for clarification about their experience. Anderson Perry will provide their findings to Dave.
- **Purchase of a Trailer**
Purchase of a trailer was discussed during the Consent Agenda discussion.
- **Youth Councilor Clarifications**
Youth Councilor Carson recused herself from the discussion of the Youth Councilor clarifications and stepped outside City Hall at 7:45 pm. Lana explained in her research she found no procedure outlining how the applicants for the Youth Councilor were awarded. The only procedure documented was how the application is sent out. Discussion ensued regarding past procedures. It was determined that Youth Councilor Carson needs to be paid for the term she has served over the last year, and the scholarship opportunity will be open for applications for next school year.

Motion: Councilor Parker moved to approve Youth Councilor Emma Carson be awarded the \$2500 she deserves. Council President McCowan opposed. Motion carried.

Youth Councilor Carson returned to the meeting at 7:58 pm.

Lana noted we should make a formal procedure for awarding the Youth Councilor position. Mayor Haeger agreed to draft a formal procedure for review.

- **Cherry Fair Donation Request**
The Cherry Fair donation request was reviewed and discussed. It was reported last year they were given a total of \$1500. The year before that we gave them \$250 and the year before that was \$500. Further discussion ensued and it was determined this discussion will be tabled to see if someone from the CCA will come and request a donation.
- **Animal Control Issues**
It was discussed that it was thought the City of Cove's animal control is handled by Union County; however, there is some confusion now after investigating a chicken complaint that was received last month. The Mayor verbally reviewed the County ordinance and asked Commissioner Seavert to comment. He explained the sheriff's department is required by the state to provide animal control services. Further discussion ensued and he agreed to take our concerns back to Sheriff Bowen. It was also noted Sheriff Bowen is expected to attend the July city council meeting.

Carrie Hargrove's request to send a notice to Cove citizens about dogs at large was discussed. It was determined Lana will send a notice to citizens noting the city's stance and quoting the ordinance.

Budget Hearing 7:30 pm

- **Call to Order**
Mayor Haeger called the Budget Hearing to order at 7:30 pm.
- **Committee Roll Call**
Roll call was performed by Lana Shira, City Recorder. A quorum was determined to be present.
- **Budget Message**
The Budget Message was provided. Lana provided an overview of the changes and where the funds were moved to cover the changes.
- **Public Comment**
There was no public comment made at this hearing.

Motion: Councilor Cannon moved that the City of Cove adopt Resolution No. 2025-3 declaring the City's election to receive State Revenue. Councilor Shawn Parker seconded. Motion carried.

Motion: Councilor Hagey moved that the City of Cove adopt Resolution No. 2025-4, a resolution making all fund appropriations and imposing and categorizing the tax for the 2025-26 fiscal year. Council President McCowan seconded. Motion carried.

- **Adjournment**
Mayor Haeger adjourned the hearing at 7:46 pm.

City Council Working Committee Report

- TSP – Land Use
Dave noted the TSP – Land Use document is ready, he just needs to know how council wants it disseminated. Mayor Haeger requested an electronic copy, Councilor Cannon requested a paper copy, Councilor Shawn Parker requested paper, Councilor Hagey requested paper, and Council President McCowan requested paper. Dave agreed to reach out to Councilor Stone and Councilor Boss Parker to see how they want the document given to them.

City Recorder Report

Lana provided a verbal report:

- She has received several calls already about burning. She provided the document required and reviewed the procedure that must be followed to request a burn permit.

Public Works Director Report

Dave provided a verbal report:

- They have been busy working on Geni and Suzie. Will work on getting bids for paving and awarding that at the July meeting.
- They have been mowing. They are a little behind because of the Geni/Suzi project.
- A request has been received for annexation on a parcel on the north side of Campbell Drive and he is working through how to get sewer to it.
- He's looking into an easement for city sewer main on the corner of Hill and Second Street.
- They are raising the manhole on Jasper Street. ODOT has given their approval for that.

Mayor's Report

Mayor Haeger did not provide a report.

Youth Councilor Report

Emma provided a verbal report:

- ASB elections were held.
- Roof construction is being carried out on the school buildings.
- Graduation and the last day of school have been completed.

Good of the Order

No good of the order was presented at this meeting.

Public Comment

Kelly Skovlin had a comment about Cherry Fair. She noted Heidi VanSchoonhoven, President of the CCA, has been gone, and that's probably why she has not attended any meetings to request a donation.

Dennis Nostrant, 1202 Bryan Street, wanted to know how he can get a copy of the draft TSP – Land Use document. It was noted the document will be discussed in September and it will go to legal counsel and then there will be a public hearing before it is ready to be formalized and published.

Suggestions for Future Workshops & Meeting Agendas

No suggestions for future workshops or meeting agendas were made at this meeting.

Upcoming Meetings

No upcoming meetings were discussed.

Adjournment

Mayor Haeger adjourned the meeting at 8:30 p.m.

Sherry Haeger, Mayor

Kerri McCowan, Billing Clerk

Lana Shira, City Recorder

Cove Clean-Up Day

May 17, 2025

prepared by lana Shira

Expenses

Office Supplies	card stock	\$	73.92	
Printing	in-office	\$	27.67	
USPS	Postage	\$	143.61	
Insurance	Saif	\$	150.00	
Walmart	Volunteers Food	\$	167.43	
Waste Pro	Dumpsters/waste	\$	1,282.37	
				\$ 1,845.00

Income

Donations	citizens	\$	773.00	
Contribution	Union Co Sold Waste	\$	922.50	estimated
B & K	metal recycle	\$	217.23	
				\$ 1,912.73
				\$ 1,912.73
				\$ 245.11

City of Cove – Beautification Proposal
Submitted by: Councilor Alexis Cannon
Date: 06/03/2025

Proposal Title:

Beautification Initiative for the City of Cove

Overview:

This proposal outlines a **pilot or annual beautification initiative** to inspire community pride, enhance the appearance of our town, and recognize residents who contribute to the beautification of their homes and properties. The aim is to create public awareness and encourage community involvement to keep the City of Cove vibrant and attractive to both residents and visitors.

Purpose:

As a proud member of the City Council, I believe Cove is a beautiful place to live, and it's important that we highlight and preserve this beauty. This initiative will not only celebrate our city's charm but also promote civic responsibility, foster community engagement, and boost local pride.

Presentation to the Community:

To introduce the Beautification Initiative to the residents, I recommend a combination of outreach methods:

- **Mailers sent to all households within city limits.**
- **Posts on the City of Cove website and social media channels.**
- **Flyers on community boards at City Hall, the Library, and local businesses.**
A feature article in the local newspaper to raise awareness and encourage participation.

Program Structure & Implementation:

1. Event Frequency:

The Council will decide whether this project should involve **two or four events per year**. These could be held seasonally or biannually to allow for recognition in both spring and fall.

2. Volunteer Committee:

The Council will invite **local volunteers** to form a **Beautification Selection Committee**. This group will help identify properties that meet the improvement and beautification goals. **At least two volunteers must be residents of the City of Cove.**

3. Eligibility Criteria:

- Only residents **within city limits** are eligible.
- A household may only **win once every two years** to ensure broad participation.
- Properties will be judged on **visual improvements, landscaping, cleanliness, and creative enhancement efforts** (e.g., gardens, decorative elements, or restorations).

4. Nomination Process:

Volunteers will compile a list of candidate properties and submit recommendations to the City Council for review.

5. Selection & Recognition:

The City Council will review nominations and select the winner(s).

Recognition options may include:

- **A certificate of recognition** from the city.
- **A small cash prize** (to be determined by the council).
- **A discount on the winner's water bill** for one month.

6. Award Presentation:

Awards will be presented at a **City Council meeting** or designated community event, creating a sense of ceremony and public recognition.

7. Publicity:

The winners and their contributions will be highlighted:

- In a **special article on the city website.**
- Through a **feature in the local newspaper.**
- On the **Cove City social media platforms.**

Conclusion:

This initiative is a great opportunity to engage the community and showcase the pride we take in our city. I believe this Beautification Plan will uplift Cove's appearance and strengthen the connection between the local government and its residents.

I welcome any amendments, feedback, or additions to this proposal. Thank you for your time and support.

Respectfully submitted,
Councilor Alexis Cannon
City of Cove

City Recorder

From: Amber Parker <hezrn2@gmail.com>
Sent: Friday, June 20, 2025 9:30 AM
To: City Recorder
Subject: July Agenda

Hi Lana. Can you please add me to the agenda for July. It's almost Cherry Fair time again and I need to make a request for the donation although this year I need to ask if it could possibly be slightly increased.

Thank you,
Amber Parker
Cove Drive In
Sent from my iPhone



COVE Cherry Fair




Dear Friends of Cherry Fair!

The Cove Community is preparing to welcome 1500+ people to the fairgrounds! We'll begin the celebration with a parade and continue at the Ascension School grounds with over 50 vendors, live entertainment, a pancake breakfast, Fun Run, Quilt Show, games all day, and delicious local food and drink!

Save the Date for the 25th Annual Cherry Fair! August 16, 2025 @ Ascension School in Cove.

Our local businesses and community donors fuel the fair! **Would you consider joining our financial support team?** Check out the suggested levels and perks below.

We'll see you at the fair!

Your Cherry Fair Committee

Questions? Contact Amy

amy@coveascensionschool.com; 541.568.4514 x1

You can sponsor directly on our website @
www.covecherryfair.com
or mail to: Cove Community Association
P.O. Box 31 Cove, OR 97824

Sponsor Perks	\$50	\$100	\$250	\$500
Acknowledgement on Sponsor Posters & Cherry Fair @ covecherryfair.com				
Shoutout on Facebook & Instagram				
Sponsor Poster for Your Storefront (Delivered!)				
Link to website on covecherryfair.com				
Acknowledgement on Pre-Fair Community Mailer				
A Big Thank You from the Main Stage				
Name & Logo on Cherry Fair Day-Of Banners and Posters				
Complimentary Display Space @ the Cherry Fair Booth				

Union County Chamber of Commerce
207 Depot Street
La Grande, OR 97850-2618
Tel 5419638588
E-Mail info@visitunioncounty.org



INVOICE 2103

6/13/2025

BILL TO

MESSAGE

City of Cove
Sherry Riley
P O Box 8
Cove, OR 97824

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	Nonprofit Membership Dues Annual	100.00	100.00
TOTAL			100.00
PAYMENT/CREDIT/DISCOUNTS APPLIED			(0.00)
TOTAL DUE BY 7/13/2025			100.00

Thank you for your continued investment in
Union County!

CURRENT	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	TOTAL OPEN INVOICE
100.00	0.00	0.00	0.00	100.00

[Submit payment online here](#)

Ask Council
- if they want
to pay this

May 28, 2025

Board of Directors
City of Cove, Oregon
504 Alder St
Cove, OR 97824

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for the City of Cove.

We will apply the procedures described in Oregon Administrative Rules Chapter 162, Section 40: *Oregon Minimum Standards for Agreed-Upon Procedures*. By signing this engagement letter, you agree to those procedures and acknowledge that the procedures to be performed are appropriate for the intended purpose of the engagement, which is to fulfill the State of Oregon's annual filing requirement for your entity. We understand the engagement is required in accordance with Oregon Administrative Rules. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain your written agreement to the procedures to be applied and your acknowledgment that those procedures are appropriate for the intended purpose of the engagement, as described in this letter. A refusal to provide such agreement and acknowledgment will result in our withdrawal from the engagement. No other parties will be requested to agree to the procedures. We make no representation that the procedures we will perform are appropriate for the intended purpose of the engagement or for any other purpose.

Because the agreed-upon procedures do not constitute an examination or review, we will not express an opinion or a conclusion on the procedures described in Oregon Administrative Rules Chapter 162, Section 40: *Oregon Minimum Standards for Agreed-Upon Procedures*. In addition, we have no obligation to perform any procedures beyond those to which you agree.

We plan to begin our procedures in July 2025 and, unless unforeseeable problems are encountered, the engagement should be completed by September 2025.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the Board of Directors. If we encounter restrictions in performing our procedures, we will discuss the matter with you. If we determine the restrictions are appropriate, we will disclose the restrictions in our report. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Our report is not expected to be restricted to the use of specified parties.

There may exist circumstances that, in our professional judgment, will require we withdraw from the engagement. Such circumstances include the following:

- You refuse to provide written agreement to the procedures and acknowledge that they are appropriate for the intended purpose of the engagement.
- You fail to provide requested written representations, or we conclude that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representation, or we conclude that the written representations provided are otherwise not reliable.
- We determine that the description of the procedures performed or the corresponding findings are misleading in the circumstances of the engagement.
- We determine that restrictions on the performance of procedures are not appropriate.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, should any such matters come to our attention, we will communicate them in accordance with professional standards and applicable law. In addition, if, in connection with this engagement, matters come to our attention that contradict the procedures described in Oregon Administrative Rules Chapter 162, Section 40: *Oregon Minimum Standards for Agreed-Upon Procedures*, we will communicate such matters to you.

You are responsible for the subject matter to which we will apply procedures as described in Oregon Administrative Rules Chapter 162, Section 40: *Oregon Minimum Standards for Agreed-Upon Procedures*. In addition, you are responsible for providing us with (1) access to all information of which you or the appropriate party are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request from the appropriate party for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for the subject matter to which we will apply procedures as described in *Oregon Minimum Standards for Agreed-Upon Procedures* in accordance with Oregon Administrative Rules Chapter 162, Section 40.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skill, knowledge, and experience to oversee our financial statement preparation services. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

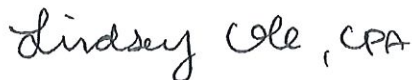
Lindsey Cole, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be \$6,041. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. 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. 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 will 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. You 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.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from knowing misrepresentations to us.

We appreciate the opportunity to assist you 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. If the need for additional procedures arises, or the procedures need to be modified, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will consider whether they need to acknowledge in writing their agreement with the procedures performed or to be performed and their acknowledgment that the procedures are appropriate for their purposes.

Connected Professional Accountants, LLC



Lindsey Cole, CPA

RESPONSE:

This letter correctly sets forth the understanding of City of Cove

Management's Signature

COPY

Title: _____

Date: _____

May 28, 2025

Board of Directors
City of Cove, Oregon
504 Alder St
Cove, OR 97824

We are pleased to confirm our acceptance and understanding of the services we are to provide for City of Cove ("the City") for the year ended June 30, 2025.

You have requested that we prepare the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the note disclosures of City of Cove for the year ended June 30, 2025. You have also requested that we prepare the budgetary comparison information based on information provided by you.

Our Responsibilities

The objective of our engagement is to prepare financial statements in accordance with the modified cash basis of accounting based on information provided by you. We will conduct our engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the City or noncompliance with laws and regulations.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is the preparation of the financial statements in accordance with the modified cash basis of accounting. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARS.

1. The selection of the modified cash basis of accounting as the financial reporting framework to be applied in the preparation of the financial statements.
2. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
3. The prevention and detection of fraud.
4. To ensure the City complies with the laws and regulations applicable to its activities.
5. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgements, you provide to us for the engagement to prepare financial statements.

6. To provide us with –

- Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
- Additional information that may be requested for the purpose of the preparation of the financial statements, and
- Unrestricted access to persons within the City with whom we determine it necessary to communicate.

You are responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

Other Relevant Information

Lindsey Cole, CPA is responsible for supervising the engagement.

Our fees for these services will be \$2,589. Our invoices for these fees will be rendered as work progresses and are payable on presentation. In accordance with firm policies, work may be suspended if your account becomes 30 days or more overdue and will 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 or termination, even if we have not completed our report. You 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.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you 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.

Connected Professional Accountants, LLC

Lindsey Cole, CPA

Lindsey Cole, CPA

RESPONSE:

This letter correctly sets forth the understanding of City of Cove.

Management's Signature

COPY

Title: _____

Date: _____