

Next Ord: 2010-22  
Next Res: 1093-22

**CITY COUNCIL STUDY SESSION  
AGENDA  
May 4, 2022  
6:00 PM Via Zoom & in Person  
Sedro-Woolley Municipal Building  
Council Chambers  
325 Metcalf Street**

**a. New Business**

1. Confirmation of Kelly Kohnken to the Position of Finance Director with Authorization for the Mayor to Negotiate and Sign an Employment Agreement.
2. Lease of 802 Ball Street (Old Sedro-Woolley Library) to Skagit Valley Family YMCA
3. Classification and Compensation Study Update

**Next Meeting(s) City Council Meeting May 11th, 2022**

**Topic: Sedro-Woolley City Council Study Session**  
**Time: 6:00 PM to 8:00 PM**

***Join Zoom Meeting***

<https://zoom.us/j/9178585U179?pwd=Vys0Y29XalZmOTRmem1BM2txVDIUQT09>

Meeting ID: 917 8685 0179

Passcode: 091845

***OR*** One tap mobile

+12532158782,,91786850179#,,,,,0#,,091845# US (Tacoma)

+16699006833,,91786850179#,,,,,0#,,091845# US (San Jose)

***OR*** Dial by your location

+1 253 215 8782 US (Tacoma)

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington D.C)

+1 312 626 6799 US (Chicago)

Meeting ID: 917 8685 0179

Passcode: 091845



Agenda Item No.	
Date:	May 4, 2022
Subject:	Confirmation of Kelly Kohnken to the Position of Finance Director with Authorization for the Mayor to Negotiate and Sign an Employment Agreement.

**FROM:**

Charlie Bush, City Administrator

**RECOMMENDED ACTION:**

A motion to confirm the Mayor's appointment of Kelly Kohnken to the position of Finance Director with authorization for the Mayor to negotiate and sign an Employment Agreement.

**ISSUE:**

Should the City Council confirm the Mayor's appointment of Kelly Kohnken to the position of Finance Director?

**BACKGROUND/SUMMARY INFORMATION:**

**2.08.020 Combining office of city treasurer with office of city clerk.**

The office of the city treasurer of Sedro Woolley shall be combined with the office of the city clerk of the city, and the clerk-treasurer shall be appointed by and serve at the pleasure of the mayor and which appointment must be in writing, signed by the mayor, and filed with the clerk, and subject to filing bond in such an amount as may be required by law. (Ord. 1196 § 1 (part), 1994: Ord. 1014 § 2, 1985)

While the Mayor can appoint the Finance Director (Clerk-Treasurer), the City Council authorizes the Mayor to execute employment contracts. Therefore, staff are requesting authorization to allow the Mayor to enter into an employment contract and to support the appointment of Ms. Kohnken to the position of Finance Director.

**FISCAL IMPACT, IF APPROPRIATE:**

This action creates no additional financial impact on the City's 2021-2022 Biennial Budget.

**ATTACHMENTS:**

1. Employment Agreement
2. Kelly Kohnken's Resume

## EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this 4th day of May, 2022, by and between the City of Sedro-Woolley, State of Washington, a municipal corporation, hereinafter called "Employer", and Kelly Kohnken, hereinafter called "Employee", both of whom covenant and agree as follows:

### WITNESSETH:

WHEREAS, Employer desires to employ the services of said Employee as Finance Director of the City of Sedro-Woolley; and

WHEREAS, it is the desire of the employer to provide certain benefits, establish certain conditions of employment and to set working conditions of said Employee; and

WHEREAS, it is the desire of the employer to (1) secure and retain the services of Employee and to provide inducement for her to remain in such employment, (2) to make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security, (3) to provide a just means for terminating Employee's services at such time as she may be unable to fully discharge her duties due to disability or when Employer may otherwise desire to terminate her employ; and

WHEREAS, Employee desires to be employed as Finance Director of the City of Sedro-Woolley:

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

### **Section 1. Duties**

Employer hereby agrees to employ said Employee as Finance Director of said Employer to perform the functions and duties of said office as specified law, and to perform other legally permissible and proper duties and functions as the Employer shall from time to time assign. A job description is attached hereto and incorporated by reference as Exhibit A.

### **Section 2. Term**

A. The Employee serves at the pleasure of the Mayor. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employer to terminate the services of Employee at any time, subject only to the provisions set forth in Section 4 of this agreement.

B. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from her position with Employer, subject only to the provision set forth in Section 4 of this agreement.

### **Section 3. Suspension**

Employer may suspend the employee with full pay and benefits at any time during the term of this agreement.

### **Section 4. Termination and Severance Pay**

A. In the event Employee is terminated by the Employer before expiration of the aforesaid term of employment during such time that employee is willing and able to perform her duties under this agreement, then the Employer agrees to pay Employee a lump sum cash payment equal to three (3) month's aggregate salary & health insurance; provided, however, that in the event Employee is terminated for just cause, or because of her conviction of any illegal act involving personal gain to her, that the Employer shall have no obligation to pay the aggregate severance sum designed in this paragraph. ("Just cause" shall include all matters that constitute grounds for disciplinary action as set forth in any personal policy manual of the Employer as now existing or hereinafter amended. The provisions of any personnel policy or other written or unwritten custom or policy regarding termination shall not apply to the Employee, except for purposes of defining "just cause".)

B. In the event employer at any time during the term of this agreement reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all department head Employees of employer, or in the event Employer refuses, following written notice, to comply with any other provisions benefiting Employee herein then the employee may, at her option, be deemed to be 'terminated' at the date of such reduction or such refusal to comply with the meaning and context of the severance pay provisions, as her sole and exclusive remedy for such action.

C. In the event Employee voluntarily resigns her position with Employer before expiration of the aforesaid term of his employment, then Employee shall give Employer thirty (30) days written notice in advance, unless the parties otherwise agree.

D. The severance package provided in subparagraph 4.A. above shall not be construed as an extension of the Employee employment beyond the termination date. The Employee shall not during the period between the termination date and the end of the severance payments accrue any additional sick leave vacation leave or other benefit accorded active City employees.

### **Section 5. Salary**

Employer agrees to pay Employee for her services rendered pursuant hereto a base salary of \$10,795 per month, payable in installments at the same time as other Employees of the Employer are paid.

Said salary shall cease upon termination of employment as provided in this agreement. In addition, the rate of pay and benefits will be adjusted annually equal to the cost of living and/or cost of market increase given to other nonunion management employees. Employer shall not at any time during the term of this agreement reduce the salary compensation or other financial benefits of Employee, except to the degree of such reduction across-the-board for all department head employees of the Employer. At any time during the term of the Agreement,

Employer may, in its discretion, review and adjust the salary of the Employee. Adjustments in salary or benefits, if any, shall be made pursuant to a lawful governing body action.

## **Section 6. Performance Evaluation**

The Employer shall review and evaluate the performance of the employee at least once annually. The employer shall provide the employee with a summary written statement of the findings of the Employer and provide an adequate opportunity for the Employee to discuss her evaluation with the Employer.

## **Section 7. Hours of Work**

The parties agree that this position is a professional exempt position, and that payment is based on a monthly salary, and not on an hourly rate of compensation. It is recognized that Employee must devote a great deal of time outside the normal office hours of business of the Employer. The Employee shall not receive additional compensation or compensatory time for such work. Upon approval of the Mayor, Employee may work a non-traditional workweek, such as a 4/10 schedule.

## **Section 8. Outside Activities**

The employment provided for by this Agreement shall be the Employee's primary employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may, subject to the approval of the Mayor, elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements must neither constitute interference with nor a conflict of interest with his or her responsibilities under this Agreement.

## **Section 9. Automobile**

For travel beyond the City limits, Employer shall provide Employee either the use of a City automobile for City purposes, or alternatively, compensation on a "per mile" basis for use of Employee's vehicle by Employee for City purposes at the same rate as applicable to other management employees of Employer.

## **Section 10. Vacation, Sick, Executive, and Military Leave**

Employee shall accrue vacation at a rate of 5 hours per pay period (semi-monthly). Sick leave will accrue and have credited to her personal account at the same rate as other management employees of the Employer, excluding the police and fire departments. Employee will receive Executive Leave according to City policy (current amount is 80 hours per year to be used in that year).

## **Section 11. Health Insurance**

A. Employer agrees to provide policies of medical insurance covering Employee and her dependents that are required by law or provided to all other management employees of Employer and their dependents.

B. The Employee agrees to abide by the Employer's policy regarding drug testing.

## **Section 12. Retirement**

Employer agrees to provide retirement benefits for Employee as provided by law.

## **Section 13. Dues and Subscription**

Employer agrees to budget and to pay for the professional dues and subscriptions of Employee necessary for her continuation and full participation in associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of the employer. These expenses shall be subject to prior approval of the Employer.

## **Section 14. Professional Development**

Employer agrees to budget and to pay for the travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for his professional development and for the good of the Employer. These expenses shall be subject to prior approval of the Employer.

## **Section 15. Indemnification**

Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the good faith performance of Employee's duties as Finance Director, except as may be caused by the intentional misconduct or criminal action of Employee. Employer will defend, compromise and settle any such claim or suit and pay the amount of any settlement of judgment rendered thereon.

## **Section 16. Other Terms and Conditions of Employment**

A. The Employer shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this agreement, the City ordinance or any other law.

B. All ordinances, regulations and rules of the Employer relating to vacation and such leave, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to Employee, except as herein provided.

## **Section 17. Notices**

Notices pursuant to this agreement may be provided electronically or by deposit in the custody of the United States Postal Service, postage prepaid, addressed to the last known address of the parties hereto. Alternatively, notices required pursuant to this agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

## **Section 18. General Provisions**

A. Integration. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the Employer and Employee are merged into and rendered null and void by this Agreement. The Employer and Employee by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.

B. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

C. Effective Date. This Agreement shall become effective on May 27, 2022.

D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both Employer and Employee subsequent to the expungement or judicial modification of the invalid provision.

E. Precedence. In the event of any conflict between the terms, conditions and provisions of this Agreement and the provisions of Council's policies, or Employer's ordinance or Employer's rules and regulations, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Agreement shall take precedence over contrary provisions of Council's policies, or Employer's ordinances, or Employer's rules and regulations or any such permissive law drying the term of this Agreement

F. Amendments. This agreement may be amended at any time by mutual agreement of the Employer and the Employee. Any amendments are to be negotiated, and be in accordance with the provisions of the Sedro-Woolley Municipal Code. This Agreement may only be amended in writing.

G. The text herein shall constitute the entire agreement between the parties.

IN WITNESS WHEREOF, the City of Sedro-Woolley has caused this agreement to be signed and executed in its behalf by its Mayor, and duly attested by its City Clerk, and the Employee has signed and executed this agreement, both in duplicate, the day and year first above written.

CITY OF SEDRO-WOOLLEY

EMPLOYEE



By: \_\_\_\_\_  
Julia Johnson, Mayor

\_\_\_\_\_  
Kelly Kohnken

Attest:

\_\_\_\_\_  
Debbie Burton, Finance Director

Approved as to Form:

\_\_\_\_\_  
Nikki Thompson, City Attorney



# KELLY KOHNKEN, MBA

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Sedro-Woolley, WA | 360.630.4051 | kohnkenkelly@gmail.com

## PROFILE

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An experienced accounting and auditing professional with a reputation and proven track record of collaboration, forward thinking, and leadership.

## SKILLS & ABILITIES

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Knowledge of the principles and practices of governmental accounting, auditing, financial standards, grant compliance, and best practices.  
Extensive experience coaching and mentoring new and establish staff.  
Willingness to learn the roles of finance staff and budgeting.

## EXPERIENCE

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June 2014 -  
Current

Assistant Audit Manager, *Office of the Washington State Auditor*

Other positions held, Assistant State Auditor

- Plan, organize, and supervise the work of multiple staff performing accountability, financial statement, and federal compliance audit procedures for local and state governments.
- Manage and evaluate four direct reports during monthly check-ins and annual performance evaluations while maintaining a positive and fun work environment.
- Research and provide guidance for cash-basis and GAAP financial entities.
- Prepare written recommendations and audit report to present to audit clients and the public.
- Interact tactfully, professionally, and courteously with citizens while coordinating hotline concerns.
- Develop and present financial and managerial trainings.

## EDUCATION

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June 2012

Bachelor of Arts, Accounting, *Western Washington University*

June 2013

Master in Business Administration, *Western Washington University*

## REFERENCES

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Available upon request.



Agenda Item No.	
Date:	May 4, 2022
Subject:	Lease of 802 Ball Street (Old Sedro-Woolley Library) to Skagit Valley Family YMCA

**FROM:**

Charlie Bush, City Administrator

**RECOMMENDED ACTION:**

This is a first read. However, if and when the Council is comfortable, staff recommends authorizing the Mayor to enter into a lease of the City's building at 802 Ball Street with Skagit Valley Family YMCA for the provision of recreational activities.

**ISSUE:**

Should the City lease the City's vacant former library building to Skagit Valley Family YMCA for use as a youth drop-in center and as a hub for other recreational programs?

**BACKGROUND/SUMMARY INFORMATION:**

Under Mayor Johnson's leadership, conversations about leasing the former City library building at 802 Ball Street to YMCA have been ongoing for several years. The COVID-19 pandemic disrupted conversations but with the current phase of the pandemic allowing for more in-person activities, conversations renewed this spring. The goal of these conversations was to make use of a vacant City building for the benefit of the community. A secondary benefit was the reduction of expenses to the City by sharing facility costs with another partner.

YMCA's Board of Directors approved the lease unanimously on April 28th. Some of the key provisions of the attached lease include:

- YMCA may use the building for a rental fee of \$1 per year.
- YMCA has an interest in having a long-term presence in Sedro-Woolley using this building as a hub for community recreational activities (See Lease Exhibit B). The lease runs for five year terms that automatically renew. The lease can be cancelled with three months notice by either party.
- YMCA is responsible for the utilities of the building and interior maintenance. The City will remain responsible for exterior maintenance. Both parties will negotiate a separate amendment to this agreement to develop a method for the initial replacement of interior systems in the building that are already well into their lifecycle. Once replaced, those systems will be the responsibility of YMCA as long as the lease is in effect.
- Under the terms, YMCA can sublease space for other comparable uses in the building. This provision will allow YMCA to more seamlessly implement additional partnerships to benefit our community.

Policy Options for Council:

- 1) Approve the lease as drafted, at this meeting or at a future meeting;
- 2) Make edits to the lease to be discussed with YMCA, with results brought back at a future meeting; or
- 3) Provide alternative direction to staff.

**FISCAL IMPACT, IF APPROPRIATE:**

This agreement will save the City money as it will be initially sharing the cost of the replacement of internal systems with YMCA and then will not have responsibility for future costs. In addition, the City will no longer be responsible for utility costs for the building.

**ATTACHMENTS:**

1. Draft YMCA Lease

## **LEASE AGREEMENT**

### **CITY OF SEDRO-WOOLLEY – SKAGIT VALLEY FAMILY YMCA**

The parties hereto are the CITY OF SEDRO-WOOLLEY, a municipal corporation of the State of Washington ("Landlord" or "City"), and SKAGIT VALLEY FAMILY YMCA, a Washington public benefit corporation ("Tenant").

#### **I - RECITALS**

WHEREAS, the Tenant is a charitable corporation whose corporate purpose is to foster and sponsor recreational, cultural, athletic and educational programs and activities for the use of the community's families and youth; and

WHEREAS, the City Council of the City of Sedro-Woolley has determined that the corporate purpose and activities sponsored by Tenant serve the public interest and the needs of the citizens of the City and provide public benefit to the City of Sedro-Woolley and its citizens; and

WHEREAS, the City has a vacant former library building located at 802 Ball Street in Sedro-Woolley; and

WHEREAS, Tenant desires to bring youth center programming to Sedro-Woolley as described in Exhibit B, making use of the 802 Ball Street building;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF the mutual covenants hereinafter contained, the parties agree as follows:

#### **II - CONSTRUCTION**

1. The Tenant shall not commence any construction on the Premises without written consent of the Landlord. Construction is defined as the act of building by combining or arranging parts or elements. Painting, wall hangings, installation of Wifi equipment and other non-intrusive cosmetic and operational improvements are not defined as construction. Consent of Landlord and the preparation of any lease arrangements and terms for any new construction will be at the sole discretion of the Landlord.

#### **III – LEASE OCCUPANCY**

1. LEASE AND DESCRIPTION. Upon the terms and conditions hereinafter set forth, the Landlord does hereby lease to Tenant and the Tenant does hereby lease from Landlord those certain premises situated in the City of Sedro-Woolley, County of Skagit, State of Washington, legally described in Exhibit A, hereinafter referred to as the "Premises."

In addition to the Premises, Tenant shall have the nonexclusive use, jointly with the public and the Sedro-Woolley Community Center and Sedro-Woolley Senior Center, of the developed parking areas adjacent to the Premises (hereinafter “parking areas”), subject to any rules imposed by the City. Approximately 50 parking spaces are available in these areas.

2. BUSINESS PURPOSE. The Premises are to be used primarily for the purpose of a community youth center and for such other and further purposes as are consistent with use of the facility as a family-oriented recreational cultural center.

3. USE. The Tenant shall conduct and carry on only the business for which the Premises are leased. The Tenant shall at all times keep and use the Premises in accordance with the laws of the State of Washington and ordinances of the City of Sedro-Woolley and in accordance with all directions, rules and regulations of the health officer, fire marshal, building official or other proper officer of any pertinent and authorized public authority, at the sole cost and expense of the Tenant.

The Tenant has priority use of the facility and agrees to permit access to the Premises for purposes and uses that are consistent with the intended use of the Premises as stated herein. Although the Tenant shall provide a full program of youth and family-oriented activities, the Tenant shall set aside the time while school is in session and during school summer vacation for complimentary uses. Further, the Tenant shall only accommodate complimentary uses to its primary use during this time.

The Tenant shall be responsible for scheduling such other uses. The Tenant shall be responsible for ensuring that any use of the Premises is consistent with the intended purposes and uses of the Premises as stated herein and that such other users are properly insured as stated in sections 13 and 14. Tenant may charge a reasonable rent to another user to offset the costs of janitorial service and utilities for such use. Rents collected in excess of those necessary to offset administrative, janitorial, and utility costs shall be forwarded to the Landlord.

At Landlord’s request, the Tenant shall submit an annual report to the Landlord of the schedule of programming by the Tenant and of the schedule of other uses. The Landlord shall assume the responsibility for the scheduling of the use of the Premises if the Tenant fails to provide adequate access of the Premises to other potential uses.

Failure to provide adequate youth programming, to provide adequate access to other compatible users or to meet any of the use requirements stated herein constitutes a default of the lease. In such an event, the Landlord will notify the Tenant, in writing, of such and the Tenant shall correct same within ninety (90) days after the date of the notification. Failure to correct such conditions shall constitute grounds for termination of this lease.

4. TERM. The term of this lease shall run from the date hereof until midnight on December 31, 2027. Tenant shall have the option of renewing this lease for a 5-year period. Such renewal is conditioned upon the approval of the Landlord based on the Tenant's full adherence to all terms of this lease. After the initial five years, the lease will automatically renew for terms of three years under the same conditions unless either party provides notification in writing more than three months prior to the end of lease. This notification requirement applies to both the initial five-year term and the subsequent three year terms. Outside of these periods, either party may terminate the lease with notice of 3 months or more. In the case of an unplanned emergency, the lease may be terminated through written mutual agreement between the parties. With such an action, the Tenant agrees to complete the current billing cycle for each of the utilities serving the facility.

5. RENTAL FEE. In consideration of and in exchange for the contribution of Tenant's programs, services, and the maintenance and operation of the buildings located on the Premises, the rental amount shall be ONE DOLLAR (\$1.00) to be paid in advance for the entire initial term of this lease.

6. UTILITIES. The Tenant shall pay for all utilities, including, but not limited to, power, heat, gas, telephone, internet, cable, and City utilities.

7. ACCESS. The Tenant will allow the Landlord or the Landlord's agents free access to the Premises at all reasonable times during normal business hours and upon at least twenty-four (24) hours' notice for the purpose of inspection. Nothing herein shall be construed as in any way limiting the authority of the Landlord's building official under existing law.

8. CARE OF PREMISES AND MAINTENANCE.

- (a) Tenant shall at all times keep the Premises neat, clean and, in a sanitary condition and shall at all times preserve said Premises in good repair except for reasonable wear and tear and damage by fire or other unavoidable casualty, at Tenant's sole expense.
- (b) Tenant will commit or permit no waste, damage or injury to the Premises. This includes, but is not limited to keeping all drainage pipes free and open and protecting water, heating and other pipes so that they will not freeze or become clogged and the repair of all leaks and all damages caused by leaks or by reason of the Tenant's failure to protect and keep free, open and unfrozen any of the pipes and plumbing on said Premises. All such maintenance and repairs shall be at the sole expense of the Tenant.
- (c) All operating costs and costs of maintenance, repair and replacement of interior fixtures and equipment shall be borne by the Tenant, at Tenant's sole expense, unless otherwise agreed to, in writing, by the Landlord. This includes, but is not limited to, all HVAC systems, electrical and plumbing systems and fixtures, interior walls, ceilings, floors and interior fixtures, and the replacement of any glass and windows and doors as may become



cracked or broken. Given that some of the internal systems may be nearing replacement age, the Landlord and Tenant agree to negotiate an amendment to this agreement to determine an equitable cost split for the replacement of systems nearing the end of their life. Once a system has been replaced, it will then be the responsibility of the Tenant for maintenance and replacement as long as this agreement is in effect. Any vandalism that may occur would be the responsibility of the Tenant inside the building and the Landlord outside of the building. Each Party's respective insurance may be involved, as needed.

- (d) Landlord shall be responsible for maintenance and repair of the foundation, exterior walls, roof and structural components of the building. The Landlord's Parks Maintenance Department shall maintain the grounds and parking areas, including snow removal services consistent with those provided to the Community Center and Senior Center. Tenant shall advise Landlord of the need for maintenance. However, the Tenant shall make every effort to keep the grounds and parking areas clean and free of debris.
- (e) To the extent permitted by law, the Landlord may assist Tenant in soliciting donations and in-kind services for purposes of this section.

9. STORAGE OF MATERIALS, SUPPLIES, ETC. The Tenant covenants not to store or deposit materials, supplies or other objects on the exterior of the leased Premises without the permission of the Landlord and then only by the erection of a sight-obscuring fence or hedge which is acceptable to the Landlord. Failure of Tenant to fully carry out this agreement shall be a breach of covenant of this lease.

10. HAZARDOUS WASTES. The Tenant shall not permit dangerous wastes, hazardous wastes, or extremely hazardous wastes as defined by RCW 70.105.010, *et seq.* to exist on the Premises and shall, at Tenant's sole expense, undertake to comply with all rules, regulations and policies of the Washington State Department of Ecology and the United States Environmental Protection Agency. Tenant shall promptly notify the City Fire Department of the existence of dangerous wastes, hazardous wastes, or extremely hazardous wastes as required by state and federal regulations. Tenant shall comply with any provisions of the local Hazardous Waste Plan as now in existence or hereinafter enacted. Tenant shall comply with any requirements for hazardous waste disposal as may be imposed by RCW 70.105D.030 and the State Department of Ecology.

11. VACATING THE PREMISES. Tenant agrees that at the expiration or sooner termination of this lease the Tenant will quit and surrender the Premises without notice and in a neat and clean condition and will deliver to the Landlord all keys to the Premises. At the expiration or termination of this lease the Landlord will work in good faith with the Tenant to secure a location at which programs for youth can be provided.

12. INDEMNITY. All personal property on the Premises or in the parking areas shall be at the risk of Tenant. Landlord shall not be liable for any damage, either to person or

property, sustained by Tenant or others, caused by any defects now in the Premises or hereafter occurring therein, or due to the condition of any buildings now existing or hereafter erected on the Premises or as additions to any part or appurtenance thereof, becoming out of repair, or caused by fire or by the bursting or leaking of water, gas, sewer, or steam pipes, or from any act or neglect of Tenant, or Tenants contractors, agents, officers, employees, guests or invitees, or other occupants of said buildings, or any other persons, or due to the happening of any accident from any cause in or about the Premises. Tenant covenants to protect, save and indemnify Landlord, its officers, elected and appointed officials and employees while acting within the scope of their duties as such, harmless from and against all claims, demands and causes of action of any kind or character, including the cost of defense thereof, arising in favor of Tenant or Tenant's employees or third parties on account of personal injuries, death or damage to property arising out of the Premises or parking areas or the use thereof or in any way resulting from the willful or negligent acts or omissions of the Tenant and/or its agents, employees or representatives. Landlord covenants to protect, save and indemnify Tenant, its elected and appointed officials and employees while acting within the scope of their duties as such, harmless from and against all claims, demands and causes of action of any kind or character, including the cost of defense thereof, arising in favor of Landlord's employees or third parties on account of personal injuries, death or damage to property arising out of Landlord's obligations under this lease or in any way resulting from the willful or negligent acts or omissions of the Landlord and/or its agents, employees or representatives.

13. LIABILITY INSURANCE. Tenant shall at all times carry and maintain liability insurance in a company or companies rated in the current edition of Best's General Ratings as at least A (Excellent), and Financial Size Category of not less than Class X, or in such other company or companies not so rated which may be acceptable to Landlord, insuring Tenant against all claims for damages for personal injury, including death, and against all claims for damage and destruction of property, which may arise by the acts or negligence of the Tenant, its agents, employees or servants, or by any means of transportation whatsoever including owned, non-owned and hired automobiles, to the extent of at least Two Million Dollars (\$2,000,000) combined single limit. Landlord shall be named in all such policies as an additional insured, and a duplicate true certified copy of the original of such insurance policy or policies shall be furnished to Landlord. Each such policy shall provide that the policy may not be cancelled without the company first giving Landlord at least thirty (30) days written notice. Tenant shall provide Landlord with a copy of any termination notice received from its insurer when three (3) business days after receipt.

14. FIRE INSURANCE. The Tenant shall, at all times, carry at its own expense fire insurance, extended coverage and vandalism and malicious mischief fire insurance on all buildings existing or hereafter constructed on the Premises acceptable to the Landlord, which policy or policies shall name the Landlord as the insured, and to the extent of one hundred percent (100%) of value as mutually agreed upon by Tenant and Landlord. The original policy, a duplicate true certified copy, or such other evidence of insurance as the Landlord shall in writing have agreed to accept, shall be on deposit with the Landlord's Clerk at all times during the term

hereof. No such policy shall contain a deductible clause greater than One Thousand Dollars (\$1,000) per claim. In the event of loss, the Tenant shall pay such deductible sum. Each such policy shall provide that the policy may not be cancelled without the company first giving the Landlord at least thirty (30) days prior written notice. Tenant shall provide Landlord with a copy of any termination notice received from its insurer when three (3) business days after receipt.

15. LIENS AND INSOLVENCY. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant, except for financing instruments obtained with the written consent of the Landlord. If the Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of the Tenant, the Landlord may cancel this lease at Landlord's option, provided at least ninety (90) days prior notice is given to Tenant.

16. ASSIGNMENT AND SUBLETTING. Except as provided in Section 3, this lease may not be assigned or sublet because the lease calls for Tenant to rent the Premises at less than fair market value due to the public benefit received. Notwithstanding the above, this lease may be assigned to an assignee such as a bank for security for money loaned or advanced to the Tenant for construction on the Premises or other business purposes of the Tenant subject to advance approval of Landlord. No such assignment for security purposes shall have priority over the interest of the Landlord.

17. NOTICE. All notices and consents hereunder shall be given in writing, delivered in person or mailed by certified mail, postage prepaid, to the receiving party at its address below, or to such other address as the receiving party may notify the sender beforehand referring to this lease:

SKAGIT VALLEY FAMILY YMCA  
1901 HOAG ROAD  
MOUNT VERNON, WA 98273

CITY OF SEDRO-WOOLLEY  
325 METCALF STREET  
SEDRO-WOOLLEY, WA 98284

All notices shall be deemed given on the day such notice is personally served or on the third day following the day such notice is mailed in accordance with this paragraph

18. GOVERNMENTAL FEES AND TAXES. Except for those which may be approved by Resolution of the City Council of the City of Sedro-Woolley, all fees due under applicable law to the City, County or State on account of any inspection made on the Premises by any officer thereof, and all applicable taxes arising out of this lease, the occupancy or use of

the Premises by Tenant or any personal property located on the Premises shall be paid by Tenant. This includes a leasehold excise tax of 12.84%, which is applied to the gross rent.

19. SIGNS. All signs and symbols placed in the windows or doors or elsewhere about the Premises, or upon the exterior part of the building, shall be subject to the approval of the Landlord or Landlord's agents. Landlord agrees to allow the Tenant logo on the exterior of the building to meet standards of YMCA of the USA. In the event Tenant shall place signs or symbols on the exterior of said building or in the windows or doors or elsewhere where they are visible from the street that are not satisfactory to the Landlord or Landlord's agents, the Landlord or Landlord's agents may immediately demand the removal of such signs or symbols, and the refusal of the Tenant to comply with such demand within a period of seven (7) calendar days will constitute a breach of this lease, and entitle the Landlord to immediately recover possession of said Premises in the manner provided by law. Any signs so placed on the Premises shall be so placed upon the understanding and agreement that Tenant will remove same at the termination of the tenancy herein created and repair any damage or injury to the Premises caused thereby, and if not so removed by Tenant, then Landlord may have the same removed at Tenant's expense. In respect to signs Tenant shall conform to all requirements of the City of Sedro-Woolley Sign Code and Building Code and pay applicable fees.

20. ALTERATIONS. The Tenant shall not make any material alterations, additions or improvements to the Premises without written consent of the Landlord. All alterations, additions and improvements that are made shall be at the sole cost and expense of the Tenant. All such alterations, additions and improvements, except those not attached to the building, shall become the property of the Landlord, and shall remain in and be surrendered with the Premises as part thereof at the termination of this lease, without disturbance, molestation or injury. The term "material alterations additions or improvements" shall include but not be limited to any structural modification of the building or its components. If the Tenant shall perform work with the consent of the Landlord, as aforesaid, Tenant agrees to comply with all laws, ordinances, rules, and regulations of the pertinent and authorized public authorities. The Tenant further agrees to save the Landlord free and harmless from damage, loss or expense arising out of said work. Heating systems, plumbing systems (including hot water tanks) and all lighting and electrical systems and parts thereof shall be considered fixtures, and become part of the real estate upon being installed in any building. If required by law, contractors providing services to YMCA shall pay any required prevailing wage per RCW 39.12 and no worker, laborer, or mechanic employed in the performance of any part of the contract shall be paid less than the prevailing rate of wage as determined by the Industrial Statistician of the Department of Labor and Industries for the State of Washington. Federal wages laws and regulations are also applicable to any contract funded partially or wholly by federal funds.

21. DEFAULT AND RE-ENTRY. If any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if any Tenant obligation provided herein shall remain unperformed, or if the Tenant shall violate or default in any of the

covenants and agreements herein contained, then the Landlord may cancel this lease upon giving the written notice required by law, and re-enter said Premises.

22. COSTS AND ATTORNEY'S FEES/VENUE. In any proceeding brought to enforce this Agreement or to determine the rights of the parties under this Agreement, the prevailing party shall be entitled to collect, in addition to any judgment awarded by a court, a reasonable sum as attorneys' fees, and all costs and expenses incurred in connection with such proceeding, including attorneys' fees, costs, and expenses of any appeal of a judgment. For purposes of this agreement, the prevailing party shall be that party in whose favor final judgment is rendered or who substantially prevails, if both parties are awarded judgment. The term "proceeding" shall mean and include arbitration, administrative, bankruptcy and judicial proceedings including appeals. The venue of any suit which may be brought by either party under the terms of this lease or growing out of the tenancy under this lease shall at the option of the Landlord be in court or courts in Skagit County, Washington.

23. NON-WAIVER OF BREACH. The failure of either party to insist upon strict performance of any of the covenants and agreements of this lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such strict performance or of the exercise of such option or any other covenants or agreements but the same shall be and remain in full force and effect.

24. REMOVAL OF PROPERTY. In the event of default and failure to cure, or taking possession of the Premises as aforesaid, the Landlord shall have the right, but not the obligation, to remove from the Premises all personal property located therein or thereon, and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property with notice to the Tenant, after it has been stored for a period of at least sixty (60) days, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof, and the balance, if any, to be paid to Tenant.

25. HEIRS AND SUCCESSORS. Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of any of all of the parties hereto.

26. HOLD OVER. If the Tenant shall, with the written consent of Landlord, hold over after the expiration of the term of this lease, such tenancy shall be determined as provided by the laws of the State of Washington. During such tenancy Tenant agrees to pay Landlord the same rate of rental as set forth herein, unless a different rate is agreed upon, and to be bound by all of the terms, covenants and conditions as herein specified, so far as applicable.

27. NONDISCRIMINATION.

- (a) The Tenant, for itself, its heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof and as a covenant running with the land, does hereby covenant and agree that in the construction of improvements upon the Premises and the operation of Tenant's business and other activities, including the provision of services to its clients and the public, Tenant will comply with all applicable federal, state and local laws and regulations respecting equal opportunity in respect to the provision of services and employment, and will ensure that all of its contractors so comply.
- (b) Tenant covenants and agrees that no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the lease facilities and that Tenant shall not discriminate against any client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age, or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading, demotion or transfer, recruitment or any recruitment advertising, layoff or terminations, rates of pay or other forms of compensation, selection for training, or rendition of services. The Tenant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause.
- (c) The Tenant further agrees that the Tenant shall design the improvements on the Premises and maintain and operate such facilities and services in compliance with all requirements of applicable federal, state and local laws and regulations respecting equal opportunity and nondiscrimination, including, but not limited to, the Americans with Disabilities Act.
- (d) The provisions of (a), (b) and (c) above shall not apply to any persons who have a documented criminal history of a crime against children or other persons, and Tenant shall not employ or allow on the premises any person known to Tenant to have a documented criminal history of a crime against children or other persons as defined in RCW 43.43.830.
- (e) In the event of breach of any of the covenants of this paragraph 29, the Landlord shall have the right to terminate this lease and to re-enter and repossess said land and facilities thereon, and hold the same as if said lease had never been made or issued.

IN WITNESS WHEREOF, the parties hereto have executed this lease on the \_\_\_\_ day of May, 2022.

CITY OF SEDRO-WOOLLEY, Landlord  
Tenant

SKAGIT VALLEY FAMILY YMCA,

By \_\_\_\_\_  
JULIA JOHNSON, Mayor

By \_\_\_\_\_  
DEAN SNIDER  
Executive Director

Attest:

By \_\_\_\_\_  
DEBBIE BURTON, City Clerk

Approved as to form:

Approved as to form:

By \_\_\_\_\_  
NIKKI THOMPSON, City Attorney

By \_\_\_\_\_  
Skagit Valley Family YMCA Attorney

STATE OF WASHINGTON

ss.

COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that JULIA JOHNSON is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath acknowledged that he was authorized to execute the instrument, and acknowledged it as the Mayor of the City of Sedro-Woolley to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this \_\_\_\_\_ day of May, 2022.

\_\_\_\_\_  
\_\_\_\_\_  
[Legibly print name of notary]  
NOTARY PUBLIC in and for the State  
of Washington, residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON

ss.

COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that **DEAN SNIDER** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath acknowledged that he was authorized to execute the instrument, and acknowledged it as the Executive Director of the SKAGIT VALLEY FAMILY YMCA to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this \_\_\_\_\_ day of May, 2022.

\_\_\_\_\_  
\_\_\_\_\_  
[Legibly print name of notary]  
NOTARY PUBLIC in and for the State  
of Washington, residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_



**EXHIBIT A**  
**LEGAL DESCRIPTION OF LEASE PREMISES**

The legal description is Skagit County Tax Parcel P77039, a tract 140X150 in E1/2 of lot 5, plate no. 1, Sedro home acreage, according to the Plat thereof, recorded in Volume 3 of plats, page 39, records of Skagit County, Washington.

## **Exhibit B: City of Sedro Woolley and Skagit Valley Family YMCA Partnership**

**Preamble:** The City of Sedro Woolley and the Skagit Valley Family YMCA (Skagit Y) have engaged in conversations over several years about providing recreational opportunities for the community by offering available programmable space to the Y in exchange for staffed program services. The scope of work that follows is the initial program and will be evaluated on an on-going basis and adjusted according to the needs of the community.

**Program Overview:** Starting in the Summer 2022, the Skagit Y will offer a variety of programs in the City of Sedro Woolley. These programs will include a Youth Drop in Center and activity programming including Stop drop and Run and Youth Flag Football. The Stop, Drop, and Run program will be a Running Club activity built upon the teen drop-in; it will be offered free of charge to all participants thanks to the Summer Enrichment & Enrichment for Kids (SEEK) grant funding available this year. Youth Flag Football will be supported through program fees paid by the program participants.

**Program Objective:** The primary objective of this year's summer programming is for the Skagit Y to get to know the community of Sedro Woolley better and understand what services are most needed. We will send out a community recreation survey to the Sedro Woolley community in early July to get an idea of what program opportunities should be prioritized in future summers.

### **Description of Services:**

- **Youth Drop in Center** (co-ed; ages 12 – 17); former Central Skagit Library) Targeting youth that are old enough to not need direct childcare services and offering age appropriate activities.
- **Running Program** (co-ed; entering 5<sup>th</sup> to 12<sup>th</sup> grade; former Central Skagit Library space). Targeting youth that are old enough to not need direct childcare services but need both physical and mental recreational activities during the summer months.
- **Youth Flag Football** (co-ed; ages 6-13; Winnie Houser Playfields). Targeting youth that have an interest in football or as a soft start to the youth that will be joining SW Youth Football at the end of the summer. The program will follow the NFL Flag Football curriculum.

### **Deliverables:**

- **Youth Drop in Center** - The drop-in center will have a variety of activities available for youth and educational opportunities spanning a wide range of interests. Proposed learning topics include nutrition, financial literacy, physical fitness, writing, and arts-based content.
- **Stop, Drop, and Run** – The Y will provide staffing to have the former Central Skagit Library space open from noon to 6pm, Monday to Friday, from June 27<sup>th</sup> to August 19<sup>th</sup>. The “Sedro Woolley Rec Center”, as we’d like this space to be called, will be the location

of the drop-in center and act as the starting/ending point for the running program. The running program will have small groups based on current fitness levels and ages and follow a training program created to support those levels. Participants in the running program will train for an end-of-summer 5K/10K fun run on Saturday, August 13<sup>th</sup> at a yet-to-be-determined location.

- **Youth Flag Football** – The Y will have direct registration forms and program fees required for all participants. The Y will provide staffing for coaches, officiants, and day of event support through a combination of paid Y staff and volunteers. The program will run from the week of June 6 to the week of July 25 and teams will play up to two games a week.

**Next Steps:** As we prepare for the start of summer programming, the first priority is getting the SW Rec Center furnished. We plan to solicit very specific recreational donations (including foosball/ping pong tables, board games, craft items, etc.) but will need to add additional furniture to make the space welcoming and cozy for youth by June 27. We anticipate our relationship with the City of Sedro-Woolley to last for a long time, so we would like to paint the space as well and provide opportunities for youth to further customize the rec center to their liking.



Agenda  
Item No.

Date:

May 4, 2022

Subject:

Classification and Compensation Study  
Update

**FROM:**

Charlie Bush, City Administrator

**RECOMMENDED ACTION:**

This item is for information

**ISSUE:**

Anticipating a final contract cost in excess of \$50,000 requiring Council authorization, Council discussed this item at its April 6 work session. Council directed staff to reject all bids from the first RFP and to rebid it with three options: conducting a classification and compensation study for AFSCME employees only; conducting the same study for non-represented employees; or doing the study for both groups of employees together. Given that there was a previous conversation with Council on this topic, staff are reporting back to Council tonight regarding the outcome of the second RFP. The winning bid was well below \$50,000, no longer requiring Council action.

**BACKGROUND/SUMMARY INFORMATION:**

Staff reissued the RFP on April 11 with a due date of April 22. The City received four responses. A staff committee of three people reviewed the responses under the criteria of: price (30%); ability and history of successfully completing contracts of this type, meeting projected deadlines and experience in similar work (30%); and responsiveness of the written proposal to the purpose and scope of service (40%).

The winning bidder is JB Reward Systems from Bainbridge Island, Washington. JB's fee and expense proposal was \$28,800 for the combined study and \$18,200 for a single group. JB happened to be tied for the lowest bid we received but scored better in the other categories. The amount of this bid is well below the City's budgeted amount for this work of \$50,000 and within the signing authority of the Mayor and staff. Staff plan to execute a contract with JB Reward Systems but also wanted to provide this briefing to Council to close the loop from our prior conversation.

**Additional Background:** Conducting regular classification and compensation studies is important for the City to remain legally compliant with federal and state employment laws and competitive in the market for retaining and recruiting employees. It is a best practice to study all positions every 3-5 years, according to the Society for Human Resource Management (SHRM); SHRM is the leading association of human resources professionals.

The City of Sedro-Woolley is contractually obligated to perform a classification and compensation study by October 31, 2022 through its employment agreement with the Washington State Council of County and City Employees, American Federation of State, County and Municipal Employees. (AFSCME). Here is the language from the contract's Appendix A:

"A.2 It is agreed that the City will engage the services of an independent consultant to perform a job description review and compensation survey for all AFSCME bargaining unit covered positions. It is agreed that the parties will meet and bargain the impacts of the survey no later than October 31, 2022. It is agreed that the impacts of this survey and bargaining will be retroactive to January 1, 2022."

In addition, the City has not conducted a classification and compensation study for its non represented employees since 2017. Given rapidly changing labor market conditions, that the City's police and fire unions will have their salaries studied as a part of the bargaining process this year leading into their new contracts for 2023 and beyond, that the City is already conducting this study for AFSCME employees, and that non represented employees have not had their classifications and compensation studied in 5 years, staff planned for the inclusion of non represented employees in this study. Further, the last classification and compensation study, conducted in 2017, included both AFSCME employees and non represented employees.

In accordance with the City's Procurement Policy & Procedures (Ord. 1947-19), and initially anticipating a project cost between \$50,000 and \$100,000, staff performed an informal solicitation process to select a consultant to perform the work. Staff directly contacted individuals and firms listed on the MRSC statewide professional services roster for performing this type of work. In addition, staff posted the opportunity on the City's website.

**FISCAL IMPACT, IF APPROPRIATE:**

Funding for this study was included in the 2022 budget.

**ATTACHMENTS:**

1. Revised RFP
2. JB Response

## CITY OF SEDRO WOOLLEY REQUEST FOR PROPOSAL

### I. PURPOSE OF REQUEST.

The City of Sedro Woolley ("City") is requesting proposals for the purpose of a Classification/Compensation Study. The City's needs are outlined in the following Request for Proposal ("RFP").

### II. TIME SCHEDULE.

The City will follow the following timetable, which should result in a selection of a firm by May 4, 2022 and completion of the study by September 28, 2022.

Issue RFP	April 11, 2022
Deadline for Submittal of Proposals	April 22, 2022
Review of Proposals by City Team	April 25-27, 2022
Contract of Award to City Council	May 4, 2022
Notify Firm Chosen	May 5, 2022
Draft Report Submitted to City for Review	September 14, 2022
Completion of Final Report	September 21, 2022
Presentation to City Council	September 28, 2022

### III. INSTRUCTIONS TO PROPOSERS.

A. All proposals should be sent to:

Charlie Bush, City Administrator  
City of Sedro-Woolley  
325 Metcalf Street  
Sedro-Woolley, WA 98284  
(360) 855-9921

B. All proposals must be in a sealed envelope and clearly marked in the lower left-hand corner: "RFP Classification/Compensation Study".

C. All proposals must be received by **April 22, 2022 by 4:30 pm PDT**, at which time they will be opened. Four (4) copies of the proposal must be presented. Faxed, telephone, or emailed proposals will not be accepted.

D. Proposals should be prepared simply and economically, providing a straightforward, concise description of provider capabilities to satisfy the requirements of the request. Special bindings, colored displays, promotional materials, etc. are not desired. Emphasis should be on completeness and clarity of content.

E. The City Administrator, Charlie Bush, or his representative will notify the firm selected by May 5, 2022.

F. All documents must be complete and signed to be considered. All proposals must include the following information:

- A brief description of the organization.
- The names of individuals from those firms who will be working on the project and their areas of responsibility.
- Specific experience and qualifications of individuals relative to the proposed project.
- A proposed outline of tasks, products and project schedule, including the number of hours required to complete each task or product.
- Schedule of billing rates and a specific “not to exceed” capped fee including associated fees (i.e. printing costs, attendance at meetings, travel). A requested payment schedule should accompany the work schedule. Proposals should be split into three proposal categories, studying both labor groups together, studying only AFSCME employees, and studying only non-represented employees. Each option shall be accompanied by a cost proposal for that specific scope of work.
- A list of cities for which the consultant has conducted comprehensive classification and compensation studies as well as workload analysis within the past five years.
- A list of three recent client references, including addresses, telephone and fax numbers, and email addresses.

G. All proposals and pricing are **final** and **firm**. No estimates will be considered. Total pricing must include all materials, labor and services necessary to complete this project.

#### IV. **SELECTION CRITERIA.**

<u>Factor</u>	<u>Weight Given</u>
1. Responsiveness of the written proposal to the purpose and scope of service.	40%
2. Price.	30%
3. Ability and history of successfully completing contracts of this type, meeting projected deadlines and experience in similar work.	30%



Total Criteria Weight                      100%

Each proposal will be independently evaluated on factors one through three.

V. **TERMS AND CONDITIONS.**

- A. The City reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal.
- B. The City reserves the right to request clarification of information submitted, and to request additional information from any proposer.
- C. The City reserves the right to reject any and all proposals without cause.
- D. The City reserves the right to award any contract to the next most qualified contractor if the successful contractor does not execute a contract within thirty (30) days after the award of the proposal.
- E. Any proposal may be withdrawn up until the date and time set above for opening of the proposals. Any proposal not timely withdrawn shall constitute an irrevocable offer, for a period of ninety (90) days to sell to the City, the services described in the attached specifications, or until one or more of the proposals have been approved by the City administration, whichever occurs first.
- F. The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City, and shall reflect the specifications in this RFP. A copy of the contract is attached (**Attachment A**) and available for review and shall include requirements to comply with ADA, Civil Rights Act, and EEO requirements. The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP, and which is not approved by the City Attorney.
- G. The City of Sedro-Woolley, in accordance with Title VI of the Civil Rights Act of 1964, (78 Stat. 252, 42 U.S.C. 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.
- H. The City shall not be responsible for any costs incurred by the firm in preparing, submitting or presenting its response to the RFP.

## VI. SUMMARY AND BACKGROUND

The City of Sedro-Woolley incorporated 1898 and is located in Skagit County centrally between Seattle and the Washington/Canada Border along the I-5 and State Route 20 corridors. The community has a current population of approximately 12,000 residents and a geographic size of approximately 4.3 square miles. The City of Sedro-Woolley is a non-charter code city that operates under the Mayor-Council form of government consisting of an elected Mayor and seven elected Council members.

The City of Sedro-Woolley, Washington is currently accepting proposals from qualified consultants to conduct a classification and compensation study for the 20 non-represented employees in approximately 20 classifications and 35 employees in approximately 25 classifications represented by the Washington State Council of County and City Employees, American Federation of State, County, and Municipal Employees (AFSCME). The consultant is to examine and evaluate the City's current job descriptions and compensation for both employee groups.

The City strives to competitively recruit and retain employees, support employees to excel in job performance, and structure work to provide the best service to the community while being good stewards of resources.

The purpose of this Request for Proposal (RFP) is to solicit proposals from various consultants, conduct a fair and extensive evaluation based on criteria listed herein, and select a qualified and experienced consultant.

## VII. PROJECT PURPOSE AND DESCRIPTION

- A. The City of Sedro-Woolley and AFSCME agreed to conduct this study as a part of their current labor contract. The City of Sedro-Woolley also intends to have this same study cover its non-represented employees. The City is requesting a proposal for studying both labor groups together, and proposals for studying each labor group independently.
- B. The City of Sedro-Woolley is seeking a qualified consultant to examine and evaluate the City's current compensation and classification system for these two groups of employees to and recommend whether improvements or changes in the City salary schedule and classification should be implemented. The City is seeking proposals for studying both groups together, and for studying each independently.

## VIII. SCOPE OF SERVICES.

The project shall include the following activities by the consultant:

**A. Classification Plan and Workload Analysis**

Evaluate, examine, and recommend the appropriate classification for full-time and part-time positions in the City that are non-represented or fall under AFSCME's representation. A listing of the classifications proposed for evaluation is included with this RFP as **Attachment B**.

1. Make recommendations regarding appropriate job evaluation methodologies and ensure that methodologies used in the study accurately reflect the value of different kinds of work and do not have a discriminatory effect in regard to race, color, creed, sex, age, national origin, religion, sexual orientation, gender identity, marital status, or mental or physical disability. Preliminary recommendations should be presented to Senior Management Team members (Directors, City Administrator, and Mayor), and/or employee groups for discussion prior to the consultant developing a proposed classification plan (updated, new, or revised), operational plan (with specific parameters), implementation plan (with timeline), and financial impact analysis.
2. Lead and manage the project, establish a timeline and identify the project steps. The consultant will include the City Administrator and the Finance Director in the work plan.
3. Assist with employee communications by conducting meetings with the Senior Management Team, managers, supervisors, and employees at the beginning of the study to explain the process and methodology. Prepare written communications for all employees to explain the process and provide regular updates.
4. Conduct planning meetings and bi-weekly updates with the City Administrator, Finance Director, and the Senior Management Team, the latter when needed.
5. Conduct interviews with the Senior Management Team, managers, supervisors, and employees for the purposes of job analysis.
6. Initiate and collect position description questionnaires and other written feedback; conduct follow-up interviews, when needed. Compare current job classifications to the work actually being assigned and accomplished by incumbents. Make recommendation for revision of current classifications including to uniformly reflect distinguishing characteristics, essential job functions, minimum qualifications, working conditions, license requirements, regulatory requirements, etc. for all classifications. Determine FLSA status for all positions.

7. Present proposed class specifications to the City Administrator, Finance Director, and Senior Management Team for review and receive and incorporate input prior to classification determination. Draft new classifications, where needed, and revise existing classification in accordance with recommendations.
8. Finalize class specifications and recommend appropriate classification for each employee, including correction of identified discrepancies between existing and proposed classifications.

**B. Compensation Survey**

Examine and evaluate the City's current salary schedule. Upon completion of the examination, the consultant shall recommend whether any improvements or changes in the salary schedule should be implemented.

1. Analyze and review current methodology for determining comparable cities and evaluate, examine and recommend changes, if any, to comparable cities for Sedro-Woolley. Sufficient information evidencing the basis for final recommendation shall be provided.
2. Conduct salary survey by comparing monthly minimum and maximum base salary for each existing classification by comparing actual job content and duties of the classification to comparable job classifications in other like organizations. Provide data relating to industry practice and methodologies used.
3. Develop a report analyzing the results of the data from the external assessment survey. This report will not be in the form of a pay schedule, but general information showing the salary relationship to other like organizations. Identify impacts and possible issues in regard to internal equity.
4. Develop a comprehensive compensation plan for all employees based on an objective analysis and evaluation of job content. Ensure that the proposed compensation plan will be competitive with the market and will attract and retain qualified employees.
5. Recommend appropriate salary range for each existing or proposed position based on the Classification Plan and on the compensation survey results, and internal relationships, compression, and equity. Calculate the cost of implementing the study.

6. Recommend, if appropriate, classification series and levels within the series (i.e. I/II, Senior/Lead, etc.).
7. Review and make recommendations regarding other pay practices consistent with market findings.
8. Provide a guideline to assist with determining the starting pay for new employees based on knowledge and experience above the minimum requirements of the position and how difficult the position is to fill and market competitiveness.
9. Provide recommendation for implementation on employees identified above or below market value.
10. Present the findings, recommendations, and anticipated costs of implementation to the City Administrator and Finance Director, Senior Management Team, and City Council.
11. Meet with City staff to summarize and explain the final results.
12. Support the City in implementing changes at the conclusion of the study, including employee communications.

### **C. Study Conclusion**

1. Consultant to prepare written report of recommendations, including discussion of methods, techniques and data used to develop the Classification & Compensation Plan.
2. Consultant to provide instructional information to allow City staff to conduct individual salary audits and adjustments, including internal equity consideration, consistent with study methods until the next formal study is conducted. Consultant to recommend frequency of citywide classification and compensation studies.
3. Consultant to attend meetings, if requested, throughout the process with employees, union representatives, Senior Management Team, Mayor and/or the City Council to explain methodology, survey results and recommendations.

## **IX. COMPENSATION.**

- A. Please present detailed information on the firm's proposed fee schedule for the specifications proposed and for any variation for non-routine services, inclusive of Washington state sales tax and any other applicable

governmental charges. Please provide specifics as to definitions of routine versus non-routine tasks, what is fixed as opposed to variable, and how costs are adjusted according to that classification.

- B. Payment by the City for the services will only be made after the services have been performed, an itemized billing statement is submitted in the form specified by the City and approved by the appropriate City representative, which shall specifically set forth the services performed, the name of the person performing such services, and the hourly labor charge rate for such person. Payment shall be made on a monthly basis, thirty (30) days after receipt of such billing statement.

## Attachment A.



### PROFESSIONAL SERVICES AGREEMENT NO. 202X-PS-XX

**THIS AGREEMENT** ("Agreement") is made and entered into by and between the City of Sedro-Woolley, a Washington State municipal corporation ("City"), and \_\_\_\_\_, whose address is \_\_\_\_\_ hereinafter referred to as the "Consultant".

**NOW, THEREFORE**, in consideration of the terms, conditions, covenants and performances contained herein, the parties hereto agree as follows:

#### ARTICLE I. PURPOSE

The purpose of this Agreement is to provide the City of Sedro-Woolley as described in Article II. The general terms and conditions of the relationship between the City and the Consultant are specified in this Agreement.

#### ARTICLE II. SCOPE OF SERVICES

The Scope of Services is attached hereto as **Exhibit "A"** and incorporated herein by this reference ("Scope of Services"). All services and materials necessary to accomplish the tasks outlined in the Scope of Services shall be provided by the Consultant unless noted otherwise in the Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant's profession.

#### ARTICLE III. OBLIGATIONS OF THE CONSULTANT

**III.1 MINOR CHANGES IN SCOPE.** The Consultant shall accept minor changes, amendments, or revision in the detail of the Scope of Services as may be required by the City when such changes will not have any impact on the service costs or proposed delivery schedule. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

**Extra Work.** The City may desire to have the Consultant perform work or render services in connection with each project in addition to or other than work provided for by the expressed intent of the Scope of Services in the scope of services. Such work will be considered as extra work and will be specified in a written supplement or amendment to the scope of services, to be signed by both parties, which will set forth the nature and the scope thereof. All proposals for extra work or services shall be prepared by the Consultant at no cost to the City. Work under a supplemental agreement shall not proceed until executed in writing by the parties.

**III.2 WORK PRODUCT AND DOCUMENTS.** The Scope of Work deliverables, and all other documents produced under this Agreement shall be furnished by the Consultant to the City, and upon completion of the work shall become the property of the City. Provided however, the Consultant may retain one copy of the work product and documents for its records. Provided further, all Images and rights relating to the deliverables referenced in the exhibit

The Consultant will be responsible for the accuracy of the work, even though the work has been accepted by the City.

In the event that the Consultant shall default on this Agreement or in the event that this Agreement shall be terminated prior to its completion as herein provided, all work product of the Consultant, along with a summary of work as of the date of default or termination, shall become the property of the City. Upon request, the Consultant shall tender the work product and summary to the City. Tender of said work product shall be a prerequisite to final payment under this Agreement. The summary of work done shall be prepared at no additional cost to the City.

Consultant will not be held liable for reuse of documents produced under this Agreement or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Consultant.



III.3 **TERM.** . The term of this Agreement shall be from date at which both parties have completed execution and shall terminate at midnight \_\_\_\_\_. The parties may extend the term of this Agreement by written mutual agreement.

III.4 **NONASSIGNABLE.** The services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

III.5 **EMPLOYMENT.**

a. The term “employee” or “employees” as used herein shall mean any officers, agents, or employee of the of the Consultant.

b. Any and all employees of the Consultant, while engaged in the performance of any work or services required by the Consultant under this Agreement, shall be considered employees of the Consultant only and not of the City, and any and all claims that may or might arise under the Workman's Compensation Act on behalf of any said employees while so engaged, and any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while so engaged in any of the work or services provided herein shall be the sole obligation of the Consultant.

c. Consultant represents, unless otherwise indicated below, that all employees of Consultant that will provide any of the work under this Agreement have not ever been retired from a Washington State retirement system, including but not limited to Teacher (TRS), School District (SERS), Public Employee (PERS), Public Safety (PSERS), law enforcement and fire fighters (LEOFF), Washington State Patrol (WSPRS), Judicial Retirement System (JRS), or otherwise. *(Please indicate No or Yes below)*

\_\_\_\_\_ No employees supplying work have ever been retired from a Washington state retirement system.

\_\_\_\_\_ Yes employees supplying work have been retired from a Washington state retirement system.

In the event the Consultant indicates “no”, but an employee in fact was a retiree of a Washington State retirement system, and because of the misrepresentation the City is required to defend a claim by the Washington State retirement system, or to make contributions for or on account of the employee, or reimbursement to the Washington State retirement system for benefits paid, Consultant hereby agrees to save, indemnify, defend and hold City harmless from and against all expenses and costs, including reasonable attorney's fees incurred in defending the claim of the Washington State retirement system and from all contributions paid or required to be paid, and for all reimbursement required to the Washington State retirement system. In the event Consultant affirms that an employee providing work has ever retired from a Washington State retirement system, said employee shall be identified by Consultant, and such retirees shall provide City with all information required by City to report the employment with Consultant to the Department of Retirement Services of the State of Washington.

III.6 **INDEMNITY.**

a. **Indemnification / Hold Harmless.** Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

b. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

c. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification.



This waiver has been mutually negotiated by the parties.

d. **Public Records Requests.** In addition to Paragraph IV.3 b, when the City provides the Consultant with notice of a public records request per Paragraph IV. 3 b, Consultant agrees to save, hold harmless, indemnify and defend the City its officers, agents, employees and elected officials from and against all claims, lawsuits, fees, penalties and costs resulting from the consultant's violation of the Public Records Act RCW 42.56, or consultant's failure to produce public records as required under the Public Records Act.

e. The provisions of this section III.6 shall survive the expiration or termination of this agreement.

### III.7 **INSURANCE.**

a. **Insurance Term.** The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

b. **No Limitation.** Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

c. **Minimum Scope of Insurance - Consultant shall obtain insurance of the types described below:**

- (1) Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage.
- (2) Commercial General Liability insurance shall be written at least as broad on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap, independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
- (3) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (4) Professional Liability insurance appropriate to the Consultant's profession.

d. **The minimum insurance limits shall be as follows:**  
Consultant shall maintain the following insurance limits:

- (1) Commercial General Liability. Insurance shall be written with limits no less than \$1,000,000 per occurrence; and \$2,000,000 general aggregate.
- (2) Automobile Liability. Insurance with a minimum \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3) Workers' Compensation. Workers' compensation limits as required by the Workers' Compensation Act of Washington.
- (4) Professional Liability/Consultant's Errors and Omissions Liability. Insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

e. **Notice of Cancellation.** In the event that the Consultant receives notice (written, electronic or otherwise) that any of the above required insurance coverage is being cancelled and/or terminated, the Consultant shall immediately (within forty-eight (48) hours) provide written notification of such cancellation/termination to the City.

f. **Acceptability of Insurers.** Insurance to be provided by Consultant shall be with insurers with a current A.M. Best rating of no less than A: VII, or if not rated by Best, with minimum surpluses the equivalent of Best VII rating.

g. **Verification of Coverage.** In signing this agreement, the Consultant is acknowledging and representing that required insurance is active and current. Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work. Further, throughout the term of this Agreement, the Consultant shall provide the City with proof of insurance upon request by the City.

h. **Insurance shall be Primary - Other Insurance Provision.** The Consultant's insurance coverage shall be primary insurance as respect the City. The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

i. **Claims-made Basis.** Unless approved by the City all insurance policies shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. The City may require an extended reporting endorsement on any approved "Claims-made" policy.

j. **Failure to Maintain Insurance.** Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

k. **Public Entity Full Availability of Consultant Limits**  
If the Consultant maintains higher insurance limits than the minimums shown above, the Public Entity shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this contract or whether any certificate of insurance furnished to the Public Entity evidences limits of liability lower than those maintained by the Consultant.

III.8 **DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION.**  
The Consultant agrees to comply with equal opportunity employment and not to discriminate against client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training, rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

III.9 **UNFAIR EMPLOYMENT PRACTICES.** During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

III.10 **LEGAL RELATIONS.** The Consultant shall comply with all federal, state and local laws and ordinances applicable to work to be done under this Agreement. The Consultant represents that the firm and all employees assigned to work on any City project are in full compliance with the statutes of the State of Washington governing activities to be performed and that all personnel to be assigned to the work required under this Agreement are fully qualified-and properly licensed to perform the work to which they will be assigned. This Agreement shall be interpreted and construed in accordance with the laws of Washington. Venue for any litigation commenced relating to this Agreement shall be in Sedro-Woolley County Superior Court.

### **III.11 INDEPENDENT CONTRACTOR.**

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services required under this Agreement. The Consultant shall make no claim of City employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

d. Prior to commencement of work, the Consultant and all approved Subcontractors/Subconsultants shall obtain a business license from the City.

e. **Municipal Research Service Center (MRSC) Roster Registration.**  
The Consultant shall register or maintain registration on the MRSC Consultant Roster.

f. **Debarment.**  
Consultant represents and agrees that it is not listed on any state or federal debarment list and further agrees that none of its sub-consultants are listed on any state or federal debarment list.

**III.12 CONFLICTS OF INTEREST.** The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant's client base and shall obtain written permission from the City prior to providing services to third parties where a conflict or potential conflict of interest is apparent. If the City determines in its sole discretion that a conflict is irreconcilable, the City reserves the right to terminate this Agreement.

**III.13 CITY CONFIDENCES.** The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or services provided to the City.

### **III.14 SUBCONTRACTORS/SUBCONSULTANTS.**

a. The Consultant shall be responsible for all work performed by subcontractors/subconsultants pursuant to the terms of this Agreement.

b. The Consultant must verify that any subcontractors/subconsultants they directly hire meet the responsibility criteria for the project. Verification that a subcontractor/subconsultant has proper license and bonding, if required by statute, must be included in the verification process. The Consultant will use the following Subcontractors/Subconsultants: \_\_\_\_\_

c. The Consultant may not substitute or add subcontractors/subconsultants without the written approval of the City.

d. All Subcontractors/Subconsultants shall have the same insurance coverages and limits as set forth in this Agreement and the Consultant shall provide verification of said insurance coverage.

## ARTICLE IV. OBLIGATIONS OF THE CITY

### IV.1 PAYMENTS.

a. The Consultant shall be paid by the City for services rendered under this Agreement as described in the Scope of Services **Exhibit A**. In no event shall the compensation paid to Consultant under this Agreement exceed \$ \_\_\_\_\_ (Written amount - dollars and no/100) without the written agreement of the Consultant and the City. Such payment shall be full compensation for work performed and services rendered and for all labor, materials, supplies, equipment and incidentals necessary to complete the work per the Fee Schedule **Exhibit B**. In the event the City elects to expand the scope of services from that set forth in **Exhibit A**, the City shall pay Consultant a mutually agreed amount.

b. The Consultant shall submit an invoice to the City for services performed at completion of the project in a format acceptable to the City. The Consultant shall maintain time and expense records and provide them to the City upon request.

c. The City will pay timely submitted and approved invoices within ten (10) days after approval by the City Council.

IV.2 **CITY APPROVAL.** Notwithstanding the Consultant's status as an independent contractor, results of the work performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if work has been completed in compliance with the Scope of Services and City requirements.

### IV.3 MAINTENANCE/INSPECTION OF RECORDS.

a. The Consultant shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Consultant shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

#### b. Public Records

The parties agree that this Agreement and records related to the performance of the Agreement are with limited exception, public records subject to disclosure under the Public Records Act RCW 42.56. Further, in the event of a Public Records Request to the City, the City may provide the Consultant with a copy of the Records Request and the Consultant shall provide copies of any City records in Consultant's possession, necessary to fulfill that Public Records Request. If the Public Records Request is large the Consultant will provide the City with an estimate of reasonable time needed to fulfill the records request.

## ARTICLE V. GENERAL

V.1 **NOTICES.** Notices to the City shall be sent to the following address:

325 Metcalf Street  
Sedro-Woolley, WA 98284

Notices to the Consultant shall be sent to the following address:

XXXXXXX

Receipt of any notice shall be deemed effective three (3) days after deposit of written notice in the U.S. mail with

proper postage and address.

V.2 **TERMINATION.** The right is reserved by the City to terminate this Agreement in whole or in part at any time upon ten (10) calendar days' written notice to the Consultant.

If this Agreement is terminated in its entirety by the City for its convenience, the City shall pay the Consultant for satisfactory services performed through the date of termination in accordance with payment provisions of Section IV.1.

V.3 **DISPUTES.** The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

V.4 **EXTENT OF AGREEMENT/MODIFICATION.** This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

V.5 **SEVERABILITY**

a. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

b. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

V.6 **NONWAIVER.** A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

V.7 **FAIR MEANING.** The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

V.8 **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

V.9 **VENUE.** The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Skagit County, Washington.

V.10 **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

V.11 **AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT.** The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth below.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

CITY OF SEDRO-WOOLLEY

XXXXX

By \_\_\_\_\_  
Julia Johnson, Mayor

By \_\_\_\_\_  
XXXX

Approved as to form:

\_\_\_\_\_

Nikki Thompson, City Attorney

**Exhibit A**  
**Scope of Services**

**Exhibit B  
Fee Schedule**

See attached Consultants Hourly **Schedule of Rates**



## Attachment B. Positions

### AFSCME Positions – Approximately 25 classifications, currently 35 employees

- Utility Worker/Eq. Operator I (Streets, Cemetery, Parks, Solid Waste)
- Utility Worker/Eq. Operator II (Streets, Cemetery, Parks, Solid Waste)
- Lead Utility Worker/Eq. Operator (Streets, Cemetery, Parks, Solid Waste)
- Foreman/Supervisor (Streets, Cemetery, Parks, Solid Waste)
- Custodian
- Mechanic (P/T) hourly
- Deputy Clerk
- Accounting Clerk
- Accounting Clerk/HR Assistant
- Secretary Clerk
- EMS Billing/ Medicare Compliance Clerk
- Permitting Technician
- Public Works Assistant
- Building Inspector
- Engineering/Planning Technician
- Collection Specialist
- WWTP OIT
- Plant Operator
  - Class I Plant
  - Class II Plant
  - Class III Plant
- Lead Operator
  - Class II Plant
  - Class III Plant
- Supervisor
  - Class III Plant

### NON REPRESENTED - 20 classifications, 20 employees currently

Chief of Police  
Lt. of Police  
Fire Chief  
Asst. Fire Chief  
Office Staff PT  
Planning Director  
Public Works Director  
Building Inspector  
Engineer Tech/Project Inspector  
Assistant Planner  
Court Clerk  
IT Director  
IT Specialist  
City Engineer

City Administrator  
Finance Director  
Waste Disposal  
Yard Janitor PT  
Yard Waste Attendant



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**REWARD SYSTEMS**  
Jacobson, Betts & Company

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April 22, 2022

Mr. Charlie Bush  
City Administrator  
City of Sedro-Woolley  
325 Metcalf Street  
Sedro-Woolley, WA 98284

Dear Mr. Bush Proposal Reviewers:

JB Reward Systems is pleased to submit the enclosed proposal to assist the City of Sedro-Woolley with compensation and job classification consulting services. Your description of the project scope and responses to our questions, have enabled us to develop a project work plan which we believe is uniquely responsive to your needs.

The City seeks assistance to modernize its job classification compensation plans for represented and non-represented staff. In that regard, the City wants assurance it receives decision support for, and tools to:

- Establish a market-responsive salary structure that is cost effective and competitive among peer municipalities and other employers.
- Modernize the internal alignment and equity among jobs to reflect changes in knowledge, skill, and ability requirements, the right spacing between skill and leadership levels on the salary structure to address pay compression, and support retention and career growth.
- Maintain the program once implemented. This means the ability to recognize and measure changes in job content, align new jobs, address elements such as salary compression and hard-to-fill jobs, and understand costs.

We believe we are the only bidder to this project with computer-aided tools to expedite the job alignment process, pinpoint equal pay and comparable worth issues, design salary structures, and help the City manage costs. The City receives the JOBMEAS™ system for evaluating jobs and our SALPLAN™ decision support model (which specifically addresses equal pay/comparable worth) as part of our service.

We are committed to devoting at least 180 professional hours over a period of about 80 days for the purpose of modernizing/designing your job classification system, salary structures, developing cost-effective implementation, and leaving with you state-of-the-art decision support

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PO Box 10036  
Bainbridge Island, Washington 98110  
206.624.4944

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Page 1

for budgeting, job evaluation, performance management, and compliance. We understand that the City could choose to include all groups mentioned in the FRP or to choose just non-represented or represented. While we believe it would be in the City's best interest to combine both, we have made our fee and expense proposal for all options.

We come to this project with substantial experience working with public sector organizations of similar size and complexity, where we have led and participated in many studies of similar size and scope having unique cost-of-living, economics, demographics, recruiting challenges, and serving populations many times larger than the official population.

There are several additional facts about our firm and its services that we believe add to our ability to serve the City and go beyond what other firms bring to the project.

- **Data Management and Decision Support.** We maintain a data warehouse of municipal salary information. We can support and expand upon the City's choice of competitive goals by linking them to organizational size, dynamics, and performance.

Our decision support models enable permanent archiving and cost/scenario analytics for implementation and future fiscal years.

- **Accessibility.** We reside in the region and share a commitment to quality of life and service that is consistent with the City's philosophy.

We are very enthusiastic about the potential of working with the City. If you select us, you have our commitment to high quality, cost-effective, and timely results. The proposal contains references. Please contact them.

Please contact me with questions or to provide additional discussion.

Very truly yours,



Vance B. Jacobson  
CEO and Managing Consultant

# City of Sedro-Woolley, Washington

## Classification and Compensation Study April 22, 2022

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## Our Firm and Experience

**REWARD SYSTEMS**  
Bainbridge Island, Washington

**JB**



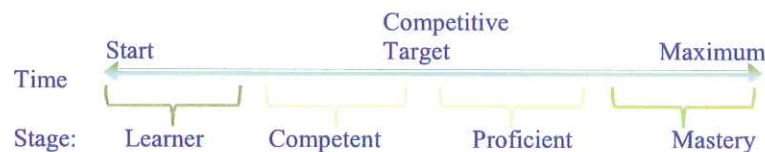
Successful organizations know that optimizing service, outcomes, and quality, and ultimately gaining a competitive advantage requires response to changing conditions and growth, and ultimately to the efficient management of human resources.

**JB Reward Systems** has served governments along with other industries for over 35 years and understands administrators' needs to assemble human resources programs that attract and retain highly skilled people and offer a quality of work life contributing to high levels of productivity. We help these clients develop and align compensation with the changing values in the workforce.

## A Record of Success and Creativity

Our experience in education and in Arizona is extensive. Here are some examples of recent successes and our record of creative solutions:

- The changing landscape in compensation inspires forward thinking educational districts to develop ways to select, grow, and advance staff in ways that are relevant and competitive in cross-industry labor markets. In Arizona, our most recent example, the labor market has shown significant compression between skill levels. Our creative work has redefined the regional market, improved internal pay relationships, and set a professional standard for salary administration. In rural Oregon and Washington, we have helped our municipal, healthcare, and tribal government clients use skill-based careers to enhance retention of key skills, particularly in small labor markets.
- Salary ranges supporting longer annual growth. We have led the transformation to wider salary ranges that match annual adjustments with the development of skills and competencies. Many organizations are converting from outdated plans to those offering extended job life cycles.



- Skill based careers. These are occupational career paths where advancement is based on gaining the skills and competencies to perform more difficult work. The skill-based model advances staff when skills and competencies are met.
  - Skill levels within careers that contain the core competencies needed to advance.
- Incentive steps where staff has opportunities to advance based on performance and/or technical and professional development to meet emerging initiatives.
- Salary range architecture to match organizations' unique recruiting challenges in local and regional markets with the sample competitive philosophies and, at the same time, remaining fiscally responsible and compatible with employees' values for working.



## **Our Services**

JB Reward Systems designs compensation plans enabling clients to recruit, retain, develop, and inspire the employees to be successful. Our job classification, job evaluation and measurement, and compensation systems provide organizations with stability and discipline in decision-making and are known to inspire administrators and employees to think in new directions.

Our systems are particularly well suited to service industries jobs are required to apply high levels of knowledge, skill, ability, and creativity to solve problems and share commitments for outcomes.

## **Total Compensation Planning**

Total compensation planning involves many elements representing both cost and value to the organization and its employees. Our approaches enable organizations to achieve fiscal and competitive goals, while at the same time, enhancing the attitude and contributions of employees.

### **Base Salary Programs**

- Philosophy
- Competitiveness
- Fairness
- Financial responsibility

### ***Base Salary Programs***

- Pay determination systems, administrative procedures, and planning features that are designed to reflect competitive and financial philosophies and objectives.
- Base salary programs to fit with emerging workforce values, provisions for accelerated growth tied to learning, faster feedback.

### ***Job Classification and Measurement Systems***

- The **JOBMEAS™** system is a sophisticated analytical tool that provides stability to pay-related decision-making. **JOBMEAS™** is the most advanced system of its kind in its ability to determine equitable internal pay relationships and accurately link them to competitive labor markets. **JOBMEAS™** is unlike any other system in its ability to measure job content by considering emerging elements that are important when determining pay.



- **JOBMEAS™** starts with a series of five charts, each validated to guide the evaluation process and establish a primary standard for aligning all jobs.

### Knowledge and Problem Solving Challenges

C. Sufficient knowledge and experience to operate specialized machinery, equipment, or perform specialized tasks. Learning development is required for some technical jobs, such as those requiring a high school diploma or equivalent.
D. Specialized knowledge and experience providing a specialized service or performing specialized techniques. Learning development is required for the completion of a formal technical/vocational curriculum often resulting in a degree.
E. Knowledge in a recognized professional field or technological discipline sufficient to command various principles, facts, and practical applications. Learning development is obtained by the completion of a college curriculum resulting in a bachelor's degree in a specialized field; advanced mathematics, very advanced language development, proficient understanding of practical systems.

	2. Work situations require consideration and interpretation of circumstances or information to choose the most effective responses. Solutions may be somewhat technical, yet are relatively straightforward obvious and well-defined once problems are understood. Responses come from the realm of prior learning and experiences.	3. Work situations are of sufficient scope and variety that significant interpretation and evaluation is required to successfully recognize and define problems. Highly technical judgments and/or constructive thinking involved. Alternative solutions must be considered and short-term action plans must be developed and sequenced.
808	872	936
872	936	1000
936	1000	1064

The JOBMEAS™ factors are set up to consider how knowledge blends problem solving, creativity, and decision-making,

The JOBMEAS™ factors are set up to consider how knowledge blends problem solving, creativity, and decision-making, recognize jobs requiring skills to deal with human relations challenges, acknowledge special skills and environmental factors, and give parity to jobs impacting the work of other teams, shared commitments, as well as budgets.

- **SALPLAN™** is our computer-aided model that records job measurement and salary information, computes and evaluates internal pay relationships, provides instant competitive and internal pay equity assessments, facilitates budgetary planning, and enables 'what if?' scenarios of an array of overall cost and pay allocation options.

### Job Descriptions

- All jobs in an organization should be part of a skill-based continuum or ladder that encourages personal growth and enhanced productivity. Our approach is to look at all jobs as part of a life cycle learning ladder.
- Our job descriptions express important aspects of job content. They are written to support job classification, pay and career ladder decisions, performance, and reasonable accommodations for the Americans with Disabilities Act. Our descriptions contain unique features such as the competencies required for advancement to jobs in a career path, problem solving challenges and end results associated with each major responsibility.

### *Compensation Data Services*

- We maintain up-to-date databases of total compensation. **JB Surveys** produce comparative analysis for special industry needs and emerging occupations and markets. **JB Data Services** can retrieve data on all aspects of compensation for all levels of jobs, accounting for regional labor market differences, cost-of-living, and governmental influence.
- We connect survey data to measures of **cost-of-living, community demographics**, and other factors to assure accurate competitive assessments.

### *Incentive Compensation*

The total compensation equation almost always considers rewards that are a variable cost of doing business. Many organizations find it important to offer rewards with an element of risk, for creating 'focus' on specific business goals, rewarding exemplary performance, and controlling labor cost structures -- so important to entering certain competitive markets. We design programs for senior executives to non-management teams and individual employees. As an illustration of our path-finding work for which we are recognized, we offer these samples:

- **Team-based Incentives.** These programs take a number of shapes and serve many purposes from productivity improvement, focused growth, to changing work processes and behaviors, to retention of key skills.
- **Total R Model.** Our most recent advancement is a total remuneration model that forms an essential partnership between employer and employee to make responsible choices on pay mix, competitiveness, and cost. It starts with the total cost of employing a specific job, then converts into specific elements based on employees personal values. Employees are rewarded in ways that are self important; the employer retains highly productive people.
- **Learning Partners.** Consider this situation: your organization pays below average salaries, you need to upgrade the skill base, and you have financial constraints. Our systems create a link between competitive advantage and skill/competency development, which we convert to a 'partnership' where enhancements in skills and work outcomes will fund competitive improvement. The 'learning' employee becomes a role model for new hires.

### *Executive Compensation*

- Executives, Administrators, and certain other key contributors who bear substantial identity with and risk of the success of the organization may be afforded special compensation treatment. We design total compensation arrangements for executives that are linked to strategic direction and outcomes. At this level, compensation takes on a dimension of financial planning where executives' personal preferences are linked to business outcomes.

### **Performance Management**

High-performance workplaces are viewed by executives as important to vitalizing the work force and developing a competitive edge. As the high-performing work team becomes more of a reality than a dream, new approaches to managing and measuring performance must follow.

JB Reward Systems designs productivity improvement programs, performance management and measurement systems, and information/administrative systems to monitor accomplishments at all levels -- organizational, product line or business unit, work team, and individual employee.

### *Performance Measurement*

Performance management systems have always enjoyed a love-hate relationship with organizations. We have found the leading contributors to effective programs to be 360<sup>0</sup> feedback and acknowledgment of the things learned and work done well. We work with employers to design systems from the inside - with their staff - and measure the right things in ways that enhance satisfaction. Consider these examples:

- ***The Learning Environment*** is one type performance measurement model that serves as a mechanism for recognizing employees who have enhanced or improved their skills during the business cycle. Our clients using this approach, embracing the concept of "*a learning employee is a performing employee*", and have found a positive link between this form of review and the satisfaction with rewards and recognition. They have also made the transition to high-performance work teams.
- ***Managing for Results*** is a leadership system linking business plans, organizational culture, and the compensation systems to getting results and developing skills.





## REWARD SYSTEMS

Jacobson, Betts & Company

### Our History

Founded in 1983 and incorporated as Jacobson, Betts & Company in 1991, we have a 35-year history of success and innovation. To date, JB Reward Systems consultants have served over 400 organizations in virtually every industry, including over 100 organizations providing public services.

Our core staffing for projects of this nature, all of whom are partners with the firm, would typically include Vance Jacobson as your project manager and principle consultant along with help from Danielle Fegley, and Matt Vosel. Other staff may participate as needed.

JB Reward Systems is a Washington corporation named Jacobson, Betts & Company, doing business as JB Reward Systems. We are also a Veteran-owned business.

Washington Sub-S Corporation  
Federal Tax Identification: 91-1503381

### Public Sector Employers We Have Served

City of Klamath Falls, OR  
City of Bend, OR  
City of Madras, OR  
Chandler Unified, AZ  
City of Sitka, AK  
Josephine County, OR  
Colville Tribal Government, WA  
Clovis Unified, CA  
Morrow County, OR  
Fremont High Schools, CA  
Grant Union High Schools, CA  
Hart High Schools, CA  
Kern Community Colleges, CA  
Lansing Colleges, MI  
Santa Ana Schools, CA  
Merced County Education Office, CA  
Napa County Education Office, CA  
Orland Schools, CA  
Pierce College, WA  
Redmond Unified, OR  
Santa Barbara County Educ. Office  
Seattle Community Colleges, WA  
Simi Valley Unified, CA  
Tacoma Public Schools, WA  
Walnut Valley Unified, CA  
Westside Elementary, CA  
Ventura County Education Office  
JO Combs Unified, AZ

City of Kenmore, WA  
City of Redmond, OR  
Port of Seattle, WA  
Jefferson County, OR  
City of Wrangell, AK  
El Monte City Schools, CA  
Deschutes County, OR  
Clackamas County, OR  
Gilbert Unified, AZ  
Snohomish County, WA  
Guadalupe Elementary, CA  
Higley Unified, AZ  
Kern County High Schools, CA  
Lassen College, CA  
Long Beach City College, CA  
Mountain Empire Schools, CA  
Napa Valley Unified, CA  
Paschal Sherman Indian School, WA  
Portland Community College, OR  
Redwoods Community College, CA  
Santa Barbara Unified, CA  
Seattle Public Schools, WA  
Sonoma County Education Office, CA  
Tempe High Schools, AZ  
Washington Unified, CA  
Whittier High Schools, CA  
Coast Colleges, CA  
Lewis County, WA

King County, WA  
City of Oregon City, OR  
City of Ketchikan, AK  
City of Corvallis, WA  
City of Renton, WA  
El Monte High Schools, CA  
City of Juneau, AK  
State of Washington  
Glendora Unified, CA  
City of Creswell, OR  
Hancock College, CA  
Hughes-Elizabeth Lakes, CA  
Kings County Education Office, CA  
Linn Benton College, OR  
Los Rios Elementary, CA  
Natomas Unified, CA  
Oakley Elementary Schools, CA  
Pajaro Valley Unified, CA  
Queen Creek Unified, AZ  
San Jose Community Colleges, CA  
Santa Rosa Junior College, CA  
Sierra College, CA  
St. Helena Unified, CA  
Twin Rivers Unified, CA  
West Hills Colleges, CA  
Woodland Unified, CA  
Cerritos Colleges, CA  
Siletz Tribal Government

## Our Team and Resumes

**REWARD SYSTEMS**  
Bainbridge Island, Washington

**JB**



**REWARD SYSTEMS**  
Jacobson, Betts & Company

## Our Team



### Vance B. Jacobson

MBA Degree  
BBA Degree in Finance  
University of Oregon

Mr. Jacobson is the senior member and co-founder of Jacobson, Betts & Company, now doing business as JB Reward Systems. He has over twenty years of experience as a consultant, specializing in total compensation systems, organization design, and performance and productivity management systems. His industry experience is concentrated in health care, education, tribal government and corporations, manufacturing, and technology.

Prior to establishing this firm, Mr. Jacobson held increasingly responsible consulting and leadership positions as a Principal of an international consulting firm, a Partner of a regional consulting firm, and Manager with an international accounting firm where, in the consulting division, he was the firm's industry leader for education. Mr. Jacobson came from the transportation industry where he managed salary the administration, and training and organization development functions for a major railroad.

His specific background includes substantial project experience in the development of job evaluation and compensation systems, incentive and variable compensation programs for domestic and international positions, team oriented incentive plans rewarding productivity improvement, deferred compensation, benefits, salary surveys, and performance measurement systems that identify and reward competencies and accomplishments. He is particularly well known for his recent accomplishments in:

- designing job classification and salary systems that recognize learning and use of skills through career ladders,
- designing complex organization structures that are setup to maximize customer service,
- designing models for optimizing work schedules and staffing levels and mix,
- linking rewards to key competencies required to reach business plans, and
- linking organization design, job design, accountabilities, and compensation to total quality improvement programs.

Mr. Jacobson is the author of the firm's proprietary job measurement technology, **JOBMEAS™**, which is well known for its capabilities for assigning optimum relative value to the content of jobs. He is the author of the model, **SALPLAN™**, which automates the salary related decision-making process.

Mr. Jacobson has provided expert testimony and has made numerous presentations to business groups in the areas of compensation and organization improvement. His publications have appeared in professional journals and have been used as training materials.

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PO Box 10036  
Bainbridge Island, Washington 98110

Page 1



**Danielle Fegley**

MBA Degree in Strategic Management  
Temple University  
BBA Degree in Management  
University of Alaska Anchorage

Ms. Fegley is a senior consultant and partner with JB Reward Systems. She has over fifteen years of experience as a Human Resources professional, having recently held Human Resources Director positions with Deschutes County, Central Oregon Community College, and the Municipality of Anchorage. Her specific experience includes project management and HRIS implementations, labor and employee relations, and compensation and benefits administration.

Ms. Fegley has developed specific expertise in designing and implementing job classifications, careers, and compensation structures to be compatible with 'best-practices'. She owns SHRM credentials.



**Matthew Vosel**

BS Degree Auburn University  
Business Administration

Mr. Vosel is a senior consultant and partner with JB Reward Systems. He has over eight years of experience in human resources and project management. Matt comes to us as a Captain in the US Air Force where he was responsible for managing significant projects, directing a large staff in tactical operations and logistics including those in combat theaters, and in all aspects of human resources management where he received distinguished recognition.

While stateside and deployed, Matt was responsible for blending military presence into the dynamics of the communities served. Part of his responsibility was to develop education and activities to enhance service members' sensitivity to local customs and diversity. Internally, he was responsible for staffing, productivity, and the professional development of multiple teams of support staff. These skills are important for understanding careers and work values.

He has most recently completed projects for the City of Klamath Falls, Oregon, and Whittier High School District, California. Matt is the administrator for the firm's salary survey data warehouse.

### III

## References

**REWARD SYSTEMS**  
Bainbridge Island, Washington

**JB**





### Our Most Recent References

1. **Lewis County**, Washington. Please contact Mr. Steve Wohld, Chief of Internal Services at (360) 740-3349. Email: [steve.wohld@lewiscountywa.gov](mailto:steve.wohld@lewiscountywa.gov).
  - Salary structure development to include minimum wage, competitive and internal pay equity solutions, and pay compression.
2. **City of Klamath Falls**, Oregon. Please contact Ms. Jessica Lindsay, Acting City Manager at (541) 883-5316. Email: [JLindsay@klamathfalls.city](mailto:JLindsay@klamathfalls.city). Also contact the former Ms. Toni Thompson, HR Supervisor, at (541) 883-5344.
  - Comprehensive job classification and compensation review of all staff. Successful Implementation of salary structures competitive in cross-industry environments.
  - Structure development to include minimum wage and equal pay solutions.
  - Equal pay analysis
3. **Mason General Hospital District, Shelton, WA**. Please contact Mr. Kevin Keller, Director of Human Resources, at (360) 427-3664. Email: [kkeller@masongeneral.com](mailto:kkeller@masongeneral.com).
  - Comprehensive job classification and compensation review of all staff.
  - Decision support systems and implementation plan to improve competitiveness.
4. **Confederated Tribes of the Colville Reservation**, Nespelem, WA. Please contact Mr. Patrick Tonasket, COO, and Mr. Brian Nissen, Director of Human Resources at the tribal offices (509) 634-2286. Emails: [patrick.tonasket@colvilletribes.com](mailto:patrick.tonasket@colvilletribes.com)  
[Brian.Nissen@colvilletribes.com](mailto:Brian.Nissen@colvilletribes.com)
  - Comprehensive job classification and compensation review of all staff.
  - Decision support systems and implementation plan to improve competitiveness.
5. **Tempe Union High School District**, Arizona. Please contact Dr. Mary Keller, Executive Director of Human Resources at (480) 839-0292. Email: [mkeller@tuhsd.k12.az.us](mailto:mkeller@tuhsd.k12.az.us)
  - Comprehensive job classification and compensation review of all staff. Successful Implementation of salary structures competitive in cross-industry environments.
  - Structure development to include minimum wage, pay equity and compression solutions.
6. **Chandler Unified School District**, Arizona. Please contact Dr. Wendy Nance, Assistant Superintendent of Human Resources at (480) 812-7620. Email: [nance.wendy@cUSD80.com](mailto:nance.wendy@cUSD80.com)
  - Comprehensive job classification and compensation review of all staff. Successful Implementation of salary structures competitive in cross-industry environments.
  - Structure development to include minimum wage, pay equity and compression solutions.

## IV

### Scope of Services

**REWARD SYSTEMS**  
Bainbridge Island, Washington

**JB**



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**REWARD SYSTEMS**  
Jacobson, Betts & Company

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## **PROJECT SCOPE AND UNDERSTANDING**

The City of Sedro-Woolley has designed a project that enables us to combine traditional competitive and job classification assessments with a forward thinking approach to the design of expanded salary structures that blend competitiveness and financial responsibility, address pay compression, and above all provide pay equity solutions among employees. We will:

- Analyze participating job classifications and content and align them in a meaningful way based on differences in mental, physical, and human relations skill and effort, conditions, and responsibility.
- Conduct a compensation survey data gathering effort of comparable organizations using both traditional and emerging job designs for a sample of 'benchmark' positions. We will facilitate discussions about the organizations that are most suitable for comparison by considering service area population, cost-of-living, and forward thinking programs. The survey summary is prepared in accordance with professional standards explained in the work plan, chapter V. Using a sample will enable better results for internal equity.
- Design pay structures that are responsive to the market trends, deal compression in pay levels, are cost effective and will enable recruitment and retention of key skills. The JOBMEAS<sup>TM</sup> system is specifically designed as a tool for identifying and resolving pay equity issues and challenges, including hire-in practices. Our decision support model has a tool that provides guidance for hire-in practices, even for the hard-to-fill positions.
- Develop step-by-step short-and-long range implementation strategies that are compatible with the City's financial and growth outlook. This includes total cost, departmental costs, and the salary progression per employee over a 4-year period.
- Provide technical documentation for the JOBMEAS<sup>TM</sup> evaluation system and the SALPLAN<sup>TM</sup> decision support model. We will conduct training and offer technical support for the remainder of the calendar year.
- Prepare a final report that includes a description of the process, findings, and recommendations, and be available for meetings, implementation, and presentations.
- Recommend a plan for ongoing internal maintenance of the compensation plan that includes considerations for competitiveness, design of new positions/roles, and cost.

While brief, we will comply with the elements described in the Scope of Services section of the RFP and for each of the non-represented and represented employee groups.

## Our Proposed Work Plan

- Timeline
- Deliverables

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Bainbridge Island, Washington

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## Technical Work Plan and Deliverables

### TASK A. INITIATE SERVICES

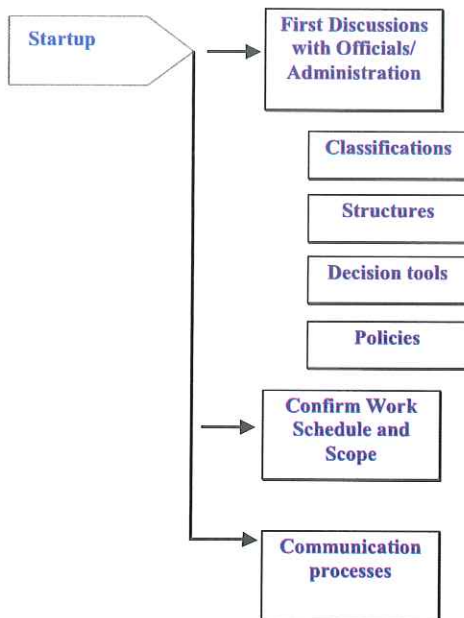
The initial project phase will enable us to learn about the City's current challenges and future needs and goals. We will work with City Administration and Human Resources and participating employees to define total compensation program needs, ultimately providing us with specific direction for the remainder of the study.

**Step 1: Conduct Preliminary Assessments.** We will assess the current program and engage in dialogue with City officials and leadership about compensation plan designs, such as, but not limited to:

- specific job designs,
- grouping of exempt positions,
- competitive positioning,
- architecture of salary ranges,
- the role and cost of benefits impacting total compensation, and
- decision-making processes.

As part of this step, we will:

- Learn about the City's existing organization structures, recent and proposed changes in key contributor job designs.
- Initiate discussions with the City about its compensation strategy and challenges such as but not limited to:
  - Job categories and definitions
    - ⇒ Modernize current job designs
    - ⇒ Future job design needs
  - Salary structure and design options to support -
    - ⇒ Internal pay equity and pay compression
    - ⇒ Competitive and cost goals
    - ⇒ Long term salary growth
  - Decision-making
    - ⇒ Job alignment/evaluation tools
    - ⇒ Pay equity and the continuing ability to achieve comparable worth among jobs
- Conduct initial orientation of Human Resources staff.
  - The first of two training sessions.
  - The process for reviewing specific jobs.
  - Job evaluation system.
- Confirm the work plan and milestones to ensure the work plan steps are structured to meet the project's objectives.



Hours: 10

Calendar: Days 1-2

**TASK A Deliverables:**

- Management, staff communications
- Orientations
- Final Work Plan
- SALPLAN™ model

**Step 2: Develop Communications and Introduce the Project.**

We will meet and have meetings/communications with management and other key staff, as necessary to develop and discuss:

- Schedules, objectives, and expectations,
- The participative climate,
- Criteria for job titles and qualifications,
- The job classification process,
- Accessing job content worksheet materials, and
- Communications and problem solving procedures

**Step 3: Upload Employee Pay Information.** We will ask for existing salary and benefit information, structures, and supplemental forms of cash and non-cash compensation. This information will assist us in constructing the SALPLAN™ decision support model.

**TASK B. JOB ANALYSIS STUDIES**

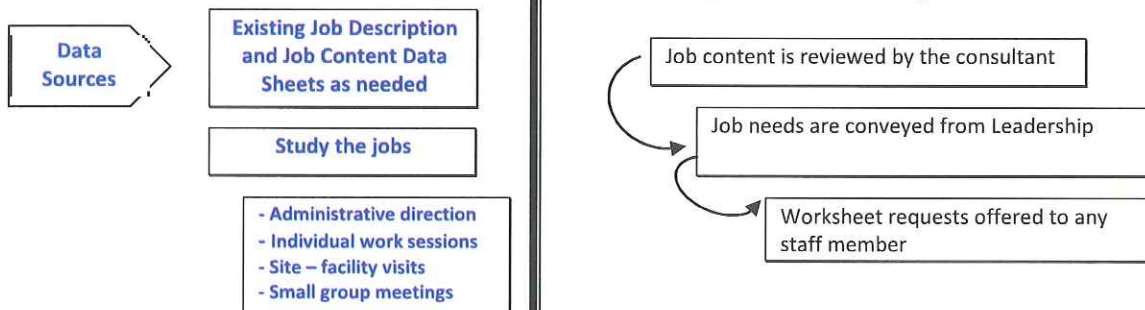
We believe the City should install a proven and logical decision-making process for classifying and placing management and key contributor positions into salary ranges (job evaluation, see below).

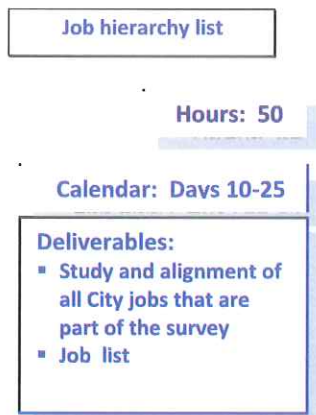
**Step 1: Collect Job Description Information.** We will work with Human Resources to:

- Collect, review, and assess existing job documentation information to improve job level definitions.
- Learn about the job skills, designs, and duties that will be needed in the future.
- Suggest consolidations and/or expansions of existing positions, creation of new ones, and elimination of those not used or supporting the City's current and future needs.

**Step 2: Distribute Requests to Update Job Content.** We will offer a Job Content Worksheet for distribution, as needed, to get additional and meaningful information about selected jobs.

We have developed a unique 2-page worksheet that offers an easy-to-use method for updating job content and preparing us for job analysis studies. The procedure for issuing the worksheet will be:





**Step 3: Meet with Department Heads.** We will meet with management to learn about services and strategic directions:

- Learn about skill-level and position dynamics for jobs to be included in the salary survey,
- Identify the City's emerging needs, and
- Learn more about their organizations and secondly, about the subordinate jobs and future needs.

**Step 4: Conduct Job Analysis Work Sessions.** We will hold work sessions in one-on-one or site visit setting, to work with **at least one staff member in the participating positions and for all careers.**

- For purposes of setting a combined project budget, we estimate conducting approximately 60 work sessions.
- Suggest amendments to existing job descriptions.

### TASK C. APPLY JOB EVALUATION SYSTEM

The job evaluation (measurement) phase of the project will align all positions and employees into the proper salary range, striking a balance between internal equity – the primary standard – and the labor market.

#### This is the first step to Assess Internal Pay Equity

The JOBMEAS™ system of evaluation is the key to professional salary administration. It is a point-factor system that is widely recognized for its ability to accurately balance internal alignment (fairness) and external competitiveness of jobs. We believe this system to be of superior design and optimally weighed, thus providing a consistent approach (with rater reliability) to evaluating internal equity and assigning jobs to pay grades:

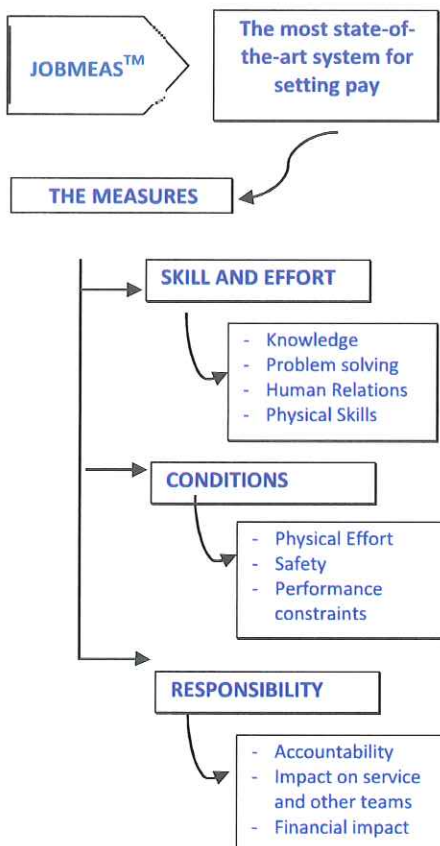
We will evaluate all positions using the point factor job evaluation system, **JOBMEAS™**.

The **JOBMEAS™** will enable us to develop:

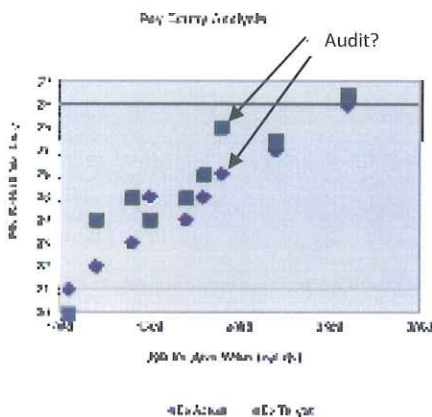
- Groupings of positions with comparable worth to each other,
- Proper spacing to define organization levels, define promotions, and minimize pay compression.

The **JOBMEAS™** system is widely used in private industry, service, and public sector organizations for all types and levels of positions. The **JOBMEAS™** system consists of five factors which constructed to conform to the basic legal requirements that pay can be differentiated on differences in skill, effort, conditions and responsibility.

**JOBMEAS™** evaluates key job content factors and focuses on job content, not on the individual performance. This job relatedness feature is a crucial test in auditing pay equity.







### Task C Hours: 20

Calendar: Days 4, 30-40

#### Deliverables:

- Position Hierarchy
- Pay Equity Analysis
- Briefing to Admin., HR
- Job Evaluation Training

Hours: 20

Calendar Days: 25-50

#### Deliverables:

- Description enhancement information.

**Step 1: Evaluate all Positions.** We will conduct a point-factor evaluation of all positions which will produce a hierarchy of job classifications arranged from high to low.

**Step 2: Analyze Pay Equity.** We will analyze the equity of the organization's internal pay practices.

**Step 3: Study 'Outlier' Positions.** If there are positions with pay above or below an acceptable 'band', we will conduct a special review to make sure we have (1) the correct information or (2) there is an inequity.

**Step 4: Review Positions with City Administration.** We will review the position list with Administrators and Human Resources and, discuss new information, ideas, and concerns about alignment of participating positions.

This step is also important for these reasons –

- Construct an equitable salary structure, and
- Select optimal **SURVEY BENCHMARKS**
- Assure selections are **NON-DISCRIMINATORY**

Sample Salary Grade	Tech. & Finance	Public Works	Planning	City Admin.	Misc.
35				B	
33	B		B		
30				B	B
27					
24		B	B	B	
21	B				
18			B		
15		B			B

### TASK D. UPDATE DESCRIPTIONS

**Step 1: Prepare Enhancements to Position Descriptions.** We have allotted some time, just in case, to make enhancements to the City's existing position descriptions. Data we might obtain:

Some of data we may receive to benefit the City

Competencies for advancing in a professional career path

Outcomes from duties and responsibilities

ADA language for both cognitive and physical abilities



## TASK E. SALARY SURVEY

We will compare the current total compensation of the City with competitive practices in the region and among municipal governments similar financial makeup and may compete for qualified staff.

### Compensation Survey: 25 positions and 8-12 organizations.

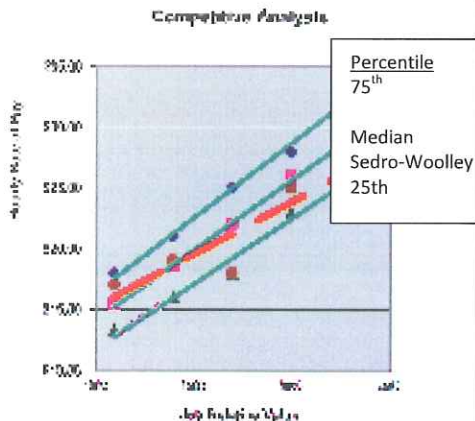
**Step 1: Identify Sources of Survey Data.** We will collect salary information from ideally 8-15 organizations, identified by the City as comparable in scope and quality of service, size, complexity, local cost-of-living, and location. Supplemental resources available for this project, using the JB REWARD SYSTEMS databases:

<b>Local:</b>	Cities within Puget Sound
<b>Regional:</b>	Similar municipality demographics
<b>Other possibilities:</b>	
▪ Healthcare	JB Reward Systems Database
▪ Industry	"
▪ Education	"

**Step 2: Collect Compensation Survey Data.** We will obtain salary and related cost information from "targeted" employers.

- Above referenced positions
- Salary Ranges and Structures
  - Ranges (minimum and maximum),
  - Structure features (e.g., years to the max.)
- Other arrangements the City sponsors for such as benefits, longevity, professional development, and additional education, certifications, stipends, etc.

**Step 3: Compile Compensation Survey Data.** We will collect and tabulate the total compensation survey information in tabular and presentation graphic format. Data will be reported in accordance with professional standards, that being quartiles and averages. Other data will be or by frequency count, narrative, and cost.



### City Engineer, in \$000

Range	Percentile	25 <sup>th</sup>	50 <sup>th</sup>	Avg.	60 <sup>th</sup>	75 <sup>th</sup>	City Range	Competitive Standing
Start		\$ 86.6	91.1	91.8	93.6	96.6	90.0	45 <sup>th</sup> Pctl.
Year 5		\$104.8	112.4	113.0	119.4	123.6	107.4	35 <sup>th</sup> Pctl.
Max.		\$110.0	118.0	120.7	127.3	132.8	112.8	30 <sup>th</sup> Pctl.

Hours: 40

Calendar: Days 20-40

#### Deliverables:

- Survey of a minimum of 8 organizations
- Implications to the City's salary schedules

If the City would like to adopt new salary grid architecture, e.g.,

- Wider ranges with more, smaller steps ----
  - The SALPLAN™ model will simulate and give costs for change scenarios

Hours: 20

Calendar Days: 50-60

#### Deliverables:

- Compensation Structures to support City goals
- Implementation Cost Analysis using SALPLAN™ decision support model

## TASK F. SALARY STRUCTURE DESIGN

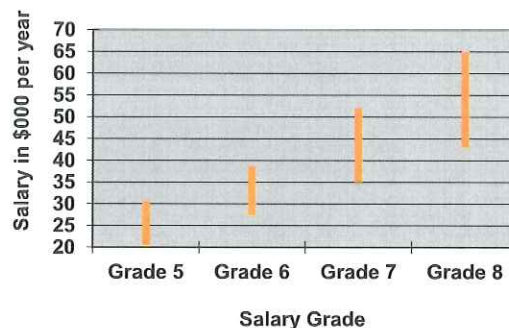
Designing a compensation structure/schedule involves the integration of several factors including compensation philosophy, culture, and ability to fund a specific compensation system.

The plan must be internally equitable, competitive, **affordable**, and meet the organization's requirements concerning recruitment, retention, and performance goals. We will work with the City to reassure that compensation strategies fit with the recommended salary structures.

**Step 1: Create Structure Options.** We will facilitate a process to:

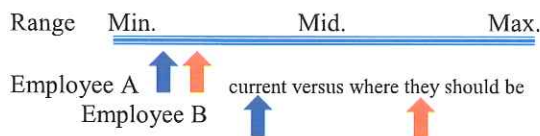
- Convert the competitive and internal business and academic objectives into precise analysis of cost-benefit implications at various competitive levels.
- Explore options for the specific design, or architecture of the salary grid.

**Step 2: Finalize Salary Structure Architecture.** We will produce a recommended salary structure for all categories and levels of positions in the City. We will suggest that a grade system be continued and options be established for all levels and job classifications, including part-time.



**Step 3: Develop a Range Conversion Plan.** We will prepare recommendations and procedures to the City that will provide graded compensation structures encompassing and connecting all plans and positions.

**Step 4: Re-analyze Internal Pay Equity.** We will do a second analysis to finish the evaluation of internal pay equity.



Our analysis includes complete cost implications.

## TASK G. FINAL IMPLEMENTATION PLAN

This task is designed to convert all previous steps into a step-by-step short and long-term implementation and program maintenance plan. The SALPLAN™ model will facilitate a detailed cost impact analysis for the City and each employee for a 3-year period.

**Step 1: Develop Implementation Plan.** There are several considerations to developing an implementation plan:

- development of the strategy or plan,
- internal equity issues,
- implementation cost and limitations, and
- time required to implement in the new strategy.

The implementation plan includes costs, cash flows, and timing to reach internal equity and competitiveness goals.

**Step 2: Recommend Policies and Procedures for Salary Administration.** We will recommend policies, procedures, and decision support, as needed.

## TASK H. REPORTS & PRESENTATIONS

We will prepare a report in hard copy and an electronic file for submittal to the City. The City will also receive one copy JOBMEAS™ system technical manual along with training and will sign a license agreement to protect copyrights. The final report:

- **Section 1. Management Summary.** We will highlight key findings and recommendations:
  - Competitiveness, actual versus strategy.
  - Salary survey summary.
  - Internal alignment of non-represented positions.
  - Recommended salary structures.
- **Section 2. Implementation Plan.** The second section will be the recommended implementation plan that includes accurate cost projections.
- **Section 3. Technical Materials.** Proprietary materials that provide guidance to program maintenance, including a technical manual for:
  - JOBMEAS™ SALPLAN™ models
  - Position description updates
  - Training and technical materials.

We will present our report to the City and be available to make a presentation to the City's elected governing board, administration, and employee groups.

Hours: 40

Calendar Days: 60-80

### Deliverables:

- Implementation plan that is reasonable
- Report and Training
- Communications

## Our Fee/Cost Proposal

**REWARD SYSTEMS**  
Bainbridge Island, Washington

**JB**





**Fee Proposal  
Classification & Compensation Study  
For  
The City of Sedro-Woolley, Washington**

Our professional fees consider the number of hours spent on the assignment extended by the established project rates for the consultant team and/or the type of service. Unanticipated expenses for local fees and taxes are based on actual cost and are in addition to professional fees.

We do not bill for travel time. We generate statements in the following manner:

- Statements customarily issued on a monthly basis during the course of the project as time and expenses actually occur, with net-20 day terms.

<u>Professional Fees</u>	<u>Hrs.</u>	<u>Rate</u>	<u>Combined Fees</u>	<u>Single group Hrs</u>	<u>Fees</u>
Task A, Startup & Presentations	10	\$140		10	
Task B, Job Analysis Studies	50	\$140		35	
Task C, Job Evaluation	20	\$140		15	
Task D, Description Enhancements	20	\$140		10	
Task E, Salary Survey	40	\$140		25	
Task F, Structure	20	\$140		10	
Task G, Implementation					
Task H, Reports, Presentations	40	\$140		25	
<b>TOTAL PROFESSIONAL FEES</b>	<b>200</b>		<b><u>\$ 28,000</u></b>	<b>130</b>	<b><u>\$ 18,200</u></b>
<u>Expenses</u>					
Travel (transportation, lodging, meals)			\$ 800.00		\$ 600
Communications, administration, & reports			\$ -		\$ -
<b>FEE AND EXPENSE PROPOSAL</b>			<b><u>\$ 28,800</u></b>		<b><u>\$ 18,800</u></b>

Authorized by Vance Jacobson, CEO *VB Jacobson*